
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2010**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **1-14023**

Corporate Office Properties Trust

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

23-2947217
(IRS Employer
Identification No.)

6711 Columbia Gateway Drive, Suite 300, Columbia, MD
(Address of principal executive offices)

21046
(Zip Code)

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
 Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

As of October 21, 2010, 59,419,001 of the Company's Common Shares of Beneficial Interest, \$0.01 par value, were issued and outstanding.

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PART I: FINANCIAL INFORMATION

ITEM 1. Financial Statements

Corporate Office Properties Trust and Subsidiaries
Consolidated Balance Sheets
(Dollars in thousands)
(unaudited)

	September 30, 2010	December 31, 2009
Assets		
Properties, net:		
Operating properties, net	\$ 2,762,289	\$ 2,510,277
Properties held for sale, net	—	18,533
Projects under construction or development	586,861	501,090
Total properties, net	3,349,150	3,029,900
Cash and cash equivalents	11,733	8,262
Restricted cash and marketable securities	21,095	16,549
Accounts receivable, net	18,906	17,459
Deferred rent receivable	76,833	71,805
Intangible assets on real estate acquisitions, net	123,307	100,671
Deferred leasing and financing costs, net	56,568	51,570
Prepaid expenses and other assets	79,780	83,806
Total assets	\$ 3,737,372	\$ 3,380,022
Liabilities and equity		
Liabilities:		
Debt, net	\$ 2,468,419	\$ 2,053,841
Accounts payable and accrued expenses	88,461	116,455
Rents received in advance and security deposits	26,919	32,177
Dividends and distributions payable	29,899	28,440
Deferred revenue associated with operating leases	15,790	14,938
Distributions received in excess of investment in unconsolidated real estate joint venture	5,458	5,088
Other liabilities	12,698	8,451
Total liabilities	2,647,644	2,259,390
Commitments and contingencies (Note 16)	—	—
Equity:		
Corporate Office Properties Trust's shareholders' equity:		
Preferred Shares of beneficial interest with an aggregate liquidation preference of \$216,333 (\$0.01 par value; 15,000,000 shares authorized and 8,121,667 issued and outstanding at September 30, 2010 and December 31, 2009)	81	81
Common Shares of beneficial interest (\$0.01 par value; 125,000,000 shares authorized and 59,406,247 shares issued and outstanding at September 30, 2010; 75,000,000 shares authorized and 58,342,673 shares issued and outstanding at December 31, 2009)	594	583
Additional paid-in capital	1,271,363	1,238,704
Cumulative distributions in excess of net income	(265,695)	(209,941)
Accumulated other comprehensive loss	(4,861)	(1,907)
Total Corporate Office Properties Trust's shareholders' equity	1,001,482	1,027,520
Noncontrolling interests in subsidiaries:		
Common units in the Operating Partnership	61,867	73,892
Preferred units in the Operating Partnership	8,800	8,800
Other consolidated entities	17,579	10,420
Noncontrolling interests in subsidiaries	88,246	93,112
Total equity	1,089,728	1,120,632
Total liabilities and equity	\$ 3,737,372	\$ 3,380,022

See accompanying notes to consolidated financial statements.

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Corporate Office Properties Trust and Subsidiaries
Consolidated Statements of Operations
(Dollars in thousands, except per share data)

(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
Revenues				
Rental revenue	\$ 93,345	\$ 86,973	\$ 275,528	\$ 263,467
Tenant recoveries and other real estate operations revenue	21,205	17,159	60,507	51,780
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 Corporate Office Properties Trust	8,832	14,455	27,236	47,241
Preferred share dividends	(4,025)	(4,025)	(12,076)	(12,076)
Net income attributable to Corporate Office Properties Trust common shareholders	\$ 4,807	\$ 10,430	\$ 15,160	\$ 35,165
Net income attributable to Corporate Office Properties Trust:				
Income from continuing operations	\$ 7,785	\$ 14,106	\$ 24,975	\$ 46,207
Discontinued operations, net	1,047	349	2,261	1,034
Net income attributable to Corporate Office Properties Trust	\$ 8,832	\$ 14,455	\$ 27,236	\$ 47,241
Basic earnings per common share (1)				
Income from continuing operations	\$ 0.06	\$ 0.17	\$ 0.21	\$ 0.60
Discontinued operations	0.02	0.01	0.04	0.02
Net income attributable to COPT common shareholders	\$ 0.08	\$ 0.18	\$ 0.25	\$ 0.62
Diluted earnings per common share (1)				
Income from continuing operations	\$ 0.06	\$ 0.17	\$ 0.20	\$ 0.60
Discontinued operations	0.02	0.01	0.04	0.02
Net income attributable to COPT common shareholders	\$ 0.08	\$ 0.18	\$ 0.24	\$ 0.62

(1) Basic and diluted earnings per common share are calculated based on amounts attributable to common shareholders of Corporate Office Properties Trust.

See accompanying notes to consolidated financial statements.

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Corporate Office Properties Trust and Subsidiaries
Consolidated Statements of Equity
(Dollars in thousands)
(unaudited)

	Preferred Shares	Common Shares	Additional Paid-in Capital	Cumulative Distributions in Excess of Net Income	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance at December 31, 2008 (51,790,442 common shares outstanding)	\$ 81	\$ 518	\$ 1,112,734	\$ (162,572)	\$ (4,749)	\$ 136,411	\$ 1,082,423
Conversion of common units to common shares (2,824,000 shares)	—	28	61,368	—	—	(61,396)	—
Common shares issued to the public (2,990,000 shares)	—	30	71,795	—	—	—	71,825
Exercise of share options (388,487 common shares)	—	4	4,280	—	—	—	4,284
Share-based compensation	—	3	7,905	—	—	—	7,908
Restricted common share redemptions (76,090 shares)	—	—	(1,930)	—	—	—	(1,930)
Adjustments to noncontrolling interests resulting from changes in ownership of Operating Partnership by COPT	—	—	(21,090)	—	—	21,090	—
Adjustments related to derivatives designated as cash flow hedges	—	—	—	—	2,458	549	3,007
Decrease in tax benefit from share-based compensation	—	—	(152)	—	—	—	(152)
Net income	—	—	—	47,241	—	4,512	51,753
Dividends	—	—	—	(76,788)	—	—	(76,788)

Distributions to owners of common and preferred units in the Operating Partnership	—	—	—	—	—	(6,469)	(6,469)
Contributions from noncontrolling interests in other consolidated entities	—	—	—	—	—	757	757
Distributions to noncontrolling interests in other consolidated entities	—	—	—	—	—	(435)	(435)
Balance at September 30, 2009 (58,250,295 common shares outstanding)	<u>\$ 81</u>	<u>\$ 583</u>	<u>\$ 1,234,910</u>	<u>\$ (192,119)</u>	<u>\$ (2,291)</u>	<u>\$ 95,019</u>	<u>\$ 1,136,183</u>
Balance at December 31, 2009 (58,342,673 common shares outstanding)	\$ 81	\$ 583	\$ 1,238,704	\$ (209,941)	\$ (1,907)	\$ 93,112	\$ 1,120,632
Issuance of 4.25% Exchangeable Senior Notes	—	—	18,149	—	—	—	18,149
Conversion of common units to common shares (620,598 shares)	—	6	8,964	—	—	(8,970)	—
Costs associated with common shares issued to the public	—	—	(19)	—	—	—	(19)
Exercise of share options (271,242 shares)	—	3	4,394	—	—	—	4,397
Share-based compensation	—	2	8,724	—	—	—	8,726
Restricted common share redemptions (103,721 shares)	—	—	(3,862)	—	—	—	(3,862)
Adjustments to noncontrolling interests resulting from changes in ownership of Operating Partnership by COPT	—	—	(1,347)	—	—	1,347	—
Adjustments related to derivatives designated as cash flow hedges	—	—	—	—	(2,954)	(206)	(3,160)
Net income	—	—	—	27,236	—	1,516	28,752
Dividends	—	—	—	(82,990)	—	—	(82,990)
Distributions to owners of common and preferred units in the Operating Partnership	—	—	—	—	—	(5,945)	(5,945)
Contributions from noncontrolling interests in other consolidated entities	—	—	—	—	—	9,510	9,510
Acquisition of noncontrolling interests in other consolidated entities	—	—	(2,344)	—	—	(2,118)	(4,462)
Balance at September 30, 2010 (59,406,247 common shares outstanding)	<u>\$ 81</u>	<u>\$ 594</u>	<u>\$ 1,271,363</u>	<u>\$ (265,695)</u>	<u>\$ (4,861)</u>	<u>\$ 88,246</u>	<u>\$ 1,089,728</u>

See accompanying notes to consolidated financial statements.

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Corporate Office Properties Trust and Subsidiaries
Consolidated Statements of Cash Flows
(Dollars in thousands)
(unaudited)

	For the Nine Months Ended	
	September 30,	
	2010	2009
Cash flows from operating activities		
Net income	\$ 28,752	\$ 51,753
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and other amortization	89,830	83,660
Amortization of deferred financing costs	4,175	3,089
Increase in deferred rent receivable	(3,295)	(5,685)
Amortization of above or below market leases	(1,470)	(1,448)
Amortization of net debt discounts	4,360	2,520
Gain on sales of real estate	(3,921)	—
Share-based compensation	8,726	7,908
Other	(724)	(3,558)
Changes in operating assets and liabilities:		
Increase in accounts receivable	(1,648)	(320)
Decrease (increase) in restricted cash and marketable securities and prepaid expenses and other assets	8,165	(18,059)
(Decrease) increase in accounts payable, accrued expenses and other liabilities	(31,696)	15,311
(Decrease) increase in rents received in advance and security deposits	(5,702)	2,858
Net cash provided by operating activities	<u>95,552</u>	<u>138,029</u>
Cash flows from investing activities		
Purchases of and additions to properties	(360,498)	(146,120)
Proceeds from sales of properties	27,580	65
Mortgage and other loan receivables funded	(1,729)	(1,995)
Leasing costs paid	(7,717)	(6,778)
Investment in unconsolidated entity	(4,500)	(3,000)
Other	(2,241)	(3,118)
Net cash used in investing activities	<u>(349,105)</u>	<u>(160,946)</u>
Cash flows from financing activities		
Proceeds from debt, including issuance of exchangeable senior notes	825,475	775,147
Repayments of debt		
Scheduled principal amortization	(10,389)	(8,200)
Other repayments	(459,614)	(728,366)
Deferred financing costs paid	(7,086)	(1,830)
Net proceeds from issuance of common shares	4,378	76,109
Acquisition of noncontrolling interests in consolidated entities	(4,462)	—
Dividends paid	(81,376)	(73,220)
Distributions paid	(6,100)	(7,420)

Restricted share redemptions	(3,862)	(1,930)
Other	60	(4,167)
Net cash provided by financing activities	257,024	26,123
Net increase in cash and cash equivalents	3,471	3,206
Cash and cash equivalents		
Beginning of period	8,262	6,775
End of period	\$ 11,733	\$ 9,981
Supplemental schedule of non-cash investing and financing activities:		
Debt and other liabilities assumed in connection with acquisitions	\$ 74,244	\$ —
Increase in accrued capital improvements, leasing and other investing activity costs	\$ 4,308	\$ 6,297
Increase in property and noncontrolling interests in connection with property contribution to joint venture	\$ 9,000	\$ —
Increase in fair value of derivatives applied to AOCL and noncontrolling interests	\$ 3,206	\$ 2,962
Dividends/distribution payable	\$ 29,899	\$ 28,411
Decrease in noncontrolling interests and increase in shareholders' equity in connection with the conversion of common units into common shares	\$ 8,970	\$ 61,396
Adjustments to noncontrolling interests resulting from changes in ownership of Operating Partnership by COPT	\$ 1,347	\$ 21,090

See accompanying notes to consolidated financial statements.

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Corporate Office Properties Trust and Subsidiaries

**Notes to Consolidated Financial Statements
(unaudited)**

1. Organization

Corporate Office Properties Trust ("COPT") and subsidiaries (collectively, the "Company," "we" or "us") is a fully-integrated and self-managed real estate investment trust ("REIT") that focuses primarily on strategic customer relationships and specialized tenant requirements in the United States Government, defense information technology and data sectors. We acquire, develop, manage and lease 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. As of September 30, 2010, our investments in real estate included the following:

- 249 wholly owned operating office properties totaling 19.9 million square feet;
- 18 wholly owned office properties under construction, development or redevelopment that we estimate will total approximately 2.6 million square feet upon completion, including two partially operational properties included above;
- wholly owned land parcels totaling 1,559 acres that we believe are potentially developable into approximately 14.4 million square feet;
- a wholly owned, partially operational, wholesale data center which upon completion is expected to have an initial stabilization critical load of 18 megawatts; and
- partial ownership interests in a number of other real estate projects in operations, under development or held for future development.

We conduct almost all of our operations through our operating partnership, Corporate Office Properties, L.P. (the "Operating Partnership"), of which we are the managing general partner. The Operating Partnership owns real estate both directly and through subsidiary partnerships and limited liability companies ("LLCs"). A summary of our Operating Partnership's forms of ownership and the percentage of those ownership forms owned by COPT as of September 30, 2010 follows:

Common Units	93%
Series G Preferred Units	100%
Series H Preferred Units	100%
Series I Preferred Units	0%
Series J Preferred Units	100%
Series K Preferred Units	100%

Three of our trustees also controlled, either directly or through ownership by other entities or family members, an additional 6% of the Operating Partnership's common units.

In addition to owning interests in real estate, the Operating Partnership also owns entities that provide real estate services such as property management, construction and development and heating and air conditioning services primarily for our properties but also for third parties.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of COPT, the Operating Partnership, their subsidiaries and other entities in which we have a majority voting interest and control. We also consolidate certain entities when control of such entities can be achieved through means other than voting rights ("variable interest entities" or "VIEs") if we are deemed to be the primary beneficiary of such entities. We eliminate all significant intercompany balances and transactions in consolidation. We use the equity method of accounting when we own an interest in an entity and can exert significant influence over the entity's

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operations but cannot control the entity's operations. We use the cost method of accounting when we own an interest in an entity and cannot exert significant influence over its operations.

These interim financial statements should be read together with the financial statements and notes thereto as of and for the year ended December 31, 2009 included in our 2009 Annual Report on Form 10-K. The unaudited consolidated financial statements include all adjustments that are necessary, in the opinion of management, to fairly present our financial position and results of operations. All adjustments are of a normal recurring nature. The consolidated financial statements have been prepared using the accounting policies described in our 2009 Annual Report on Form 10-K except for the implementation of recent accounting pronouncements as discussed below.

Reclassifications

We reclassified certain amounts from the prior periods to conform to the current period presentation of our Consolidated Financial Statements with no effect on previously reported net income or equity.

Recent Accounting Pronouncements

We adopted amended guidance issued by the Financial Accounting Standards Board (“FASB”) effective January 1, 2010 related to the accounting and disclosure requirements for the consolidation of VIEs. This guidance requires an enterprise to perform a qualitative analysis when determining whether or not it must consolidate a VIE based primarily on whether the entity (1) has the power to direct matters that most significantly impact the activities of the VIE and (2) has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. The guidance also requires an enterprise to continuously reassess whether it must consolidate a VIE. Additionally, the standard requires enhanced disclosures about an enterprise’s involvement with VIEs and any significant change in risk exposure due to that involvement, as well as how its involvement with VIEs impacts the enterprise’s financial statements. As discussed further in Note 5, the adoption of this guidance did not affect our financial position, results of operations or cash flows.

We adopted guidance issued by the FASB effective January 1, 2010 that requires new disclosures and clarifications to existing disclosures pertaining to transfers in and out of Level 1 and Level 2 fair value measurements, presentation of activity within Level 3 fair value measurements and details of valuation techniques and inputs utilized. Our adoption of this guidance did not have a material effect on our financial statements or disclosures.

3. Fair Value Measurements

For a description on how we estimate fair value, see Note 2 to the consolidated financial statements in our 2009 Form 10-K.

The table below sets forth our financial assets and liabilities that are accounted for at fair value on a recurring basis as of September 30, 2010 and the hierarchy level of inputs used in measuring their respective fair values under applicable accounting standards (in thousands):

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Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Marketable securities (1)	\$ 7,996	\$ —	\$ —	\$ 7,996
Liabilities:				
Deferred compensation plan liability (2)	\$ 7,377	\$ —	\$ —	\$ 7,377
Interest rate derivatives (2)	—	4,943	—	4,943
Liabilities	\$ 7,377	\$ 4,943	\$ —	\$ 12,320

(1) Included in the line entitled “restricted cash and marketable securities” on our Consolidated Balance Sheet.

(2) Included in the line entitled “other liabilities” on our Consolidated Balance Sheet.

The carrying values of cash and cash equivalents, restricted cash, accounts receivable, other assets (excluding mortgage loans receivable) and accounts payable and accrued expenses are reasonable estimates of their fair values because of the short maturities of these instruments. Fair value estimates are made at a specific point in time, are subjective in nature and involve uncertainties and matters of significant judgment. Settlement of such fair value amounts may not be possible and may not be a prudent management decision.

For additional fair value information, see Note 7 for mortgage loans receivable, Note 8 for debt and Note 9 for derivatives.

4. Properties, net

Operating properties, net consisted of the following (in thousands):

	September 30, 2010	December 31, 2009
Land	\$ 493,979	\$ 479,545
Buildings and improvements	2,747,528	2,445,775
	3,241,507	2,925,320
Less: accumulated depreciation	(479,218)	(415,043)
	\$ 2,762,289	\$ 2,510,277

As of December 31, 2009, 431 and 437 Ridge Road, two office properties in Dayton, New Jersey totaling 201,000 square feet, and a contiguous land parcel that we were under contract to sell were classified as held for sale. We completed the sale of the office properties on September 8, 2010 for \$20.9 million and recognized a gain of \$784,000. We also completed the sale of the contiguous land parcel on September 8, 2010 for \$3.0 million and recognized a gain of \$2.5 million. The components associated with these properties as of December 31, 2009 included the following (in thousands):

Land, operating properties	\$ 3,498
Land, development	512
Buildings and improvements	21,509
Construction in progress	583
	26,102
Less: accumulated depreciation	(7,569)
	\$ 18,533

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Projects under construction or development consisted of the following (in thousands):

	September 30, 2010	December 31, 2009
Land	\$ 241,937	\$ 231,297
Construction in progress	344,924	269,793
	<u>\$ 586,861</u>	<u>\$ 501,090</u>

2010 Acquisitions

Our acquisitions during the nine months ended September 30, 2010 included:

- 1550 Westbranch Drive, a 152,000 square foot office property in McLean, Virginia that was 100% leased, for \$40.0 million on June 28, 2010;
- 9651 Hornbaker Road, a 233,000 square foot wholesale data center known as Power Loft @ Innovation in Manassas, Virginia, for \$115.5 million on September 14, 2010. Rents for this property are based on the amount of megawatts of power made available for the exclusive use of tenants in the property; we refer to this power 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; and
- 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 Washington, DC that were 100% leased for \$122.1 million on September 28, 2010. The buildings are subject to ground leases that expire in 2099 and 2100. In connection with this acquisition, we assumed a \$70.1 million mortgage loan having a fair value at assumption of \$73.3 million with a stated fixed interest rate of 5.35% (effective interest rate of 3.95%) that matures in March 2014.

The table below sets forth the allocation of the acquisition costs of these properties (in thousands):

Land, operating properties	\$ 6,100
Land, development	5,545
Building and improvements	138,335
Construction in progress	85,525
Intangible assets on real estate acquisitions	42,315
Total assets	277,820
Below-market leases	(231)
Total acquisition cost	<u>\$ 277,589</u>

Intangible assets recorded in connection with the above acquisitions included the following (dollars in thousands):

		Weighted Average Amortization Period (in Years)
In-place lease value	\$ 21,289	4
Tenant relationship value	14,309	10
Below-market ground leases	6,193	40
Above-market leases	524	2
	<u>\$ 42,315</u>	<u>6</u>

2010 Construction, Development and Redevelopment Activities

During the nine months ended September 30, 2010, we had six newly constructed office properties totaling 804,000 square feet (two in the Baltimore/Washington Corridor, two in Colorado Springs, Colorado and two in San Antonio, Texas) become fully operational (94,000 of these square feet were placed into service in 2009) and placed into service 42,000 square feet in one partially operational office property in Greater Baltimore.

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As of September 30, 2010, we had construction underway on eight office properties totaling 845,000 square feet (three in the Baltimore/Washington Corridor, three in Greater Baltimore, one in San Antonio and one in St. Mary's and King George Counties) (including 42,000 square feet placed into service in one partially operational property). We also had development activities underway on ten office properties totaling 1.4 million square feet, including two through a consolidated real estate joint venture (four in the Baltimore/Washington Corridor, two in San Antonio, two in Huntsville, Alabama, one in Greater Baltimore and one in Northern Virginia). In addition, we had redevelopment underway on two office properties totaling 576,000 square feet (one in the Baltimore/Washington Corridor and one in Greater Philadelphia).

5. Real Estate Joint Ventures

During the nine months ended September 30, 2010, we had an investment in one unconsolidated real estate joint venture accounted for using the equity method of accounting. Information pertaining to this joint venture investment is set forth below (in thousands):

Investment Balance at		Date Acquired	Ownership	Nature of Activity	Maximum Exposure to Loss (1)
September 30, 2010	December 31, 2009				
\$ (5,458)(2)	\$ (5,088)(2)	9/29/2005	20%	Operates 16 buildings	\$ —

(1) Derived from the sum of our investment balance and maximum additional unilateral capital contributions or loans required from us. Not reported above are additional amounts that we and our partner are required to fund when needed by this joint venture; these funding requirements are proportional to our respective ownership percentages. Also not reported above are additional unilateral contributions or loans from us, the amounts of which are uncertain, that we would be required to make if certain contingent events occur (see Note 16).

- (2) The carrying amount of our investment in this joint venture was lower than our share of the equity in the joint venture by \$5.2 million at September 30, 2010 and December 31, 2009 due to our deferral of gain on our contribution of real estate into the joint venture upon its formation. A difference will continue to exist to the extent the nature of our continuing involvement in the joint venture remains the same.

The following table sets forth condensed balance sheets for this unconsolidated real estate joint venture (in thousands):

	September 30, 2010	December 31, 2009
Properties, net	\$ 61,652	\$ 62,990
Other assets	4,374	5,148
Total assets	\$ 66,026	\$ 68,138
Liabilities (primarily debt)	\$ 67,351	\$ 67,611
Owners' equity	(1,325)	527
Total liabilities and owners' equity	\$ 66,026	\$ 68,138

The following table sets forth condensed statements of operations for this unconsolidated real estate joint venture (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
Revenues	\$ 2,094	\$ 2,202	\$ 6,283	\$ 6,935
Property operating expenses	(902)	(864)	(2,728)	(2,535)
Interest expense	(899)	(1,002)	(2,846)	(2,976)
Depreciation and amortization expense	(826)	(803)	(2,561)	(2,405)
Net loss	\$ (533)	\$ (467)	\$ (1,852)	\$ (981)

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The table below sets forth information pertaining to our investments in consolidated real estate joint ventures at September 30, 2010 (dollars in thousands):

	Date Acquired	Ownership % at 9/30/2010	Nature of Activity	September 30, 2010 (1)		
				Total Assets	Pledged Assets	Total Liabilities
M Square Associates, LLC	6/26/2007	50.0%	Operating two buildings and developing others (2)	\$ 58,805	\$ —	\$ 1,085
Arundel Preserve #5, LLC	7/2/2007	50.0%	Operating one building (3)	29,838	29,481	16,805
LW Redstone Company, LLC	3/23/2010	85.0%	Developing land parcel (4)	14,430	—	288
COPT-FD Indian Head, LLC	10/23/2006	75.0%	Developing land parcel (5)	7,444	—	—
MOR Forbes 2 LLC	12/24/2002	50.0%	Operating one building (6)	3,926	—	69
				\$ 114,443	\$ 29,481	\$ 18,247

(1) Excludes amounts eliminated in consolidation.

(2) This joint venture's properties are in College Park, Maryland.

(3) This joint venture's property is in Hanover, Maryland (in the Baltimore/Washington Corridor).

(4) This joint venture's property is in Huntsville, Alabama.

(5) This joint venture's property is in Charles County, Maryland.

(6) This joint venture's property is in Lanham, Maryland (in the Suburban Maryland region).

We determined that all of our real estate joint ventures were VIEs under applicable accounting standards. As discussed in Note 2, we adopted amended guidance issued by the FASB effective January 1, 2010 related to the accounting and disclosure requirements for the consolidation of VIEs. Upon adoption of this standard on January 1, 2010, we re-evaluated our existing:

- unconsolidated real estate joint venture and determined that we should continue to account for our investment using the equity method of accounting primarily because our partner has: (1) the power to direct the matters that most significantly impact the activities of the joint venture, including the management and operations of the properties and disposal rights with respect to such properties; and (2) the right to receive benefits and absorb losses that could be significant to the VIE through its proportionately larger investment; and
- consolidated real estate joint ventures and determined that we should continue to consolidate each of them because we have: (1) the power to direct the matters that most significantly impact the activities of the joint ventures, including development, leasing and management of the properties constructed by the VIEs; and (2) both the obligation to fund the activities of the ventures to the extent that third-party financing is not obtained and the right to receive returns on our fundings, which could be potentially significant to the VIEs.

Therefore, the adoption of this guidance did not affect our financial position, results of operations or cash flows.

In March 2010, we completed the formation of LW Redstone Company, LLC ("Redstone"), a joint venture created to develop Redstone Gateway, a 468-acre land parcel adjacent to Redstone Arsenal in Huntsville, Alabama. The land is owned by the U.S. Government and is under a long term master lease to the joint venture. Through this master lease, the joint venture will create a business park that we expect will total approximately 4.6 million square feet of office and retail space when completed, including approximately 4.4 million square feet of Class A office space. In addition, the business park will include hotel and other amenities.

We anticipate funding certain infrastructure costs that we expect will be reimbursed by the City of Huntsville; as of September 30, 2010, we had advanced \$834,000 to the City to fund such costs. We also expect to fund additional development and construction costs through equity contributions to the extent that third party financing is not obtained. Our partner is not required to make any future contributions to the joint venture. Net cash flow distributions to the partners of Redstone vary depending on the source of the funds distributed and the nature of the capital fundings outstanding at the time of distribution. In the case of all distribution sources, we are first entitled to repayment of operating deficits funded by us and preferred returns on such fundings. We are also generally entitled to repayment of infrastructure and vertical construction costs funded by us and preferred returns on such fundings before our partner is entitled to receive repayment of its equity contribution of \$9.0 million. In addition, we will be entitled to 85% of distributable cash in excess of preferred returns.

We determined that Redstone is a VIE under applicable accounting standards and that we should consolidate it because: (1) we control the activities that are most significant to the VIE (we hold two of three positions on the joint venture's management committee, and we are responsible for the development, construction, leasing and

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management of the office properties to be constructed by the VIE); and (2) we have both the obligation to provide significant funding for the project, as noted above, and the right to receive returns on our funding.

At December 31, 2009, we had a 92.5% ownership interest in COPT Opportunity Invest I, LLC, an entity that is redeveloping a property in Hanover, Maryland; in February 2010, we acquired the remaining 7.5% ownership interest in this entity. At December 31, 2009, we also had a 90% ownership interest in Enterprise Campus Developer, LLC, an entity that owned a 50% interest in M Square Associates, LLC (included in the table above); in July 2010, we acquired the remaining 10% ownership interest in this entity.

Our commitments and contingencies pertaining to our real estate joint ventures are disclosed in Note 16.

6. Intangible Assets on Real Estate Acquisitions

Intangible assets on real estate acquisitions consisted of the following:

	September 30, 2010			December 31, 2009		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
In-place lease value	\$ 162,381	\$ 84,315	\$ 78,066	\$ 141,408	\$ 70,659	\$ 70,749
Tenant relationship value	50,179	20,196	29,983	35,909	16,322	19,587
Above-market leases	10,689	7,896	2,793	10,165	7,138	3,027
Acquired real estate tax credit	6,222	1,011	5,211	6,222	—	6,222
Below-market ground leases	6,193	—	6,193	—	—	—
Market concentration premium	1,333	272	1,061	1,333	247	1,086
	<u>\$ 236,997</u>	<u>\$ 113,690</u>	<u>\$ 123,307</u>	<u>\$ 195,037</u>	<u>\$ 94,366</u>	<u>\$ 100,671</u>

Amortization of the intangible asset categories set forth above totaled \$18.8 million in the nine months ended September 30, 2010 and \$19.0 million in the nine months ended September 30, 2009. The approximate weighted average amortization periods of the categories set forth above follow: in-place lease value: seven years; tenant relationship value: eight years; above-market leases: five years; acquired real estate tax credit: six years; below-market ground leases: 40 years; and market concentration premium: 32 years. The approximate weighted average amortization period for all of the categories combined is nine years. Estimated amortization expense associated with the intangible asset categories set forth above is \$7.4 million for the three months ending December 31, 2010; \$24.3 million for 2011; \$18.8 million for 2012; \$13.8 million for 2013; \$11.4 million for 2014; and \$10.2 million for 2015.

7. Prepaid Expenses and Other Assets

Prepaid expenses and other assets consisted of the following (in thousands):

	September 30, 2010	December 31, 2009
Prepaid expenses	\$ 24,108	\$ 19,769
Equity method investment in unconsolidated entity	15,509	9,461
Mortgage loans receivable (1)	14,806	12,773
Furniture, fixtures and equipment, net	12,258	12,633
Construction contract costs incurred in excess of billings	3,022	19,556
Other assets	10,077	9,614
Prepaid expenses and other assets	<u>\$ 79,780</u>	<u>\$ 83,806</u>

(1) The fair value of our mortgage loans receivable totaled \$16.3 million at September 30, 2010 and \$15.1 million at December 31, 2009.

Our investment in unconsolidated entity reflected above consists of common stock and warrants to purchase additional shares of common stock of The KEYW Holding Corporation ("KEYW"), an entity supporting the intelligence community's operations and transformation to Cyber Age mission by providing engineering services

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and integrated platforms that support the intelligence process. In October 2010, KEYW completed an initial public offering of its common stock.

8. Debt

Our debt consisted of the following (dollars in thousands):

	Maximum Availability at September 30, 2010	Carrying Value at		Stated Interest Rates at September 30, 2010	Scheduled Maturity Dates at September 30, 2010
		September 30, 2010	December 31, 2009		
Mortgage and Other Secured Loans:					
Fixed rate mortgage loans (1)	N/A	\$ 1,177,095	\$ 1,166,443	5.20% - 7.87% (2)	2010 - 2034 (3)
Revolving Construction Facility	\$ 225,000	121,903	76,333	LIBOR+ 1.60% to 2.00% (4)	May 2, 2011 (5)
Variable rate secured loans	N/A	270,756	271,146	LIBOR+ 2.25% to 3.00% (6)	2012-2014 (5)
Other construction loan facilities	23,400	16,753	16,753	LIBOR+ 2.75% (7)	2011 (5)
Total mortgage and other secured loans		1,586,507	1,530,675		
Revolving Credit Facility	700,000	498,000	365,000	LIBOR+ 0.75% to 1.25% (8)	September 30, 2011 (5)
Unsecured notes payable (9)	N/A	1,965	2,019	0.00%	2026

Exchangeable Senior Notes:

4.25% Exchangeable Senior Notes	N/A	223,019	—	4.25%	April 2030 (10)
3.5% Exchangeable Senior Notes	N/A	158,928	156,147	3.50%	September 2026 (11)
Total debt		\$ 2,468,419	\$ 2,053,841		

- (1) Several of the fixed rate mortgages carry interest rates that were above or below market rates upon assumption and therefore were recorded at their fair value based on applicable effective interest rates. The carrying values of these loans reflect unamortized premiums totaling \$3.5 million at September 30, 2010 and \$371,000 at December 31, 2009.
- (2) The weighted average interest rate on these loans was 6.0% at September 30, 2010.
- (3) A loan with a balance of \$4.6 million at September 30, 2010 that matures in 2034 may be repaid in March 2014, subject to certain conditions.
- (4) The weighted average interest rate on this loan was 1.86% at September 30, 2010.
- (5) Includes amounts that may be extended for a one-year period at our option, subject to certain conditions.
- (6) The loans in this category at September 30, 2010 were subject to floor interest rates ranging from 4.25% to 5.5%.
- (7) The interest rate on this loan was 3.1% at September 30, 2010.
- (8) The weighted average interest rate on the Revolving Credit Facility was 1.11% at September 30, 2010.
- (9) The carrying value of these notes reflects unamortized discount totaling \$1.1 million at September 30, 2010 and \$1.2 million at December 31, 2009.
- (10) Refer to the second paragraph below, which discusses the issuance of these notes, for descriptions of provisions for early redemption and repurchase of these notes.
- (11) As described further in our 2009 Annual Report on Form 10-K, these notes have an exchange settlement feature that provides that they may, under certain circumstances, be exchangeable for cash (up to the principal amount of the notes) and, with respect to any excess exchange value, may be exchangeable into (at our option) cash, our common shares or a combination of cash and our common shares at an exchange rate (subject to adjustment) of 19.1167 shares per one thousand dollar principal amount of the notes (exchange rate is as of September 30, 2010 and is equivalent to an exchange price of \$52.31 per common share). The carrying value of these notes included a principal amount of \$162.5 million and an unamortized discount totaling \$3.6 million at September 30, 2010 and \$6.4 million at December 31, 2009. The effective interest rate under the notes, including amortization of the issuance costs, was 5.97%. Because the closing price of our common shares at September 30, 2010 and December 31, 2009 was less than the exchange price per common share applicable to these notes, the if-converted value of the notes did not exceed the principal amount. The table below sets forth interest expense recognized on these notes before deductions for amounts capitalized:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
Interest expense at stated interest rate	\$ 1,421	\$ 1,421	\$ 4,265	\$ 4,265
Interest expense associated with amortization of discount	941	886	2,781	2,620
Total	\$ 2,362	\$ 2,307	\$ 7,046	\$ 6,885

In April 2010, we increased the borrowing capacity under our Revolving Credit Facility by \$100.0 million, from \$600.0 million to \$700.0 million.

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On April 7, 2010, the Operating Partnership issued a \$240.0 million aggregate principal amount of 4.25% Exchangeable Senior Notes due 2030. Interest on the notes is payable on April 15 and October 15 of each year. The notes have an exchange settlement feature that provides that the notes may, under certain circumstances, be exchangeable for cash and, at the Operating Partnership's discretion, our common shares of beneficial interest ("common shares") at an exchange rate (subject to adjustment) of 20.7769 shares per one thousand dollar principal amount of the notes (exchange rate is as of September 30, 2010 and is equivalent to an exchange price of \$48.13 per common share) (the initial exchange rate of the notes was based on a 20% premium over the closing price on the NYSE on the transaction pricing date). On or after April 20, 2015, the Operating Partnership may redeem the notes in cash in whole or in part. The holders of the notes have the right to require us to repurchase the notes in cash in whole or in part on each of April 15, 2015, April 15, 2020 and April 15, 2025, or in the event of a "fundamental change," as defined under the terms of the notes, for a repurchase price equal to 100% of the principal amount of the notes plus accrued and unpaid interest. Prior to April 20, 2015, subject to certain exceptions, if (1) a "fundamental change" occurs as a result of certain forms of transactions or series of transactions and (2) a holder elects to exchange its notes in connection with such "fundamental change," we will increase the applicable exchange rate for the notes surrendered for exchange by a number of additional shares of our common shares as a "make whole premium." The notes are general unsecured senior obligations of the Operating Partnership and rank equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership. The Operating Partnership's obligations under the notes are fully and unconditionally guaranteed by us. The initial liability component of this debt issuance was \$221.4 million and the equity component was \$18.6 million. In addition, we recognized \$450,000 of the financing fees incurred in relation to these notes in equity. The carrying value of these notes at September 30, 2010 included an unamortized discount totaling \$17.0 million at September 30, 2010. The effective interest rate on the liability component, including amortization of the issuance costs, is 6.05%. Because the closing price of our common shares at September 30, 2010 was less than the exchange price per common share applicable to these notes, the if-converted value of the notes did not exceed the principal amount. The table below sets forth interest expense recognized on these notes before deductions for amounts capitalized (in thousands):

	For the Three Months Ended September 30, 2010	For the Nine Months Ended September 30, 2010
	Interest expense at stated interest rate	\$ 2,550
Interest expense associated with amortization of discount	815	1,618
Total	\$ 3,365	\$ 6,548

We capitalized interest costs of \$3.9 million in the three months ended September 30, 2010, \$3.1 million in the three months ended September 30, 2009, \$12.0 million in the nine months ended September 30, 2010 and \$11.6 million in the nine months ended September 30, 2009.

The following table sets forth information pertaining to the fair value of our debt (in thousands):

	September 30, 2010		December 31, 2009	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Fixed-rate debt	\$ 1,561,007	\$ 1,565,549	\$ 1,324,609	\$ 1,252,126
Variable-rate debt	907,412	903,024	729,232	704,508
	\$ 2,468,419	\$ 2,468,573	\$ 2,053,841	\$ 1,956,634

9. Interest Rate Derivatives

The following table sets forth the key terms and fair values of our interest rate derivatives at September 30, 2010 and December 31, 2009, all of which are interest rate swaps (in thousands):

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Notional Amount	One-Month LIBOR base	Effective Date	Expiration Date	Fair Value at	
				September 30, 2010	December 31, 2009
\$ 120,000	1.7600%	1/2/2009	5/1/2012	\$ (2,513)	\$ (669)
100,000	1.9750%	1/1/2010	5/1/2012	(2,430)	(1,068)
				<u>\$ (4,943)</u>	<u>\$ (1,737)</u>

Each of these interest rate swaps was designated as cash flow hedges of interest rate risk. The table below sets forth the fair value of our interest rate derivatives as well as their classification on our Consolidated Balance Sheet as of September 30, 2010 and December 31, 2009 (in thousands):

Derivatives Designated as Hedging Instruments	September 30, 2010		December 31, 2009	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swaps	Other liabilities	\$ (4,943)	Other liabilities	\$ (1,737)

The table below presents the effect of our interest rate derivatives on our Consolidated Statements of Operations and comprehensive income for the three and nine months ended September 30, 2010 and 2009 (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
Amount of loss recognized in AOCL (effective portion)	\$ (1,530)	\$ (2,771)	\$ (5,844)	\$ (2,494)
Amount of loss reclassified from AOCL into interest expense (effective portion)	(887)	(1,555)	(2,684)	(5,501)
Amount of loss recognized in interest expense (ineffective portion and amount excluded from effectiveness testing)	—	(39)	—	(267)

Over the next 12 months, we estimate that approximately \$3.5 million will be reclassified from AOCL as an increase to interest expense.

We have agreements with each of our interest rate derivative counterparties that contain provisions under which if we default or are capable of being declared in default on any of our indebtedness, we could also be declared in default on our derivative obligations. These agreements also incorporate the loan covenant provisions of our indebtedness with a lender affiliate of the derivative counterparties. Failure to comply with the loan covenant provisions could result in our being declared in default on any derivative instrument obligations covered by the agreements. As of September 30, 2010, the fair value of interest rate derivatives in a liability position related to these agreements was \$4.9 million, excluding the effects of accrued interest. As of September 30, 2010, we had not posted any collateral related to these agreements. We are not in default with any of these provisions. If we breached any of these provisions, we could be required to settle our obligations under the agreements at their termination value of \$5.4 million.

10. Shareholders' Equity

Common Shares

During the nine months ended September 30, 2010, holders of 620,598 common units in our Operating Partnership converted their units into common shares on the basis of one common share for each common unit.

See Note 12 for disclosure of common share activity pertaining to our share-based compensation plans.

We declared dividends per common share of \$0.4125 in the three months ended September 30, 2010, \$0.3925 in the three months ended September 30, 2009, \$1.1975 in the nine months ended September 30, 2010 and \$1.1375 in the nine months ended September 30, 2009.

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Accumulated Other Comprehensive Loss

The table below sets forth activity in the accumulated other comprehensive loss component of shareholders' equity (in thousands):

	For the Nine Months Ended September 30,	
	2010	2009
Beginning balance	\$ (1,907)	\$ (4,749)
Amount of loss recognized in AOCL (effective portion)	(5,844)	(2,494)
Amount of loss reclassified from AOCL to income (effective portion)	2,684	5,501
Adjustment to AOCL attributable to noncontrolling interest	206	(549)
Ending balance	<u>\$ (4,861)</u>	<u>\$ (2,291)</u>

The table below sets forth total comprehensive income and total comprehensive income attributable to COPT (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
Net income	\$ 8,926	\$ 15,536	\$ 28,752	\$ 51,753
Amount of loss recognized in AOCL	(1,530)	(2,771)	(5,844)	(2,494)
Amount of loss reclassified from AOCL to income	887	1,555	2,684	5,501
Total comprehensive income	8,283	14,320	25,592	54,760
Net income attributable to noncontrolling interests	(94)	(1,081)	(1,516)	(4,512)

Other comprehensive loss (income) attributable to noncontrolling interests		47	102	245	(314)
Total comprehensive income attributable to COPT	\$	<u>8,236</u>	<u>13,341</u>	<u>24,321</u>	<u>49,934</u>

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11. Information by Business Segment

As of September 30, 2010, we had nine primary office property segments (comprised of: the Baltimore/Washington Corridor; Greater Baltimore; Northern Virginia; Colorado Springs; Suburban Maryland; San Antonio; Washington, DC — Capitol Riverfront; Greater Philadelphia; and St. Mary's and King George Counties) and a wholesale data center segment.

The table below reports segment financial information for our real estate operations (in thousands). Our segment entitled "Other" includes assets and operations not specifically associated with the other defined segments, including certain properties as well as corporate assets and investments in unconsolidated entities. We measure the performance of our segments through a measure we define as net operating income from real estate operations ("NOI from real estate operations"), which is derived by subtracting property expenses from revenues from real estate operations. We believe that NOI from real estate operations is an important supplemental measure of operating performance for a REIT's operating real estate because it provides a measure of the core operations that is unaffected by depreciation, amortization, financing and general and administrative expenses; this measure is particularly useful in our opinion in evaluating the performance of geographic segments, same-office property groupings and individual properties.

	Baltimore/ Washington Corridor	Greater Baltimore	Northern Virginia	Colorado Springs	Suburban Maryland	San Antonio	Washington, DC - Capitol Riverfront	Greater Philadelphia	St. Mary's & King George Counties	Wholesale Data Center	Other	Total
Three Months Ended September 30, 2010												
Revenues from real estate operations	\$ 51,946	\$ 18,288	\$ 18,949	\$ 6,176	\$ 5,243	\$ 5,609	\$ 135	\$ 1,793	\$ 3,431	\$ 162	\$ 3,296	\$ 115,028
Property operating expenses	18,945	7,828	7,195	2,380	2,618	2,697	50	232	1,152	251	956	44,304
NOI from real estate operations	<u>\$ 33,001</u>	<u>\$ 10,460</u>	<u>\$ 11,754</u>	<u>\$ 3,796</u>	<u>\$ 2,625</u>	<u>\$ 2,912</u>	<u>\$ 85</u>	<u>\$ 1,561</u>	<u>\$ 2,279</u>	<u>\$ (89)</u>	<u>\$ 2,340</u>	<u>\$ 70,724</u>
Additions to properties, net	<u>\$ 19,097</u>	<u>\$ 14,578</u>	<u>\$ 7,302</u>	<u>\$ 1,028</u>	<u>\$ 1,373</u>	<u>\$ 5,701</u>	<u>\$ 92,816</u>	<u>\$ 2,187</u>	<u>\$ 3,445</u>	<u>\$ 111,510</u>	<u>\$ 531</u>	<u>\$ 259,568</u>
Three Months Ended September 30, 2009												
Revenues from real estate operations	\$ 48,984	\$ 14,493	\$ 18,897	\$ 6,261	\$ 4,736	\$ 3,269	\$ —	\$ 1,343	\$ 3,528	\$ —	\$ 3,332	\$ 104,843
Property operating expenses	17,802	5,844	7,378	1,814	2,064	1,231	—	561	877	—	1,012	38,583
NOI from real estate operations	<u>\$ 31,182</u>	<u>\$ 8,649</u>	<u>\$ 11,519</u>	<u>\$ 4,447</u>	<u>\$ 2,672</u>	<u>\$ 2,038</u>	<u>\$ —</u>	<u>\$ 782</u>	<u>\$ 2,651</u>	<u>\$ —</u>	<u>\$ 2,320</u>	<u>\$ 66,260</u>
Additions to properties, net	<u>\$ 12,556</u>	<u>\$ 5,394</u>	<u>\$ 2,883</u>	<u>\$ 2,179</u>	<u>\$ 608</u>	<u>\$ 11,535</u>	<u>\$ —</u>	<u>\$ (140)</u>	<u>\$ 1,054</u>	<u>\$ —</u>	<u>\$ (1,758)</u>	<u>\$ 34,311</u>
Nine Months Ended September 30, 2010												
Revenues from real estate operations	\$ 154,627	\$ 52,980	\$ 55,780	\$ 18,662	\$ 16,524	\$ 13,775	\$ 135	\$ 4,505	\$ 10,550	\$ 162	\$ 10,315	\$ 338,015
Property operating expenses	57,953	24,149	21,214	6,928	7,518	6,426	50	1,795	3,300	251	3,160	132,744
NOI from real estate operations	<u>\$ 96,674</u>	<u>\$ 28,831</u>	<u>\$ 34,566</u>	<u>\$ 11,734</u>	<u>\$ 9,006</u>	<u>\$ 7,349</u>	<u>\$ 85</u>	<u>\$ 2,710</u>	<u>\$ 7,250</u>	<u>\$ (89)</u>	<u>\$ 7,155</u>	<u>\$ 205,271</u>
Additions to properties, net	<u>\$ 67,313</u>	<u>\$ 29,737</u>	<u>\$ 44,896</u>	<u>\$ 2,541</u>	<u>\$ 3,454</u>	<u>\$ 16,199</u>	<u>\$ 92,816</u>	<u>\$ 18,518</u>	<u>\$ 3,988</u>	<u>\$ 111,510</u>	<u>\$ 14,318</u>	<u>\$ 405,290</u>
Segment assets at September 30, 2010	<u>\$ 1,382,234</u>	<u>\$ 584,429</u>	<u>\$ 487,898</u>	<u>\$ 266,228</u>	<u>\$ 175,181</u>	<u>\$ 151,058</u>	<u>\$ 122,737</u>	<u>\$ 121,695</u>	<u>\$ 96,813</u>	<u>\$ 115,722</u>	<u>\$ 233,377</u>	<u>\$ 3,737,372</u>
Nine Months Ended September 30, 2009												
Revenues from real estate operations	\$ 146,929	\$ 42,010	\$ 59,946	\$ 16,935	\$ 14,923	\$ 9,761	\$ —	\$ 6,356	\$ 10,394	\$ —	\$ 10,151	\$ 317,405
Property operating expenses	53,868	18,496	22,609	4,863	6,154	3,028	—	625	2,566	—	2,569	114,778
NOI from real estate operations	<u>\$ 93,061</u>	<u>\$ 23,514</u>	<u>\$ 37,337</u>	<u>\$ 12,072</u>	<u>\$ 8,769</u>	<u>\$ 6,733</u>	<u>\$ —</u>	<u>\$ 5,731</u>	<u>\$ 7,828</u>	<u>\$ —</u>	<u>\$ 7,582</u>	<u>\$ 202,627</u>
Additions to properties, net	<u>\$ 46,057</u>	<u>\$ 14,297</u>	<u>\$ 5,251</u>	<u>\$ 20,246</u>	<u>\$ 18,256</u>	<u>\$ 30,912</u>	<u>\$ —</u>	<u>\$ 4,271</u>	<u>\$ 1,579</u>	<u>\$ —</u>	<u>\$ 8,452</u>	<u>\$ 149,321</u>
Segment assets at September 30, 2009	<u>\$ 1,285,704</u>	<u>\$ 440,343</u>	<u>\$ 454,037</u>	<u>\$ 269,517</u>	<u>\$ 176,185</u>	<u>\$ 127,573</u>	<u>\$ —</u>	<u>\$ 100,129</u>	<u>\$ 95,026</u>	<u>\$ —</u>	<u>\$ 282,133</u>	<u>\$ 3,230,647</u>

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The following table reconciles our segment revenues to total revenues as reported on our Consolidated Statements of Operations (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
Segment revenues from real estate operations	\$ 115,028	\$ 104,843	\$ 338,015	\$ 317,405
Construction contract and other service revenues	13,608	95,321	77,038	273,534
Less: Revenues from discontinued operations (Note 14)	(478)	(711)	(1,980)	(2,158)
Total revenues	<u>\$ 128,158</u>	<u>\$ 199,453</u>	<u>\$ 413,073</u>	<u>\$ 588,781</u>

The following table reconciles our segment property operating expenses to property operating expenses as reported on our Consolidated Statements of Operations (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
Segment property operating expenses	\$ 44,304	\$ 38,583	\$ 132,744	\$ 114,778
Less: Property operating expenses from discontinued operations (Note 14)	(44)	(60)	(344)	(191)
Total property operating expenses	<u>\$ 44,260</u>	<u>\$ 38,523</u>	<u>\$ 132,400</u>	<u>\$ 114,587</u>

As previously discussed, we provide real estate services such as property management, construction and development and heating and air conditioning services primarily for our properties but also for third parties. The primary manner in which we evaluate the operating performance of our service activities is through a measure we define as net operating income from service operations ("NOI from service operations"), which is based on the net of revenues and expenses from these activities. Construction contract and other service revenues and expenses consist primarily of subcontracted costs that are reimbursed to us by the customer along with a management fee. The operating margins from these activities are small relative to the revenue. We believe NOI from service operations is a useful measure in assessing both our level of activity and our profitability in conducting such operations. The table below sets forth the computation of our NOI from service operations (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
Construction contract and other service revenues	\$ 13,608	\$ 95,321	\$ 77,038	\$ 273,534
Construction contract and other service expenses	(13,347)	(93,805)	(75,148)	(268,289)
NOI from service operations	<u>\$ 261</u>	<u>\$ 1,516</u>	<u>\$ 1,890</u>	<u>\$ 5,245</u>

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The following table reconciles our NOI from real estate operations for reportable segments and NOI from service operations to income from continuing operations as reported on our Consolidated Statements of Operations (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
NOI from real estate operations	\$ 70,724	\$ 66,260	\$ 205,271	\$ 202,627
NOI from service operations	261	1,516	1,890	5,245
Interest and other income	395	2,619	1,942	4,949
Equity in income (loss) of unconsolidated entities	648	(758)	371	(1,075)
Income tax expense	(27)	(47)	(75)	(169)
Other adjustments:				
Depreciation and other amortization associated with real estate operations	(30,745)	(26,498)	(87,889)	(81,268)
General and administrative expenses	(6,079)	(5,898)	(17,905)	(17,275)
Business development expenses	(2,886)	(458)	(3,506)	(1,550)
Interest expense on continuing operations	(26,537)	(20,931)	(74,987)	(58,914)
NOI from discontinued operations	(434)	(651)	(1,636)	(1,967)
Income from continuing operations	<u>\$ 5,320</u>	<u>\$ 15,154</u>	<u>\$ 23,476</u>	<u>\$ 50,603</u>

The accounting policies of the segments are the same as those used to prepare our consolidated financial statements, except that discontinued operations are not presented separately for segment purposes. We did not allocate interest expense, amortization of deferred financing costs and depreciation and amortization to our real estate segments since they are not included in the measure of segment profit reviewed by management. We also did not allocate general and administrative expenses, business development expenses, interest and other income, equity in income (loss) of unconsolidated entities, income taxes and noncontrolling interests because these items represent general corporate items not attributable to segments.

12. Share-Based Compensation

On May 13, 2010, we adopted the Amended and Restated 2008 Omnibus Equity and Incentive Plan, under which we may issue equity-based awards to officers, employees, non-employee trustees and any other key persons of us and our subsidiaries, as defined in the plan. The plan provides for a maximum of 5,900,000 common shares of beneficial interest, of which 3,000,000 were added pursuant to the amendment and restatement, to be issued in the form of options to purchase common shares ("options"), share appreciation rights, deferred share awards, restricted share awards, unrestricted share awards, performance shares, dividend equivalent rights and other equity-based awards and for the granting of cash-based awards. The plan expires on May 13, 2020.

Restricted Shares

During the nine months ended September 30, 2010, certain employees and members of our Board of Trustees were granted a total of 287,081 restricted shares with a weighted average grant date fair value of \$37.78 per share. Shares granted to employees are subject to forfeiture restrictions that lapse in equal increments annually over periods of three to five years, beginning on or about the first anniversary of the grant date, provided that the employees remain employed by us. Shares granted to the Trustees vest on the first anniversary of the grant date provided that the Trustee remains in his position. During the nine months ended September 30, 2010, forfeiture restrictions lapsed on 271,112 common shares previously issued to employees; these shares had a weighted average grant date fair value of \$32.33 per share, and the total intrinsic value of the shares on the vesting dates was \$10.1 million.

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Performance Share Units (“PSUs”)

On March 4, 2010, our Board of Trustees granted 100,645 PSUs to executives. The PSUs have a performance period beginning on the grant date and concluding the earlier of three years from the grant date or the date of: (1) termination by the Company without cause, death or disability of the executive or constructive discharge of the executive (collectively, “qualified termination”); or (2) a sale event. The number of PSUs earned (“earned PSUs”) at the end of the performance period will be determined based on the percentile rank of the Company’s total shareholder return relative to a peer group of companies, as set forth in the following schedule:

Percentile Rank	Earned PSUs Payout %
75th or greater	200% of PSUs granted
50th or greater	100% of PSUs granted
25th	50% of PSUs granted
Below 25th	0% of PSUs granted

If the percentile rank exceeds the 25th percentile and is between two of the percentile ranks set forth in the table above, then the percentage of the earned PSUs will be interpolated between the ranges set forth in the table above to reflect any performance between the listed percentiles. At the end of the performance period, we, in settlement of the award, will issue a number of fully-vested common shares equal to the sum of:

- the number of earned PSUs in settlement of the award plan; plus
- the aggregate dividends that would have been paid with respect to the common shares issued in settlement of the earned PSUs through the date of settlement had such shares been issued on the grant date, divided by the share price on such settlement date, as defined under the terms of the agreement.

If a performance period ends due to a sale event or qualified termination, the number of earned PSUs is prorated based on the portion of the three-year performance period that has elapsed. If employment is terminated by the employee or by the Company for cause, all PSUs are forfeited. PSUs do not carry voting rights.

We computed a grant date fair value of \$53.31 per PSU using a Monte Carlo model, which included assumptions of, among other things, the following: baseline common share value of \$37.84; expected volatility for our common shares of 62.2%; and risk-free interest rate of 1.38%. We are recognizing the grant date fair value in connection with these PSU awards over a three-year period that commenced on March 4, 2010.

Options

During the nine months ended September 30, 2010, 271,242 options were exercised. The weighted average exercise price of these options was \$16.21 per share, and the total intrinsic value of the options exercised was \$5.9 million.

13. Income Taxes

We own a taxable REIT subsidiary (“TRS”) that is subject to Federal and state income taxes. Our TRS’ provision for income tax consisted of the following (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
Deferred				
Federal	\$ (39)	\$ 26	\$ (26)	\$ 126
State	(9)	4	(6)	26
	(48)	30	(32)	152
Current				
Federal	62	14	97	14
State	13	3	21	3
	75	17	118	17
Total income tax expense	\$ 27	\$ 47	\$ 86	\$ 169
Reported on line entitled income tax expense	\$ 27	\$ 47	\$ 75	\$ 169
Reported on line entitled gain on sale of real estate, net	—	—	11	—
Total income tax expense	\$ 27	\$ 47	\$ 86	\$ 169

Items in our TRS contributing to temporary differences that lead to deferred taxes include depreciation and amortization, share-based compensation, certain accrued compensation, compensation paid in the form of contributions to a deferred nonqualified compensation plan and net operating losses that are not deductible until future periods.

Our TRS’ combined Federal and state effective tax rate was 35% for the three and nine months ended September 30, 2010 and 39% for the three and nine months ended September 30, 2009.

14. Discontinued Operations

Income from discontinued operations primarily includes revenues and expenses associated with the following:

- 11101 McCormick Road property in the Greater Baltimore region that was sold on February 1, 2010; and
- 431 and 437 Ridge Road properties in Central New Jersey (included in the Other region) that were sold on September 8, 2010.

Certain reclassifications have been made in prior periods to reflect discontinued operations consistent with the current presentation. The table below sets forth the components of discontinued operations reported on our Consolidated Statements of Operations (in thousands):

	For the Three Months		For the Nine Months	
	Ended September 30,		Ended September 30,	
	2010	2009	2010	2009
Revenue from real estate operations	\$ 478	\$ 711	\$ 1,980	\$ 2,158
Expenses from real estate operations:				
Property operating expenses	44	60	344	191
Depreciation and amortization	—	214	7	643
Interest expense	89	55	263	174
Expenses from real estate operations	133	329	614	1,008
Discontinued operations before gain on sales of real estate	345	382	1,366	1,150
Gain on sales of real estate	784	—	1,081	—
Discontinued operations	\$ 1,129	\$ 382	\$ 2,447	\$ 1,150

15. Earnings Per Share (“EPS”)

We present both basic and diluted EPS. We compute basic EPS by dividing net income available to common shareholders allocable to unrestricted common shares under the two-class method by the weighted average number of unrestricted common shares outstanding during the period. Our computation of diluted EPS is similar except that:

- the denominator is increased to include: (1) the weighted average number of potential additional common shares that would have been outstanding if securities that are convertible into our common shares were converted; and (2) the effect of dilutive potential common shares outstanding during the period attributable to share-based compensation using the treasury stock or if-converted methods; and
- the numerator is adjusted to add back any changes in income or loss that would result from the assumed conversion into common shares that we added to the denominator.

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Summaries of the numerator and denominator for purposes of basic and diluted EPS calculations are set forth below (in thousands, except per share data):

	For the Three Months		For the Nine Months	
	Ended September 30,		Ended September 30,	
	2010	2009	2010	2009
Numerator:				
Income from continuing operations	\$ 5,320	\$ 15,154	\$ 23,476	\$ 50,603
Add: Gain on sales of real estate, net	2,477	—	2,829	—
Less: Preferred share dividends	(4,025)	(4,025)	(12,076)	(12,076)
Less: Income from continuing operations attributable to noncontrolling interests	(12)	(1,048)	(1,330)	(4,396)
Less: Income from continuing operations attributable to restricted shares	(267)	(253)	(807)	(763)
Numerator for basic and diluted EPS from continuing operations attributable to COPT common shareholders	3,493	9,828	12,092	33,368
Add: Discontinued operations, net	1,129	382	2,447	1,150
Less: Discontinued operations, net attributable to noncontrolling interests	(82)	(33)	(186)	(116)
Numerator for basic and diluted EPS on net income attributable to COPT common shareholders	\$ 4,540	\$ 10,177	\$ 14,353	\$ 34,402
Denominator (all weighted averages):				
Denominator for basic EPS (common shares)	58,656	57,470	58,333	55,366
Dilutive effect of share-based compensation awards	296	485	367	506
Denominator for diluted EPS	58,952	57,955	58,700	55,872
Basic EPS:				
Income from continuing operations attributable to COPT common shareholders	\$ 0.06	\$ 0.17	\$ 0.21	\$ 0.60
Discontinued operations attributable to COPT common shareholders	0.02	0.01	0.04	0.02
Net income attributable to COPT common shareholders	\$ 0.08	\$ 0.18	\$ 0.25	\$ 0.62
Diluted EPS:				
Income from continuing operations attributable to COPT common shareholders	\$ 0.06	\$ 0.17	\$ 0.20	\$ 0.60
Discontinued operations attributable to COPT common shareholders	0.02	0.01	0.04	0.02
Net income attributable to COPT common shareholders	\$ 0.08	\$ 0.18	\$ 0.24	\$ 0.62

Our diluted EPS computations do not include the effects of the following securities since the conversions of such securities would increase diluted EPS for the respective periods (in thousands):

	Weighted Average Shares Excluded from Denominator			
	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
Conversion of common units	4,453	5,084	4,674	5,932
Conversion of convertible preferred units	176	176	176	176
Conversion of convertible preferred shares	434	434	434	434

The following share-based compensation securities were excluded from the computation of diluted EPS because their effect was antidilutive:

- weighted average restricted shares for the three months ended September 30, 2010 and 2009 of 667,000 and 681,000, respectively and for the nine months ended September 30, 2010 and 2009 of 664,000 and 658,000, respectively; and
- weighted average options to purchase common shares for the three months ended September 30, 2010 and 2009 of 650,000 and 714,000, respectively, and for the nine months ended September 30, 2010 and 2009 of 616,000 and 813,000, respectively.

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In addition, as discussed in Note 8, we have outstanding senior notes that have an exchange settlement feature but did not affect our diluted EPS reported above since the weighted average closing price of our common shares during each of the periods was less than the exchange prices per common share applicable for such periods.

16. Commitments and Contingencies

In the normal course of business, we are involved in legal actions arising from our ownership and administration of properties. We establish reserves for specific legal proceedings when we determine that the likelihood of an unfavorable outcome is probable and the amount of loss can be reasonably estimated. Management does not anticipate that any liabilities that may result from such proceedings will have a materially adverse effect on our financial position, operations or liquidity. Our assessment of the potential outcomes of these matters involves significant judgment and is subject to change based on future developments.

We are subject to various Federal, state and local environmental regulations related to our property ownership and operation. We have performed environmental assessments of our properties, the results of which have not revealed any environmental liability that we believe would have a materially adverse effect on our financial position, operations or liquidity.

Joint Ventures

In connection with our 2005 contribution of properties to an unconsolidated partnership in which we hold a limited partnership interest, we entered into standard nonrecourse loan guarantees (environmental indemnifications and guarantees against fraud and misrepresentation, including springing guarantees of partnership debt in the event of a voluntary bankruptcy of the partnership). The maximum amount we could be required to pay under the guarantees is approximately \$66 million. We are entitled to recover 20% of any amounts paid under the guarantees from an affiliate of the general partner pursuant to an indemnity agreement so long as we continue to manage the properties. In the event that we no longer manage the properties, the percentage that we are entitled to recover is increased to 80%. Management estimates that the aggregate fair value of the guarantees is not material and would not exceed the amounts included in distributions received in excess of investment in unconsolidated real estate joint venture reported on the consolidated balance sheets.

We are party to a contribution agreement that formed a joint venture relationship with a limited partnership to develop up to 1.8 million square feet of office space on 63 acres of land located in Hanover, Maryland. As we and the joint venture partner agree to proceed with the construction of buildings in the future, our joint venture partner would contribute land into newly-formed entities and we would make cash capital contributions into such entities to fund development and construction activities for which financing is not obtained. We owned a 50% interest in one such joint venture as of September 30, 2010.

We may be required to make our pro rata share of additional investments in our real estate joint ventures (generally based on our percentage ownership) in the event that additional funds are needed. In the event that the other members of these joint ventures do not pay their share of investments when additional funds are needed, we may then deem it appropriate to make even larger investments in these joint ventures.

Tax Incremental Financing Obligation

In August 2010, Anne Arundel County, Maryland issued \$30 million in tax incremental financing bonds to third-party investors in order to finance public improvements needed in connection with our project known as National Business Park North. The real estate taxes on increases in assessed value of a development district encompassing National Business Park North are to be transferred to a special fund pledged to the repayment of the bonds. We recognized a \$3.5 million liability through September 30, 2010

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representing the estimated fair value of our obligation to fund through a special tax any future shortfalls between debt service on the bonds and real estate taxes available to repay the bonds.

Environmental Indemnity Agreement

We agreed to provide certain environmental indemnifications in connection with a lease of three New Jersey properties. The prior owner of the properties, a Fortune 100 company that is responsible for groundwater contamination at such properties, previously agreed to indemnify us for (1) direct losses incurred in connection with the contamination and (2) its failure to perform remediation activities required by the State of New Jersey, up to the point that the state declares the remediation to be complete. Under the lease agreement, we agreed to the following:

- to indemnify the tenant against losses covered under the prior owner's indemnity agreement if the prior owner fails to indemnify the tenant for such losses. This indemnification is limited to \$5.0 million in perpetuity after the State of New Jersey declares the remediation to be complete;
- to indemnify the tenant for consequential damages (e.g., business interruption) at one of the buildings in perpetuity and another of the buildings for 15 years after the tenant's acquisition of the property from us. This indemnification is limited to \$12.5 million; and
- to pay 50% of additional costs related to construction and environmental regulatory activities incurred by the tenant as a result of the indemnified environmental condition of the properties. This indemnification is limited to \$300,000 annually and \$1.5 million in the aggregate.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are a specialty office real estate investment trust ("REIT") that focuses primarily on strategic customer relationships and specialized tenant requirements in the United States Government, defense information technology and data sectors. We acquire, develop, manage and lease 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. As of September 30, 2010, our investments in real estate included the following:

- 249 wholly owned operating office properties totaling 19.9 million square feet;

- 18 wholly owned office properties under construction, development or redevelopment that we estimate will total approximately 2.6 million square feet upon completion, including two partially operational properties included above;
- wholly owned land parcels totaling 1,559 acres that we believe are potentially developable into approximately 14.4 million square feet;
- a wholly owned, partially operational, wholesale data center which upon completion is expected to have an initial stabilization critical load of 18 megawatts; and
- partial ownership interests in a number of other real estate projects in operations, under development or held for future development.

During the nine months ended September 30, 2010, we:

- had a decrease in net income attributable to common shareholders of \$19.3 million, or 54.9%, from the nine months ended September 30, 2009;
- had a decrease of \$9.1 million, or 4.7%, from the nine months ended September 30, 2009 in our NOI from continuing real estate operations (defined below) attributable to properties that were owned and 100% operational throughout the two periods (properties that we refer to collectively as “Same-Office Properties”);
- finished the period with occupancy of our wholly owned portfolio of office properties at 87.4%;
- acquired three office properties totaling 514,000 square feet for \$162.1 million;
- acquired a partially operational 233,000 square foot wholesale data center for \$115.5 million that 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;
- placed into service an aggregate of 751,000 square feet in newly constructed space in seven office properties;
- completed the formation of LW Redstone Company, LLC, a joint venture created to develop Redstone Gateway, a 468-acre land parcel adjacent to Redstone Arsenal in Huntsville, Alabama;
- issued a \$240.0 million aggregate principal amount of 4.25% Exchangeable Senior Notes due 2030 and redeemable by us on or after April 20, 2015; and
- increased the borrowing capacity under our Revolving Credit Facility by \$100.0 million, from \$600.0 million to \$700.0 million.

In this section, we discuss our financial condition and results of operations as of and for the three and nine months ended September 30, 2010. This section includes discussions on, among other things:

- our results of operations and why various components of our Consolidated Statements of Operations changed for the three and nine months ended September 30, 2010 compared to the same periods in 2009;
- our cash flows;
- how we expect to generate cash for short and long-term capital needs;
- our commitments and contingencies at September 30, 2010; and

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- the computation of our funds from operations.

You should refer to our Consolidated Financial Statements as you read this section.

This section contains “forward-looking” statements, as defined in the Private Securities Litigation Reform Act of 1995, that are based on our current expectations, estimates and projections about future events and financial trends affecting the financial condition and operations of our business. 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. Although we believe that the expectations, estimates and projections reflected in such forward-looking statements are based on reasonable assumptions at the time made, 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;
- 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 and 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 forward-looking statements.

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Occupancy and Leasing

The table below sets forth leasing information pertaining to our portfolio of wholly owned operating office properties:

	September 30, 2010	December 31, 2009
Occupancy rates		
Total	87.4%	90.8%
Baltimore/Washington Corridor	89.1%	91.6%
Northern Virginia	91.9%	96.6%
Greater Baltimore	80.4%	80.3%
Colorado Springs	76.7%	85.8%
Suburban Maryland	72.5%	91.9%
St. Mary’s and King George Counties	89.2%	97.8%
Greater Philadelphia	100.0%	100.0%
San Antonio	100.0%	100.0%

Washington, DC - Capitol Riverfront		99.6%	N/A
Other		100.0%	100.0%
Average contractual annual rental rate per square foot at period end (1)	\$	25.48	\$ 24.63

(1) Includes estimated expense reimbursements.

The decrease in occupancy rates for our properties in Northern Virginia since December 31, 2009 was due primarily to 119,000 square feet vacated upon the expiration of one tenant's leases in two properties. The decrease in occupancy rates for our properties in Colorado Springs since December 31, 2009 was due primarily to 127,000 newly constructed square feet placed into service during the nine months ended September 30, 2010 that were unoccupied. The decrease in occupancy rates for our properties in the Suburban Maryland region since December 31, 2009 was due primarily to 149,000 square feet vacated upon the expiration of two large leases. As discussed in greater detail in our 2009 Annual Report on Form 10-K, we expect that the leasing environment will continue to be under stress from the lagging effects of the global downturn in the economy throughout 2010 and beyond. We believe that our continuing exposure to the challenging leasing environment is cushioned to a certain extent by the generally long-term nature of our leases and the staggered timing of our future lease expirations.

The table below sets forth occupancy information pertaining to operating office properties in which we have a partial ownership interest:

Geographic Region	Ownership Interest	Occupancy Rates at	
		September 30, 2010	December 31, 2009
Greater Harrisburg, Pennsylvania (1)	20.0 %	73.8 %	79.0 %
Suburban Maryland (2)	50.0 %	88.3 %	84.1 %
Baltimore/Washington Corridor (3)	50.0 %	6.0 %	6.0 %

- (1) Includes 16 properties totaling 671,000 square feet.
(2) Includes three properties totaling 298,000 square feet.
(3) Includes one property with 144,000 square feet.

Results of Operations

One manner in which we evaluate the operating performance of our properties is through a measure we define as NOI from real estate operations, which is derived by subtracting property operating expenses from revenues from real estate operations. We believe that NOI from real estate operations is an important supplemental measure of performance for a REIT's operating real estate because it provides a measure of the core operations that is unaffected by depreciation, amortization, financing and general and administrative expenses; this measure is particularly useful in our opinion in evaluating the performance of

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geographic segments, same-office property groupings and individual properties. The amount of NOI from real estate operations included in income from continuing operations is referred to herein as NOI from continuing real estate operations. We view our NOI from continuing real estate as being comprised of the following primary categories:

- operating properties owned and 100% operational throughout the current and prior year reporting periods. We define these as changes from "Same-Office Properties";
- constructed properties placed into service that were not 100% operational throughout the current and prior year reporting periods; and
- operating properties acquired during the current and prior year reporting periods.

The primary manner in which we evaluate the operating performance of our construction contract and other service activities is through a measure we define as NOI from service operations, which is based on the net of the revenues and expenses from these activities. The revenues and expenses from these activities consist primarily of subcontracted costs that are reimbursed to us by customers along with a management fee. The operating margins from these activities are small relative to the revenue. We believe NOI from service operations is a useful measure in assessing both our level of activity and our profitability in conducting such operations.

We believe that operating income, as reported on our Consolidated Statements of Operations, is the most directly comparable GAAP measure for both NOI from continuing real estate operations and NOI from service operations. Since both of these measures exclude certain items includable in operating income, reliance on these measures has limitations; management compensates for these limitations by using the measures simply as supplemental measures that are considered alongside other GAAP and non-GAAP measures.

The table below reconciles NOI from continuing real estate operations and NOI from service operations to operating income reported on our Consolidated Statement of Operations (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
NOI from continuing real estate operations	\$ 70,290	\$ 65,609	\$ 203,635	\$ 200,660
NOI from service operations	261	1,516	1,890	5,245
Depreciation and amortization associated with real estate operations	(30,745)	(26,498)	(87,889)	(81,268)
General and administrative expense	(6,079)	(5,898)	(17,905)	(17,275)
Business development expenses	(2,886)	(458)	(3,506)	(1,550)
Operating income	\$ 30,841	\$ 34,271	\$ 96,225	\$ 105,812

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Comparison of the Three Months Ended September 30, 2010 to the Three Months Ended September 30, 2009

	For the Three Months Ended September 30,		
	2010	2009	Variance
Revenues	(Dollars in thousands)		

Revenues from real estate operations	\$	114,550	\$	104,132	\$	10,418
Construction contract and other service revenues		13,608		95,321		(81,713)
Total revenues		128,158		199,453		(71,295)
Expenses						
Property operating expenses		44,260		38,523		5,737
Depreciation and amortization associated with real estate operations		30,745		26,498		4,247
Construction contract and other service expenses		13,347		93,805		(80,458)
General and administrative expense		6,079		5,898		181
Business development expenses		2,886		458		2,428
Total operating expenses		97,317		165,182		(67,865)
Operating income		30,841		34,271		(3,430)
Interest expense		(26,537)		(20,931)		(5,606)
Interest and other income		395		2,619		(2,224)
Equity in income (loss) of unconsolidated entities		648		(758)		1,406
Income tax expense		(27)		(47)		20
Income from continuing operations		5,320		15,154		(9,834)
Discontinued operations		1,129		382		747
Gain on sales of real estate, net of income taxes		2,477		—		2,477
Net income		8,926		15,536		(6,610)
Net income attributable to noncontrolling interests		(94)		(1,081)		987
Preferred share dividends		(4,025)		(4,025)		—
Net income attributable to COPT common shareholders	\$	4,807	\$	10,430	\$	(5,623)

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NOI from Continuing Real Estate Operations

	For the Three Months Ended September 30,		
	2010	2009	Variance
(Dollars in thousands)			
Revenues			
Same office properties	\$ 99,097	\$ 99,770	\$ (673)
Constructed properties placed in service	7,677	2,777	4,900
Acquired properties	7,569	395	7,174
Other	207	1,190	(983)
	114,550	104,132	10,418
Property operating expenses			
Same office properties	37,815	35,849	1,966
Constructed properties placed in service	2,661	908	1,753
Acquired properties	2,785	91	2,694
Other	999	1,675	(676)
	44,260	38,523	5,737
NOI from continuing real estate operations			
Same office properties	61,282	63,921	(2,639)
Constructed properties placed in service	5,016	1,869	3,147
Acquired properties	4,784	304	4,480
Other	(792)	(485)	(307)
	\$ 70,290	\$ 65,609	\$ 4,681

As the table above indicates, much of our change in NOI from continuing real estate operations was attributable to the additions of properties through construction and acquisition activities.

The decrease in NOI from continuing real estate operations attributable to Same-Office Properties was attributable primarily to changes in rental rates and occupancy between the two periods (average occupancy of same office properties was 88.1% in the current period versus 91.5% in the prior period).

NOI from Service Operations

	For the Three Months Ended September 30,		
	2010	2009	Variance
(Dollars in thousands)			
Construction contract and other service revenues	\$ 13,608	\$ 95,321	\$ (81,713)
Construction contract and other service expenses	13,347	93,805	(80,458)
NOI from service operations	\$ 261	\$ 1,516	\$ (1,255)

NOI from service operations decreased due primarily to a lower volume of construction activity in connection with one large construction contract.

Interest expense

The increase in interest expense included the effect of a \$388.4 million increase in our average outstanding debt resulting from our financing of acquisition and construction activities. Also included was an increase in our weighted average interest rates of debt from 4.85% to 5.06% resulting primarily from our refinancing of variable rate debt with fixed rate debt at a higher rate.

Interest and other income

Interest and other income decreased due primarily to:

interest income of \$1.2 million earned in the prior period in connection with a mortgage loan receivable that was outstanding from August 2008 until October 2009; and

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a \$969,000 gain recognized in the three months ended September 30, 2009 on changes in the value of warrants to purchase additional shares of the common stock of The KEYW Holding Corporation (“KEYW”).

Under the equity method of accounting, additional issuances of equity by KEYW to parties other than us are accounted for as if we sold a proportionate share of our investment and, accordingly, result in our recognition of gain or loss. We expect to recognize a gain of approximately \$6 million in the fourth quarter of 2010 in connection with an initial public offering of common stock completed by KEYW in October 2010.

Gain on sales of real estate, net of income taxes

The increase in gain on sales of real estate was attributable to the sale of a land parcel in Central New Jersey during the current period.

Comparison of the Nine Months Ended September 30, 2010 to the Nine Months Ended September 30, 2009

	For the Nine Months Ended September 30,		
	2010	2009	Variance
	(Dollars in thousands)		
Revenues			
Revenues from real estate operations	\$ 336,035	\$ 315,247	\$ 20,788
Construction contract and other service revenues	77,038	273,534	(196,496)
Total revenues	413,073	588,781	(175,708)
Expenses			
Property operating expenses	132,400	114,587	17,813
Depreciation and amortization associated with real estate operations	87,889	81,268	6,621
Construction contract and other service expenses	75,148	268,289	(193,141)
General and administrative expense	17,905	17,275	630
Business development expenses	3,506	1,550	1,956
Total operating expenses	316,848	482,969	(166,121)
Operating income	96,225	105,812	(9,587)
Interest expense	(74,987)	(58,914)	(16,073)
Interest and other income	1,942	4,949	(3,007)
Equity in income (loss) of unconsolidated entities	371	(1,075)	1,446
Income tax expense	(75)	(169)	94
Income from continuing operations	23,476	50,603	(27,127)
Discontinued operations	2,447	1,150	1,297
Gain on sales of real estate, net of income taxes	2,829	—	2,829
Net income	28,752	51,753	(23,001)
Net income attributable to noncontrolling interests	(1,516)	(4,512)	2,996
Preferred share dividends	(12,076)	(12,076)	—
Net income attributable to COPT common shareholders	\$ 15,160	\$ 35,165	\$ (20,005)

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NOI from Continuing Real Estate Operations

	For the Nine Months Ended September 30,		
	2010	2009	Variance
	(Dollars in thousands)		
Revenues			
Same office properties	\$ 299,532	\$ 303,454	\$ (3,922)
Constructed properties placed in service	16,617	5,107	11,510
Acquired properties	17,981	411	17,570
Other	1,905	6,275	(4,370)
	336,035	315,247	20,788
Property operating expenses			
Same office properties	114,162	109,000	5,162
Constructed properties placed in service	6,284	1,933	4,351
Acquired properties	7,057	91	6,966
Other	4,897	3,563	1,334
	132,400	114,587	17,813
NOI from continuing real estate operations			
Same office properties	185,370	194,454	(9,084)
Constructed properties placed in service	10,333	3,174	7,159
Acquired properties	10,924	320	10,604
Other	(2,992)	2,712	(5,704)
	\$ 203,635	\$ 200,660	\$ 2,975

As the table above indicates, much of our change in NOI from continuing real estate operations was attributable to the additions of properties through construction and acquisition activities. In addition, the lines in the table entitled “Other” include the effects of vacancies in the three properties that we expect to redevelop, including approximately 300,000 square feet at two properties in Greater Philadelphia; we recognized a \$4.9 million decrease in NOI from continuing real estate operations attributable to these properties.

With regard to changes in NOI from continuing real estate operations attributable to Same-Office Properties:

the decrease in revenues included the following:

a \$6.0 million decrease in rental revenue attributable primarily to changes in rental rates and occupancy between the two periods (average occupancy of same office

- properties was 89.1% in the current period versus 92.0% in the prior period); and
 - a \$3.0 million decrease in net revenue from the early termination of leases, most of which was due to the early termination of one lease at a property in Northern Virginia in the prior period; offset in part by
 - a \$5.0 million increase in tenant recoveries and other revenue due primarily to the increase in property operating expenses described below; and
- the increase in property operating expenses included the following:
- a \$4.5 million increase in snow removal expenses due primarily to increased snow and ice in most of our regions; offset in part by
 - a \$1.2 million decrease in bad debt expense.

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NOI from Service Operations

	For the Nine Months Ended September 30,		
	2010	2009	Variance
	(Dollars in thousands)		
Construction contract and other service revenues	\$ 77,038	\$ 273,534	\$ (196,496)
Construction contract and other service expenses	75,148	268,289	(193,141)
NOI from service operations	<u>\$ 1,890</u>	<u>\$ 5,245</u>	<u>\$ (3,355)</u>

NOI from service operations decreased due primarily to a lower volume of construction activity in connection with one large construction contract.

Interest expense

The increase in interest expense included the effect of a \$307.9 million increase in our average outstanding debt and an increase in our weighted average interest rates of debt from 4.79% to 5.05% for the reasons described above for the three month periods.

Interest and other income

Interest and other income decreased due primarily to the reasons described above for the three month periods.

Gain on sales of real estate, net of income taxes

The increase in gain on sales of real estate was attributable to the sale of a land parcel in Central New Jersey during the current period.

Funds From Operations

Funds from operations ("FFO") is defined as net income computed using GAAP, excluding gains on sales of operating properties, 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; we believe 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. We believe that FFO is useful to management and investors as a supplemental measure of operating performance because, by excluding gains related to sales of previously depreciated operating real estate properties and excluding real estate-related depreciation and amortization, FFO can help one compare our operating performance between periods. In addition, since most equity REITs provide FFO information to the investment community, we believe that FFO is useful to investors as a supplemental measure for comparing our results to those of other equity REITs. We believe 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 our cash flow available to fund cash needs. Additionally, it should not be used as an alternative to net income when evaluating our financial performance or to cash flow from operating, investing and financing activities when evaluating our liquidity or ability to make cash distributions or pay debt service.

Basic FFO available to common share and common unit holders ("Basic FFO") is FFO adjusted to subtract (1) preferred share dividends, (2) income attributable to noncontrolling interests through ownership of preferred units in the Operating Partnership or interests in other consolidated entities not owned by us, (3) depreciation and amortization allocable to noncontrolling interests in other consolidated entities and

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(4) Basic FFO allocable to restricted shares. With these adjustments, Basic FFO represents FFO available to common shareholders and common unitholders. Common units in the Operating Partnership are substantially similar to our common shares and are exchangeable into common shares, subject to certain conditions. We believe that Basic FFO is useful to investors due to the close correlation of common units to common shares. We believe 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") 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. We believe that Diluted FFO is useful to investors because it is the numerator used to compute Diluted FFO per share, discussed below. We believe that the numerator for 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 our cash flow available to fund cash needs. Additionally, it should not be used as an alternative to net income when evaluating our financial performance or to cash flow from operating, investing and financing activities when evaluating our liquidity or ability to make cash distributions or pay debt service.

Diluted FFO, excluding operating property acquisition costs is defined as Diluted FFO adjusted to exclude acquisition costs. We believe that operating property acquisition costs are not reflective of normal operations and, as a result, we believe that a measure that excludes this item is a useful supplemental measure in evaluating our operating performance. We believe 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; we compensate for these limitations in essentially the same manner as described above for Diluted FFO.

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. We believe that Diluted FFO per share is useful to investors because it provides investors with a further context for evaluating our 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, we believe that Diluted FFO per share is a useful supplemental measure for comparing us to other equity REITs. We believe 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 above for Diluted FFO.

Diluted FFO per share, excluding operating property acquisition costs is (1) Diluted FFO, 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. We believe that this measure is useful to investors because it provides investors with a further context for evaluating our FFO results. We believe that diluted EPS is the most directly comparable GAAP measure to this per share measure. This measure has most of the same limitations as Diluted FFO (described above) as well as the further limitation of not reflecting the effect of operating property acquisition costs; we compensate for these limitations in essentially the same manner as described above for Diluted FFO.

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The computations for all of the above measures on a diluted basis assume the conversion of common units in our Operating Partnership but do not assume the conversion of other securities that are convertible into common shares if the conversion of those securities would increase per share measures in a given period. The table below sets forth the computation of the above stated measures for the three and nine months ended September 30, 2010 and 2009 and provides reconciliations to the GAAP measures associated with such measures (amounts in thousands, except per share data):

	For the Three Months Ended September 30,		For the 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)	—
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	34,278	37,772	101,418	120,040
Add: Operating property acquisition costs	2,664	—	2,954	—
Diluted FFO, excluding operating property acquisition costs	\$ 36,942	\$ 37,772	\$ 104,372	\$ 120,040
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	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	63,405	63,039	63,374	61,804
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
Numerator for diluted EPS	\$ 4,540	\$ 10,177	\$ 14,353	\$ 34,402
Add: Income allocable to noncontrolling interests-common units in the Operating Partnership	363	956	1,254	4,032
Add: Real estate-related depreciation and amortization	30,745	26,712	87,896	81,911
Add: Depreciation and amortization of unconsolidated real estate entities	166	160	512	481
Add: Numerator for diluted EPS allocable to restricted shares	267	253	807	763
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)
Less: Gain on sales of operating properties, net of income taxes	(784)	—	(1,081)	—
Basic and Diluted FFO	34,278	37,772	101,418	120,040
Add: Operating property acquisition costs	2,664	—	2,954	—
Diluted FFO, excluding operating property acquisition costs	\$ 36,942	\$ 37,772	\$ 104,372	\$ 120,040
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	63,405	63,039	63,374	61,804

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Liquidity and Capital Resources

Our primary cash requirements are for operating expenses, debt service, development of new properties, improvements to existing properties and acquisitions. While we may experience increasing challenges discussed elsewhere herein and in our 2009 Annual Report on Form 10-K due to the current economic environment, we believe that our liquidity and capital resources are adequate for our near-term and longer-term requirements. We maintain sufficient cash and cash equivalents to meet our operating cash requirements and short term investing and financing cash requirements. When we determine that the amount of cash and cash equivalents on hand is more than we need to

meet such requirements, we may pay down our Revolving Credit Facility (defined below) or forgo borrowing under construction loan credit facilities to fund development activities.

We rely primarily on fixed-rate, non-recourse mortgage loans from banks and institutional lenders to finance most of our operating properties. We have also made use of the public equity and debt markets to meet our capital needs, principally to repay or refinance corporate and property secured debt and to provide funds for property development and acquisition.

We have an unsecured revolving credit facility (the "Revolving Credit Facility") with a group of lenders that provides for borrowings of up to \$700.0 million, \$200.1 million of which was available at September 30, 2010; this facility is available through September 2011 and may be extended for one year at our option provided that there is no default under the facility and we pay an extension fee of 0.125% of the total availability of the facility. In addition, we have a Revolving Construction Facility, which provides for borrowings of up to \$225.0 million, \$103.1 million of which was available at September 30, 2010 to fund construction costs; this facility is available until May 2011 and may be extended for one year at our option, provided that there is no default and we pay an extension fee equal to 0.125% of the maximum borrowing capacity under the facility.

We expect to restore sufficient capacity under our Revolving Credit Facility and Revolving Construction Facility to fund construction of properties that were under construction at period end or expected to be started during the remainder of 2010 by accessing the secured debt market, the unsecured debt market and/or the public equity market. We are continually evaluating sources of capital and believe that there are satisfactory sources available to meet our capital requirements without necessitating property sales. However, selective dispositions of operating properties and other assets may provide capital resources during the remainder of 2010 and in future years.

Certain of our debt instruments require that we comply with a number of restrictive financial covenants, including maximum leverage ratio, unencumbered leverage ratio, minimum net worth, minimum fixed charge coverage, minimum unencumbered interest coverage ratio, minimum debt service and maximum secured indebtedness ratio. As of September 30, 2010, we were in compliance with these financial covenants.

Cash Flows

Cash flow from operations decreased \$42.5 million when comparing the nine months ended September 30, 2010 and 2009 due primarily to the timing of cash flow associated with third-party construction projects and increased cash paid for interest. We expect to continue to use cash flow provided by operations as the primary source to meeting our short-term capital needs, including all property operating expenses, general and administrative expenses, interest expense, scheduled principal amortization of debt, dividends to our shareholders, distributions to our noncontrolling interest holders of preferred and common units in the Operating Partnership and capital improvements and leasing costs.

Cash flow used in investing activities increased \$188.2 million when comparing the nine months ended September 30, 2010 and 2009 due primarily to increased acquisition activity in the current period. Our cash flow provided by financing activities increased \$230.9 million when comparing the nine months ended September 30, 2010 and 2009 due primarily to a \$268.8 million decrease in debt repayments resulting from less debt refinancing activities in the current period.

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Investing and Financing Activities During the Nine Months Ended September 30, 2010

We acquired three office properties totaling 514,000 square feet for \$162.1 million. These acquisitions were financed primarily using an assumed a \$70.1 million mortgage loan having a fair value at assumption of \$73.3 million with a stated fixed interest rate of 5.35% (effective interest rate of 3.95%) that matures in March 2014 and borrowings from our Revolving Credit Facility.

We acquired a 233,000 square foot wholesale data center known as Power Loft @ Innovation in Manassas, Virginia, for \$115.5 million on September 14, 2010. Rents for this property are based on the amount of megawatts of critical load made available for the exclusive use of tenants in the property. 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. This acquisition was financed primarily using borrowings from our Revolving Credit Facility.

We had six newly-constructed office properties totaling 804,000 square feet (two in the Baltimore/Washington Corridor, two in Colorado Springs and two in San Antonio) become fully operational in 2010 (94,000 of these square feet were placed into service in 2009). These properties were 74% leased as of September 30, 2010. Costs incurred on these properties through September 30, 2010 totaled \$151.1 million, of which \$15.3 million were incurred in 2010.

In March 2010, we completed the formation of LW Redstone Company, LLC, a joint venture created to develop Redstone Gateway, a 468-acre land parcel adjacent to Redstone Arsenal in Huntsville, Alabama. The land is owned by the U.S. Government and is under a long term master lease to the joint venture. Through this master lease, the joint venture will create a business park that we expect will total approximately 4.6 million square feet of office and retail space when completed, including approximately 4.4 million square feet of Class A office space. In addition, the business park will include hotel and other amenities. Development and construction of the business park is expected to take place over a 20-year period. Our joint venture partner does not have any funding obligations under the terms of the joint venture agreement.

The table below sets forth the major components of our additions to the line entitled "Total Properties, net" on our Consolidated Balance Sheet for the nine months ended September 30, 2010 (in thousands):

Acquisitions	\$	250,577
Construction, development and redevelopment		135,465
Tenant improvements on operating properties		15,137 (1)
Capital improvements on operating properties		4,111
	\$	<u>405,290</u>

(1) Tenant improvement costs incurred on newly-constructed properties are classified in this table as construction, development and redevelopment.

Construction, development and redevelopment activities underway for office properties at September 30, 2010 included the following:

Activity	Number of Properties	Square Feet (in thousands)	Estimated Remaining Costs (in millions)	Expected Year For Costs to be Incurred Through
Construction of new properties	8	845	\$ 76.9	2012
Development of new properties	10	1,387	307.3	2014
Redevelopment of existing properties	2	576	6.9	2011

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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 sold on September 8, 2010 a land parcel that was contiguous to these properties for \$3.0 million and recognized a gain of \$2.5 million. The net proceeds from this sale after transaction costs totaled approximately \$23.6 million, which we used primarily to repay our Revolving Credit Facility.

On April 7, 2010, the Operating Partnership issued a \$240.0 million aggregate principal amount of 4.25% Exchangeable Senior Notes due 2030. Interest on the notes is payable on April 15 and October 15 of each year. The notes have an exchange settlement feature that provides that the notes may, under certain circumstances, be exchangeable for cash and, at the Operating Partnership's discretion, our common shares at an exchange rate (subject to adjustment) of 20.7769 shares per \$1,000 principal amount of the notes (exchange rate is as of September 30, 2010 and is equivalent to an exchange price of \$48.13 per common share) (the initial exchange rate of the notes was based on a 20% premium over the closing price on the NYSE on the transaction pricing date). On or after April 20, 2015, the Operating Partnership may redeem the notes in cash in whole or in part. The holders of the notes have the right to require us to repurchase the notes in cash in whole or in part on each of April 15, 2015, April 15, 2020 and April 15, 2025, or in the event of a "fundamental change," as defined under the terms of the notes, for a repurchase price equal to 100% of the principal amount of the notes plus accrued and unpaid interest. Prior to April 20, 2015, subject to certain exceptions, if (1) a "fundamental change" occurs as a result of certain forms of transactions or series of transactions and (2) a holder elects to exchange its notes in connection with such "fundamental change," we will increase the applicable exchange rate for the notes surrendered for exchange by a number of additional shares of our common shares as a "make whole premium." The notes are general unsecured senior obligations of the Operating Partnership and rank equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership. The Operating Partnership's obligations under the notes are fully and unconditionally guaranteed by us. We used the \$234.3 million in net proceeds available after transaction costs from this issuance for general corporate purposes, including the application of \$224.0 million to pay down borrowings under our Revolving Credit Facility.

In April 2010, we increased the capacity under our Revolving Credit Facility by \$100.0 million, from \$600.0 million to \$700.0 million.

[Off-Balance Sheet Arrangements](#)

We had no significant changes in our off-balance sheet arrangements from those described in the section entitled "Off-Balance Sheet Arrangements" in our 2009 Annual Report on Form 10-K.

Inflation

Most of our tenants are obligated to pay their share of a building's operating expenses to the extent such expenses exceed amounts established in their leases, based on historical expense levels. Some of our tenants are obligated to pay their full share of a building's operating expenses. These arrangements somewhat reduce our exposure to increases in such costs resulting from inflation. In addition, since our average lease life is approximately five years, we generally expect to be able to compensate for increased operating expenses through increased rental rates upon lease renewal or expiration.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to certain market risks, the most predominant of which is change in interest rates. Increases in interest rates can result in increased interest expense under our Revolving Credit Facility and other variable rate debt. Increases in interest rates can also result in increased interest expense when our fixed rate debt matures and needs to be refinanced. Our capital strategy favors long-term, fixed-rate, secured debt over variable-rate debt to minimize the risk of short-term increases in interest rates.

The following table sets forth as of September 30, 2010 our debt and weighted average interest rates for fixed rate debt by expected maturity date (dollars in thousands):

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	For the Periods Ending December 31,							Total
	2010	2011 (1)	2012	2013	2014	Thereafter		
Long term debt:								
Fixed rate debt (2)	\$ 3,456	\$ 278,361	\$ 48,647	\$ 144,615	\$ 162,009	\$ 942,116	\$ 1,579,204	
Weighted average interest rate	6.10%	4.35%	6.36%	5.62%	6.40%	5.52%	5.44%	
Variable rate debt	\$ 136	\$ 637,220	\$ 222,005	\$ 649	\$ 47,402	\$ —	\$ 907,412	

- (1) Includes amounts outstanding at September 30, 2010 of \$498.0 million under our Revolving Credit Facility, \$121.9 million under our Revolving Construction Facility and \$16.8 million under another construction loan facility that may be extended for a one-year period, subject to certain conditions.
- (2) Represents principal maturities only and therefore excludes net discounts of \$18.2 million.

The fair market value of our debt was \$2.5 billion at September 30, 2010. If interest rates on our fixed-rate debt had been 1% lower, the fair value of this debt would have increased by \$69.9 million at September 30, 2010.

The following table sets forth information pertaining to interest rate swap contracts in place as of September 30, 2010, and their respective fair values (dollars in thousands):

Notional Amount	One-Month LIBOR base	Effective Date	Expiration Date	Fair Value at September 30, 2010
\$ 120,000	1.7600%	1/2/2009	5/1/2012	\$ (2,513)
100,000	1.9750%	1/1/2010	5/1/2012	(2,430)
				\$ (4,943)

Based on our variable-rate debt balances, including the effect of interest rate swaps, our interest expense would have increased by \$1.7 million in the nine months ended September 30, 2010 if short-term interest rates were 1% higher.

Item 4. Controls and Procedures
(a) Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of September 30, 2010. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer

concluded that our disclosure controls and procedures as of September 30, 2010 were functioning effectively to provide reasonable assurance that the information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) Change in Internal Control over Financial Reporting

No change in our internal control over financial reporting occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II

Item 1. Legal Proceedings

We are not aware of any material developments during the most recent fiscal quarter regarding the litigation described in our 2009 Annual Report on Form 10-K. We are not currently involved in any other material litigation nor, to our knowledge, is any material litigation currently threatened against the Company (other than routine litigation arising in the ordinary course of business, substantially all of which is expected to be covered by liability insurance).

Item 1A. Risk Factors

There have been no material changes to the risk factors included in our 2009 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) During the three months ended September 30, 2010, 10,000 of the Operating Partnership's common units were exchanged for 10,000 common shares in accordance with the Operating Partnership's Second Amended and Restated Limited Partnership Agreement, as amended. The issuance of these common shares was effected in reliance upon the exemption from registration under Section 4(2) of the Securities Act of 1933, as amended.

(b) Not applicable

(c) Not applicable

Item 3. Defaults Upon Senior Securities

(a) Not applicable

(b) Not applicable

Item 4. Removed and Reserved

Item 5. Other Information

Not applicable

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Item 6. Exhibits

(a) Exhibits:

Exhibits 10.1, 10.2, 10.3, 10.4 and 10.5 were filed by us with previous reports under the Securities Exchange Act of 1934, as amended. We are refiling these exhibits solely to include certain schedules and exhibits that were omitted from the exhibits as filed.

EXHIBIT NO.	DESCRIPTION
10.1	Indemnity Deed of Trust, Assignment of Leases and Rents and Security Agreement, dated September 30, 1999, by affiliates of the Operating Partnership for the benefit of Teachers Insurance and Annuity Association of America (filed herewith).
10.2	Second Amended and Restated Credit Agreement, dated October 1, 2007, among Corporate Office Properties, L.P.; Corporate Office Properties Trust; KeyBanc Capital Markets; Wachovia Capital Markets, LLC; KeyBank National Association; Wachovia Bank, National Association; Bank of America, N.A.; Manufacturers and Traders Trust Company; and Citizens Bank of Pennsylvania (filed herewith).
10.3	Purchase Agreement and Agreement and Plan of Merger, dated December 21, 2006, by and among the Corporate Office Properties Trust; Corporate Office Properties, L.P.; W&M Business Trust; and Nottingham Village, Inc. (filed herewith).
10.4	Purchase and Sale Agreement of Ownership Interests, dated December 21, 2006, by and between Corporate Office Properties, L.P. and Nottingham Properties, Inc. (filed herewith).
10.5	Construction Loan Agreement dated as of May 2, 2008 by and among Corporate Office Properties, L.P., as borrower, Corporate Office Properties Trust, as parent, Keybank Capital Markets, Inc. as arranger, Keybank National Association, as administrative agent, Bank of America, N.A., as syndication agent, Manufacturers and Traders Trust Company, as documentation agent, and the financial institutions initially signatory thereto and their assignees pursuant to Section 12.5 thereof, as lenders (filed herewith).

- 10.6* Third Amendment to Employment Agreement, dated September 16, 2010, between Corporate Office Properties, L.P., Corporate Office Properties Trust and Randall M. Griffin (filed herewith).
- 10.7* Fifth Amendment to Employment Agreement, dated September 16, 2010, between Corporate Office Properties, L.P., Corporate Office Properties Trust, and Roger A. Waesche, Jr. (filed herewith).
- 10.8* Second Amendment to Employment Agreement, dated September 16, 2010, between Corporate Office Properties, L.P., Corporate Office Properties Trust and Stephen E. Riffie (filed herewith).
- 10.9* First Amendment to Employment Agreement, dated September 16, 2010, between Corporate Development Services, LLC, Corporate Office Properties Trust and Wayne Lingafelter (filed herewith).
- 31.1 Certification of the Chief Executive Officer of Corporate Office Properties Trust required by Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended (filed

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- herewith).
- 31.2 Certification of the Chief Financial Officer of Corporate Office Properties Trust required by Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended (filed herewith).
- 32.1 Certification of the Chief Executive Officer of Corporate Office Properties Trust required by Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended. (This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Further, this exhibit shall not be deemed to be incorporated by reference into any filing under the Securities Exchange Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.) (Furnished herewith).
- 32.2 Certification of the Chief Financial Officer of Corporate Office Properties Trust required by Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended. (This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Further, this exhibit shall not be deemed to be incorporated by reference into any filing under the Securities Exchange Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.) (Furnished herewith).
- 101.INS XBRL Instance Document (furnished herewith).
- 101.SCH XBRL Taxonomy Extension Schema Document (furnished herewith).
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document (furnished herewith).
- 101.LAB XBRL Extension Labels Linkbase (furnished herewith).
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document (furnished herewith).
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document (furnished herewith).

* - - Indicates a compensatory plan or arrangement required to be filed as an exhibit to this Form 10-Q.

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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 thereunto duly authorized.

CORPORATE OFFICE PROPERTIES TRUST

Date: October 29, 2010

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

Date: October 29, 2010

By: /s/ Stephen E. Riffie
 Stephen E. Riffie
 Executive Vice President and Chief Financial Officer

INDEMNITY DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS
AND SECURITY AGREEMENT

by and between

AIRPORT SQUARE II, LLC
AIRPORT SQUARE IV, LLC

AIRPORT SQUARE V, LLC
AIRPORT SQUARE X, LLC

AIRPORT SQUARE XI, LLC
AIRPORT SQUARE XIII, LLC

AIRPORT SQUARE XIV, LLC
AIRPORT SQUARE XIX, LLC
AIRPORT SQUARE XX, LLC
AIRPORT SQUARE XXI, LLC

TECH PARK I, LLC
TECH PARK II, LLC

and

TECH PARK IV, LLC

as Grantor

and

WILLIAM H. GOEBEL and MATTHEW T. MURPHY,

as Trustees
for the benefit of

TEACHERS INSURANCE AND ANNUITY ASSOCIATION
OF AMERICA,

As Lender

Property Known As
Airport Square II
Airport Square IV
Airport Square V
Airport Square X
Airport Square XI

Airport Square XIII
Airport Square XIV
Airport Square XIX

Airport Square XX
Airport Square XXI

Tech Park I
Tech Park II
Tech Park IV

This Indemnity Deed of Trust Was Prepared By
And After Recordation This Indemnity Deed of Trust Should be
Returned To:

William H. Goebel, Esquire
c/o Teachers Insurance and Annuity

Association of America
730 Third Avenue

New York, New York 10017

INDEMNITY DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS
AND SECURITY AGREEMENT

THIS INDEMNITY DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (this "DEED OF TRUST") made this 30 day of September, 1999, by Airport Square II, LLC, Airport Square IV, LLC, Airport Square V, LLC, Airport Square X, LLC, Airport Square XI, LLC, Airport Square XIII, LLC, Airport Square XIV, LLC, Airport Square XIX, LLC, Airport Square XX, LLC, Airport Square XXI, LLC, Tech Park I, LLC, Tech Park II, LLC, and Tech Park IV, LLC (collectively, "GRANTOR"), each, a Maryland limited liability company, having their principal place of business at 8815 Centre Park Drive, Suite 400, Columbia, Maryland 21045 to WILLIAM H. GOEBEL and MATTHEW T. MURPHY having an office at c/o 730 Third Avenue, New York, New York 10017 ("TRUSTEES"), for the benefit of TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA ("LENDER"), a New York corporation, having an address

RECITALS:

A. Lender agreed to make a loan to Corporate Office Properties, L.P. a Delaware limited partnership (the "BORROWER") and Borrower has agreed to accept a loan (the "LOAN") in the maximum principal amount of \$60,000,000.

B. To evidence the Loan, Borrower executed and delivered to Lender Borrower's promissory note (the "NOTE"), dated of even date herewith, in the principal amount of Sixty Million Dollars (\$60,000,000) (that amount or so much as is outstanding from time to time is referred to as the "PRINCIPAL"). Pursuant to the Note, Borrower promises to pay the Principal with interest thereon to the order of Lender as set forth in the Note and with the balance, if any, of the Debt being due and payable on October 1, 2006 (the "MATURITY DATE").

C. Grantor has executed a Conditional Guaranty Agreement of even date herewith, to and for the benefit of Lender (the "GUARANTY"), pursuant to which Grantor has, jointly and severally, conditionally guaranteed to Lender the Borrower's obligations under the Note. The Guarantor is not primarily obligated under the Loan.

D. To secure the Grantor's obligations under the Guaranty, this Deed of Trust conveys, among other things, Grantor's fee interest in the certain real property located in the County of Anne Arundel, State of Maryland more particularly described in EXHIBIT A as Parcels 1 through 13 (the "LAND").

E. As a condition precedent to making the Loan to Borrower, Lender required Grantor to execute and deliver this Deed of Trust to secure the Guarantor's Obligations under the Guaranty. As used herein, "OBLIGATIONS" means and includes: (a) all present and future liabilities and obligations of Grantor under the Guaranty, this Deed of Trust and the other Financing Documents, including principal, interest and all other amounts due or to become due

under the Guaranty, this Deed of Trust and the other Financing Documents, and (b) all present and future liabilities and obligations of Grantor under the provisions of this Deed of Trust including (i) all Expenses, and (ii) any and all other amounts and indemnifications which are included as a part of the Obligations pursuant to the provisions of this Deed of Trust. The Guaranty, this Deed of Trust, and any other agreements or documents both now and hereafter furnished or executed by Grantor or any other person or persons to evidence, secure, guaranty or in connection with the Obligations are hereinafter collectively referred to as the "FINANCING DOCUMENTS".

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.1. DEFINITIONS. Capitalized terms used in this Deed of Trust are defined in EXHIBIT B or in the text with a cross-reference in EXHIBIT B.

SECTION 1.2. RULES OF CONSTRUCTION. This Deed of Trust will be interpreted in accordance with the rules of construction set forth in EXHIBIT C.

ARTICLE II

GRANTING CLAUSES

SECTION 2.1. ENCUMBERED PROPERTY. Grantor irrevocably grants, mortgages, warrants, conveys, assigns and pledges to Trustees, in trust, WITH POWER OF SALE and the right of entry and possession, and grants to Trustees a security interest in, the following property, rights, interests and estates now or in the future owned or held by Grantor (the "PROPERTY") for the uses and purposes set forth in this Deed of Trust forever:

(i) the Land;

(ii) all buildings and improvements located on the Land (the "IMPROVEMENTS");

(iii) all easements; rights of way or use, including any rights of ingress and egress; streets, roads, ways, sidewalks, alleys and passages; strips and gores; sewer rights; water, water rights, water courses, riparian rights and drainage rights; air rights and development rights; oil and mineral rights; and tenements, hereditaments and appurtenances, in each instance adjoining or otherwise appurtenant to or benefitting the Land or the Improvements;

(iv) all materials intended for construction, re-construction, alteration or repair of the Improvements, such materials to be deemed included in the Land and the Improvements

immediately on delivery to the Land; all fixtures and personal property that are attached to, contained in or used in connection with the Land or the Improvements (excluding personal property owned by tenants and excluding removable fixtures and appurtenances), including: furniture; furnishings; machinery; motors; elevators; fittings; microwave ovens; refrigerators; office systems and equipment; plumbing, heating, ventilating and air conditioning systems and equipment; maintenance and landscaping equipment; lighting, cooking, laundry, dry cleaning, refrigerating, incinerating and sprinkler systems and equipment; telecommunications systems and equipment; computer or word processing systems and equipment; security systems and equipment; and equipment leases for any of the property described in this subsection (the "FIXTURES AND PERSONAL PROPERTY");

(v) all agreements, ground leases, grants of easements or rights-of-way, permits, declarations of covenants, conditions and restrictions, disposition and development agreements, planned unit development agreements, cooperative, condominium or similar ownership or conversion plans, management, leasing, brokerage or parking agreements or other material documents affecting Borrower of the Land, the Improvements or the Fixtures and Personal Property, including the documents described in EXHIBIT D but expressly excluding the Leases (the "PROPERTY DOCUMENTS");

(vi) all inventory (including all goods, merchandise, raw materials, incidentals, office supplies and packaging materials) held for sale, lease or resale or furnished or to be furnished under contracts of service, or used or consumed in the ownership, use or operation of the Land, the Improvements or the Fixtures and Personal Property, all documents of title evidencing any part of any of the foregoing and all returned or repossessed goods arising from or relating to any sale or disposition of inventory;

(vii) all intangible personal property relating to the Land, the Improvements or the Fixtures and Personal Property, including choses in action and causes of action (except those personal to Grantor), corporate and other business records, inventions, designs, promotional materials, blueprints, plans, specifications, patents, patent applications, trademarks, trade names, trade secrets, goodwill, copyrights, registrations, licenses, franchises, claims for refunds or rebates of taxes, insurance surpluses, refunds or rebates of taxes and any letter of credit, guarantee, claim, security interest or other security held by or granted to Grantor to secure payment by an account debtor of any of the accounts of Grantor arising out of the ownership, use or operation of the Land, the Improvements or the Fixtures and Personal Property, and documents covering all of the foregoing; all accounts, accounts receivable, documents, instruments, money, deposit accounts, funds deposited in

accounts established with a bank, savings and loan association, trust company or other financial institution in connection with the ownership, use or operation of the Property, including any reserve accounts or escrow accounts, and all investments of the funds and all other general intangibles;

(viii) all awards and other compensation paid after the date of this Deed of Trust for any Condemnation (the "CONDEMNATION AWARDS");

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(ix) all proceeds of and all unearned premiums on the Policies (the "INSURANCE PROCEEDS");

(x) all licenses, certificates of occupancy, contracts, management agreements, operating agreements, operating covenants, franchise agreements, permits and variances relating to the Land, the Improvements or the Fixtures and Personal Property;

(xi) all books, records and other information, wherever located, which are in Borrower's possession, custody or control or to which Grantor is entitled at law or in equity and which are related to the Property, including all computer or other equipment used to record, store, manage, manipulate or access the information;

(xii) all deposits held from time to time by the Accumulations Depository to provide reserves for Taxes and Assessments together with interest thereon, if any (the "ACCUMULATIONS");

(xiii) all after-acquired title to or remainder or reversion in any of the property described in this Section; all additions, accessions and extensions to, improvements of and substitutions or replacements for any of such property; all products and all cash and non-cash proceeds, immediate or remote, of any sale or other disposition of any of such property, excluding sales or other dispositions of inventory in the ordinary course of the business of operating the Land or the Improvements; and all additional lands, estates, interests, rights or other property acquired by Grantor after the date of this Deed of Trust for use in connection with the Land and Improvements, all without the need for any additional mortgage, assignment, pledge or conveyance to Lender but Grantor will execute and deliver to Lender, upon Lender's request, any documents reasonably requested by Lender to further evidence the foregoing; and

(xiv) all deposits for reserves held from time to time by an escrow holder in accordance with the Pledge and Security Agreement described in the Section entitled "RESERVES" and all accounts established to maintain the deposits together with investments thereof and interest thereon.

SECTION 2.2. HABENDUM CLAUSE. The Property is conveyed to Trustees, and the Trustees' successors and assigns, to have and to hold forever in fee simple, but subject, however, to defeasance as described in Section 2.4 of this Deed of Trust.

SECTION 2.3. SECURITY AGREEMENT.

The Property includes both real and personal property and this Deed of Trust is a real property mortgage and also a "security agreement" and a "financing statement" within the meaning of the Maryland Uniform Commercial Code. By executing and delivering this Deed of Trust, Grantor grants to Lender, as security for the Obligations, a security interest in the Property to the full extent that any of the Property may be subject to the Uniform Commercial Code.

SECTION 2.4. CONDITIONS TO GRANT. This Deed of Trust is made on the express condition

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that if Grantor pays and performs the Obligations in full in accordance with the Loan Documents, whether such obligations are now existing or hereafter arising, then, the lien of this Deed of Trust will be released at Grantor's expense. Any contractual provisions of a Loan Document that expressly provides in such Loan Document to continue beyond the repayment of the Loan and release of lien of the Deed of Trust shall continue in accordance with their terms.

ARTICLE III

OBLIGATIONS SECURED

SECTION 3.1. THE OBLIGATIONS. This Deed of Trust secures the Obligations, PROVIDED that the foregoing does not limit, qualify or affect in any way the present, absolute nature of the Assignment.

ARTICLE IV

TITLE AND AUTHORITY

SECTION 4.1. TITLE TO THE PROPERTY.

(a) Subject to the conveyance effectuated by this Deed of Trust, Grantor has and will continue to have good and marketable title in fee simple absolute to the Land and the Improvements and good and marketable title to the Fixtures and Personal Property, all free and clear of liens, encumbrances and charges except the Permitted Exceptions, and has the right to mortgage, give, grant, bargain, sell, lien, setoff, convey, confirm, pledge, assign and hypothecate the same. To Grantor's knowledge, there are no facts or circumstances that might give rise to a lien, encumbrance or charge on the Property. Subject to the Permitted Exceptions, Grantor shall forever specially warrant, defend and preserve such title and the validity and priority of the lien of this Deed of Trust and shall forever warrant and defend the same to Lender against the claims of all persons whomsoever.

(b) Grantor owns and will continue to own all of the other Property free and clear of all liens, encumbrances and charges except the Permitted Exceptions.

(c) This Deed of Trust is and will remain a valid and enforceable first lien on and security interest in the Property, subject only to the Permitted Exceptions.

SECTION 4.2. AUTHORITY.

(a) Grantor is and will continue to be (i) duly organized, validly existing and in good standing under the Laws of the state or commonwealth in which it was organized or incorporated and (ii) duly qualified to conduct business, in good standing, in the state or commonwealth where the Property is located.

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(b) Grantor has and will continue to have all approvals required by Law or otherwise and full right, power and authority to (i) own and operate the Property and

carry on Grantor's business as now conducted or as proposed to be conducted; (ii) execute and deliver those of the Financing Documents to which it is a party; (iii) grant, mortgage, warrant the title to, convey, assign and pledge the Property to Lender pursuant to the provisions of this Deed of Trust; and (iv) perform the Obligations.

(c) The execution and delivery of the Financing Documents and the performance of the Obligations do not and will not conflict with or result in a default under any Laws or any Leases or Property Documents and do not and will not conflict with or result in a default under any agreement binding upon any party to the Financing Documents.

(d) The Financing Documents constitute and will continue to constitute legal, valid and binding obligations of all parties to the Financing Documents enforceable in accordance with their respective terms.

SECTION 4.3. NO FOREIGN PERSON. Grantor is not a "foreign person" within the meaning of Section 1445(f)(3) of the Code. Borrower is not a "foreign person" within the meaning of Section 1445(f)(3) of the Code.

SECTION 4.4. LITIGATION. There are no Proceedings or, to Grantor's knowledge, investigations against or affecting Grantor or the Property and, to Grantor's knowledge, there are no facts or circumstances that might give rise to a Proceeding or an investigation against or affecting Grantor or the Property. Grantor will give Lender prompt notice of the commencement of any Proceeding or investigation against or affecting the Property or Grantor which could have a material adverse effect on the Property or on Lender's interests in the Property or under the Financing Documents. Grantor also will deliver to Lender such additional information relating to the Proceeding or investigation as Lender may request from time to time.

ARTICLE V

PROPERTY STATUS, MAINTENANCE AND LEASES

SECTION 5.1. STATUS OF THE PROPERTY.

(a) Grantor has obtained and will maintain in full force and effect all certificates, licenses, permits and approvals that are issued or required by Law or by any entity having jurisdiction over the Property or over Grantor or that are necessary for the Permitted Use, for occupancy and operation of the Property for the conveyance described in this Deed of Trust and for the conduct of Grantor's business on the Property in accordance with the Permitted Use.

(b) The Property is and will continue to be serviced by all public utilities required for the Permitted Use of the Property.

(c) All roads and streets necessary for service of and access to the Property for the current or contemplated use of the Property have been completed and are and will continue to be

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serviceable, physically open and dedicated to and accepted by the Government for use by the public.

(d) The Property is free from damage caused by a Casualty.

(e) All costs and expenses of labor, materials, supplies and equipment used in the construction of the Improvements have been paid in full.

SECTION 5.2. MAINTENANCE OF THE PROPERTY. Grantor will maintain the Property in thorough repair and good and safe condition, suitable for the Permitted Use, including, to the extent necessary, replacing the Fixtures and Personal Property with property at least equal in quality and condition to that being replaced. Grantor will not erect any new buildings, building additions or other structures on the Land or otherwise materially alter the Improvements without Lender's prior consent which may be withheld in Lender's sole discretion. The Property will be managed by a property manager satisfactory to Lender pursuant to a management agreement satisfactory to Lender and terminable by Grantor upon 30 days notice to the property manager.

SECTION 5.3. CHANGE IN USE. Grantor will use and permit the use of the Property for the Permitted Use and for no other purpose.

SECTION 5.4. WASTE. Grantor will not commit or permit any waste (including economic and non-physical waste), impairment or deterioration of the Property or any alteration, demolition or removal of any of the Property without Lender's prior consent which may be withheld in Lender's sole discretion.

SECTION 5.5. INSPECTION OF THE PROPERTY. Subject to the rights of tenants having a highly restrictive entry provision under the Leases in GSA or other United States government leases in Airport Square IV, X, XI, XIV, XIX, XX and XXI, Lender has the right to enter and inspect the Property on reasonable prior notice, except during the existence of an Event of Default, when no prior notice is necessary. Lender has the right to engage an independent expert to review and report on Grantor's compliance with Grantor's obligations under this Deed of Trust to maintain the Property, comply with Law and refrain from waste, impairment or deterioration of the Property and the alteration, demolition or removal of any of the Property except as may be permitted by the provisions of this Deed of Trust. If the independent expert's report discloses material failure to comply with such obligations or if Lender engages the independent expert after the occurrence of an Event of Default, then the independent expert's review and report will be at Grantor's expense, payable on demand.

SECTION 5.6. LEASES AND RENTS.

Grantor assigns the Leases and the Rents to Lender absolutely and not merely as additional collateral or security for the payment and performance of the Obligations, but subject to a license back to Grantor of the right to collect the Rents unless and until an Event of Default occurs at which time the license will terminate automatically, all as more particularly set forth in the Assignment, the provisions of which are incorporated in this Deed of Trust by reference.

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SECTION 5.7. PARKING. Grantor will provide, maintain, police and light parking areas within the Property, including any sidewalks, aisles, streets, driveways, sidewalk cuts and rights-of-way to and from the adjacent public streets, in a manner consistent with the Permitted Use and sufficient to accommodate the greatest of: (i) the number of parking spaces required by Law; (ii) the number of parking spaces required by the Leases and the Property Documents; or (iii) for each of the parcels constituting the Property, the following number of spaces: (A) Parcel 1 - 435 spaces, (B) Parcel 2 - 212 spaces, (C) Parcel 3 - 353 spaces, (D) Parcel 4 - 263 spaces, (E) Parcel 5 - 242 spaces, (F) Parcel 6 - 250 spaces, (G) Parcel 7 - 260 spaces, (H) Parcel 8 - 286 spaces, (I) Parcel 9 - 374 spaces, (J) Parcel 10 - 278 spaces, (K) Parcel 11 - 198 spaces, (L) Parcel 12 - 187 spaces; and (M) Parcel 13 - 206 spaces; subject, however, in each instance to temporary reduction resulting from repairs or alterations at the Property. The parking areas will be reserved and used exclusively for ingress, egress and parking for Grantor and the tenants under the Leases and their respective employees, customers and invitees and in accordance with the Leases and the Property Documents.

SECTION 5.8. SEPARATE TAX LOT. Each of the Parcels constituting the Property is and will remain assessed for real estate tax purposes as one or more wholly independent tax lots, separate from any property that is not part of the Property.

SECTION 5.9. CHANGES IN ZONING OR RESTRICTIVE COVENANTS. Grantor will not (i) initiate, join in or consent to any change in any Laws pertaining to zoning, any restrictive covenant or other restriction which would restrict the Permitted Uses for the Property; (ii) permit the Property to be used to fulfill any requirements of Law for the construction or maintenance of any improvements on property that is not part of the Property; (iii) permit the Property to be used for any purpose not included in the Permitted Use; or (iv) impair the integrity of each of the Parcels of the Property as a single, legally subdivided zoning lot separate from all other property.

SECTION 5.10. LENDER'S RIGHT TO APPEAR. Lender has the right to appear in and defend any Proceeding brought regarding the Property and to bring any Proceeding, in the name and on behalf of Borrower or Grantor or in Lender's name, which Lender, in its sole but reasonable discretion, determines should be brought to protect Lender's interest in the Property.

ARTICLE VI

IMPOSITIONS AND ACCUMULATIONS

SECTION 6.1. IMPOSITIONS. Subject to the requirements of any separate agreement between Grantor and Lender as described in Sections 6.2 and 6.4:

(a) Grantor will pay each Imposition at least 5 days before the date (the "IMPOSITION PENALTY DATE") that is the earlier of (i) the date on which the Imposition becomes delinquent and (ii) the date on which any penalty, interest or charge for non-payment of the Imposition accrues.

(b) Before each Imposition Penalty Date, Grantor will deliver to Lender a receipted bill

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or other evidence of payment.

(c) Grantor, at its own expense, may contest any Taxes or Assessments, PROVIDED that the following conditions are met:

(i) not less than 15 days prior to the Imposition Penalty Date, Grantor delivers to Lender notice of the proposed contest;

(ii) the contest is by a Proceeding promptly initiated and conducted diligently and in good faith;

(iii) there is no Event of Default;

(iv) the Proceeding suspends the collection of the contested Taxes or Assessments or Grantor otherwise secures assurances reasonably satisfactory to Lender from the taxing authority that the taxation will be stayed pending such proceeding;

(v) the Proceeding is permitted under and is conducted in accordance with the Leases and the Property Documents;

(vi) the Proceeding precludes imposition of criminal or civil penalties and sale or forfeiture of the Property and Lender will not be subject to any civil suit; and

(vii) Grantor either deposits with the Accumulations Depository reserves or furnishes a bond or other security satisfactory to Lender, in either case in an amount sufficient to pay the contested Taxes or Assessments, together with all interest and penalties or Grantor pays all of the contested Taxes or Assessments under protest.

(d) INSTALLMENT PAYMENTS. If any Assessment is payable in installments, Grantor will nevertheless pay the Assessment in its entirety on the day the first installment becomes due and payable or a lien, unless Lender, in its sole discretion, approves payment of the Assessment in installments.

SECTION 6.2. ACCUMULATIONS.

(a) Grantor made an initial deposit with either Lender or a mortgage servicer or financial institution designated or approved by Lender from time to time to receive, hold and disburse the Accumulations in accordance with this Section (the "ACCUMULATIONS DEPOSITORY") and in accordance with the Pledge and Security Agreement (the "Pledge and Security Agreement") to be entered into among Grantor, Lender and a pledge agent for the Accumulations Depository. On the first day of each calendar month during the Term Grantor will deposit with the Accumulations Depository an amount equal to one-twelfth (1/12) of the annual Taxes and Assessments as determined by Lender or its designee. At least 30 days before each Imposition Penalty Date, Grantor will deliver to the Accumulations Depository any bills and other documents that are necessary to pay the Taxes and Assessments.

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(b) The Accumulations will be applied to the payment of Taxes and Assessments. Any excess Accumulations after payment of Taxes and Assessments will be returned to Grantor or credited against future payments of the Accumulations, at Lender's election or as required by Law. If the Accumulations are not sufficient to pay Taxes and Assessments, Grantor will pay the deficiency to the Accumulations Depository within 5 days of demand. At any time after an Event of Default occurs, Lender may apply the Accumulations as a credit against any portion of the Obligations selected by Lender in its sole discretion.

(c) The Accumulations Depository will hold the Accumulations as additional security for the Obligations until applied in accordance with the provisions of this Deed of Trust. If Lender is not the Accumulations Depository, the Accumulations Depository will deliver the Accumulations to Lender upon Lender's demand at any time after an Event of Default.

(d) If the Property is sold or conveyed other than by foreclosure or transfer in lieu of foreclosure, all right, title and interest of Grantor to the Accumulations will automatically, and without necessity of further assignment, be held for the account of the new owner, subject to the provisions of this Section and Grantor will have no further interest in the Accumulations.

(e) The Accumulations Depository has deposited the initial deposit and will deposit the monthly deposits into a separate interest bearing account in the name of Borrower, as pledged to the Lender as secured party, all in accordance with the Pledge and Security Agreement.

(f) Lender has the right to pay, or to direct the Accumulations Depository to pay, any Taxes or Assessments unless Grantor is contesting the Taxes or Assessments in accordance with the provisions of this Deed of Trust, in which event any payment of the contested Taxes or Assessments will be made under protest in the manner prescribed by Law or, at Lender's election, will be withheld.

(g) If Lender assigns this Deed of Trust, Lender will pay, or cause the Accumulations Depository to pay, the unapplied balance of the Accumulations to or at the direction of the assignee. Simultaneously with the payment, Lender and the Accumulations Depository will be released from all liability with respect to the Accumulations and Grantor will look solely to the assignee with respect to the Accumulations. When the Obligations have been fully satisfied, any unapplied balance of the Accumulations

will be returned to Grantor.

SECTION 6.3. CHANGES IN TAX LAWS. If a Law requires the deduction of the Obligations from the value of the Property for the purpose of taxation or imposes a tax, either directly or indirectly, on the Obligations, any Financing Document or Lender's interest in the Property, Grantor will pay the tax with interest and penalties, if any. If Lender determines that Grantor's payment of the tax may be unlawful, unenforceable, usurious or taxable to Lender, the Obligations will become immediately due and payable on 90 days' prior notice unless the tax must be paid within the 120-day period, in which case, the Obligations will be due and payable within the lesser period, but in such latter event, without the payment of the Prepayment Premium or the Evasion Premium, if then applicable.

SECTION 6.4. RESERVES. Grantor made an initial deposit and will make periodic deposits

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into an account established as additional security for the payment and performance of the Obligations and further deposits towards potential obligations of capital improvement costs at the Property, each to be held and disbursed in accordance with the Pledge and Security Agreement.

ARTICLE VII

INSURANCE, CASUALTY, CONDEMNATION AND RESTORATION

SECTION 7.1. INSURANCE COVERAGES.

(a) Borrower and Grantor will maintain such insurance coverages and endorsements in form and substance and in amounts as Lender may require in its sole reasonable discretion, from time to time. Until Lender notifies Borrower or Grantor of changes in Lender's requirements, Borrower and Grantor will maintain not less than the insurance coverages and endorsements Lender required for closing of the Loan.

(b) The insurance, including renewals, required under this Section will be issued on valid and enforceable policies and endorsements reasonably satisfactory to Lender (the "POLICIES").

Each Policy will contain a standard waiver of subrogation and a replacement cost endorsement and will provide that Lender will receive not less than 30 days' prior written notice of any cancellation, termination or non-renewal of a Policy or any material change other than an increase in coverage and that Lender will be named under a standard mortgage endorsement as loss payee.

(c) The insurance companies issuing the Policies (the "INSURERS") must be authorized to do business in the State or Commonwealth where the Property is located, must have been in business for at least 5 years, must carry an A.M. Best Company, Inc. policy holder rating of A or better and an A.M. Best Company, Inc. financial category rating of Class X or better and must be otherwise satisfactory to Lender. Lender may select an alternative credit rating agency and may impose different credit rating standards for the Insurers. Notwithstanding Lender's right to approve the Insurers and to establish credit rating standards for the Insurers, Lender will not be responsible for the solvency of any Insurer.

(d) Notwithstanding Lender's rights under this Article, Lender will not be liable for any loss, damage or injury resulting from the inadequacy or lack of any insurance coverage.

(e) Grantor and Borrower will each comply with the provisions of the Policies and with the requirements, notices and demands imposed by the Insurers and applicable to Grantor, Borrower or the Property.

(f) Grantor and Borrower will pay the Insurance Premiums for each Policy not less than 30 days before the expiration date of the Policy being replaced or renewed and will deliver to Lender a certified copy of each Policy (for the initial closing or any replacements of the original policy, with an ACORD 27 certificate for any renewals thereafter) marked "Paid" not less than

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10 days prior to the expiration date of the Policy being replaced or renewed.

(g) Neither Grantor nor Borrower will carry separate insurance concurrent in kind or form or contributing in the event of loss with any other insurance carried by Grantor or Borrower.

(h) If Grantor and/or Borrower carries any insurance under a blanket policy, it will deliver to Lender prior to the date hereof or for any replacement policy a certified duplicate copy of the blanket policy (and certificates as described in paragraph (f), above, for renewals) which will allocate to the Property the amount of coverage required under this Section and otherwise will provide the same coverage and protection as would a separate policy insuring only the Property.

(i) Grantor will give the Insurers prompt notice of any change in ownership or use of the Property. This subsection does not abrogate the prohibitions on transfers set forth in this Deed of Trust.

(j) If the Property is sold at a foreclosure sale or otherwise is transferred so as to extinguish the Obligations, all of Grantor's right, title and interest in and to the Policies then in force will be transferred automatically to the purchaser or transferee.

SECTION 7.2. CASUALTY AND CONDEMNATION.

(a) Grantor will give Lender notice of any Casualty immediately after it occurs and will give Lender notice of any Proceeding in Condemnation immediately after Grantor receives notice of commencement or notice that such a Proceeding will be commencing. Grantor immediately will deliver to Lender copies of all documents Grantor delivers or receives relating to the Casualty or the Proceeding, as the case may be.

(b) If the amount of any Insurance Proceeds or Condemnation Awards, as estimated by Lender in its sole but reasonable discretion, is equal to or less than Five Hundred Thousand Dollars (\$500,000), and if Grantor is not at the date of the Casualty subject of an Event of Default beyond any applicable notice and cure period, then in the event of both such instances Grantor shall be authorized to act without Lender's review or consent in collecting, adjusting and compromising any claims for loss, damage or destruction under the Policies or with any Condemnation Proceeding, as may be applicable. If Grantor is entitled to settle such claims without Lender's review or consent, Grantor shall still be required to have the Insurance proceeds or Condemnation Awards, as the case may be, held and applied in accordance with the terms of this Section 7.2

(c) If the amount of any Insurance Proceeds or Condemnation Award exceeds \$500,000, in Lender's sole but reasonable estimation, or if any Event of Default under any Loan Document then remains uncured beyond any applicable notice or cure period (each such event, a "Consent Trigger"), then Grantor authorizes Lender, at

Lender's option, to act on Grantor's behalf to collect, adjust and compromise any claims for loss, damage or destruction under the Policies on such terms as Lender determines in Lender's sole discretion. Further, in the event of any

Consent Trigger, Grantor authorizes Lender to act, at Lender's option, on Grantor's behalf in connection with any Condemnation Proceeding. Grantor will execute and deliver to Lender all documents requested by Lender and all documents as may be required by Law to confirm such authorizations. Nothing in this Section will be construed to limit or prevent Lender from joining with Grantor either as a co-defendant or as a co-plaintiff in any Condemnation Proceeding.

(c) If a Consent Trigger occurs but Lender elects not to act on Grantor's behalf as provided in this Section, then Grantor promptly will file and prosecute all claims (including Lender's claims) relating to the Casualty and will prosecute or defend (including defense of Lender's interest) any Condemnation Proceeding. Grantor will have the authority to settle or compromise the claims or Proceeding, as the case may be, PROVIDED that Lender has approved in Lender's sole discretion any compromise or settlement that exceeds \$500,000.00. Any check for Insurance Proceeds or Condemnation Awards, as the case may be (the "PROCEEDS") will be made payable to Lender and Grantor. Grantor will endorse the check to Lender immediately upon Lender presenting the check to Grantor for endorsement or if Grantor receives the check first, will endorse the check immediately upon receipt and forward it to Lender. If any Proceeds are paid to Grantor, Grantor immediately will deposit the Proceeds with Lender, to be applied or disbursed in accordance with the provisions of this Deed of Trust. Lender will be responsible for only the Proceeds actually received by Lender.

SECTION 7.3. APPLICATION OF PROCEEDS. After deducting the costs incurred by Lender in collecting the Proceeds, Lender may, in its sole discretion, (i) apply the Proceeds as a credit against any portion of the Debt selected by Lender in its sole discretion of the Debt (in which event neither the Prepayment Premium nor the Evasion Premium, if any, shall apply); (ii) apply the Proceeds to restore the Improvements, PROVIDED that Lender will not be obligated to see to the proper application of the Proceeds and PROVIDED FURTHER that any amounts released for Restoration will not be deemed a payment on the Debt; or (iii) deliver the Proceeds to Grantor.

SECTION 7.4. CONDITIONS TO AVAILABILITY OF PROCEEDS FOR RESTORATION.

Notwithstanding the preceding Section, after a Casualty or a Condemnation (a "DESTRUCTION EVENT"), Lender will make the Proceeds (less any costs incurred by Lender in collecting the Proceeds) available for Restoration in accordance with the conditions for disbursements set forth in the Section entitled "RESTORATION", PROVIDED that the following conditions are met:

- (i) Each of the entities described above as an original Grantor hereunder, or the transferee under a Permitted Transfer, if any, continues to be Grantor at the time of the Destruction Event and at all times thereafter until the Proceeds have been fully disbursed;
- (ii) no default under the Financing Documents exists at the time of the Destruction Event;
- (iii) all Leases in effect immediately prior to the Destruction Event and all Property Documents in effect immediately prior to the Destruction Event that are essential to the use and operation of the Property continue in full force and effect, subject to any rental

abatements provided in the leases, notwithstanding the Destruction Event;

(iv) the annual Rents (excluding security deposits) under Leases in effect on the date of the Destruction Event, plus any rental insurance proceeds paid or to be paid to Grantor, plus any additional collateral satisfactory to Lender in its sole but reasonable discretion, are providing debt service coverage for the annual Debt Service Payments of 1.40 after payment of annual Insurance Premiums, Impositions and operating expenses of the Property (including ground rent, if any), PROVIDED that, if the combined Rents, rental insurance and other approved collateral, if any, do not provide such debt service coverage, then Grantor expressly authorizes and directs Lender to apply an amount from the Proceeds to reduction of Principal in order to reduce the annual Debt Service Payments sufficiently for such debt service coverage to be achieved (in which event neither the Prepayment Premium nor the Evasion Premium, if any, shall apply). The reduced debt service payments will be calculated using the Fixed Interest Rate and an amortization schedule that will achieve the same proportionate amortization of the reduced Principal over the then remaining Term as would have been achieved if the Principal and the originally scheduled Debt Service Payments had not been reduced. Grantor will execute any documentation that Lender deems reasonably necessary to evidence the reduced Principal and debt service payments.

SECTION 7.5. RESTORATION.

(a) If the total Proceeds for any Destruction Event are \$500,000.00 or less and Lender elects or is obligated by Law or under this Article to make the Proceeds available for Restoration, Lender will disburse to Grantor the entire amount received by Lender and Grantor will commence Restoration promptly after the Destruction Event and complete Restoration not later than the Restoration Completion Date.

(b) If the Proceeds for any Destruction Event exceed \$500,000.00 and Lender elects or is obligated by Law or under this Article to make the Proceeds available for Restoration, Lender will disburse the Proceeds and any Additional Funds (the "RESTORATION FUNDS") upon Grantor's request as Restoration progresses, generally in accordance with normal construction lending practices for disbursing funds for construction costs, PROVIDED that the following conditions are met:

- (i) Grantor commences Restoration promptly after the Destruction Event and completes Restoration on or before the Restoration Completion Date;
- (ii) if Lender requests, Grantor delivers to Lender prior to commencing Restoration, for Lender's approval, plans and specifications and a detailed budget for the Restoration;
- (iii) Grantor delivers to Lender satisfactory evidence of the costs of Restoration incurred prior to the date of the request, and such other documents as Lender may request including mechanics' lien waivers and title insurance endorsements;

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- (iv) Grantor pays all costs of Restoration whether or not the Restoration Funds are sufficient and, if at any time during Restoration, Lender determines that the undisbursed balance of the Restoration Funds is insufficient to complete Restoration, Grantor deposits with Lender, as part of the Restoration Funds, an amount equal to the deficiency (or a guaranty or other collateral reasonably satisfactory to Lender in its sole but reasonable discretion) within 30 days of receiving notice of the deficiency from Lender; and
 - (v) there is no default under the Financing Documents at the time Grantor requests funds or at the time Lender disburses funds.

(c) If an Event of Default occurs at any time after the Destruction Event, then Lender will have no further obligation to make any remaining Proceeds available for Restoration and may apply any remaining Proceeds as a credit against any portion of the Debt selected by Lender in its sole discretion.

(d) Lender may elect at any time prior to commencement of Restoration or while work is in progress to retain, at Grantor's expense, an independent engineer or other consultant to review the plans and specifications, to inspect the work as it progresses and to provide reports. If any matter included in a report by the engineer or consultant is unsatisfactory to Lender, Lender may suspend disbursement of the Restoration Funds until the unsatisfactory matters contained in the report are resolved to Lender's satisfaction.

(e) If Grantor fails to commence and complete Restoration in accordance with the terms of this Article, then in addition to the Remedies, Lender may elect to restore the Improvements on Grantor's behalf and reimburse itself out of the Restoration Funds for costs and expenses incurred by Lender in restoring the Improvements, or Lender may apply the Restoration Funds as a credit against any portion of the Debt selected by Lender in its sole discretion.

(f) Lender may commingle the Restoration Funds with its general assets but shall assure that any Restoration Funds so commingled shall nonetheless be made available by Lender for application under this Section 7.5; and Lender will not be liable to pay any interest or other return on the Restoration Funds unless otherwise required by Law. Lender will not hold any Restoration Funds in trust. Lender may elect to deposit the Restoration Funds with a depository satisfactory to Lender under a disbursement and security agreement satisfactory to Lender, which Agreement shall provide for a segregation of funds and obligation to pay interest.

(g) Grantor will pay all of Lender's expenses incurred in connection with a Destruction Event or Restoration. If Grantor fails to do so, then in addition to the Remedies, Lender may from time to time reimburse itself out of the Restoration Funds.

(h) If any excess Proceeds remains after Restoration, Lender may elect, in its sole discretion either to apply the excess as a credit against any portion of the Debt as selected by Lender in its sole discretion or to deliver the excess to Grantor.

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ARTICLE VIII

COMPLIANCE WITH LAW AND AGREEMENTS

SECTION 8.1. COMPLIANCE WITH LAW. Grantor, the Property and the use of the Property complies and will continue to comply with Law and with all agreements and conditions necessary to preserve and extend all rights, licenses, permits, privileges, franchises and concessions (including zoning variances, special exceptions and non-conforming uses) relating to the Property or Grantor. Grantor will notify Lender of the commencement of any investigation or Proceeding relating to a possible violation of Law promptly (but in no event beyond five (5) business days) after Grantor receives notice thereof and, will deliver promptly to Lender copies of all documents Grantor receives or delivers in connection with the investigation or Proceeding. Grantor will not alter the Property in any manner that would increase Grantor's responsibilities for compliance with Law.

SECTION 8.2. COMPLIANCE WITH AGREEMENTS. There are no defaults, events of defaults or events which, with the passage of time or the giving of notice, would constitute an event of default under the Property Documents. Grantor will pay and perform all of its obligations under the Property Documents as and when required by the Property Documents. Grantor will cause all other parties to the Property Documents to pay and perform their obligations under the Property Documents as and when required by the Property Documents. Grantor will not amend or waive any provisions of the Property Documents; exercise any options under the Property Documents; give any approval required or permitted under the Property Documents that would adversely affect the Property or Lender's rights and interests under the Financing Documents; cancel or surrender any of the Property Documents; or release or discharge or permit the release or discharge of any party to or entity bound by any of the Property Documents, without, in each instance, Lender's prior approval (excepting therefrom all service contracts or other agreements entered into in the normal course of business that are cancelable upon not more than 30 days notice). Grantor promptly will deliver to Lender copies of any notices of default or of termination that Grantor receives or delivers relating to any Property Document.

SECTION 8.3. ERISA COMPLIANCE.

(a) Neither Grantor nor any of its constituent entities is or will be an "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA") that is subject to Title I of ERISA or a "plan" as defined in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code, and neither the assets of Borrower, Grantor or of any of their constituent entities are or will constitute "plan assets" of one or more such plans for purposes of Title I of ERISA or Section 4975 of the Code.

(b) Grantor is not and will continue to not be a "GOVERNMENTAL PLAN" within the meaning of Section 3(32) of ERISA and transactions by or with Grantor or Borrower are not and will not be subject to any Laws regulating investments of and fiduciary obligations with respect to governmental plans.

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(c) Grantor will not engage in any transaction which would cause any obligation or any action under the Financing Documents or the Loan Documents, including Lender's exercise of the Remedies, to be a non-exempt prohibited transaction under ERISA.

SECTION 8.4. SECTION 6045(e) FILING. Grantor will supply or cause to be supplied to Lender either (i) a copy of a completed Form 1099-S, Statement for Recipients of Proceeds from Real Estate, Broker and Barter Exchange Proceeds prepared by Grantor's attorney or other person responsible for the preparation of the form, together with a certificate from the person who prepared the form to the effect that the form has, to the best of the preparer's knowledge, been accurately prepared and that the preparer will timely file the form; or (ii) a certification from Grantor that the Loan is a refinancing of the Property or is otherwise not required to be reported to the Internal Revenue Service pursuant to Section 6045(e) of the Code. Under no circumstances will Lender or Lender's counsel be obligated to file the reports or returns.

ARTICLE IX

ENVIRONMENTAL

SECTION 9.1. ENVIRONMENTAL REPRESENTATIONS AND WARRANTIES.

Except as disclosed in the Environmental Report and to Grantor's knowledge as of the date of this Deed of Trust:

- (i) no Environmental Activity has occurred or is occurring on the Property other than the use, storage, and disposal of Hazardous Materials which (A) is in the ordinary course of business consistent with the Permitted Use; (B) is in compliance with all Environmental Laws and (C) has not resulted in Material Environmental Contamination of the Property; and

- (ii) no Environmental Activity has occurred or is occurring on any property in the vicinity of the Property which has resulted in Material Environmental Contamination of the Property.

SECTION 9.2. ENVIRONMENTAL COVENANTS.

- (a) Grantor will not cause or permit any Material Environmental Contamination of the Property.

(b) No Environmental Activity will occur on the Property other than the use, storage and disposal of Hazardous Materials which (A) is in the ordinary course of business consistent with the Permitted Use; (B) is in compliance with all Environmental Laws; and (C) does not create a risk of Material Environmental Contamination of the Property.

(c) Grantor will notify Lender immediately upon Grantor becoming aware of (i) any Material Environmental Contamination of the Property or (ii) any Environmental Activity with

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respect to the Property that is not in accordance with the preceding subsection (b). Grantor promptly will deliver to Lender copies of all documents delivered to or received by Grantor regarding the matters set forth in this subsection, including notices of Proceedings or investigations concerning any Material Environmental Contamination of the Property or Environmental Activity or concerning Grantor's status as a potentially responsible party (as defined in the Environmental Laws). Grantor's notification of Lender in accordance with the provisions of this subsection will not be deemed to excuse any default under the Financing Documents resulting from the violation of Environmental Laws or the Material Environmental Contamination of the Property or Environmental Activity that is the subject of the notice. If Grantor receives notice of a suspected violation of Environmental Laws in the vicinity of the Property that poses a risk of Material Environmental Contamination of the Property, Grantor will give Lender notice and copies of any documents received relating to such suspected violation.

(d) From time to time at Lender's request, Grantor will deliver to Lender any information known and documents available to Grantor relating to the environmental condition of the Property.

(e) Lender may perform or engage an independent consultant to perform an assessment of the environmental condition of the Property and of Grantor's compliance with this Section at any time for reasonable cause or after an Event of Default (if, in both instances, Lender has reasonable suspicion to believe that an Environmental Activity has occurred which could result in a Material Environmental Contamination). In connection with the assessment: (i) Lender or consultant may enter and inspect the Property and perform tests of the air, soil, ground water and building materials; (ii) Grantor will cooperate and use best efforts to cause tenants and other occupants of the Property to cooperate with Lender or consultant; (iii) Grantor will receive a copy of any final report prepared after the assessment, to be delivered to Grantor not more than 10 days after Grantor requests a copy and executes Lender's standard confidentiality and waiver of liability letter; (iv) Grantor will accept custody of and arrange for lawful disposal of any Hazardous Materials required to be disposed of as a result of the tests; (v) Lender will not have liability to Grantor with respect to the results of the assessment; and (vi) Lender will not be responsible for any damage to the Property resulting from the tests described in this subsection and Grantor will look solely to the consultants to reimburse Grantor for any such damage. The consultant's assessment and reports will be at Grantor's expense (i) if the reports disclose any material adverse change in the environmental condition of the Property from that disclosed in the Environmental Report; (ii) if Lender engaged the consultant when Lender had reasonable cause to believe Grantor was not in compliance with the terms of this Article and, after written notice from Lender, Grantor failed to provide promptly reasonable evidence that Grantor is in compliance; or (iii) if Lender engaged the consultant or after the occurrence of an Event of Default.

(f) If Lender has reasonable cause to believe that there is Environmental Activity at the Property, Lender may elect in its sole discretion to direct the Trustees to Reconvey any portion of the Property affected by the Environmental Activity and Grantor will accept the reconveyance.

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ARTICLE X

FINANCIAL REPORTING

SECTION 10.1. FINANCIAL REPORTING.

(a) Grantor will deliver to Lender within 90 days after the close of each Fiscal Year an annual financial statement (the "ANNUAL FINANCIAL STATEMENT") for the Property and for Corporate Office Properties Trust, upon request of Lender, for the Fiscal Year, which will include a comparative balance sheet, a cash flow statement, an income and expense statement, a detailed breakdown of all receipts and expenses and all supporting schedules. The Annual Financial Statement will be:

- (i) unaudited, but certified by the Chief Financial Officer of Corporate Office Properties Trust, on a GAAP basis;
- (ii) accompanied by an opinion of such Chief Financial Officer that, in all material respects, the Annual Financial Statement fairly presents the financial position of the Property; and
- (iii) separate and distinct from any consolidated statement or report for Grantor, Borrower or any other entity or any other property.

(b) Grantor will keep full and accurate Financial Books and Records for each Fiscal Year. Grantor will permit Lender or Lender's accountants or auditors to inspect or audit the Financial Books and Records from time to time and without notice. Grantor will maintain the Financial Books and Records for each Fiscal Year for not less than 3 years after the date Grantor delivers to Lender the Annual Financial Statement and the other financial certificates, statements and information to be delivered to Lender for the Fiscal Year. Financial Books and Records will be maintained at Grantor's (as applicable) address set forth in the section entitled "NOTICES" or at any other location as may be approved by Lender.

ARTICLE XI

EXPENSES AND DUTY TO DEFEND

SECTION 11.1. PAYMENT OF EXPENSES.

(a) Grantor is obligated to pay all fees and expenses (the "EXPENSES") incurred by Lender, Trustees or that are otherwise payable in connection with the Loan, the Property or Grantor, including attorneys' fees and expenses and any fees and expenses relating to (i) the preparation, execution, acknowledgment, delivery and recording or filing of the Loan Documents; (ii) any Proceeding or other claim asserted against Lender; (iii) any inspection,

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assessment, survey and test permitted under the Financing Documents; (iv) any Destruction Event; (v) the preservation of Trustees' title, Lender's security and the exercise of any rights or remedies available at Law, in equity or otherwise; and (vi) the Leases and the Property Documents.

(b) Grantor will pay the Expenses immediately on demand, together with any applicable interest, premiums or penalties. If Lender pays any of the Expenses, Grantor will reimburse Lender the amount paid by Lender immediately upon demand, together with interest on such amount at the Default Interest Rate from the date Lender paid the Expenses through and including the date Grantor reimburses Lender. The Expenses together with any applicable interest, premiums or penalties constitute a portion of the Obligations secured by this Deed of Trust.

SECTION 11.2. DUTY TO DEFEND. If Lender or any of its trustees, officers, participants, employees or affiliates is a party in any Proceeding relating to the Property, Grantor, Borrower or the Loan, Grantor will indemnify and hold harmless the party and will defend the party with attorneys and other professionals retained by Grantor and approved by Lender. Lender may elect to engage its own attorneys and other professionals, at Grantor's expense, to defend or to assist in the defense of the party. In all events, case strategy will be determined by Lender if Lender so elects and no Proceeding will be settled without Lender's prior approval which may be withheld in its sole discretion.

SECTION 11.3. FUTURE ADVANCES. Lender may make future advances to Grantor or to Borrower under the Loan guaranteed by Grantor, and all such future advances and readvances shall be fully secured by the lien and security interest of this Deed of Trust.

ARTICLE XII

TRANSFERS LIENS AND ENCUMBRANCES

SECTION 12.1. PROHIBITIONS ON TRANSFERS, LIENS AND ENCUMBRANCES.

(a) Grantor acknowledges that in making the Loan, Lender is relying to a material extent on the business expertise and net worth of Grantor and its general partners, members or principals and on the continuing interest that it has, directly or indirectly, in the Property. Accordingly, except as specifically set forth in this Deed of Trust, Grantor (i) will not, and will not permit its partners or members to, effect a Transfer without Lender's prior approval, which may be withheld in Lender's sole discretion and (ii) will keep the Property free from all liens and encumbrances other than the lien of this Deed of Trust and the Permitted Exceptions. A "TRANSFER" is defined as any sale, grant, lease (other than bona fide third-party space leases with tenants), conveyance, assignment or other transfer of, or any encumbrance or pledge against, the Property, any interest in the Property, any interest of Grantor's partners, members or principals in the Property, or any change in Grantor's composition, in each instance whether voluntary or involuntary, direct or indirect, by operation of law or otherwise and including the grant of an option or the execution of an agreement relating to any of the foregoing matters.

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(b) Grantor represents, warrants and covenants that:

(i) Each entity constituting Grantor is a Maryland limited liability company whose managing member is the Borrower, a Delaware limited partnership owning 100% of the interests in Grantor.

(ii) If Grantor's member is in turn a partnership, corporation or limited liability company, the general partner, principal or member thereof and the percentage of partnership interest, stock or membership interest held by each (and so on at each level) are as follows: the sole general partner of the Borrower is COPT (defined below); the percentage of interest in the Borrower currently held by COPT varies because its shares are traded due to its "upreit" structure.

SECTION 12.2. PERMITTED TRANSFERS.

(a) Notwithstanding the prohibitions regarding Transfers, transfer of shares in Corporate Office Properties Trust ("COPT"), an affiliate of Grantor and the Borrower, and transfers of limited partnership interests and pledges of both general and limited partnership interests in the Borrower, (each, a "Permitted Transfer") may occur without Lender's prior consent, PROVIDED that the following conditions are met:

(i) at all times COPT remains the sole general partner in the Borrower and Borrower delivers to Lender on a quarterly basis notices of changes in the ownership interests of limited partners owning one percent (1%) or more of the Borrower; and

(ii) a Permitted Transfer does not permit a disposition in a single transfer or a series of related transfers of all or substantially all of the shares of COPT or of all of the limited partnership interests in the Borrower and does not permit a merger of COPT with one or more entities without Lender's prior written consent unless COPT is the surviving and controlling entity or unless such successor is a real estate company having the same standards of professional expertise and net worth as that of COPT as of the date of this Deed of Trust or as of the date immediately prior to the Transfer, whichever is greater;

(iii) at least 30 days prior to the proposed Permitted Transfer (other than transfers of shares of COPT on the open market or of any limited partnership interests in the Borrower), Grantor or Borrower delivers to Lender a notice that is sufficiently detailed to enable Lender to determine that the proposed Permitted Transfer complies with the terms of this Section;

(iv) there is no default under the Financing Documents either when Lender receives the notice or when the proposed Permitted Transfer occurs;

(v) the proposed Permitted Transfer (other than transfers of shares of COPT on the open market or of any limited partnership interests in the Borrower) will not result in a violation of any of the covenants contained in the Section entitled, "ERISA

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COMPLIANCE" and Grantor or Borrower will deliver to Lender such documentation of compliance as Lender requests in its sole discretion;

(vi) other than in instances of transfers of shares in COPT or of transfers of any limited partnership interests in the Borrower, when Lender receives the notice and when the proposed Permitted Transfer occurs, the transferee (other than a transferee that is a publicly traded entity) has never been an adverse party to Lender in any litigation to which Lender was a party; the transferee has never defaulted on a loan from Lender or on any contract or other agreement with Lender; and the transferee has never threatened litigation against Lender (for purposes of this subsection "transferee" includes the transferee's constituent entities at all levels and "Lender" includes Lender's subsidiaries);

(vii) Grantor or Borrower pays all of Lender's expenses relating to the Transfer including Lender's attorneys' fees; and

(viii) Lender is satisfied that the Property will continue to be managed by a manager satisfactory to Lender.

SECTION 12.3. RIGHT TO CONTEST LIENS. Grantor, at its own expense, may contest the amount, validity or application, in whole or in part, of any mechanic's, materialmen's or environmental liens in which event Lender will refrain from exercising any of the Remedies, PROVIDED that the following conditions are met:

(i) Grantor delivers to Lender notice of the proposed contest not more than 30 days after the lien is filed;

(ii) the contest is by a Proceeding promptly initiated and conducted in good faith and with due diligence;

(iii) there is no Event of Default other than the Event of Default arising from the filing of the lien;

(iv) the Proceeding suspends enforcement of collection of the lien, imposition of criminal or civil penalties and sale or forfeiture of the Property and Lender will not be subject to any civil suit;

(v) the Proceeding is permitted under and is conducted in accordance with the Leases and the Property Document;

(vi) Grantor furnishes a bond or other security satisfactory to Lender, in either case in an amount sufficient to pay the claim giving rise to the lien, together with all interest and penalties, and secures an endorsement to Lender's policy of title insurance insuring against sale of the Property by the lienor to collect its lien, or Grantor pays the contested lien under protest; and

(vii) with respect to an environmental lien, Grantor is using best efforts to mitigate or

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prevent any deterioration of the Property resulting from the alleged violation of any Environmental Laws or the alleged Environmental Activity.

SECTION 12.4. SUBSTITUTE COLLATERAL.

Upon request from Grantor, and at Grantor's expense, Trustees shall release from the lien of this Deed of Trust any one or more of the parcels constituting the Property, upon conveyance by Grantor and/or its affiliates of substitute collateral property (the "Substitute Collateral") from time to time, but not more than one time for each parcel, and not more than four times during the duration the lien of this Deed of Trust, upon the following terms and subject to the following conditions:

(i) the quality of the Substitute Collateral shall be comparable to or greater than that of the parcel of Property for which the Substitute Collateral is replacing the current-to-be-released Property;

(ii) No Event of Default shall exist under this Deed of Trust or any other Loan Document;

(iii) The appraised value of the Substitute Collateral shall be equal to or greater than the greater of (A) the appraised value of current-to-be-released Property, as determined at the time of the closing of the substitution of collateral, or (B) the appraised value of the current-to-be released Property at the time of such substitution;

(iv) the Debt Service Coverage Ratio (as defined below) for the aggregate Property (inclusive of the Substitute Collateral) shall be greater than or equal to the actual Debt Service Coverage Ratio for the aggregate Property (inclusive of the current-to-be released Property), for the one year prior to the substitution, and Grantor shall execute and deliver appropriate amendments to this Deed of Trust and Loan Documents making the Substitute Collateral part of the security for the Guaranty, and Lender shall have received such title assurances and endorsements to its then-existing policies confirming the priority of its lien under this Deed of Trust on the Substitute Collateral, consenting to the release of the released Property, and otherwise confirming no adverse changes in title coverage or the amount thereof.

(v) the Substitute Collateral shall satisfy each of the covenants and conditions to closing set forth in the commitment letter with the Lender for the Loan guaranteed under the Guaranty, that would have been applicable had such Substitute Collateral been an original parcel of the Property;

(vi) the Substitute Collateral shall conform in all respects to such other underwriting standards and criteria of the Lender and criteria such as other appraisal, legal, business, environmental, engineering, diversification, leasing or title requirements, all as Lender may determine in its sole discretion.

As used herein, the following defined term shall apply:

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"DEBT SERVICE COVERAGE RATIO" means the Net Operating Income of the Property divided by the amount of scheduled annual payments of Debt Service on the Loan guaranteed by the Guaranty.

"NET OPERATING INCOME" means the total gross rental income received in the most recent twelve month period, plus other income received during the most recent twelve month period, less actual operating expenses for the most recent twelve month period.

ARTICLE XIII

ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 13.1. FURTHER ASSURANCES.

(a) Grantor will execute, acknowledge and deliver to Lender or to any other entity Lender designates any additional or replacement documents and perform any additional actions that Lender determines are reasonably necessary to evidence, perfect or protect Lender's first lien on and prior security interest in the Property or to carry out the intent or facilitate the performance of the provisions of the Financing Documents and the Note.

(b) Grantor appoints Lender as Grantor's attorney-in-fact to perform, at Lender's election, any actions and to execute and record any of the additional or replacement documents referred to in this Section, in each instance only at Lender's election and only to the extent Grantor or Borrower has failed to comply with the terms of this Section.

(c) Grantor shall pay upon demand of Lender all costs of, and incidental to, the recording of this Deed of Trust and any such documents described above, whether now or hereafter due and payable, including, without limitation, the Maryland recordation tax and any other tax required to be paid at any time with respect to such recording.

The Grantor hereby agrees to indemnify and hold the Trustees and Lender harmless from and against any liability or loss incurred by the Trustees or Lender resulting from the failure of the Grantor to pay when due and payable any such amounts. The foregoing indemnity will survive the payment of the Obligations and the Guaranty and the release of this Deed of Trust. The obligations of the Grantor pursuant to such indemnity will bear interest payable upon demand of Lender from the date due until paid in full at the Default Interest Rate and such obligations with interest thereon as aforesaid shall be a part of the Obligations secured hereby.

Section 13.2. ESTOPPEL CERTIFICATES.

(a) Within 10 days of Lender's request, Grantor will deliver to Lender or to any entity Lender designates a certificate certifying (i) the original principal amount of the Note; (ii) the unpaid principal amount of the Note; (iii) the Fixed Interest Rate; (iv) the amount of the then current Debt Service Payments; (v) the Maturity Date; (vi) the date a Debt Service Payment was last made; (vii) that, except as may be disclosed in the statement, there are no defaults or events which, with the passage of time or the giving of notice, would constitute an Event of Default; and (viii) there are no offsets or defenses against any portion of the Obligations except as may be disclosed in the statement.

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(b) If Lender requests, Grantor promptly will deliver to Lender or to any entity Lender designates a certificate from each party to any Property Document, certifying that the Property Document is in full force and effect with no defaults or events which, with the passage of time or the giving of notice, would constitute an event of default under the Property Document and that there are no defenses or offsets against the performance of its obligations under the Property Document.

(c) If Lender requests, Grantor promptly will use its commercially reasonable efforts to obtain and deliver to Lender, or to any entity Lender designates, a certificate from each tenant under a Lease then affecting the Property, certifying to any facts regarding the Lease as Lender may require, including that the Lease is in full force and effect with no defaults or events which, with the passage of time or the giving of notice, would constitute an event of default under the Lease by any party, that the rent has not been paid more than one month in advance and that the tenant claims no defense or offset against the performance of its obligations under the Lease; provided, that Lender shall not request such certificates more often than one time in any two calendar year period except for the purpose of a sale of the Loan.

ARTICLE XIV

DEFAULTS AND REMEDIES

Section 14.1. EVENTS OF DEFAULT. The term "EVENT OF DEFAULT" means the occurrence of any of the following events:

- (i) if Grantor fails to pay any amount due, as and when required, under any Financing Document and the failure continues for a period of 5 days;
- (ii) if Grantor makes a general assignment for the benefit of creditors or generally is not paying, or is unable to pay, or admits in writing its inability to pay, its debts as they become due; or if Grantor or any other party commences any Proceeding (A) relating to bankruptcy, insolvency, reorganization, conservatorship or relief of debtors, in each instance with respect to Grantor; (B) seeking to have an order for relief entered with respect to Grantor; (C) seeking attachment, distraint or execution of a judgment with respect to Grantor; (D) seeking to adjudicate Grantor as bankrupt or insolvent; (E) seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to Grantor or Grantor's debts; or (F) seeking appointment of a Receiver, trustee, custodian, conservator or other similar official for Grantor or for all or any substantial part of Grantor's assets, PROVIDED that if the Proceeding is commenced by a party other than Grantor or any of Grantor's general partners or members, Grantor will have 120 days to have the Proceeding dismissed or discharged before an Event of Default occurs;
- (iii) if Grantor is in default beyond any applicable grace and cure period under any other

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mortgage, deed of trust, deed to secure debt or other security agreement encumbering the Property whether junior or senior to the lien of this Deed of Trust;

- (iv) if a Transfer occurs except in accordance with the provisions of this Deed of Trust;
- (v) if Grantor abandons the Property or ceases to conduct its business at the Property; or
- (vi) if Grantor fails to deposit either the letter of credit required under the letter agreement of even date herewith between Grantor and Lender, or fails to make the deposits required or otherwise defaults under the Pledge and Security Agreement of even date among, INTER ALIA, Grantor and Lender; or
- (vii) if there is a default in the performance of any other provision of any Financing Document or if there is any inaccuracy or falsehood in any representation or warranty contained in any Financing Document which is not remedied within 15 days after Grantor receives notice thereof, PROVIDED that if the default, inaccuracy or falsehood is of a nature that it cannot be cured within the 15-day period and during that period Grantor commences to cure, and thereafter diligently continues to cure, the default, inaccuracy or falsehood, then the 15-day period will be extended for a reasonable period not to exceed 120 days after the notice to Grantor.

SECTION 14.2. Remedies.

- (a) If an Event of Default occurs, Lender may take any of the following actions (the "REMEDIES") without notice to Grantor or Borrower:
- (i) declare all or any portion of the Obligations immediately due and payable ("ACCELERATION");
 - (ii) pay or perform any Obligation;
 - (iii) institute a Proceeding for the specific performance of any Obligation;
 - (iv) apply for the appointment of a Receiver to be vested with the fullest powers permitted by Law, without bond being required, which appointment may be made EX PARTE, as a matter of right and without regard to the value of the Property, the amount of the Debt or the solvency of Grantor or Borrower or any other person liable for the payment or performance of any portion of the Obligations;
 - (v) directly, by its agents or representatives or through a Receiver appointed by a court of competent jurisdiction, enter on the Land and Improvements, take possession of the Property, dispossess Grantor and exercise Grantor's rights with respect to the Property, either in Grantor's name or otherwise;
 - (vi) institute a Proceeding for the foreclosure of this Deed of Trust or, if applicable, sell by power of sale all or any portion of the Property;

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(vii) institute proceedings for the partial foreclosure of this Deed of Trust for the portion of the Obligations then due and payable, subject to the continuing lien of this Deed of Trust for the balance of the Obligations not then due;

(viii) deliver to Trustees a declaration of default and demand for sale and a notice of default and election to cause Grantor's interest in the Property or any portion of the Property to be sold, which notice Trustees or Lender will file in the official records of the county in which the Property is located or any parcel comprising the same is located;

(ix) exercise any and all rights and remedies granted to a secured party under the Uniform Commercial Code; and

(x) pursue any other right or remedy available to Lender at Law, in equity or otherwise.

(b) If an Event of Default occurs, the license granted to Grantor in the Financing Documents to collect Rents will terminate automatically without any action required of Lender.

SECTION 14.3. GENERAL PROVISIONS PERTAINING TO REMEDIES.

(a) The Remedies are cumulative and may be pursued by Lender or Trustees concurrently or otherwise, at such time and in such order as Lender or Trustees may determine in their sole discretion and without presentment, demand, protest or further notice of any kind, all of which are expressly waived by Grantor.

(b) The enumeration in the Financing Documents of specific rights or powers will not be construed to limit any general rights or powers or impair Lender's or Trustees' rights with respect to the Remedies.

(c) If Lender or Trustees exercise any of the Remedies, Lender will not be deemed a mortgagee-in-possession unless Lender has elected affirmatively to be a mortgagee-in-possession.

(d) Lender and Trustees will not be liable for any act or omission of Lender or Trustee in connection with the exercise of the Remedies.

(e) Lender's and Trustees' right to exercise any Remedy will not be impaired by any delay in exercising or failure to exercise the Remedy and the delay or failure will not be construed as extending any cure period or constitute a waiver of the default or Event of Default.

(f) If an Event of Default occurs, Lender's payment or performance or acceptance of payment or performance will not be deemed a waiver or cure of the Event of Default.

(g) Lender's acceptance of partial payment or receipt of Rents will not extend or affect any grace period or constitute a waiver of a default or Event of Default or constitute a rescission of Acceleration.

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SECTION 14.4. FORECLOSURE; ASSENT TO DECREE AND POWER OF SALE.

In the event the Trustee or Lender elects to institute foreclosure proceedings upon the occurrence of an Event of Default, the Grantor and Acquisition Grantors each assent to the passage of a decree for the sale of the Property and any or all of the parcels comprising the same and further authorizes the Trustee to sell the Property. Any sale of the Property or any of the parcels so being sold, whether by way of the assent to decree or power of sale, shall be made in accordance with the provisions of Section 7-105, REAL PROPERTY ARTICLE, ANNOTATED CODE OF MARYLAND, as amended, and Section 14-200 ET SEQ. of the MARYLAND RULES OF PROCEDURE, as amended, or other applicable Laws. The terms of the sale may be cash upon settlement of the sale or upon such other and additional terms as the Trustee deems necessary, proper or convenient, except as specifically limited by applicable law or court rule. Such sale may be of the entire Property as a unit or of such parts or parcels of the entire Property as the Trustee, in its sole and absolute discretion, deems necessary, proper, or convenient.

(a) APPLICATION OF PROCEEDS. Upon the sale of the Property, the proceeds shall be applied as follows:

(i) To the payment of all expenses incident to the sale, including reasonable and necessary counsel fees and expenses; and a commission to the Trustee equal to the commission allowed the Trustee for making sales of property by virtue of a decree of a court of equity in the State of Maryland. As used herein, expenses of sale shall specifically include auctioneer's fees at the auctioneer's customary rate, which shall be in addition to the Trustee's commission, and the costs of a preforeclosure appraisal;

(ii) To the payment of the Obligations other than those owed with respect to the Guaranty and then to the payment of those Obligations owed with respect to the Guaranty, if such Obligations have matured and are due under the terms of the Guaranty, and including without limitation the payment of any Evasion Premium, or if not, to be held in a demand account as a pledged fund (which shall be interest bearing for the benefit of the Grantor) up to the maximum sum, as determined by Lender, which could be due under the Guaranty by the Grantor as security for the Obligations owed with respect to the Guaranty, and to be applied to the Obligations owed with respect to the Guaranty after a default under the Guaranty;

(iii) And the balance remaining, if any, shall be paid to the Grantor, or to whomsoever shall be judicially determined to be entitled to the same.

(b) PAYMENT BEFORE SALE. In the event the Obligations shall be paid after the filing of a foreclosure proceeding, but before sale of the Property, the Grantor shall also be required to pay all of the expenses of any advertisement or notice, all court costs, and all other expenses incident to or resulting from the foreclosure proceedings under this Deed of Trust, and a commission on the total amount of the indebtedness owed with respect to the Loan, both principal and interest, remaining unpaid, equal to one-half (1/2) of the percentage allowed as commission to trustees making a sale under a decree of a court of equity in Maryland and such reasonable and necessary counsel fees and expenses as the Trustee or Lender may have incurred; provided, however, that the sale may be proceeded with unless, prior to the date on which the sale is scheduled, payment is made by Grantor of the Obligations then due (including payment of all costs, expenses, commissions and fees, as provided herein).

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(c) LENDER MAY BID. Upon any sale made under this Section 14, whether made under the power of sale or by virtue of judicial proceedings or a judgment of foreclosure, Lender may bid for and acquire the Property. If the Obligations owed with respect to the Guaranty are then due, in lieu of paying cash therefor the Lender may make settlement for the purchase price by crediting the Obligations of Grantor secured by this Deed of Trust against the net sales price, after deducting the expenses and costs of the sale and any other sums which Lender is authorized to deduct under this Deed of Trust.

(d) LEASES. In the event of a sale of the Property under either the power of sale or assent to decree, such sale may be made, at the option of Lender, subject to one

or more of the tenancies entered into subsequent to the recording of this Deed of Trust, in accordance with the provisions of Section 7-105(f)(2), REAL PROPERTY ARTICLE, ANNOTATED CODE OF MARYLAND, as amended.

(e) RIGHT TO MAINTAIN SEPARATE ACTION. In the event Grantor shall fail to pay the Obligations, Trustee and Lender shall be empowered to institute Proceedings as may be advised by its counsel for the collection of the sums so due and unpaid, and may prosecute any Proceedings to judgment or final decree, and may enforce any judgments or final decree against Grantor and collect, out of the Property in any manner provided by law, monies adjudged to be payable. Lender shall be entitled to recover judgment before, after, or during the pendency of any Proceedings, or the foreclosure of the lien of this Deed of Trust. In the event of a sale of all or any parcel of the Property, and of the application of the proceeds of sale as provided in this Deed of Trust to the payment of the Obligations, Lender and the Trustee shall be entitled to enforce payment of and to receive all amounts then remaining due upon the Obligations, and shall be entitled to recover judgment for any portion of the Obligations remaining unpaid, with interest as provided in the Guaranty. The recovery of any judgment by Lender, and the levy of an execution under any judgment upon all or any parcel of the Property, shall not affect in any manner the lien of this Deed of Trust upon the Property, or any Remedies of the Trustee or of the Lender, and the Remedies shall continue unimpaired. Any monies collected by the Trustee or Lender under this Section 14.4(e) shall be applied in accordance with the provisions of Section 14.4(a).

(f) WAIVERS OF STAY, EXEMPTIONS. Grantor shall not claim or take any advantage of any stay or extension or moratorium law, or any exemption from execution of sale of all or any parcels of the Property, wherever enacted, which may affect the covenants of this Deed of Trust, nor claim or insist upon any advantage of any Law providing for the valuation or appraisal of all or any parcels of the Property prior to any sale or pursuant to the order of any court; nor after any sale, claim or any right under any Law to redeem the property so sold. Grantor expressly waives all benefit or advantage of any such Law and covenants not to impede the execution of any power herein granted or delegated to the Trustee, but to suffer the execution of every power as though no Law had been enacted.

SECTION 14.5. GENERAL PROVISIONS PERTAINING TO MORTGAGEE-IN-POSSESSION OR RECEIVER.

(a) If an Event of Default occurs, any court of competent jurisdiction will, upon application by Lender, appoint a Receiver as designated in the application and issue an injunction prohibiting Grantor from interfering with the Receiver, collecting Rents, disposing of any Rents or all of or any parcel of the Property, committing waste or doing any other act that will tend to affect the preservation of the Leases, the Rents and the Property and Grantor

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approves the appointment of the designated Receiver or any other Receiver appointed by the court. Grantor agrees that the appointment may be made EX PARTE and as a matter of right to Lender or Trustees, either before or after sale of all or any parcels of the Property, without further notice, and without regard to the solvency or insolvency, at the time of application for the Receiver, of the person or persons, if any, liable for the payment of any portion of the Obligations and the performance of any portion of the Obligations and without regard to the value of the Property or whether the Property is occupied as a homestead and without bond being required of the applicant.

(b) The Receiver will be vested with the fullest powers permitted by Law including all powers necessary or usual in similar cases for the protection, possession and operation of all or any parcels of the Property and all the powers and duties of Lender as a mortgagee-in-possession as provided in this Deed of Trust and may continue to exercise all the usual powers and duties until the Receiver is discharged by the court.

(c) In addition to the Remedies and all other available rights, Lender or the Receiver may take any of the following actions:

(i) take exclusive possession, custody and control of all or any parcels of the Property and manage the same so as to prevent waste;

(ii) require Grantor to deliver to Lender or the Receiver all keys, security deposits, operating accounts, prepaid Rents, past due Rents, the Books and Records and all original counterparts of the Leases and the Property Documents;

(iii) collect, sue for and give receipts for the Rents and, after paying all expenses of collection, including reasonable receiver's, broker's and attorney's fees, apply the net collections to any portion of the Obligations selected by Lender in its sole discretion,

(iv) enter into, modify, extend, enforce, terminate, renew or accept surrender of Leases and evict tenants except that in the case of a Receiver, such actions may be taken only with the written consent of Lender as provided in this Deed of Trust and in the Assignment;

(v) enter into, modify, extend, enforce, terminate or renew Property Documents except that in the case of a Receiver, such actions may be taken only with the written consent of Lender as provided in this Deed of Trust and in the Assignment;

(vi) appear in and defend any Proceeding brought in connection with the Property and bring any Proceeding to protect all or any parcels of the Property as well as Grantor's and Lender's respective interests in all or any parcels of the Property (unless any such Proceeding has been assigned previously to Lender in the Assignment, or if so assigned, Lender has not expressly assigned such Proceeding to the Receiver and consented to such appearance or defense by Receiver); and

(vii) perform any act in the place of Grantor that Lender or the Receiver deems necessary

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(A) to preserve the value, marketability or rentability of all or any parcels of the Property; (B) upon consent by Lender, to increase the gross receipts from all or any parcels of the Property; or (C) otherwise to protect Grantor's and Lender's respective interests in all or any parcels of the Property.

(d) Grantor appoints Lender as Grantor's attorney-in-fact, at Lender's election, to perform any actions and to execute and record any instruments necessary to effectuate the actions described in this Section, in each instance only at Lender's election and only to the extent Grantor has failed to comply with the provisions of this Section.

SECTION 14.6. GENERAL PROVISIONS PERTAINING TO FORECLOSURES AND THE POWER OF SALE. The following provisions will apply to any Proceeding to foreclose and to any sale of the Property by power of sale or pursuant to a judgment of foreclosure and sale:

(i) Lender's or Trustees' right to institute a Proceeding to foreclose or to sell by power of sale will not be exhausted by a Proceeding or a sale that is defective or not completed;

(ii) a sale pursuant to a judgment of foreclosure and sale may be held at such time or times and such place or places and upon such terms and conditions or after such previous public announcement as required by Law and as Trustees may deem appropriate;

(iii) with respect to sale pursuant to a judgment of foreclosure and sale, the Property may be sold as an entirety or in parcels, at one or more sales, at the time and place, on terms and in the order that Trustees deem expedient in its sole discretion with such postponement of any such sale as Trustees may deem appropriate without regard to any right of Grantor or any other person to the marshalling of assets and Grantor hereby waives all right to have the Property marshalled upon any foreclosure under this Deed of Trust;

(iv) if a portion of the Property is sold pursuant to this Article, the Financing Documents will remain in full force and effect with respect to any portion of the Obligations and this Deed of Trust will continue as a valid and enforceable first lien on and security interest in the remaining portion of the Property, subject only to the Permitted Exceptions, without loss of priority and without impairment of any of Lender's or Trustees' rights and remedies with respect to the unmatured portion of the Obligations;

(v) Lender may bid and become the purchaser at any such sale, and will, upon presentation of the Guaranty or a true copy thereof at such sale, be credited for the unpaid balance due under the Guaranty and any interest accrued and unpaid thereon, or such portion of such unpaid balance or interest as Lender may specify, against any price bid by Lender at such sale. The terms of sale being complied with, Trustees will convey to and at the cost of the purchaser at such sale Grantor's interest in, so much of the Property as is so sold, free of and discharged from all estate, right, title or interest of Grantor at law or in equity. Lender's receipt of the proceeds of a sale will be sufficient consideration for the portion of the Property sold and Lender will apply the proceeds set forth in the Deed of Trust; and

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(vi) Upon any sale of Grantor's interest in any or all of the Property, whether under the assent to a decree or power of sale herein granted, or by other foreclosure or judicial proceedings, Trustees will apply the proceeds of such sale, together with any other sum then held as security hereunder or due under any of the provisions of the Financing Documents as part of the Property (after paying all expenses of sale, including reasonable attorneys' fees and a commission to the party making the sale equal to the commission allowed to trustees for making sales of property under orders or decrees of a court having competent jurisdiction, and all Impositions which either Trustees or Lender deem it advisable or expedient to pay and all sums advanced, with interest thereon, as herein provided) to the payment of the aggregate Obligations and interest thereon to the date of payment and prepayment fees, if any, paying over the surplus, if any, less the expense, if any, of obtaining possession, to Grantor or any person entitled thereto upon the surrender and delivery to the purchaser of possession of the Property.

SECTION 14.7. UNIFORM COMMERCIAL CODE. Lender, or the Trustee acting on behalf of Lender, may exercise all rights and remedies of a secured creditor under the MARYLAND UNIFORM COMMERCIAL CODE, as amended, with respect to any part of the Property constituting personal property and subject to the security interest created by this Deed of Trust. These rights include the right to take possession of the personal property without the use of judicial process (Grantor hereby waiving all right to prior notice and a judicial hearing) and the right to require Grantor to assemble the same at the Property or such other place as Lender or Trustee may notify the Grantor. Any disposition of the personal property shall be considered commercially reasonable if made pursuant to a public sale which is advertised at least twice in a newspaper of local circulation in Anne Arundel County, Maryland. Any notice required by Section 9-504 of the MARYLAND UNIFORM COMMERCIAL CODE to be given to Grantor shall be considered reasonable and properly given if given in the manner and at the address provided in the notice provisions of this Deed of Trust at least five (5) business days prior to the date of any scheduled public sale.

SECTION 14.8. POWER OF ATTORNEY. Grantor appoints Lender as Grantor's attorney-in-fact to perform any actions necessary and incidental to exercising the Remedies.

SECTION 14.9. TENANT AT SUFFERANCE. If Lender, Trustees, or a Receiver enters the Property in the exercise of the Remedies and Grantor is allowed to remain in occupancy of the Property, Grantor will pay to Lender, Trustees, or the Receiver, as the case may be, in advance, a reasonable rent for the Property occupied by Grantor. If Grantor fails to pay the rent, Grantor may be dispossessed by the usual Proceedings available against defaulting tenants.

ARTICLE XV

LIMITATION OF LIABILITY

SECTION 15.1. LIMITATION OF LIABILITY.

(a) Notwithstanding any provision in the Financing Documents to the contrary, except as

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set forth in subsections (b) and (e), if Lender seeks to enforce the collection of the Obligations, Lender will foreclose this Deed of Trust instead of instituting suit on the Guaranty. If following a foreclosure and sale of all parcels comprising the Property under this Deed of Trust a lesser sum is realized therefrom than that due under the Obligations, Lender will not institute any Proceeding against Grantor or Grantor's general partners, if any, for or on account of the deficiency, and Lender shall not have recourse against any entity constituting Grantor for any portion of the Obligations, except in each instance as set forth in subsections (b) through (e).

(b) The limitation of liability in subsection (a) will not affect or impair (i) the lien of this Deed of Trust or Lender's other rights and Remedies under the Financing Documents, including Lender's right as mortgagee or secured party to commence an action to foreclose any lien or security interest Lender has under the Financing Documents against any parcel remaining encumbered by this Deed of Trust and against any additional collateral held; (ii) the validity of the Financing Documents or the Obligations; or (iii) Lender's right to present and collect on any letter of credit or other credit enhancement document held by Lender in connection with the Obligations.

(c) The following are excluded and excepted from the limitation of liability in subsection (a) and Lender may recover personally against Grantor for the following:

(i) all losses suffered and liabilities and expenses incurred by Lender relating to any fraud or intentional misrepresentation or omission by Grantor or Borrower or any of their partners, members, officers, directors, shareholders or principals in connection with (A) the performance of any of the conditions to Lender making the Loan; (B) any inducements to Lender to make the Loan; (C) the execution and delivery of the Financing Documents; (D) any certificates, representations or warranties given in connection with the Loan; or (E) Grantor's performance of the Obligations;

(ii) all Rents derived from the Property after a default under the Financing Documents which default is a basis of a Proceeding by Lender to enforce collection of the Obligations and all moneys that, on the date such a default occurs, are on deposit in one or more accounts used by or on behalf of Grantor relating to the operation of the Property, except to the extent properly applied to payment of Debt Service Payments, Impositions, Insurance Premiums and any reasonable and customary expenses incurred by Grantor in the operation, maintenance and leasing of the Property or delivered to Lender;

(iii) the cost of remediation of any Environmental Activity affecting the Property and any other losses suffered and liabilities and expenses incurred by Lender relating to a default under the Article entitled "ENVIRONMENTAL";

(iv) all security deposits collected by Grantor or any of Grantor's predecessors and not refunded to Tenants in accordance with their respective Leases, applied in accordance with the Leases or Law or delivered to Lender, and all advance rents (more than thirty (30) days in advance) collected by Grantor or any of Grantor's predecessors and not applied in accordance with the Leases or delivered to Lender;

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(v) the replacement cost of any Fixtures or Personal Property removed from the Property after a default occurs;

(vi) all losses suffered and liabilities and expenses incurred by Lender relating to any acts or omissions by Grantor that result in waste (including economic and non-physical waste) on the Property;

(vii) all protective advances and other payments made by Lender pursuant to express provisions of the Financing Documents to protect Lender's security interest in the Property or to protect the assignment of the property described in and effected by the Assignment, but only to the extent that the Rents would have been sufficient to permit Grantor to make the payment and Grantor failed to do so;

(viii) all mechanics' or similar liens relating to work performed on or materials delivered to the Property prior to Lender exercising its Remedies, but only to the extent Lender had advanced funds to pay for the work or materials;

(ix) all Proceeds that are not applied in accordance with this Deed of Trust or not paid to Lender as required under this Deed of Trust; and

(x) all losses suffered and liabilities and expenses incurred by Lender or Trustees in connection with the imposition or collection by any Government or any person, at any time, of any recordation tax, transfer tax or any other charge relating to or on account of the recordation of this Deed of Trust or Lender's lien hereunder.

(d) Nothing under subparagraph (a) above will be deemed to be a waiver of any right which Lender may have under Section 506(a), 506(b), 1111(b) or any other provisions of the Bankruptcy Code or under any other Law relating to bankruptcy or insolvency to file a claim for the full amount of the Obligations or to require that all collateral will continue to secure all of the Obligations in accordance with the Financing Documents.

(e) Notwithstanding the foregoing, it is expressly understood and agreed that the aforesaid limitation of liability shall in no way affect or apply to Grantor, and Grantor shall be liable for the entire indebtedness evidenced hereby (including all principal, interest, prepayment charges and other charges), if Grantor, or any of its general partners, members or officers, as the case may be, or any person, seeks to set aside the Guaranty as a preference in any bankruptcy or similar proceeding.

ARTICLE XVI

WAIVERS

SECTION 16.1. WAIVER OF STATUTE OF LIMITATIONS. GRANTOR WAIVES THE RIGHT TO CLAIM ANY STATUTE OF LIMITATIONS AS A DEFENSE

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TO GRANTOR'S PAYMENT AND PERFORMANCE OF THE OBLIGATIONS.

SECTION 16.2. WAIVER OF NOTICE. GRANTOR WAIVES THE RIGHT TO RECEIVE ANY NOTICE FROM LENDER OR TRUSTEES WITH RESPECT TO THE FINANCING DOCUMENTS EXCEPT FOR THOSE NOTICES THAT LENDER OR TRUSTEES ARE EXPRESSLY REQUIRED TO DELIVER PURSUANT TO THE FINANCING DOCUMENTS.

SECTION 16.3. WAIVER OF MARSHALLING AND OTHER MATTERS. GRANTOR WAIVES THE BENEFIT OF ANY RIGHTS OF MARSHALLING OR ANY OTHER RIGHT TO DIRECT THE ORDER IN WHICH ANY OF THE PROPERTY WILL BE (i) SOLD; OR (ii) MADE AVAILABLE TO ANY ENTITY IF THE PROPERTY IS SOLD BY POWER OF SALE OR PURSUANT TO A JUDGMENT OF FORECLOSURE AND SALE. GRANTOR ALSO WAIVES THE BENEFIT OF ANY LAWS RELATING TO APPRAISEMENT, VALUATION, STAY, EXTENSION, REINSTATEMENT, MORATORIUM, HOMESTEAD AND EXEMPTION RIGHTS OR A SALE IN INVERSE ORDER OF ALIENATION.

SECTION 16.4. WAIVER OF TRIAL BY JURY. GRANTOR WAIVES TRIAL BY JURY IN ANY PROCEEDING BROUGHT BY, OR AGAINST, OR COUNTERCLAIM OR CROSS-COMPLAINT ASSERTED BY OR AGAINST, LENDER OR TRUSTEES RELATING TO THE LOAN, THE PROPERTY DOCUMENTS OR THE LEASES.

SECTION 16.5. [INTENTIONALLY DELETED]

SECTION 16.6. WAIVER OF JUDICIAL NOTICE AND HEARING. GRANTOR WAIVES ANY RIGHT GRANTOR MAY HAVE UNDER LAW TO NOTICE OR TO A JUDICIAL HEARING PRIOR TO THE EXERCISE OF ANY RIGHT OR REMEDY PROVIDED BY THE FINANCING DOCUMENTS TO LENDER AND GRANTOR WAIVES THE RIGHTS, IF ANY, TO SET ASIDE OR INVALIDATE ANY SALE DULY CONSUMMATED IN ACCORDANCE WITH THE PROVISIONS OF THE FINANCING DOCUMENTS ON THE GROUND (IF SUCH BE THE CASE) THAT THE SALE WAS CONSUMMATED WITHOUT A PRIOR JUDICIAL HEARING.

SECTION 16.7. WAIVER OF SUBROGATION. GRANTOR WAIVES ALL RIGHTS OF SUBROGATION TO LENDER'S RIGHTS OR CLAIMS RELATED TO OR AFFECTING THE PROPERTY OR ANY OTHER SECURITY FOR THE LOAN UNTIL THE LOAN IS PAID IN FULL AND ALL FUNDING OBLIGATIONS UNDER THE FINANCING DOCUMENTS HAVE BEEN TERMINATED.

SECTION 16.8. GENERAL WAIVER. GRANTOR ACKNOWLEDGES THAT (A) GRANTOR AND GRANTOR'S PARTNERS, MEMBERS OR PRINCIPALS, AS THE CASE MAY BE, ARE KNOWLEDGEABLE BORROWERS OF COMMERCIAL FUNDS AND EXPERIENCED REAL ESTATE DEVELOPERS OR INVESTORS WHO

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UNDERSTAND FULLY THE EFFECT OF THE ABOVE PROVISIONS; (B) LENDER WOULD NOT MAKE THE LOAN WITHOUT THE PROVISIONS OF THIS ARTICLE; (C) THE LOAN IS A COMMERCIAL OR BUSINESS LOAN UNDER THE LAWS OF THE STATE OR COMMONWEALTH WHERE THE PROPERTY IS LOCATED NEGOTIATED BY LENDER, GRANTOR AND BORROWER AND THEIR RESPECTIVE ATTORNEYS AT ARMS LENGTH; AND (D) ALL WAIVERS BY GRANTOR IN THIS ARTICLE HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY, AFTER GRANTOR FIRST HAVE BEEN INFORMED BY COUNSEL OF GRANTOR'S OWN CHOOSING AS TO POSSIBLE ALTERNATIVE RIGHTS, AND HAVE BEEN MADE AS AN INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A KNOWN RIGHT AND PRIVILEGE. THE FOREGOING ACKNOWLEDGMENT IS MADE WITH THE INTENT THAT LENDER AND ANY SUBSEQUENT HOLDER OF THE GUARANTY WILL RELY ON THE ACKNOWLEDGMENT.

ARTICLE XVII

NOTICES

SECTION 17.1. NOTICES. All acceptances, approvals, consents, demands, notices, requests, waivers and other communications (the "NOTICES") required or permitted to be given under the Financing Documents must be in writing and (a) delivered personally by a process server providing a sworn declaration evidencing the date of service, the individual served, and the address where the service was made; (b) sent by certified mail, return receipt requested; or (c) delivered by nationally recognized overnight delivery service that provides evidence of the date of delivery, with all charges prepaid (for next morning delivery if sent by overnight delivery service), addressed to the appropriate party at its address listed below:

If to Lender: Teachers Insurance and Annuity
Association of America
730 Third Avenue
New York, New York 10017
Attention: Director Portfolio Management
Mortgage and Real Estate/Northeast
Southern Territory
Application #MD-539
Mortgage #M-000469600

with a courtesy copy to: Teachers Insurance and Annuity
Association of America
730 Third Avenue
New York, New York 10017
Attention: Vice President and Chief
Counsel—Mortgage and Real Estate Law
Application #MD-539
Mortgage #M-000469600

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If to Grantor: Corporate Office Properties Trust
c/o Corporate Office Management, Inc.
8815 Centre Park Drive
Suite 400
Columbia, Maryland 21045
Attn: General Counsel

with a courtesy copy to: John H. Gurley, Esquire
8815 Centre Park Drive
Suite 400
Columbia, Maryland 21045

If to Trustee: William H. Goebel, Esquire
Mr. Matthew T. Murphy
c/o Teachers Insurance and Annuity
Association of America
730 Third Avenue
New York, New York 10017

Lender and Grantor each may change from time to time the address to which Notices must be sent, by notice given in accordance with the provisions of this Section. All Notices given in accordance with the provisions of this Section will be deemed to have been received on the earliest of (i) actual receipt; (ii) Grantor's and Borrower's rejection of delivery; or (iii) 3 Business Days after having been deposited in any mail depository regularly maintained by the United States postal service, if sent by certified mail, or 1 Business Day after having been deposited with a nationally recognized overnight delivery service, if sent by overnight delivery or on the date of personal service, if served by a process server.

SECTION 17.2. CHANGE IN GRANTOR'S NAME OR PLACE OF BUSINESS. Grantor will immediately notify Lender in writing of any change in Grantor's name or the place of business set forth in the beginning of this Deed of Trust.

ARTICLE XVIII

MISCELLANEOUS

SECTION 18.1. APPLICABLE LAW. The Financing Documents are governed by and will be construed in accordance with the Laws of the State of Maryland.

SECTION 18.2. USURY LIMITATIONS. Grantor and Lender intend to comply with all Laws with respect to the charging and receiving of interest. Any amounts charged or received by Lender for the use or forbearance of the Principal to the extent permitted by Law, will be amortized and spread throughout the Term until payment in full so that the rate or amount of

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interest charged or received by Lender on account of the Principal does not exceed the Maximum Interest Rate. If any amount charged or received under the Financing Documents that is deemed to be interest is determined to be in excess of the amount permitted to be charged or received at the Maximum Interest Rate, the excess will be deemed to be a prepayment of Principal when paid, without premium, and any portion of the excess not capable of being so applied will be refunded to Grantor. If during the Term the Maximum Interest Rate, if any, is eliminated, then for purposes of the Loan, there will be no Maximum Interest Rate.

SECTION 18.3. LENDER'S DISCRETION. Wherever under the Financing Documents any matter is required to be satisfactory to Lender, Lender has the right to approve or determine any matter or Lender has an election, Lender's approval, determination or election will be made in Lender's reasonable discretion unless expressly provided to the contrary.

SECTION 18.4. UNENFORCEABLE PROVISIONS. If any provision in the Financing Documents is found to be illegal or unenforceable or would operate to

invalidate any of the Financing Documents, then the provision will be deemed expunged and the Financing Documents will be construed as though the provision was not contained in the Financing Documents and the remainder of the Financing Documents will remain in full force and effect.

SECTION 18.5. SURVIVAL OF GRANTOR'S OBLIGATIONS. Grantor's representations, warranties and covenants contained in the Financing Documents will continue in full force and effect and survive (i) satisfaction of the Obligations; (ii) reconveyance of the lien of this property by Trustees; (iii) assignment or other transfer of all or any portion of Lender's interest in the Financing Documents or the Property; (iv) Lender's or Trustees' exercise of any of the Remedies or any of Lender's or Trustees' other rights under the Financing Documents; (v) a Transfer; (vi) amendments to the Financing Documents; and (vii) any other act or omission that might otherwise be construed as a release or discharge of Grantor.

SECTION 18.6. RELATIONSHIP BETWEEN GRANTOR AND LENDER; NO THIRD PARTY BENEFICIARIES.

(a) Lender is not a partner of or joint venturer with Grantor or any other entity as a result of the Loan or Lender's rights under the Financing Documents; the relationship between Lender and Grantor is strictly that of creditor and debtor. Each Financing Document and the Note is an agreement between the parties to that Financing Document or Note for the mutual benefit of the parties and no entities other than the parties to that Financing Document or Note will be a third party beneficiary or will have any claim against Lender or Grantor by virtue of the Financing Document or the Note. As between Lender and Grantor, any actions taken by Lender under the Financing Documents and the Note will be taken for Lender's protection only, and Lender has not and will not be deemed to have assumed any responsibility to Grantor or to any other entity by virtue of Lender's actions.

(b) All conditions to Lender's performance of its obligations under the Financing Documents are imposed solely for the benefit of Lender. No entity other than Lender will have standing to require satisfaction of the conditions in accordance with their provisions or will be entitled to assume that Lender will refuse to perform its obligations in the absence of strict compliance with any of the conditions.

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SECTION 18.7. PARTIAL RECONVEYANCES OR RELEASES, EXTENSIONS, WAIVERS. Lender may: (i) permit the reconveyance of any part of the Property or release any entity obligated for the Obligations; (ii) extend the time for payment or performance of any of the Obligations or otherwise amend the provisions for payment or performance by agreement with any entity that is obligated for the Obligations or that has an interest in the Property; (iii) accept additional security for the payment and performance of the Obligations; and (iv) waive any entity's performance of an Obligation, release any entity or individual now or in the future liable for the performance of the Obligation or waive the exercise of any Remedy or option. Lender may exercise any of the foregoing rights without notice, without regard to the amount of any consideration given, without affecting the priority of the Financing Documents, without releasing any entity not specifically released from its obligations under the Financing Documents, without releasing any guarantor(s) or surety(ies) of the Obligations, without effecting a novation of the Financing Documents and, with respect to a waiver, without waiving future performance of the Obligation or exercise of the Remedy waived.

SECTION 18.8. SERVICE OF PROCESS. Grantor irrevocably consents to service of process by registered or certified mail, postage prepaid, return receipt requested, to Grantor or at address set forth for Grantor in the Article entitled "NOTICES".

SECTION 18.9. ENTIRE AGREEMENT. Oral agreements or commitments between Grantor and/or Borrower and Lender to lend money, to extend credit or to forbear from enforcing repayment of a debt, including promises to extend or renew the debt, are not enforceable. Any agreements among Grantor, Lender and Trustee relating to the Loan are contained in the Financing Documents and the Note, which contain the complete and exclusive statement of the agreements among Grantor, Lender and Trustee, except as Grantor, Lender and, if applicable, Trustees may later agree in writing to amend the Loan Documents. The language of each Financing Document will be construed as a whole according to its fair meaning and will not be construed against the draftsman.

SECTION 18.10. NO ORAL AMENDMENT. The Financing Documents may not be amended, waived or terminated orally or by any act or omission made individually by Grantor, Lender or Trustees but may be amended, waived or terminated only by a written document signed by the party against which enforcement of the amendment, waiver or termination is sought.

SECTION 18.11. SEVERABILITY. The invalidity, illegality or unenforceability of any provision of any of the Financing Documents will not affect any other provisions of the Financing Documents, which will be construed as if the invalid, illegal or unenforceable provision never had been included.

SECTION 18.12. COVENANTS RUN WITH THE LAND. Subject to the restrictions on transfer contained in the Article entitled "TRANSFERS, LIENS AND ENCUMBRANCES", all of the covenants of this Deed of Trust and the Assignment run with the Land, will bind all parties hereto and all tenants and subtenants of the Land or the Improvements and their respective heirs, executors, administrators, successors and assigns, and all occupants and subsequent owners of the Property, and will inure to the benefit of Lender and all subsequent holders of the Note and

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this Deed of Trust.

SECTION 18.13. TIME OF THE ESSENCE. Time is of the essence with respect to Grantor's payment and performance of the Obligations.

SECTION 18.14. SUBROGATION. If the Principal or any other amount advanced by Lender is used directly or indirectly to pay off, discharge or satisfy all or any part of an encumbrance affecting the Property, then Lender is subrogated to the encumbrance and to any security held by the holder of the encumbrance, all of which will continue in full force and effect in favor of Lender as additional security for the Obligations.

SECTION 18.15. JOINT AND SEVERAL LIABILITY. If Grantor consists of more than one person or entity, the obligations and liabilities of each such person or entity under this Deed of Trust are joint and several.

SECTION 18.16. SUCCESSORS AND ASSIGNS. The Financing Documents bind the parties to the Financing Documents and their respective successors, assigns, heirs, administrators, executors, agents and representatives and inure to the benefit of Lender and its successors, assigns, heirs, administrators, executors, agents and representatives and to the extent applicable inure to the benefit of Trustees and their successors, assigns, heirs, administrators, executors, agents and representatives.

SECTION 18.17. DUPLICATES AND COUNTERPARTS. Duplicate counterparts of any of the Financing Documents, other than the Note, may be executed and together will constitute a single original document.

ARTICLE XIX

TRUSTEE PROVISIONS

SECTION 19.1. ACCEPTANCE BY TRUSTEES. Trustees accept this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

SECTION 19.2. ACTION IN ACCORDANCE WITH INSTRUCTIONS. Upon receipt by Trustees of instructions from Lender at any time or from time to time, Trustees will (a) give any notice or direction or exercise any right, remedy or power hereunder or in respect of any part or all of the Property as shall be specified in such instructions and (b) approve as satisfactory all matters required by the terms hereof to be satisfactory to Trustees or to Lender. Trustees may, but need not, take any of such actions in the absence of such instructions. The powers and duties of the Trustees may be executed by either one of them with the same legal force and effect as though executed by both of them, including the right and power by either Trustees to execute and deliver a full or partial release of this Deed of Trust or an amendment or modification of this Deed of Trust. At any time or from time to time, upon request of Lender, and without affecting the liability of any person for payment of the Obligations, Trustees will reconvey all or any part of the Property, consent to the making of any map or plat thereof, join in granting any easement

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thereon, or join in any extension agreement or any agreement subordinating the lien and estate hereof.

SECTION 19.3. RESIGNATION. Trustees may resign at any time upon giving not less than sixty (60) days prior notice to Lender, but shall continue to act as trustees until a successor or successors shall have been chosen and qualified.

SECTION 19.4. SUCCESSOR TRUSTEES. In the event of the death, removal, resignation or refusal or inability of either or both of the Trustees to act, or for any reason, at any time, Lender shall have the irrevocable power, with or without cause, without prior notice of any kind, and without applying to any court, to select and appoint a successor trustee. Each such appointment and substitution shall be made by recording notice of such in each office in which this Deed of Trust is recorded. Such notice shall be executed and acknowledged by Lender and shall contain reference to this Deed of Trust and when so recorded shall be conclusive proof of proper appointment of the successor trustee. Such successors shall not be required to give bond for the faithful performance of its duties unless required by Lender.

SECTION 19.5. TRUST IS IRREVOCABLE. The trust created hereby is irrevocable by Grantor subject to defeasance in accordance with this Deed of Trust.

SECTION 19.6. GENERAL. Trustees shall be protected by any document believed by them to be genuine and to have been signed by the party or parties purporting to sign the same. Trustees shall not be liable for any error of judgment nor for any act done or step taken or omitted, nor for any mistakes of law or fact, nor for anything which the Trustees may do or refrain from doing in good faith. The Trustees make no representations as to the validity, legality or sufficiency of this Deed of Trust, the Note or any of the other Financing Documents. Lender shall have the power to remove or substitute the Trustees at any time and from time to time.

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IN WITNESS WHEREOF, Grantor has executed and delivered this Deed of Trust as of the date first set forth above.

WITNESS/ATTEST:

KAREN M. SINGER

WITNESS/ATTEST:

KAREN M. SINGER

WITNESS/ATTEST:

KAREN M. SINGER

WITNESS/ATTEST:

Airport Square II, LLC

By: Corporate Office Properties, L.P., its member

by: Corporate Office Properties Trust,
its general partner

by: /s/ROGER A. WAESCHE, JR. (SEAL)
Name: Roger A. Waesche, Jr.
Title: Senior Vice President

Airport Square IV, LLC

By: Corporate Office Properties, L.P., its member

by: Corporate Office Properties Trust,
its general partner

by: /s/ROGER A. WAESCHE, JR. (SEAL)
Name: Roger A. Waesche, Jr.
Title: Senior Vice President

Airport Square V, LLC

By: Corporate Office Properties, L.P., its member

by: Corporate Office Properties Trust,
its general partner

by: /s/ROGER A. WAESCHE, JR. (SEAL)
Name: Roger A. Waesche, Jr.
Title: Senior Vice President

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WITNESS/ATTEST:

Airport Square X, LLC

By: Corporate Office Properties, L.P., its member

by: Corporate Office Properties Trust,
its general partner

KAREN M. SINGER

by: /s/ROGER A. WAESCHE, JR. (SEAL)
Name: Roger A. Waesche, Jr.
Title: Senior Vice President

WITNESS/ATTEST:

Airport Square XI, LLC

By: Corporate Office Properties, L.P., its member

by: Corporate Office Properties Trust,
its general partner

KAREN M. SINGER

by: /s/ROGER A. WAESCHE, JR. (SEAL)
Name: Roger A. Waesche, Jr.
Title: Senior Vice President

WITNESS/ATTEST:

Airport Square XIII, LLC

By: Corporate Office Properties, L.P., its member

by: Corporate Office Properties Trust,
its general partner

KAREN M. SINGER

by: /s/ROGER A. WAESCHE, JR. (SEAL)
Name: Roger A. Waesche, Jr.
Title: Senior Vice President

WITNESS/ATTEST:

Airport Square XIV, LLC

By: Corporate Office Properties, L.P., its member

by: Corporate Office Properties Trust,
its general partner

KAREN M. SINGER

by: /s/ROGER A. WAESCHE, JR. (SEAL)
Name: Roger A. Waesche, Jr.
Title: Senior Vice President

WITNESS/ATTEST:

Airport Square XIX, LLC

By: Corporate Office Properties, L.P., its member

by: Corporate Office Properties Trust,
its general partner

KAREN M. SINGER

by: /s/ROGER A. WAESCHE, JR. (SEAL)
Name: Roger A. Waesche, Jr.
Title: Senior Vice President

WITNESS/ATTEST:

Airport Square XX, LLC

By: Corporate Office Properties, L.P., its member

by: Corporate Office Properties Trust,
its general partner

KAREN M. SINGER

by: /s/ROGER A. WAESCHE, JR. (SEAL)
Name: Roger A. Waesche, Jr.
Title: Senior Vice President

WITNESS/ATTEST:

Airport Square XXI, LLC

By: Corporate Office Properties, L.P., its member

by: Corporate Office Properties Trust,
its general partner

KAREN M. SINGER

by: /s/ROGER A. WAESCHE, JR. (SEAL)
Name: Roger A. Waesche, Jr.
Title: Senior Vice President

WITNESS/ATTEST:

Tech Park I, LLC

By: Corporate Office Properties, L.P., its member
 by: Corporate Office Properties Trust, its general partner
 by: /s/ROGER A. WAESCHE, JR. (SEAL)
 Name: Roger A. Waesche, Jr.
 Title: Senior Vice President

KAREN M. SINGER _____

WITNESS/ATTEST:

Tech Park II, LLC

By: Corporate Office Properties, L.P., its member
 by: Corporate Office Properties Trust, its general partner
 by: /s/ROGER A. WAESCHE, JR. (SEAL)
 Name: Roger A. Waesche, Jr.
 Title: Senior Vice President

KAREN M. SINGER _____

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WITNESS/ATTEST:

Tech Park IV, LLC

By: Corporate Office Properties, L.P., its member
 by: Corporate Office Properties Trust, its general partner
 by: /s/ROGER A. WAESCHE, JR. (SEAL)
 Name: Roger A. Waesche, Jr.
 Title: Senior Vice President

KAREN M. SINGER _____

WITNESS:

/s/MARIA MCHUGH
 Maria McHugh

WITNESS:

/s/MARIA MCHUGH
 Maria McHugh

WITNESS/ATTEST:

/s/MARIA MCHUGH
 Maria McHugh

TRUSTEE:

/s/WILLIAM H. GOEBEL (SEAL)
 WILLIAM H. GOEBEL

TRUSTEE:

/s/MATTHEW T. MURPHY (SEAL)
 MATTHEW T. MURPHY

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

By: /s/HALTON WEST (SEAL)
 Name: Halton West
 Title: Associate Director

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ACKNOWLEDGMENTS

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 30 day of September, 1999, before me, the undersigned Notary Public of the State of Maryland, personally appeared ROGER A. WAESCHE, JR., who acknowledged himself to be the Senior Vice President of Corporate Office Properties Trust, the general partner of Corporate Office Properties, L.P., which is the member of Airport Square II, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained in the capacity described above.

AS WITNESS my hand and Notarial Seal.

ZARAE PITTS
 NOTARY PUBLIC STATE OF MARYLAND
 My Commission Expires November 25, 2002

/s/ZARAE PITTS
 Notary Public

Commission Expires:

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 30 day of September, 1999, before me, the undersigned Notary Public of the State of Maryland, personally appeared ROGER A. WAESCHE, JR., who acknowledged himself to be the Senior Vice President of Corporate Office Properties Trust, the general partner of Corporate Office Properties, L.P., which is the member of Airport Square IV, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained in the capacity described above.

AS WITNESS my hand and Notarial Seal.

ZARAE PITTS

/s/ZARAE PITTS

Commission Expires:

47

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 30 day of September, 1999, before me, the undersigned Notary Public of the State of Maryland, personally appeared ROGER A. WAESCHE, JR., who acknowledged himself to be the Senior Vice President of Corporate Office Properties Trust, the general partner of Corporate Office Properties, L.P., which is the member of Airport Square V, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained in the capacity described above.

AS WITNESS my hand and Notarial Seal.

ZARAE PITTS
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires November 25, 2002

/s/ZARAE PITTS
Notary Public

Commission Expires:

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

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AS WITNESS my hand and Notarial Seal.

ZARAE PITTS
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires November 25, 2002

/s/ZARAE PITTS
Notary Public

Commission Expires:

48

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 30 day of September, 1999, before me, the undersigned Notary Public of the State of Maryland, personally appeared ROGER A. WAESCHE, JR., who acknowledged himself to be the Senior Vice President of Corporate Office Properties Trust, the general partner of Corporate Office Properties, L.P., which is the member of Airport Square XI, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained in the capacity described above.

AS WITNESS my hand and Notarial Seal.

ZARAE PITTS
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires November 25, 2002

/s/ZARAE PITTS
Notary Public

Commission Expires:

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 30 day of September, 1999, before me, the undersigned Notary Public of the State of Maryland, personally appeared ROGER A. WAESCHE, JR., who acknowledged himself to be the Senior Vice President of Corporate Office Properties Trust, the general partner of Corporate Office Properties, L.P., which is the member of Airport Square XIII, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained in the capacity described above.

AS WITNESS my hand and Notarial Seal.

ZARAE PITTS
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires November 25, 2002

/s/ZARAE PITTS
Notary Public

Commission Expires:

49

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 30 day of September, 1999, before me, the undersigned Notary Public of the State of Maryland, personally appeared ROGER A. WAESCHE, JR., who acknowledged himself to be the Senior Vice President of Corporate Office Properties Trust, the general partner of Corporate Office Properties, L.P., which is the member of Airport Square XIV, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained in the capacity described above.

AS WITNESS my hand and Notarial Seal.

ZARAE PITTS
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires November 25, 2002

/s/ZARAE PITTS
Notary Public

Commission Expires:

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 30 day of September, 1999, before me, the undersigned Notary Public of the State of Maryland, personally appeared ROGER A. WAESCHE, JR., who acknowledged himself to be the Senior Vice President of Corporate Office Properties Trust, the general partner of Corporate Office Properties, L.P., which is the member of Airport Square XIX, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained in the capacity described above.

AS WITNESS my hand and Notarial Seal.

ZARAE PITTS
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires November 25, 2002

/s/ZARAE PITTS
Notary Public

Commission Expires:

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 30 day of September, 1999, before me, the undersigned Notary Public of the State of Maryland, personally appeared ROGER A. WAESCHE, JR., who acknowledged himself to be the Senior Vice President of Corporate Office Properties Trust, the general partner of Corporate Office Properties, L.P., which is the member of Airport Square XX, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained in the capacity described above.

AS WITNESS my hand and Notarial Seal.

ZARAE PITTS
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires November 25, 2002

/s/ZARAE PITTS
Notary Public

Commission Expires:

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 30 day of September, 1999, before me, the undersigned Notary Public of the State of Maryland, personally appeared ROGER A. WAESCHE, JR., who acknowledged himself to be the Senior Vice President of Corporate Office Properties Trust, the general partner of Corporate Office Properties, L.P., which is the member of Airport Square XXI, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained in the capacity described above.

AS WITNESS my hand and Notarial Seal.

ZARAE PITTS
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires November 25, 2002

/s/ZARAE PITTS
Notary Public

Commission Expires:

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 30 day of September, 1999, before me, the undersigned Notary Public of the State of Maryland, personally appeared ROGER A. WAESCHE, JR., who acknowledged himself to be the Senior Vice President of Corporate Office Properties Trust, the general partner of Corporate Office Properties, L.P., which is the member of Tech Park I, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained in the capacity described above.

AS WITNESS my hand and Notarial Seal.

ZARAE PITTS
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires November 25, 2002

/s/ZARAE PITTS
Notary Public

Commission Expires:

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 30 day of September, 1999, before me, the undersigned Notary Public of the State of Maryland, personally appeared ROGER A. WAESCHE, JR., who acknowledged himself to be the Senior Vice President of Corporate Office Properties Trust, the general partner of Corporate Office Properties, L.P., which is the member of Tech Park II, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained in the capacity described above.

AS WITNESS my hand and Notarial Seal.

ZARAE PITTS
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires November 25, 2002

/s/ZARAE PITTS
Notary Public

Commission Expires:

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STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY, that on this 30 day of September, 1999, before me, the undersigned Notary Public of the State of Maryland, personally appeared ROGER A. WAESCHE, JR., who acknowledged himself to be the Senior Vice President of Corporate Office Properties Trust, the general partner of Corporate Office Properties, L.P., which is the member of Tech Park IV, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained in the capacity described above.

AS WITNESS my hand and Notarial Seal.

ZARAE PITTS
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires November 25, 2002

/s/ZARAE PITTS
Notary Public

Commission Expires:

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STATE OF NEW YORK)
) To Wit:
CITY/COUNTY OF NEW YORK)

I HEREBY CERTIFY that on this 24TH day of September, 1999, before me, the undersigned, a Notary Public of said State aforesaid, personally appeared WILLIAM H. GOEBEL, as Trustee under this Deed of Trust, and executed the same for the purposes contained therein by signing his name, as Trustee.

WITNESS my hand and Notarial Seal.

/S/JULIA A. HATHAWAY (SEAL)
Notary Public

My Commission Expires:

JULIA A. HATHAWAY
Notary Public in and for
the State of New York
Commission No. 01HA5075538
My Commission Expires: April 7, 2001

STATE OF NEW YORK)
) To Wit:
CITY/COUNTY OF NEW YORK)

I HEREBY CERTIFY that on this 24TH day of September, 1999, before me, the undersigned, a Notary Public of said State aforesaid, personally appeared MATTHEW T. MURPHY, as Trustee under this Deed of Trust, and executed the same for the purposes contained therein by signing his name, as Trustee.

WITNESS my hand and Notarial Seal.

/S/JULIA A. HATHAWAY (SEAL)
Notary Public

My Commission Expires:

JULIA A. HATHAWAY
Notary Public in and for
the State of New York
Commission No. 01HA5075538
My Commission Expires: April 7, 2001

STATE OF NEW YORK)
) To Wit:
CITY/COUNTY OF NEW YORK)

I HEREBY CERTIFY that on this 24TH day of September, 1999, before me, the undersigned, a Notary Public of said State aforesaid, personally appeared HALTON WEST, who acknowledged himself to be the ASSOCIATE DIRECTOR of TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA, a New York corporation, and that he as ASSOC. DIRECTOR, being authorized so to do, executed the same for the purposes contained therein in the capacity described above.

WITNESS my hand and Notarial Seal.

/S/JULIA A. HATHAWAY (SEAL)
Notary Public

My Commission Expires:

JULIA A. HATHAWAY

ATTORNEY CERTIFICATION

The undersigned, an attorney admitted to practice before the Court of Appeals of Maryland, hereby certifies that the within instrument was prepared by me or under my supervision.

/s/THERESA BURIAN SHEA
Theresa Burian Shea

Exhibit A

LEGAL DESCRIPTION

AS TO PARCEL 1: The land referenced in this policy is described in said instrument, is situated in the County of Anne Arundel, State of Maryland, and is described as follows:

Parcel 1 (a):

BEING KNOWN AND DESIGNATED as Lot I as shown on the Plat entitled "Resubdivision of Lot 1, Airport Square II", recorded among the Land Records of Anne Arundel County as Plat No. 4397, Book 84, page 22.

SAVING AND EXCEPTING THEREFROM all that lot or parcel of ground described in Deed dated December 16, 1981 and recorded among the Land Records of Anne Arundel County in Liber 3469, folio 398 by and between Airport Square II Company and Anne Arundel County, Maryland.

Parcel 1 (b):

TOGETHER WITH rights of an easement for storm water management, in common with others, over the "Easement Area for Storm Water Management Pond", as shown -on that certain Plat entitled "Resubdivision of Lot 1, Airport Square III", recorded among the Land Records of Anne Arundel county as Plat No. 4397, Book 84, page 22.

Parcel 1(c):

TOGETHER WITH rights of an Easement from Airport Square II Company relating to use of the proposed bed for the extension of Elkridge Landing Road as shown on the aforesaid Plat entitled "Resubdivision of Lot 1, Airport Square II" such Easement being of even date herewith and recorded or to be recorded among the Land Records of Anne Arundel County.

RESERVING, HOWEVER, a fifteen foot wide utility easement for storm drainage as shown on that certain Survey Plat of Paul Lee Engineering, Inc. entitled "#.892 Elkridge Landing Road, 6.6501 Acre Parcel — Airport Square II" dated October 28, 1981, as revised through December 18, 1981, for the benefit of Lot 3, as Lot 3 is shown on that certain Plat entitled "Resubdivision of Lot 1, Airport Square II", recorded among the Land Records aforesaid as Plat No. 4397, Book 84, page 22, the center line of such easement being 7.5 feet southeasterly from and parallel to the first line of the within description.

RESERVING ALSO, HOWEVER, all benefits and burdens of the 35 feet wide "Easement for Ingress & Egress, Lot 1" across Lot 3 as shown on the aforesaid Plat entitled "Resubdivision of Lot 1, Airport Square II".

Schedule 3 Cont'd

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AS TO PARCEL 2: The land referenced in this policy is described in said instrument, is situated in the County of Anne Arundel, State of Maryland, and is described as follows:

Parcel 2(a):

BEING KNOWN AND DESIGNATED as Lot 1 as shown on the plat entitled, "Subdivision Plat of Airport Square IV", which plat is recorded among the Land Records of Anne Arundel County in Liber 3536, folio 289.

Parcel 2(b):

TOGETHER WITH rights of the storm surface water drainage Easement Agreement for use in common with others dated June 28, 1984 and recorded among the Land Records of Anne Arundel County in Liber 3754, folio 470; and

Parcel 2(c):

TOGETHER WITH rights under an Easement Agreement for discharge of storm surface drainage water dated May 3, 1983 and recorded among the Land Records of Anne Arundel County in Liber 3581, folio 427 by and between Airport Square V Company, a Maryland general partnership and Airport Square V Company; and

Modification of Easement Agreement dated November 30, 1983 and recorded among the Land Records of Anne Arundel County in Liber 3667, folio 247 by and between Airport Square V Company and Airport Square IV Company.

Parcel 2(d):

TOGETHER WITH rights of storm water management easement as contained in Confirmation of Easement Agreement and Grant of Easement to Airport Square IX Company dated February 8, 1985 and recorded among the Land Records in Liber 3850, folio 477.

AS TO PARCEL 3: The land referenced in this policy is described in said instrument, is situated in the County of Anne Arundel, State of Maryland, and is described as follows:

Parcel 3(a):

BEING KNOWN AND DESIGNATED as Lot No. 1 as shown on a Plat entitled "Airport Square Addition", which Plat is recorded among the Land Records of Anne Arundel County in Plat Book No. 89, folio 19, and Lot No. 1R as shown on a Plat entitled "Resubdivision of Lot 1, Airport Square Addition", which Plat is recorded among the Land Records of Anne Arundel County in Liber 4094, folio 705.

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Schedule 3 Cont'd

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Parcel 3(b):

TOGETHER WITH rights of a drainage and utility easement pursuant to a Deed of Easement and Agreement dated September 29, 1983 and recorded among the Land Records of Anne Arundel County in Liber 3659, folio 742 by and between Joseph J. Hock, Inc. and Airport Square V Co., a Maryland general partnership; and

TOGETHER WITH rights of Drainage and Utility Easement pursuant to a Confirmation of Easement Agreement and Grant of Easement dated February 8, 1985 and recorded among the Land Records of Anne Arundel County in Liber 3850, folio 477; and Release of Portion of Easement dated October 2, 1985 and recorded among the Land Records of Anne Arundel County in Liber 4806, folio 269.

Parcel 3 (c):

TOGETHER WITH rights of storm surface water drainage pursuant to an Easement Agreement for use in common with others dated June 28, 1984 and recorded among the Land Records of Anne Arundel County in Liber 3754, folio 470; and

TOGETHER WITH rights of an easement pursuant to an Easement Agreement dated June 28, 1984 and recorded among the aforesaid Land Records in Liber 3754, folio 603.

Parcel 3(d):

TOGETHER WITH rights of storm water management easement as contained in Confirmation of Easement Agreement and Grant of Easement to Airport Square IX Company dated February 8, 1985 and recorded among the Land Records in Liber 3850, folio 477.

AS TO PARCEL 4: The land referenced in this policy is described in said instrument, is situated in the County of Anne Arundel, State of Maryland, and is described as follows:

Parcel 4(a):

BEING KNOWN AND DESIGNATED as all of the same tract of land as Lot 10, as shown on Plat entitled "Lots 8, 9, & 10, Resubdivision Plat of Lot 2, Airport Square Addition, and recorded among the Land Records of Anne Arundel County, Maryland as Plat 4816, In Plat Book 92, Page 42.

Parcel 4(b):

TOGETHER WITH rights of storm surface water drainage pursuant to an Easement and Maintenance Agreement dated August 15, 1986 and recorded among the Land Records of Anne Arundel County in Liber 4469, folio 777.

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Schedule 3 Cont'd

File No. 22200 - 99

AS TO PARCEL 5: The land referenced in this policy is described in said instrument, is situated in the County of Anne Arundel, State of Maryland, and is described as follows:

Parcel 5(a):

BEING KNOWN AND DESIGNATED as Lot 11, containing 5.24 acres, more or less, as shown on the Plat entitled "Amended Plat of Resubdivision of Airport Square Park & Airport Square Eleven", which Plat is recorded among the Land Records of Anne Arundel County as Plat No. 5126, in Plat Book 99, page 1.

Parcel 5(b):

TOGETHER WITH rights of a 40' Easement for Ingress and Egress to Lot "11", as set forth on the aforesaid Plat.

Parcel 5(c):

TOGETHER WITH rights of drainage and utility easement pursuant to a Deed of Easement and Agreement dated September 29, 1983 by and between Joseph J. Hock, Inc. and Airport Square V Company as recorded among the Land Records of Anne Arundel County in Liber 3659, folio 742 and Confirmation of Easement Agreement dated February 8, 1985 between Airport Square VIII Company, Aetna Life Insurance Company, Airport Square IV Company, Airport Square V Company, D-H Land Holding

Company and David E. Belcher and Donald L. Bradfield, Trustees, as recorded among the aforesaid Land Records in Liber 3850, folio 477, except, however, that portion of the fifteen foot (15ft) easement released by Release of Portion of Easement dated September 19, 1985, by and between Airport Square IV Company, Airport Square V Company, The Aetna Life Insurance Company, The Aetna Casualty and Surety Company, D-H Land Holding Company and David E. Belcher and Donald L., Bradfield, Trustees recorded or intended to be recorded among the Land Records of Anne Arundel County.

Parcel 5(d):

TOGETHER WITH rights of a Common Drive and Utility Easement pursuant to a Deed of Easement and Agreement dated November 4, 1983 by and between Joseph J. Hock, Inc. and D-H Land Holding Company as recorded among the Land Records of Anne Arundel County in Liber 3657, folio 96 as amended by Deed and Declaration by and between DH Land Holding Company and Airport Square III Company as recorded among the Land Records of Anne Arundel County in Liber 3754, folio 460 and Amendment to Deed and Declaration dated February 8, 1985 by and between D-H Land Holding Company, et al. as recorded among the Land Records of Anne Arundel County in Liber 3850, folio 475 and Confirmation of Easement Agreement dated February 8, 1985 by and between Airport Square VIII Company, et al. as recorded among the Land Records of Anne Arundel County in Liber 3850, folio 473.

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Schedule 3 Cont'd

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AS TO PARCEL 6: The land referenced in this policy is described in said instrument, is situated in the County of Anne Arundel, State of Maryland, and is described as follows:

Parcel 6(a):

Beginning for the same at a point at the intersection of the westerly right of way line of Nursery Road, variable width, and the 1st line of a dated June 7, 1984 and recorded among the Land Records of Anne Arundel County, Maryland in Liber 3742 at Folio 5691 thence leaving said right of way line and binding on said 1st line 1) North 74 degrees, 21 minutes, 07 seconds west 503.74 feet to the end 2) North 14 degrees 45 minutes 01 seconds east 311.45 feet to intersect the southerly right of way of Winterson Rod, variable width.; thence binding said right of way line 3) North 77 degrees 54 minutes 34 seconds west 248.19 feet; thence 4) North 73 degrees 12 minutes 37 seconds west 209.40 feet to the Fillet line between said southerly right of way line of Winterson Road and the aforementioned right of way line of Nursery Road; Then binding on said line 5) North 28 degrees 12 minutes 37 seconds west 81.97 to said right of way line of Nursery Road; thence binding on said line 6) North 16 degrees 47 minutes 23 second east 263.58 to the point of beginning.

Containing 162224 square feet or 3.724 acres of land more or less.

Parcel 6(b):

TOGETHER WITH rights of Storm surface water drainage pursuant to Modification of Confirmation of Easement Agreement and Grant of Easement to Airport Square IX Company and Grant of Easement to Airport Square XIII Company dated October 17, 1985 and recorded among the Land Records of Anne Arundel County in Liber 4000, folio 76.

AS TO PARCEL 7: The land referenced in this policy is described in said instrument, is situated in the County of Anne Arundel, State of Maryland, and is described as follows:

Parcel 7(a):

BEING KNOWN AND DESIGNATED as Lot 14 as shown on the Plat entitled "Resubdivision

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Schedule 3 Cont'd

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Plat of Lot 4 and Lot 7 of Revised Plat of Resubdivision Plat of a part of Plat 2, Section 2& Plat 1, Section 1, AIRPORT SQUARE TECHNOLOGY PARK", which Plat is recorded among the Land Records of Anne Arundel County as Plat No. 5277, Book 102, folio 02.

SUBJECT TO a ten foot (10 ft) drainage and utility easement and to a fifteen foot (15') drainage and utility easement as shown on said Plat 5277.

Parcel 7(b):

TOGETHER WITH rights of a 40' Easement for Use in Common", as shown on said Plat, the center line of which is the (14) South 17 degree 41 minute 00 second West 520.897 foot line of the parcel above described.

Parcel 7(c):

TOGETHER WITH rights for ingress and egress pursuant to an Easement Agreement dated July 18, 1986 by and between Airport Square XIV Company, The Aetna Casualty and Surety Company and David E. Belcher and Donald L. Bradfield, Trustees as recorded among the Land Records of Anne Arundel County in Liber 4449, folio 525.

Parcel 7(d):

TOGETHER WITH rights for vehicular and pedestrian ingress and egress pursuant to a Reciprocal Easement and Operating Agreement dated November 26, 1997 and recorded among the Land Records of Anne Arundel County in Liber 8196, folio 1 by and among Airport Square XIV Company, United Properties, Tari L. Flannery and Anna M. Marcellino, Trustees for The First National Bank of Maryland and Cindi E. Cohen and Martin J. Hutt, Trustees for Aetna Life Insurance Company.

AS TO PARCEL 8: The land referenced in this policy is described in said instrument, is situated in the County of Anne Arundel, State of Maryland, and is described as follows:

Parcel 8(a):

Schedule 3 Cont'd

File No. 22200 - 99

AS TO PARCEL 9: The land referenced in this policy is described in said instrument, is situated in the County of Anne Arundel, State of Maryland and is described as follows:

Parcel 9(a):

BEING KNOWN AND DESIGNATED as Lot 8A as shown on the Plat of Lot 8-A and 8-B Resubdivision of Plat 2 of Section 2, Lot 8, AIRPORT SQUARE TECHNOLOGY PARK, which Plat is recorded among the Land Records of Anne Arundel County in Plat Book 108, page 29.

Parcel 9(b):

TOGETHER WITH rights of a 40' private access easement as shown on said Plat of Lot 8-A and 8-B Resubdivision of Plat 2 of Section 2, Lot 8, AIRPORT SQUARE TECHNOLOGY PARK, which Plat is recorded among the Land Records of Anne Arundel County in Plat Book 108, page 29.

Parcel 9(c):

TOGETHER WITH rights of vehicular and pedestrian ingress and egress pursuant to a Reciprocal Easement and Operating Agreement dated October 13, 1996 and recorded among the Land Records of Anne Arundel County in Liber 7674, folio 347 by and among Airport Square XX Company, et al. and Anne Arundel County, Maryland.

AS TO PARCEL 10: The land referenced in this policy is described in said instrument, is situated in the County of Anne Arundel, State of Maryland, and is described as follows:

Parcel 10(a):

BEING Lot 2A, as shown on the Plat entitled "Revised Plat of Resubdivision Plat of a Part of Plat 2, Section 2 & Plat 1, Section 1, AIRPORT SQUARE TECHNOLOGY PARK", which Plat is recorded among the Land Records of Anne Arundel County in Plat Book 100, folio 01 and "Resubdivision Plat 2 of Section 1, AIRPORT SQUARE TECHNOLOGY PARK", which Plat is recorded among the Land Records of Anne Arundel County in Plat Book 98, folio 16.

Company assures the insured that there is legal access to International Drive.

AS TO PARCEL 11: The land referenced in this policy is described in said instrument, is situated in the County of Anne Arundel, State of Maryland and is described as follows:

Schedule 3 Cont'd

File No. 22200 - 99

Parcel 11(a):

BEING KNOWN AND DESIGNATED as Lot 2B as shown on the Plat entitled "Resubdivision Plat 2 of Section I AIRPORT SQUARE TECHNOLOGY PARK", which Plat is recorded among the Land Records of Anne Arundel County as Plat No. 5091, Plat Book 98, folio 16.

AS TO PARCEL 12: The land referenced in this policy is described in said instrument, is situated in the County of Anne Arundel, State of Maryland, and is described as follows:

Parcel 12(a):

BEING KNOWN AND DESIGNATED as Lot 1-A as laid out and shown on the Plat entitled "Lot 1-A, Industrial Subdivision Resubdivision Plat 2 of Section 1, Lot 1, AIRPORT SQUARE TECHNOLOGY PARK", which Plat is recorded among the Land Records of Anne Arundel County in Plat Book 105, page 11, Plat Number 5436.

Parcel 12(b):

TOGETHER WITH rights of ingress and egress set forth in an Easement Agreement dated December 14, 1989 and recorded among the Land Records of Anne Arundel County in Liber 4990, folio 1 by and between United Properties, a Maryland general partnership and Tech. Park Building IV.

AS TO PARCEL 13: The land referenced in this policy is described in said instrument, is situated in the County of Anne Arundel, State of Maryland, and is described as follows:

Parcel 13(a):

BEING KNOWN AND DESIGNATED as Lot 1-C as shown on Plat entitled "Airport Square Technology Park" which Plat is recorded among the Land Records of Anne Arundel County as Plat No. 6632 at Book 127, Page 8, containing 5.1057 acres of land more or less.

DEFINITIONS

“ACCELERATION” is defined in Section 14.2(a)(i).

“ACCUMULATIONS” is defined in Section 2.1(xii).

“ACCUMULATIONS DEPOSITORY” is defined in Section 6.2(a).

“ADDITIONAL FUNDS” is defined in Section 7.4(v).

“ANNUAL FINANCIAL STATEMENT” is defined in Section 10.1(a).

“ASSESSMENTS” is defined as all assessments now or hereafter levied, assessed or imposed against the Property.

“ASSIGNMENT” is defined as the Assignment of Leases and Rents dated of even date with this Deed of Trust made by Grantor for the benefit of Lender.

“BANKRUPTCY CODE” means Title 11 of the United States Code.

“BORROWER” is defined in the Recitals.

“BUDGET” is defined in Section 10.2.

“BUSINESS DAYS” is defined as any day on which commercial banks are not authorized or required by Law to close in New York, New York.

“CASUALTY” is defined as damage to or destruction of the Property by fire or other casualty.

“CODE” is defined as the Internal Revenue Code of 1986 and the regulations promulgated thereunder.

“CONDEMNATION” is defined as the permanent or temporary taking of all or any portion of the Property, or any interest therein or right accruing thereto, by the exercise of the right of eminent domain (including any transfer in lieu of or in anticipation of the exercise of the right), inverse condemnation or any similar injury or damage to or decrease in the value of the Property, including severance and change in the grade of any streets

“CONDEMNATION AWARDS” is defined in Section 2.1(viii).

“CONDEMNATION PROCEEDING” is defined as a Proceeding that could result in a Condemnation.

“CPA” is defined as an independent certified public accountant satisfactory to Lender.

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“DEBT” means the Principal, the Interest, the Late Charges, the prepayment Premiums, the Expenses, any additional advances made by Lender in connection with the Loan and all other amounts payable under the Loan Documents.

“DEBT SERVICE PAYMENTS” is defined as the monthly installments of principal and interest payable by Borrower to Lender as set forth in the Note.

“DEED OF TRUST” is defined as this Indemnity Deed of Trust, Assignment of Leases and Rents and Security Agreement.

“DESTRUCTION EVENT” is defined in Section 7.4.

“ENVIRONMENTAL ACTIVITY” is defined as any actual, suspected or threatened abatement, cleanup, disposal, generation, handling, manufacture, possession, release, remediation, removal, storage, transportation, treatment or use of any Hazardous Material. The actual, suspected or threatened presence of any Hazardous Material, or the actual, suspected or threatened noncompliance with any Environmental Laws, will be deemed Environmental Activity.

“ENVIRONMENTAL INDEMNITY” is defined as the Environmental Indemnity Agreement of even date with this Deed of Trust by Grantor and Borrower to Lender.

“ENVIRONMENTAL LAWS” is defined as all Laws pertaining to health, safety, protection of the environment, natural resources, conservation, wildlife, waste management, Environmental Activities and pollution.

“ENVIRONMENTAL REPORT” is defined as the three reports prepared by ENSR, dated August 1999, as amended.

“ERISA” is defined in Section 8.3(a).

“EVENT OF DEFAULT” is defined in Section 14.1.

“EXISTING MEMBER” is defined in Section 12.1(b).

“EXPENSES” is defined in Section 11.1(a).

“FINANCIAL BOOKS AND RECORDS” is defined as detailed accounts of the income and expenses of the Property and of Grantor and all other data, records and information that either are specifically referred to in the Article entitled “FINANCIAL REPORTING” or are necessary to the preparation of any of the statements, reports or certificates required under such Article and includes all supporting schedules prepared or used by the CPA in auditing the Annual Financial Statement or in issuing its opinion.

“FINANCING DOCUMENTS” is defined as the Guaranty, this Deed of Trust, the Assignment and all documents now or hereafter executed by Grantor or held by Lender or Trustees relating to the

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Guaranty, including all amendments.

“FISCAL YEAR” is defined as any calendar year or partial calendar year during the Term.

“FIXTURES AND PERSONAL PROPERTY” is defined in Section 2.1(iv).

“GOVERNMENT” is defined as any federal, state or municipal governmental or quasi-governmental authority including executive, legislative or judicial branch, division and any subdivision or agency of any of them and any entity to which any of them has delegated authority.

“GRANTOR” is defined in the introductory paragraph.

“GUARANTY” is defined in the introductory paragraph.

“HAZARDOUS MATERIALS” is defined as any by-product, chemical, compound, contaminant, pollutant, product, substance, waste or other material (i) that is hazardous or toxic or (ii) the abatement, cleanup, discharge, disposal, emission, exposure to, generation, handling, manufacture, possession, presence, release, removal, remediation, storage, transportation, treatment or use of which is controlled, prohibited or regulated by any Environmental Laws, including asbestos, petroleum and petroleum products and polychlorinated biphenyls.

“IMPOSITION PENALTY DATE” is defined in Section 6.1(a).

“IMPOSITIONS” is defined as all Taxes, Assessments, ground rent, if any, water and sewer rents, fees and charges, levies, permit, inspection and license fees and other dues, charges or impositions, including all charges and license fees for the use of vaults, chutes and similar areas adjoining the Land, maintenance and similar charges and charges for utility services, in each instance whether now or in the future, directly or indirectly, levied, assessed or imposed on the Property or Grantor and whether levied, assessed or imposed as excise, privilege or property taxes.

“IMPROVEMENTS” is defined in Section 2.1(ii).

“INSURANCE PREMIUMS” is defined as all present and future premiums and other charges due and payable on policies of fire, rental value and other insurance covering the Property and required pursuant to the provisions of this Deed of Trust.

“INSURANCE PROCEEDS” is defined in Section 2.1(ix).

“INSURERS” is defined in Section 7.1(c).

“INSTITUTIONAL INVESTOR” is defined as any bank, savings institution, charitable foundation, insurance company, real estate investment trust, pension fund or investment advisor registered under the Investment Advisors Act of 1940, as amended, and acting as trustee or agent.

“LAND” is defined in the Recitals.

“LATE CHARGE” is defined in the Note.

“LAW” is defined as all present and future codes, constitutions, cases, opinions, rules, manuals, regulations, determinations, laws, orders, ordinances, requirements and statutes, as amended, of any Government that affect or that may be interpreted to affect the Property, Grantor or the Loan, including amendments and all guidance documents and publications promulgated thereunder.

“LEASES” is defined as all present and future leases, subleases, licenses and other agreements for the use and occupancy of the Land and Improvements, any related guarantees and including any use and occupancy arrangements created pursuant to Section 365 (h) of the Bankruptcy Code or otherwise in connection with the commencement or continuation of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar Proceedings, or any assignment for the benefit of creditors, in respect of any tenant or other occupant of the Land and Improvements.

“LENDER” is defined in the introductory paragraph.

“LOAN” is defined in the Recitals.

“LOAN DOCUMENTS” means the Note, the Pledge and Security Agreement, and the Financing Documents.

“MATERIAL ENVIRONMENTAL CONTAMINATION” is defined as contamination of the Property with Hazardous Materials (i) that constitutes a violation of one or more Environmental Laws; (ii) for which there is a significant possibility that remediation will be required under Environmental Laws; (iii) that results in a material risk of liability or expense to Lender; or (iv) that diminishes the value of the Property.

“MATURITY DATE” is defined in the Recitals.

“MAXIMUM INTEREST RATE” is defined as the maximum rate of interest, if any, permitted by Law as of the date of this Deed of Trust to be charged with respect to the Loan.

“NOTE” is defined in the Recitals.

“NOTE PAYMENTS” is defined in the Note.

“NOTICES” is defined in Section 17.1.

“OBLIGATIONS” is defined in the Recitals.

“PERMITTED EXCEPTIONS” is defined as the matters shown in Schedule B, Part 1 and 2 of the title insurance policy insuring the lien of this Deed of Trust.

“PERMITTED TRANSFERS” is defined in Section 12.2.

“PERMITTED USE” is defined as use as a first-class commercial office building consistent in character, size and age of similar buildings in the Baltimore-Washington, D.C.

suburban area, and uses incidentally and directly related to such use.

“PLEDGE AND SECURITY AGREEMENT” is defined in Section 6.2.

“POLICIES” is defined in Section 7.1(b).

“PREPAYMENT PREMIUM” is defined in the Note.

“PRINCIPAL” is defined in the Recitals.

“PROCEEDING” is defined as a pending or threatened action, claim or litigation before a legal, equitable or administrative tribunal having proper jurisdiction.

“PROCEEDS” is defined in Section 7.2(c).

“PROPERTY” is defined in Section 2.1.

“PROPERTY DOCUMENTS” is defined in Section 2.1(v).

“RECEIVER” is defined as a receiver, custodian, trustee, liquidator or conservator of the Property.

“REMEDIES” is defined in Section 14.2(a).

“RENTS” is defined as all rents, prepaid rents, percentage, participation or contingent rents, issues, profits, proceeds, revenues and other consideration accruing under the Leases or otherwise derived from the use and occupancy of the Land or the Improvements, including tenant contributions to expenses, security deposits, royalties and contingent rent, if any, all other fees or payments paid to or for the benefit of Grantor and any payments received pursuant to Section 502(b) of the Bankruptcy Code or otherwise in connection with the commencement or continuance of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar proceedings, or any assignment for the benefit of creditors, in respect of any tenant or other occupant of the Land or the Improvements and all claims as a creditor in connection with any of the foregoing.

“RESTORATION” is defined as the restoration of the Property after a Destruction Event as nearly as possible to its condition immediately prior to the Destruction Event, in accordance with the plans and specifications, in a first-class workmanlike manner using materials substantially equivalent in quality and character to those used for the original improvements, in accordance with Law and free and clear of all liens, encumbrances or other charges other than this Deed of Trust and the Permitted Exceptions.

“RESTORATION COMPLETION DATE” is defined in Section 7.4(viii).

“RESTORATION FUNDS” is defined in Section 7.5(b).

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“TAXES” is defined as all present and future real estate taxes levied, assessed or imposed against the Property.

“TERM” is defined as the scheduled term of this Deed of Trust commencing on the date Lender makes the first disbursement of the Loan and terminating on the Maturity Date.

“TRANSFER” is defined in Section 12.1(a).

“UNIFORM COMMERCIAL CODE” is defined as the Uniform Commercial Code in effect in the jurisdiction where the Land is located.

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EXHIBIT C

RULES OF CONSTRUCTION

(a) References in any Financing Document to numbered Articles or Sections are references to the Articles and Sections of that Financing Document. References in any Financing Document to lettered Exhibits are references to the Exhibits attached to that Financing Document, all of which are incorporated in and constitute a part of that Financing Document. Article, Section and Exhibit captions used in any Financing Document are for reference only and do not describe or limit the substance, scope or intent of that Financing Document or the individual Articles, Sections or Exhibits of that Financing Document.

(b) The terms “include”, “including” and similar terms are construed as if followed by the phrase “without limitation”.

(c) The terms “Land”, “Improvements”, “Fixtures and Personal Property”, “Condemnation Awards”, “Insurance Proceeds” and “Property” are construed as if followed by the phrase “or any part thereof”.

(d) Any agreement by or duty imposed on Grantor or Borrower in any Financing Document to perform any obligation or to refrain from any act or omission constitutes a covenant running with the ownership or occupancy of the Land and the Improvements, which will bind all parties hereto and their respective successors and assigns, and all lessees, subtenants and assigns of same, and all occupants and subsequent owners of the Property, and will inure to the benefit of Lender and all subsequent holders of the Note and this Deed of Trust and includes a covenant by Grantor and Borrower to cause its partners, members, principals, agents, representatives and employees to perform the obligation or to refrain from the act or omission in accordance with the Financing Documents. Any statement or disclosure contained in any Financing Document about facts or circumstances relating to the Property, Grantor or Borrower or the Loan constitutes a representation and warranty by Grantor and Borrower made as of the date of the Financing Document in which the statement or disclosure is contained.

(e) The term “to Grantor’s knowledge” is construed as meaning to the best of Grantor’s knowledge after diligent inquiry.

(f) The singular of any word includes the plural and the plural includes the singular. The use of any gender includes all genders.

(g) The terms “person”, “party” and “entity” include natural persons, firms, partnerships, limited liability companies and partnerships, corporations and any other public or private legal entity.

(h) The term “provisions” includes terms, covenants, conditions, agreements and requirements.

(i) The term “amend” includes modify, supplement, renew, extend, replace or substitute and the term “amendment” includes modification, supplement, renewal, extension, replacement and substitution.

(j) Reference to any specific Law or to any document or agreement, including the Note, this Deed of Trust, any of the other Financing Documents, the Leases and Property Documents includes any future amendments to the Law, document or agreement, as the case may be.

(k) No inference in favor of or against a party with respect to any provision in any Financing Document may be drawn from the fact that the party drafted the Financing Document.

(l) The term “certificate” means the sworn, notarized statement of the entity giving the certificate, made by a duly authorized person satisfactory to Lender affirming the truth and accuracy of every statement in the certificate. Any document that is “certified” means the document has been appended to a certificate of the entity certifying the document that affirms the truth and accuracy of everything in the document being certified. In all instances the entity issuing a certificate must be satisfactory to Lender.

(m) Any appointment of Lender as Grantor’s attorney-in-fact is irrevocable and coupled with an interest. Lender may appoint a substitute attorney-in-fact. Grantor ratifies all actions taken by the attorney-in-fact but, nevertheless, if Lender requests, Grantor will specifically ratify any action taken by the attorney-in-fact by executing and delivering to the attorney-in-fact or to any entity designated by the attorney-in-fact all documents necessary to effect the ratification.

(n) Any document, instrument or agreement to be delivered by Grantor will be in form and content satisfactory to Lender.

(o) All obligations, rights, remedies and waivers contained in the Note or the Financing Documents will be construed as being limited only to the extent required to be enforceable under the Law.

(p) The unmodified word “days” means calendar days.

Exhibit D

AS TO PARCEL I ONLY

1. Subject to setback lines, easements, reservations, open spaces, conditions, widening strips, restrictions and/or other matters affecting said lot as contained on the Plat entitled, “Resubdivision of Lot 1, Airport Square II,” which plat is recorded among the Land Records of Anne Arundel County as Plat No. 4397, Plat Book 84, folio 22 as referred to in Item No. 5 of Schedule A of the title proforma.
2. Subject to maintenance of Easement Area for Storm Water Management Pond as contained in Maintenance Agreement by and between Airport Square II Company and Airport Square II Company recorded among the aforesaid Land Records in Liber 3462, folio 881, as modified by a Restated Maintenance Agreement dated September 1, 1982 and recorded in Liber 3515, folio 193.
3. Subject to utility easements and inspections contained in Right of Way Agreement by and between Airport Square II Company and Baltimore Gas and Electric Company dated October 28, 1981 and recorded among the aforesaid Land Records in Liber 3467, folio 685.
4. Subject to utility easements and inspections contained in Deed of Easement and Agreement by and between Airport Square II Company, et al. and D-H Land Holding Company dated September 1, 1982 and recorded among the aforesaid Land Records in Liber 3515, folio 175.
5. Subject to Storm Water Management inspections and maintenance account contained in Agreement by and between Anne Arundel County, Maryland and Airport Square II Company recorded among the aforesaid Land Records in Liber 3505, folio 818.
6. Subject to Fire Hydrant purchase, inspection, maintenance, annual charges and repair costs contained in Agreement by and between Airport Square Company and Anne Arundel County, Maryland dated May 5, 1982 and recorded among the aforesaid Land Records in Liber 3492, folio 483.
7. Subject to drainage and utility easements contained in Deed dated December 16, 1981 from Airport Square II Company and Anne Arundel County, Maryland and recorded among the aforesaid Land Records in WGL No. Liber 3469, folio 398.
8. Subject to discharge of storm surface drainage water contained in Easement Agreement dated June 28, 1984 by and between Airport Square II Company II, et al. and Airport Square VII Company, et al. as recorded among the aforesaid Land Records in Liber 3754, folio 603.
9. Subject to use in common and expenses for maintenance as contained in Amended and Restated Maintenance Agreement dated June 28, 1984 by and between The

Aetna Casualty and Surety Company, et al. as recorded among the aforesaid Land Records in Liber 3754, folio 614.

10. Subject to pedestrian and vehicular ingress and egress and expenses contained in an Easement and Maintenance Agreement dated October 18, 1989 by and between Airport Square II Company, The Aetna Casualty and Surety Company, Winterson Properties Company and David E. Belcher and Donald L. Bradfield, II, Trustees as recorded among the aforesaid Land Records in Liber 5078, folio 861.

AS TO PARCEL II ONLY

1. Subject to setback lines, easements, reservations, open spaces, conditions, widening strips, restrictions and/or other matters affecting said lot as contained on the Plat entitled, “Subdivision Plat, Airport Square IV, Elkridge Landing Road,” which plat is recorded among the Land Records of Anne Arundel County, Maryland as Plat Book 3536, folio 289 as referred to in Item No. 5 of Schedule A of the title proforma.
2. Subject to utility easements contained in Deed of Easement and Agreement dated September 6, 1985 and recorded among the aforesaid Land Records in Liber 3957,

folio 216 by and between Airport Square IV Company and Anne Arundel County, Maryland.

3. Subject to utility easements and inspections contained in Deed dated March 28, 1983 and recorded among the aforesaid Land Records in Liber 3571, folio 611 by and between Airport Square IV Company and The Chesapeake and Potomac Telephone Company of Maryland.
4. Subject to maintenance and expenses contained in Maintenance Agreement dated October 17, 1985 and recorded among the aforesaid Land Records in Liber 4000, folio 065 by Airport Square IV Company.

AS TO PARCEL III ONLY

1. Subject to setback lines, easements, reservations, open spaces, conditions, widening strips, restrictions and/or other matters affecting said lot as contained on the Plat entitled, "Resubdivision of Lot 1, Airport Square Addition," which plat is recorded among the Land Records of Anne Arundel County, Maryland as Plat Book 4094, folio 705 as referred to in Item No. 5 of Schedule A of the title proforma.
2. Subject to modification and confirmation of storm water drainage easement contained in Modification of Confirmation of Easement Agreement and Grant of Easement to Airport Square IX Company and Grant of Easement to Airport Square XIII dated October 17, 1985 and recorded among the aforesaid Land Records in Liber 4000, folio 76.

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3. Subject to storm surface drainage easement contained in Easement Agreement dated May 3, 1983 and recorded among the aforesaid Land Records in Liber 3581, folio 427 by and between Airport Square V Company, a Maryland general partnership and Airport Square IV Company, a Maryland general partnership as amended by Modification of Easement Agreement dated November 30, 1983 and recorded among the aforesaid Land Records in Liber 3667, folio 247.
4. Subject to maintenance and expenses as contained in Maintenance Agreement dated June 3, 1984 and recorded among the aforesaid Land Records in Liber 3754, folio 475.
5. Subject to maintenance and expenses as contained in Maintenance Agreement dated October 17, 1985 and recorded among the aforesaid Land Records in Liber 4000, folio 065 by Airport Square IV Company.

AS TO PARCEL IV ONLY

1. Subject to utility easements and inspections contained in Agreements to Consolidated Gas Electric Light and Power Company recorded among the Land Records of Anne Arundel County as follows:
 - (a) dated April 3, 1940 and recorded in Liber JHH No. 216, folio 439.
2. Subject to drainage and utility easement contained in Deed dated December 16, 1981 by and between Airport Square II Company and Anne Arundel County, Maryland as recorded among the aforesaid Land Records in Liber 3469, folio 398.
3. Subject to creation, use and maintenance of storm drainage facilities contained in Deed dated August 17, 1982 by and between Airport Square III Company 1984 and Anne Arundel County, Maryland as recorded among the aforesaid Land Records in Liber 3515, folio 63.
4. Subject to maintenance of easement area for storm water management pond as contained in Restated Maintenance Agreement dated September 1, 1982 by Airport Square II Company and Airport Square III Company as recorded among aforesaid Land Records in Liber 3515, folio 193.
5. Subject to utility easements granted to The Chesapeake and Potomac Telephone Company of Maryland by virtue of Deeds recorded among the aforesaid Land Records as follows:
 - (a) dated November 10, 1982 and recorded in Liber 3534, folio 313; and
 - (b) dated March 28, 1983 and recorded in Liber 3571, folio 604.

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6. Subject to fire hydrant maintenance and charges contained in Maintenance Agreement M-117 dated January 10, 1985 by and between DH Land Holding Company and Anne Arundel County, Maryland as recorded among the aforesaid Land Records in Liber 3848, folio 566.
7. Subject to utility easement contained in Deed of Easement dated February 2, 1982 by and between Airport Square II Company and The Chesapeake and Potomac Telephone Company of Maryland as recorded among aforesaid Land Records in Liber 3481, folio 591.
8. Subject to utility easement contained in Deed of Easement and Agreement dated March 4, 1985 by and between Airport Square X Company and Anne Arundel County, Maryland as recorded among aforesaid Land Records in Liber 3863, folio 89.
8. Subject to drainage and utility easement contained in Easement and Maintenance Agreement dated August 15, 1986 by and between Airport Square X Company and recorded among aforesaid Land Records in Liber 4469, folio 777.

AS TO PARCEL V ONLY

1. Subject to setback lines, easements, reservations, open spaces, conditions, widening strips, restrictions and/or other matters affecting said lot as contained on the Plat entitled, "Resubdivision Plat of Airport Square Park & Airport Square Eleven," which Plat is recorded among the Land Records of Anne Arundel County as Plat No. 5126, Plat Book 99, folio 1.
2. Subject to utility easements as contained in an Agreement dated April 3, 1940 and recorded among the aforesaid Land Records in Liber JHH No. 216, folio 439, to Consolidated Gas Electric Light and Power Company of Baltimore.
3. Subject to covenants and conditions contained in a Deed and Declaration dated June 25, 1984 by and between D-H Land Holding Company and Airport Square II Company recorded among the aforesaid Land Records in Liber 3754, folio 460, as amended by Amendment to Deed and Declaration dated February 8, 1985 by and between D-H Land Holding Company, et al. as recorded among aforesaid Land Records in Liber 3850, folio 464.

4. Subject to utility easements as contained in Deed of Easement and Agreement dated September 29, 1983 by and between Joseph J. Hock, Inc., and Airport Square V Company as recorded among aforesaid Land Records in Liber 3659, folio 742; Easement Agreement dated June 28, 1984 by and between Airport Square III Company, et al. as recorded among the aforesaid Land Records in Liber 3754, folio 470, as amended by Confirmation of Easement Agreement and Grant of Easement dated February 8, 1985 as recorded among the aforesaid Land Records in Liber 3850, folio 477. Subject to maintenance and expenses as contained in Maintenance Agreement dated October 17,

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1985 and recorded among the aforesaid Land Records in Liber 4000, folio 65 by and between Airport Square IV Company, et al. and D-H Land Holding Company.

5. Subject to maintenance and expenses as contained in Maintenance Agreement dated June 28, 1984 by and between Airport Square III Company, D-H Land Holding Company, Airport Square IV Company and Airport Square V Company as recorded among aforesaid Land Records in Liber 3754, folio 475; as amended by Confirmation of Maintenance Responsibilities dated September 19, 1985 and recorded as aforesaid in Liber 3955, folio 347.

6. Subject to fire hydrant installation and charges as contained in Agreement dated January 10, 1985 by and between D-H Land Holding Company and Anne Arundel County, Maryland as recorded among the aforesaid Land Records in Liber 3850, folio 792.

7. Subject to modification and confirmation of storm water drainage easements as contained in Modification of Confirmation of Easement Agreement and Grant of Easement to Airport Square IX Company and Grant of Easements to Airport Square XIII Company dated October 17, 1985 and recorded among the Land Records of Anne Arundel County in Liber 4000, folio 76.

8. Subject to installation and maintenance of easements as contained in Easement Agreement dated May 31, 1989, and recorded among the Land Records of Anne Arundel County in Liber 4861, folio 807 by and between D-H Land Holding Company, Aetna Life Insurance Company and Hardee's Food Systems, Inc.

AS TO PARCEL VI ONLY

1. Subject to utility easements contained in agreement with Consolidated Gas Electric Light and Power Company of Baltimore contained in Agreements recorded among the Land Records of Anne Arundel County as follows:

(a) dated April 3, 1940 and recorded in JHH No. Liber 216, folio 439.

2. Subject to maintenance and expenses contained in Maintenance Agreement dated October 17, 1985 and recorded among the aforesaid Land Records in Liber 4000, folio 065 by Airport Square IV Company, et al.

3. Subject to utility easement contained in Deed of Easement and Agreement dated September 6, 1985 and recorded among the aforesaid Land Records in Liber 3957, folio 211, by and between Airport Square XIII Company, The First National Bank of Maryland and Anne Arundel County.

4. Subject to utilities contained in Utility Agreement dated September 6, 1985 and recorded among the aforesaid Land Records in Liber 3957, folio 222, by and between

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Airport Square XIII Company and Anne Arundel County, Maryland. See also Utility Agreement No. UA85063(X) dated August 28, 1985 and recorded among the Land Records of Anne Arundel County in Liber 3957, folio 228 and Bond No. 992 85 39 recorded among the Land Records of Anne Arundel County in Liber 3957, folio 231.

5. Subject to drainage and utility easement contained in Deed dated March 3, 1986 and recorded among the aforesaid Land Records in Liber 4051, folio 336 from Airport Square XIII Company to Anne Arundel County, Maryland.

AS TO PARCEL VII ONLY

1. Subject to utility easements to Chesapeake and Potomac Telephone Company of Baltimore City as contained in an Agreement recorded December 30, 1907 among the Land Records of Anne Arundel County in Liber GW No. 55, folio 421.

2. Subject to utility easements to Consolidated Gas Electric Light and Power Company of Baltimore by virtue of an Agreement dated February 27, 1940 and recorded among the aforesaid Land Records in Liber JHH No. 215, folio 91.

3. Subject to utility easements to Baltimore Gas and Electric Company as contained in an Agreement dated November 25, 1985 and recorded among the aforesaid Land Records in Liber 4018, folio 181.

4. Subject to utility easements to Baltimore Gas and Electric Company as contained in an Agreement dated February 7, 1986 and recorded among the aforesaid Land Records in Liber 4025, folio 324.

5. Subject to quality standards and site criteria restriction contained in Declaration of Uses and Restrictions dated January 23, 1986 by and between United Properties, et al., as recorded among the aforesaid Land Records in Liber 4016, folio 676.

6. Subject to setback lines, easements, reservations, open spaces, conditions, widening strips, restrictions and/or other matters affecting said lot as contained on the Plat entitled, "Resubdivision of Lot 4 & Lot 7 of Revised Plat of Resubdivision Plat of A, Part of Plat 2, Section 2, & Plat 1, Section 1, Airport Square Technology Park," which plat is recorded among the Land Records of Anne Arundel County, Maryland as plat No. 5277, Plat Book 102, folio 2 as referred to in Item No. 5 of Schedule A of the title proforma.

7. Subject to subdivision agreement contained in a Subdivision Agreement dated December 26, 1984 by and between United Properties and Anne Arundel County, Maryland as recorded among the Land Records of Anne Arundel County in Liber 3834, folio 744.

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7. Subject to subdivision agreement contained in a Subdivision Agreement dated October 4, 1985 by and between United Properties and Anne Arundel County, Maryland as recorded among the Land Records of Anne Arundel County in Liber 3959, folio 783.

8. Subject to access easement and maintenance contained in an Access Easement and Maintenance Agreement dated July 18, 1986 and recorded among the Land Records of Anne Arundel County in Liber 4449, folio 525.
9. Subject to water and sewer facilities as contained in an Agreement Number UA85094X dated November 8, 1985 by and between United Properties and Anne Arundel County, Maryland, as recorded among the Land Records of Anne Arundel County in Liber 3982, folio 726.
10. Subject to utility easement installation, maintenance and expenses contained in a Deed, Easement and Agreement dated September 20, 1990, and recorded among the Land Records of Anne Arundel County in Liber 5178, folio 806 by and between Airport Square XIV, et al. and Anne Arundel County, Maryland.
11. Subject to drainage and utility easements as contained in Deed dated June 26, 1986 by and between United Properties, et al. and Anne Arundel County, Maryland as recorded among the aforesaid Land Records in Liber 4106, folio 331.
12. Subject to easement and maintenance as contained in Reciprocal Easement and Operating Agreement dated November 26, 1997, and recorded among the Land Records of Anne Arundel County in Liber 8196, folio 01.

AS TO PARCEL VIII ONLY

1. Subject to utility easements contained in The Chesapeake and Potomac Telephone Company of Baltimore City as contained in an Agreement recorded September 12, 1907 among the Land Records of Anne Arundel County in Liber 55, folio 421.
2. Subject to utility easements contained in Baltimore Gas and Electric Company by virtue of an Agreement dated November 25, 1985 and recorded among the aforesaid Land Records in Liber 4018, folio 181.
3. Subject to installation of public utilities as contained in Deed of Easement and Agreement dated December 10, 1987 and recorded among the Land Records of Anne Arundel County in Liber 4525, folio 103 between United Properties, a Maryland general partnership and Anne Arundel County, Maryland.
4. Subject to quality standard and site criteria restrictions contained in Declaration of Uses and Restrictions dated January 23, 1986 and recorded among the aforesaid Land Records in Liber 4016, folio 676 by and between United Properties, a Maryland general partnership, et al., and The First National Bank of Maryland.

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5. Subject to drainage and utility easements contained in Deed dated June 26, 1986 and recorded among the aforesaid Land Records in Liber 4106, folio 331 by and between United Properties, a Maryland general partnership, et al. and Anne Arundel County, Maryland.
6. Subject to setback lines, easements, reservations, open spaces, conditions, widening strips, restrictions and/or other matters affecting said lot as contained on that Plat entitled, "Lot 1-B and Lot 3-R, Resubdivision of Lots 1 & 3 of Part of Resubdivision Plat 2 of Section 1, Airport Square Technology Park," which plat is recorded among the Land Records of Anne Arundel County, Maryland as plat No. 5701, Plat Book 110, folio 26 as referred to in Item No. 5 of Schedule A of the title proforma.
7. Subject to utility easements to Baltimore Gas and Electric Company as contained in a Right of Way Agreement dated January 23, 1989 and recorded among the aforesaid Land Records in Liber 4808, folio 388 from Airport Square XIX Company.

AS TO PARCEL IX ONLY

1. Subject to setback lines, easements, reservations, open spaces, conditions, widening strips, restrictions and/or other matters affecting said lot as contained on the Plat entitled, "Lot 8-A and 8-B, Industrial Subdivision, Resubdivision Plat 2 of Section 2, Lot 8," which plat is recorded among the Land Records of Anne Arundel County as Plat No. 5604, Plat Book 108, folio 29 as referred to in Item No. 5 of Schedule A of the title proforma.
2. Subject to quality standards and site criteria restrictions as contained in Declaration of Uses and Restrictions dated January 23, 1986 by and between United Properties, et al., and The First National Bank of Maryland recorded among the aforesaid Land Records in Liber 4016, folio 676.
3. Subject to utility easement contained in Deed of Easement and Agreement dated August 12, 1987 and recorded among the aforesaid Land Records in Liber 4438, folio 758 by and between United Properties Company, a Maryland general partnership and Anne Arundel County, Maryland.
4. Subject to utility easements to Baltimore Gas and Electric Company contained in an Agreement dated November 25, 1985 and recorded among the aforesaid Land Records in Liber 4018, folio 181.
5. Subject to private access easement area maintenance as contained in Maintenance Agreement dated July 15, 1988 and recorded among the aforesaid Land Records in Liber 4649, folio 823 by and between Airport Square XX Company, a Maryland general partnership and Marriott Corporation, a Delaware corporation.

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6. Subject to private access easement benefiting Parcel 8, and non-compliance by owner of Parcel 9 as contained in Reciprocal Easement and Operating Agreement dated October 13, 1996 and recorded among the aforesaid Land Records in Liber 7674, folio 347.

AS TO PARCEL X ONLY

1. Subject to utility easements contained in The Chesapeake and Potomac Telephone Company of Baltimore City contained in an Agreement dated September 12, 1907 and recorded among the Land Records of Anne Arundel County in Liber 55, folio 421.
2. Subject to utility easements contained in The Consolidated Gas Electric Light and Power Company of Baltimore contained in an Agreement dated February 27, 1940 and recorded among the Land Records of Anne Arundel County in Liber 215, folio 91.
3. Subject to utility easements contained in Baltimore Gas and Electric Company by virtue of an Agreement dated November 25, 1985 and recorded among the Land Records of Anne Arundel County in Liber 4018, folio 181.
4. Subject to utility easements contained in Baltimore Gas and Electric Company by virtue of an Agreement dated February 7, 1986 and recorded among the Land Records of Anne Arundel County in Liber 4025, folio 324.
5. Subject to quality standards and site criteria restrictions contained in Declaration of Uses and Restrictions dated January 23, 1986 by and between United Properties, et al., as recorded among the aforesaid Land Records in Liber 4016, folio 676.

6. Subject to setback lines, easements, reservations, open spaces, conditions, widening strips, restrictions and/or other matters affecting said lot as contained on the Plat entitled, "Resubdivision Plat 2 of Section 1, Airport Square Technology Park," which plat is recorded among the Land Records of Anne Arundel County, Maryland as plat No. 5091, Plat Book 98, folio 16 as referred to in Item No. 5 of Schedule A of the title proforma.

7. Subject to ingress /egress by owner of Parcel XI, and non-compliance by owner of Parcel X easement as contained in Easement Agreement dated July 18, 1986 by and between Tech Park Building I, a Maryland general partnership, Tech Park Building II, a Maryland general partnership and David E. Belcher and Donald L. Bradfield, II, Trustees and Aetna Life Insurance Company as recorded among the aforesaid Land Records in Liber 4422, folio 464.

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AS TO PARCEL XI ONLY

1. Subject to utility easements contained in The Chesapeake and Potomac Telephone Company of Baltimore City by virtue of an Agreement dated September 12, 1907 and recorded among the Land Records of Anne Arundel County in Liber 55, folio 421.

2. Subject to utility easements contained in Consolidated Gas Electric Light and Power Company by virtue of an Agreement dated February 27, 1940 and recorded among the Land Records of Anne Arundel County in Liber 215, folio 91.

3. Subject to utility easements contained in Baltimore Gas and Electric Company by virtue of an Agreement dated November 25, 1985 and recorded among the Land Records of Anne Arundel County in Liber 4018, folio 181.

4. Subject to utility easements contained in Baltimore Gas and Electric Company by virtue of an Agreement dated February 7, 1986 and recorded among the Land Records of Anne Arundel County in Liber 4025, folio 324.

5. Subject to quality standards and site criteria contained in Declaration of Uses and Restrictions dated January 23, 1986 by and between United Properties, et al., as recorded among the aforesaid Land Records in Liber 4016, folio 676.

6. Subject to setback lines, easements, reservations, open spaces, conditions, widening strips, restrictions and/or other matters affecting said lot as contained on the Plat entitled, "Resubdivision Plat 2 of Section 1, Airport Square Technology Park," which plat is recorded among the Land Records of Anne Arundel County, Maryland as plat No. 5091, Plat Book 98, folio 16 as referred to in Item No. 5 of Schedule A of the title proforma.

7. Subject to ingress /egress by owner of Parcel X, and non-compliance by owner of Parcel XI, easement as contained in Easement Agreement dated July 18, 1986 by and between Tech Park Building I, a Maryland general partnership, Tech Park Building II, a Maryland general partnership and David E. Belcher and Donald L. Bradfield, II, Trustees and Aetna Life Insurance Company as recorded among the aforesaid Land Records in Liber 4422, folio 464.

AS TO PARCEL XII ONLY

1. Subject to setback lines, easements, reservations, open spaces, conditions, widening strips, restrictions and/or other matters affecting said lot as contained on the Plat entitled, "Lot 1-A, Industrial Subdivision, Resubdivision of Plat 2 of Section 1, Lot 1," which plat is recorded among the Land Records of Anne Arundel County, Maryland as plat No. 5436, Plat Book 105, folio 11 as referred to in Item No. 5 of Schedule A of the title proforma.

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2. Subject to quality standards and site criteria restrictions, omitting any racial restrictions contained in Declaration of Uses and Restrictions dated January 23, 1986 and recorded among the aforesaid Land Records in Liber 4016, folio 676.

3. Subject to utility easements contained in Baltimore Gas and Electric Company by virtue of an Agreement dated November 25, 1985 and recorded among the Land Records of Anne Arundel County in Liber 4018, folio 181.

4. Subject to utility easement contained in Deed of Easement and Agreement dated March 6, 1987 and recorded among the aforesaid Land Records in Liber 4298, folio 766 by and between United Properties, a Maryland general partnership and Anne Arundel County, Maryland.

AS TO PARCEL XIII ONLY

1. Subject to quality standards and site criteria restrictions, omitting any racial restrictions contained in Declaration of Uses and Restrictions dated January 23, 1986 by and between United Properties, et al., as recorded among the aforesaid Land Records in Liber 4016, folio 676, between United Properties, Interchange Properties, Tech Park Building I, Tech Park Building II, Mercantile-Safe Deposit and Trust Company and The First National Bank of Maryland.

2. Subject to utility easements contained in Baltimore Gas and Electric Company by virtue of an Agreement dated November 25, 1985 and recorded among the Land Records of Anne Arundel County in Liber 4018, folio 181.

3. Subject to drainage and utility easements as contained in Deed dated June 26, 1986 by and between United Properties, et al. and Anne Arundel County, Maryland as recorded among the aforesaid Land Records in Liber 4106, folio 331.

4. Subject to drainage and utility easements as contained in Deed dated May 26, 1987 by and between United Properties, et al. and Anne Arundel County, Maryland as recorded among the aforesaid Land Records in Liber 4363, folio 722.

5. Subject to construction and maintenance of public utilities easements as contained in Deed of Easement and Agreement dated November 7, 1988 and recorded among the aforesaid Land Records in Liber 4742, folio 579 between United Properties, et al. and Anne Arundel County, Maryland.

6. Subject to construction and maintenance of public utilities easements as contained in Deed of Easement and Agreement dated September 30, 1988 and recorded among the aforesaid Land Records in Liber 4720, folio 226 between United Properties, et al. and Anne Arundel County, Maryland.

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7. Subject to setback lines, easements, reservations, open spaces, conditions, widening strips, restrictions and/or other matters affecting said lot as contained on the Plat

entitled, "Resubdivision of Lot 1-B, Part of Lot 1-B and Lot 3-R, Resubdivision of Lots 1 and 3 of Part of Resubdivision Plat 2 Section 1, Airport Square Technology Park," which plat is recorded among the Land Records of Anne Arundel County, Maryland as plat No. 6632, Plat Book 127, folio 8 as referred to in Item No. 5 of Schedule A of the title proforma.

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of October 1, 2007

by and among

CORPORATE OFFICE PROPERTIES, L.P.,
as BorrowerCORPORATE OFFICE PROPERTIES TRUST,
as Parent,

KEYBANC CAPITAL MARKETS

and

WACHOVIA CAPITAL MARKETS, LLC
as Co-Lead Arrangers,KEYBANK NATIONAL ASSOCIATION,
as Administrative Agent,WACHOVIA BANK, NATIONAL ASSOCIATION,
as Syndication Agent,Each of
BANK OF AMERICA, N.A.,
MANUFACTURERS AND TRADERS TRUST COMPANY,

and

CITIZENS BANK OF PENNSYLVANIA,
as a Documentation Agent,

and

THE FINANCIAL INSTITUTIONS INITIALLY SIGNATORY HERETO
AND THEIR ASSIGNEES PURSUANT TO SECTION 12.5.,
as Lenders

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THIS SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement") dated as of October 1, 2007 by and among CORPORATE OFFICE PROPERTIES, L.P., a limited partnership formed under the laws of the State of Delaware (the "Borrower"), CORPORATE OFFICE PROPERTIES TRUST, a real estate investment trust formed under the laws of the State of Maryland (the "Parent"), each of the financial institutions initially a signatory hereto together with their assignees pursuant to Section 12.5., each of KEYBANC CAPITAL MARKETS and WACHOVIA CAPITAL MARKETS, LLC, as a Co-Lead Arranger (each a "Co-Lead Arranger"), KEYBANK NATIONAL ASSOCIATION, as Agent, WACHOVIA BANK, NATIONAL ASSOCIATION, as Syndication Agent (the "Syndication Agent"), and each of BANK OF AMERICA, N.A., MANUFACTURERS AND TRADERS TRUST COMPANY, and CITIZENS BANK OF PENNSYLVANIA, as a Documentation Agent (each a "Documentation Agent").

WHEREAS, certain of the Lenders and other financial institutions have made available to the Borrower a \$500,000,000 revolving credit facility on the terms and conditions contained in that certain Amended and Restated Credit Agreement dated as of June 24, 2005 (as amended and in effect immediately prior to the date hereof, the "Existing Credit Agreement") by and among the Borrower, such Lenders, certain other financial institutions, Wachovia Bank, National Association, as Agent and the other parties thereto; and

WHEREAS, the Agent and the Lenders desire to amend and restate the terms of the Existing Credit Agreement to make available to the Borrower a revolving credit facility in the initial amount of \$600,000,000, which will include a \$50,000,000 letter of credit subfacility and a \$50,000,000 swingline subfacility, all on the terms and conditions contained herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto

agree that the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

ARTICLE I. DEFINITIONS

Section 1.1. Definitions.

In addition to terms defined elsewhere herein, the following terms shall have the following meanings for the purposes of this Agreement:

“**Accession Agreement**” means an Accession Agreement substantially in the form of Annex I to the Guaranty.

“**Additional Costs**” has the meaning given that term in Section 4.1.

“**Adjusted EBITDA**” means, for any given period, (a) EBITDA for such period minus (b) Capital Reserves for such period.

“**Adjusted LIBOR**” means, with respect to each Interest Period for any LIBOR Loan, the rate obtained by dividing (a) LIBOR for such Interest Period by (b) a percentage equal to 1 minus the stated maximum rate (stated as a decimal) of all reserves, if any, required to be

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maintained with respect to Eurocurrency funding (currently referred to as “Eurocurrency liabilities”) as specified in Regulation D of the Board of Governors of the Federal Reserve System (or against any other category of liabilities which includes deposits by reference to which the interest rate on LIBOR Loans is determined or any applicable category of extensions of credit or other assets which includes loans by an office of any Lender outside of the United States of America to residents of the United States of America). Any change in such maximum rate shall result in a change in Adjusted LIBOR on the date on which such change in such maximum rate becomes effective.

“**Adjusted Net Operating Income**” means, with respect to a Property for any given period, Net Operating Income of such Property for such period minus Capital Reserves for such period.

“**Administrative Questionnaire**” means an Administrative Questionnaire in a form supplied by the Agent to the Lenders from time to time.

“**Affiliate**” means any Person (other than the Agent or any Lender): (a) directly or indirectly controlling, controlled by, or under common control with, the Parent; (b) directly or indirectly owning or holding five percent (5.0%) or more of any Equity Interest in the Parent; or (c) five percent (5.0%) or more of whose voting stock or other Equity Interest is directly or indirectly owned or held by the Parent. For purposes of this definition, “control” (including with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”) means the possession directly or indirectly of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or by contract or otherwise. The Affiliates of a Person shall include any officer or director of such Person. In no event shall the Agent or any Lender be deemed to be an Affiliate of the Borrower or the Parent.

“**Agent**” means KeyBank National Association, as contractual representative for the Lenders under the terms of this Agreement, and any of its successors.

“**Agreement Date**” means the date as of which this Agreement is dated.

“**Applicable Law**” means all applicable provisions of constitutions, statutes, rules, regulations and orders of all governmental bodies and all orders and decrees of all courts, tribunals and arbitrators.

“**Applicable Margin**” means:

(a) at any time prior to the Investment Grade Rating Date, the percentage set forth below corresponding to the ratio of Total Indebtedness to Total Asset Value as determined in accordance with Section 9.1 in effect at such time:

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Level	Total Indebtedness to Total Asset Value	Applicable Margin for LIBOR Loans	Applicable Margin for Base Rate Loans
1	Less than 0.40 to 1.00	0.75 %	0.00 %
2	Greater than or equal to 0.40 to 1.00 and less than 0.45 to 1.00	0.80 %	0.00 %
3	Greater than or equal to 0.45 to 1.00 and less than 0.50 to 1.00	0.85 %	0.00 %
4	Greater than or equal to 0.50 to 1.00 and less than 0.55 to 1.00	0.95 %	0.00 %
5	Greater than or equal to 0.55 to 1.00 and less than 0.60%	1.10 %	0.00 %
6	Greater than or equal to 0.60 to 1.00 and less than 0.65%	1.25 %	0.10 %

The Applicable Margin shall be determined by the Agent from time to time, based on the ratio of Total Indebtedness to Total Asset Value as set forth in the Compliance Certificate most recently delivered by the Borrower pursuant to Section 8.3. Any adjustment to the Applicable Margin shall be effective (a) in the case of a Compliance Certificate delivered in connection with quarterly financial statements of the Parent delivered pursuant to Section 8.1., as of the date 55 days following the end of the last day of the applicable fiscal quarter covered by such Compliance Certificate, (b) in the case of a Compliance Certificate delivered in connection with annual financial statements of the Parent delivered pursuant to Section 8.2., as of the date 100 days following the end of the last day of the applicable fiscal year covered by such Compliance Certificate, and (c) in the case of any other Compliance Certificate, as of the date 5 Business Days following the Agent’s request for such Compliance Certificate. If the Borrower fails to deliver a Compliance Certificate pursuant to Section 8.3., the Applicable Margin shall equal the percentages corresponding to Level 6 until the date of the delivery of the required Compliance Certificate. Notwithstanding the foregoing, for the period from the Effective Date through but excluding the date on which the Agent first determines the Applicable Margin as set forth above, the Applicable Margin shall equal the percentages corresponding to Level 3. The provisions of this definition are subject to Section 2.4.(c); and

(b) on and at all times after the Investment Grade Rating Date, the percentage per annum determined, at any time, based on the range into which the Parent’s Credit Rating then falls, in accordance with the levels in the table set forth below (each a “Level”). Any change in the Parent’s Credit Rating which would cause it to move to a different Level in such table shall effect a change in the Applicable Margin on which such change occurs. During any period for which the Parent has received a Credit Rating from only one Rating Agency, then the Applicable Margin shall be determined based on such Credit Rating. During any period that the Parent has received only two Credit Ratings and such ratings are not equivalent, the Applicable Margin shall be determined by the higher of such two Credit Ratings. During any period after the Investment Grade Rating Date for which the Parent does not have a Credit Rating from either Credit Agency, or during any other period after the Investment Grade

Level	Parent's Credit Rating (S&P/Moody's or equivalent)	Applicable Margin for LIBOR Loans	Applicable Margin for Base Rate Loans
1	A-or A3	0.35 %	0.0 %
2	BBB+/Baa1	0.40 %	0.0 %
3	BBB/Baa2	0.50 %	0.0 %
4	BBB-/Baa3	0.675 %	0.0 %
5	Lower than BBB-/Baa3	1.00 %	0.10 %

“**Assignment and Acceptance Agreement**” means an Assignment and Acceptance Agreement among a Lender, an Eligible Assignee and the Agent, substantially in the form of Exhibit A.

“**Base Rate**” means the per annum rate of interest equal to the greater of (a) the Prime Rate or (b) the Federal Funds Rate plus one-half of one percent (0.5%). Any change in the Base Rate resulting from a change in the Prime Rate or the Federal Funds Rate shall become effective as of 12:01 a.m. on the Business Day on which each such change occurs. The Base Rate is a reference rate used by the Lender acting as the Agent in determining interest rates on certain loans and is not intended to be the lowest rate of interest charged by the Lender acting as the Agent or any other Lender on any extension of credit to any debtor.

“**Base Rate Loan**” means a Revolving Loan bearing interest at a rate based on the Base Rate.

“**Benefit Arrangement**” means at any time an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

“**Borrower**” has the meaning set forth in the introductory paragraph hereof and shall include the Borrower’s successors and permitted assigns.

“**Business Day**” means (a) any day other than a Saturday, Sunday or other day on which banks in Cleveland, Ohio are authorized or required to close and (b) with reference to a LIBOR Loan, any such day that is also a day on which dealings in Dollar deposits are carried out in the London interbank market.

“**Capital Reserves**” means, for any period an amount with respect to any developed Property, an amount equal to (a) \$0.25 per square foot multiplied by (b) a fraction, the numerator of which is the number of days in such period and the denominator of which is 365. If the term Capital Reserves is used without reference to a specific Property, then the amount shall be determined on an aggregate basis with respect to all developed Property of the Parent and its Subsidiaries and a proportionate share of all developed Property of all Unconsolidated Affiliates. For purposes of this definition, once improvements related to the development of a Property have been completed for one year or such Property has achieved an Occupancy Rate of 85%, it shall be considered a developed Property.

“**Capitalization Rate**” means 7.00%.

“**Capitalized Lease Obligation**” means an obligation under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP. The amount of a

Capitalized Lease Obligation is the capitalized amount of such obligation as would be required to be reflected on a balance sheet prepared in accordance with GAAP as of the applicable date.

“**Cash Equivalents**” means: (a) securities issued, guaranteed or insured by the United States of America or any of its agencies with maturities of not more than one year from the date acquired; (b) certificates of deposit with maturities of not more than one year from the date acquired, issued by a United States federal or state chartered commercial bank of recognized standing, or a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, acting through a branch or agency, which bank has capital and unimpaired surplus in excess of \$500,000,000 and which bank or its holding company has a short-term commercial paper rating of at least A-2 or the equivalent by S&P or at least P-2 or the equivalent by Moody’s; (c) reverse repurchase agreements with terms of not more than seven days from the date acquired, for securities of the type described in clause (a) above and entered into only with commercial banks having the qualifications described in clause (b) above; (d) commercial paper issued by any Person incorporated under the laws of the United States of America or any State thereof and rated at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody’s, in each case with maturities of not more than one year from the date acquired; and (e) investments in money market funds registered under the Investment Company Act of 1940, which have net assets of at least \$500,000,000 and at least 85% of whose assets consist of securities and other obligations of the type described in clauses (a) through (d) above.

“**Co-Lead Arranger**” means each of KeyBanc Capital Markets and Wachovia Capital Markets, LLC, together with its successors and permitted assigns.

“**Collateral Account**” means a special deposit account or securities account maintained by, or on behalf of, the Agent and under its sole dominion and control.

“**Commitment**” means, as to each Lender (other than the Swingline Lender), such Lender’s obligation (a) to make Revolving Loans pursuant to Section 2.1., (b) to issue (in the case of the Agent) or participate in (in the case of the Lenders) Letters of Credit pursuant to Section 2.3.(a) and 2.3.(i), respectively (but in the case of the Lender acting as the Agent excluding the aggregate amount of participations in the Letters of Credit held by other Lenders) and (c) to participate in Swingline Loans pursuant to Section 2.2.(e), in each case, in an amount up to, but not exceeding, the amount set forth for such Lender on Schedule I as such Lender’s “Commitment Amount” or as set forth in the applicable Assignment and Acceptance Agreement, as the same may be reduced from time to time pursuant to Section 2.11. or as may be increased from time to time pursuant to Section 2.15 or as appropriate to reflect any assignments to or by such Lender effected in accordance with Section 12.5.

“**Commitment Percentage**” means, as to each Lender, the ratio, expressed as a percentage, of (a) the amount of such Lender’s Commitment to (b) the aggregate amount of the Commitments of all Lenders; provided, however, that if at the time of determination the Commitments have terminated or been reduced to zero, the “Commitment Percentage” of each

Lender shall be the Commitment Percentage of such Lender in effect immediately prior to such termination or reduction.

“**Compliance Certificate**” has the meaning given that term in Section 8.3.

“**Construction-in-Process**” means cash expenditures for land and improvements (including indirect costs internally allocated and development costs) determined in accordance with GAAP for all Properties that are under development or will commence development within twelve months from any date of determination.

“**Continue**”, “**Continuation**” and “**Continued**” each refers to the continuation of a LIBOR Loan from one Interest Period to another Interest Period pursuant to Section 2.8.

“**Controlled Property**” means an Eligible Unencumbered Property that is not a Wholly-Owned Property and where the Parent or the Borrower directly or indirectly owns at least 80% of the Equity Interests of the Subsidiary or Unconsolidated Affiliate that owns or leases such Property.

“**Convert**”, “**Conversion**” and “**Converted**” each refers to the conversion of a Revolving Loan of one Type into a Loan of another Type pursuant to Section 2.9.

“**Credit Event**” means any of the following: (a) the making (or deemed making) of any Loan, (b) the Conversion of a Loan and (c) the issuance of a Letter of Credit.

“**Credit Rating**” means the rating assigned by a Rating Agency to the senior unsecured long term Indebtedness of a Person.

“**Debt Service**” means, for any period, the sum of (a) Interest Expense for such period, and (b) all regularly scheduled principal payments made with respect to Indebtedness of the Parent and its Subsidiaries during such period, other than any balloon, bullet, early repayment or similar principal payment which, in each case, repays such Indebtedness in full. Debt Service shall include a proportionate share of items (a) and (b) of all Unconsolidated Affiliates.

“**Default**” means any of the events specified in Section 10.1., whether or not there has been satisfied any requirement for the giving of notice, the lapse of time, or both.

“**Defaulting Lender**” has the meaning set forth in Section 3.11.

“**Derivatives Contract**” means any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing),

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whether or not any such transaction is governed by or subject to any master agreement. Not in limitation of the foregoing, the term “**Derivatives Contract**” includes any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement, including any such obligations or liabilities under any such master agreement.

“**Derivatives Termination Value**” means, in respect of any one or more Derivatives Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Derivatives Contracts, (a) for any date on or after the date such Derivatives Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a) the amount(s) determined as the mark-to-market value(s) for such Derivatives Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Derivatives Contracts (which may include the Agent or any Lender).

“**Development Property**” means a Property which is under development or which (as determined in good faith by the Borrower) will commence development within twelve months of the date of determination. A Development Property shall cease to constitute a Development Property (a) on the one year anniversary date of project completion or (b) on the first day of the first full fiscal quarter after the project achieves an Occupancy Rate of 85%.

“**Dollars**” or “**\$**” means the lawful currency of the United States of America.

“**EBITDA**” means, with respect to a Person for any period: (a) net income (or loss) of such Person for such period determined on a consolidated basis (excluding any income or losses from minority interests in the case of the Parent), in accordance with GAAP, exclusive of the following (but only to the extent included in determination of such net income (loss)): (i) depreciation and amortization expense; (ii) Interest Expense; (iii) income tax expense; (iv) extraordinary or non-recurring gains and losses; plus (b) such Person’s pro rata share of EBITDA of its Unconsolidated Affiliates. EBITDA shall be adjusted to remove any impact from straight line rent leveling adjustments required under GAAP and amortization of deferred market rent into income pursuant to Statement of Financial Accounting Standards number 141. Notwithstanding the foregoing, gains and losses from land sales associated with Development Properties shall be included in EBITDA.

“**Effective Date**” means the later of: (a) the Agreement Date; and (b) the date on which all of the conditions precedent set forth in Section 5.1. shall have been fulfilled or waived in writing by the Requisite Lenders.

“**Eligible Assignee**” means any Person who is, at the time of determination: (i) a Lender or an affiliate of a Lender; (ii) a commercial bank, trust, trust company, insurance company, investment bank or pension fund organized under the laws of the United States of America, or any state thereof, and having total assets in excess of \$5,000,000,000; (iii) a savings and loan association or savings bank organized under the laws of the United States of America, or any

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state thereof, and having a tangible net worth of at least \$500,000,000; or (iv) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and having total assets in excess of \$10,000,000,000, provided that such bank is acting through a branch or agency located in the United States of America. If such Person is not currently a Lender or an affiliate of a Lender, such Person’s (or its parent’s) senior unsecured long term indebtedness must be rated BBB or higher by S&P, Baa2 or higher by Moody’s, or the equivalent or higher of either such rating by another rating agency reasonably acceptable to the Agent.

“**Eligible Ground Lease**” means a ground lease containing the following terms and conditions: (a) a remaining term (exclusive of any unexercised extension options) of thirty (30) years or more from the Agreement Date; (b) the right of the lessee to mortgage and encumber its interest in the leased property without the consent of the lessor; (c) the obligation of the lessor to give the holder of any mortgage Lien on such leased property written notice of any defaults on the part of the lessee and agreement of such lessor that such lease will not be terminated until such holder has had a reasonable opportunity to cure or complete foreclosures, and fails to do so; (d) reasonable transferability of the lessee’s interest under such lease, including ability to sublease; and (e) such other rights customarily required by mortgagees making a loan secured by the interest of the holder of the leasehold estate demised pursuant to a ground lease.

“**Eligible Unencumbered Property**” means a Property which satisfies all of the following requirements: (a) such Property is located in the United States of

America; (b) neither such Property, nor any interest of the Parent, the Borrower or any Subsidiary thereof therein, is subject to any Lien (other than Permitted Liens described in clauses (a) through (f) of the definition thereof) or any Negative Pledge; (c) if such Property is owned by a Subsidiary or an Unconsolidated Affiliate, none of the Borrower's or the Parent's direct or indirect ownership interest in such Subsidiary or Unconsolidated Affiliate is subject to any Lien (other than Permitted Liens described in clauses (a) through (f) of the definition thereof) or any Negative Pledge; (d) if such Property is owned by a Subsidiary, the Parent or the Borrower directly, or indirectly through a Subsidiary, has the right to take the following actions without the need to obtain the consent of any Person: (A) to create Liens on such Property as security for Indebtedness of the Parent, the Borrower or such Subsidiary, as applicable and (B) to sell, transfer or otherwise dispose of such Property; (e) such Property is owned in fee simple, or leased under an Eligible Ground Lease, by the Parent, the Borrower, a Subsidiary or an Unconsolidated Affiliate and (f) such Property is free of all structural defects or major architectural deficiencies, title defects, environmental conditions or other adverse matters except for defects, deficiencies, conditions or other matters individually or collectively which are not material to the profitable operation of such Property.

“Environmental Laws” means any Applicable Law relating to environmental protection or the manufacture, storage, remediation, disposal or clean-up of Hazardous Materials including, without limitation, the following: Clean Air Act, 42 U.S.C. § 7401 et seq.; Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.; National

Environmental Policy Act, 42 U.S.C. § 4321 et seq.; regulations of the Environmental Protection Agency and any applicable rule of common law and any judicial interpretation thereof relating primarily to the environment or Hazardous Materials.

“Equity Interest” means, with respect to any Person, any share of capital stock of (or other ownership or profit interests in) such Person, any warrant, option or other right for the purchase or other acquisition from such Person of any share of capital stock of (or other ownership or profit interests in) such Person, any security convertible into or exchangeable for any share of capital stock of (or other ownership or profit interests in) such Person or warrant, right or option for the purchase or other acquisition from such Person of such shares (or such other interests), and any other ownership or profit interest in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized or otherwise existing on any date of determination.

“Equity Issuance” means any issuance or sale by a Person of any Equity Interest and shall in any event include the issuance of any Equity Interest upon the conversion or exchange of any security constituting Indebtedness that is convertible or exchangeable, or is being converted or exchanged, for Equity Interests.

“ERISA” means the Employee Retirement Income Security Act of 1974, as in effect from time to time.

“ERISA Group” means the Parent, the Borrower, any Subsidiary and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any Subsidiary, are treated as a single employer under Section 414 of the Internal Revenue Code.

“Event of Default” means any of the events specified in Section 10.1., provided that any requirement for notice or lapse of time or any other condition has been satisfied.

“Excluded Subsidiary” means any Subsidiary which holds title to assets which are or are to become collateral for any Secured Indebtedness of such Subsidiary.

“Existing Credit Agreement” has the meaning given that term in the first WHEREAS clause of this Agreement.

“Facility Fee” means the per annum percentage set forth in the table below corresponding to the Level at which the “Applicable Margin” is determined in accordance with the definition thereof on and at all times after the Investment Rating Date:

Level	Borrower's Credit Rating (S&P/Moody's)	Facility Fee
1	A-/A3	0.10 %
2	BBB+/Baa1	0.15 %
3	BBB/Baa2	0.15 %
4	BBB-/Baa3	0.20 %
5	Lower than BBB-/Baa3	0.25 %

“Fair Market Value” means, with respect to (a) a security listed on a national securities exchange or the NASDAQ National Market, the price of such security as reported on such exchange by any widely recognized reporting method customarily relied upon by financial institutions and (b) with respect to any other property, the price which could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing buyer, neither of which is under pressure or compulsion to complete the transaction.

“Federal Funds Rate” means, for any day, the rate per annum (rounded upward to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Agent by federal funds dealers selected by the Agent on such day on such transaction as determined by the Agent.

“Fees” means the fees and commissions provided for or referred to in Section 3.6. and any other fees payable by the Borrower hereunder or under any other Loan Document.

“Fixed Charges” means, for any period, the sum of (a) Debt Service and (b) all Preferred Dividends paid during such period. Fixed Charges shall include a proportionate share of items (a) and (b) with respect to all Unconsolidated Affiliates.

“Funds From Operations” means, for a given period, income of the Parent and its Subsidiaries available for common shareholders before depreciation and amortization of real estate assets and before extraordinary items less gains and losses on sale of real estate determined on a consolidated basis in accordance with GAAP applied on a consistent basis for such period. Adjustments for Unconsolidated Affiliates will be calculated to reflect the Borrower's pro rata share of funds from operations on the same basis.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

“**Governmental Approvals**” means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and reports to, all Governmental Authorities.

“**Governmental Authority**” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau,

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commission, board, department or other entity (including, without limitation, the Federal Deposit Insurance Corporation, the Comptroller of the Currency or the Federal Reserve Board, any central bank or any comparable authority) or any arbitrator with authority to bind a party at law.

“**Guarantor**” means any Person that is a party to the Guaranty as a “Guarantor” and in any event shall include the Parent and each Material Subsidiary.

“**Guaranty**”, “**Guaranteed**”, “**Guarantying**” or to “**Guarantee**” as applied to any obligation means and includes: (a) a guaranty (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), directly or indirectly, in any manner, of any part or all of such obligation, or (b) an agreement, direct or indirect, contingent or otherwise, and whether or not constituting a guaranty, the practical effect of which is to assure the payment or performance (or payment of damages in the event of nonperformance) of any part or all of such obligation whether by: (i) the purchase of securities or obligations, (ii) the purchase, sale or lease (as lessee or lessor) of property or the purchase or sale of services primarily for the purpose of enabling the obligor with respect to such obligation to make any payment or performance (or payment of damages in the event of nonperformance) of or on account of any part or all of such obligation, or to assure the owner of such obligation against loss, (iii) the supplying of funds to or in any other manner investing in the obligor with respect to such obligation, (iv) repayment of amounts drawn down by beneficiaries of letters of credit (including Letters of Credit), or (v) the supplying of funds to or investing in a Person on account of all or any part of such Person’s obligation under a Guaranty of any obligation or indemnifying or holding harmless, in any way, such Person against any part or all of such obligation. As the context requires, “Guaranty” shall also mean the Amended and Restated Guaranty to which the Guarantors are parties substantially in the form of Exhibit J.

“**Hazardous Materials**” means all or any of the following: (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable Environmental Laws as “hazardous substances”, “hazardous materials”, “hazardous wastes”, “toxic substances” or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, “TCLP” toxicity or “EP toxicity”; (b) oil, petroleum or petroleum derived substances, natural gas, natural gas liquids or synthetic gas and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; (c) any flammable substances or explosives or any radioactive materials; (d) asbestos in any form; (e) toxic mold; and (f) electrical equipment which contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty parts per million.

“**Indebtedness**” means, with respect to a Person, at the time of computation thereof, all of the following (without duplication): (a) all obligations of such Person in respect of money borrowed; (b) all obligations of such Person, whether or not for money borrowed (i) represented by notes payable, or drafts accepted, in each case representing extensions of credit, (ii) evidenced by bonds, debentures, notes or similar instruments, or (iii) constituting purchase money indebtedness, conditional sales contracts, title retention debt instruments or other similar instruments, upon which interest charges are customarily paid or that are issued or assumed as full or partial payment for property or services rendered; (c) Capitalized Lease Obligations of

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such Person; (d) all reimbursement obligations of such Person under any letters of credit or acceptances (whether or not the same have been presented for payment); (e) all Off-Balance Sheet Obligations of such Person; (f) all obligations of such Person in respect of any purchase obligation, repurchase obligation, takeout commitment or forward equity commitment, in each case evidenced by a binding agreement (excluding any such obligation to the extent the obligation can be satisfied by the issuance of Equity Interests); (g) net obligations under any Derivatives Contract not entered into as a hedge against existing Indebtedness, in an amount equal to the Derivatives Termination Value thereof; (h) all Indebtedness of other Persons which such Person has Guaranteed or is otherwise recourse to such Person (except for guaranties of customary exceptions for fraud, misapplication of funds, environmental indemnities, voluntary bankruptcy, involuntary bankruptcy and other similar exceptions to recourse liability); (i) all Indebtedness of another Person secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness or other payment obligation; and (j) such Person’s pro rata share of the Indebtedness of any Unconsolidated Affiliate of such Person. Indebtedness of any Person shall include Indebtedness of any partnership or joint venture in which such Person is a general partner or joint venturer to the extent of such Person’s pro rata share of the ownership of such partnership or joint venture (except if such Indebtedness, or portion thereof, is recourse to such Person, in which case the greater of such Person’s pro rata portion of such Indebtedness or the amount of the recourse portion of the Indebtedness, shall be included as Indebtedness of such Person). All Loans and Letter of Credit Liabilities shall constitute Indebtedness of the Borrower.

“**Intangible Assets**” of any Person means at any date the amount of (i) all write-ups (other than write-ups resulting from write-ups of assets of a going concern business made within twelve months after the acquisition of such business) in the book value of any asset owned by such Person and (ii) all unamortized debt discount and expense, unamortized deferred charges, capitalized start-up costs, goodwill, patents, licenses, trademarks, trade names, copyrights, organization or developmental expenses, covenants not to compete and other intangible items.

“**Intellectual Property**” has the meaning given that term in Section 6.1.(t).

“**Interest Expense**” means, for any period of determination, the Parent’s total interest expense for such period determined in accordance with GAAP on a consolidated basis plus the Parent’s pro rata share of Interest Expense from Unconsolidated Affiliates of the Parent, without duplication for the most recent period. Interest Expense shall exclude capitalized interest related to Indebtedness incurred to finance Development Properties.

“**Interest Period**” means with respect to any LIBOR Loan, each period commencing on the date such LIBOR Loan is made or the last day of the next preceding Interest Period for such Loan and ending 7 days, or 1, 2, 3 or 6 months thereafter, as the Borrower may select in a Notice of Borrowing, Notice of Continuation or Notice of Conversion, as the case may be, except that each Interest Period (other than an Interest Period of 7-days’ duration) that commences on the last Business Day of a calendar month shall end on the last Business Day of the appropriate subsequent calendar month. Notwithstanding the foregoing: (i) if any Interest Period would otherwise end after the Termination Date, such Interest Period shall end on the Termination

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Date; and (ii) each Interest Period that would otherwise end on a day which is not a Business Day shall end on the immediately following Business Day (or, if such immediately following Business Day falls in the next calendar month, on the immediately preceding Business Day).

“**Internal Revenue Code**” means the Internal Revenue Code of 1986, as amended.

“**Investment**” means, (x) with respect to any Person, any acquisition or investment (whether or not of a controlling interest) by such Person, by means of any of the following: (a) the purchase or other acquisition of any Equity Interest in another Person, (b) a loan, advance or extension of credit to, capital contribution to, Guaranty of Indebtedness of, or purchase or other acquisition of any Indebtedness of, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute the business or a division or operating unit of another Person and (y) with respect to any Property or other asset, the acquisition thereof. Any binding commitment to make an Investment in any other Person, as well as any option of another Person to require an Investment in such Person, shall constitute an Investment. Except as expressly provided otherwise, for purposes of determining compliance with any covenant contained in a Loan Document, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“**Investment Grade Rating**” means a Credit Rating of BBB-/Baa3 (or equivalent) or higher from either Rating Agency.

“**Investment Grade Rating Date**” means the date on which the Parent first obtains an Investment Grade Rating.

“**KeyBank**” means KeyBank National Association, together with its successors and assigns.

“**L/C Commitment Amount**” equals \$50,000,000.

“**Lender**” means each financial institution from time to time party hereto as a “Lender”, together with its respective successors and permitted assigns, and as the context requires, includes the Swingline Lender.

“**Lending Office**” means, for each Lender and for each Type of Loan, the office of such Lender specified in such Lender’s Administrative Questionnaire, or such other office of such Lender of which such Lender may notify the Agent in writing from time to time.

“**Letter of Credit**” has the meaning given that term in Section 2.3.(a).

“**Letter of Credit Documents**” means, with respect to any Letter of Credit, collectively, any application therefor, any certificate or other document presented in connection with a drawing under such Letter of Credit and any other agreement, instrument or other document

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governing or providing for (a) the rights and obligations of the parties concerned or at risk with respect to such Letter of Credit or (b) any collateral security for any of such obligations.

“**Letter of Credit Liabilities**” means, without duplication, at any time and in respect of any Letter of Credit, the sum of (a) the Stated Amount of such Letter of Credit plus (b) the aggregate unpaid principal amount of all Reimbursement Obligations of the Borrower at such time due and payable in respect of all drawings made under such Letter of Credit. For purposes of this Agreement, a Lender (other than the Lender acting as the Agent) shall be deemed to hold a Letter of Credit Liability in an amount equal to its participation interest in the related Letter of Credit under Section 2.3.(i), and the Lender acting as the Agent shall be deemed to hold a Letter of Credit Liability in an amount equal to its retained interest in the related Letter of Credit after giving effect to the acquisition by the Lenders other than the Lender acting as the Agent of their participation interests under such Section.

“**Level**” has the meaning given that term in the definition of the term “Applicable Margin.”

“**LIBOR**” means, for any LIBOR Loan for any Interest Period therefor, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page) as the London interbank offered rate for deposits in Dollars at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period. If for any reason such rate is not available, the term “LIBOR” shall mean, for any LIBOR Loan for any Interest Period therefor, the applicable British Bankers’ Association LIBOR rate for deposits in Dollars as reported by any generally recognized financial information service as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period. If for any reason none of the foregoing rates is available to the Agent, LIBOR shall be, for any Interest Period, the rate determined by the Agent to be the rate at which KeyBank or one of its affiliate banks offers to place deposits in Dollars with first class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, in the approximate amount of the relevant LIBOR Loan and having a maturity equal to such Interest Period.

“**LIBOR Loan**” means a Revolving Loan bearing interest at a rate based on LIBOR.

“**Lien**” as applied to the property of any Person means: (a) any security interest, encumbrance, mortgage, deed to secure debt, deed of trust, assignment of leases and rents, pledge, lien, charge or lease constituting a Capitalized Lease Obligation, conditional sale or other title retention agreement, or other security title or encumbrance of any kind in respect of any property of such Person, or upon the income, rents or profits therefrom; (b) any arrangement, express or implied, under which any property of such Person is transferred, sequestered or otherwise identified for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to the payment of the general, unsecured creditors of such Person; (c) the filing of any financing statement under the Uniform Commercial Code or its equivalent in any jurisdiction, other than any precautionary filing not otherwise constituting or giving rise to a Lien, including a financing statement filed (i) in respect of a lease not

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constituting a Capitalized Lease Obligation pursuant to Section 9-505 (or a successor provision) of the Uniform Commercial Code or its equivalent as in effect in an applicable jurisdiction or (ii) in connection with a sale or other disposition of accounts or other assets not prohibited by this Agreement in a transaction not otherwise constituting or giving rise to a Lien; and (d) any agreement by such Person to grant, give or otherwise convey any of the foregoing.

“**Loan**” means a Revolving Loan or a Swingline Loan.

“**Loan Document**” means this Agreement, each Note, each Letter of Credit Document, the Guaranty and each other document or instrument now or hereafter executed and delivered by a Loan Party in connection with, pursuant to or relating to this Agreement.

“**Loan Party**” means each of the Borrower and each other Person who guarantees all or a portion of the Obligations and/or who pledges any collateral security to secure all or a portion of the Obligations. Schedule 1.1.(A) sets forth the Loan Parties in addition to the Borrower as of the Agreement Date.

“**Material Adverse Effect**” means a materially adverse effect on (a) the business, assets, liabilities, condition (financial or otherwise), results of operations or business prospects of the Parent and its Subsidiaries taken as a whole, (b) the ability of the Borrower or any other Loan Party to perform its obligations under any Loan Document to which it is a party, (c) the validity or enforceability of any of the Loan Documents, (d) the rights and remedies of the Lenders and the Agent under any of the Loan Documents or (e) the timely payment of the principal of or interest on the Loans or other amounts payable in connection therewith or the timely payment of all

Reimbursement Obligations.

“**Material Contract**” means any contract or other arrangement (other than Loan Documents), whether written or oral, to which the Parent, the Borrower, any Subsidiary or any other Loan Party is a party as to which the breach, nonperformance, cancellation or failure to renew by any party thereto could reasonably be expected to have a Material Adverse Effect.

“**Material Subsidiary**” means any Subsidiary owning or leasing Properties which contribute more than \$75,000,000 to Unencumbered Asset Value.

“**Moody’s**” means Moody’s Investors Service, Inc., and its successors.

“**Mortgage**” means a mortgage, deed of trust, deed to secure debt or similar security instrument made by a Person owning an interest in real property granting a Lien on such interest in real property as security for the payment of Indebtedness of such Person or another Person.

“**Mortgage Receivable**” means a promissory note secured by a Mortgage of which the Borrower, a Guarantor or one of their respective Subsidiaries is the holder and retains the rights of collection of all payments thereunder.

“**Multiemployer Plan**” means at any time a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or

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accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

“**Negative Pledge**” means, with respect to a given asset, any provision of a document, instrument or agreement (other than any Loan Document) which prohibits or purports to prohibit the creation or assumption of any Lien on such asset as security for Indebtedness of the Person owning such asset or any other Person; provided, however, that an agreement that conditions a Person’s ability to encumber its assets upon the maintenance of one or more specified ratios that limit such Person’s ability to encumber its assets but that do not generally prohibit the encumbrance of its assets, or the encumbrance of specific assets, shall not constitute a Negative Pledge.

“**Net Operating Income**” means, with respect to any Property for any period, the sum of the following (without duplication): (a) rents and other revenues received in the ordinary course from such Property (excluding pre-paid rents and revenues and security deposits except to the extent applied in satisfaction of tenants’ obligations for rent) minus (b) all expenses paid or accrued related to the ownership, operation or maintenance of such Property, including but not limited to taxes, assessments and the like, insurance, utilities, payroll costs, maintenance, repair and landscaping expenses, marketing expenses, and general and administrative expenses (including an appropriate allocation for legal, accounting, advertising, marketing and other expenses incurred in connection with such Property, but specifically excluding general overhead expenses of the Parent or any Subsidiary and any property management fees) minus (c) the greater of (i) the actual property management fee paid during such period and (ii) an imputed management fee in the amount of 3.0% of the gross revenues for such Property for such period. Net Operating Income of any Person shall include such Person’s pro rata share of Net Operating Income of its Unconsolidated Affiliates. Net Operating Income shall be adjusted to remove any impact from straight line rent leveling adjustments required under GAAP and amortization of deferred market rent into income pursuant to Statement of Financial Accounting Standards number 141. For purposes of determining Unencumbered Asset Value and Total Asset Value, as applicable, with respect to any Property, if the Borrower enters into a definitive lease with a lessee with respect such Property for which such lessee has not yet occupied such Property and has not yet made any rent payments to the Borrower, for the period not to exceed six (6) months from the date of entering into such lease, “Net Operating Income” shall be deemed to include the stated base rent scheduled to be paid by such lessee minus operating expenses projected to be incurred by the Borrower during such period with respect to such Property (“Imputed Rent”), as reasonably determined by the Borrower in good faith; provided, however, the Imputed Rent shall only be calculated with respect to not more than four (4) Properties at any one time.

“**Net Proceeds**” means, with respect to any Equity Issuance by a Person, the aggregate amount of all cash and the Fair Market Value of all other property received by such Person in respect of such Equity Issuance net of investment banking fees, legal fees, accountants’ fees, underwriting discounts and commissions and other customary fees and expenses actually incurred by such Person in connection with such Equity Issuance.

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“**Non-Controlled Property**” means an Eligible Unencumbered Property that is not a Wholly-Owned Property and where the Parent or the Borrower directly or indirectly owns less than 80% of the Equity Interests of the Subsidiary or Unconsolidated Affiliate that owns or leases such Property.

“**Nonrecourse Indebtedness**” means, with respect to a Person, Indebtedness for borrowed money (other than construction completion guarantees with respect to Development Properties) in respect of which recourse for payment is contractually limited to specific assets of such Person encumbered by a Lien securing such Indebtedness; provided such contractual limitation to specific assets may include customary exceptions for fraud, misapplication of funds, environmental indemnities, voluntary bankruptcy, involuntary bankruptcy and other similar exceptions to recourse liability.

“**Note**” means a Revolving Note or a Swingline Note.

“**Notice of Borrowing**” means a notice in the form of Exhibit B to be delivered to the Agent pursuant to Section 2.1.(b) evidencing the Borrower’s request for a borrowing of Revolving Loans.

“**Notice of Continuation**” means a notice in the form of Exhibit C to be delivered to the Agent pursuant to Section 2.8. evidencing the Borrower’s request for the Continuation of a LIBOR Loan.

“**Notice of Conversion**” means a notice in the form of Exhibit D to be delivered to the Agent pursuant to Section 2.9. evidencing the Borrower’s request for the Conversion of a Loan from one Type to another Type.

“**Notice of Swingline Borrowing**” means a notice in the form of Exhibit E to be delivered to the Agent pursuant to Section 2.2. evidencing the Borrower’s request for a Swingline Loan.

“**Obligations**” means, individually and collectively: (a) the aggregate principal balance of, and all accrued and unpaid interest on, all Loans; (b) all Reimbursement Obligations and all other Letter of Credit Liabilities; and (c) all other indebtedness, liabilities, obligations, covenants and duties of the Borrower and the other Loan Parties owing to the Agent or any Lender of every kind, nature and description, under or in respect of this Agreement or any of the other Loan Documents, including, without limitation, the Fees and indemnification obligations, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any promissory note.

“**Occupancy Rate**” means, with respect to a Property at any time, the ratio, expressed as a percentage, of (a) the net rentable square footage of such Property occupied by tenants that are not Affiliates paying rent at market rates pursuant to binding leases as to which no monetary default has occurred and is continuing to (b) the

are in the process of preparing such space for physical occupancy, then such space shall be considered occupied and (ii) net rentable square footage occupied by the Parent or any Affiliate paying rent at market rates pursuant to binding leases as to which no monetary default has occurred and is continuing ("Affiliate Rented Space") may be included in such calculation; provided, no more than 30,000 square feet of Affiliate Rented Space shall be used in the calculation of Occupancy Rates of the Properties; provided, further, to the extent Affiliate Rented Space exceeds 30,000 square feet in the aggregate with respect to all Properties, such excess shall be allocated pro rata among each Property with respect to which Affiliate Rented Space was included in the calculation of the Occupancy Rate for such Property to reduce the Affiliate Rented Space used in such calculation.

"**OFAC**" means U.S. Department of the Treasury's Office of Foreign Assets Control and any successor Governmental Authority.

"**OFAC Review Process**" means that certain review process established by Agent to determine if any potential transferee of any interests in, or any assignee of any portion of, a Commitment or Loan assigned by a Lender is a party with whom the Agent and any Lender are restricted from doing business under (i) the regulations of OFAC, including any Sanctioned Person, or (ii) any other statute, executive order or other governmental action or list (including the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism.

"**Off-Balance Sheet Obligations**" means liabilities and obligations of the Parent, the Borrower, any Subsidiary or any other Person in respect of "off-balance sheet arrangements" (as defined in the SEC Off-Balance Sheet Rules) which the Parent would be required to disclose in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the Parent's report on Form 10-Q or Form 10-K (or their equivalents) which the Parent is required to file with the Securities and Exchange Commission (or any Governmental Authority substituted therefor). As used in this definition, the term "SEC Off-Balance Sheet Rules" means the Disclosure in Management's Discussion and Analysis About Off-Balance Sheet Arrangements, Securities Act Release No. 33-8182, 68 Fed. Reg. 5982 (Feb. 5, 2003) (codified at 17 CFR pts. 228, 229 and 249).

"**Parent**" has the meaning set forth in the introductory paragraph hereof and shall include the Parent's successors and permitted assigns.

"**Participant**" has the meaning given that term in Section 12.5.(i).

"**Patriot Act Customer Identification Process**" means that certain customer identification and review process established by the Agent pursuant to the requirements of 31 U.S.C. §5318(1) and 31 C.F.R. §103.121 to verify the identity of all permitted transferees of interests in the Borrower and any assignees of a portion of a Commitment or Loan assigned by a Lender.

"**PBGC**" means the Pension Benefit Guaranty Corporation and any successor agency.

"**Permitted Liens**" means, as to any Person: (a) Liens securing taxes, assessments and other charges or levies imposed by any Governmental Authority (excluding any Lien imposed pursuant to any of the provisions of ERISA or pursuant to any Environmental Laws) or the claims of materialmen, mechanics, carriers, warehousemen or landlords for labor, materials, supplies or rentals incurred in the ordinary course of business, which are not at the time required to be paid or discharged under Section 7.6.; (b) Liens consisting of deposits or pledges made, in the ordinary course of business, in connection with, or to secure payment of, obligations under workers' compensation, unemployment insurance or similar Applicable Laws; (c) Liens consisting of encumbrances in the nature of zoning restrictions, easements, and rights or restrictions of record on the use of real property, which do not materially detract from the value of such property or impair the use thereof in the business of such Person; (d) the rights of tenants under leases or subleases not interfering with the ordinary conduct of business of such Person; (e) Liens in favor of the Agent for the benefit of the Lenders; (f) Liens in favor of the Borrower or a Guarantor securing obligations owing by a Subsidiary to the Borrower or a Guarantor, which obligations have been subordinated to the obligations owing by the Borrower and the Guarantors under the Loan Documents on terms satisfactory to the Agent; and (g) Liens in existence as of the Agreement Date and set forth in Part II of Schedule 6.1.(f).

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust or unincorporated organization, or a government or any agency or political subdivision thereof.

"**Plan**" means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code and either (a) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (b) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"**Post-Default Rate**" means, in respect of any principal of any Loan or any other Obligation that is not paid when due (whether at stated maturity, by acceleration, by optional or mandatory prepayment or otherwise), a rate per annum equal to the Base Rate as in effect from time to time plus the Applicable Margin for Base Rate Loans plus two percent (2%).

"**Preferred Dividends**" means, for any period and without duplication, all Restricted Payments paid during such period on Preferred Securities issued by the Parent or a Subsidiary. Preferred Dividends shall not include dividends or distributions paid or payable (a) solely in Equity Interests payable to holders of such class of Equity Interests; (b) to the Parent or a Subsidiary; or (c) constituting or resulting in the redemption of Preferred Securities, other than scheduled redemptions not constituting balloon, bullet or similar redemptions in full.

"**Preferred Securities**" means, with respect to any Person, Equity Interests in such Person which are entitled to preference or priority over any other Equity Interest in such Person in respect of the payment of dividends or distribution of assets upon liquidation or both.

"**Prime Rate**" means the rate of interest per annum announced publicly by the Lender then acting as the Agent as its prime rate from time to time. The Prime Rate is not necessarily the best or the lowest rate of interest offered by the Lender acting as the Agent or any other Lender.

"**Principal Office**" means the office of the Agent located at 127 Public Square, Cleveland, Ohio 44114, or such other office of the Agent as the Agent may designate from time to time.

“**Property**” means any parcel of real property owned or leased (in whole or in part) or operated by the Parent, the Borrower, any Subsidiary or any Unconsolidated Affiliate of the Parent.

“**Rating Agency**” means S&P or Moody’s.

“**Regulatory Change**” means, with respect to any Lender, any change effective after the Agreement Date in Applicable Law (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) or the adoption or making after such date of any interpretation, directive or request applying to a class of banks, including such Lender, of or under any Applicable Law (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) by any Governmental Authority or monetary authority charged with the interpretation or administration thereof or compliance by any Lender with any request or directive regarding capital adequacy.

“**Reimbursement Obligation**” means the absolute, unconditional and irrevocable obligation of the Borrower to reimburse the Agent for any drawing honored by the Agent under a Letter of Credit.

“**REIT**” means a Person qualifying for treatment as a “real estate investment trust” under the Internal Revenue Code.

“**Requisite Lenders**” means, as of any date, Lenders having at least 66-2/3% of the aggregate amount of the Commitments (not held by Defaulting Lenders who are not entitled to vote), or, if the Commitments have been terminated or reduced to zero, Lenders holding at least 66-2/3% of the principal amount of the aggregate outstanding Loans and Letter of Credit Liabilities (not held by Defaulting Lenders who are not entitled to vote). Commitments, Revolving Loans and Letter of Credit Liabilities held by Defaulting Lenders shall be disregarded when determining the Requisite Lenders.

“**Responsible Officer**” means with respect to the Parent or any Subsidiary, the chief executive officer, the chief operating officer, the chief financial officer, or president of the Parent or such Subsidiary.

“**Restricted Payment**” means: (a) any dividend or other distribution, direct or indirect, on account of any Equity Interest of the Parent or any Subsidiary now or hereafter outstanding, except a dividend payable solely in Equity Interests of identical class to the holders of that class;

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(b) any redemption, conversion, exchange, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any Equity Interest of the Parent or any Subsidiary now or hereafter outstanding; and (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any Equity Interests of the Parent or any Subsidiary now or hereafter outstanding.

“**Revolving Loan**” means a loan made by a Lender to the Borrower pursuant to Section 2.1.(a).

“**Revolving Note**” has the meaning given that term in Section 2.10.(a).

“**Sanctioned Entity**” means (a) an agency of the government of, (b) an organization directly or indirectly controlled by, or (c) a Person resident in, in each case, a country that is subject to a sanctions program identified on the list maintained by the OFAC and published from time to time, as such program may be applicable to such agency, organization or Person.

“**Sanctioned Person**” means a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by the OFAC as published from time to time.

“**Secured Indebtedness**” means, with respect to a Person as of any given date, the aggregate principal amount of all Indebtedness of such Person outstanding at such date and that is secured in any manner by any Lien, and in the case of the Parent or the Borrower, shall include (without duplication) the Parent’s or the Borrower’s, respectively, pro rata share of the Secured Indebtedness of its Unconsolidated Affiliates.

“**Securities Act**” means the Securities Act of 1933, as amended from time to time, together with all rules and regulations issued thereunder.

“**Solvent**” means, when used with respect to any Person, that (a) the fair value and the fair salable value of its assets (excluding any Indebtedness due from any affiliate of such Person) are each in excess of the fair valuation of its total liabilities (including all contingent liabilities computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that could reasonably be expected to become an actual and matured liability); (b) such Person is able to pay its debts or other obligations in the ordinary course as they mature; and (c) such Person has capital not unreasonably small to carry on its business and all business in which it proposes to be engaged.

“**S&P**” means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors.

“**Stabilized Property**” means, any Property that is not a Development Property.

“**Stated Amount**” means the amount available to be drawn by a beneficiary under a Letter of Credit from time to time, as such amount may be increased or reduced from time to time in accordance with the terms of such Letter of Credit.

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“**Subsidiary**” means, for any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (without regard to the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person, and shall include all Persons the accounts of which are consolidated with those of such Person pursuant to GAAP.

“**Swingline Commitment**” means the Swingline Lender’s obligation to make Swingline Loans pursuant to Section 2.2. in an amount up to, but not exceeding, \$50,000,000, as such amount may be reduced from time to time in accordance with the terms hereof.

“**Swingline Lender**” means KeyBank.

“**Swingline Loan**” means a loan made by the Swingline Lender to the Borrower pursuant to Section 2.2.(a).

“**Swingline Note**” means the promissory note of the Borrower payable to the order of the Swingline Lender in a principal amount equal to the amount of the Swingline Commitment as originally in effect and otherwise duly completed, substantially in the form of Exhibit F.

“**Tangible Net Worth**” means, as of any date of determination, the stockholders’ equity of the Parent and its Subsidiaries determined on a consolidated basis plus (a) accumulated depreciation and amortization minus the following (to the extent reflected in determining stockholders’ equity of the Parent and its Subsidiaries); (b) the amount of any write-up in the book value of any assets contained in any balance sheet resulting from revaluation thereof or any write-up in excess of the cost of such assets acquired; and (c) all amounts appearing on the assets side of any such balance sheet for assets which would be classified as intangible assets under GAAP excluding such intangibles booked in connection with real estate acquisitions with above or below market rents, all determined on a consolidated basis.

“**Taxes**” has the meaning given that term in Section 3.12.

“**Termination Date**” means September 30, 2011, or such later date to which the Termination Date may be extended pursuant to Section 2.12.

“**Titled Agents**” means each of the Co-Lead Arrangers, each of the Documentation Agents, the Syndication Agent and their respective successors and permitted assigns.

“**Total Asset Value**” means the sum of all of the following of the Parent and its Subsidiaries on a consolidated basis, without duplication, determined in accordance with GAAP applied on a consistent basis: (a) cash and cash equivalents, plus (b) with respect to each Stabilized Property owned by the Parent, the Borrower or any Subsidiary of the Borrower or the Parent, (i)(A) Net Operating Income attributable to such Stabilized Property for the fiscal quarter most recently ended multiplied by 4, divided by (ii) the Capitalization Rate, plus (c) the GAAP

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book value of all Properties owned or leased entirely by the Parent, the Borrower or a Wholly Owned Subsidiary and the pro-rata share of the Parent or the Borrower, as applicable, of the GAAP book value of all other Properties owned or leased by any Subsidiary that is not a Wholly Owned Subsidiary, in each case, acquired during the two consecutive fiscal quarters most recently ended, plus (d) the GAAP book value of all Development Properties (including Construction-in-Process), plus (e) the GAAP book value of Unimproved Land, Mortgage Receivables and other promissory notes. The Parent’s pro rata share of assets held by Unconsolidated Affiliates will be included in Total Asset Value calculations consistent with the above described treatment for wholly owned assets. For purposes of determining Total Asset Value, Net Operating Income from (A) Properties acquired during the two consecutive fiscal quarters most recently ended, (B) Properties disposed of by the Parent, its Subsidiaries and Unconsolidated Affiliates during the immediately preceding fiscal quarter and (C) Properties with negative Net Operating Incomes shall be excluded from clause (b) above.

“**Total Indebtedness**” means all Indebtedness of the Parent and its Subsidiaries determined on a consolidated basis.

“**Type**” with respect to any Revolving Loan, refers to whether such Loan is a LIBOR Loan or Base Rate Loan.

“**Unconsolidated Affiliate**” means, with respect to any Person, any other Person in whom such Person holds an Investment, which Investment is accounted for in the financial statements of such Person on an equity basis of accounting and whose financial results would not be consolidated under GAAP with the financial results of such Person on the consolidated financial statements of such Person.

“**Unencumbered Adjusted NOI**” means, for any period of determination, Adjusted Net Operating Income from Wholly Owned Properties and the pro-rata share of Adjusted Net Operating Income from Controlled Properties and Non-Controlled Properties as adjusted for any non-recurring items during the reporting period; provided, however, “Unencumbered Adjusted NOI” shall not be less than zero.

“**Unencumbered Asset Value**” means, without duplication, (a) (i) the Unencumbered NOI (excluding Net Operating Income attributable to Development Properties, Properties with negative Net Operating Incomes, Properties acquired during the two consecutive fiscal quarters most recently ending and Properties disposed of during the fiscal quarter most recently ending) for the fiscal quarter most recently ending times four divided by (ii) the Capitalization Rate, plus (b) the GAAP book value of all Wholly Owned Properties and the pro-rata share of the Parent or the Borrower, as applicable, of the GAAP book value of Controlled Properties and Non-Controlled Properties, in each case, acquired during the two consecutive fiscal quarters most recently ended, plus (c) the GAAP book value of all Development Properties (including the Construction-in-Process) and Unimproved Land, in each case that constitute Eligible Unencumbered Properties. For purposes of this definition, (x) to the extent the Unencumbered Asset Value attributable to Development Properties and Unimproved Land would exceed 35% of the Unencumbered Asset Value, such excess shall be excluded, (y) to the extent the Unencumbered Asset Value attributable to Unimproved Land would exceed 15% of the

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Unencumbered Asset Value, such excess shall be excluded and (z) to the extent the Unencumbered Asset Value attributable to Non-Controlled Properties would exceed 15% of the Unencumbered Asset Value, such excess shall be excluded.

“**Unencumbered NOI**” means, for any period of determination, Net Operating Income from Wholly Owned Properties and the pro-rata share of Net Operating Income from Controlled Properties and Non-Controlled Properties which have been owned for the entire previous fiscal quarter as adjusted for any non-recurring items during the reporting period; provided, however, “Unencumbered NOI” shall not be less than zero.

“**Unfunded Liabilities**” means, with respect to any Plan at any time, the amount (if any) by which (a) the value of all benefit liabilities under such Plan, determined on a plan termination basis using the assumptions prescribed by the PBGC for purposes of Section 4044 of ERISA, exceeds (b) the fair market value of all Plan assets allocable to such liabilities under Title IV of ERISA (excluding any accrued but unpaid contributions), all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the PBGC or any other Person under Title IV of ERISA.

“**Unimproved Land**” means land with respect to which no development (other than improvements that are not material and are temporary in nature) has occurred and for which no development is planned in the 12 months following the date of determination.

“**Unsecured Indebtedness**” means Indebtedness which is not Secured Indebtedness.

“**Unsecured Interest Expense**” means, for any period of determination, Interest Expense for such period attributable to Unsecured Indebtedness of the Parent and its Subsidiaries.

“**Wholly Owned Property**” means an Eligible Unencumbered Property which is owned or leased by the Parent, the Borrower or a Wholly Owned Subsidiary.

“**Wholly Owned Subsidiary**” means any Subsidiary of a Person in respect of which all of the equity securities or other ownership interests (other than, in the case of a corporation, directors’ qualifying shares) are at the time directly or indirectly owned or controlled by such Person or one or more other Subsidiaries of such Person or by such Person and one or more other Subsidiaries of such Person.

Section 1.2. General; References to Times.

Unless otherwise indicated, all accounting terms, ratios and measurements shall be interpreted or determined in accordance with GAAP; provided that, if at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Requisite Lenders shall so request, the Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Requisite Lenders); provided further that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the

Parent shall provide to the Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. References in this Agreement to "Sections", "Articles", "Exhibits" and "Schedules" are to sections, articles, exhibits and schedules herein and hereto unless otherwise indicated. References in this Agreement to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, to the extent permitted hereby and (c) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, supplemented, restated or otherwise modified as of the date of this Agreement and from time to time thereafter to the extent not prohibited hereby and in effect at any given time. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter. Unless explicitly set forth to the contrary, a reference to "Subsidiary" means a Subsidiary of the Parent or a Subsidiary of such Subsidiary, a reference to an "Affiliate" means a reference to an Affiliate of the Parent and a reference to an "Unconsolidated Affiliate" means a reference to an Unconsolidated Affiliate of the Parent. Titles and captions of Articles, Sections, subsections and clauses in this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement. Unless otherwise indicated, all references to time are references to Cleveland, Ohio time.

Section 1.3. Financial Attributes of Non-Wholly Owned Subsidiaries.

When determining the Parent's or the Borrower's compliance with any financial covenant contained in any of the Loan Documents, only the Parent's or the Borrower's, respectively, pro rata share of the financial attributes of a Subsidiary that is not a Wholly Owned Subsidiary (other than the Borrower) shall be included.

ARTICLE II. CREDIT FACILITY

Section 2.1. Revolving Loans.

(a) Generally. Subject to the terms and conditions hereof, during the period from the Effective Date to but excluding the Termination Date, each Lender severally and not jointly agrees to make Revolving Loans to the Borrower in an aggregate principal amount at any one time outstanding up to, but not exceeding, the amount of such Lender's Commitment. Subject to the terms and conditions of this Agreement, during the period from the Effective Date to but excluding the Termination Date, the Borrower may borrow, repay and reborrow Revolving Loans hereunder.

(b) Requesting Revolving Loans. The Borrower shall give the Agent notice pursuant to a Notice of Borrowing or telephonic notice of each borrowing of Revolving Loans. Each Notice of Borrowing shall be delivered to the Agent before 11:00 a.m. (i) in the case of LIBOR Loans, on the date three Business Days prior to the proposed date of such borrowing and (ii) in the case of Base Rate Loans, on the date one Business Day prior to the proposed date of such borrowing. Any such telephonic notice shall include all information to be specified in a written

Notice of Borrowing and shall be promptly confirmed in writing by the Borrower pursuant to a Notice of Borrowing sent to the Agent by telecopy on the same day of the giving of such telephonic notice. The Agent will transmit by telecopy the information contained in such Notice of Borrowing to each Lender promptly upon receipt by the Agent. Each Notice of Borrowing or telephonic notice of each borrowing shall be irrevocable once given and binding on the Borrower.

(c) Disbursements of Revolving Loan Proceeds. No later than 1:00 p.m. on the date specified in the Notice of Borrowing, each Lender will make available for the account of its applicable Lending Office to the Agent at the Principal Office, in immediately available funds, the proceeds of the Revolving Loan to be made by such Lender. With respect to Revolving Loans to be made after the Effective Date, unless the Agent shall have been notified by any Lender prior to the specified date of borrowing that such Lender does not intend to make available to the Agent the Revolving Loan to be made by such Lender on such date, the Agent may assume that such Lender will make the proceeds of such Revolving Loan available to the Agent on the date of the requested borrowing as set forth in the Notice of Borrowing and the Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrower the amount of such Revolving Loan to be provided by such Lender. Subject to satisfaction of the applicable conditions set forth in Article V. for such borrowing, the Agent will make the proceeds of such borrowing available to the Borrower no later than 2:00 p.m. on the date and at the account specified by the Borrower in such Notice of Borrowing.

(d) Repayment of Loans Outstanding under Existing Credit Agreement. The Borrower and the Lenders agree that on the Effective Date all Loans (as defined in the Existing Credit Agreement) outstanding under the Existing Credit Agreement shall be repaid with the proceeds of the initial Loans to be made by the Lenders hereunder.

Section 2.2. Swingline Loans.

(a) Swingline Loans. Subject to the terms and conditions hereof, during the period from the Effective Date to but excluding the Termination Date, the Swingline Lender agrees to make Swingline Loans to the Borrower in an aggregate principal amount at any one time outstanding up to, but not exceeding, the amount of the Swingline Commitment. If at any time the aggregate principal amount of the Swingline Loans outstanding at such time exceeds the Swingline Commitment in effect at such time, the Borrower shall immediately pay the Agent for the account of the Swingline Lender the amount of such excess. Subject to the terms and conditions of this Agreement, the Borrower may borrow, repay and reborrow Swingline Loans hereunder.

(b) Procedure for Borrowing Swingline Loans. The Borrower shall give the Agent and the Swingline Lender notice pursuant to a Notice of Swingline Borrowing or telephonic notice of each borrowing of a Swingline Loan. Each Notice of Swingline Borrowing shall be delivered to the Swingline Lender no later than 3:00 p.m. on the proposed date of such borrowing. Any such notice given telephonically shall include all information to be specified in a written Notice of Swingline Borrowing and shall be promptly confirmed in writing by the Borrower pursuant to a Notice of Swingline Borrowing sent to the Swingline Lender by telecopy on the same day of the giving of such telephonic notice. On the date of the requested Swingline

Loan and subject to satisfaction of the applicable conditions set forth in Article V. for such borrowing, the Swingline Lender will make the proceeds of such Swingline Loan available to the Borrower in Dollars, in immediately available funds, at the account specified by the Borrower in the Notice of Swingline Borrowing not later than 4:00 p.m. on such date.

(c) Interest. Swingline Loans shall bear interest at a per annum rate equal to the Base Rate plus the Applicable Margin for Base Rate Loans. Interest payable on Swingline Loans is solely for the account of the Swingline Lender. All accrued and unpaid interest on Swingline Loans shall be payable on the dates and in the manner provided in Section 2.4. with respect to interest on Base Rate Loans (except as the Swingline Lender and the Borrower may otherwise agree in writing in connection with any particular Swingline Loan).

(d) Swingline Loan Amounts, Etc. Each Swingline Loan shall be in the minimum amount of \$1,000,000 and integral multiples of \$500,000 or such other minimum amounts agreed to by the Swingline Lender and the Borrower. Any voluntary prepayment of a Swingline Loan must be in integral multiples of \$100,000 or the aggregate principal amount of all outstanding Swingline Loans (or such other minimum amounts upon which the Swingline Lender and the Borrower may agree) and in connection with any such prepayment, the Borrower must give the Swingline Lender prior written notice thereof no later than 10:00 a.m. on the date of such prepayment. The Swingline Loans shall, in addition to this Agreement, be evidenced by the Swingline Note.

(e) Repayment and Participations of Swingline Loans. The Borrower agrees to repay each Swingline Loan within one Business Day of demand therefor by the Swingline Lender and in any event, within 5 Business Days after the date such Swingline Loan was made. Notwithstanding the foregoing, the Borrower shall repay the entire outstanding principal amount of, and all accrued but unpaid interest on, the Swingline Loans on the Termination Date (or such earlier date as the Swingline Lender and the Borrower may agree in writing). In lieu of demanding repayment of any outstanding Swingline Loan from the Borrower and if the Borrower has not already submitted a timely Notice of Borrowing for the purpose of repaying such Swingline Loan, the Swingline Lender may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf for such purpose), request a borrowing of Base Rate Loans from the Lenders in an amount equal to the principal balance of such Swingline Loan. The amount limitations of Section 3.5.(a) shall not apply to any borrowing of Base Rate Loans made pursuant to this subsection. The Swingline Lender shall give notice to the Agent of any such borrowing of Base Rate Loans not later than 12:00 noon on the proposed date of such borrowing and the Agent shall give prompt notice of such borrowing to the Lenders. No later than 2:00 p.m. on such date, each Lender will make available to the Agent at the Principal Office for the account of Swingline Lender in immediately available funds, the proceeds of the Base Rate Loan to be made by such Lender and, to the extent of such Base Rate Loan, such Lender's participation in the Swingline Loan so repaid shall be deemed to be funded by the Base Rate Loan. The Agent shall pay the proceeds of such Base Rate Loans to the Swingline Lender, which shall apply such proceeds to repay such Swingline Loan. At the time each Swingline Loan is made, each Lender shall automatically (and without any further notice or action) be deemed to have purchased from the Swingline Lender, without recourse or warranty, an undivided interest and participation to the extent of such Lender's Commitment Percentage in

such Swingline Loan. If the Lenders are prohibited from making Loans required to be made under this subsection for any reason, including without limitation, the occurrence of any Default or Event of Default described in Section 10.1.(f) or 10.1.(g), upon notice from the Agent or the Swingline Lender, each Lender severally agrees to pay to the Agent for the account of the Swingline Lender in respect of such participation the amount of such Lender's Commitment Percentage of each outstanding Swingline Loan. If such amount is not in fact made available to the Agent by any Lender, the Swingline Lender shall be entitled to recover such amount on demand from such Lender, together with accrued interest thereon for each day from the date of demand thereof, at the Federal Funds Rate. If such Lender does not pay such amount forthwith upon demand therefor by the Agent or the Swingline Lender, and until such time as such Lender makes the required payment, the Swingline Lender shall be deemed to continue to have outstanding Swingline Loans in the amount of such unpaid participation obligation for all purposes of the Loan Documents (other than those provisions requiring the other Lenders to purchase a participation therein). Further, such Lender shall be deemed to have assigned any and all payments made of principal and interest on its Loans, and any other amounts due to it hereunder, to the Swingline Lender to fund Swingline Loans in the amount of the participation in Swingline Loans that such Lender failed to purchase pursuant to this Section until such amount has been purchased (as a result of such assignment or otherwise). A Lender's obligation to make payments in respect of a participation in a Swingline Loan shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, (i) any claim of setoff, counterclaim, recoupment, defense or other right which such Lender or any other Person may have or claim against the Agent, the Swingline Lender or any other Person whatsoever, (ii) the occurrence or continuation of a Default or Event of Default (including, without limitation, any of the Defaults or Events of Default described in Sections 10.1.(f) or 10.1.(g)) or the termination of any Lender's Revolving Commitment, (iii) the existence (or alleged existence) of an event or condition which has had or could have a Material Adverse Effect, (iv) any breach of any Loan Document by the Agent, any Lender or the Borrower or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

Section 2.3. Letters of Credit.

(a) Letters of Credit. Subject to the terms and conditions of this Agreement, the Agent, on behalf of the Lenders, agrees to issue for the account of the Borrower during the period from and including the Effective Date to, but excluding, the date 30 days prior to the Termination Date one or more letters of credit (each a "Letter of Credit") up to a maximum aggregate Stated Amount at any one time outstanding not to exceed the L/C Commitment Amount.

(b) Terms of Letters of Credit. At the time of issuance, the amount, form, terms and conditions of each Letter of Credit, and of any drafts or acceptances thereunder, shall be subject to approval by the Agent and the Borrower. Notwithstanding the foregoing, in no event may the expiration date of any Letter of Credit extend beyond the earlier of (i) the date one year from its date of issuance or (ii) the Termination Date; provided, however, a Letter of Credit may contain a provision providing for the automatic extension of the expiration date in the absence of a notice of non-renewal from the Agent but in no event shall any such provision permit the extension of the expiration date of such Letter of Credit beyond the Termination Date.

(c) Requests for Issuance of Letters of Credit. The Borrower shall give the Agent written notice (or telephonic notice promptly confirmed in writing) at least 5 Business Days prior to the requested date of issuance of a Letter of Credit, such notice to describe in reasonable detail the proposed terms of such Letter of Credit and the nature of the transactions or obligations proposed to be supported by such Letter of Credit, and in any event shall set forth with respect to such Letter of Credit the proposed (i) Stated Amount, (ii) the beneficiary, and (iii) the expiration date. The Borrower shall also execute and deliver such customary letter of credit application forms as requested from time to time by the Agent. Provided the Borrower has given the notice prescribed by the first sentence of this subsection and subject to the other terms and conditions of this Agreement, including the satisfaction of any applicable conditions precedent set forth in Article V., the Agent shall issue the requested Letter of Credit on the requested date of issuance for the benefit of the stipulated beneficiary. Upon the written request of the Borrower, the Agent shall deliver to the Borrower a copy of each issued Letter of Credit within a reasonable time after the date of issuance thereof. To the extent any term of a Letter of Credit Document is inconsistent with a term of any Loan Document, the term of such Loan Document shall control.

(d) Reimbursement Obligations. Upon receipt by the Agent from the beneficiary of a Letter of Credit of any demand for payment under such Letter of Credit, the Agent shall promptly notify the Borrower of the amount to be paid by the Agent as a result of such demand and the date on which payment is to be made by the Agent to such beneficiary in respect of such demand; provided, however, the Agent's failure to give, or delay in giving, such notice shall not discharge the Borrower in any respect from the applicable Reimbursement Obligation. The Borrower hereby unconditionally and irrevocably agrees to pay and reimburse the Agent for the amount of each demand for payment under such Letter of Credit on or prior to the date on which payment is to be made by the Agent to the beneficiary thereunder, without presentment, demand, protest or other formalities of any kind (other than notice as provided in this subsection). Upon receipt by the Agent of any payment in respect of any Reimbursement Obligation, the Agent shall promptly pay to each Lender that has acquired a participation therein under the second sentence of Section 2.3.(i) such Lender's Commitment Percentage of such payment.

(e) Manner of Reimbursement. Upon its receipt of a notice referred to in the immediately preceding subsection (d), the Borrower shall advise the Agent

whether or not the Borrower intends to borrow hereunder to finance its obligation to reimburse the Agent for the amount of the related demand for payment and, if it does, the Borrower shall submit a timely request for such borrowing as provided in the applicable provisions of this Agreement. If the Borrower fails to so advise the Agent, or if the Borrower fails to reimburse the Agent for a demand for payment under a Letter of Credit by the date of such payment, then (i) if the applicable conditions contained in Article V. would permit the making of Revolving Loans, the Borrower shall be deemed to have requested a borrowing of Revolving Loans (which shall be Base Rate Loans) in an amount equal to the unpaid Reimbursement Obligation and the Agent shall give each Lender prompt notice of the amount of the Revolving Loan to be made available to the Agent not later than 1:00 p.m. and (ii) if such conditions would not permit the making of Revolving Loans, the provisions of subsection (j) of this Section shall apply. The limitations of Section 3.5.(a) shall not apply to any borrowing of Base Rate Loans under this subsection.

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(f) Effect of Letters of Credit on Commitments. Upon the issuance by the Agent of any Letter of Credit and until such Letter of Credit shall have expired or been terminated, the Commitment of each Lender shall be deemed to be utilized for all purposes of this Agreement in an amount equal to the product of (i) such Lender's Commitment Percentage and (ii) the sum of (A) the Stated Amount of such Letter of Credit plus (B) any related Reimbursement Obligations then outstanding.

(g) Agent's Duties Regarding Letters of Credit; Unconditional Nature of Reimbursement Obligations In examining documents presented in connection with drawings under Letters of Credit and making payments under such Letters of Credit against such documents, the Agent shall only be required to use the same standard of care as it uses in connection with examining documents presented in connection with drawings under letters of credit in which it has not sold participations and making payments under such letters of credit. The Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, neither the Agent nor any of the Lenders shall be responsible for (i) the form, validity, sufficiency, accuracy, genuineness or legal effects of any document submitted by any party in connection with the application for and issuance of or any drawing honored under any Letter of Credit even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit, or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) failure of the beneficiary of any Letter of Credit to comply fully with conditions required in order to draw upon such Letter of Credit; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telex, telecopy or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit, or of the proceeds thereof; (vii) the misapplication by the beneficiary of any Letter of Credit, or the proceeds of any drawing under any Letter of Credit; or (viii) any consequences arising from causes beyond the control of the Agent or the Lenders. None of the above shall affect, impair or prevent the vesting of any of the Agent's or any Lender's rights or powers hereunder. Any action taken or omitted to be taken by the Agent under or in connection with any Letter of Credit, if taken or omitted in the absence of gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final, non-appealable judgment), shall not create against the Agent or any Lender any liability to the Borrower or any Lender. In this regard, the obligation of the Borrower to reimburse the Agent for any drawing made under any Letter of Credit shall be absolute, unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement and any other applicable Letter of Credit Document under all circumstances whatsoever, including without limitation, the following circumstances: (A) any lack of validity or enforceability of any Letter of Credit Document or any term or provisions therein; (B) any amendment or waiver of or any consent to departure from all or any of the Letter of Credit Documents; (C) the existence of any claim, setoff, defense or other right which the Borrower may have at any time against the Agent, any Lender, any beneficiary of a Letter of Credit or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or in the Letter of Credit Documents or any unrelated transaction; (D) any breach of contract or dispute between the Borrower, the

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Agent, any Lender or any other Person; (E) any demand, statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein or made in connection therewith being untrue or inaccurate in any respect whatsoever; (F) any non-application or misapplication by the beneficiary of a Letter of Credit of the proceeds of any drawing under such Letter of Credit; (G) payment by the Agent under any Letter of Credit against presentation of a draft or certificate which does not strictly comply with the terms of such Letter of Credit; and (H) any other act, omission to act, delay or circumstance whatsoever that might, but for the provisions of this Section, constitute a legal or equitable defense to or discharge of the Borrower's Reimbursement Obligations. Notwithstanding anything to the contrary contained in this Section or Section 12.9., but not in limitation of the Borrower's unconditional obligation to reimburse the Agent for any drawing made under a Letter of Credit as provided in this Section, the Borrower shall have no obligation to indemnify the Agent or any Lender in respect of any liability incurred by the Agent or a Lender arising solely out of the gross negligence or willful misconduct of the Agent or a Lender in respect of a Letter of Credit as determined by a court of competent jurisdiction in a final, non-appealable judgment. Except as otherwise provided in this Section, nothing in this Section shall affect any rights the Borrower may have with respect to the gross negligence or willful misconduct of the Agent or any Lender with respect to any Letter of Credit.

(h) Amendments, Etc. The issuance by the Agent of any amendment, supplement or other modification to any Letter of Credit shall be subject to the same conditions applicable under this Agreement to the issuance of new Letters of Credit (including, without limitation, that the request therefor be made through the Agent), and no such amendment, supplement or other modification shall be issued unless either (i) the respective Letter of Credit affected thereby would have complied with such conditions had it originally been issued hereunder in such amended, supplemented or modified form or (ii) the Requisite Lenders (or all of the Lenders if required by Section 13.6.) shall have consented thereto. In connection with any such amendment, supplement or other modification, the Borrower shall pay the Fees, if any, payable under the last sentence of Section 3.6.(b).

(i) Lenders' Participation in Letters of Credit Immediately upon the issuance by the Agent of any Letter of Credit each Lender shall be deemed to have irrevocably and unconditionally purchased and received from the Agent, without recourse or warranty, an undivided interest and participation to the extent of such Lender's Commitment Percentage of the liability of the Agent with respect to such Letter of Credit, and each Lender thereby shall absolutely, unconditionally and irrevocably assume, as primary obligor and not as surety, and shall be unconditionally obligated to the Agent to pay and discharge when due, such Lender's Commitment Percentage of the Agent's liability under such Letter of Credit. In addition, upon the making of each payment by a Lender to the Agent in respect of any Letter of Credit pursuant to the immediately following subsection (j), such Lender shall, automatically and without any further action on the part of the Agent or such Lender, acquire (i) a participation in an amount equal to such payment in the Reimbursement Obligation owing to the Agent by the Borrower in respect of such Letter of Credit and (ii) a participation in a percentage equal to such Lender's Commitment Percentage in any interest or other amounts payable by the Borrower in respect of such Reimbursement Obligation (other than the Fees payable to the Agent pursuant to the third and last sentences of Section 3.6.(b)).

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(j) Payment Obligation of Lenders. Each Lender severally agrees to pay to the Agent on demand in immediately available funds in Dollars the amount of such Lender's Commitment Percentage of each drawing paid by the Agent under each Letter of Credit to the extent such amount is not reimbursed by the Borrower pursuant to Section 2.3.(d); provided, however, that in respect of any drawing under any Letter of Credit, the maximum amount that any Lender shall be required to fund, whether as a Revolving Loan or as a participation, shall not exceed such Lender's Commitment Percentage of such drawing. If the notice referenced in the second sentence of Section 2.3. (e) is received by a Lender not later than 11:00 a.m., then such Lender shall make such payment available to the Agent not later than 2:00 p.m. on the date of demand therefor; otherwise, such payment shall be made available to the Agent not later than 1:00 p.m. on the next succeeding Business Day. Each such Lender's obligation to make such payments to the Agent under this subsection, and the Agent's right to receive the same, shall be absolute, irrevocable and unconditional and shall not be affected in any way by any circumstance whatsoever, including without limitation, (i) the failure of any other Lender to make its payment under this subsection, (ii) the financial condition of the

Borrower or any other Loan Party, (iii) the existence of any Default or Event of Default, including any Event of Default described in Section 10.1.(f) or 10.1.(g) or (iv) the termination of the Commitments. Each such payment to the Agent shall be made without any offset, abatement, withholding or deduction whatsoever.

(k) Information to Lenders. Upon the request of any Lender from time to time, the Agent shall deliver to such Lender information reasonably requested by such Lender with respect to each Letter of Credit then outstanding. Other than as set forth in this subsection, the Agent shall have no duty to notify the Lenders regarding the issuance or other matters regarding Letters of Credit issued hereunder. The failure of the Agent to perform its requirements under this subsection shall not relieve any Lender from its obligations under Section 2.3.(j).

(l) Letter of Credit Outstanding under Existing Credit Agreement

(i) The Borrower, the Parent, the Agent and the Lenders agree that letter of credit no. SM216034 (the "Existing Letter of Credit") dated October 5, 2005 for the benefit of Citigroup Global Markets Realty having a current Stated Amount of \$599,998 and issued by Wachovia Bank, National Association ("Wachovia") under the Existing Credit Agreement, shall be deemed to be a "Letter of Credit" issued and outstanding under this Agreement subject to the terms of this Section 2.3. (l). Accordingly, (x) except as provided otherwise in this Section 2.3.(l) or as the context requires otherwise, references to the "Agent" relating to the Existing Letter of Credit shall be deemed to be references to Wachovia, (y) each Lender confirms its purchase of a participation in the Existing Letter of Credit as provided in Section 2.3.(i) and (z) each Lender confirms its obligation to indemnify Wachovia for Indemnifiable Amounts relating to the Existing Letter of Credit pursuant and subject to the terms of Section 11.7.

(ii) Notwithstanding Section 2.3.(d), upon receipt by Wachovia from the beneficiary of the Existing Letter of Credit of any demand for payment under such Letter of Credit, Wachovia shall promptly notify the Agent (who shall in turn promptly notify the Borrower) of the amount to be paid by Wachovia as a result of such demand and the

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date on which payment is to be made by Wachovia to such beneficiary in respect of such demand; provided, however, the failure of Wachovia or the Agent to give, or delay in giving, such notice shall not discharge the Borrower in any respect from the applicable Reimbursement Obligation.

(iii) Notwithstanding Section 2.3.(e), upon the Borrower's receipt of a notice referred to in the immediately preceding clause (ii), the Borrower shall advise the Agent and Wachovia whether or not the Borrower intends to borrow hereunder to finance its obligation to reimburse Wachovia for the amount of the related demand for payment and, if it does, the Borrower shall submit a timely request for such borrowing as provided in the applicable provisions of this Agreement. If the Borrower fails to so advise the Agent and Wachovia, or if the Borrower fails to reimburse Wachovia for a demand for payment under the Existing Letter of Credit by the date of such payment (in which case, Wachovia shall give prompt notice of such failure to the Agent), then (x) if the applicable conditions contained in Article V. would permit the making of Revolving Loans, the Borrower shall be deemed to have requested a borrowing of Revolving Loans (which shall be Base Rate Loans) in an amount equal to the unpaid Reimbursement Obligation, and the Agent shall give each Lender prompt notice of the amount of the Revolving Loan to be made available to the Agent for the account of Wachovia not later than 1:00 p.m. (which the Agent shall pay to Wachovia not later than 2:00 p.m.) and (y) if such conditions would not permit the making of Revolving Loans, the provisions of Section 2.3.(j) shall apply. The limitations of Section 3.5.(a) shall not apply to any borrowing of Base Rate Loans under this clause.

(iv) Notwithstanding Section 2.3.(j), each Lender severally agrees to pay to the Agent for the account of Wachovia on demand by the Agent at Wachovia's direction in immediately available funds in Dollars the amount of such Lender's Commitment Percentage of each drawing paid by Wachovia under the Existing Letter of Credit to the extent such amount is not reimbursed by the Borrower pursuant to the immediately preceding clause (iii); provided, however, that in respect of any drawing under the Existing Letter of Credit, the maximum amount that any Lender shall be required to fund, whether as a Revolving Loan or as a participation, shall not exceed such Lender's Commitment Percentage of such drawing. If the notice referenced in the second sentence of the immediately preceding clause (iii) is received by a Lender not later than 11:00 a.m., then such Lender shall make such payment available to the Agent for the account of Wachovia not later than 2:00 p.m. on the date of demand therefor; otherwise, such payment shall be made available to the Agent for the Account of Wachovia not later than 1:00 p.m. on the next succeeding Business Day. Each such Lender's obligation to make such payments to the Agent under this clause, and Wachovia's right to receive the same, shall be absolute, irrevocable and unconditional and shall not be affected in any way by any circumstance whatsoever, including without limitation, (A) the failure of any other Lender to make its payment under this clause, (B) the financial condition of the Borrower or any other Loan Party, (C) the existence of any Default or Event of Default, including any Event of Default described in Section 10.1.(f) or 10.1.(g) or (D) the termination of the Commitments. Each such payment to the Agent shall be made without any offset, abatement, withholding or deduction whatsoever.

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(v) Without the prior written consent of the Requisite Lenders, the Borrower and Wachovia agree not to amend the terms of the Existing Letter of Credit if such amendment would (x) increase the Stated Amount or (y) extend the expiration date of the Existing Letter of Credit to a date beyond the Termination Date (including any amendment to the expiry date resulting from the operation of an automatic extension provision of the Existing Letter of Credit) unless Wachovia shall agree at such time that the Existing Letter of Credit shall no longer be deemed to be a "Letter of Credit" issued and outstanding under this Agreement.

(vi) Any fees payable under the third and last sentences of Section 3.6.(c) in respect of the Existing Letter of Credit shall be for the account of Wachovia.

(vii) Any payments to be made by the Borrower under Section 2.13. in respect of the Existing Letter of Credit shall be made to the Agent, and not Wachovia, for deposit into the Collateral Account. Notwithstanding Section 10.5.(e), if a drawing pursuant to the Existing Letter of Credit occurs on or prior to the expiration date of the Existing Letter of Credit, the Borrower and the Lenders authorize the Agent to use the monies deposited in the Collateral Account to make payment to Wachovia with respect to such drawing.

Section 2.4. Rates and Payment of Interest on Loans.

(a) Rates. The Borrower promises to pay to the Agent for the account of each Lender interest on the unpaid principal amount of each Loan made by such Lender for the period from and including the date of the making of such Loan to but excluding the date such Loan shall be paid in full, at the following per annum rates:

(i) during such periods as such Loan is a Base Rate Loan, at the Base Rate (as in effect from time to time) plus the Applicable Margin for Base Rate Loans; and

(ii) during such periods as such Loan is a LIBOR Loan, at Adjusted LIBOR for such Loan for the Interest Period therefor plus the Applicable Margin for LIBOR Loans.

Notwithstanding the foregoing, during the continuance of an Event of Default, the Borrower shall pay to the Agent for the account of each Lender interest at the Post-Default Rate on the outstanding principal amount of any Loan made by such Lender, on all Reimbursement Obligations and on any other amount payable by the Borrower hereunder or under the Notes held by such Lender to or for the account of such Lender (including without limitation, accrued but unpaid interest to the extent permitted under Applicable Law).

(b) Payment of Interest. Accrued and unpaid interest on each Loan shall be payable (i) in the case of a Base Rate Loan, monthly in arrears on the first day of each calendar month, (ii) in the case of a LIBOR Loan, in arrears on the last day of each Interest Period therefor, and, if such Interest Period is longer than three months, at three-month intervals following the first day of such Interest Period, and (iii) in the case of any Loan, in arrears upon the payment,

prepayment or Continuation thereof or the Conversion of such Loan to a Loan of another Type (but only on the principal amount so paid, prepaid, Continued or Converted). Interest payable at the Post-Default Rate shall be payable from time to time on demand. Promptly after the determination of any interest rate provided for herein or any change therein, the Agent shall give notice thereof to the Lenders to which such interest is payable and to the Borrower. All determinations by the Agent of an interest rate hereunder shall be conclusive and binding on the Lenders and the Borrower for all purposes, absent manifest error.

(c) Inaccurate Financial Statements or Compliance Certificates. If any financial statement or Compliance Certificate delivered pursuant to Section 8.3. is shown to be inaccurate as a result of any fraudulent act or omission of a Loan Party or its agents or representatives acting on behalf of such Loan Party (regardless of whether this Agreement is in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period prior to the Investment Grade Rating Date (an "Applicable Period") than the Applicable Margin applied for such Applicable Period, then (i) the Borrower shall immediately deliver to the Agent a correct Compliance Certificate for such Applicable Period and (ii) the Borrower shall immediately pay to the Agent for the account of the Lenders the additional accrued additional interest owing calculated based on such higher Applicable Margin for such Applicable Period, which payment shall be promptly applied by the Agent in accordance with Section 3.2. This subsection shall not in any way limit the rights of the Agent and Lenders (x) with respect to the last sentence of the immediately preceding subsection (a) or (y) under Article X.

Section 2.5. Number of Interest Periods.

There may be no more than 8 different Interest Periods for LIBOR Loans outstanding at the same time (for which purpose Interest Periods described in the definition of the term "Interest Period" shall be deemed to be different Interest Periods even if they are coterminous).

Section 2.6. Repayment of Loans.

The Borrower shall repay the entire outstanding principal amount of, and all accrued but unpaid interest on, the Revolving Loans on the Termination Date.

Section 2.7. Prepayments.

(a) Optional. Subject to Section 4.4., the Borrower may prepay any Loan at any time without premium or penalty. The Borrower shall give the Agent at least one Business Day's prior written notice of the prepayment of any Revolving Loan.

(b) Mandatory. If at any time the aggregate principal amount of all outstanding Revolving Loans, together with the aggregate amount of all Letter of Credit Liabilities and the aggregate principal amount of all outstanding Swingline Loans, exceeds the aggregate amount of the Commitments in effect at such time, the Borrower shall immediately pay to the Agent for the accounts of the Lenders the amount of such excess.

All payments under this subsection (b) shall be applied to pay all amounts of principal outstanding on the Loans and any Reimbursement Obligations pro rata in accordance with Section 3.2. and if any Letters of Credit are outstanding at such time the remainder, if any, shall be deposited into the Collateral Account for application to any Reimbursement Obligations. If the Borrower is required to pay any outstanding LIBOR Loans by reason of this Section prior to the end of the applicable Interest Period therefor, the Borrower shall pay all amounts due under Section 4.4.

Section 2.8. Continuation.

So long as no Event of Default shall exist, the Borrower may on any Business Day, with respect to any LIBOR Loan, elect to maintain such LIBOR Loan or any portion thereof as a LIBOR Loan by selecting a new Interest Period for such LIBOR Loan. Each new Interest Period selected under this Section shall commence on the last day of the immediately preceding Interest Period. Each selection of a new Interest Period shall be made by the Borrower giving to the Agent a Notice of Continuation not later than 11:00 a.m. on the third Business Day prior to the date of any such Continuation. Such notice by the Borrower of a Continuation shall be by telephone or telecopy, confirmed immediately in writing if by telephone, in the form of a Notice of Continuation, specifying (a) the proposed date of such Continuation, (b) the LIBOR Loans and portions thereof subject to such Continuation and (c) the duration of the selected Interest Period, all of which shall be specified in such manner as is necessary to comply with all limitations on Loans outstanding hereunder. Each Notice of Continuation shall be irrevocable by and binding on the Borrower once given. Promptly after receipt of a Notice of Continuation, the Agent shall notify each Lender by telecopy, or other similar form of transmission, of the proposed Continuation. If the Borrower shall fail to select in a timely manner a new Interest Period for any LIBOR Loan in accordance with this Section, or if an Event of Default shall exist, such Loan will automatically, on the last day of the current Interest Period therefor, Convert into a Base Rate Loan notwithstanding the first sentence of Section 2.9. or the Borrower's failure to comply with any of the terms of such Section.

Section 2.9. Conversion.

The Borrower may on any Business Day, upon the Borrower's giving of a Notice of Conversion to the Agent, Convert all or a portion of a Loan of one Type into a Loan of another Type; provided, however, a Base Rate Loan may not be Converted to a LIBOR Loan if an Event of Default shall exist. Any Conversion of a LIBOR Loan into a Base Rate Loan shall be made on, and only on, the last day of an Interest Period for such LIBOR Loan and, upon Conversion of a Base Rate Loan into a LIBOR Loan, the Borrower shall pay accrued interest to the date of Conversion on the principal amount so Converted. Each such Notice of Conversion shall be given not later than 11:00 a.m. on the Business Day prior to the date of any proposed Conversion into Base Rate Loans and on the third Business Day prior to the date of any proposed Conversion into LIBOR Loans. Promptly after receipt of a Notice of Conversion, the Agent shall notify each Lender by telecopy, or other similar form of transmission, of the proposed Conversion. Subject to the restrictions specified above, each Notice of Conversion shall be by telephone (confirmed immediately in writing) or telecopy in the form of a Notice of Conversion specifying (a) the requested date of such Conversion, (b) the Type of Loan to be Converted, (c) the portion of such Type of Loan to be Converted, (d) the Type of Loan such Loan is to be Converted into and (e) if

such Conversion is into a LIBOR Loan, the requested duration of the Interest Period of such Loan. Each Notice of Conversion shall be irrevocable by and binding on the Borrower once given.

Section 2.10. Notes.

- (a) Revolving Note. The Revolving Loans made by each Lender shall, in addition to this Agreement, also be evidenced by a promissory note of the Borrower substantially in the form of Exhibit G (each a "Revolving Note"), payable to the order of such Lender in a principal amount equal to the amount of its Commitment as originally in effect and otherwise duly completed.
- (b) Records. The date, amount, interest rate, Type and duration of Interest Periods (if applicable) of each Loan made by each Lender to the Borrower, and each payment made on account of the principal thereof, shall be recorded by such Lender on its books and such entries shall be binding on the Borrower, absent manifest error; provided, however, that the failure of a Lender to make any such record shall not affect the obligations of the Borrower under any of the Loan Documents.
- (c) Lost, Stolen, Destroyed or Mutilated Notes. Upon receipt by the Borrower of (i) written notice from a Lender that a Note of such Lender has been lost, stolen, destroyed or mutilated, and (ii) (A) in the case of loss, theft or destruction, an unsecured agreement of indemnity from such Lender in form reasonably satisfactory to the Borrower, or (B) in the case of mutilation, upon surrender and cancellation of such Note, the Borrower shall at its own expense execute and deliver to such Lender a new Note dated the date of such lost, stolen, destroyed or mutilated Note.

Section 2.11. Voluntary Reductions of the Commitment.

The Borrower shall have the right to terminate or reduce the aggregate unused amount of the Commitments (for which purpose use of the Commitments shall be deemed to include the aggregate amount of Letter of Credit Liabilities and the aggregate principal amount of all outstanding Swingline Loans) at any time and from time to time without penalty or premium upon not less than 5 Business Days prior written notice to the Agent of each such termination or reduction, which notice shall specify the effective date thereof and the amount of any such reduction and shall be irrevocable once given and effective only upon receipt by the Agent; provided, however, if the Borrower seeks to reduce the aggregate amount of the Commitments below \$250,000,000, then the Commitments shall all automatically and permanently be reduced to zero. The Agent will promptly transmit such notice to each Lender. The Commitments, once terminated or reduced may not be increased or reinstated.

Section 2.12. Extension of Termination Date.

The Borrower shall have the right, exercisable one time, to extend the Termination Date by one year. The Borrower may exercise such right only by executing and delivering to the Agent at least 90 days but not more than 180 days prior to the current Termination Date, a written request for such extension (an "Extension Request"). The Agent shall forward to each

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Lender a copy of the Extension Request delivered to the Agent promptly upon receipt thereof. Subject to satisfaction of the following conditions, the Termination Date shall be extended for one year: (a) immediately prior to such extension and immediately after giving effect thereto, (i) no Default or Event of Default shall exist and (ii) the representations and warranties made or deemed made by the Borrower and each other Loan Party in the Loan Documents to which any of them is a party, shall be true and correct on and as of the date of such extension with the same force and effect as if made on and as of such date except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date) and (b) the Borrower shall have paid the Fees payable under Section 3.6.(d).

Section 2.13. Expiration or Maturity Date of Letters of Credit Past Termination Date.

If on the date the Commitments are terminated or reduced to zero (whether voluntarily, by reason of the occurrence of an Event of Default or otherwise), there are any Letters of Credit outstanding hereunder, the Borrower shall, on such date, pay to the Agent an amount of money equal to the Stated Amount of such Letter(s) of Credit for deposit into the Collateral Account.

Section 2.14. Amount Limitations.

Notwithstanding any other term of this Agreement or any other Loan Document, no Lender shall be required to make a Loan, the Agent shall not be required to issue a Letter of Credit and no reduction of the Commitments pursuant to Section 2.11. shall take effect, if immediately after the making of such Loan, the issuance of such Letter of Credit or such reduction in the Commitments, the aggregate principal amount of all outstanding Revolving Loans, together with the aggregate principal amount of all outstanding Swingline Loans and the aggregate amount of all Letter of Credit Liabilities, would exceed the aggregate amount of the Commitments at such time.

Section 2.15. Increase of Commitments.

With the prior consent of the Agent, such consent not to be unreasonably withheld, conditioned or delayed, the Borrower shall have the right at any time and from time to time to request increases in the aggregate amount of the Commitments (provided that after giving effect to any increases in the Commitments pursuant to this Section, the aggregate amount of the Commitments may not exceed \$800,000,000) by providing written notice to the Agent, which notice shall be irrevocable once given and shall be forwarded by the Agent to each Lender; provided, however, the Borrower shall not have the right to make more than 4 requests for increases in the aggregate amount of the Commitments during the term of this Agreement. Each such increase in the Commitments must be in an aggregate minimum amount of \$25,000,000 and integral multiples of \$5,000,000 in excess thereof. No Lender shall be required to increase its Commitment and any new Lender becoming a party to this Agreement in connection with any such requested increase must be an Eligible Assignee. If a new Lender becomes a party to this Agreement, or if any existing Lender agrees to increase its Commitment, such Lender shall on the date it becomes a Lender hereunder (or increases its Commitment, in the case of an existing Lender) (and as a condition thereto) purchase from the other Lenders its Commitment Percentage (or in the case of an existing Lender, increase the amount of its Commitment Percentage), in

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each case, as determined after giving effect to the increase of Commitments, of any outstanding Revolving Loans, by making available to the Agent for the account of such other Lenders at the Principal Office, in same day funds, an amount equal to the sum of (A) the portion of the outstanding principal amount of such Revolving Loans to be purchased by such Lender plus (B) the aggregate amount of payments previously made by the other Lenders under Section 2.3.(j) which have not been repaid plus (C) interest accrued and unpaid to and as of such date on such portion of the outstanding principal amount of such Revolving Loans. The Borrower shall pay to the Lenders amounts payable, if any, to such Lenders under Section 4.4. as a result of the prepayment of any such Revolving Loans. No increase of the Commitments may be effected under this Section if (x) a Default or Event of Default shall be in existence on the effective date of such increase or (y) any representation or warranty made or deemed made by the Borrower or any other Loan Party in any Loan Document to which any such Loan Party is a party is not (or would not be) true or correct on the effective date of such increase and after giving effect thereto (except for representations or warranties which expressly relate solely to an earlier date). In connection with any increase in the aggregate amount of the Commitments pursuant to this subsection, (a) any Lender becoming a party hereto shall execute such documents and agreements as the Agent may reasonably request and (b) the Borrower shall make appropriate arrangements so that each new Lender, and any existing Lender increasing its Commitment, receives a new or replacement Note, as appropriate, in the amount of such Lender's Commitment within 5 Business Days of the effectiveness of the applicable increase in the aggregate amount of Commitments.

Section 3.1. Payments.

Except to the extent otherwise provided herein, all payments of principal, interest and other amounts to be made by the Borrower under this Agreement or any other Loan Document shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to the Agent at its Principal Office, not later than 2:00 p.m. on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day). Subject to Section 10.4., the Borrower may, at the time of making each payment under this Agreement or any Note, specify to the Agent the amounts payable by the Borrower hereunder to which such payment is to be applied. Each payment received by the Agent for the account of a Lender under this Agreement or any Note shall be paid to such Lender at the applicable Lending Office of such Lender no later than 4:00 p.m. on the date of receipt. If the Agent fails to pay such amount to a Lender as provided in the previous sentence, the Agent shall pay interest on such amount until paid at a rate per annum equal to the Federal Funds Rate from time to time in effect. If the due date of any payment under this Agreement or any other Loan Document would otherwise fall on a day which is not a Business Day such date shall be extended to the next succeeding Business Day and interest shall be payable for the period of such extension.

Section 3.2. Pro Rata Treatment.

Except to the extent otherwise provided herein: (a) each borrowing from the Lenders under Section 2.1.(a), 2.2.(e) and 2.3.(e) shall be made from the Lenders, each payment of the

Fees under Section 3.6.(a), Section 3.6.(b), the first sentence of Section 3.6.(c), and Section 3.6.(d) shall be made for the account of the Lenders, and each termination or reduction of the amount of the Commitments under Section 2.11. shall be applied to the respective Commitments of the Lenders, pro rata according to the amounts of their respective Commitments; (b) each payment or prepayment of principal of Revolving Loans by the Borrower shall be made for the account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Revolving Loans held by them, provided that if immediately prior to giving effect to any such payment in respect of any Revolving Loans the outstanding principal amount of the Revolving Loans shall not be held by the Lenders pro rata in accordance with their respective Commitments in effect at the time such Loans were made, then such payment shall be applied to the Revolving Loans in such manner as shall result, as nearly as is practicable, in the outstanding principal amount of the Revolving Loans being held by the Lenders pro rata in accordance with their respective Commitments; (c) each payment of interest on Revolving Loans by the Borrower shall be made for the account of the Lenders pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Lenders; (d) the making, Conversion and Continuation of Revolving Loans of a particular Type (other than Conversions provided for by Section 4.5.) shall be made pro rata among the Lenders according to the amounts of their respective Commitments (in the case of making of Loans) or their respective Loans (in the case of Conversions and Continuations of Loans) and the then current Interest Period for each Lender's portion of each Loan of such Type shall be coterminous; (e) the Lenders' participation in, and payment obligations in respect of, Letters of Credit under Section 2.3., shall be pro rata in accordance with their respective Commitments; and (f) the Lenders' participation in, and payment obligations in respect of, Swingline Loans under Section 2.2., shall be pro rata in accordance with their respective Commitments. All payments of principal, interest, fees and other amounts in respect of the Swingline Loans shall be for the account of the Swingline Lender only (except to the extent any Lender shall have acquired and funded a participating interest in any such Swingline Loan pursuant to Section 2.2.(e), in which case such payments shall be pro rata in accordance with such participating interests).

Section 3.3. Sharing of Payments, Etc.

If a Lender shall obtain payment of any principal of, or interest on, any Loan made by it to the Borrower under this Agreement, or shall obtain payment on any other Obligation owing by the Borrower or a Loan Party through the exercise of any right of set-off, banker's lien or counterclaim or similar right or otherwise or through voluntary prepayments directly to a Lender or other payments made by the Borrower to a Lender not in accordance with the terms of this Agreement and such payment should be distributed to the Lenders pro rata in accordance with Section 3.2. or Section 10.4., as applicable, such Lender shall promptly purchase from the other Lenders participations in (or, if and to the extent specified by such Lender, direct interests in) the Loans made by the other Lenders or other Obligations owed to such other Lenders in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all the Lenders shall share the benefit of such payment (net of any reasonable expenses which may be incurred by such Lender in obtaining or preserving such benefit) pro rata in accordance with Section 3.2. or Section 10.4., as applicable. To such end, all the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored. The Borrower agrees that any Lender

so purchasing a participation (or direct interest) in the Loans or other Obligations owed to such other Lenders may exercise all rights of set-off, banker's lien, counterclaim or similar rights with respect to such participation as fully as if such Lender were a direct holder of Loans in the amount of such participation. Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Borrower.

Section 3.4. Several Obligations.

No Lender shall be responsible for the failure of any other Lender to make a Loan or to perform any other obligation to be made or performed by such other Lender hereunder, and the failure of any Lender to make a Loan or to perform any other obligation to be made or performed by it hereunder shall not relieve the obligation of any other Lender to make any Loan or to perform any other obligation to be made or performed by such other Lender.

Section 3.5. Minimum Amounts.

(a) Borrowings and Conversions. Except as otherwise provided in Sections 2.2.(e) and 2.3.(e), each borrowing of Base Rate Loans shall be in an aggregate minimum amount of \$1,000,000 and integral multiples of \$100,000 in excess thereof. Each borrowing and each Conversion of LIBOR Loans shall be in an aggregate minimum amount of \$1,000,000 and integral multiples of \$1,000,000 in excess of that amount.

(b) Prepayments. Each voluntary prepayment of Revolving Loans shall be in an aggregate minimum amount of \$1,000,000 and integral multiples of \$500,000 in excess thereof (or, if less, the aggregate principal amount of Revolving Loans then outstanding).

(c) Reductions of Commitments. Each reduction of the Commitments under Section 2.11. shall be in an aggregate minimum amount of \$10,000,000 and integral multiples of \$5,000,000 in excess thereof.

(d) Letters of Credit. The initial Stated Amount of each Letter of Credit shall be at least \$100,000.

Section 3.6. Fees.

(a) Unused Fee. During the period from the Effective Date to but excluding the earlier to occur of (i) the Investment Grade Rating Date and (ii) the Termination Date, the Borrower agrees to pay to the Agent for the account of the Lenders an unused facility fee with respect to the average daily difference between the (i) aggregate

amount of the Commitments and (ii) the aggregate principal amount of all outstanding Revolving Loans plus the aggregate amount of all Letter of Credit Liabilities (the "Unused Amount"). Such fee shall be computed by multiplying the Unused Amount with respect to such quarter by the corresponding per annum rate set forth below:

<u>Unused Amount</u>	<u>Unused Fee</u>
Greater than or equal to 50% of the aggregate amount of Commitments	0.20%
Less than 50% of the aggregate amount of Commitments	0.125%

Such fee shall be payable in arrears on the last day of each March, June, September or December of each calendar year. Any such accrued and unpaid fee shall also be payable on the earlier of (x) the Investment Grade Rating Date and (y) the Termination Date or any earlier date of termination of the Commitments or reduction of the Commitments to zero.

(b) Facility Fees. The Borrower agrees to pay to the Agent for the account of each Lender a facility fee equal to the average daily amount of the Commitment of such Lender (whether or not utilized) times the Facility Fee for the period from and including the Investment Grade Rating Date to but excluding the date such Commitment is terminated or reduced to zero or the Termination Date, such fee to be paid in arrears on (i) the last day of March, June, September and December in each year, (ii) the date of each reduction in the Commitments (but only on the amount of the reduction) and (iii) on the Termination Date.

(c) Letter of Credit Fees. The Borrower agrees to pay to the Agent for the account of each Lender a letter of credit fee at a rate per annum equal to the Applicable Margin for LIBOR Loans times the daily average Stated Amount of each Letter of Credit for the period from and including the date of issuance of such Letter of Credit (x) through and including the date such Letter of Credit expires or is terminated or (y) to but excluding the date such Letter of Credit is drawn in full. The fees provided for in the immediately preceding sentence shall be nonrefundable and payable in arrears on (i) the last day of March, June, September and December in each year, (ii) the Termination Date, (iii) the date the Commitments are terminated or reduced to zero and (iv) thereafter from time to time on demand of the Agent. In addition, the Borrower shall pay to the Agent for its own account and not the account of any Lender, an issuance fee in respect of each Letter of Credit equal to one-eighth of one percent (0.125%) per annum on the initial Stated Amount of such Letter of Credit for the period from and including the date of issuance of such Letter of Credit through and including the date such Letter of Credit is to terminate. The fees provided for in the immediately preceding sentence shall be nonrefundable and payable upon issuance. The Borrower shall pay directly to the Agent from time to time on demand all commissions, charges, costs and expenses in the amounts customarily charged by the Agent from time to time in like circumstances with respect to the issuance of each Letter of Credit, drawings, amendments and other transactions relating thereto.

(d) Extension Fee. If the Borrower exercises its right to extend the Termination Date pursuant to Section 2.12., the Borrower agrees to pay to the Agent for the account of each Lender a fee equal to one-eighth of one percent (0.125%) of the amount of such Lender's Commitment (whether or not utilized) at the time of such extension. Such fee shall be due and payable in full on the date the Agent receives the Extension Request pursuant to such Section.

(e) Administrative and Other Fees. The Borrower agrees to pay the administrative and other fees of the Agent as may be agreed to in writing by the Borrower and the Agent from time to time.

Section 3.7. Computations.

Unless otherwise expressly set forth herein, any accrued interest on any Loan, any Fees or any other Obligations due hereunder shall be computed on the basis of a year of 360 days and the actual number of days elapsed; provided, however, any accrued interest on any Base Rate Loan shall be computed on the basis of a year of 365 or 366 days, as applicable, and the actual number of days elapsed.

Section 3.8. Usury.

In no event shall the amount of interest due or payable on the Loans or other Obligations exceed the maximum rate of interest allowed by Applicable Law and, if any such payment is paid by the Borrower or any other Loan Party or received by any Lender, then such excess sum shall be credited as a payment of principal, unless the Borrower shall notify the respective Lender in writing that the Borrower elects to have such excess sum returned to it forthwith. It is the express intent of the parties hereto that the Borrower not pay and the Lenders not receive, directly or indirectly, in any manner whatsoever, interest in excess of that which may be lawfully paid by the Borrower under Applicable Law.

Section 3.9. Agreement Regarding Interest and Charges.

The parties hereto hereby agree and stipulate that the only charge imposed upon the Borrower for the use of money in connection with this Agreement is and shall be the interest specifically described in Section 2.4.(a)(i) and (ii) and in Section 2.2.(c). Notwithstanding the foregoing, the parties hereto further agree and stipulate that all agency fees, syndication fees, facility fees, closing fees, letter of credit fees, underwriting fees, default charges, late charges, funding or "breakage" charges, increased cost charges, attorneys' fees and reimbursement for costs and expenses paid by the Agent or any Lender to third parties or for damages incurred by the Agent or any Lender, in each case in connection with the transactions contemplated by this Agreement and the other Loan Documents, are charges made to compensate the Agent or any such Lender for underwriting or administrative services and costs or losses performed or incurred, and to be performed or incurred, by the Agent and the Lenders in connection with this Agreement and shall under no circumstances be deemed to be charges for the use of money. All charges other than charges for the use of money shall be fully earned and nonrefundable when due.

Section 3.10. Statements of Account.

The Agent will account to the Borrower monthly with a statement of Loans, Letters of Credit, accrued interest and Fees, charges and payments made pursuant to this Agreement and the other Loan Documents, and such account rendered by the Agent shall be deemed conclusive upon Borrower to the extent the Borrower shall fail to object to such account in writing within 5 Business Days of the receipt thereof. The failure of the Agent to deliver such a statement of accounts shall not relieve or discharge the Borrower from any of its obligations hereunder.

Section 3.11. Defaulting Lenders.

(a) Generally. If for any reason any Lender (a "Defaulting Lender") shall fail or refuse to perform any of its obligations under this Agreement or any other Loan Document to which it is a party within the time period specified for performance of such obligation or, if no time period is specified, if such failure or refusal continues for a period of two Business Days after notice from the Agent, then, in addition to the rights and remedies that may be available to the Agent or the Borrower under this Agreement

or Applicable Law, such Defaulting Lender's right to participate in the administration of the Loans, this Agreement and the other Loan Documents, including without limitation, any right to vote in respect of, to consent to or to direct any action or inaction of the Agent or to be taken into account in the calculation of the Requisite Lenders, shall be suspended during the pendency of such failure or refusal. If a Lender is a Defaulting Lender because it has failed to make timely payment to the Agent of any amount required to be paid to the Agent hereunder (without giving effect to any notice or cure periods), in addition to other rights and remedies which the Agent or the Borrower may have under this Agreement or otherwise, the Agent shall be entitled (i) to collect interest from such Defaulting Lender on such delinquent payment for the period from the date on which the payment was due until the date on which the payment is made at the Federal Funds Rate, (ii) to withhold or setoff and to apply in satisfaction of the defaulted payment and any related interest, any amounts otherwise payable to such Defaulting Lender under this Agreement or any other Loan Document and (iii) to bring an action or suit against such Defaulting Lender in a court of competent jurisdiction to recover the defaulted amount and any related interest. Any amounts received by the Agent in respect of a Defaulting Lender's Loans shall not be paid to such Defaulting Lender and shall be held uninvested by the Agent and either applied against the purchase price of such Loans under the following subsection (b) or paid to such Defaulting Lender upon the Defaulting Lender's curing of its default.

(b) Purchase or Cancellation of Defaulting Lender's Commitment. The Borrower may request the Agent to notify the Lenders that a Lender has become a Defaulting Lender. Any Lender who is not a Defaulting Lender shall have the right, but not the obligation, in its sole discretion, to acquire all of a Defaulting Lender's Commitment. Any Lender desiring to exercise such right shall give written notice thereof to the Agent and the Borrower no sooner than 2 Business Days and not later than 5 Business Days after such Defaulting Lender became a Defaulting Lender. If more than one Lender exercises such right, each such Lender shall have the right to acquire an amount of such Defaulting Lender's Commitment in proportion to its Commitments to the aggregate Commitments of all Lenders exercising such right. If after such 5th Business Day, the Lenders have not elected to purchase all of the Commitment of such Defaulting Lender, then the Borrower may, by giving written notice thereof to the Agent, such Defaulting Lender and the other Lenders, either (i) demand that such Defaulting Lender assign its Commitment to an Eligible Assignee subject to and in accordance with the provisions of Section 12.5. for the purchase price provided for below or (ii) terminate the Commitment of such Defaulting Lender, whereupon such Defaulting Lender shall no longer be a party hereto or have any rights or obligations hereunder or under any of the other Loan Documents. No party hereto shall have any obligation whatsoever to initiate any such replacement or to assist in finding an Eligible Assignee. Upon any such purchase or assignment, the Defaulting Lender's interest in the Loans and its rights hereunder (but not its liability in respect thereof or under the Loan Documents or this Agreement to the extent the same relate to the period prior to the effective

date of the purchase) shall terminate on the date of purchase, and the Defaulting Lender shall promptly execute all documents reasonably requested to surrender and transfer such interest to the purchaser or assignee thereof, including an appropriate Assignment and Acceptance Agreement and, notwithstanding Section 12.5., shall pay to the Agent an assignment fee in the amount of \$3,500. The purchase price for the Commitment of a Defaulting Lender shall be equal to the amount of the principal balance of the Loans outstanding and owed by the Borrower to the Defaulting Lender. Prior to payment of such purchase price to a Defaulting Lender, the Agent shall apply against such purchase price any amounts retained by the Agent pursuant to the last sentence of the immediately preceding subsection (a). The Defaulting Lender shall be entitled to receive amounts owed to it by the Borrower under the Loan Documents which accrued prior to the date of the default by the Defaulting Lender, to the extent the same are received by the Agent from or on behalf of the Borrower. There shall be no recourse against any Lender or the Agent for the payment of such sums except to the extent of the receipt of payments from any other party or in respect of the Loans.

Section 3.12. Taxes.

(a) Taxes Generally. All payments by the Borrower of principal of, and interest on, the Loans and all other Obligations shall be made free and clear of and without deduction for any present or future excise, stamp or other taxes, fees, duties, levies, imposts, charges, deductions, withholdings or other charges of any nature whatsoever imposed by any taxing authority, but excluding (i) franchise taxes, (ii) any taxes imposed on or measured by any Lender's assets, net income, receipts or branch profits, (iii) any taxes (other than withholding taxes) with respect to the Agent or a Lender that would not be imposed but for a connection between the Agent or such Lender and the jurisdiction imposing such taxes (other than a connection arising solely by virtue of the activities of the Agent or such Lender pursuant to or in respect of this Agreement or any other Loan Document), and (iv) any taxes, fees, duties, levies, imposts, charges, deductions, withholdings or other charges to the extent imposed as a result of the failure of the Agent or a Lender, as applicable, to provide and keep current (to the extent legally able) any certificates, documents or other evidence required to qualify for an exemption from, or reduced rate of, any such taxes fees, duties, levies, imposts, charges, deductions, withholdings or other charges or required by the immediately following subsection (c) to be furnished by the Agent or such Lender, as applicable (such non-excluded items being collectively called "Taxes"). If any withholding or deduction from any payment to be made by the Borrower hereunder is required in respect of any Taxes pursuant to any Applicable Law, then the Borrower will:

- (i) pay directly to the relevant Governmental Authority the full amount required to be so withheld or deducted;
- (ii) promptly forward to the Agent an official receipt or other documentation satisfactory to the Agent evidencing such payment to such Governmental Authority; and
- (iii) pay to the Agent for its account or the account of the applicable Lender, as the case may be, such additional amount or amounts as is necessary to ensure that the net amount actually received by the Agent or such Lender will equal the full amount that the Agent or such Lender would have received had no such withholding or deduction been required.

(b) Tax Indemnification. If the Borrower fails to pay any Taxes when due to the appropriate Governmental Authority or fails to remit to the Agent, for its account or the account of the respective Lender, as the case may be, the required receipts or other required documentary evidence, the Borrower shall indemnify the Agent and the Lenders for any incremental Taxes, interest or penalties that may become payable by the Agent or any Lender as a result of any such failure. For purposes of this Section, a distribution hereunder by the Agent or any Lender to or for the account of any Lender shall be deemed a payment by the Borrower.

(c) Tax Forms. Prior to the date that any Lender or Participant organized under the laws of a jurisdiction outside the United States of America becomes a party hereto, such Person shall deliver to the Borrower and the Agent such certificates, documents or other evidence, as required by the Internal Revenue Code or Treasury Regulations issued pursuant thereto (including Internal Revenue Service Forms W-8ECI and W-8BEN, as applicable, or appropriate successor forms), properly completed, currently effective and duly executed by such Lender or Participant establishing that payments to it hereunder and under the Notes are (i) not subject to United States Federal backup withholding tax and (ii) not subject to United States Federal withholding tax imposed under the Internal Revenue Code. Each such Lender or Participant shall, to the extent it may lawfully do so, (x) deliver further copies of such forms or other appropriate certifications on or before the date that any such forms expire or become obsolete and after the occurrence of any event requiring a change in the most recent form delivered to the Borrower or the Agent and (y) obtain such extensions of the time for filing, and renew such forms and certifications thereof, as may be reasonably requested by the Borrower or the Agent. The Borrower shall not be required to pay any amount pursuant to the last sentence of subsection (a) above to any Lender or Participant that is organized under the laws of a jurisdiction outside of the United States of America or the Agent, if it is organized under the laws of a jurisdiction outside of the United States of America, if such Lender, Participant or the Agent, as applicable, fails to comply with the requirements of this subsection. If any such Lender or Participant, to the extent it may lawfully do so, fails to deliver the above forms or other documentation, then the Agent may withhold from any payments to be made to such Lender under any of the Loan Documents such amounts as are required by the Internal Revenue Code. If any Governmental Authority asserts that the Agent did not properly withhold or backup withhold, as the case may be, any tax or other amount from payments made to or for the account of any Lender, such Lender shall indemnify the Agent therefor, including all penalties and interest, any taxes imposed by any jurisdiction on the amounts payable to the Agent under this Section, and costs and expenses (including all reasonable fees and disbursements of any law firm or other external counsel and the allocated cost of internal legal services and all disbursements of internal counsel) of the Agent. The obligation of the Lenders under this Section shall survive the termination of the

ARTICLE IV. YIELD PROTECTION, ETC.

Section 4.1. Additional Costs; Capital Adequacy.

(a) Additional Costs. The Borrower shall promptly pay to the Agent for the account of a Lender from time to time such amounts as such Lender may determine to be necessary to compensate such Lender for any costs incurred by such Lender that it determines are attributable

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to its making or maintaining of any LIBOR Loans or its obligation to make any LIBOR Loans hereunder, any reduction in any amount receivable by such Lender under this Agreement or any of the other Loan Documents in respect of any of such Loans or such obligation or the maintenance by such Lender of capital in respect of its Loans or its Commitment (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), to the extent any such Additional Costs result from any Regulatory Change that: (i) changes the basis of taxation of any amounts payable to such Lender under this Agreement or any of the other Loan Documents in respect of any of such Loans or its Commitment (other than taxes, fees, duties, levies, imposts, charges, deductions, withholdings or other charges which are excluded from the definition of Taxes pursuant to the first sentence of Section 3.12.(a)); or (ii) imposes or modifies any reserve, special deposit or similar requirements (other than Regulation D of the Board of Governors of the Federal Reserve System or other reserve requirement to the extent utilized in the determination of Adjusted LIBOR for such Loan) relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, such Lender, or any commitment of such Lender (including, without limitation, the Commitment of such Lender hereunder); or (iii) has or would have the effect of reducing the rate of return on capital of such Lender to a level below that which such Lender could have achieved but for such Regulatory Change (taking into consideration such Lender's policies with respect to capital adequacy).

(b) Lender's Suspension of LIBOR Loans. Without limiting the effect of the provisions of the immediately preceding subsection (a), if, by reason of any Regulatory Change, any Lender either (i) incurs or would incur Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of such Lender that includes deposits by reference to which the interest rate on LIBOR Loans is determined as provided in this Agreement or a category of extensions of credit or other assets of such Lender that includes LIBOR Loans or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets that it may hold, then, if such Lender so elects by notice to the Borrower (with a copy to the Agent), the obligation of such Lender to make or Continue, or to Convert any other Type of Loans into, LIBOR Loans hereunder shall be suspended until such Regulatory Change ceases to be in effect (in which case the provisions of Section 4.5. shall apply).

(c) Additional Costs in Respect of Letters of Credit. Without limiting the obligations of the Borrower under the preceding subsections of this Section (but without duplication), if as a result of any Regulatory Change or any risk-based capital guideline or other requirement heretofore or hereafter issued by any Governmental Authority there shall be imposed, modified or deemed applicable any tax, reserve, special deposit, capital adequacy or similar requirement against or with respect to or measured by reference to Letters of Credit and the result shall be to increase the cost to the Agent of issuing (or any Lender of purchasing participations in) or maintaining its obligation hereunder to issue (or purchase participations in) any Letter of Credit or reduce any amount receivable by the Agent or any Lender hereunder in respect of any Letter of Credit, then, upon demand by the Agent or such Lender, the Borrower shall pay promptly, and in any event within 3 Business Days of demand, to the Agent for its account or the account of such Lender, as applicable, from time to time as specified by the Agent or a Lender, such additional amounts as shall be sufficient to compensate the Agent or such Lender for such increased costs or reductions in amount.

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(d) Notification and Determination of Additional Costs. Each of the Agent and each Lender agrees to notify the Borrower of any event occurring after the Agreement Date entitling the Agent or such Lender to compensation under any of the preceding subsections of this Section as promptly as practicable; provided, however, the failure of the Agent or any Lender to give such notice shall not release the Borrower from any of its obligations hereunder (and in the case of a Lender, to the Agent). The Agent or such Lender agrees to furnish to the Borrower (and in the case of a Lender, to the Agent) a certificate setting forth the basis and amount of each request by the Agent or such Lender for compensation under this Section. Absent manifest error, determinations by the Agent or any Lender of the effect of any Regulatory Change shall be conclusive, provided that such determinations are made on a reasonable basis and in good faith.

Section 4.2. Suspension of LIBOR Loans.

Anything herein to the contrary notwithstanding, if, on or prior to the determination of any LIBOR Rate for any Interest Period:

(a) the Agent reasonably determines (which determination shall be conclusive) that by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining Adjusted LIBOR for such Interest Period, or

(b) the Agent reasonably determines (which determination shall be conclusive) that Adjusted LIBOR will not adequately and fairly reflect the cost to the Lenders of making or maintaining LIBOR Loans for such Interest Period;

then the Agent shall give the Borrower and each Lender prompt notice thereof and, so long as such condition remains in effect, the Lenders shall be under no obligation to, and shall not, make additional LIBOR Loans, Continue LIBOR Loans or Convert Loans into LIBOR Loans and the Borrower shall, on the last day of each current Interest Period for each outstanding LIBOR Loan, either repay such Loan or Convert such Loan into a Base Rate Loan.

Section 4.3. Illegality.

Notwithstanding any other provision of this Agreement, if any Lender shall reasonably determine (which determination shall be conclusive and binding) that it has become unlawful for such Lender to honor its obligation to make or maintain LIBOR Loans hereunder, then such Lender shall promptly notify the Borrower thereof (with a copy to the Agent) and such Lender's obligation to make or Continue, or to Convert Loans of any other Type into, LIBOR Loans shall be suspended until such time as such Lender may again make and maintain LIBOR Loans (in which case the provisions of Section 4.5. shall be applicable).

Section 4.4. Compensation.

The Borrower shall pay to the Agent for the account of each Lender, upon the request of such Lender through the Agent, such amount or amounts as shall be sufficient (in the reasonable opinion of such Lender) to compensate it for any loss, cost or expense that such Lender reasonably determines is attributable to:

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(a) any payment or prepayment (whether mandatory or optional) of a LIBOR Loan, or Conversion of a LIBOR Loan, made by such Lender for any

reason (including, without limitation, acceleration) on a date other than the last day of the Interest Period for such Loan; or

(b) any failure by the Borrower for any reason (including, without limitation, the failure of any of the applicable conditions precedent specified in Article V. to be satisfied) to borrow a LIBOR Loan from such Lender on the requested date for such borrowing, or to Convert a Base Rate Loan into a LIBOR Loan or Continue a LIBOR Loan on the requested date of such Conversion or Continuation.

Upon the Borrower's request, any Lender requesting compensation under this Section shall provide the Borrower with a statement setting forth the basis for requesting such compensation and the method for determining the amount thereof. Absent manifest error, determinations by any Lender in any such statement shall be conclusive, provided that such determinations are made on a reasonable basis and in good faith.

Section 4.5. Treatment of Affected Loans.

If the obligation of any Lender to make LIBOR Loans or to Continue, or to Convert Base Rate Loans into, LIBOR Loans shall be suspended pursuant to Section 4.1. (b), 4.2. or 4.3., then such Lender's LIBOR Loans shall be automatically Converted into Base Rate Loans on the last day(s) of the then current Interest Period(s) for LIBOR Loans (or, in the case of a Conversion required by Section 4.1.(b) or 4.3., on such earlier date as such Lender may specify to the Borrower with a copy to the Agent) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 4.1. or 4.3. that gave rise to such Conversion no longer exist:

(a) to the extent that such Lender's LIBOR Loans have been so Converted, all payments and prepayments of principal that would otherwise be applied to such Lender's LIBOR Loans shall be applied instead to its Base Rate Loans; and

(b) all Loans that would otherwise be made or Continued by such Lender as LIBOR Loans shall be made or Continued instead as Base Rate Loans, and all Base Rate Loans of such Lender that would otherwise be Converted into LIBOR Loans shall remain as Base Rate Loans.

If such Lender gives notice to the Borrower (with a copy to the Agent) that the circumstances specified in Section 4.1. or 4.3. that gave rise to the Conversion of such Lender's LIBOR Loans pursuant to this Section no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when LIBOR Loans made by other Lenders are outstanding, then such Lender's Base Rate Loans shall be automatically Converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding LIBOR Loans, to the extent necessary so that, after giving effect thereto, all Loans held by the Lenders holding LIBOR Loans and by such Lender are held pro rata (as to principal amounts, Types and Interest Periods) in accordance with their respective Commitments.

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Section 4.6. Change of Lending Office.

Each Lender agrees that it will use reasonable efforts to designate an alternate Lending Office with respect to any of its Loans affected by the matters or circumstances described in Sections 3.12., 4.1. or 4.3. to reduce the liability of the Borrower or avoid the results provided thereunder, so long as such designation is not disadvantageous to such Lender as determined by such Lender in its sole discretion, except that such Lender shall have no obligation to designate a Lending Office located in the United States of America.

Section 4.7. Assumptions Concerning Funding of LIBOR Loans.

Calculation of all amounts payable to a Lender under this Article IV. shall be made as though such Lender had actually funded LIBOR Loans through the purchase of deposits in the relevant market bearing interest at the rate applicable to such LIBOR Loans in an amount equal to the amount of the LIBOR Loans and having a maturity comparable to the relevant Interest Period; provided, however, that each Lender may fund each of its LIBOR Loans in any manner it sees fit and the foregoing assumption shall be used only for calculation of amounts payable under this Article IV.

ARTICLE V. CONDITIONS PRECEDENT

Section 5.1. Initial Conditions Precedent.

The obligation of the Lenders to effect or permit the occurrence of the first Credit Event hereunder, whether as the making of a Loan or the issuance of a Letter of Credit, is subject to the following conditions precedent:

(a) The Agent shall have received each of the following, in form and substance satisfactory to the Agent:

(i) Counterparts of this Agreement executed by each of the parties hereto;

(ii) Revolving Notes executed by the Borrower, payable to each Lender and complying with the applicable provisions of Section 2.10. and the Swingline Note executed by the Borrower;

(iii) The Guaranty executed by the Parent and any Material Subsidiary existing as of the Effective Date;

(iv) An opinion of the general counsel of the Parent and the other Loan Parties, addressed to the Agent, the Lenders and the Swingline Lender, addressing the matters set forth in Exhibit H;

(v) An opinion of Alston & Bird, LLP, counsel to the Agent, addressed to the Agent, the Lenders and the Swingline Lender, addressing the enforceability of the Loan Documents and such matters as the Agent shall reasonably request;

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(vi) a certificate of incumbency signed by the Secretary or Assistant Secretary of the Parent with respect to each of the officers of the Parent authorized to execute and deliver on behalf of the Parent and the Borrower the Loan Documents to which the Parent or the Borrower is a party and to execute and deliver (or make by telephone in the case of Notices of Conversion or Continuation) on behalf of the Borrower Notices of Borrowing, Notices of Conversion, Notices of Continuation, Notices of Swingline Borrowing and requests for Letters of Credit;

(vii) a certified copy (certified by the Secretary or Assistant Secretary of the Parent) of all necessary action taken by the Parent to authorize the execution, delivery and performance of the Loan Documents to which either the Parent or the Borrower is a party;

(viii) the certificate or articles of incorporation, articles of organization, certificate of limited partnership, declaration of trust or other comparable organizational instrument (if any) of the Parent, the Borrower and each Guarantor, certified as of a recent date by the Secretary of State of the State of formation of such Person;

(ix) a Certificate of Good Standing or certificate of similar meaning with respect to the Parent, the Borrower and each Guarantor (and in the case of a limited partnership, the general partner of such Guarantor) issued as of a recent date by the Secretary of State of the State of formation of each such Person and certificates of qualification to transact business or other comparable certificates issued by each Secretary of State (and any state department of taxation, as applicable) of each state in which such Person is required to be so qualified;

(x) a certificate of incumbency signed by the Secretary or Assistant Secretary (or other individual performing similar functions) of each Guarantor with respect to each of the officers of such Person authorized to execute and deliver the Loan Documents to which such Person is a party;

(xi) copies certified by the Secretary or Assistant Secretary (or other individual performing similar functions) of the Parent, the Borrower and each Guarantor of the by-laws of such Person, if a corporation, the operating agreement, if a limited liability company, the partnership agreement, if a limited or general partnership, or other comparable document in the case of any other form of legal entity;

(xii) copies certified by the Secretary or Assistant Secretary (or other individual performing similar functions) of each Guarantor of all corporate, partnership, member or other necessary action taken by each Guarantor to authorize the execution, delivery and performance of the Loan Documents to which it is a party;

(xiii) the Fees then due and payable under Section 3.6., and any other Fees payable to the Agent, the Titled Agents and the Lenders on or prior to the Effective Date;

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(xiv) a Compliance Certificate calculated as of June 30, 2007 giving pro forma effect to the financing contemplated by this Agreement and the use of the proceeds of the Loans to be funded on the Effective Date; and

(xv) a statement from the administrative agent under the Existing Credit Agreement providing information regarding the payment of all amounts outstanding under the Existing Credit Agreement as of the Effective Date; and

(xvi) such other documents, agreements and instruments as the Agent on behalf of the Lenders may reasonably request; and

(b) In the good faith judgment of the Agent and the Lenders:

(i) There shall not have occurred or become known to the Agent or any of the Lenders any event, condition, situation or status since the date of the information contained in the financial and business projections, budgets, pro forma data and forecasts concerning the Borrower and its Subsidiaries delivered to the Agent and the Lenders prior to the Agreement Date that has had or could reasonably be expected to result in a Material Adverse Effect;

(ii) No litigation, action, suit, investigation or other arbitral, administrative or judicial proceeding shall be pending or threatened which could reasonably be expected to (1) result in a Material Adverse Effect or (2) restrain or enjoin, impose materially burdensome conditions on, or otherwise materially and adversely affect the ability of the Borrower or any other Loan Party to fulfill its obligations under the Loan Documents to which it is a party;

(iii) The Borrower and its Subsidiaries shall have received all approvals, consents and waivers, and shall have made or given all necessary filings and notices as shall be required to consummate the transactions contemplated hereby without the occurrence of any default under, conflict with or violation of (1) any Applicable Law or (2) any agreement, document or instrument to which the Borrower or any other Loan Party is a party or by which any of them or their respective properties is bound, except for such approvals, consents, waivers, filings and notices the receipt, making or giving of which would not reasonably be likely to (A) have a Material Adverse Effect, or (B) restrain or enjoin, impose materially burdensome conditions on, or otherwise materially and adversely affect the ability of the Borrower or any other Loan Party to fulfill its obligations under the Loan Documents to which it is a party; and

(iv) There shall not have occurred or exist any other material disruption of financial or capital markets that could reasonably be expected to materially and adversely affect the transactions contemplated by the Loan Documents.

Section 5.2. Conditions Precedent to All Loans and Letters of Credit.

The obligations of the Lenders to make any Loans, of the Agent to issue Letters of Credit, and of the Swingline Lender to make any Swingline Loan are all subject to the further condition

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precedent that: (a) no Default or Event of Default shall exist as of the date of the making of such Loan or date of issuance of such Letter of Credit or would exist immediately after giving effect thereto; and (b) the representations and warranties made or deemed made by the Borrower and each other Loan Party in the Loan Documents to which any of them is a party, shall be true and correct on and as of the date of the making of such Loan or date of issuance of such Letter of Credit with the same force and effect as if made on and as of such date except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date) and except for changes in factual circumstances specifically and expressly permitted hereunder. Each Credit Event shall constitute a certification by the Borrower to the effect set forth in the preceding sentence (both as of the date of the giving of notice relating to such Credit Event and, unless the Borrower otherwise notifies the Agent prior to the date of such Credit Event, as of the date of the occurrence of such Credit Event). In addition, if such Credit Event is the making of a Loan or the issuance of a Letter of Credit, the Borrower shall be deemed to have represented to the Agent and the Lenders at the time such Loan is made or Letter of Credit issued that all conditions to the occurrence of such Credit Event contained in Article V. have been satisfied.

Section 5.3. Conditions as Covenants.

If the Lenders make any Loans, or the Agent issues a Letter of Credit, prior to the satisfaction of all conditions precedent set forth in Sections 5.1. and 5.2., the Borrower shall nevertheless cause such condition or conditions to be satisfied within 5 Business Days after the date of the making of such Loans or the issuance of such Letter of Credit. Unless set forth in writing to the contrary, the making of its initial Loan by a Lender shall constitute a certification by such Lender to the Agent and the other Lenders that the Borrower has satisfied the conditions precedent for initial Loans set forth in Sections 5.1. and 5.2.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES

Section 6.1. Representations and Warranties.

In order to induce the Agent and each Lender to enter into this Agreement and to make Loans and issue Letters of Credit, the Parent and the Borrower represent and warrant to the Agent and each Lender as follows:

(a) Organization; Power; Qualification. Each of the Parent, its Subsidiaries, the Borrower and the other Loan Parties is a corporation, partnership or other legal entity, duly organized or formed, validly existing and in good standing under the jurisdiction of its incorporation or formation, has the power and authority to own or lease its respective properties and to carry on its respective business as now being and hereafter proposed to be conducted and is duly qualified and is in good standing as a foreign corporation, partnership or other legal entity, and authorized to do business, in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization and where the failure to be so qualified or authorized could reasonably be expected to have, in each instance, a Material Adverse Effect.

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(b) Ownership Structure. As of the Agreement Date, Part I of Schedule 6.1.(b) is a complete and correct list of all Subsidiaries of the Parent setting forth for each such Subsidiary, (i) the jurisdiction of organization of such Subsidiary, (ii) each Person holding any Equity Interests in such Subsidiary, (iii) the nature of the Equity Interests held by each such Person, (iv) the percentage of ownership of such Subsidiary represented by such Equity Interests and (v) whether such Subsidiary is a Material Subsidiary. Except as disclosed in such Schedule, as of the Agreement Date (i) each of the Parent and its Subsidiaries owns, free and clear of all Liens (other than Permitted Liens), and has the unencumbered right to vote, all outstanding Equity Interests in each Person shown to be held by it on such Schedule, (ii) all of the issued and outstanding capital stock of each such Person organized as a corporation is validly issued, fully paid and nonassessable and (iii) there are no outstanding subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including, without limitation, any stockholders' or voting trust agreements) for the issuance, sale, registration or voting of, or outstanding securities convertible into, any additional shares of capital stock of any class, or partnership or other ownership interests of any type in, any such Person. As of the Agreement Date Part II of Schedule 6.1.(b) correctly sets forth all Unconsolidated Affiliates of the Parent, including the correct legal name of such Person, the type of legal entity which each such Person is, and all Equity Interests in such Person held directly or indirectly by the Parent.

(c) Authorization of Agreement, Etc. The Borrower has the right and power, and has taken all necessary action to authorize it, to borrow and obtain other extensions of credit hereunder. The Parent, the Borrower and each other Loan Party has the right and power, and has taken all necessary action to authorize it, to execute, deliver and perform each of the Loan Documents to which it is a party in accordance with their respective terms and to consummate the transactions contemplated hereby and thereby. The Loan Documents to which the Borrower or any other Loan Party is a party have been duly executed and delivered by the duly authorized officers of such Person and each is a legal, valid and binding obligation of such Person enforceable against such Person in accordance with its respective terms except as the same may be limited by bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and the availability of equitable remedies for the enforcement of certain obligations (other than the payment of principal) contained herein or therein and as may be limited by equitable principles generally.

(d) Compliance of Loan Documents with Laws, Etc. The execution, delivery and performance of this Agreement, the Notes and the other Loan Documents to which the Borrower or any other Loan Party is a party in accordance with their respective terms and the borrowings and other extensions of credit hereunder do not and will not, by the passage of time, the giving of notice, or both: (i) require any Governmental Approval or violate any Applicable Law (including all Environmental Laws) relating to the Borrower or any other Loan Party; (ii) conflict with, result in a breach of or constitute a default under the organizational documents of the Borrower or any other Loan Party, or any indenture, agreement or other instrument to which the Borrower or any other Loan Party is a party or by which it or any of its respective properties may be bound; or (iii) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by the Borrower or any other Loan Party.

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(e) Compliance with Law; Governmental Approvals. The Parent, the Borrower, each Subsidiary and each other Loan Party is in compliance with each Governmental Approval applicable to it and in compliance with all other Applicable Laws (including without limitation, Environmental Laws) relating to the Parent, the Borrower, a Subsidiary or such other Loan Party except for noncompliances which, and Governmental Approvals the failure to possess which, could not, individually or in the aggregate, reasonably be expected to cause a Default or Event of Default or have a Material Adverse Effect.

(f) Title to Properties; Liens. As of the Agreement Date, Part I of Schedule 6.1.(f) sets forth all of the real property owned or leased by the Parent, the Borrower, each other Loan Party and each other Subsidiary. Each such Person has good, marketable and legal title to, or a valid leasehold interest in, its respective assets. As of the Agreement Date, there are no Liens against any assets of the Parent, the Borrower, any Subsidiary or any other Loan Party except for Permitted Liens, including, without limitation, those Liens in existence as of the Agreement Date and set forth in Part II of Schedule 6.1.(f).

(g) Existing Indebtedness. Schedule 6.1.(g) is, as of August 30, 2007, a complete and correct listing of all Indebtedness of the Parent and its Subsidiaries, including without limitation, Guarantees of the Parent and its Subsidiaries, and indicating whether such Indebtedness is Secured Indebtedness or Unsecured Indebtedness. During the period from such date to the Agreement Date, neither the Parent nor any Subsidiary has incurred any Indebtedness in excess of \$25,000,000 in aggregate principal amount. The Parent and its Subsidiaries have performed and are in compliance with all of the terms of such Indebtedness and all instruments and agreements relating thereto, and no default or event of default, or event or condition which with the giving of notice, the lapse of time, or both, would constitute such a default or event of default, exists with respect to any such Indebtedness.

(h) Material Contracts. Schedule 6.1.(h) is, as of the Agreement Date, a true, correct and complete listing of all Material Contracts. Each of the Parent, its Subsidiaries and the other Loan Parties that is a party to any Material Contract has performed and is in compliance with all of the terms of such Material Contract, and no default or event of default, or event or condition which with the giving of notice, the lapse of time, or both, would constitute such a default or event of default, exists with respect to any such Material Contract.

(i) Litigation. Except as set forth on Schedule 6.1.(i), there are no actions, suits, investigations or proceedings pending (nor, to the knowledge of the Parent or the Borrower, are there any actions, suits or proceedings threatened, nor to the knowledge of the Parent or the Borrower is there any basis therefor) against or in any other way relating adversely to or affecting the Parent, the Borrower, any Subsidiary or any other Loan Party or any of its respective property in any court or before any arbitrator of any kind or before or by any other Governmental Authority which could reasonably be expected to have a Material Adverse Effect. There are no strikes, slow downs, work stoppages or walkouts or other labor disputes in progress or threatened relating to the Parent, the Borrower, any Subsidiary or any other Loan Party which could reasonably be expected to have a Material Adverse Effect.

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(j) Taxes. All federal, state and other tax returns of the Parent, the Borrower, any Subsidiary or any other Loan Party required by Applicable Law to be filed have been duly filed, and all federal, state and other taxes, assessments and other governmental charges or levies upon the Parent, the Borrower, any Subsidiary and each other Loan Party and its respective properties, income, profits and assets which are due and payable have been paid, except any such nonpayment which is at the time permitted under Section 7.6. As of the Agreement Date, none of the United States income tax returns of the Parent, the Borrower, its Subsidiaries or any other Loan Party is under audit. All charges, accruals and reserves on the books of the Parent, the Borrower and each of its Subsidiaries and each other Loan Party in respect of any taxes or other governmental charges are in accordance with GAAP.

(k) Financial Statements. The Parent and the Borrower have furnished to each Lender copies of (i) the audited consolidated balance sheet of the Parent and its

consolidated Subsidiaries for the fiscal year ending December 31, 2006, and the related audited consolidated statements of operations, cash flows and shareholders' equity for the fiscal year ending on such dates, with the opinion thereon of PricewaterhouseCoopers LLP, and (ii) the unaudited consolidated balance sheet of the Parent and its consolidated Subsidiaries for the fiscal quarter ending June 30, 2007, and the related unaudited consolidated statements of operations, cash flows and shareholders' equity of the Parent and its consolidated Subsidiaries for the fiscal quarter ending on such date. Such financial statements (including in each case related schedules and notes) are complete and correct and present fairly, in accordance with GAAP consistently applied throughout the periods involved, the consolidated financial position of the Parent and its consolidated Subsidiaries as at their respective dates and the results of operations and the cash flow for such periods (subject, as to interim statements, to changes resulting from normal year-end audit adjustments). Neither the Parent nor any of its Subsidiaries has on the Agreement Date any material contingent liabilities, liabilities, liabilities for taxes, unusual or long-term commitments or unrealized or forward anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in said financial statements.

(l) No Material Adverse Change. Since December 31, 2006, there has been no material adverse change in the business, assets, liabilities, financial condition, results of operations, business or prospects of the Parent and its Subsidiaries taken as a whole. Each of the Parent, its Subsidiaries and the other Loan Parties is Solvent.

(m) ERISA. Each member of the ERISA Group is in compliance with its obligations under the minimum funding standards of ERISA and the Internal Revenue Code with respect to each Plan and is in compliance with the presently applicable provisions of ERISA and the Internal Revenue Code with respect to each Plan, except in each case for noncompliances which could not reasonably be expected to have a Material Adverse Effect. As of the Agreement Date, no member of the ERISA Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code in respect of any Plan, (ii) failed to make any contribution or payment to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement, or made any amendment to any Plan or Benefit Arrangement, which has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Internal Revenue Code or (iii) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

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(n) Not Plan Assets; No Prohibited Transaction. None of the assets of the Parent, the Borrower, any Subsidiary or any other Loan Party constitute "plan assets" within the meaning of ERISA, the Internal Revenue Code and the respective regulations promulgated thereunder. The execution, delivery and performance of this Agreement and the other Loan Documents, and the borrowing and repayment of amounts hereunder, do not and will not constitute "prohibited transactions" under ERISA or the Internal Revenue Code.

(o) Absence of Defaults. Neither the Parent, the Borrower, any Subsidiary nor any other Loan Party is in default under its articles of incorporation, bylaws, partnership agreement or other similar organizational documents, and no event has occurred, which has not been remedied, cured or waived, which, in any such case: (i) constitutes a Default or an Event of Default; or (ii) constitutes, or which with the passage of time, the giving of notice, a determination of materiality, the satisfaction of any condition, or any combination of the foregoing, would constitute, a default or event of default by the Parent, the Borrower, any Subsidiary or any other Loan Party under any agreement (other than this Agreement) or judgment, decree or order to which the Parent, the Borrower or any Subsidiary or other Loan Party is a party or by which the Parent, the Borrower or any Subsidiary or other Loan Party or any of their respective properties may be bound where such default or event of default could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(p) Environmental Laws. Each of the Parent, the Borrower, the Subsidiaries and the other Loan Parties has obtained all Governmental Approvals which are required under Environmental Laws and is in compliance with all terms and conditions of such Governmental Approvals which the failure to obtain or to comply with could reasonably be expected to have a Material Adverse Effect. Except for any of the following matters that could not be reasonably expected to have a Material Adverse Effect, (i) neither the Parent nor the Borrower is aware of, and has not received notice of, any past, present, or future events, conditions, circumstances, activities, practices, incidents, actions, or plans which, with respect to the Parent or the Borrower, the Subsidiaries and each other Loan Party, may interfere with or prevent compliance or continued compliance with Environmental Laws, or may give rise to any common-law or legal liability, or otherwise form the basis of any claim, action, demand, suit, proceeding, hearing, study, or investigation, based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling or the emission, discharge, release or threatened release into the environment, of any pollutant, contaminant, chemical, or industrial, toxic, or other Hazardous Material; and (ii) there is no civil, criminal, or administrative action, suit, demand, claim, hearing, notice, or demand letter, notice of violation, investigation, or proceeding pending or, to the Parent's and the Borrower's knowledge after due inquiry, threatened, against the Parent, the Borrower, the Subsidiaries and each other Loan Party relating in any way to Environmental Laws.

(q) Investment Company; Etc. Neither the Parent nor the Borrower nor any Subsidiary nor any other Loan Party is (i) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended or (ii) subject to any other Applicable Law which purports to regulate or restrict its

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ability to borrow money or to consummate the transactions contemplated by this Agreement or to perform its obligations under any Loan Document to which it is a party.

(r) Margin Stock. Neither the Parent nor the Borrower nor any Subsidiary nor any other Loan Party is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System.

(s) Affiliate Transactions. Except as permitted by Section 9.9., neither the Parent nor the Borrower nor any Subsidiary nor any other Loan Party is a party to or bound by any agreement or arrangement (whether oral or written) to which any Affiliate of the Parent, the Borrower, any Subsidiary or any other Loan Party is a party.

(t) Intellectual Property. Each of the Parent, the Borrower, each other Loan Party and each other Subsidiary owns or has the right to use, under valid license agreements or otherwise, all material patents, licenses, franchises, trademarks, trademark rights, trade names, trade name rights, trade secrets and copyrights (collectively, "Intellectual Property") necessary to the conduct of its businesses as now conducted and as contemplated by the Loan Documents, without known conflict with any patent, license, franchise, trademark, trade secret, trade name, copyright, or other proprietary right of any other Person. The Parent, the Borrower, each other Loan Party and each other Subsidiary have taken all such steps as they deem reasonably necessary to protect their respective rights under and with respect to such Intellectual Property. No material claim has been asserted by any Person with respect to the use of any Intellectual Property by the Parent, the Borrower, any other Loan Party or any other Subsidiary, or challenging or questioning the validity or effectiveness of any Intellectual Property. The use of such Intellectual Property by the Parent, the Borrower, the Subsidiaries and the other Loan Parties, does not infringe on the rights of any Person, subject to such claims and infringements as do not, in the aggregate, give rise to any liabilities on the part of the Parent, the Borrower, any other Loan Party or any other Subsidiary that could reasonably be expected to have a Material Adverse Effect.

(u) Business. As of the Agreement Date, the Parent and its Subsidiaries are engaged in the business of owning, managing, leasing, acquiring and developing real properties located in the United States of America, together with other business activities incidental thereto.

(v) Broker's Fees. No broker's or finder's fee, commission or similar compensation will be payable with respect to the transactions contemplated hereby. No other similar fees or commissions will be payable by any Loan Party for any other services rendered to the Parent or any of its Subsidiaries ancillary to the transactions contemplated hereby.

(w) Accuracy and Completeness of Information. No written information, report or other papers or data (excluding financial projections and other forward looking statements) furnished to the Agent or any Lender by, on behalf of, or at the direction of, the Parent, the Borrower, any Subsidiary or any other Loan Party in connection with or relating in any way to this Agreement, contained any untrue statement of a fact material to the creditworthiness of the

Parent, the Borrower, any Subsidiary or any other Loan Party or omitted to state a material fact necessary in order to make such statements contained therein, in light of the circumstances under which they were made, not misleading. All financial statements furnished to the Agent or any Lender by, on behalf of, or at the direction of, the Parent, the Borrower, any Subsidiary or any other Loan Party in connection with or relating in any way to this Agreement, present fairly, in accordance with GAAP consistently applied throughout the periods involved, the financial position of the Persons involved as at the date thereof and the results of operations for such periods. All financial projections and other forward looking statements prepared by or on behalf of the Parent, the Borrower, any Subsidiary or any other Loan Party that have been or may hereafter be made available to the Agent or any Lender were or will be prepared in good faith based on reasonable assumptions. As of the Effective Date, no fact is known to the Parent or the Borrower which has had, or may in the future have (so far as the Parent or the Borrower can reasonably foresee), a Material Adverse Effect which has not been set forth in the financial statements referred to in Section 6.1.(k) or in such information, reports or other papers or data or otherwise disclosed in writing to the Agent and the Lenders.

(x) REIT Status. The Parent qualifies as a REIT and is in compliance with all requirements and conditions imposed under the Internal Revenue Code to allow the Parent to maintain its status as a REIT.

(y) Properties. As of the Agreement Date, Schedule 6.1.(y) is a correct and complete list of all Properties included in the calculation of Unencumbered Asset Value. Each of the assets included by the Borrower in calculations of Unencumbered Asset Value satisfies all of the requirements contained in the definitions of "Wholly Owned Property", "Controlled Property" or "Non-Controlled Property", as applicable, and "Eligible Unencumbered Property".

(z) Foreign Assets Control. To the best of the Borrower's knowledge after due inquiry, the Borrower and each Guarantor are not Persons with whom the Agent and the Lenders are restricted from doing business under the regulations of OFAC (including, Sanctioned Persons) or under any statute, executive order (including, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not engaged in any dealings or transactions or otherwise be associated with such Persons.

Section 6.2. Survival of Representations and Warranties, Etc.

All statements contained in any certificate, financial statement or other instrument delivered by or on behalf of the Parent, the Borrower, any Subsidiary or any other Loan Party to the Agent or any Lender pursuant to or in connection with this Agreement or any of the other Loan Documents (including, but not limited to, any such statement made in or in connection with any amendment thereto or any statement contained in any certificate, financial statement or other instrument delivered by or on behalf of the Parent or the Borrower prior to the Agreement Date and delivered to the Agent or any Lender in connection with the underwriting or closing of the transactions contemplated hereby) shall constitute representations and warranties made by the Borrower and the Parent in favor of the Agent or any of the Lenders under this Agreement. All representations and warranties made under this Agreement and the other Loan Documents shall be deemed to be made at and as of the Agreement Date, the Effective Date, the date on which

any extension of the Termination Date is effectuated pursuant to Section 2.12. and the date of the occurrence of any Credit Event, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date) and except for changes in factual circumstances not prohibited hereunder. All such representations and warranties shall survive the effectiveness of this Agreement, the execution and delivery of the Loan Documents and the making of the Loans and the issuance of the Letters of Credit.

ARTICLE VII. AFFIRMATIVE COVENANTS

For so long as this Agreement is in effect, unless the Requisite Lenders (or, if required pursuant to Section 12.6., all of the Lenders) shall otherwise consent in the manner provided for in Section 12.6., the Parent and the Borrower shall comply with the following covenants:

Section 7.1. Preservation of Existence and Similar Matters.

Except as otherwise permitted under Section 9.5., the Parent and the Borrower shall, and shall cause each Subsidiary and each other Loan Party to, preserve and maintain its respective existence, rights, franchises, licenses and privileges in the jurisdiction of its incorporation or formation and qualify and remain qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification and authorization and where the failure to be so authorized and qualified could reasonably be expected to have a Material Adverse Effect.

Section 7.2. Compliance with Applicable Law and Material Contracts.

The Parent and the Borrower shall, and shall cause each Subsidiary and each other Loan Party to, comply with (a) all Applicable Laws, including the obtaining of all Governmental Approvals, the failure with which to comply could reasonably be expected to have a Material Adverse Effect, and (b) all terms and conditions of all Material Contracts to which it is a party.

Section 7.3. Maintenance of Property.

In addition to the requirements of any of the other Loan Documents, the Parent and the Borrower shall, and shall cause each Subsidiary and other Loan Party to, (a) protect and preserve all of its material properties, including, but not limited to, all Intellectual Property, and maintain in good repair, working order and condition all tangible properties, ordinary wear and tear excepted, and (b) make or cause to be made all needed and appropriate repairs, renewals, replacements and additions to such properties, so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

Section 7.4. Conduct of Business.

The Parent and the Borrower shall, and shall cause their Subsidiaries and the other Loan Parties to carry on, their respective businesses as described in Section 6.1.

(u).

Section 7.5. Insurance.

In addition to the requirements of any of the other Loan Documents, the Parent and the Borrower shall, and shall cause each Subsidiary and other Loan Party to, maintain insurance (on a replacement cost basis) with financially sound and reputable insurance companies against such risks and in such amounts as is customarily maintained by Persons engaged in similar businesses or as may be required by Applicable Law, and from time to time deliver to the Agent upon its request a detailed list, together with copies of all policies of the insurance then in effect, stating the names of the insurance companies, the amounts and rates of the insurance, the dates of the expiration thereof and the properties and risks covered thereby.

Section 7.6. Payment of Taxes and Claims.

The Parent and the Borrower shall, and shall cause each Subsidiary and other Loan Party to, pay and discharge when due (a) all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or upon any properties belonging to it, and (b) all lawful claims of materialmen, mechanics, carriers, warehousemen and landlords for labor, materials, supplies and rentals which, if unpaid, might become a Lien on any properties of such Person; provided, however, that this Section shall not require the payment or discharge of any such tax, assessment, charge, levy or claim which is being contested in good faith by appropriate proceedings which operate to suspend the collection thereof and for which adequate reserves have been established on the books of the Parent, the Borrower, such Subsidiary or such other Loan Party, as applicable, in accordance with GAAP.

Section 7.7. Visits and Inspections.

The Parent and the Borrower shall, and shall cause each Subsidiary and other Loan Party to, permit representatives or agents of any Lender or the Agent, from time to time after reasonable prior notice if no Event of Default shall be in existence, as often as may be reasonably requested, but only during normal business hours and at the expense of such Lender or the Agent (unless a Default or Event of Default shall exist, in which case the exercise by the Agent or such Lender of its rights under this Section shall be at the expense of the Borrower), as the case may be, to: (a) visit and inspect all properties of the Parent, the Borrower or such Subsidiary or other Loan Party to the extent any such right to visit or inspect is within the control of such Person; (b) inspect and make extracts from their respective books and records, including but not limited to management letters prepared by independent accountants; and (c) discuss with its officers and employees, and its independent accountants, its business, properties, condition (financial or otherwise), results of operations and performance. If requested by the Agent, the Parent shall execute an authorization letter addressed to its accountants authorizing the Agent or any Lender to discuss the financial affairs of the Parent and any Subsidiary or any other Loan Party with its accountants.

Section 7.8. Use of Proceeds; Letters of Credit.

The Borrower shall use the proceeds of the Loans and the Letters of Credit for acquisitions, development and other general corporate purposes only. No part of the proceeds of any Loan or Letter of Credit will be used (a) for the purpose of buying or carrying "margin

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stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or to extend credit to others for the purpose of purchasing or carrying any such margin stock or (b) to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or Sanctioned Entity.

Section 7.9. Environmental Matters.

The Parent shall, and shall cause all of its Subsidiaries and the other Loan Parties to, comply with all Environmental Laws the failure with which to comply could reasonably be expected to have a Material Adverse Effect. If the Parent, the Borrower, any Subsidiary or any other Loan Party shall (a) receive notice that any violation of any Environmental Law may have been committed or is about to be committed by such Person, (b) receive notice that any administrative or judicial complaint or order has been filed or is about to be filed against the Parent, the Borrower, any Subsidiary or any other Loan Party alleging violations of any Environmental Law or requiring the Parent, the Borrower, any Subsidiary or any other Loan Party to take any action in connection with the release of Hazardous Materials or (c) receive any notice from a Governmental Authority or private party alleging that the Parent, the Borrower, any Subsidiary or any other Loan Party may be liable or responsible for costs associated with a response to or cleanup of a release of Hazardous Materials or any damages caused thereby, and such notices, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, the Borrower shall provide the Agent with a copy of such notice promptly, and in any event within 10 Business Days, after the receipt thereof by the Parent, the Borrower, any Subsidiary or any other Loan Party. The Parent shall, and shall cause its Subsidiaries and the other Loan Parties to, take promptly all actions necessary to prevent the imposition of any Liens on any of their respective properties arising out of or related to any Environmental Laws.

Section 7.10. Books and Records.

The Parent shall, and shall cause each of its Subsidiaries and the other Loan Parties to, maintain books and records pertaining to its respective business operations in such detail, form and scope as is consistent with good business practice and in accordance with GAAP.

Section 7.11. Further Assurances.

The Parent and the Borrower shall, at the Borrower's cost and expense and upon request of the Agent, execute and deliver or cause to be executed and delivered, to the Agent such further instruments, documents and certificates, and do and cause to be done such further acts that may be reasonably necessary or advisable in the reasonable opinion of the Agent to carry out more effectively the provisions and purposes of this Agreement and the other Loan Documents.

Section 7.12. Guarantors.

(a) Inclusion of Eligible Unencumbered Properties Owned by Material Subsidiaries An Eligible Unencumbered Property owned or leased by any Subsidiary that becomes a Material Subsidiary after the Effective Date shall be included in determinations of Unencumbered Adjusted NOI and Unencumbered Asset Value only if the Borrower delivers to the Agent an Accession Agreement executed by such Material Subsidiary. In addition, within 30 days of the

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delivery of such Accession Agreement, the Borrower shall deliver the items that would have been delivered under Sections 5.1.(iv), (v), (ix) through (xii) and (xvi) with respect to such Material Subsidiary if such Material Subsidiary had been a Guarantor on the Effective Date, and if the Borrower fails to deliver such items by the date required, then such Eligible Unencumbered Property shall be excluded in determinations of Unencumbered Adjusted NOI and Unencumbered Asset Value until such items have been delivered.

(b) Release of a Guarantor. The Borrower may request in writing that the Agent release, and upon receipt of such request the Agent shall release, a Guarantor (other than the Parent) from the Guaranty so long as: (i) such Guarantor has ceased to be, or simultaneously with its release from the Guaranty will cease to be, a Material Subsidiary; (ii) no Default or Event of Default shall then be in existence or would occur as a result of such release; and (iii) the Agent shall have received such written request at least 10 Business Days (or such shorter period as may be acceptable to the Agent) prior to the requested date of release. Delivery by the Borrower to the Agent of any such request shall constitute a representation by the Borrower that the matters set forth in the preceding sentence (both as of the date of the giving of such request and as of the date

of the effectiveness of such request) are true and correct with respect to such request.

Section 7.13. REIT Status.

The Parent shall at all times maintain its status as a REIT.

Section 7.14. Exchange Listing.

The Parent shall maintain at least one class of common shares of the Parent having trading privileges on the New York Stock Exchange or the American Stock Exchange or which is the subject of price quotations in the over-the-counter market as reported by the National Association of Securities Dealers Automated Quotation System.

ARTICLE VIII. INFORMATION

For so long as this Agreement is in effect, unless the Requisite Lenders (or, if required pursuant to Section 12.6., all of the Lenders) shall otherwise consent in the manner set forth in Section 12.6., the Borrower and the Parent shall furnish to each Lender (or to the Agent if so provided below) at its Lending Office:

Section 8.1. Quarterly Financial Statements.

As soon as available and in any event within 10 days after the same is required to be filed with the Securities and Exchange Commission (but in no event later than 55 days after the end of each of the first, second and third fiscal quarters of the Parent), the unaudited consolidated balance sheet of the Parent and its Subsidiaries as at the end of such period and the related unaudited consolidated statements of income, shareholders' equity and cash flows of the Parent and its Subsidiaries for such period, setting forth in each case in comparative form the figures as of the end of and for the corresponding periods of the previous fiscal year, all of which shall be certified by the chief financial officer or controller of the Parent, in his or her opinion, to present

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fairly, in accordance with GAAP and in all material respects, the consolidated financial position of the Parent and its Subsidiaries as at the date thereof and the results of operations for such period (subject to normal year-end audit adjustments).

Section 8.2. Year-End Statements.

As soon as available and in any event within 10 days after the same is required to be filed with the Securities and Exchange Commission (but in no event later than 100 days after the end of each fiscal year of the Parent), the audited consolidated balance sheet of the Parent and its Subsidiaries as at the end of such fiscal year and the related audited consolidated statements of income, shareholders' equity and cash flows of the Parent and its Subsidiaries for such fiscal year, setting forth in comparative form the figures as at the end of and for the previous fiscal year, all of which shall be certified by (a) the chief financial officer or controller of the Parent, in his or her opinion, to present fairly, in accordance with GAAP, the consolidated financial position of the Parent and its Subsidiaries as at the date thereof and the results of operations for such period and (b) independent certified public accountants of recognized national standing, whose certificate shall be unqualified.

Section 8.3. Compliance Certificate.

At the time financial statements are furnished pursuant to Sections 8.1. and 8.2., and within 5 Business Days of the Agent's request with respect to any other fiscal period, a certificate substantially in the form of Exhibit I (a "Compliance Certificate") executed by the chief financial officer or treasurer of each of the Parent and the Borrower: (a) setting forth in reasonable detail as at the end of such quarterly accounting period, fiscal year, or other fiscal period, as the case may be, the calculations required to establish whether or not the Parent and the Borrower were in compliance with the covenants contained in Sections 9.1. and (b) stating that, to the best of such Person's knowledge, information and belief after due inquiry, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default and its nature, when it occurred, whether it is continuing and the steps being taken by the Borrower with respect to such event, condition or failure. Together with each Compliance Certificate delivered in connection with quarterly or annual financial statements, the Borrower and the Parent shall deliver a report, in form and detail reasonably satisfactory to the Agent, setting forth a Statement of Funds From Operations for the fiscal period then ending.

Section 8.4. Other Information.

(a) Management Reports. Promptly upon receipt thereof, copies of all management reports, if any, submitted to the Parent or its respective Boards of Trustees by its independent public accountants;

(b) Securities Filings. Within 5 Business Days of the filing thereof, copies of all registration statements (excluding the exhibits thereto (unless requested by the Agent) and any registration statements on Form S-8 or its equivalent), reports on Forms 10-K, 10-Q and 8-K (or their equivalents) and all other periodic or current reports which the Parent, the Borrower, any of their respective Subsidiaries or any other Loan Party shall file with the Securities and Exchange

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Commission (or any Governmental Authority substituted therefor) or any national securities exchange;

(c) Shareholder Information. Promptly upon the mailing thereof to the shareholders of the Parent generally, copies of all financial statements, reports and proxy statements so mailed and promptly upon the issuance thereof copies of all press releases issued by the Parent, the Borrower, any Subsidiary or any other Loan Party;

(d) ERISA. If and when any member of the ERISA Group (i) gives or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code, a copy of such application; (v) gives notice of intent to terminate any Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Plan pursuant to Section 4063 of ERISA, a copy of such notice; or (vii) fails to make any payment or contribution to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement or makes any amendment to any Plan or Benefit Arrangement which has resulted or could result in the imposition of a Lien or the posting of a bond or other security, a certificate of the chief financial officer of the Borrower or the Parent, as applicable, setting forth details as to such occurrence and the action, if any, which the Parent, the Borrower or applicable member of the ERISA Group is required or proposes to take;

(e) Litigation. To the extent the Parent, the Borrower or any Subsidiary is aware of the same, prompt notice of the commencement of any proceeding or

investigation by or before any Governmental Authority and any action or proceeding in any court or other tribunal or before any arbitrator against or in any other way relating adversely to, or adversely affecting, the Parent, the Borrower or any Subsidiary or any of their respective properties, assets or businesses which could reasonably be expected to have a Material Adverse Effect, and prompt notice of the receipt of notice that any United States income tax returns of the Parent, the Borrower or any Subsidiary are being audited;

(f) Modification of Organizational Documents. A copy of all amendments to the articles of incorporation, bylaws, partnership agreement, operating agreement or other similar organizational documents of the Parent, the Borrower or any other Loan Party adopted during any fiscal quarter within 30 Business Days after the end of such fiscal quarter;

(g) Change of Management or Financial Condition. Prompt notice of any change in the senior management of the Parent, the Borrower, any Subsidiary or any other Loan Party and any change in the business, assets, liabilities, financial condition, results of operations or

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business prospects of the Parent, the Borrower, any Subsidiary or any other Loan Party which has had or could reasonably be expected to have a Material Adverse Effect;

(h) Default. Notice of the occurrence of any of the following promptly upon a Responsible Officer of the Parent or the Borrower obtaining knowledge thereof: (i) any Default or Event of Default or (ii) any event which constitutes or which with the passage of time, the giving of notice, or otherwise, would constitute a default or event of default by the Parent, the Borrower, any Subsidiary or any other Loan Party under any Material Contract to which any such Person is a party or by which any such Person or any of its respective properties may be bound;

(i) Notice of Violations of Law. Prompt notice if the Parent, the Borrower, any Subsidiary or any other Loan Party shall receive any notification from any Governmental Authority alleging a violation of any Applicable Law or any inquiry which, in either case, could reasonably be expected to have a Material Adverse Effect;

(j) Material Subsidiary. Prompt notice of any Person becoming a Material Subsidiary;

(k) Material Asset Sales. Prompt notice of the sale, transfer or other disposition of, in one or a series of related transactions, assets constituting 10% or more of the Total Asset Value to any Person other than the Parent, the Borrower, any Subsidiary or any other Loan Party;

(l) Material Contracts. Promptly upon entering into any Material Contract after the Agreement Date, a copy to the Agent of such Material Contract;

(m) Patriot Act Information, Etc. From time to time and promptly upon each request, (i) information identifying the Borrower as a Lender may request in order to comply with the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) and (ii) any information that the Agent reasonably deems necessary from time to time in order to ensure compliance with all Applicable Laws concerning money laundering and similar activities; and

(n) Other Information. From time to time and promptly upon each request, such data, certificates, reports, statements, opinions of counsel, documents or further information regarding the business, assets, liabilities, financial condition, results of operations or business prospects of the Parent, the Borrower or any of their respective Subsidiaries as the Agent or any Lender may reasonably request.

ARTICLE IX. NEGATIVE COVENANTS

For so long as this Agreement is in effect, unless the Requisite Lenders (or, if required pursuant to Section 12.6., all of the Lenders) shall otherwise consent in the manner set forth in Section 12.6., the Borrower and the Parent shall comply with the following covenants:

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Section 9.1. Financial Covenants.

Neither the Parent nor the Borrower shall permit:

(a) Maximum Leverage Ratio. The ratio of (i) Total Indebtedness to (ii) Total Asset Value, to exceed 0.65 to 1.0 at any time.

(b) Minimum Fixed Charge Coverage Ratio. The ratio of (i) Adjusted EBITDA of the Parent and its Subsidiaries determined on a consolidated basis for the fiscal quarter of the Parent most recently ending to (ii) Fixed Charges for such period, to be less than 1.40 to 1.00 at any time.

(c) Maximum Secured Indebtedness Ratio. The ratio of (i) Secured Indebtedness of the Parent and its Subsidiaries determined on a consolidated basis to (ii) Total Asset Value, to be greater than 0.55 to 1.00 at any time.

(d) Unencumbered Leverage Ratio. The ratio of (i) Unsecured Indebtedness of the Parent and its Subsidiaries to (ii) Unencumbered Asset Value, to be greater than 0.65 to 1.00 at any time.

(e) Minimum Unencumbered Interest Coverage Ratio. The ratio of (i) Unencumbered Adjusted NOI for the fiscal quarter of the Parent most recently ending to (ii) Unsecured Interest Expense for such period, to be less than 1.75 to 1.00 at any time.

(f) Minimum Net Worth. Tangible Net Worth at any time to be less than (i) \$820,000,000 plus (ii) 75% of the Net Proceeds of all Equity Issuances effected by the Parent or any Subsidiary after the Effective Date.

Section 9.2. Restricted Payments.

If a Default or Event of Default exists, the Parent shall not, and shall not permit any of its Subsidiaries to, declare or make any Restricted Payment except (a) to the Parent or any Subsidiary and (b) the Borrower may pay cash dividends to the Parent and other holders of partnership interests in the Borrower on a pro rata basis with respect to any fiscal year ending during the term of this Agreement to the extent necessary for the Parent to distribute, and the Parent may so distribute, cash dividends to its shareholders in an aggregate amount not to exceed the minimum amount necessary for the Parent to remain in compliance with Section 7.13. If a Default or Event of Default specified in Section 10.1.(f) or Section 10.1.(g) shall exist, or if as a result of the occurrence of any other Event of Default any of the Obligations have been accelerated pursuant to Section 10.2.(a), the Parent shall not, and shall not permit any Subsidiary to, make any Restricted Payments to any Person other than to the Parent or any Subsidiary.

Section 9.3. Indebtedness.

The Parent and the Borrower shall not, and shall not permit any Subsidiary or any other Loan Party to, incur, assume, or otherwise become obligated in respect of

respect thereof, or immediately thereafter and after giving effect thereto, a Default or Event of Default is or would be in existence, including without limitation, a Default or Event of Default resulting from a violation of any of the covenants contained in Section 9.1.

Section 9.4. Liens; Negative Pledges; Other Matters.

(a) The Parent and the Borrower shall not, and shall not permit any Subsidiary or other Loan Party to, create, assume, or incur any Lien (other than Permitted Liens) upon any of its properties, assets, income or profits of any character whether now owned or hereafter acquired if immediately prior to the creation, assumption or incurring of such Lien, or immediately thereafter, a Default or Event of Default is or would be in existence, including without limitation, a Default or Event of Default resulting from a violation of any of the covenants contained in Section 9.1.

(b) The Parent and the Borrower shall not, and shall not permit any Subsidiary or other Loan Party to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary (other than an Excluded Subsidiary) to: (i) pay dividends or make any other distribution on any of such Subsidiary's capital stock or other equity interests owned by the Parent or any Subsidiary; (ii) pay any Indebtedness owed to the Parent or any Subsidiary; (iii) make loans or advances to the Parent or any Subsidiary; or (iv) transfer any of its property or assets to the Parent or any Subsidiary.

Section 9.5. Merger, Consolidation, Sales of Assets and Other Arrangements.

The Parent and the Borrower shall not, and shall not permit any Subsidiary or other Loan Party to: (i) enter into any transaction of merger or consolidation; (ii) liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution); or (iii) convey, sell, lease, sublease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any substantial part of its business or assets, whether now owned or hereafter acquired; provided, however, that:

(a) any of the actions described in the immediately preceding clauses (i) through (iii) may be taken with respect to any Subsidiary or any other Loan Party (other than the Parent or the Borrower) so long as immediately prior to the taking of such action, and immediately thereafter and after giving effect thereto, no Default or Event of Default is or would be in existence; notwithstanding the foregoing, any such Loan Party (other than the Borrower) may enter into a transaction of merger pursuant to which such Loan Party is not the survivor of such merger only if (i) the Borrower shall have given the Agent and the Lenders at least 30 Business Days' prior written notice of such merger, such notice to include a certification to the effect that immediately after and after giving effect to such action, no Default or Event of Default is or would be in existence; (ii) within 5 Business Days of consummation of such merger, the survivor entity (if not already a Guarantor) shall have executed and delivered an assumption agreement in form and substance satisfactory to the Agent pursuant to which such survivor entity shall expressly assume all of the such Loan Party's Obligations under the Loan Documents to which it is a party; (iii) within 30 days of consummation of such merger, the survivor entity delivers to the Agent the following: (A) items of the type referred to in Sections 5.1.(a)(iv), (v), (ix) through (xii) and

(xvi) with respect to the survivor entity as in effect after consummation of such merger (if not previously delivered to the Agent and still in effect), (B) copies of all documents entered into by such Loan Party or the survivor entity to effectuate the consummation of such merger, including, but not limited to, articles of merger and the plan of merger, (C) copies, certified by the Secretary or Assistant Secretary (or other individual performing similar functions) of such Loan Party or the survivor entity, of all corporate and shareholder action authorizing such merger and (D) copies of any filings with the Securities and Exchange Commission in connection with such merger; and (iv) such Loan Party and the survivor entity each takes such other action and delivers such other documents, instruments, opinions and agreements as the Agent may reasonably request;

(b) the Parent, the Borrower, the Subsidiaries and the other Loan Parties may lease and sublease their respective assets, as lessor or sublessor (as the case may be), in the ordinary course of their business;

(c) a Person may merge with and into the Borrower or the Parent so long as (i) the Borrower or the Parent, as the case may be, is the survivor of such merger, (ii) immediately prior to such merger, and immediately thereafter and after giving effect thereto, no Default or Event of Default is or would be in existence, (iii) the Borrower shall have given the Agent and the Lenders at least 30 Business Days' prior written notice of such merger, such notice to include a certification as to the matters described in the immediately preceding clause (ii) (except that in the case of the merger of a Subsidiary with and into the Borrower or the Parent such notice may be given no later 5 Business Days following the consummation of such merger); and

(d) subject to the limitations and requirements of Section 7.12., the Parent, the Borrower and each Subsidiary may sell, transfer or dispose of assets among themselves.

Section 9.6. Fiscal Year.

Neither the Parent nor the Borrower shall change its fiscal year from that in effect as of the Agreement Date.

Section 9.7. Modifications to Material Contracts.

The Parent and the Borrower shall not, and shall not permit any Subsidiary or other Loan Party to, enter into any amendment or modification to any Material Contract which could reasonably be expected to have a Material Adverse Effect.

Section 9.8. Modifications of Organizational Documents.

The Parent and the Borrower shall not, and shall not permit any Loan Party or other Subsidiary to, amend, supplement, restate or otherwise modify its articles or certificate of incorporation, by-laws, operating agreement, declaration of trust, partnership agreement or other applicable organizational document if such amendment, supplement, restatement or other modification could reasonably be expected to have a Material Adverse Effect.

Section 9.9. Transactions with Affiliates.

The Parent and the Borrower shall not, and shall not permit any Subsidiary or any other Loan Party to, permit to exist or enter into, any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate, except transactions in the ordinary course of and pursuant to the reasonable requirements of the business of the Parent or any of its Subsidiaries and upon fair and reasonable terms which are no less favorable to the Parent or such Subsidiary

than would be obtained in a comparable arm's length transaction with a Person that is not an Affiliate.

Section 9.10. ERISA Exemptions.

The Parent and the Borrower shall not, and shall not permit any Subsidiary to, permit any of its respective assets to become or be deemed to be "plan assets" within the meaning of ERISA, the Internal Revenue Code and the respective regulations promulgated thereunder.

Section 9.11. Foreign Assets Control.

The Borrower and each Guarantor shall not be at any time a Person with whom the Agent and the Lenders are restricted from doing business under the regulations of OFAC (including, Sanctioned Persons) or under any statute, executive order (including, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and shall not engage in any dealings or transactions or otherwise be associated with such Persons.

ARTICLE X. DEFAULT

Section 10.1. Events of Default.

Each of the following shall constitute an Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of Applicable Law or pursuant to any judgment or order of any Governmental Authority:

(a) Default in Payment of Principal. The Borrower shall fail to pay when due (whether upon demand, at maturity, by reason of acceleration or otherwise) the principal of any of the Loans, or any Reimbursement Obligation.

(b) Default in Payment of Interest and Other Obligations. The Borrower shall fail to pay when due any interest on any of the Loans or any of the other payment Obligations owing by the Borrower under this Agreement or any other Loan Document, or any other Loan Party shall fail to pay when due any payment Obligation owing by such other Loan Party under any Loan Document to which it is a party, and such failure shall continue for a period of 5 Business Days.

(c) Default in Performance. (i) The Parent or the Borrower shall fail to perform or observe any term, covenant, condition or agreement contained in Section 8.4.(h) or in Article IX. or (ii) the Borrower or any other Loan Party shall fail to perform or observe any term, covenant, condition or agreement contained in this Agreement or any other Loan Document to which it is a

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party and not otherwise mentioned in this Section and in the case of this clause (ii) only such failure shall continue for a period of 30 days after the earlier of (x) the date upon which a Responsible Officer of the Borrower or such Loan Party obtains knowledge of such failure or (y) the date upon which the Borrower has received written notice of such failure from the Agent.

(d) Misrepresentations. Any written statement, representation or warranty made or deemed made by or on behalf of the Parent, the Borrower or any other Loan Party under this Agreement or under any other Loan Document, or any amendment hereto or thereto, or in any other writing or statement at any time furnished or made or deemed made by or on behalf of the Borrower or any other Loan Party to the Agent or any Lender, shall at any time prove to have been incorrect or misleading, in light of the circumstances in which made or deemed made, in any material respect when furnished or made or deemed made.

(e) Indebtedness Cross-Default: Derivatives Contracts.

(i) The Parent, the Borrower or any Subsidiary or any other Loan Party shall fail to pay when due and payable the principal of, or interest on, any Indebtedness (other than the Loans) having an aggregate outstanding principal amount of \$50,000,000 or more (or \$75,000,000 or more in the case of Nonrecourse Indebtedness) ("Material Indebtedness") and as a result, the holder or holders of such Material Indebtedness, any trustee or agent acting on behalf of such holder or holders or any other Person, is permitted to accelerate the maturity of any such Material Indebtedness or require any such Material Indebtedness to be prepaid or repurchased prior to its stated maturity; or

(ii) (x) the maturity of any Material Indebtedness shall have been accelerated in accordance with the provisions of any indenture, contract or instrument evidencing, providing for the creation of or otherwise concerning such Material Indebtedness or (y) any Material Indebtedness shall have been required to be prepaid or repurchased prior to the stated maturity thereof; or

(iii) any other event shall have occurred and be continuing with respect to any Material Indebtedness and as a result, the holder or holders of Material Indebtedness, any trustee or agent acting on behalf of such holder or holders or any other Person, is permitted to accelerate the maturity of any such Material Indebtedness or require any such Material Indebtedness to be prepaid or repurchased prior to its stated maturity; or

(iv) there occurs under any Derivatives Contract an Early Termination Date (as defined in such Derivatives Contract) resulting from (A) any event of default under such Derivatives Contract as to which any Loan Party is the Defaulting Party (as defined in such Derivatives Contract) or (B) any Termination Event (as so defined) under such Derivatives Contract as to which any Loan Party is an Affected Party (as so defined) and, in either event, the Derivatives Termination Value owed by any Loan Party as a result thereof is \$50,000,000 or more.

(f) Voluntary Bankruptcy Proceeding. The Parent, the Borrower, any other Loan Party or any Material Subsidiary shall: (i) commence a voluntary case under the Bankruptcy

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Code of 1978, as amended, or other federal bankruptcy laws (as now or hereafter in effect); (ii) file a petition seeking to take advantage of any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; (iii) consent to, or fail to contest in a timely and appropriate manner, any petition filed against it in an involuntary case under such bankruptcy laws or other Applicable Laws or consent to any proceeding or action described in the immediately following subsection; (iv) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign; (v) admit in writing its inability to pay its debts as they become due; (vi) make a general assignment for the benefit of creditors; (vii) make a conveyance fraudulent as to creditors under any Applicable Law; or (viii) take any corporate or partnership action for the purpose of effecting any of the foregoing.

(g) Involuntary Bankruptcy Proceeding. A case or other proceeding shall be commenced against the Parent, the Borrower, any other Loan Party or any Material Subsidiary of the Parent or the Borrower in any court of competent jurisdiction seeking: (i) relief under the Bankruptcy Code of 1978, as amended, or other federal bankruptcy laws (as now or hereafter in effect) or under any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up, or

composition or adjustment of debts; or (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of such Person, or of all or any substantial part of the assets, domestic or foreign, of such Person, and such case or proceeding shall continue undismissed or unstayed for a period of 60 consecutive calendar days, or an order granting the remedy or other relief requested in such case or proceeding against the Parent, the Borrower, such Subsidiary or such other Loan Party (including, but not limited to, an order for relief under such Bankruptcy Code or such other federal bankruptcy laws) shall be entered.

(h) Litigation; Enforceability. The Parent, the Borrower, any Subsidiary or any other Loan Party shall disavow, revoke or terminate (or attempt to terminate) any Loan Document to which it is a party or shall otherwise challenge or contest in any action, suit or proceeding in any court or before any Governmental Authority the validity or enforceability of this Agreement, any Note or any other Loan Document or this Agreement, any Note, the Guaranty or any other Loan Document shall cease to be in full force and effect (except as a result of the express terms thereof).

(i) Judgment. A judgment or order for the payment of money or for an injunction shall be entered against the Parent, the Borrower, any Subsidiary or any other Loan Party, by any court or other tribunal and (i) such judgment or order shall continue for a period of 30 days without being paid, stayed or dismissed through appropriate appellate proceedings and (ii) either (A) the amount of such judgment or order for which insurance has not been acknowledged in writing by the applicable insurance carrier (or the amount as to which the insurer has denied liability) exceeds, individually or together with all other such outstanding judgments or orders \$50,000,000 or (y) (B) in the case of an injunction or other non-monetary judgment, such judgment could reasonably be expected to have a Material Adverse Effect.

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(j) Attachment. A warrant, writ of attachment, execution or similar process shall be issued against any property of the Parent, the Borrower, any Subsidiary of the Parent or the Borrower or any other Loan Party which exceeds, individually or together with all other such warrants, writs, executions and processes, \$50,000,000 in amount and such warrant, writ, execution or process shall not be discharged, vacated, stayed or bonded for a period of 30 days; provided, however, that if a bond has been issued in favor of the claimant or other Person obtaining such warrant, writ, execution or process, the issuer of such bond shall execute a waiver or subordination agreement in form and substance satisfactory to the Agent pursuant to which the issuer of such bond subordinates its right of reimbursement, contribution or subrogation to the Obligations and waives or subordinates any Lien it may have on the assets of any Loan Party.

(k) ERISA. Any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of \$20,000,000 which it shall have become liable to pay under Title IV of ERISA; or notice of intent to terminate a Plan or Plans having aggregate Unfunded Liabilities in excess of \$20,000,000 shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer, any Plan or Plans having aggregate Unfunded Liabilities in excess of \$20,000,000; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any such Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which could cause one or more members of the ERISA Group to incur a current payment obligation in excess of \$20,000,000.

(l) Loan Documents. An Event of Default (as defined therein) shall occur under any of the other Loan Documents.

(m) Change of Control/Change in Management.

(i) Any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person will be deemed to have "beneficial ownership" of all securities that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 25% of the total voting power of the then outstanding voting stock of the Parent;

(ii) During any period of 12 consecutive months ending after the Agreement Date, individuals who at the beginning of any such 12-month period constituted the Board of Trustees of the Parent (together with any new trustees whose election by such Board or whose nomination for election by the shareholders of the Parent was approved by a vote of a majority of the trustees then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Trustees of the Parent then in office; or

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(iii) Parent, or any Wholly Owned Subsidiary of the Parent, shall cease for any reason to be the general partner of the Borrower.

Section 10.2. Remedies Upon Event of Default.

Upon the occurrence of an Event of Default the following provisions shall apply:

(a) Acceleration; Termination of Facilities.

(i) Automatic. Upon the occurrence of an Event of Default specified in Sections 10.1.(f) or 10.1.(g), (A)(i) the principal of, and all accrued interest on, the Loans and the Notes at the time outstanding, (ii) an amount equal to the Stated Amount of all Letters of Credit outstanding as of the date of the occurrence of such Event of Default for deposit into the Collateral Account pursuant to Section 10.5. and (iii) all of the other Obligations of the Borrower, including, but not limited to, the other amounts owed to the Lenders, the Swingline Lender and the Agent under this Agreement, the Notes or any of the other Loan Documents shall become immediately and automatically due and payable by the Borrower without presentment, demand, protest, or other notice of any kind, all of which are expressly waived by the Borrower and (B) all of the Commitments, the obligation of the Lenders to make Revolving Loans, the Swingline Commitment, the obligation of the Swingline Lender to make Swingline Loans, and the obligation of the Agent to issue Letters of Credit hereunder, shall all immediately and automatically terminate.

(ii) Optional. If any other Event of Default shall exist, the Agent shall, at the direction of the Requisite Lenders: (A) declare (1) the principal of, and accrued interest on, the Loans and the Notes at the time outstanding, (2) an amount equal to the Stated Amount of all Letters of Credit outstanding as of the date of the occurrence of such other Event of Default for deposit into the Collateral Account pursuant to Section 10.5. and (3) all of the other Obligations, including, but not limited to, the other amounts owed to the Lenders and the Agent under this Agreement, the Notes or any of the other Loan Documents to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by the Borrower and (B) terminate the Commitments, the Swingline Commitment and the obligation of the Lenders to make Loans hereunder and the obligation of the Agent to issue Letters of Credit hereunder.

(b) Loan Documents. The Requisite Lenders may direct the Agent to, and the Agent if so directed shall, exercise any and all of its rights under any and all of the other Loan Documents.

(c) Applicable Law. The Requisite Lenders may direct the Agent to, and the Agent if so directed shall, exercise all other rights and remedies it may have under any Applicable Law.

(d) Appointment of Receiver. To the extent permitted by Applicable Law, the Agent and the Lenders shall be entitled to the appointment of a receiver for the assets and properties of

the Parent, the Borrower and their respective Subsidiaries, without notice of any kind whatsoever and without regard to the adequacy of any security for the Obligations or the solvency of any party bound for its payment, to take possession of all or any portion of the business operations of the Parent, the Borrower and their respective Subsidiaries and to exercise such power as the court shall confer upon such receiver.

Section 10.3. Remedies Upon Default.

Upon the occurrence of a Default specified in Sections 10.1.(f) or 10.1.(g), the Commitments shall immediately and automatically terminate.

Section 10.4. Allocation of Proceeds.

If an Event of Default shall exist and maturity of any of the Obligations has been accelerated, all payments received by the Agent under any of the Loan Documents, in respect of any principal of or interest on the Obligations or any other amounts payable by the Borrower hereunder or thereunder, shall be applied in the following order and priority:

- (a) amounts due to the Agent in respect of fees and expenses due under Section 12.2.;
- (b) amounts due to the Lenders in respect of fees and expenses due under Section 12.2., pro rata in the amount then due each Lender;
- (c) payments of interest on Swingline Loans;
- (d) payments of interest on all other Loans and Reimbursement Obligations, to be applied for the ratable benefit of the Lenders;
- (e) payments of principal of Swingline Loans;
- (f) payments of principal of all other Loans, Reimbursement Obligations and other Letter of Credit Liabilities, to be applied for the ratable benefit of the Lenders; provided, however, to the extent that any amounts available for distribution pursuant to this subsection are attributable to the issued but undrawn amount of an outstanding Letters of Credit, such amounts shall be paid to the Agent for deposit into the Collateral Account;
- (g) amounts due the Agent and the Lenders pursuant to Sections 11.7. and 12.9.;
- (h) payments of all other Obligations and other amounts due and owing by the Borrower and the other Loan Parties under any of the Loan Documents, if any, to be applied for the ratable benefit of the Lenders; and
- (i) any amount remaining after application as provided above, shall be paid to the Borrower or whomever else may be legally entitled thereto.

Section 10.5. Collateral Account.

(a) As collateral security for the prompt payment in full when due of all Letter of Credit Liabilities and the other Obligations, the Borrower hereby pledges and grants to the Agent, for the ratable benefit of the Agent and the Lenders as provided herein, a security interest in all of its right, title and interest in and to the Collateral Account and the balances from time to time in the Collateral Account (including the investments and reinvestments therein provided for below). The balances from time to time in the Collateral Account shall not constitute payment of any Letter of Credit Liabilities until applied by the Agent as provided herein. Anything in this Agreement to the contrary notwithstanding, funds held in the Collateral Account shall be subject to withdrawal only as provided in this Section.

(b) Amounts on deposit in the Collateral Account shall be invested and reinvested by the Agent in such Cash Equivalents as the Agent shall determine in its sole discretion. All such investments and reinvestments shall be held in the name of and be under the sole dominion and control of the Agent for the ratable benefit of the Lenders. The Agent shall exercise reasonable care in the custody and preservation of any funds held in the Collateral Account and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which the Agent accords other funds deposited with the Agent, it being understood that the Agent shall not have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any funds held in the Collateral Account.

(c) If a drawing pursuant to any Letter of Credit occurs on or prior to the expiration date of such Letter of Credit, the Borrower and the Lenders authorize the Agent to use the monies deposited in the Collateral Account to make payment to the beneficiary with respect to such drawing or the payee with respect to such presentment.

(d) If an Event of Default exists, the Requisite Lenders may, in their discretion, at any time and from time to time, instruct the Agent to liquidate any such investments and reinvestments and apply proceeds thereof to the Obligations in accordance with Section 10.4.

(e) So long as no Default or Event of Default exists, and to the extent amounts on deposit in the Collateral Account exceed the aggregate amount of the Letter of Credit Liabilities, the Agent shall, from time to time, at the request of the Borrower, deliver to the Borrower within 10 Business Days after the Agent's receipt of such request from the Borrower, against receipt but without any recourse, warranty or representation whatsoever, such of the balances in the Collateral Account as exceed the aggregate amount of Letter of Credit Liabilities at such time.

(f) The Borrower shall pay to the Agent from time to time such fees as the Agent normally charges for similar services in connection with the Agent's administration of the Collateral Account and investments and reinvestments of funds therein.

Section 10.6. Performance by Agent.

If the Parent or the Borrower shall fail to perform any covenant, duty or agreement contained in any of the Loan Documents, and such failure has continued after the expiration of

any cure or grace period set forth herein, the Agent may, after notice to the Parent or the Borrower, perform or attempt to perform such covenant, duty or agreement on behalf of the Parent or the Borrower. In such event, the Borrower shall, at the request of the Agent, promptly pay any amount reasonably expended by the Agent in such performance or attempted performance to the Agent, together with interest thereon at the applicable Post-Default Rate from the date of such expenditure until paid. Notwithstanding the foregoing, neither the Agent nor any Lender shall have any liability or responsibility whatsoever for the performance of any obligation of the Borrower under this Agreement or any other Loan Document.

Section 10.7. Rights Cumulative.

The rights and remedies of the Agent and the Lenders under this Agreement and each of the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which any of them may otherwise have under Applicable Law. In exercising their respective rights and remedies the Agent and the Lenders may be selective and no failure or delay by the Agent or any of the Lenders in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

ARTICLE XI. THE AGENT

Section 11.1. Authorization and Action.

Each Lender hereby appoints and authorizes the Agent to take such action as contractual representative on such Lender's behalf and to exercise such powers under this Agreement and the other Loan Documents as are specifically delegated to the Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. Not in limitation of the foregoing, each Lender authorizes and directs the Agent to enter into the Loan Documents for the benefit of the Lenders. Each Lender hereby agrees that, except as otherwise set forth herein, any action taken by the Requisite Lenders in accordance with the provisions of this Agreement or the Loan Documents, and the exercise by the Requisite Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. Nothing herein shall be construed to deem the Agent a trustee or fiduciary for any Lender nor to impose on the Agent duties or obligations other than those expressly provided for herein. At the request of a Lender, the Agent will forward to such Lender copies or, where appropriate, originals of the documents delivered to the Agent pursuant to this Agreement or the other Loan Documents. The Agent will also furnish to any Lender, upon the request of such Lender, a copy of any certificate or notice furnished to the Agent by the Borrower, any Loan Party or any other Affiliate of the Borrower, pursuant to this Agreement or any other Loan Document not already delivered to such Lender pursuant to the terms of this Agreement or any such other Loan Document. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of any of the Obligations), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Requisite Lenders (or all of the Lenders if explicitly required under any other provision of this Agreement), and such instructions shall be binding upon all Lenders and all holders of any of the Obligations; provided, however, that,

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notwithstanding anything in this Agreement to the contrary, the Agent shall not be required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement or any other Loan Document or Applicable Law. Not in limitation of the foregoing, the Agent shall not exercise any right or remedy if the Lenders may have under any Loan Document upon the occurrence of a Default or an Event of Default unless the Requisite Lenders have so directed the Agent to exercise such right or remedy.

Section 11.2. Agent's Reliance, Etc.

Notwithstanding any other provisions of this Agreement or any other Loan Documents, neither the Agent nor any of its directors, officers, agents, employees or counsel shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or any other Loan Document, except for its or their own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment. Without limiting the generality of the foregoing, the Agent: (a) may treat the payee of any Note as the holder thereof until the Agent receives written notice of the assignment or transfer thereof signed by such payee and in form satisfactory to the Agent; (b) may consult with legal counsel (including its own counsel or counsel for the Borrower or any other Loan Party), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (c) makes no warranty or representation to any Lender or any other Person and shall not be responsible to any Lender or any other Person for any statements, warranties or representations made by any Person in or in connection with this Agreement or any other Loan Document; (d) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any of this Agreement or any other Loan Document or the satisfaction of any conditions precedent under this Agreement or any Loan Document on the part of the Borrower or other Persons or inspect the property, books or records of the Borrower or any other Person; (e) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document, any other instrument or document furnished pursuant thereto or any collateral covered thereby or the perfection or priority of any Lien in favor of the Agent on behalf of the Lenders in any such collateral; and (f) shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telephone or telecopy) believed by it to be genuine and signed, sent or given by the proper party or parties.

Section 11.3. Notice of Defaults.

The Agent shall not be deemed to have knowledge or notice of the occurrence of a Default or Event of Default unless the Agent has received notice from a Lender, the Parent or the Borrower referring to this Agreement, describing with reasonable specificity such Default or Event of Default and stating that such notice is a "notice of default." If any Lender (excluding the Lender which is also serving as the Agent) becomes aware of any Default or Event of Default, it shall promptly send to the Agent such a "notice of default." Further, if the Agent receives such a "notice of default", the Agent shall give prompt notice thereof to the Lenders.

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Section 11.4. KeyBank as Lender.

KeyBank, as a Lender, shall have the same rights and powers under this Agreement and any other Loan Document as any other Lender and may exercise the same as though it were not the Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include KeyBank in each case in its individual capacity. KeyBank and its affiliates may each accept deposits from, maintain deposits or credit balances for, invest in, lend money to, act as trustee under indentures of, serve as financial advisor to, and generally engage in any kind of business with, the Parent, the Borrower, any other Loan Party or any other affiliate thereof as if it were any other bank and without any duty to account therefor to the other Lenders. Further, the Agent and any affiliate may accept fees and other consideration from the Parent or the Borrower for services in connection with this Agreement and otherwise without having to account for the same to the other Lenders. The Lenders acknowledge that, pursuant to such activities, KeyBank or its affiliates may receive information regarding the Parent, the Borrower, other Loan Parties, other Subsidiaries and other Affiliates (including information that may be subject to confidentiality obligations in favor of such Person) and acknowledge that the Agent shall be under no obligation to provide such information to them.

Section 11.5. Approvals of Lenders.

All communications from the Agent to any Lender requesting such Lender's determination, consent, approval or disapproval (a) shall be given in the form of a written notice to such Lender, (b) shall be accompanied by a description of the matter or issue as to which such determination, approval, consent or disapproval is requested, or shall advise such Lender where information, if any, regarding such matter or issue may be inspected, or shall otherwise describe the matter or issue to be resolved, (c) shall include, if reasonably requested by such Lender and to the extent not previously provided to such Lender, written materials and a summary of all oral information provided to the Agent by the Parent and the Borrower in respect of the matter or issue to be resolved, and (d) shall include the Agent's recommended course of action or determination in respect thereof. Each Lender shall reply promptly, but in any event within 10 Business Days (or such lesser or greater period as may be specifically required under the Loan Documents) of receipt of such communication. Except as otherwise provided in this Agreement, unless a Lender shall give written notice to the Agent that it specifically objects to the recommendation or determination of the Agent (together with a written explanation of the reasons behind such objection) within the applicable time period for reply (which shall be no less than 10 Business Days), such Lender shall be deemed to have conclusively approved of or consented to such recommendation or determination.

Section 11.6. Lender Credit Decision, Etc.

Each Lender expressly acknowledges and agrees that neither the Agent nor any of its officers, directors, employees, agents, counsel, attorneys-in-fact or other affiliates has made any representations or warranties as to the financial condition, operations, creditworthiness, solvency or other information concerning the business or affairs of the Borrower, any other Loan Party, any Subsidiary or any other Person to such Lender and that no act by the Agent hereafter taken, including any review of the affairs of the Parent, the Borrower, any other Loan Party or any other Subsidiary of the Parent or the Borrower, shall be deemed to constitute any such representation

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or warranty by the Agent to any Lender. Each Lender acknowledges that it has made its own credit and legal analysis and decision to enter into this Agreement and the transactions contemplated hereby, independently and without reliance upon the Agent, any other Lender or counsel to the Agent, or any of their respective officers, directors, employees and agents, and based on the financial statements of the Parent, the Borrower, the Subsidiaries or any other Affiliate thereof, and inquiries of such Persons, its independent due diligence of the business and affairs of the Borrower, the Loan Parties, the Subsidiaries of the Parent and the Borrower and other Persons, its review of the Loan Documents, the legal opinions required to be delivered to it hereunder, the advice of its own counsel and such other documents and information as it has deemed appropriate. Each Lender also acknowledges that it will, independently and without reliance upon the Agent, any other Lender or counsel to the Agent or any of their respective officers, directors, employees and agents, and based on such review, advice, documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under the Loan Documents. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Agent under this Agreement or any of the other Loan Documents, the Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrower, any other Loan Party or any other Affiliate thereof which may come into possession of the Agent, or any of its officers, directors, employees, agents, attorneys-in-fact or other affiliates. Each Lender acknowledges that the Agent's legal counsel in connection with the transactions contemplated by this Agreement is only acting as counsel to the Agent and is not acting as counsel to such Lender.

Section 11.7. Indemnification of Agent.

Each Lender agrees to indemnify the Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) pro rata in accordance with such Lender's respective Commitment Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against the Agent (in its capacity as Agent but not as a Lender) in any way relating to or arising out of the Loan Documents, any transaction contemplated hereby or thereby or any action taken or omitted by the Agent under the Loan Documents (collectively, "Indemnifiable Amounts"); provided, however, that no Lender shall be liable for any portion of such Indemnifiable Amounts to the extent resulting from the Agent's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment or if the Agent fails to follow the written direction of the Requisite Lenders (or all of the Lenders if expressly required hereunder) unless such failure results from the Agent following the advice of counsel to the Agent of which advice the Lenders have received notice. Without limiting the generality of the foregoing but subject to the preceding proviso, each Lender agrees to reimburse the Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees of the counsel(s) of the Agent's own choosing) incurred by the Agent in connection with the preparation, negotiation, execution, or enforcement of, or legal advice with respect to the rights or responsibilities of the parties under, the Loan Documents, any suit or action brought by the Agent to enforce the terms of the Loan Documents

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and/or collect any Obligations, any "lender liability" suit or claim brought against the Agent and/or the Lenders, and any claim or suit brought against the Agent, and/or the Lenders arising under any Environmental Laws. Such out-of-pocket expenses (including counsel fees) shall be advanced by the Lenders on the request of the Agent notwithstanding any claim or assertion that the Agent is not entitled to indemnification hereunder upon receipt of an undertaking by the Agent that the Agent will reimburse the Lenders if it is actually and finally determined by a court of competent jurisdiction that the Agent is not so entitled to indemnification. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder or under the other Loan Documents and the termination of this Agreement. If the Borrower shall reimburse the Agent for any Indemnifiable Amount following payment by any Lender to the Agent in respect of such Indemnifiable Amount pursuant to this Section, the Agent shall share such reimbursement on a ratable basis with each Lender making any such payment.

Section 11.8. Successor Agent.

The Agent may resign at any time as Agent under the Loan Documents by giving written notice thereof to the Lenders and the Borrower. The Agent may be removed as Agent under the Loan Documents for gross negligence or willful misconduct upon 30-day's prior written notice by all Lenders (other than the Lender then acting as Agent). Upon any such resignation or removal, the Requisite Lenders shall have the right to appoint a successor Agent which appointment shall, provided no Default or Event of Default exists, be subject to the Borrower's approval, which approval shall not be unreasonably withheld or delayed (except that the Borrower shall, in all events, be deemed to have approved each Lender and its affiliates as a successor Agent). If no successor Agent shall have been so appointed in accordance with the immediately preceding sentence, and shall have accepted such appointment, within 30 days after the resigning Agent's giving of notice of resignation or the giving of notice of the removal of the Agent, then the resigning or removed Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a Lender, if any Lender shall be willing to serve, and otherwise shall be a commercial bank having total combined assets of at least \$50,000,000,000; provided, the resigning or removed Agent shall continue to serve as Agent until such time as a successor Agent shall have accepted such appointment. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under the Loan Documents; provided, however, such retiring Agent shall not be relieved from any obligations arising prior to its discharge the extent resulting from the Agent's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment or from the failure by the Agent to follow the written direction of the Requisite Lenders (or all of the Lenders if expressly required hereunder) unless such failure results from the Agent following the advice of counsel to the Agent of which advice the Lenders have received notice. Such successor Agent shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or shall make other arrangements satisfactory to the current Agent, in either case, to assume effectively the obligations of the current Agent with respect to such Letters of Credit. After any Agent's resignation or removal hereunder as Agent, the provisions of this Article XI. shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under the Loan Documents.

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Section 11.9. Titled Agents.

Each of the Titled Agents in each such respective capacity, assumes no responsibility or obligation hereunder, including, without limitation, for servicing, enforcement or collection of any of the Loans, nor any duties as an agent hereunder for the Lenders. The titles of "Co-Lead Arranger", "Syndication Agent" and "Documentation Agent" are solely honorific and imply no fiduciary responsibility on the part of the Titled Agents to the Agent, the Borrower or any Lender and the use of such titles does not impose on the Titled Agents any duties or obligations greater than those of any other Lender or entitle the Titled Agents to any rights other than those to which any other Lender is entitled.

ARTICLE XII. MISCELLANEOUS

Section 12.1. Notices.

Unless otherwise provided herein, communications provided for hereunder shall be in writing and shall be mailed, telecopied or delivered as follows:

If to the Parent:

Corporate Office Properties Trust
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Attention: General Counsel
Telephone Number: (443) 285-5400
Telecopy Number: (443) 285-7650

If to the Borrower:

Corporate Office Properties, L.P.
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Attention: General Counsel
Telephone Number: (443) 285-5400
Telecopy Number: (443) 285-7650

If to the Agent:

KeyBank National Association
127 Public Square, 8th Floor
Cleveland, Ohio 44114
Attn: John C. Scott
Telephone: (216) 689-5986
Telecopy: (216) 689-4997

with a copy to:

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KeyBank National Association
800 Superior Avenue
Cleveland, Ohio 44114
Attn: REC Services
Telephone: (216) 828-7512
Telecopy: (216) 828-7523

If to a Lender:

To such Lender's address or telecopy number, as applicable, set forth in its Administrative Questionnaire;

or, as to each party at such other address as shall be designated by such party in a written notice to the other parties delivered in compliance with this Section. All such notices and other communications shall be effective (i) if mailed, when received; (ii) if telecopied, when transmitted; or (iii) if hand delivered or sent by overnight courier, when delivered. Notwithstanding the immediately preceding sentence, all notices or communications to the Agent or any Lender under Article II. shall be effective only when actually received or when receipt is refused. Neither the Agent nor any Lender shall incur any liability to the Borrower (nor shall the Agent incur any liability to the Lenders) for acting upon any telephonic notice referred to in this Agreement which the Agent or such Lender, as the case may be, believes in good faith to have been given by a Person authorized to deliver such notice or for otherwise acting in good faith hereunder.

Section 12.2. Expenses.

The Borrower agrees (a) to pay or reimburse the Agent for all of its reasonable out-of-pocket costs and expenses incurred in connection with the preparation, negotiation and execution of, and any amendment, supplement or modification to, any of the Loan Documents (including due diligence expenses and travel expenses relating to closing), and the consummation and administration of the transactions contemplated thereby, including the reasonable fees and disbursements of counsel to the Agent and costs and expenses in connection with the use of Intralinks, Inc. or other similar information transmission systems in connection with the Loan Documents, (b) to pay or reimburse the Agent, and the Lenders for all their costs and expenses incurred in connection with the enforcement or preservation of any rights under the Loan Documents, including the reasonable fees and disbursements of their respective counsel (including the allocated fees and expenses of in-house counsel) and any payments in indemnification or otherwise payable by the Lenders to the Agent pursuant to the Loan Documents, (c) to pay, and indemnify and hold harmless the Agent, and the Lenders from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any failure to pay or delay in paying, documentary, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of any of the Loan Documents, or consummation of any amendment, supplement or modification of, or any waiver or consent under or in respect of, any Loan Document; and (d) to the extent not already covered by any of the preceding subsections, to pay or reimburse the Agent, and the Lenders for all their costs and expenses incurred in connection with any bankruptcy or other proceeding of the type described in Sections 10.1.(f) or 10.1.(g), including the reasonable fees

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and disbursements of counsel to the Agent and any Lender, whether such fees and expenses are incurred prior to, during or after the commencement of such proceeding or the confirmation or conclusion of any such proceeding. If the Borrower shall fail to pay any amounts required to be paid by it pursuant to this Section, the Agent, and/or the Lenders may pay such amounts on behalf of the Borrower and either deem the same to be Loans outstanding hereunder or otherwise Obligations owing hereunder.

Section 12.3. Setoff.

Subject to Section 3.3. and in addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, the Agent, each Lender and each Participant is hereby authorized by the Borrower, at any time or from time to time during the continuance of an Event of Default, without prior notice to the Borrower or to any other Person, any such notice being hereby expressly waived, but in the case of a Lender or Participant subject to receipt of the prior written consent of the Agent exercised in its sole discretion, to set off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured) and any other indebtedness at any time held or owing by the Agent, such Lender or any affiliate of the Agent or such Lender, to or for the credit or the account of the Borrower against and on account of any of the Obligations, irrespective of whether or not any or all of the Loans and all other Obligations have been declared to be, or have otherwise become, due and payable as permitted by Section 10.2., and although such obligations shall be contingent or unmatured.

Section 12.4. Litigation; Jurisdiction; Other Matters; Waivers.

(a) EACH PARTY HERETO ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN OR AMONG THE PARENT, THE BORROWER, THE AGENT OR ANY OF THE LENDERS WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND WOULD RESULT IN DELAY AND EXPENSE TO THE PARTIES. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE LENDERS, THE AGENT, THE PARENT AND THE BORROWER HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST ANY PARTY HERETO ARISING OUT OF THIS AGREEMENT, THE NOTES, OR ANY OTHER LOAN DOCUMENT OR BY REASON OF ANY OTHER SUIT, CAUSE OF ACTION OR DISPUTE WHATSOEVER BETWEEN OR AMONG THE PARENT, THE BORROWER, THE AGENT OR ANY OF THE LENDERS OF ANY KIND OR NATURE RELATING TO ANY OF THE LOAN DOCUMENTS.

(b) EACH OF THE PARENT, THE BORROWER, THE AGENT AND EACH LENDER HEREBY AGREES THAT THE FEDERAL DISTRICT COURT LOCATED FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY STATE COURT LOCATED IN THE BOROUGH OF MANHATTAN, NEW YORK, NEW YORK, SHALL HAVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN OR AMONG THE PARENT, THE BORROWER, THE AGENT OR ANY OF THE LENDERS, PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE LOANS AND LETTERS OF CREDIT, THE NOTES OR ANY OTHER LOAN DOCUMENT OR TO ANY

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MATTER ARISING HEREFROM OR THEREFROM. THE PARENT, THE BORROWER AND EACH OF THE LENDERS EXPRESSLY SUBMIT AND CONSENT IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS WITH RESPECT TO SUCH CLAIMS OR DISPUTES. EACH PARTY FURTHER WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT FORUM, AND EACH AGREES NOT TO PLEAD OR CLAIM THE SAME. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE AGENT OR ANY LENDER OR THE ENFORCEMENT BY THE AGENT OR ANY LENDER OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

(c) THE PROVISIONS OF THIS SECTION HAVE BEEN CONSIDERED BY EACH PARTY WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF, AND SHALL SURVIVE THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS, THE TERMINATION OR EXPIRATION OF ALL LETTERS OF CREDIT AND THE TERMINATION OF THIS AGREEMENT.

Section 12.5. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that the Borrower may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of all Lenders and any such assignment or other transfer to which all of the Lenders have not so consented shall be null and void.

(b) Each Lender shall have the right to assign, transfer, sell, negotiate, pledge or otherwise hypothecate this Agreement and any of its rights and security hereunder and under the other Loan Documents to any other Eligible Assignee with the prior written consent of the Agent and with the prior written consent of the Borrower, which consents by the Agent and the Borrower shall not be unreasonably withheld, conditioned or delayed (provided that no consent of the Borrower shall be required if the Eligible Assignee is also a Lender or if an Event of Default then exists) and no consent of the Agent shall be required if the Eligible Assignee is also a Lender; provided, however, that (i) the parties to each such assignment shall execute and deliver to Agent, for its approval and acceptance, an Assignment and Acceptance Agreement, (ii) each such assignment shall be of a constant, and not a varying, percentage of the assigning Lender's rights and obligations under this Agreement, (iii) if the potential assignee is not already a Lender hereunder, at least ten (10) days prior to the date of the assignment, the potential assignee shall deliver to Agent the fully completed Patriot Act and OFAC forms attached as Exhibit K hereto and such other information as Agent shall require to successfully complete the Agent's Patriot Act Customer Identification Process and OFAC Review Process, (iv) unless the Agent and, so long as no Event of Default exists, the Borrower otherwise consent, the aggregate amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment shall in no event be less than \$10,000,000, (v) the Agent shall receive from the

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assigning Lender a processing fee of \$3,500, and (vi) if the assignment is less than the assigning Lender's entire Commitment, the assigning Lender must retain at least a \$10,000,000 Commitment. The Agent may designate any Eligible Assignee accepting an assignment of a specified portion of the Loan to be a Co-Agent, an "Arranger" or similar title, but such designation shall not confer on such Eligible Assignee the rights or duties of the Agent. Upon such execution, delivery, approval and acceptance, and upon the effective date specified in the applicable Assignment and Acceptance Agreement, (x) the Eligible Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to such Assignment and Acceptance Agreement, have the rights and obligations of a Lender hereunder and under the other Loan Documents, and the Borrower hereby agrees that all of the rights and remedies of Lenders in connection with the interest so assigned shall be enforceable against the Borrower by an Eligible Assignee with the same force and effect and to the same extent as the same would have been enforceable but for such assignment, and (y) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance Agreement, relinquish its rights and be released from its obligations hereunder and thereunder.

(c) By executing and delivering an Assignment and Acceptance Agreement, the assigning Lender thereunder and the Eligible Assignee thereunder confirm to

and agree with each other and the other parties hereto as follows: (i) except as provided in this Assignment and Acceptance Agreement, such assigning Lender and Agent make no representation or warranty and assume no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document or any other instrument or document furnished in connection therewith; (ii) such assigning Lender and the Agent make no representation or warranty and assume no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under any Loan Document or any other instrument or document furnished in connection therewith; (iii) such Eligible Assignee confirms that it has received a copy of this Agreement together with such financial statements, Loan Documents and other documents and information as it has deemed appropriate to make its own independent credit analysis and decision to enter into the Assignment and Acceptance Agreement and to become a Lender hereunder; (iv) such Eligible Assignee will, independently and without reliance upon Agent, the assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time continue to make its own independent credit decisions in taking or not taking action under this Agreement; (v) such Eligible Assignee appoints and authorizes the Agent to take such action as the Agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto; and (vi) such Eligible Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) Agent shall maintain a copy of each Assignment and Acceptance Agreement delivered to and accepted by it and shall record in its records the name and address of each

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Lender and the Commitment of such Lender from time to time. The Borrower, the Agent and the Lenders may treat each entity whose name is so recorded as a Lender hereunder for all purposes of this Agreement. In the case of any assignment by a Lender, within five Business Days after its receipt of written notice of such assignment, the Borrower, at its own expense, shall, if requested by the applicable Lender, execute and deliver to the Agent in exchange for the surrendered Note or Notes a new Note to the order of such Eligible Assignee in an amount equal to the Commitment assumed by it pursuant to such Assignment and Acceptance Agreement and, if any assigning Lender has retained a Commitment hereunder, a new Note to the order of such assigning Lender in an amount equal to the Commitment retained by it hereunder. Such new Note or Notes, if any, shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note or Notes and shall be dated the effective date of such Assignment and Acceptance.

(e) Upon receipt of an Assignment and Acceptance Agreement executed by an assigning Lender and an Eligible Assignee, Agent shall, if such Assignment and Acceptance Agreement has been properly completed and consented to if required herein, accept such Assignment and Acceptance Agreement, and record the information contained therein in its records, and the Agent shall give prompt written notice thereof to the Borrower (provided that neither the Agent nor the Lenders shall be liable for any failure to give such notice).

(f) The Borrower shall use reasonable efforts to cooperate with the Agent and each Lender in connection with the assignment of interest under this Agreement or the sale of participations herein.

(g) Anything in this Agreement to the contrary notwithstanding, and without the need to comply with any of the formal or procedural requirements of this Agreement, including this Section, any Lender may at any time and from time to time pledge and assign all or any portion of its rights under all or any of the Loan Documents to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from its obligations hereunder or increase the Borrower's or any other Loan Party's obligations hereunder. To facilitate any such pledge or assignment, the Agent shall, at the request of such Lender, enter into a letter agreement with the Federal Reserve Bank in, or substantially in, the form of the exhibit to Appendix C to the Federal Reserve Bank of New York Operating Circular No. 12, or other applicable form.

(h) Anything in this Agreement to the contrary notwithstanding, any Lender may assign all or any portion of its rights and obligations under this Agreement to another branch or affiliate of such Lender without first obtaining the approval of any Agent or the Borrower, provided that (i) such Lender remains liable hereunder unless the Borrower and the Agent shall otherwise agree, (ii) at the time of such assignment such Lender is not a Defaulting Lender, (iii) such Lender gives the Agent and the Borrower at least fifteen (15) days prior written notice of any such assignment; (iv) the parties to each such assignment execute and deliver to the Agent an Assignment and Acceptance Agreement, and (v) the Agent receives from the assigning Lender a processing fee of \$1,500.

(i) Each Lender shall have the right, without the consent of the Borrower, to sell participations to one or more Eligible Assignees (each a "Participant") in or to all or a portion of

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its rights and obligations under the Loan Documents; provided, however, that (i) such Lender's obligations under this Agreement (including without limitation its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and with regard to any and all payments to be made under this Agreement and (iv) the holder of any such participation shall not be entitled to voting rights under this Agreement or the other Loan Documents (but such holder may contract with the Lender selling such Eligible Assignee its interest in such Lender's share of the Loan as to voting of such Lender's interest under Section 12.6.(b), but not under any other section of this Agreement; provided that any such agreement by a Lender shall bind only such Lender alone and not the Borrower, the other Lenders or the Agent).

(j) No Eligible Assignee of any rights and obligations under this Agreement shall be permitted to subassign such rights and obligations. No Participant in any rights and obligations under this Agreement shall be permitted to sell subparticipations of such rights and obligations.

(k) Each of the Parent and the Borrower acknowledges and agrees that the Lenders may provide to any Eligible Assignee or Participant originals or copies of this Agreement, any other Loan Document and any other documents, instruments, certificates, opinions, insurance policies, letters of credit, reports, requisitions and other material and information of every nature or description, and may communicate all oral information, at any time submitted by or on behalf of any Loan Party or received by any Lender in connection with the Loan Documents or with respect to any Loan Party; provided that prior to any such delivery or communication, such Eligible Assignees or Participants shall agree to preserve the confidentiality of any of the foregoing to the same extent that such Lender agreed to preserve such confidentiality. In order to facilitate assignments to Eligible Assignees and sales to Eligible Assignees, the Borrower shall execute such further documents, instruments or agreements as the Lenders may reasonably require; provided, that the Borrower shall not be required (i) to execute any document or agreement which would decrease its rights, or increase its obligations, relative to those set forth in this Agreement or any of the other Loan Documents (including financial obligations, personal recourse, representations and warranties and reporting requirements), or (ii) to expend more than incidental sums of money or incidental administrative time for which it does not receive reasonable reimbursement in order to comply with any requests or requirements of any Lender in connection with such assignment or sale arrangement.

Section 12.6. Amendments.

(a) Except as otherwise expressly provided in this Agreement, any consent or approval required or permitted by this Agreement or any other Loan Document to be given by the Lenders may be given, and any term of this Agreement or of any other Loan Document may be amended, and the performance or observance by the Borrower or any other Loan Party or any Subsidiary of any terms of this Agreement or such other Loan Document or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Requisite Lenders (and, in the case of an

- (b) Notwithstanding the foregoing, without the prior written consent of each Lender adversely affected thereby, no amendment, waiver or consent shall do any of the following:
- (i) increase the Commitments of the Lenders (except for any increase in the Commitments effectuated pursuant to Section 2.15.) or subject the Lenders to any additional obligations;
 - (ii) reduce the principal of, or interest rates that have accrued or that will be charged on the outstanding principal amount of, any Loans or other Obligations;
 - (iii) reduce the amount of any Fees payable hereunder or postpone any date fixed for payment thereof;
 - (iv) modify the definition of the term "Termination Date" (except as contemplated under Section 2.12.) or otherwise postpone any date fixed for any payment of any principal of, or interest on, any Loans or any other Obligations (including the waiver of any Default or Event of Default as a result of the nonpayment of any such Obligations as and when due), or extend the expiration date of any Letter of Credit beyond the Termination Date;
 - (v) amend or otherwise modify the provisions of Section 3.2.;
 - (vi) modify the definition of the term "Requisite Lenders" or otherwise modify in any other manner the number or percentage of the Lenders required to make any determinations or waive any rights hereunder or to modify any provision hereof, including without limitation, any modification of this Section 12.6. if such modification would have such effect;
 - (vii) release any Guarantor from its obligations under the Guaranty (except as otherwise permitted under Section 7.12.(b));
 - (viii) amend or otherwise modify the provisions of Section 2.14. or Section 10.4.; or
 - (ix) increase the number of Interest Periods permitted with respect to Loans under Section 2.5.
- (c) No amendment, waiver or consent, unless in writing and signed by the Agent, in such capacity, in addition to the Lenders required hereinabove to take such action, shall affect the rights or duties of the Agent under this Agreement or any of the other Loan Documents. Any amendment, waiver or consent relating to Section 2.2. or the obligations of the Swingline Lender under this Agreement or any other Loan Document shall, in addition to the Lenders required hereinabove to take such action, require the written consent of the Swingline Lender.

- (d) No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon and any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose set forth therein. No course of dealing or delay or omission on the part of the Agent or any Lender in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. Any Event of Default occurring hereunder shall continue to exist until such time as such Event of Default is waived in writing in accordance with the terms of this Section, notwithstanding any attempted cure or other action by the Borrower, any other Loan Party or any other Person subsequent to the occurrence of such Event of Default. Except as otherwise explicitly provided for herein or in any other Loan Document, no notice to or demand upon the Borrower shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

Section 12.7. Nonliability of Agent and Lenders.

The relationship between the Borrower and the Lenders and the Agent shall be solely that of borrower and lender. Neither the Agent nor any Lender shall have any fiduciary responsibilities to the Parent or the Borrower and no provision in this Agreement or in any of the other Loan Documents, and no course of dealing between or among any of the parties hereto, shall be deemed to create any fiduciary duty owing by the Agent or any Lender to any Lender, the Parent, the Borrower, any Subsidiary of the Parent or the Borrower or any other Loan Party. Neither the Agent nor any Lender undertakes any responsibility to the Borrower or the Parent to review or inform the Borrower or the Parent of any matter in connection with any phase of the Borrower's or Parent's business or operations.

Section 12.8. Confidentiality.

The Agent and each Lender shall use reasonable efforts to assure that information about the Borrower, the Parent, the other Loan Parties and other Subsidiaries of the Parent and the Borrower, and the Properties thereof and their operations, affairs and financial condition, not generally disclosed to the public, which is furnished to the Agent or any Lender pursuant to the provisions of this Agreement or any other Loan Document, is used only for the purposes of this Agreement and the other Loan Documents and shall not be divulged to any Person other than the Agent, the Lenders, and their respective agents who are actively and directly participating in the evaluation, administration or enforcement of the Loan Documents and other transactions between the Agent or such Lender, as applicable, and the Borrower and the Parent, but in any event the Agent and the Lenders may make disclosure: (a) to any of their respective affiliates (provided such affiliates shall agree to keep such information confidential in accordance with the terms of this Section 12.8.); (b) as reasonably requested by any bona fide Eligible Assignee, Participant or other transferee in connection with the contemplated transfer of any Commitment or participations therein as permitted hereunder (provided they shall agree to keep such information confidential in accordance with the terms of this Section); (c) as required or requested by any Governmental Authority or representative thereof or pursuant to legal process or in connection with any legal proceedings; (d) to the Agent's or such Lender's independent auditors and other professional advisors (provided they shall be notified of the confidential nature of the information); (e) after the happening and during the continuance of an Event of Default, to any other Person, in connection with the exercise by the Agent or the Lenders of rights hereunder or under any of the other Loan Documents; (f) upon Borrower's prior consent

(which consent shall not be unreasonably withheld), to any contractual counter-parties to any swap or similar hedging agreement or to any rating agency; and (g) to the extent such information (x) becomes publicly available other than as a result of a breach of this Section actually known to such Lender to be such a breach or (y) becomes available to the Agent or any Lender on a nonconfidential basis from a source other than the Parent, the Borrower or any Affiliate. Notwithstanding the foregoing, the Agent and each Lender may disclose any such confidential information, upon notice to the Borrower or any other Loan Party, to the extent practicable (provided, that, any failure by the Agent or any Lender to give such notice to the Borrower or any Loan Party shall not subject the Agent or any Lender to any liability which may arise from such failure to give notice), to Governmental Authorities in connection with any regulatory examination of the Agent or such Lender or in accordance with the regulatory compliance policy of the Agent or such Lender.

Section 12.9. Indemnification.

(a) The Borrower shall and hereby agrees to indemnify, defend and hold harmless the Agent, each of the Lenders, any affiliate of the Agent or any Lender, and their respective directors, officers, shareholders, agents, employees and counsel (each referred to herein as an "Indemnified Party") from and against any and all of the following (collectively, the "Indemnified Costs"): losses, costs, claims, damages, liabilities, deficiencies, judgments or expenses of every kind and nature (including, without limitation, amounts paid in settlement, court costs and the reasonable fees and disbursements of counsel incurred in connection with any litigation, investigation, claim or proceeding or any advice rendered in connection therewith, but excluding losses, costs, claims, damages, liabilities, deficiencies, judgments or expenses indemnification in respect of which is specifically covered by Section 3.12. or 4.1. or expressly excluded from the coverage of such Sections 3.12. or 4.1.) incurred by an Indemnified Party in connection with, arising out of, or by reason of, any suit, cause of action, claim, arbitration, investigation or settlement, consent decree or other proceeding (the foregoing referred to herein as an "Indemnity Proceeding") which is in any way related directly or indirectly to: (i) this Agreement or any other Loan Document or the transactions contemplated thereby; (ii) the making of any Loans or issuance of Letters of Credit hereunder; (iii) any actual or proposed use by the Borrower of the proceeds of the Loans or Letters of Credit; (iv) the Agent's or any Lender's entering into this Agreement; (v) the fact that the Agent and the Lenders have established the credit facility evidenced hereby in favor of the Borrower; (vi) the fact that the Agent and the Lenders are creditors of the Borrower and have or are alleged to have information regarding the financial condition, strategic plans or business operations of the Parent, the Borrower and their respective Subsidiaries; (vii) the fact that the Agent and the Lenders are material creditors of the Borrower and are alleged to influence directly or indirectly the business decisions or affairs of the Parent, the Borrower and their respective Subsidiaries or their financial condition; (viii) the exercise of any right or remedy the Agent or the Lenders may have under this Agreement or the other Loan Documents; (ix) any civil penalty or fine assessed by the OFAC against, and all reasonable costs and expenses (including counsel fees and disbursements) incurred in connection with defense thereof by, the Agent or any Lender as a result of conduct of the Borrower, any other Loan Party or any Subsidiary that violates a sanction enforced by the OFAC; or (x) any violation or non-compliance by the Parent, the Borrower or any Subsidiary of any Applicable Law (including any Environmental Law) including, but not limited to, any Indemnity Proceeding commenced by (A) the Internal Revenue Service or state taxing authority

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or (B) any Governmental Authority or other Person under any Environmental Law, including any Indemnity Proceeding commenced by a Governmental Authority or other Person seeking remedial or other action to cause the Parent, the Borrower or their respective Subsidiaries (or its respective properties) (or the Agent and/or the Lenders as successors to the Borrower) to be in compliance with such Environmental Laws; provided, however, that the Borrower shall not be obligated to indemnify any Indemnified Party for (A) any acts or omissions of such Indemnified Party in connection with matters described in this subsection to the extent arising from the gross negligence or willful misconduct of such Indemnified Party, as determined by a court of competent jurisdiction in a final, non-appealable judgment or (B) Indemnified Costs to the extent arising directly out of or resulting directly from claims of one or more Indemnified Parties against another Indemnified Party.

(b) The Borrower's indemnification obligations under this Section 12.9. shall apply to all Indemnity Proceedings arising out of, or related to, the foregoing whether or not an Indemnified Party is a named party in such Indemnity Proceeding. In this regard, this indemnification shall cover all Indemnified Costs of any Indemnified Party in connection with any deposition of any Indemnified Party or compliance with any subpoena (including any subpoena requesting the production of documents). This indemnification shall, among other things, apply to any Indemnity Proceeding commenced by other creditors of the Parent, the Borrower or any Subsidiary, any shareholder of the Parent, the Borrower or any Subsidiary (whether such shareholder(s) are prosecuting such Indemnity Proceeding in their individual capacity or derivatively on behalf of the Borrower or the Parent), any account debtor of the Parent, the Borrower or any Subsidiary or by any Governmental Authority. If indemnification is to be sought hereunder by an Indemnified Party, then such Indemnified Party shall notify the Borrower in writing of the commencement of any Indemnity Proceeding; provided, however, that the failure to so notify the Borrower shall not relieve the Borrower from any liability that it may have to such Indemnified Party pursuant to this Section 12.9.

(c) This indemnification shall apply to any Indemnity Proceeding arising during the pendency of any bankruptcy proceeding filed by or against the Parent, the Borrower and/or any Subsidiary.

(d) All out-of-pocket fees and expenses of, and all amounts paid to third-persons by, an Indemnified Party shall be advanced by the Borrower at the request of such Indemnified Party notwithstanding any claim or assertion by the Borrower that such Indemnified Party is not entitled to indemnification hereunder, upon receipt of an undertaking by such Indemnified Party that such Indemnified Party will reimburse the Borrower if it is actually and finally determined by a court of competent jurisdiction that such Indemnified Party is not so entitled to indemnification hereunder.

(e) An Indemnified Party may conduct its own investigation and defense of, and may formulate its own strategy with respect to, any Indemnity Proceeding covered by this Section and, as provided above, all Indemnified Costs incurred by such Indemnified Party shall be reimbursed by the Borrower. No action taken by legal counsel chosen by an Indemnified Party in investigating or defending against any such Indemnity Proceeding shall vitiate or in any way impair the obligations and duties of the Borrower hereunder to indemnify and hold harmless each

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such Indemnified Party; provided, however, that if (i) the Borrower is required to indemnify an Indemnified Party pursuant hereto and (ii) the Borrower has provided evidence reasonably satisfactory to such Indemnified Party that the Borrower has the financial wherewithal to reimburse such Indemnified Party for any amount paid by such Indemnified Party with respect to such Indemnity Proceeding, such Indemnified Party shall not settle or compromise any such Indemnity Proceeding without the prior written consent of the Borrower (which consent shall not be unreasonably withheld or delayed). Notwithstanding the foregoing, an Indemnified Party may settle or compromise any such Indemnity Proceeding without the prior written consent of the Borrower where (x) no monetary relief is sought against such Indemnified Party in such Indemnity Proceeding or (y) there is an allegation of a violation of law by such Indemnified Party.

(f) If and to the extent that the obligations of the Borrower under this Section are unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under Applicable Law.

(g) The Borrower's obligations under this Section shall survive any termination of this Agreement and the other Loan Documents and the payment in full in cash of the Obligations, and are in addition to, and not in substitution of, any other of their obligations set forth in this Agreement or any other Loan Document to which it is a party.

Section 12.10. Termination; Survival.

At such time as (a) all of the Commitments have been terminated, (b) all Letters of Credit have terminated, (c) none of the Lenders nor the Swingline Lender is obligated any longer under this Agreement to make any Loans and (d) all Obligations (other than obligations which survive as provided in the following sentence) have been paid and satisfied in full, this Agreement shall terminate. The indemnities to which the Agent, the Lenders and the Swingline Lender are entitled under the provisions of Sections 3.12., 4.1., 4.4., 11.7., 12.2. and 12.9. and any other provision of this Agreement and the other Loan Documents, and the provisions of Section 12.4., shall continue in full force and effect and shall protect the Agent, the Lenders and the Swingline Lender (i) notwithstanding any termination of this Agreement, or of the other Loan Documents, against events arising before such termination as well as, in the case of Sections 11.7., 12.4. and 12.9., after such termination and (ii) at all times after any such party ceases to be a party to this Agreement with respect to all matters and events existing on or prior to the date such party ceased to be a party to this Agreement.

Section 12.11. Severability of Provisions.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 12.12. GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

Section 12.13. Counterparts.

This Agreement and any amendments, waivers, consents or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all of which counterparts together shall constitute but one and the same instrument.

Section 12.14. Obligations with Respect to Loan Parties.

The obligations of the Parent and the Borrower to direct or prohibit the taking of certain actions by the other Loan Parties as specified herein shall be absolute and not subject to any defense the Parent or the Borrower may have that the Parent or the Borrower does not control such Loan Parties.

Section 12.15. Limitation of Liability.

Neither the Agent nor any Lender, nor any affiliate, officer, director, employee, attorney, or agent of the Agent or any Lender shall have any liability with respect to, and the Parent and the Borrower hereby waives, releases, and agrees not to sue any of them upon, any claim for any special, indirect, incidental, or consequential damages suffered or incurred by the Parent or the Borrower in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or any of the other Loan Documents. Each of the Parent and the Borrower hereby waives, releases, and agrees not to sue the Agent or any Lender or any of the Agent's or any Lender's affiliates, officers, directors, employees, attorneys, or agents for punitive damages in respect of any claim in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or financed hereby.

Section 12.16. Entire Agreement.

This Agreement, the Notes, and the other Loan Documents referred to herein embody the final, entire agreement among the parties hereto and supersede any and all prior commitments, agreements, representations, and understandings, whether written or oral, relating to the subject matter hereof and thereof and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of the parties hereto. There are no oral agreements among the parties hereto.

Section 12.17. Construction.

The Agent, the Borrower, the Parent and each Lender acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review

this Agreement and the other Loan Documents with its legal counsel and that this Agreement and the other Loan Documents shall be construed as if jointly drafted by the Agent, the Borrower, the Parent and each Lender.

Section 12.18. Patriot Act.

The Lenders and the Agent each hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Agent, as applicable, to identify the Borrower in accordance with such Act.

Section 12.19. No Novation.

THE PARTIES HERETO HAVE ENTERED INTO THIS AGREEMENT SOLELY TO AMEND AND RESTATE THE TERMS OF THE EXISTING CREDIT AGREEMENT. THE PARTIES DO NOT INTEND THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY TO BE, AND THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING BY THE BORROWER UNDER OR IN CONNECTION WITH THE EXISTING CREDIT AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS (AS DEFINED IN THE EXISTING CREDIT AGREEMENT). THE AMENDMENT AND RESTATEMENT OF THE EXISTING CREDIT AGREEMENT EFFECTED BY THIS AGREEMENT SHALL HAVE PROSPECTIVE APPLICATION ONLY.

[Signatures on Following Pages]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amended and Restated Credit Agreement to be executed by their authorized officers all as of the day and year first above written.

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust, its
sole general partner

By: /s/ Stephen E. Riffie
Name: Stephen E. Riffie
Title: Executive Vice President

CORPORATE OFFICE PROPERTIES TRUST

By: /s/ Stephen E. Riffie
Name: Stephen E. Riffie
Title: Executive Vice President

[Signatures Continued Next Page]

[Signature Page to Second Amended and Restated Credit Agreement with Corporate Office Properties, L.P.]

KEYBANK NATIONAL ASSOCIATION, as Agent, as a
Lender and as Swingline Lender

By: /s/ John Scott
Name: John Scott
Title: Vice President

WACHOVIA BANK, NATIONAL ASSOCIATION

By: /s/ Amit Khimji
Name: Amit Khimji
Title: Vice President

BANK OF AMERICA, N.A.

By: /s/ Mark A. Mokolke
Name: Mark A. Mokolke
Title: Vice President

CITIZENS BANK OF PENNSYLVANIA

By: /s/ Kellie Anderson
Name: Kellie Anderson
Title: Sr. Vice President

MANUFACTURERS AND TRADERS TRUST COMPANY

By: /s/ Matthew Lind
Name: Matthew Lind
Title: Vice President

SUNTRUST BANK

By: /s/ Nancy B. Richards
Name: Nancy B. Richard
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Timothy P. Gleeson
Name: Timothy P. Gleeson
Title: Vice President

REGIONS BANK

By: /s/ Kerri Raines
Name: Kerri Raines
Title: Vice President

COMERICA BANK.

By: /s/ Adam Sheets
 Name: Adam Sheets
 Title: Assistant Vice President

UNION BANK OF CALIFORNIA, N.A.

By: /s/ Edmond K. Delany
 Name: Edmond K. Delany
 Title: Vice President

CHEVY CHASE BANK, F.S.B.

By: /s/ Dory Halati
 Name: Dory Halati
 Title: Vice President

SCHEDULE I

Commitments

<u>Lender</u>	<u>Revolving Commitment</u>
KeyBank National Association	\$ 100,000,000
Wachovia Bank, National Association	\$ 75,000,000
Bank of America, N.A.	\$ 75,000,000
Manufacturers and Traders Trust Company	\$ 75,000,000
Citizens Bank of Pennsylvania	\$ 75,000,000
SunTrust Bank	\$ 50,000,000
PNC Bank, National Association	\$ 40,000,000
Regions Bank	\$ 40,000,000
Comerica Bank	\$ 25,000,000
Union Bank of California, N.A.	\$ 25,000,000
Chevy Chase Bank, F.S.B.	\$ 20,000,000
TOTAL	\$ 600,000,000

SCHEDULE 1.1(A)

List of Loan Parties

<u>Name</u>	<u>Jurisdiction of Formation</u>	<u>Jurisdictions of Foreign Qualification</u>
Borrower		
Corporate Office Properties, L.P.	Delaware	Maryland, New Jersey Pennsylvania, and Virginia
Parent		
Corporate Office Properties Trust	Maryland	Pennsylvania
Material Subsidiaries		
Blue Bell Investment Company, L.P.	Delaware	Pennsylvania
NBP 220, LLC	Maryland	N/A

**Schedule 6.1(b) Part 1
 Ownership Structure - - All Subsidiaries
 Current as of September 19, 2007**

<u>Name</u>	<u>Jurisdiction</u>	<u>Person Holding an Equity Interest</u>	<u>Nature of Interests Held</u>	<u>Percentage Ownership</u>	<u>Excluded or Material</u>
<u>Business Trusts</u>					
W&M Business Trust	Maryland	Corporate Office Properties, L.P.	Sole Shareholder & Trustee	100%	
37 Allegheny Business Trust	Maryland	Corporate Office Properties, L.P.	Sole Shareholder & Trustee	100%	
2500 Riva Trust	Maryland	Riva Trustee, LLC	Sole Trustee	100%	
8027 Corporate Drive Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%	
8029 Corporate Drive Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%	
10521 Red Run Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%	
Allegheny Parking Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%	
COPT Babcock Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%	
Campbell Boulevard I Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%	
Campbell Boulevard II Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%	

Campbell Building Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Campbell Corporate Center I-2 Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Corporate Place I Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Corporate Place III Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Corporate Place IV Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Franklin Ridge No. 1 Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Franklin Ridge No. 2 Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Franklin Ridge No. 3 Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Franklin Ridge No. 4 Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Franklin Ridge V Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Franklin Ridge Open Space Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Lot 401 Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
McLean Ridge I Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
McLean Ridge II Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
McLean Ridge III Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
McLean Ridge IV Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
McLean Ridge V Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Nottingham Ridge I Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Nottingham Ridge II Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Nottingham Ridge III Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Nottingham Ridge No. 20 Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Nottingham Ridge No. 30 Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Philadelphia Road Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Ridgely's Choice Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Royston Building Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Tyler Ridge I Business Trust	Maryland	Corporate Office Properties, L.P. Tyler Ridge Limited Partnership	Trustee Sole Shareholder	100%
Tyler Ridge II Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Tyler Ridge II A Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Tyler Ridge II Improvements Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Tyler Ridge III Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Tyler Ridge III Improvements Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
Tyler Ridge Water Management Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
White Marsh Business Center 2 Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%
White Marsh Commerce Center I Business Trust	Maryland	Corporate Office Properties, L.P.	Trustee	

Name	Jurisdiction	Person Holding an Equity Interest	Nature of Interests Held	Percentage Ownership	Excluded or Material
White Marsh Commerce Center II Business Trust	Maryland	W & M Business Trust Corporate Office Properties, L.P.	Sole Shareholder Trustee	100%	
White Marsh Hi-Tech 1 Business Trust	Maryland	W & M Business Trust Corporate Office Properties, L.P.	Sole Shareholder Trustee	100%	
White Marsh Hi-Tech 2 Business Trust	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Trustee Sole Shareholder	100%	
Limited & General Partnerships					
Blue Bell Investment Company, L.P.	Delaware	Corporate Office Properties Holdings, Inc.	General Partner	0.10%	Material
Centerpointe Limited Partnership	Maryland	Corporate Office Properties, L.P. COPT Hunt Valley GP, LLC	Limited Partner General Partner	99.99%	
Colgatedrive Associates, L.P.	Pennsylvania	Corporate Office Properties, L.P. COPT Colgate General, LLC.	Limited Partner General Partner	99%	
Corporate Center I Limited Partnership	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Limited Partner Limited Partner	99.99%	
Corporate Office Properties, L.P.	Delaware	Corporate Office Properties Trust See partnership documents	General Partner Limited Partners		
COPT Gateway, L.P.	DE	Corporate Office Properties Holdings, Inc. Corporate Office Properties, L.P.	General Partner Limited Partner	1%	
COPT Pennlyn, L.P.	PA	Corporate Office Properties Holdings, Inc. Corporate Office Properties, L.P.	General Partner Limited Partner	1%	
COPT San Antonio, L.P.	Texas	COPT San Antonio General, LLC Corporate Office Properties, L.P.	General Partner Limited Partner	1%	
Honeygo Limited Partnership I, LLLP	Maryland	Professional Center I, LLC W & M Business Trust	General Partner Limited Partner	1%	
Honeygo Limited Partnership II, LLLP	Maryland	White Marsh Professional Center II, LLC W & M Business Trust	General Partner Limited Partner	1%	
Honeygo Limited Partnership III, LLLP	Maryland	Professional Center III, LLC W & M Business Trust	General Partner Limited Partner	1%	
Hunt Valley 75 Limited Partnership	Maryland	COPT Hunt Valley GP, LLC Corporate Office Properties, L.P.	General Partner Limited Partner	1%	
Nottingham Associates Limited Partnership	Maryland	Nottingham Center, LLC W & M Business Trust	General Partner Limited Partner	1%	
Rutherford 2 Limited Partnership	Maryland	Corporate Office Properties, L.P. COPT General, LLC	Limited Partner General Partner	55.3% 43.7%	

Sandpiper Limited Partnership	Maryland	Corporate Office Properties, L.P. W & M Business Trust	Limited Partner General Partner	99% 40%
South Brunswick Investors, L.P.	Delaware	Corporate Office Properties, L.P.	Limited Partner	60%
Tyler Ridg Limited Partnership	Maryland	Corporate Office Properties Holdings Inc. Tyler Ridge I, LLC	General Partner General Partner	100% 1%
White Marsh Business Center Limited Partnership	Maryland	W & M Business Trust White Marsh Business Center, LLC	Limited Partner General Partner	99% 1%
White Marsh Health Center Limited Partnership, LLLP	Maryland	W & M Business Trust Sandpiper Limited Partnership	Limited Partner General Partner	99% 72.50%
201 International Associales Limited Partnership	Maryland	W & M Business Trust COPT Hunt Valley GP, LLC	Limited Partner General Partner	27.50% 1%
		Corporate Office Properties, L.P.	Limited Partner	99%

Corporations

Corporate Office Management, Inc.	Maryland	Corporate Office Properties, L.P.	sole stockholder	100%
Corporate Office Properties Holdings, Inc.	Delaware	Corporate Office Properties Trust	sole stockholder	100%
COPT Acquisitions, Inc.	Delaware	Corporate Office Properties Trust	sole stockholder	100%

Limited Liability Companies

ASI, LLC	Maryland	Airport Square Holdings I, LLC	Sole Member	100%
Aerotech Manager, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square, LLC	Maryland	Corporate Office Properties, L.P. Airport Square Partners, LLC	Member Member	70% 30%
Airport Square II, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square IV, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square V, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square X, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square XI, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square XIII, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square XIV, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square XV, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square XIX, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square XX, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square XXI, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square XXII, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square Holdings I, LLC	Delaware	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square Holdings VI and VII, LLC	Delaware	Airport Square Partners, LLC	Sole Member	100%
Airport Square Partners, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Airport Square Storms, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Ambassador Center, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Atrium Building, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Clarks Hundred, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Clarks Hundred II, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Columbia Equity Finance, LLC	Maryland	Rivers Center III Investors, LLC Woods Investors, LLC	Member Member	25% 75%
Columbia Gateway S-28, LLC.	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Commons Office Research, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Commons Office 6-B, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Concourse 1304, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%

Name	Jurisdiction	Person Holding an Equity Interest	Nature of Interests Held	Percentage Ownership	Excluded or Material
COPT Aberdeen, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Aerotech, LLC	Colorado	Corporate Office Properties, L.P. Aerotech Manager	Member Member	99.5% 0.5%	
COPT Arundel Preserve, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Baltimore County I, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Baltimore County II, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Chantilly, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Chantilly II, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Colgate General, LLC	Delaware	Corporate Office Properties, L.P. Corporate Office Properties Holdings, Inc.	Member Member	99.99% 0.01%	
COPT Concourse, LLC	Delaware	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Dahlgren, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Dahlgren I, LLC	Virginia	Corporate Office Properties Holdings, Inc.	Member	0.1%	
COPT Dahlgren II, LLC	Virginia	Corporate Office Properties, L.P.	Member	99.99%	
COPT Dahlgren IV, LLC	Virginia	Corporate Office Properties, L.P. Corporate Office Properties Holdings, Inc.	Sole Member Member	100% 1%	
COPT Dahlgren Land, LLC	Virginia	Corporate Office Properties, L.P.	Member	99.99%	
COPT Development & Construction Services, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Environmental Systems, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Gate 63, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Gate 6700-6708-6724, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
COPT General, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Greens I, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Greens II, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Greens III, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Hunt Valley GP, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Indian Head, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Interquest, LLC	Colorado	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Interquest 111, LLC	Colorado	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Interquest IV, LLC	Colorado	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Montpelier, LLC	Maryland	Corporate Office Properties, L.P. Corporate Office Properties, Trust	Member Member	77% 23%	
COPT Newport, LLC	Colorado	Corporate Office Properties, L.P. Corporate Office Properties Holdings, Inc.	Member Member	99.90% 0.10%	
COPT Newport C, LLC	Colorado	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Newport D, LLC	Colorado	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Northcreek, LLC	Colorado	Corporate Office Properties, L.P. Northcreek Manager, LLC	Member Member	89.50% 0.50%	
COPT Park Meadow, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Parkstone, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Patriot Park I, LLC	Colorado	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Patriot Park II, LLC	Colorado	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Patriot Park at Galley, LLC	Colorado	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Properly Management Services, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
COPT Princeton South, LLC	New Jersey	Corporals Office Properties, L.P.	Sole Member	100%	
COPT Renovation, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	

COPT Richmond I, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%
COPT Ridgeview I, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%
COPT Ridgeview II & III, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%
COPT Riverwood, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
COPT San Antonio General, LLC	Texas	Corporate Office Properties, L.P.	Sole Member	100%
COPT Southwest VA, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%
COPT Sunrise, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%
COPT Stonecroft, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%
COPT T-11, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
COPT Waterview I, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%
COPT Waterview III, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%
Cornucopia Holdings, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Cornucopia Holdings II, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Corporate Center I, LLC	Maryland	W & M Business Trust	Sole Member	100%
Corporate Development Services, LLC	Maryland	Corporate Office Management, Inc.	Sole Member	100%
Corporate Galespring, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Corporate Galespring II, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Corporate Office Services, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Corporate Paragon, LLC	Maryland	Corporate Office Management, Inc.	Sole Member	100%
Corporate Place B Equity Affiliates, LLC	Maryland	W & M Business Trust	Sole Member	100%
Corporate Property, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Crown Point, L.L.C	Delaware	Corporate Office Properties, L.P.	Member	99.99%
		Corporate Office Properties Holdings, Inc.	Member	0.10%
Delaware Airport III, LLC	Delaware	Airport Square Partners, LLC	Sole Member	100%
Delaware Airport VIII, LLC	Delaware	Airport Square Partners, LLC	Sole Member	100%
Delaware Airport IX, LLC	Delaware	Airport Square Partners, LLC	Sole Member	100%
Fifth Exploration, L.L.C	Maryland	Great Mills V, LLC	Sole Member	100%
Ft. Ritchie I, LLC	Maryland	Ft. Ritchie Holding, LLC	Sole Member	100%
Ft. Ritchie II, LLC	Maryland	Ft. Ritchie Holding, LLC	Sole Member	100%
Ft. Ritchie III, LLC	Maryland	Ft. Ritchie Holding, LLC	Sole Member	100%
Ft. Ritchie IV, LLC	Maryland	Ft. Ritchie Holding, LLC	Sole Member	100%
Ft. Ritchie Holding, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Fourth Exploration, L.L.C	Maryland	Great Mills V, L.L.C	Sole Member	100%
Gateway Crossing 95, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Gateway 44, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Gateway 67, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Gateway 70, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Gateway 70 Holdings, LLC	Maryland	Gateway 70, LLC	Sole Member	100%
Governors Court, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Governors Court 21, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
Great Mills I, L.L.C	Delaware	Corporate Office Properties, L.P.	Sole Member	100%

Name	Jurisdiction	Person Holding an Equity Interest	Nature of Interests Held	Percentage Ownership	Excluded or Material
Great Mills II, LLC.	Delaware	Corporate Office Properties, L.P.	Solo Member	100%	
Great Mills III, LLC.	Delaware	Corporate Office Properties, L.P.	Sole Member	100%	
Great Mills IV, LLC.	Delaware	Corporate Office Properties, L.P.	Sole Member	100%	
Great Mills V, LLC.	Delaware	Corporate Office Properties, L.P.	Sole Member	100%	
Honeygo Run Holdings, LLC	Maryland	W & M Business Trust	Sole Member	100%	
Honeyland 108, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
Jolly COPT I, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
Jolly COPT II, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
M Square NOAA, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
MOR Forbes, LLC	Maryland	Corporate Office Properties, L.P.	Member	80%	
		Corporate Office Properties, Trust	Member	20%	
NBP One, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP Huff & Puff, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP Lot 3-A, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP Retail, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP 131-133-141, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP 132, LLC	Maryland	Corporate Office Properties, L. P.	Sole Member	100%	
NBP 134, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP 135, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP 140, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP 191, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP 201, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP 201 Holdings, LLC	Maryland	NBP 201, LLC	Sole Member	100%	
NBP 211, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP 211 Holdings, LLC	Maryland	NBP 211, LLC	Sole Member	100%	
NBP 220, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	Material
NBP 220 Holdings, LLC	Maryland	NBP 220, LLC	Sole Member	100%	
NBP 221, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP 302, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP 304, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP 306, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP 318, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP 320, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
NBP 322, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
Northcreek Manager, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
Nottingham Center, LLC	Maryland	W & M Business Trust	Sole Member	100%	
Park Circle Equities, LLC	Maryland	W & M Business Trust	Sole Member	100%	
Patriot Park, L.L.C.	Colorado	Corporate Office Properties, L.P.	Sole Member	100%	
Pecan Court, L.L.C.	Maryland	Great Mills II, LLC	Sole Member	100%	
Philadelphia Road Operating Company, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
Professional Center I, LLC	Maryland	W & M Business Trust	Sole Member	100%	
Professional Center III, LLC	Maryland	W & M Business Trust	Sole Member	100%	
Red Cedar Building, LLC	Maryland	Great Mills I, LLC	Sole Member	100%	
RIVA Trustee, LLC	Maryland	MOR Forbes, LLC	Sole Member	100%	
Rivers Center III Investors, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
Riverwood Business Center Equity Affiliates, LLC	Maryland	W & M Business Trust	Sole Member	100%	
Rockville Corporate Center, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
Route 46 Partners, L.L.C.	New Jersey	Corporate Office Properties, L.P.	Sole Member	100%	
Schilling 216 Investors, LLC	Maryland	W & M Business Trust	Sole Member	100%	
Schilling Center Equities, LLC	Maryland	W & M Business Trust	Sole Member	100%	
Sterling York, LLC	Delaware	Corporate Office Properties, L.P.	Sole Member	100%	
Tech Park I, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
Tech Park II, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
Tech Park IV, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
Third Exploration, LLC	Maryland	Great Mills III, L.L.C.	Sole Member	100%	

TRC Pinnacle Towers, LLC	Virginia	Corporate Office Properties, L.P.	Sole Member	100%
TylerRidge I, LLC	Maryland	W & M Business Trust	Sole Member	100%
White Marsh Business Center, LLC	Maryland	W & M Business Trust	Sole Member	100%
White Marsh Professional Center II, LLC	Maryland	W & M Business Trust	Sole Member	100%
Woods Investors, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
WMBC 13A Investment Company, LLC	Maryland	Tyler Ridge Limited Partnership	Sole Member	100%
67 Financing LLC	Maryland	Gateway 87, LLC	Sole Member	100%
110 Thomas Johnson, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
134, LLC	Maryland	NBP 134, LLC	Sole Member	100%
220 Schilling Circle, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
304 Sentinel, LLC	Maryland	NBP 304, LLC	Sole Member	100%
800 International, LLC	Maryland	Tech Park IV, LLC	Sole Member	100%
849 International, LLC	Maryland	Airport Square XXI, LLC	Sole Member	100%
881 Elkridge Landing, LLC	Maryland	Airport Square X, LLC	Sole Member	100%
900 International, LLC	Maryland	Tech Park II, LLC	Sole Member	100%
930 International, LLC	Maryland	Tech Park I, LLC	Sole Member	100%
999 Corporate, LLC	Maryland	Airport Square XV, LLC	Sole Member	100%
1099 Winterson, LLC	Maryland	Airport Square XIX, LLC	Sole Member	100%
1190 Winterson, LLC	Maryland	Airport Square XIV, LLC	Sole Member	100%
1199 Winterson, LLC	Maryland	Airport Square XX, LLC	Sole Member	100%
1362 Mellon, LLC	Maryland	Commons Office 6-8, LLC	Sole Member	100%
1460 Dorsey Road, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
2691 Technology, LLC	Maryland	NBP 191, LLC	Sole Member	100%
2900 Lord Baltimore Drive, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
6700 Alexander Bell, LLC	Maryland	COPT Gate 6700-6708-6724, LLC	Sole Member	100%
6711 Gateway, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
6711 Gateway Funding, LLC	Maryland	Corporate Office Properties, L.P.	Member	99%
		Corporate Office Properties, Trust	Member	1%
6721 Gateway, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
6731 Gateway, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
6741 Gateway, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%
6940 CGD, LLC	Maryland	Corporate Gatespring II, LLC	Sole Member	100%
7000 CG, LLC	Maryland	7000 Honeys, LLC	Sole Member	100%

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Name	Jurisdiction	Person Holding an Equity Interest	Nature of Interests Held	Percentage Ownership	Excluded or Material
7000 Honeys, LLC	Maryland	Corporate Office Properties, LP.	Sole Member	100%	
7015 Albert Einstein Drive, LL. C.	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
7130 Columbia Gateway, LLC	Maryland	Gateway Crossing 85, LLC	Sole Member	100%	
7200 Riverwood, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
7210 Ambassador Road, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
7240 Parkway Drive Enterprises, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
7253 Ambassador Road, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
7318 Parkway Drive Enterprises, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
7320 Parkway Drive Enterprises, LLC	Maryland	Corporate Office Properties, L.P.	Sole Member	100%	
7320 PD, LLC	Maryland	7320 Parkway Drive Enterprises, LLC	Sole Member	100%	
8621 RFD, LLC	Maryland	Gateway 70, LLC	Sole Member	100%	
8661 RFD, LLC	Maryland	Gateway 67, LLC	Sole Member	100%	
9020 Mendenhall, LLC	Maryland	Corporate Office Properties, LP.	Sole Member	100%	
9690 Deereco Road, LLC	Maryland	Corporate Office Properties, LP.	Sole Member	100%	
9965 Federal Drive, LLC	Colorado	Corporate Office Properties, LP.	Member	99%	
		Corporate Office Properties Holdings, Inc.	Member	1%	
11011 McCormick Road, LLC	Maryland	Corporate Office Properties, LP.	Sole Member	100%	
11101 McCormick Road, LLC	Maryland	Corporals Office Properties, LP.	Sole Member	100%	
11800 Tech Road LLC	Delaware	Corporate Office Properties, LP.	Sole Member	100%	

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**Schedule 6.1(b) Part 2
Ownership Structure - Joint Ventures
Current as of September 19, 2007**

Name	Jurisdiction	Person Holding an Equity Interest	Nature of Interests Held	Percentage Ownership	Excluded or Material
Corporate Gateway, L.P.	Delaware	Harrisburg Investors General Partner, LLC	General Partner	0.10%	
		COPT Gateway, L.P.	Limited Partner	99.90%	
Harrisburg Corporate Gateway Partners, L.P. (JV)	Delaware	Corporate Office Properties, L.P.	Limited Partner	20.12%	
		Harrisburg Investors, L.P.	Limited Partner	79.78%	
		Harrisburg Investors I, LLC	General Partner	0.1%	
Arundel Preserve #5, LLC (JV)	Maryland	COPT Arundel Preserve, LLC	Member	50%	
		Kirk Property Limited Partnership	Member	50%	
COPT-FD Indian Head, LLC (JV)	Maryland	COPT Indian Head, LLC	Member	75%	
		Indian Head Business Park, LLC	Member	25%	
COPT Opportunity Invest I, LLC (JV)	Maryland	COPT Renovation, LLC	Member	92.5%	
		Opportunity Invest, LLC	Member	7.5%	
Enterprise Campus Developer, LLC (JV)	Maryland	Corporate Office Properties, L.P.	Member	90%	
		Manekin Investments Associates 3, LLC	Member	10%	
MOR Forbes 2, LLC (JV)	Maryland	Corporate Office Properties, L.P.	Member	80%	
		Manekin Forbes LLLP	Member	20%	
Opportunity Invest Ventures, LLC (JV)	Delaware	COPT Opportunity Invest I, LLC	Sole Member	100%	
2900 Towerview Road, LLC (JV)	Virginia	COPT Opportunity Invest I, LLC	Sole Member	100%	
7468 Candlewood Road, LLC (JV)	Maryland	COPT Opportunity Invest I, LLC	Sole Member	100%	

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Office Properties	Submarket	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment	Developable Square Feet	JV Interest Held by COPT
Baltimore/Washington Corridor					
2730 Hercules Road	BWI Airport	240,336			
304 Sentinel Drive (304 NBP)	BWI Airport	162,498			
306 Sentinel Drive (306 NBP)	BWI Airport	157,896			
302 Sentinel Drive (302 NBP)	BWI Airport		157,146		
2720 Technology Drive (220 NBP)	BWI Airport	156,730			
2711 Technology Drive (211 NBP)	BWI Airport	152,000			
320 Sentinel Drive (320 NBP)	BWI Airport		125,681		
318 Sentinel Drive (318 NBP)	BWI Airport	125,681			
322 Sentinel Drive (322 NBP)	BWI Airport	125,568			
140 National Business Parkway	BWI Airport	119,904			
132 National Business Parkway	BWI Airport	118,456			
2721 Technology Drive (221 NBP)	BWI Airport	118,093			
2701 Technology Drive (201 NBP)	BWI Airport	117,450			
2691 Technology Drive (191 NBP)	BWI Airport	103,683			
134 National Business Parkway	BWI Airport	93,482			
135 National Business Parkway	BWI Airport	87,655			
133 National Business Parkway	BWI Airport	87,401			
141 National Business Parkway	BWI Airport	87,247			
131 National Business Parkway	BWI Airport	69,039			
114 National Business Parkway	BWI Airport	9,908			
		2,133,027	282,827		
1306 Concourse Drive	BWI Airport	114,046			
870-880 Elkridge Landing Road	BWI Airport	105,151			
1304 Concourse Drive	BWI Airport	101,710			
900 Elkridge Landing Road	BWI Airport	97,261			
1199 Winterson Road	BWI Airport	96,636			
920 Elkridge Landing Road	BWI Airport	96,566			
1302 Concourse Drive	BWI Airport	84,406			
881 Elkridge Landing Road	BWI Airport	73,572			
1099 Wintersoh Road	BWI Airport	70,569			
1190 Winterson Road	BWI Airport	69,127			
849 International Drive	BWI Airport	68,758			
911 Elkridge Landing Road	BWI Airport	68,296			
1201 Winterson Road	BWI Airport	67,903			
999 Corporate Boulevard	BWI Airport	67,455			
891 Elkridge Landing Road	BWI Airport	58,454			
901 Elkridge Landing Road	BWI Airport	57,593			
930 International Drive	BWI Airport	57,409			
800 International Drive	BWI Airport	57,379			
900 International Drive	BWI Airport	57,140			
921 Elkridge Landing Road	BWI Airport	54,175			
940 Elkridge Landing Road	BWI Airport	53,941			
939 Elkridge Landing Road	BWI Airport	53,031			
938 Elkridge Landing Road	BWI Airport	52,988			
		1,683,566	—		
7467 Ridge Road	BWI Airport	74,326			
7240 Parkway Drive	BWI Airport	73,970			
7272 Park Circle Drive	BWI Airport	59,397			
7318 Parkway Drive	BWI Airport	59,204			
7320 Parkway Drive	BWI Airport	58,453			
1340 Ashton Road	BWI Airport	46,400			
1362 Mellon Road	BWI Airport		44,134		
1334 Ashton Road	BWI Airport	37,565			
1331 Ashton Road	BWI Airport	29,936			
1350 Dorsey Road	BWI Airport	19,992			
1344 Ashton Road	BWI Airport	17,062			
1341 Ashton Road	BWI Airport	15,841			
1343 Ashton Road	BWI Airport	9,962			
1348 Ashton Road	BWI Airport	3,108			
		505,216	44,134		
Subtotal (continued on next page)		4,321,809	326,961		

Office Properties	Submarket	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment	Developable Square Feet	JV Interest Held by COPT
Subtotal (continued from prior page)					
5520 Research Park Drive (UMBC) (1)	BWI Airport		110,000		
5522 Research Park Drive (UMBC) (1)	BWI Airport		23,500		
			133,500		
2500 Riva Road					
	Annapolis	155,000			
Old Annapolis Road					
	Howard Co. Perimeter	150,000			
7125 Columbia Gateway Drive	Howard Co. Perimeter	611,379			
7000 Columbia Gateway Drive	Howard Co. Perimeter	145,806			
6711 Columbia Gateway Drive	Howard Co. Perimeter	89,559	35,441		
6731 Columbia Gateway Drive	Howard Co. Perimeter	123,911			
6940 Columbia Gateway Drive	Howard Co. Perimeter	109,003			
6950 Columbia Gateway Drive	Howard Co. Perimeter	107,778			
8621 Robert Fulton Drive	Howard Co. Perimeter	86,032			
7067 Columbia Gateway Drive	Howard Co. Perimeter	82,953			
6750 Alexander Bell Drive	Howard Co. Perimeter	78,460			
6700 Alexander Bell Drive	Howard Co. Perimeter	74,859			
6740 Alexander Bell Drive	Howard Co. Perimeter	63,480			
7015 Albert Einstein Drive	Howard Co. Perimeter	61,203			
8671 Robert Fulton Drive	Howard Co. Perimeter	56,350			
6716 Alexander Bell Drive	Howard Co. Perimeter	52,005			
8661 Robert Fulton Drive	Howard Co. Perimeter	49,307			
7130 Columbia Gateway Drive	Howard Co. Perimeter	46,840			
7142 Columbia Gateway Drive	Howard Co. Perimeter	45,951			
6708 Alexander Bell Drive	Howard Co. Perimeter	39,203			
7065 Columbia Gateway Drive	Howard Co. Perimeter	38,560			
7138 Columbia Gateway Drive	Howard Co. Perimeter	38,225			
7063 Columbia Gateway Drive	Howard Co. Perimeter	36,936			

6760 Alexander Bell Drive	Howard Co. Perimeter	36,440	
7150 Columbia Gateway Drive	Howard Co. Perimeter	35,812	
7061 Columbia Gateway Drive	Howard Co. Perimeter	29,910	
6724 Alexander Bell Drive	Howard Co. Perimeter	28,420	
7134 Columbia Gateway Drive	Howard Co. Perimeter	21,991	
		<u>2,190,373</u>	<u>35,441</u>
7200 Riverwood Drive	Howard Co. Perimeter	160,000	
7160 Riverwood Drive	Howard Co. Perimeter	62,084	
9140 Guilford Road	Howard Co. Perimeter	41,704	
7150 Riverwood Drive	Howard Co. Perimeter	41,382	
9160 Guilford Road	Howard Co. Perimeter	37,034	
7170 Riverwood Drive	Howard Co. Perimeter	29,162	
7175 Riverwood Drive	Howard Co. Perimeter	26,500	
9150 Guilford Road	Howard Co. Perimeter	18,592	
10280 Old Columbia Road	Howard Co. Perimeter	16,796	
10270 Old Columbia Road	Howard Co. Perimeter	16,686	
9130 Guilford Road	Howard Co. Perimeter	13,700	
10290 Old Columbia Road	Howard Co. Perimeter	10,890	
		<u>474,530</u>	<u>—</u>
9720 Patuxent Woods Drive	Howard Co. Perimeter	40,004	
9740 Patuxent Woods Drive	Howard Co. Perimeter	38,292	
9700 Patuxent Woods Drive	Howard Co. Perimeter	31,261	
9730 Patuxent Woods Drive	Howard Co. Perimeter	30,986	
9710 Patuxent Woods Drive	Howard Co. Perimeter	15,229	
		<u>155,772</u>	<u>—</u>
9020 Mendenhall Court	Howard Co. Perimeter	49,259	
Total Baltimore/Washington Corridor		<u>7,496,743</u>	<u>495,902</u>

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<u>Submarket</u>	<u>Total Operational Square Feet</u>	<u>Total Square Feet Under Construction/ Redevelopment</u>	<u>Developable Square Feet</u>	<u>JV Interest Held by COPT</u>
<u>St. Mary's & King George Counties</u>				
22309 Exploration Drive	St. Mary's County	98,860		
22289 Exploration Drive	St. Mary's County	61,059		
22299 Exploration Drive	St. Mary's County	58,231		
32300 Exploration Drive	St. Mary's County	44,830		
		<u>262,980</u>	<u>—</u>	
46579 Expedition Drive	St. Mary's County	61,156		
46591 Expedition Drive	St. Mary's County	60,029		
		<u>121,185</u>	<u>—</u>	
44425 Pecan Court	St. Mary's County	59,055		
44408 Pecan Court	St. Mary's County	50,532		
23535 Cottonwood Parkway	St. Mary's County	46,656		
44417 Pecan Court	St. Mary's County	29,053		
44414 Pecan Court	St. Mary's County	25,444		
44420 Pecan Court	St. Mary's County	25,200		
		<u>235,940</u>	<u>—</u>	
16480 Commerce Drive	King George County	70,728		
16541 Commerce Drive	King George County	36,053		
16539 Commerce Drive	King George County	32,076		
16442 Commerce Drive	King George County	25,518		
16501 Commerce Drive	King George County	22,800		
16543 Commerce Drive	King George County	17,370		
		<u>204,605</u>	<u>—</u>	
Total St. Mary's & King George Counties		<u>824,710</u>	<u>—</u>	

Northern Virginia

15000 Conference Center Drive	Dulles South	470,406		
15010 Conference Center Drive	Dulles South	223,610		
15059 Conference Center Drive	Dulles South	145,192		
15049 Conference Center Drive	Dulles South	145,053		
14900 Conference Center Drive	Dulles South	127,115		
14280 Park Meadow Drive	Dulles South	114,126		
4851 Stonecroft Boulevard	Dulles South	88,094		
14850 Conference Center Drive	Dulles South	69,711		
14840 Conference Center Drive	Dulles South	69,710		
		<u>1,453,017</u>	<u>—</u>	
13200 Woodland Park Road	Herndon	404,665		
13454 Sunrise Valley Road	Herndon	112,633		
13450 Sunrise Valley Road	Herndon	53,728		
		<u>166,361</u>	<u>—</u>	
1751 Pinnacle Drive	Tysons Corner	260,469		
1753 Pinnacle Drive	Tysons Corner	181,637		
		<u>442,106</u>	<u>—</u>	
Total Northern Virginia		<u>2,466,149</u>	<u>—</u>	

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<u>Submarket</u>	<u>Total Operational Square Feet</u>	<u>Total Square Feet Under Construction/ Redevelopment</u>	<u>Developable Square Feet</u>	<u>JV Interest Held by COPT</u>
<u>Other Virginia</u>				
11751 Meadowville Lane	Richmond Southwest	193,000		
201 Technology Park Drive (I)	Southwest Virginia		102,842	

Total Other Virginia		193,000	102,842
Greater Philadelphia			
753 Jolly Road	Blue Bell	419,472	
785 Jolly Road	Blue Bell	219,065	
760 Jolly Road	Blue Bell	208,854	
751 Jolly Road	Blue Bell	112,958	
Total Greater Philadelphia		960,349	—
Northern/Central New Jersey			
431 Ridge Road	Exit 8A - Cranbury	171,200	
429 Ridge Road	Exit 8A - Cranbury	142,385	
437 Ridge Road	Exit 8A - Cranbury	30,000	
		343,585	—
47 Commerce	Exit 8A - Cranbury	41,398	
Total Northern/Central New Jersey		384,983	—
San Antonio, Texas			
8611 Military Drive	San Antonio	468,994	
Total San Antonio, Texas		468,994	—
Colorado Springs			
655 Space Center Drive	Colorado Springs East		103,900
985 Space Center Drive	Colorado Springs East	102,717	
745 Space Center Drive	Colorado Springs East	50,000	
980 Technology Court	Colorado Springs East	33,190	
		185,907	103,900
1055 North Newport Road	Colorado Springs East		59,763
1670 North Newport Road	Colorado Springs East	67,500	
1915 Aerotech Drive	Colorado Springs East	37,946	
1925 Aerotech Drive	Colorado Springs East	37,946	
		143,392	—
9950 Federal Drive	1-25 North Corridor	66,222	
9965 Federal Drive	1-25 North Corridor	41,120	33,629
9960 Federal Drive	1-25 North Corridor	46,948	
		154,290	33,629
5775 Mark Dubling Boulevard	Colorado Springs Northwest	109,678	
5725 Mark Dubling Boulevard	Colorado Springs Northwest	108,976	
5755 Mark Dubling Boulevard	Colorado Springs Northwest	105,788	
		324,442	—
Total Colorado Springs		808,031	197,292

**Schedule 6.1(f) Part I - Title to Properties
As of August 31, 2007**

	Submarket	Total Operational Square Feet	Total Square Feet Under Construction / Redevelopment	Developable Square Feet	JV Interest Held by COPT
Suburban Maryland					
11800 Tech Road	North Silver Spring	235,954			
400 Professional Drive	Gaithersburg	129,311			
110 Thomas Johnson Drive	Frederick	117,803			
45 West Gude Drive	Rockville	108,588			
15 West Gude Drive	Rockville	106,928			
		215,516	—		
Total Suburban Maryland		698,584	—		
Suburban Baltimore					
11311 McCormick Road	Hunt Valley/Rte 83 Corridor	212,856			
200 International Circle	Hunt Valley/Rte 83 Corridor	128,653			
226 Schilling Circle	Hunt Valley/Rte 83 Corridor	98,640			
201 International Circle	Hunt Valley/Rte 83 Corridor	78,634			
11011 McCormick Road	Hunt Valley/Rte 83 Corridor	56,512			
216 Schilling Circle	Hunt Valley/Rte 83 Corridor	36,003			
222 Schilling Circle	Hunt Valley/Rte 83 Corridor	28,003			
224 Schilling Circle	Hunt Valley/Rte 83 Corridor	27,372			
11101 McCormick Road	Hunt Valley/Rte 83 Corridor	24,232			
		690,910	—		
10150 York Road	Hunt Valley/Rte 83 Corridor	178,286			
9690 Deereco Road	Hunt Valley/Rte 83 Corridor	134,175			
375 West Padonia Road	Hunt Valley/Rte 83 Corridor	110,328			
		422,789	—		
7210 Ambassador Road	Baltimore County Westside	83,435			
7152 Windsor Boulevard	Baltimore County Westside	57,855			
21 Governor's Court	Baltimore County Westside	56,063			
7125 Ambassador Road	Baltimore County Westside	50,488			
7253 Ambassador Road	Baltimore County Westside	38,930			
7104 Ambassador Road	Baltimore County Westside	29,457			
17 Governor's Court	Baltimore County Westside	14,701			
15 Governor's Court	Baltimore County Westside	14,568			
7127 Ambassador Road	Baltimore County Westside	11,144			
7129 Ambassador Road	Baltimore County Westside	11,075			
7108 Ambassador Road	Baltimore County Westside	9,018			

7102 Ambassador Road	Baltimore County Westside	8,379	
7106 Ambassador Road	Baltimore County Westside	8,820	
7131 Ambassador Road	Baltimore County Westside	7,453	
		<u>401,886</u>	<u>—</u>
502 Washington Avenue	Towson	91,188	
102 West Pennsylvania Avenue	Towson	49,497	
100 West Pennsylvania Avenue	Towson	18,451	
109-111 Allegheny Avenue	Towson	18,431	
		<u>177,567</u>	<u>—</u>
Subtotal (continued on next page)		1,693,152	—

5

	<u>Submarket</u>	<u>Total Operational Square Feet</u>	<u>Total Square Feet Under Construction/ Redevelopment</u>	<u>Developable Square Feet</u>	<u>JV Interest Held by COPT</u>
Subtotal (Continued from prior page)		1,693,152	—		
4940 Campbell Boulevard	White Marsh	49,813			
8140 Corporate Drive	White Marsh	75,687			
8110 Corporate Drive	White Marsh	75,687			
		<u>151,374</u>	<u>—</u>		
9910 Franklin Square Drive	White Marsh	56,271			
9920 Franklin Square Drive	White Marsh	44,566			
9930 Franklin Square Drive	White Marsh	39,750			
9900 Franklin Square Drive	White Marsh	33,912			
9940 Franklin Square Drive	White Marsh	33,134			
		<u>207,633</u>	<u>—</u>		
8020 Corporate Drive	White Marsh	51,600			
8094 Sandpiper Circle	White Marsh	50,812			
8098 Sandpiper Circle	White Marsh	47,680			
8010 Corporate Drive	White Marsh	39,351			
		<u>189,443</u>	<u>—</u>		
5325 Nottingham Ridge Road	White Marsh	37,322			
5355 Nottingham Ridge Road	White Marsh	36,981			
		<u>74,303</u>	<u>—</u>		
7941-7949 Corporate Drive	White Marsh	57,600			
8007 Corporate Drive	White Marsh	43,197			
8013 Corporate Drive	White Marsh	38,618			
8019 Corporate Drive	White Marsh	25,461			
8003 Corporate Drive	White Marsh	18,327			
8015 Corporate Drive	White Marsh	16,610			
8023 Corporate Drive	White Marsh	9,486			
		<u>209,299</u>	<u>—</u>		
5020 Campbell Boulevard	White Marsh	44,701			
5024 Campbell Boulevard	White Marsh	33,791			
5026 Campbell Boulevard	White Marsh	30,868			
5022 Campbell Boulevard	White Marsh	27,507			
		<u>136,867</u>	<u>—</u>		
1001 Franklin Square Drive	White Marsh	216,000			
8114 Sandpiper Circle	White Marsh	45,399			
4979 Mercantile Road	White Marsh	50,498			
4969 Mercantile Road	White Marsh	47,574			
		<u>98,072</u>	<u>—</u>		
7939 Honeygo Boulevard	White Marsh	28,081			
8133 Perry Hall Boulevard	White Marsh	27,803			
7923 Honeygo Boulevard	White Marsh	24,049			
		<u>79,933</u>	<u>—</u>		
8031 Corporate Drive	White Marsh	66,000			
10552 Philadelphia Road	White Marsh	56,000			
8015 Ridgely's Choice Drive	White Marsh	37,797			
8029 Corporate Drive	White Marsh	25,000			
		<u>184,797</u>	<u>—</u>		
Total Suburban Baltimore		3,336,085	—		
TOTAL PORTFOLIO		17,637,628	796,036		

Note: On September 7, 2007, we sold our interests in the properties known as 7321 Parkway Drive in Linthicum, Maryland and 2 and 8 Centre Drive in Cranbury, New Jersey. These properties have been excluded from this schedule.

6

	<u>Submarket</u>	<u>Total Operational Square Feet</u>	<u>Total Square Feet Under Construction / Redevelopment</u>	<u>Developable Square Feet</u>	<u>JV Interest Held by COPT</u>
Unconsolidated Joint Venture Properties					
Greater Harrisburg					
2605 Interstate Drive		79,456			20.0%
2601 Market Place	East Shore	65,411			20.0%

		144,867	—
6345 Flank Drive	East Shore	69,443	20.0 %
6340 Flank Drive	East Shore	68,200	20.0 %
6400 Flank Drive	East Shore	52,439	20.0 %
6360 Flank Drive	East Shore	46,500	20.0 %
6385 Flank Drive	East Shore	32,921	20.0 %
6380 Flank Drive	East Shore	32,668	20.0 %
6405 Flank Drive	East Shore	32,000	20.0 %
95 Shannon Road	East Shore	21,976	20.0 %
75 Shannon Road	East Shore	20,887	20.0 %
6375 Flank Drive	East Shore	19,783	20.0 %
85 Shannon Road	East Shore	12,863	20.0 %
		409,680	—
5035 Ritter Road	West Shore	56,556	20.0 %
5070 Ritter Road - Building A	West Shore	32,309	20.0 %
5070 Ritter Road - Building B	West Shore	28,347	20.0 %
		117,212	—
Total Greater Harrisburg		671,759	—
Total Unconsolidated Joint Venture Properties		671,759	—
Consolidated Joint Venture Properties			
<u>Suburban Maryland</u>			
4230 Forbes Boulevard	Lanham	55,866	50.0 %
Indian Head, LLC	Charles County		75.0 %
			677,250
Total Suburban Maryland		55,866	—
			677,250
<u>Baltimore/Washington Corridor</u>			
7468 Candlewood Road	BWI Airport		471,587
			92.5 %
Total Baltimore/Washington Corridor		—	471,587
<u>Northern Virginia</u>			
2900 Towerview Road and 13849 Part Center Road	Route 28 South	78,171	116,706
			92.5 %
Total Northern Virginia		78,171	116,706
Total Consolidated Joint Venture Properties		134,037	588,293
			677,250
TOTAL PORTFOLIO		805,796	588,293
			677,250

**Schedule 6.1(f) Part I - Title to Properties
As of August 31, 2007**

	<u>Submarket</u>	<u>Developable Square Feet</u>
Redevelopment/Development		
Gude Drive Land - Building I	Rockville	110,000
Gude Drive Land Parcel / Rockville Corporate Ctr. (Celera/Appelera)	Rockville	110,000
Gateway Exchange III (6721 Columbia Gateway Drive)	Howard Co. Perimeter	131,550
Worldcom Land	Dulles South	674,200
Interquest Land	1-25 North Corridor	1,500,000
300 NBP	BWI Airport	190,000
316 NBP	BWI Airport	125,000
16442A Commerce Drive (Dahlgren)	King George County	50,000
308 NBP	BWI Airport	161,200
Corporate Place III	White Marsh	125,000
Corporate Place IV	White Marsh	125,000
Thomas Johnson Drive (Frederick - 6 acres)	Frederick	85,000
1460 Dorsey Road	BWI Airport	60,000
NBP Visitor Control Center	BWI Airport	20,000
Clarks Hundred (NBP Phase III)	BWI Airport	1,250,000
312 NBP	BWI Airport	125,000
Cedar Knolls	BWI Airport	320,000
Columbia Gateway (T-II)	Howard Co, Perimeter	220,000
6741 Columbia Gateway	Howard Co. Perimeter	10,000
Pork Center - Building I	Dulles South	160,000
Waterview III / Three Dulles Tower / Woodland Park	Herndon	225,000
Ft. Ritchie Land	Cascade, MD	1,700,000
Dahlgren Land Parcel	King George County	65,000
Westfields Corporate Center 19 acres / WTP3 St. Joe's land	Dulles South	246,800

Blue Bell Corporate Center	Blue Bell	600,000
San Antonio - 27 acre land parcel	San Antonio	350,000
San Antonio - 31 acre land parcel	San Antonio	375,000
COPT Princeton South	Exit 8A - Cranbury	TBD
Expedition VII - (parcel #2)	St. Mary's County	60,000
Fort Ritchie - General (Land)	Cascade, MD	(1)
Patriot Park (Colorado Springs) 52 acres 7/08/05	Colorado Springs East	860,000
Galley Road	Rockville	TBD
Aerotech 2	Colorado Springs East	90,000
9965 Federal Land Parcel	1-25 North Corridor	30,000
Clarks Hundred II	BWI Airport	(2)
White Marsh (Lot 401)	White Marsh	1,600,000
Nottingham Ridge		(3)
10521 Red Run Boulevard		(3)
White Marsh Com. Ctr. II		(3)
Campbell Blvd. & Franklin Square		(3)
Nottingham & Philadelphia Roads		(3)
Philadelphia Rd. & Route 43		(3)
7125 Columbia Gateway Drive (Land)	Howard Co. Perimeter	120,000
Riverwood I & II (Land)	Howard Co. Perimeter	70,000
	Total:	11,753,750

(1) Included in total of 1.7 million s.f. of development

(2) Included in total of 1.275 million s.f. of development,

(3) Included in total of 1.6MM s.f. of development.

**Schedule 6.1(f) Part II - Liens In Existence
As of August 31, 2007**

Loan	Secured Property(ies)
TIAA (suburban office)	2730 Hercules Road 133 National Business Parkway 131 National Business Parkway 135 National Business Parkway 141 National Business Parkway 7240 Parkway Drive 6950 Columbia Gateway Drive 46579 Expedition Drive 22289 Exploration Drive
IDS (9690 Decreco & Exploration IV)	9690 Decreco Road 22299 Exploration Drive
State Farm (132 / 221 NBP)	132 National Business Parkway 2721 Technology Drive
Transoccidental (AEGON) — ABD	6716 Alexander Bell Drive 6740 Alexander Bell Drive 6750 Alexander Bell Drive 6760 Alexander Bell Drive
Allstate — Commons / Parkway	1331 Ashton Road 1341 Ashton Road 1338 Ashton Road 1343 Ashton Road 1344 Ashton Road 1348 Ashton Road 1350 Dorsey Road 7467 Ridge Road 7318 Parkway Drive
AEGON — Concourse & AS	1302 Concourse Drive 1306 Concourse Drive 891 Elkridge Landing Road 901 Elkridge Landing Road
TIAA — 201/211 NBP	2701 Technology Drive 2711 Technology Drive
State Farm (Gateway 63/Rivers 95)	7061 Columbia Gateway Drive 7063 Columbia Gateway Drive 7065 Columbia Gateway Drive 7067 Columbia Gateway Drive 9130 Guilford Road 9140 Guilford Road 9150 Guilford Road 9160 Guilford Road

Northwestern Mutual (Westfields I)	15049 Conference Center Drive
Allstate - 11800 Tech	11800 Tech Road
Allstate - AS III, VI, VII & XVIII	920 Elkridge Landing Road 938 Elkridge Landing Road 940 Elkridge Landing Road 1304 Concourse Drive
Aegon - Dulles Tech /Ridgeview	13454 Sunrise Valley 13450 Sunrise Valley 14900 Conference Center Drive 14840 Conference Center Drive 14850 Conference Center Drive
TIAA - I Dulles Tower/Greens 2&3	15059 Conference Center Drive 4851 Stonecraft Boulevard 13200 Woodland Park Drive
TIAA (Pinnacle - assumed)	1751 Pinnacle Drive 1753 Pinnacle Drive

Loan	Secured Property(ies)
Greenwich	134 National Business Parkway 6940 Columbia Gateway Drive 880 Elkridge Landing Road 870 Elkridge Landing Road 7000 Columbia Gateway Drive 7320 Parkway Drive 8621 Robert Fulton Drive 8661 Robert Fulton Drive 8671 Robert Fulton Drive
LaSalle	2691 Technology Drive 304 Sentinel Drive 6700 Alexander Bell Drive 6708 Alexander Bell Drive 6724 Alexander Bell Drive 7130 Columbia Gateway Drive 7134 Columbia Gateway Drive 7138 Columbia Gateway Drive 7142 Columbia Gateway Drive 7150 Columbia Gateway Drive
Goldman Sachs	881 Elkridge Landing Road 1190 Winterson Road 999 Corporate Boulevard 1099 Winterson Road 1199 Winterson Road 849 International Drive 930 International Drive 900 International Drive 800 International Drive 5725 Mark Dabling Boulevard 5755 Mark Dabling Boulevard 5775 Mark Dabling Boulevard 1915 Acrotech Drive 1925 Acrotech Drive
Allstate (W&M)	8013 Corporate Drive 8015 Corporate Drive 8019 Corporate Drive 8023 Corporate Drive
Wachovia (W&M)	10270 Old Columbia Road 10280 Old Columbia Road 10290 Old Columbia Road 9700 Patuxent Woods Drive 9710 Patuxent Woods Drive 9720 Patuxent Woods Drive 9730 Patuxent Woods Drive 9740 Patuxent Woods Drive
LaSalle	15000 Conference Center Drive 15010 Conference Center Drive
W&M (Park Circle)	7272 Park Circle Drive
GMAC - Crown Point	400 Professional Drive

ING - Corp Point III (assumed)	14280 Park Meadow Drive	
Wachovia - Dahlgren	16442 Commerce Drive 16501 Commerce Drive 16543 Commerce Drive	
<hr/>		
Loan		Secured Property(ies)
PNC - Veda I & II	22309 Exploration Drive	
Key Bank - Red Cedar	44425 Pecan Court	
GMAC - Newport Center	1670 North Newport Road	
Albert Einstein (AE)/State Farm	7015 Albert Einstein Drive	
7125 Columbia Gateway Drive	7125 Columbia Gateway Drive	
State Farm (Franklin Square)	9910 Franklin Square Drive	
State Farm 2 (Washington Ave.)	502 Washington Avenue	
Wachovia term loan (\$34.5M)	7200 Riverwood Drive 2500 Riva Road 9950 Federal Drive 9960 Federal Drive	(1) (1) (1) (1)
M&T/NBP 302	302 Sentinel Drive	(1)
M&T/NBP 320	320 Sentinel Drive	(1)
Wells Fargo - 6711 Col Gtw Dr	6711 Columbia Gateway Drive	(1)
Bank of America (VITA-Richmond)	11751 Meadowville Lane	(1)
Harrisburg Portfolio	2605 Interstate Drive 2601 Market Place 6345 Flank Drive 6340 Flank Drive 6400 Flank Drive 6360 Flank Drive 6385 Flank Drive 6380 Flank Drive 6405 Flank Drive 6375 Flank Drive 75 Shannon Road 85 Shannon Road 95 Shannon Road	

(1) Assignment of Membership Interest (no lien on real property).

**Schedule 6.1(g) - Indebtedness and Guaranties
As of August 31, 2007**

Loan	JV %	Actual 8/31/2007 Book Balance	Secured/ Unsecured
Revolver		327,000,000	U
TIAA (suburban office)		69,496,664	S
IDS (9690 Deereco & Exploration IV)		12,172,539	S
State Farm (132 / 221 NBP)		23,225,279	S
Transoccidental (AEGON) — ABD		18,798,244	S
Allstate — Commons / Parkway		23,014,274	S
AEGON — Concourse & AS		23,640,154	S
TIAA — 201/211 NBP		30,736,679	S
State Farm (Gateway 63/Rivers 95)		25,083,223	S
Northwestern Mutual (Westfields I)		13,800,401	S
Allstate - 11800 Tech		17,680,787	S
Allstate - AS III, VI, VII & XVIII		26,521,180	S
Aegon - Dulles Tech /Ridgeview		47,886,960	S
TIAA - I Dulles Tower/Greens 2&3		110,059,864	S
TIAA (Pinnacle - assumed)		61,334,585	S
Greenwich		103,000,000	S
LaSalle		108,543,000	S
Goldman Sachs		146,500,000	S

Allstate (W&M)		5,908,716	S
Wachovia (W&M)		14,392,719	S
LaSalle		150,000,000	S
Doug Legum		750,000	U
W&M (Park Circle)		5,889,426	S
GMAC - Crown Point		16,004,288	S
ING - Corp Point III (assumed)		9,252,884	S
Wachovia - Dahlgren IV		6,298,104	S
PNC - Veda I & II		1,323,892	S
Key Bank - Red Cedar		3,849,007	S
Fort Ritchie (Seller take back)		1,689,951	U
GMAC - Newport Center		4,838,484	S
Albert Einstein (AE)/State Farm		3,650,645	S
7125 Columbia Gateway Drive		37,318,058	S
State Farm (W&M)		5,793,013	S
State Farm 2 (W&M)		5,492,221	S
		<u>1,133,945,240</u>	
Wachovia term loan (\$34.5M)		34,500,000	S
M&T/NBP 302		22,506,089	S
M&T/NBP 320		18,082,714	S
Wells Fargo - 6711 Col Gtw Dr		14,777,456	S
Bank of America (VITA-Richmond)		43,499,786	S
		<u>133,366,045</u>	
3.5% Exchangeable Senior Notes		200,000,000	U
Total		1,794,311,285	
Add: Pro Rata Share of JV Debt			
Harrisburg Portfolio	20%	<u>13,320,000</u>	S
COPT's share of JV Debt		13,320,000	
Add: Letter or Credits (Citigroup)		666,665	
Add: Letter of Credits (Nottingham)		1,075,787	
Add: Letter of Credit (Release of 7321 Parkway)		2,643,814	
Add: Letter or Credits (Other)		323,653	
Add: Capital Lease Obligations		—	
		<u>4,709,919</u>	
Total Indebtedness		\$ 1,812,341,204	

Note 1: The Revolver balance is as of last Borrowing (9/20/2007).

Note 2: The \$666,665 LOC related to Harrisburg JV automatically reduces by \$66,667 per calendar quarter commencing on April 1, 2006.

SCHEDULE 6.1(h)

Material Contracts

None

SCHEDULE 6.1(i)

Litigation

None

**Schedule 6.1 (y) - Unencumbered Assets
As of August 31, 2007**

Operating Properties

7%

Real Property Address	Square Feet	2Q 07 Cash NOI	2Q 07 Cash NOI Annualized	Cap Rate @7.0%	2Q 07 Adjusted Cash NOI
Airport Square II (900 Elkridge Landing Road)	97,261	323,500	1,294,000	18,485,714	317,421
Airport Square IV (939 Elkridge Landing Road)	53,031	147,733	590,932	8,441,886	144,419
Airport Square V (921 Elkridge Landing Road)	54,175	188,132	752,528	10,750,400	184,746
Airport Square XI (911 Elkridge Landing Road)	68,296	226,765	907,060	12,958,000	222,497
Airport Square XIII (1201 Winterson Road)	67,903	184,100	736,400	10,520,000	179,856

15 Gude Drive	106,928	386,579	1,546,316	22,090,229	379,896(1)
45 Gude Drive	108,588	424,773	1,699,092	24,272,743	417,986
110 Thomas Johnson Drive	117,803	275,383	1,101,532	15,736,171	268,020
318 Sentinel Drive (318 NBP)	125,681	982,317	3,929,268	56,132,400	974,462
322 Sentinel Drive (322 NBP)	125,568	595,654	2,382,616	34,037,371	587,806
306 Sentinel Drive (306 NBP)	157,896	664,965	2,659,860	37,998,000	655,097
9140 Route 108	150,000	502,108	2,008,432	28,691,886	492,733
140 National Business Parkway	119,904	1,086,299	4,345,196	62,074,229	1,078,805
2720 Technology Drive (NBP 220)	156,730	1,450,251	5,801,004	82,871,486	1,440,455
10150 York Road (Sterling York)	178,286	521,805	2,087,220	29,817,429	510,662
375 W. Padonia Road (the Atrium Bldg)	110,328	299,376	1,197,504	17,107,200	292,481
16539-16541 Commerce Drive	68,129	214,329	357,316	12,247,371	210,071
751 - 785 Jolly Road (Blue Bell)	960,349	2,644,220	10,576,880	151,098,286	2,684,198
8611 Military Drive	468,994	1,146,388	4,585,552	65,507,886	1,117,076
429 Ridge Road (Princeton Tech 429)	142,385	—	—	—	—(2)
431 Ridge Road (Princeton Tech 437)	171,200	358,430	1,433,720	20,481,714	347,730
437 Ridge Road (Princeton Tech 437)	30,000	54,767	219,068	3,129,543	52,892
2 Centre Drive	16,132	57,321	229,284	3,275,486	56,313
47 Commerce Drive	41,398	115,091	460,364	6,676,629	112,504
8 Centre Drive	16,199	—	—	—	—(2)
23535 Cottonwood Parkway (Tracor 2)	46,656	120,522	482,088	6,886,971	117,606
44408 Pecan Court (Tracor 4)	50,532	134,042	536,168	7,659,543	130,854
44414 Pecan Court (Tracor 5)	25,444	53,414	213,656	3,052,229	51,824
44417 Pecan Court (Veda 7)	29,053	59,944	239,776	3,425,371	58,128
46591 Expedition Drive (Expedition VI)	60,029	25,890	103,560	1,479,429	22,138
745 Space Center Drive	50,000	231,179	924,716	13,210,229	228,054
Patriol Park View (985 Space Center Drive)	102,717	337,184	1,348,736	19,267,657	330,764
Patriol Park View II (980 Space Center Drive)	33,190	80,510	322,040	4,600,571	78,436
9965 Federal Drive	41,120	86,327	345,308	4,932,971	83,757(1)
11311 McCormick Road	212,856	394,381	1,577,524	22,536,057	381,078
200 International Circle	128,658	142,678	570,712	8,153,029	134,637
201 International Circle	78,634	186,594	746,376	10,662,514	181,679
226 Schilling Circle	98,640	344,630	1,378,520	19,693,143	338,465
11011 McCormick Road	56,512	44,641	178,564	2,550,914	41,109
11101 McCormick Road	24,232	46,265	185,060	2,643,714	44,751
7131 Ambassador Road	7,453	—	—	—	—(2)
7127 Ambassador Road	11,144	7,505	30,020	428,857	6,809
7129 Ambassador Road	11,075	21,840	87,360	1,248,000	21,148
7125 Ambassador Road	50,488	99,688	398,752	5,696,457	96,533
7104 Ambassador Road	29,457	44,359	177,436	2,534,800	42,518
7102 Ambassador Road	8,879	17,517	70,068	1,000,971	16,962
7106 Ambassador Road	8,820	14,987	59,948	856,400	14,436
7108 Ambassador Road	9,018	—	—	—	—(2)
15 Governor's Court	14,568	14,903	59,612	851,600	13,993
17 Governor's Court	14,701	11,294	45,176	645,371	10,375
21 Governor's Court	56,063	83,851	335,404	4,791,486	80,347
7152 Windsor Boulevard	57,855	148,939	595,756	8,510,800	145,323
7253 Ambassador Road	38,930	84,083	336,332	4,804,743	81,650
7210 Ambassador Road	83,435	158,092	632,368	9,033,829	152,877
Subtotal:	5,153,323	15,845,545	63,382,180	905,459,714	15,534,403

1

Real Property Address	Square Feet	2Q 07 Cash NOI	2Q 07 Cash NOI Annualized	GAAP Book Value	2Q 07 Adjusted Cash NOI
216 Schilling Circle	36,003	78,901	315,604	5,241,840	76,651(3)
222 Schilling Circle	28,003	56,009	224,036	3,810,175	54,259(3)
224 Schilling Circle	27,372	24,156	96,624	3,857,642	22,445(3)
7150 Riverwood Drive	41,382	144,115	576,460	6,810,160	141,529(3)
7160 Riverwood Drive	62,084	210,234	840,936	11,664,494	206,354(3)
7170 Riverwood Drive	29,162	94,485	377,940	4,865,255	92,662(3)
9020 Mendenhall Court	49,259	88,260	353,040	6,165,805	85,181(3)
8029 Corporate Drive	25,000	67,436	269,744	4,213,537	65,874(3)
4940 Campbell Boulevard (Campbell Com Centre I)	49,813	144,469	577,876	6,780,664	141,356(3)
8140 Corporate Drive (Corporate Place I)	75,687	98,885	395,540	11,779,899	94,155(3)
8110 Corporate Drive (Corporate Place II)	75,687	285,160	1,140,640	14,148,010	280,430(3)
9940 Franklin Square Drive (Franklin Ridge I)	33,134	130,772	523,088	4,879,285	128,701(3)
9930 Franklin Square Drive (Franklin Ridge II)	39,750	168,035	672,140	5,986,180	165,551(3)
9920 Franklin Square Drive (Franklin Square III)	44,566	—	—	6,774,830	—(2)(3)
9900 Franklin Square Drive (Franklin Ridge V)	33,912	122,374	289,496	5,102,347	120,255(3)
8020 Corporate Drive (McLean Ridge I)	51,600	157,609	630,436	6,661,009	154,384(3)
8010 Corporate Drive (McLean Ridge II)	39,351	78,452	313,308	5,077,007	75,993(3)
8094 Sandpiper Circle (McLean Ridge III)	50,812	176,539	706,156	6,558,681	173,363(3)
8098 Sandpiper Circle (McLean Ridge IV)	47,680	153,122	612,488	6,116,499	150,142(3)
5355 Nottingham Ridge Road (Nottingham Ridge C)	36,981	—	—	4,277,894	—(2)(3)

5335 Nottingham Ridge Road (Nottingham Ridge D)	37,322	73,562	294,248	5,300,478	71,229(3)
10552 Philadelphia Road	56,000	155,720	622,880	6,208,861	152,220(3)
8007 Corporate Drive (Tyler Ridge II)	43,197	130,162	520,648	5,627,767	127,462(3)
8003 Corporate Drive (Tyler Ridge II-A)	18,327	70,404	281,616	2,646,550	69,259(3)
7941 -7949 Corporate Drive (Tyler Ridge III)	57,600	132,472	529,888	6,299,523	128,872(3)
5030 Campbell Boulevard	44,701	60,459	241,836	4,919,261	57,665(3)
5022 Campbell Boulevard	27,507	49,089	196,356	2,857,976	47,370(3)
5024 Campbell Boulevard	33,791	67,690	270,760	3,646,507	65,578(3)
5026 Campbell Boulevard	30,868	92,674	370,696	3,365,464	90,745(3)
10001 Franklin Square Drive (White Marsh Comm Center)	216,000	352,976	1,411,904	6,711,830	339,476(3)
8114 Sandpiper Circle (White Marsh Health)	45,399	105,765	423,060	7,422,403	102,928(3)
4969 Mercantile Road (White Marsh Hi Tech)	47,574	131,100	524,400	6,395,263	128,127(3)
4979 Mercantile Road (White Marsh Hi Tech)	50,498	104,074	416,296	6,842,751	100,918(3)
8615 Ridgely's Choice Drive (Ridgely's Choice)	37,797	34,663	438,652	5,017,087	32,301(3)
7939 Honeygo Boulevard (Professional Center I)	28,081	109,620	438,480	4,538,511	107,865(3)
7923 Honeygo Boulevard (Professional Center II)	24,049	82,189	328,756	3,267,366	80,686(3)
8133 Perry Hall Boulevard (Professional Center III)	27,803	99,482	397,928	4,005,689	97,744(3)
100 West Pennsylvania Avenue (Campbell Building)	18,451	—	—	1,871,513	(2) (3)
102 West Pennsylvania. Avenue (Royston Building)	49,497	98,236	392,944	5,417,705	95,142(3)
109-111 Allegheny Avenue (Allegheny Parking)	18,431	222,370	889,480	7,575,763	221,218(3)
8031 Corporate Drive	66,000	249,046	996,184	11,017,832	244,921(3)
Subtotal:	1,856,131	4,700,766	18,803,064	251,727,313	4,591,008
Total Unencumbered Operating Properties	7,009,454	20,546,311	82,185,244	1,157,187,027	20,125,411

1) Projected NOI for first stabilized quarter used for this building.

2) Negative cash NOI for quarter; not Included in total.

3) GAAP Book Value used for these properties required during the past 2 consecutive quarters.

Unencumbered Wholly-Owned Development Properties

Real Property Address	GAAP Book Value
Under Construction	
5533 Research Park Drive(UMBC)	3,664,350
201 Technology Park Drive (COPT Southwest VA. LLC)	17,362,944
1055 N. Newport Road (Acrotech I)	3,800,250
1362 Mellon Road (Commons-Lot 6B)	7,912,455
655 Space Center Drive (Colorado Springs, CO)	4,346,396
5520 Research Park Drive (UMBC)	1,332,520
	38,418,915
Redevelopment/Development	
Gude Drive Land - Building I	4,118,626
Gude Drive Land Parcel / Rockville Corporate Ctr. (Celero/Appellero)	3,541,817
Gateway Exchange III (6721 Columbia Gateway Drive)	10,308,970
WorldCom Land	5,408,716
Interquest Land	19,615,036
300 NBP	5,705,585
316 NBP	2,887,502
16442A Commerce Drive (Dehlgren)	907,569
308 NBP	1,687,588
Corporate Place III	2,083,082
Corporate Place IV	2,167,551
Thomas Johnson Drive (Frederick - 6 acres)	1,664,531
1460 Dorsey Road	2,157,227
NBP Visitor Control Center	1,711,751
Clarks Hundred	28,743,950
312 NBP	3,519,489
Cedar Knolls	7,620,023
Columbia Gateway (T-11)	8,795,931
6741 Columbia Gateway	905,462
Park Center - Building I	788,851
Waterview III / Three Dulles Tower / Woodland Park	9,680,153
Fr. Ritchie Land	4,685,371
Dahlgren Land Parcel	1,068,103
Westfields Corporate Center 19 acres / WTPJ St. Joe's land	8,382,210
Blue Bell Corporate Center	11,612,436
San Antonio - 27 acre land parcel	5,906,835
San Antonio - 31 acre land parcel	7,505,290
COPT Princeton South	512,310

Expedition VII. (parcel #2)	807,239
Fort Ritchie - General (Land)	4,823,637
Porrlo Park (Colorado Springs) 52 acres 7/08/05	13,571,761
Galley Road	1,060,066
Acrotech 2	1,291,398
9965 Federal Land Parcel	466,488
Clarks Hundred II	2,462,189
White Marsh (Lot 401).	1,182,688
Nottingham Ridge	9,203,671
10521 Red Run Boulevard	4,436,681
White Marsh Com. Ctr. II	1,619,071
Campbell Blvd. & Franklin Square	12,432,979
Nottingham & Philadelphia Roads	3,333,420
Philadelphia Rd. & Route 43	1,023,486
Total Unencumbered Wholly-Owned Development	221,406,796

3

Unencumbered Operational JV Properties

4230 Forbes Boulevard	50.0 %	77,747	310,988	4,442,686	<u>2,221,343</u>
					2,221,343

Unencumbered JV Properties Under Construction

				<u>GAAP Book Value</u>	
2900 Towerview Road	92.5 %			19,855,746	18,366,565
7468 Candlewood Road	92.5 %			26,004,039	24,053,736
7740 Milestone Parkway	50.0 %			4,262,000	<u>2,131,000</u>
					44,551,301

Unencumbered JV Properties Development and Land

Indian Head, LLC	75.0 %			3,028,772	<u>2,271,579</u>
					2,271,579

<u>Total Unencumbered Assets:</u>				1,137,187,027	
Wholly Owned Operating Properties				38,418,915	
Wholly Owned Under Construction				221,406,796	
Wholly Owned Development				2,221,343	
JV Operating Properties				44,551,301	
JV Under Construction				<u>2,271,579</u>	
JV Development				1,466,056,961	

				Unencumbered Assets	1,466,056,961
				Less CIP, Development & Land (wholly owned & JV), if >35% of Total	—
				Less Development/Land (wholly-owned & JV), if >15% of Total	(3,769,831)
				Less Not-Controlled JV if >15% of Total	—
					<u>1,452,287,130</u>

4

EXHIBIT A

FORM OF ASSIGNMENT AND ACCEPTANCE AGREEMENT

THIS ASSIGNMENT AND ACCEPTANCE AGREEMENT dated as of _____, 200 (the "Agreement") by and among _____ (the "Assignor"), _____ (the "Assignee"), and KeyBank National Association, as Agent (the "Agent").

WHEREAS, the Assignor is a Lender under that certain Second Amended and Restated Credit Agreement dated as of October 1, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Corporate Office Properties, L.P. (the "Borrower"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), the Agent, KeyBanc Capital Markets, as Lead Arranger, _____, as Syndication Agent, and _____, as Documentation Agent;

WHEREAS, the Assignor desires to assign to the Assignee, among other things, all or a portion of the Assignor's Commitment under the Credit Agreement, all on the terms and conditions set forth herein; and

WHEREAS, the Agent consents to such assignment on the terms and conditions set forth herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged by the parties hereto, the parties hereto hereby agree as follows:

Section 1. Assignment.

(a) Subject to the terms and conditions of this Agreement and in consideration of the payment to be made by the Assignee to the Assignor pursuant to Section 2 of this Agreement, effective as of _____, 200 (the "Assignment Date"), the Assignor hereby irrevocably sells, transfers and assigns to the Assignee, without

recourse, a \$ _____ interest (such interest being the "Assigned Commitment") in and to the Assignor's Commitment and all of the other rights and obligations of the Assignor under the Credit Agreement, such Assignor's Revolving Note and the other Loan Documents (representing _____ % in respect of the aggregate amount of all Lenders' Commitments), including without limitation, a principal amount of outstanding Revolving Loans equal to \$ _____ and all voting rights of the Assignor associated with the Assigned Commitment, all rights to receive interest on such amount of Revolving Loans and all commitment and other Fees with respect to the Assigned Commitment and other rights of the Assignor under the Credit Agreement and the other Loan Documents with respect to the Assigned Commitment, all as if the Assignee were an original Lender under and signatory to the Credit Agreement having a Commitment equal to the amount of the Assigned Commitment. The Assignee, subject to the terms and conditions hereof, hereby assumes all obligations of the Assignor with respect to the Assigned Commitment as if the Assignee were an original Lender under and signatory to the Credit Agreement having a

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Commitment equal to the Assigned Commitment, which obligations shall include, but shall not be limited to, the obligation of the Assignor to make Revolving Loans to the Borrower with respect to the Assigned Commitment, the obligation to pay the Agent amounts due in respect of draws under Letters of Credit as required under Section 2.3. (i) of the Credit Agreement and the obligation to indemnify the Agent as provided therein (the foregoing enumerated obligations, together with all other similar obligations more particularly set forth in the Credit Agreement and the other Loan Documents, collectively, the "Assigned Obligations"). The Assignor shall have no further duties or obligations with respect to, and shall have no further interest in, the Assigned Obligations or the Assigned Commitment from and after the Assignment Date.

(b) The assignment by the Assignor to the Assignee hereunder is without recourse to the Assignor. The Assignee makes and confirms to the Agent, the Assignor, and the other Lenders all of the representations, warranties and covenants of a Lender under Article XI. of the Credit Agreement. Not in limitation of the foregoing, the Assignee acknowledges and agrees that, except as set forth in Section 4 below, the Assignor is making no representations or warranties with respect to, and the Assignee hereby releases and discharges the Assignor for any responsibility or liability for: (i) the present or future solvency or financial condition of the Borrower, any Subsidiary or any other Loan Party, (ii) any representations, warranties, statements or information made or furnished by the Borrower, any Subsidiary or any other Loan Party in connection with the Credit Agreement or otherwise, (iii) the validity, efficacy, sufficiency, or enforceability of the Credit Agreement, any other Loan Document or any other document or instrument executed in connection therewith, or the collectibility of the Assigned Obligations, (iv) the perfection, priority or validity of any Lien with respect to any collateral at any time securing the Obligations or the Assigned Obligations under the Notes or the Credit Agreement and (v) the performance or failure to perform by the Borrower or any other Loan Party of any obligation under the Credit Agreement or any other Loan Document to which it is a party. Further, the Assignee acknowledges that it has, independently and without reliance upon the Agent, or on any affiliate or subsidiary thereof, the Assignor or any other Lender and based on the financial statements supplied by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to become a Lender under the Credit Agreement. The Assignee also acknowledges that it will, independently and without reliance upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other Loan Documents or pursuant to any other obligation. Except as expressly provided in the Credit Agreement, the Agent shall have no duty or responsibility whatsoever, either initially or on a continuing basis, to provide the Assignee with any credit or other information with respect to the Borrower or any other Loan Party or to notify the Assignee of any Default or Event of Default. The Assignee has not relied on the Agent as to any legal or factual matter in connection therewith or in connection with the transactions contemplated thereunder.

Section 2. Payment by Assignee. In consideration of the assignment made pursuant to Section 1 of this Agreement, the Assignee agrees to pay to the Assignor on the Assignment Date, such amount as they may agree.

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Section 3. Payments by Assignor. The Assignor agrees to pay to the Agent on the Assignment Date the administration fee, if any, payable under the applicable provisions of the Credit Agreement.

Section 4. Representations and Warranties of Assignor. The Assignor hereby represents and warrants to the Assignee that (a) as of the Assignment Date (i) the Assignor is a Lender under the Credit Agreement having a Commitment under the Credit Agreement (without reduction by any assignments thereof which have not yet become effective), equal to \$ _____, and that the Assignor is not in default of its obligations under the Credit Agreement; and (ii) the outstanding balance of Revolving Loans owing to the Assignor (without reduction by any assignments thereof which have not yet become effective) is \$ _____; and (b) it is the legal and beneficial owner of the Assigned Commitment which is free and clear of any adverse claim created by the Assignor.

Section 5. Representations, Warranties and Agreements of Assignee. The Assignee (a) represents and warrants that it is (i) legally authorized to enter into this Agreement, (ii) an "accredited investor" (as such term is used in Regulation D of the Securities Act) and (iii) an Eligible Assignee; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant thereto and such other documents and information (including without limitation the Loan Documents) as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (c) appoints and authorizes the Agent to take such action as contractual representative on its behalf and to exercise such powers under the Loan Documents as are delegated to the Agent by the terms thereof together with such powers as are reasonably incidental thereto; and (d) agrees that it will become a party to and shall be bound by the Credit Agreement and the other Loan Documents to which the other Lenders are a party on the Assignment Date and will perform in accordance therewith all of the obligations which are required to be performed by it as a Lender.

Section 6. Recording and Acknowledgment by the Agent. Following the execution of this Agreement, the Assignor will deliver to the Agent (a) a duly executed copy of this Agreement for acknowledgment and recording by the Agent and (b) the Assignor's Revolving Note. Upon such acknowledgment and recording, from and after the Assignment Date, the Agent shall make all payments in respect of the interest assigned hereby (including payments of principal, interest, Fees and other amounts) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Assignment Date directly between themselves.

Section 7. Addresses. The Assignee specifies as its address for notices and its Lending Office for all Loans, the offices set forth below:

Notice Address:

Telephone No.:
Telecopy No.:

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Lending Office:

Telephone No.:
Telecopy No.:

Section 8. Payment Instructions. All payments to be made to the Assignee under this Agreement by the Assignor, and all payments to be made to the Assignee under the Credit Agreement, shall be made as provided in the Credit Agreement in accordance with the following instructions:

Section 9. Effectiveness of Assignment. This Agreement, and the assignment and assumption contemplated herein, shall not be effective until (a) this Agreement is executed and delivered by each of the Assignor, the Assignee, the Agent, and if required under Section 12.5. of the Credit Agreement, the Borrower, and (b) the payment to the Assignor of the amounts, if any, owing by the Assignee pursuant to Section 2 hereof and (c) the payment to the Agent of the amounts, if any, owing by the Assignor pursuant to Section 3 hereof. Upon recording and acknowledgment of this Agreement by the Agent, from and after the Assignment Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Agreement, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Agreement, relinquish its rights (except as otherwise provided in Section 12.10. of the Credit Agreement) and be released from its obligations under the Credit Agreement; provided, however, that if the Assignor does not assign its entire interest under the Loan Documents, it shall remain a Lender entitled to all of the benefits and subject to all of the obligations thereunder with respect to its Commitment.

Section 10. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

Section 11. Counterparts. This Agreement may be executed in any number of counterparts each of which, when taken together, shall constitute one and the same agreement.

Section 12. Headings. Section headings have been inserted herein for convenience only and shall not be construed to be a part hereof.

Section 13. Amendments; Waivers. This Agreement may not be amended, changed, waived or modified except by a writing executed by the Assignee and the Assignor; provided, however, any amendment, waiver or consent which shall affect the rights or duties of the Agent under this Agreement shall not be effective unless signed by the Agent.

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Section 14. Entire Agreement. This Agreement embodies the entire agreement between the Assignor and the Assignee with respect to the subject matter hereof and supersedes all other prior arrangements and understandings relating to the subject matter hereof.

Section 15. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 16. Definitions. Terms not otherwise defined herein are used herein with the respective meanings given them in the Credit Agreement.

[Include this Section only if Borrower's consent is required under Section 12.5.] Section 17. Agreements of the Borrower. The Borrower hereby agrees that the Assignee shall be a Lender under the Credit Agreement having a Commitment equal to the Assigned Commitment. The Borrower agrees that the Assignee shall have all of the rights and remedies of a Lender under the Credit Agreement and the other Loan Documents as if the Assignee were an original Lender under and signatory to the Credit Agreement, including, but not limited to, the right of a Lender to receive payments of principal and interest with respect to the Assigned Obligations, and to the Revolving Loans made by the Lenders after the date hereof and to receive the commitment and other Fees payable to the Lenders as provided in the Credit Agreement. Further, the Assignee shall be entitled to the indemnification provisions from the Borrower in favor of the Lenders as provided in the Credit Agreement and the other Loan Documents. The Borrower further agrees, upon the execution and delivery of this Agreement, to execute in favor of the Assignee Notes as required by Section 12.5. of the Credit Agreement. Upon receipt by the Assignor of the amounts due the Assignor under Section 2, the Assignor agrees to surrender to the Borrower such Assignor's Notes.]

[Signatures on Following Pages]

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IN WITNESS WHEREOF, the parties hereto have duly executed this Assignment and Acceptance Agreement as of the date and year first written above.

ASSIGNOR:

[NAME OF ASSIGNOR]

By: _____
Name: _____
Title: _____

ASSIGNEE:

[NAME OF ASSIGNEE]

By: _____
Name: _____
Title: _____

Accepted as of the date first written above.

AGENT:

KEYBANK NATIONAL ASSOCIATION,
as Agent

By: _____
Name: _____

Title: _____

[Signatures Continued on Following Page]

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*[Include signature of the Borrower only if required
under Section 12.5. of the Credit Agreement]*

Agreed and consented to as of the
date first written above.

BORROWER:

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust, its
general partner

By: _____
Name: _____
Title: _____

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EXHIBIT B

FORM OF NOTICE OF BORROWING

, 200

KeyBank National Association, as Agent
127 Public Square, 8th Floor
Cleveland, Ohio 44114
Attn:

Ladies and Gentlemen:

Reference is made to that certain Second Amended and Restated Credit Agreement dated as of October 1, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Corporate Office Properties, L.P. (the "Borrower"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), KeyBank National Association, as Agent (the "Agent"), and the other parties thereto. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

1. Pursuant to Section 2.1.(b) of the Credit Agreement, the Borrower hereby requests that the Lenders make Revolving Loans to the Borrower in an aggregate principal amount equal to \$ _____.
2. The Borrower requests that such Revolving Loans be made available to the Borrower on _____, 200 .
3. The Borrower hereby requests that the requested Revolving Loans all be of the following Type:

[Check one box only]

- Base Rate Loans
 LIBOR Loans, each with an initial Interest Period for a duration of:

[Check one box only]

- seven days
 one month
 two months
 three months
 six months

4. The proceeds of this borrowing of Revolving Loans will be used for the following purpose:

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5. The Borrower requests that the proceeds of this borrowing of Revolving Loans be made available to the Borrower by _____.

The Borrower hereby certifies to the Agent and the Lenders that as of the date hereof and as of the date of the making of the requested Revolving Loans and after giving effect thereto, (a) no Default or Event of Default exists or shall exist, and (b) the representations and warranties made or deemed made by the Borrower and each other Loan Party in the Loan Documents to which any of them is a party are and shall be true and correct in all material respects, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties were true and accurate on and as of such earlier date). In addition, the Borrower certifies to the Agent and the Lenders that all conditions to the making of the requested Revolving Loans contained in Article V. of the Credit Agreement will have been satisfied (or waived in accordance with the applicable provisions of the Loan Documents) at the time such Revolving Loans are made.

If notice of the requested borrowing of Revolving Loans was previously given by telephone, this notice is to be considered the written confirmation of such telephone notice required by Section 2.1.(b) of the Credit Agreement.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Notice of Borrowing as of the date first written above.

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust, its
general partner

By: _____
Name: _____
Title: _____

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EXHIBIT C

FORM OF NOTICE OF CONTINUATION

, 200

KeyBank National Association, as Agent
127 Public Square, 8th Floor
Cleveland, Ohio 44114
Attn:

Ladies and Gentlemen:

Reference is made to that certain Second Amended and Restated Credit Agreement dated as of October 1, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Corporate Office Properties, L.P. (the "Borrower"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), KeyBank National Association, as Agent (the "Agent"), and the other parties thereto. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

Pursuant to Section 2.8. of the Credit Agreement, the Borrower hereby requests a Continuation of a borrowing of Loans under the Credit Agreement, and in that connection sets forth below the information relating to such Continuation as required by such Section of the Credit Agreement:

1. The proposed date of such Continuation is _____, 200 .
2. The aggregate principal amount of Loans subject to the requested Continuation is \$ _____ and was originally borrowed by the Borrower on _____, 200 .
3. The portion of such principal amount subject to such Continuation is \$ _____.
4. The current Interest Period for each of the Loans subject to such Continuation ends on _____, 200 .

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5. The duration of the new Interest Period for each of such Loans or portion thereof subject to such Continuation is:

- [Check one box only]**
- seven days
 - one month
 - two months
 - three months
 - six months

The Borrower hereby certifies to the Agent and the Lenders that as of the date hereof, as of the proposed date of the requested Continuation, and after giving effect to such Continuation, no Default or Event of Default exists or will exist.

If notice of the requested Continuation was given previously by telephone, this notice is to be considered the written confirmation of such telephone notice required by Section 2.8. of the Credit Agreement.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Notice of Continuation as of the date first written above.

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust, its
general partner

By: _____
Name: _____
Title: _____

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EXHIBIT D

FORM OF NOTICE OF CONVERSION

, 200

KeyBank National Association, as Agent
127 Public Square, 8th Floor
Cleveland, Ohio 44114

Attn:

Ladies and Gentlemen:

Reference is made to that certain Second Amended and Restated Credit Agreement dated as of October 1, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Corporate Office Properties, L.P. (the "Borrower"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), KeyBank National Association, as Agent (the "Agent"), and the other parties thereto. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

Pursuant to Section 2.9. of the Credit Agreement, the Borrower hereby requests a Conversion of a borrowing of Loans of one Type into Loans of another Type under the Credit Agreement, and in that connection sets forth below the information relating to such Conversion as required by such Section of the Credit Agreement:

1. The proposed date of such Conversion is _____, 200 .
2. The Loans to be Converted pursuant hereto are **currently**:

[Check one box only]	<input type="checkbox"/> Base Rate Loans
	<input type="checkbox"/> LIBOR Loans
3. The aggregate principal amount of Loans subject to the requested Conversion is \$ _____ and was originally borrowed by the Borrower on _____, 200 .
4. The portion of such principal amount subject to such Conversion is \$ _____.

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5. The amount of such Loans to be so Converted is to be converted into Loans of the following Type:

- | | |
|---|---------------------------------------|
| [Check one box only] | |
| <input type="checkbox"/> Base Rate Loans | |
| <input type="checkbox"/> LIBOR Loans, each with an initial Interest Period for a duration of: | |
| [Check one box only] | <input type="checkbox"/> seven days |
| | <input type="checkbox"/> one month |
| | <input type="checkbox"/> two months |
| | <input type="checkbox"/> three months |
| | <input type="checkbox"/> six months |

The Borrower hereby certifies to the Agent and the Lenders that as of the date hereof and as of the date of the requested Conversion and after giving effect thereto, (a) no Default or Event of Default exists or will exist (provided the certification under this clause (a) shall not be made in connection with the Conversion of a Loan into a LIBOR Loan), and (b) the representations and warranties made or deemed made by the Borrower and each other Loan Party in the Loan Documents to which any of them is a party are and shall be true and correct in all material respects, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties were true and accurate on and as of such earlier date).

If notice of the requested Conversion was given previously by telephone, this notice is to be considered the written confirmation of such telephone notice required by Section 2.9. of the Credit Agreement.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Notice of Conversion as of the date first written above.

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust, its
general partner

By: _____
Name: _____
Title: _____

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EXHIBIT E

FORM OF NOTICE OF SWINGLINE BORROWING

, 200

KeyBank National Association, as Agent
127 Public Square, 8th Floor
Cleveland, Ohio 44114
Attn:

Ladies and Gentlemen:

Reference is made to that certain Second Amended and Restated Credit Agreement dated as of October 1, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Corporate Office Properties, L.P. (the "Borrower"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), KeyBank National Association, as Agent (the "Agent"), and the other parties thereto. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

1. Pursuant to Section 2.2.(b) of the Credit Agreement, the Borrower hereby requests that the Swingline Lender make a Swingline Loan to the Borrower in an amount equal to \$ _____.
2. The Borrower requests that such Swingline Loan be made available to the Borrower on _____, 2007.
3. The proceeds of this Swingline Loan will be used for the following purpose:
4. The Borrower requests that the proceeds of such Swingline Loan be made available to the Borrower by _____.

The Borrower hereby certifies to the Agent, the Swingline Lender and the Lenders that as of the date hereof, as of the date of the making of the requested Swingline Loan, and after making such Swingline Loan, (a) no Default or Event of Default exists or will exist, and (b) the representations and warranties made or deemed made by the Borrower and each other Loan Party in the Loan Documents to which any of them is a party are and shall be true and correct in all material respects, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties were true and accurate on and as of such earlier date). In addition, the Borrower certifies to the Agent and the Lenders that all conditions to the making of the requested Swingline Loan contained in Article V. of the Credit Agreement will have been satisfied at the time such Swingline Loan is made.

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If notice of the requested borrowing of this Swingline Loan was previously given by telephone, this notice is to be considered the written confirmation of such telephone notice required by Section 2.2.(b) of the Credit Agreement.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Notice of Swingline Borrowing as of the date first written above.

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust, its
general partner

By: _____
Name: _____
Title: _____

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EXHIBIT F

FORM OF SWINGLINE NOTE

\$50,000,000

October 1, 2007

FOR VALUE RECEIVED, the undersigned, Corporate Office Properties, L.P., a limited partnership formed under the laws of the State of Delaware (the "Borrower"), hereby promises to pay to the order of KEYBANK NATIONAL ASSOCIATION (the "Swingline Lender") to its address at 127 Public Square, 8th Floor, Cleveland, Ohio 44114, or at such other address as may be specified in writing by the Swingline Lender to the Borrower, the principal sum of FIFTY MILLION AND NO/100 DOLLARS (\$50,000,000) (or such lesser amount as shall equal the aggregate unpaid principal amount of Swingline Loans made by the Swingline Lender to the Borrower under the Credit Agreement), on the dates and in the principal amounts provided in the Credit Agreement, and to pay interest on the unpaid principal amount owing hereunder, at the rates and on the dates provided in the Credit Agreement.

The date, amount of each Swingline Loan, and each payment made on account of the principal thereof, shall be recorded by the Swingline Lender on its books and, prior to any transfer of this Note, endorsed by the Swingline Lender on the schedule attached hereto or any continuation thereof, provided that the failure of the Swingline Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower to make a payment when due of any amount owing under the Credit Agreement or hereunder in respect of the Swingline Loans.

This Note is the Swingline Note referred to in the Second Amended and Restated Credit Agreement dated as of October 1, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among the Borrower, Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), KeyBank National Association, as Agent, and the other parties thereto, and evidences Swingline Loans made to the Borrower thereunder. Terms used but not otherwise defined in this Note have the respective meanings assigned to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayments of Swingline Loans upon the terms and conditions specified therein.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

This Note is given in replacement of a Note previously delivered to the Lender under the Existing Credit Agreement (as defined in the Credit Agreement). THIS NOTE IS NOT INTENDED TO BE, AND SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY

OF THE OBLIGATIONS OWING UNDER OR IN CONNECTION WITH SUCH OTHER NOTE.

The Borrower hereby waives presentment for payment, demand, notice of demand, notice of non-payment, protest, notice of protest and all other similar notices.

Time is of the essence for this Note.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Swingline Note under seal as of the date first written above.

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust, its
general partner

By:

Name: _____
Title: _____

SCHEDULE OF SWINGLINE LOANS

This Note evidences Swingline Loans made under the within-described Credit Agreement to the Borrower, on the dates and in the principal amounts set forth below, subject to the payments and prepayments of principal set forth below:

<u>Date of Loan</u>	<u>Principal Amount of Loan</u>	<u>Amount Paid or Prepaid</u>	<u>Unpaid Principal Amount</u>	<u>Notation Made By</u>

EXHIBIT G

FORM OF REVOLVING NOTE

\$ _____,200

FOR VALUE RECEIVED, the undersigned, CORPORATE OFFICE PROPERTIES, L.P., a limited partnership formed under the laws of the State of Delaware (the "Borrower"), hereby promises to pay to the order of _____ (the "Lender"), in care of KeyBank National Association, as Agent (the "Agent") at 127 Public Square, 8th Floor, Cleveland, Ohio 44114, or at such other address as may be specified in writing by the Agent to the Borrower, the principal sum of _____ AND _____ /100 DOLLARS (\$ _____) (or such lesser amount as shall equal the aggregate unpaid principal amount of Revolving Loans made by the Lender to the Borrower under the Credit Agreement (as herein defined)), on the dates and in the principal amounts provided in the Credit Agreement, and to pay interest on the unpaid principal amount owing hereunder, at the rates and on the dates provided in the Credit Agreement.

The date, amount of each Revolving Loan made by the Lender to the Borrower, and each payment made on account of the principal thereof, shall be recorded by the Lender on its books and, prior to any transfer of this Note, endorsed by the Lender on the schedule attached hereto or any continuation thereof, provided that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower to make a payment when due of any amount owing under the Credit Agreement or hereunder in respect of the Revolving Loans made by the Lender.

This Note is one of the Revolving Notes referred to in the Second Amended and Restated Credit Agreement dated as of October 1, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among the Borrower, Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), the Agent, and the other parties thereto. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayments of Loans upon the terms and conditions specified therein.

Except as permitted by Section 12.5. of the Credit Agreement, this Note may not be assigned by the Lender to any other Person.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

This Note is given in replacement of a Note previously delivered to the Lender under the Existing Credit Agreement (as defined in the Credit Agreement). THIS NOTE IS NOT INTENDED TO BE, AND SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING UNDER OR IN CONNECTION WITH SUCH OTHER NOTE.

The Borrower hereby waives presentment for payment, demand, notice of demand, notice of non-payment, protest, notice of protest and all other similar notices.

Time is of the essence for this Note.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Revolving Note under seal as of the date first written above.

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust, its
general partner

By: _____
Name: _____
Title: _____

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SCHEDULE OF REVOLVING LOANS

This Note evidences Revolving Loans made under the within-described Credit Agreement to the Borrower, on the dates, in the principal amounts, bearing interest at the rates and maturing on the dates set forth below, subject to the payments and prepayments of principal set forth below:

Date of Loan	Principal Amount of Loan	Amount Paid or Prepaid	Unpaid Principal Amount	Notation Made By

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EXHIBIT H

FORM OF OPINION OF COUNSEL

[LETTERHEAD OF COUNSEL TO THE LOAN PARTIES]

October 1, 2007

KeyBank National Association, as Agent
127 Public Square, 8th Floor
Cleveland, Ohio 44114
Attn:

The Lenders party to the Credit Agreement
referred to below

Ladies and Gentlemen:

We have acted as counsel to Corporate Office Properties, L.P., a limited partnership formed under the laws of the State of Delaware (the "Borrower") in connection with the negotiation, execution and delivery of that certain Second Amended and Restated Credit Agreement dated as of October 1, 2007 (the "Credit Agreement"), by and among the Borrower, Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), KeyBank National Association, as Agent (the "Agent"), and the other parties thereto. We have also acted as counsel to each of the Guarantors listed on Schedule 1 attached hereto (the "Guarantors"; together with the Borrower, the "Loan Parties"), in connection with the Guaranty and the other Loan Documents identified below to which they are party. Capitalized terms not otherwise defined herein have the respective meaning given them in the Credit Agreement.

In these capacities, we have reviewed executed copies of the following:

- (a) the Credit Agreement;
- (b) the Notes;
- (c) the Guaranty; and
- (d) [list other applicable Loan Documents].

The documents and instruments set forth in items (a) through (d) above are referred to herein as the "Loan Documents".

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In addition to the foregoing, we have reviewed the [articles or certificate of incorporation, by-laws, declaration of trust, partnership agreement and limited liability company operating agreement, as applicable,] of each Loan Party and certain resolutions of the board of trustees or directors, as applicable, of each Loan Party (collectively, the "Organizational Documents") and have also examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, and other instruments, and made such other investigations of law and fact, as we have deemed necessary or advisable for the purposes of rendering this opinion. In our examination of documents, we assumed the genuineness of all signatures on documents presented to us as originals (other than the signatures of officers of the Loan Parties) and the conformity to originals of documents presented to us as conformed or reproduced copies.

Based upon the foregoing, and subject to all of the qualifications and assumptions set forth herein, we are of the opinion that:

1. The Parent is a real estate investment trust, duly organized, validly existing and in good standing under the laws of the State of Maryland, and has the power to execute and deliver, and to perform its obligations under, the Loan Documents to which it is a party, to own and use its assets, and to conduct its business as presently conducted. The Parent is qualified to transact business as a foreign real estate investment trust in the following jurisdictions:

2. The Borrower is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Delaware, and has the power to execute and deliver, and to perform its obligations under, the Loan Documents to which it is a party, to own and use its assets, and to conduct its business as presently conducted. The Borrower is qualified to transact business as a foreign limited partnership in the following jurisdictions:

3. [Insert separate paragraphs or Guarantors with different corporate structure] Each [Guarantor] is a [corporation, trust, partnership or limited liability company, as applicable,] duly organized or formed, validly existing and in good standing under the laws of the State of its organization or formation and has the power to execute and deliver, and to perform its obligations under, the Loan Documents to which it is a party, to own and use its assets, and to conduct its business as presently conducted. Each [Guarantor] is qualified to transact business as a foreign [corporation, trust, partnership or limited liability company, as applicable,] in the indicated jurisdictions set forth on Schedule I attached hereto.

4. Each Loan Party has duly authorized the execution and delivery of the Loan Documents to which it is a party and the performance by such Loan Party of all of its obligations under each such Loan Document.

5. Each Loan Party has duly executed and delivered the Loan Documents to which it is a party.

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6. The execution and delivery by each Loan Party of the Loan Documents to which it is a party do not, and if each Loan Party were now to perform its obligations under such Loan Documents, such performance would not, result in any:

- (a) violation of such Loan Party's Organizational Documents;
- (b) violation of any existing federal or state constitution, statute, regulation, rule, order, or law to which such Loan Party or its assets are subject;
- (c) breach or violation of or default under, any agreement, instrument, indenture or other document evidencing any indebtedness for money borrowed or any other material agreement to which, to our knowledge, such Loan Party is bound or under which a Loan Party or its assets is subject;
- (d) creation or imposition of a lien or security interest in, on or against the assets of such Loan Party under any agreement, instrument, indenture or other document evidencing any indebtedness for money borrowed or any other material agreement to which, to our knowledge, such Loan Party is bound or under which a Loan Party or its assets is subject; or
- (e) violation of any judicial or administrative decree, writ, judgment or order to which, to our knowledge, such Loan Party or its assets are subject.

7. The execution, delivery and performance by each Loan Party of each Loan Document to which it is a party, and the consummation of the transactions thereunder, do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority of the United States of America or the States of _____ or _____.

8. To our knowledge, there are no judgments outstanding against any of the Loan Parties or affecting any of their respective assets, nor is there any litigation or other proceeding against any of the Loan Parties or its assets pending or overtly threatened, could reasonably be expected to have a materially adverse effect on (a) the business, assets, liabilities, condition (financial or otherwise), results of operations or business prospects of the Borrower or any other Loan Party or (b) the validity or enforceability of any of the Loan Documents.

9. None of the Loan Parties is, or, after giving effect to any Loan will be, subject to the Investment Company Act of 1940 or to any federal or state statute or regulation limiting its ability to incur indebtedness for borrowed money.

10. No transfer, mortgage, intangible, documentary stamp or similar taxes are payable by the Agent or the Lenders to the States of _____ or _____ or any political subdivision thereof in connection with (a) the execution and delivery of the Loan Documents or (b) the creation of the Indebtedness and the other Obligations evidenced by any of the Loan Documents.

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11. Assuming that Borrower applies the proceeds of the Loans as provided in the Credit Agreement, the transactions contemplated by the Loan Documents do not violate the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System of the United States of America.

12. The consideration to be paid to the Agent and the Lenders for the financial accommodations to be provided to the Loan Parties pursuant to the Credit Agreement does not violate any law of the States of _____ or _____ relating to interest and usury.

This opinion is limited to the laws of the States of _____, _____ and _____ and the federal laws of the United States of America, and we express no opinions with respect to the law of any other jurisdiction.

[Other Customary Qualifications/Assumptions/Limitations]

This opinion is furnished to you solely for your benefit in connection with the consummation of the transactions contemplated by the Credit Agreement and may not be relied upon by any other Person, other than an Assignee of a Lender, or for any other purpose without our express, prior written consent.

Very truly yours,

[NAME OF LAW FIRM]

By: _____
A Partner

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Guarantors

Name	Jurisdiction of Formation	Jurisdictions of Foreign Qualification
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EXHIBIT I
FORM OF COMPLIANCE CERTIFICATE

, 200

KeyBank National Association, as Agent
127 Public Square, 8th Floor
Cleveland, Ohio 44114
Attn:

Each of the Lenders Party to the Credit Agreement
referred to below

Ladies and Gentlemen:

Reference is made to that certain Second Amended and Restated Credit Agreement dated as of October 1, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Corporate Office Properties, L.P. (the "Borrower"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), KeyBank National Association, as Agent (the "Agent") and the other parties thereto. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

Pursuant to Section 8.3. of the Credit Agreement, the undersigned hereby certifies to the Agent and the Lenders as follows:

(1) The undersigned is the _____ of the Borrower.

(2) The undersigned has examined the books and records of the Borrower and has conducted such other examinations and investigations as are reasonably necessary to provide this Compliance Certificate.

(3) No Default or Event of Default exists *[if such is not the case, specify such Default or Event of Default and its nature, when it occurred and whether it is continuing and the steps being taken by the Borrower with respect to such event, condition or failure]*.

(4) The representations and warranties made or deemed made by the Borrower and the other Loan Parties in the Loan Documents to which any is a party, are true and correct in all material respects on and as of the date hereof except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date).

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(5) Attached hereto as Schedule 1 are reasonably detailed calculations establishing whether or not the Borrower and its Subsidiaries were in compliance with the covenants contained in Section 9.1. of the Credit Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first above written.

Name: _____
Title: _____

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Schedule 1

[Calculations to be Attached]

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EXHIBIT J
FORM OF GUARANTY

THIS GUARANTY dated as of October 1, 2007, executed and delivered by each of the undersigned and the other Persons from time to time party hereto pursuant to the execution and delivery of an Accession Agreement in the form of Annex I hereto (all of the undersigned, together with such other Persons each a "Guarantor" and collectively, the "Guarantors") in favor of (a) KEYBANK NATIONAL ASSOCIATION its capacity as Agent (the "Agent") for the Lenders under that certain Second Amended and Restated Credit Agreement dated as of October 1, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Corporate Office Properties, L.P. (the "Borrower"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), the Agent, and the other parties thereto, and (b) the Lenders and the Swingline Lender.

WHEREAS, pursuant to the Credit Agreement, the Agent, the Lenders and the Swingline Lender have agreed to make available to the Borrower certain financial accommodations on the terms and conditions set forth in the Credit Agreement;

WHEREAS, the Borrower and each of the Guarantors, though separate legal entities, are mutually dependent on each other in the conduct of their respective businesses as an integrated operation and have determined it to be in their mutual best interests to obtain financing from the Agent, the Lenders and the Swingline Lender through their collective efforts;

WHEREAS, each Guarantor acknowledges that it will receive direct and indirect benefits from the Agent, the Lenders and the Swingline Lender making such financial accommodations available to the Borrower under the Credit Agreement and, accordingly, each Guarantor is willing to guarantee the Borrower's obligations to the Agent, the Lenders and the Swingline Lender on the terms and conditions contained herein; and

WHEREAS, each Guarantor's execution and delivery of this Guaranty is a condition to the Agent and the Lenders making, and continuing to make, such financial accommodations to the Borrower.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Guarantor, each Guarantor agrees as follows:

Section 1. Guaranty. Each Guarantor hereby absolutely, irrevocably and unconditionally guarantees the due and punctual payment and performance when due, whether at stated maturity, by acceleration or otherwise, of all of the following (collectively referred to as the "Guaranteed Obligations"): (a) all indebtedness and obligations owing by the Borrower to any Lender, the Swingline Lender or the Agent under or in connection with the Credit Agreement and any other Loan Document, including without limitation, the repayment of all principal of the Revolving Loans, Swingline Loans and the Reimbursement Obligations, and the payment of all interest,

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Fees, charges, attorneys' fees and other amounts payable to any Lender or the Agent thereunder or in connection therewith; (b) any and all extensions, renewals, modifications, amendments or substitutions of the foregoing; (c) all expenses, including, without limitation, reasonable attorneys' fees and disbursements, that are incurred by the Lenders and the Agent in the enforcement of any of the foregoing or any obligation of such Guarantor hereunder; and (d) all other Obligations.

Section 2. Guaranty of Payment and Not of Collection. This Guaranty is a guaranty of payment, and not of collection, and a debt of each Guarantor for its own account. Accordingly, none of the Lenders, the Swingline Lender or the Agent shall be obligated or required before enforcing this Guaranty against any Guarantor: (a) to pursue any right or remedy any of them may have against the Borrower, any other Guarantor or any other Person or commence any suit or other proceeding against the Borrower, any other Guarantor or any other Person in any court or other tribunal; (b) to make any claim in a liquidation or bankruptcy of the Borrower, any other Guarantor or any other Person; or (c) to make demand of the Borrower, any other Guarantor or any other Person or to enforce or seek to enforce or realize upon any collateral security held by the Lenders, the Swingline Lender or the Agent which may secure any of the Guaranteed Obligations.

Section 3. Guaranty Absolute. Each Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the documents evidencing the same, regardless of any Applicable Law now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Agent, the Lenders or the Swingline Lender with respect thereto. The liability of each Guarantor under this Guaranty shall be absolute, irrevocable and unconditional in accordance with its terms and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including without limitation, the following (whether or not such Guarantor consents thereto or has notice thereof):

(a) (i) any change in the amount, interest rate or due date or other term of any of the Guaranteed Obligations, (ii) any change in the time, place or manner of payment of all or any portion of the Guaranteed Obligations, (iii) any amendment or waiver of, or consent to the departure from or other indulgence with respect to, the Credit Agreement, any other Loan Document, or any other document or instrument evidencing or relating to any Guaranteed Obligations, or (iv) any waiver, renewal, extension, addition, or supplement to, or deletion from, or any other action or inaction under or in respect of, the Credit Agreement, any of the other Loan Documents, or any other documents, instruments or agreements relating to the Guaranteed Obligations or any other instrument or agreement referred to therein or evidencing any Guaranteed Obligations or any assignment or transfer of any of the foregoing;

(b) any lack of validity or enforceability of the Credit Agreement, any of the other Loan Documents, or any other document, instrument or agreement referred to therein or evidencing any Guaranteed Obligations or any assignment or transfer of any of the foregoing;

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(c) any furnishing to the Agent, the Lenders or the Swingline Lender of any security for the Guaranteed Obligations, or any sale, exchange, release or surrender of, or realization on, any collateral securing any of the Obligations;

(d) any settlement or compromise of any of the Guaranteed Obligations, any security therefor, or any liability of any other party with respect to the Guaranteed Obligations, or any subordination of the payment of the Guaranteed Obligations to the payment of any other liability of the Borrower or any other Loan Party;

(e) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to such Guarantor, the Borrower, any other Loan Party or any other Person, or any action taken with respect to this Guaranty by any trustee or receiver, or by any court, in any such proceeding;

(f) any act or failure to act by the Borrower, any other Loan Party or any other Person which may adversely affect such Guarantor's subrogation rights, if any, against the Borrower to recover payments made under this Guaranty;

(g) any nonperfection or impairment of any security interest or other Lien on any collateral, if any, securing in any way any of the Obligations;

(h) any application of sums paid by the Borrower, any other Guarantor or any other Person with respect to the liabilities of the Borrower to the Agent, the Lenders or the Swingline Lender, regardless of what liabilities of the Borrower remain unpaid;

(i) any defect, limitation or insufficiency in the borrowing powers of the Borrower or in the exercise thereof; or

(j) any other circumstance which might otherwise constitute a defense available to, or a discharge of, a Guarantor hereunder (other than indefeasible payment and performance in full).

Section 4. Action with Respect to Guaranteed Obligations. The Lenders and the Agent may, at any time and from time to time, without the consent of, or notice to, any Guarantor, and without discharging any Guarantor from its obligations hereunder, take any and all actions described in Section 3 and may otherwise: (a) amend, modify, alter or supplement the terms of any of the Guaranteed Obligations, including, but not limited to, extending or shortening the time of payment of any of the Guaranteed Obligations or changing the interest rate that may accrue on any of the Guaranteed Obligations; (b) amend, modify, alter or supplement the Credit Agreement or any other Loan Document; (c) sell, exchange, release or otherwise deal with all, or any part, of any collateral securing any of the Obligations; (d) release any other Loan Party or other

Person liable in any manner for the payment or collection of the Guaranteed Obligations; (e) exercise, or refrain from exercising, any rights against the Borrower, any other Guarantor or any other Person; and (f) apply any sum, by whomsoever paid or however realized, to the Guaranteed Obligations in such order as the Lenders shall elect.

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Section 5. Representations and Warranties. Each Guarantor hereby makes to the Agent, the Lenders and the Swingline Lender all of the representations and warranties made by the Borrower with respect to or in any way relating to such Guarantor in the Credit Agreement and the other Loan Documents, as if the same were set forth herein in full.

Section 6. Covenants. Each Guarantor will comply with all covenants which the Borrower is to cause such Guarantor to comply with under the terms of the Credit Agreement or any of the other Loan Documents.

Section 7. Waiver. Each Guarantor, to the fullest extent permitted by Applicable Law, hereby waives notice of acceptance hereof or any presentment, demand, protest or notice of any kind, and any other act or thing, or omission or delay to do any other act or thing, which in any manner or to any extent might vary the risk of such Guarantor or which otherwise might operate to discharge such Guarantor from its obligations hereunder.

Section 8. Inability to Accelerate Loan. If the Agent, the Swingline Lender and/or the Lenders are prevented under Applicable Law or otherwise from demanding or accelerating payment of any of the Guaranteed Obligations by reason of any automatic stay or otherwise, the Agent, the Swingline Lender and/or the Lenders shall be entitled to receive from each Guarantor, upon demand therefor, the sums which otherwise would have been due had such demand or acceleration occurred.

Section 9. Reinstatement of Guaranteed Obligations. If claim is ever made on the Agent, any Lender or the Swingline Lender for repayment or recovery of any amount or amounts received in payment or on account of any of the Guaranteed Obligations, and the Agent, such Lender or the Swingline Lender repays all or part of said amount by reason of (a) any judgment, decree or order of any court or administrative body of competent jurisdiction, or (b) any settlement or compromise of any such claim effected by the Agent, such Lender or the Swingline Lender with any such claimant (including the Borrower or a trustee in bankruptcy for the Borrower), then and in such event each Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding on it, notwithstanding any revocation hereof or the cancellation of the Credit Agreement, any of the other Loan Documents, or any other instrument evidencing any liability of the Borrower, and such Guarantor shall be and remain liable to the Agent, such Lender or the Swingline Lender for the amounts so repaid or recovered to the same extent as if such amount had never originally been paid to the Agent, such Lender or the Swingline Lender.

Section 10. Subrogation. Upon the making by any Guarantor of any payment hereunder for the account of the Borrower, such Guarantor shall be subrogated to the rights of the payee against the Borrower; provided, however, that such Guarantor shall not enforce any right or receive any payment by way of subrogation or otherwise take any action in respect of any other claim or cause of action such Guarantor may have against the Borrower arising by reason of any payment or performance by such Guarantor pursuant to this Guaranty, unless and until all of the Guaranteed Obligations have been indefeasibly paid and performed in full. If any amount shall be paid to such Guarantor on account of or in respect of such subrogation rights or other claims or causes of action, such Guarantor shall hold such amount in trust for the benefit of the Agent,

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the Lenders and the Swingline Lender and shall forthwith pay such amount to the Agent to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms of the Credit Agreement or to be held by the Agent as collateral security for any Guaranteed Obligations existing.

Section 11. Payments Free and Clear. All sums payable by each Guarantor hereunder, whether of principal, interest, Fees, expenses, premiums or otherwise, shall be paid in full, without set-off or counterclaim or any deduction or withholding whatsoever (including any Taxes), and if any Guarantor is required by Applicable Law or by a Governmental Authority to make any such deduction or withholding, such Guarantor shall pay to the Agent, the Lenders and the Swingline Lender such additional amount as will result in the receipt by the Agent, the Lenders and the Swingline Lender of the full amount payable hereunder had such deduction or withholding not occurred or been required.

Section 12. Set-off. In addition to any rights now or hereafter granted under any of the other Loan Documents or Applicable Law and not by way of limitation of any such rights, each Guarantor hereby authorizes the Agent and each Lender, at any time during the continuance of an Event of Default, without any prior notice to such Guarantor or to any other Person, any such notice being hereby expressly waived, but in the case of a Lender or Participant subject to receipt of the prior written consent of the Agent exercised in its sole discretion, to set off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured) and any other indebtedness at any time held or owing by the Agent, such Lender, or any affiliate of the Agent or such Lender, to or for the credit or the account of such Guarantor against and on account of any of the Guaranteed Obligations, although such obligations shall be contingent or unmatured. Each Guarantor agrees, to the fullest extent permitted by Applicable Law, that any Participant may exercise rights of setoff or counterclaim and other rights with respect to its participation as fully as if such Participant were a direct creditor of such Guarantor in the amount of such participation.

Section 13. Subordination. Each Guarantor hereby expressly covenants and agrees for the benefit of the Agent, the Lenders and the Swingline Lender that all obligations and liabilities of the Borrower to such Guarantor of whatever description, including without limitation, all intercompany receivables of such Guarantor from the Borrower (collectively, the "Junior Claims") shall be subordinate and junior in right of payment to all Guaranteed Obligations. If an Event of Default shall exist, then no Guarantor shall accept any direct or indirect payment (in cash, property or securities, by setoff or otherwise) from the Borrower on account of or in any manner in respect of any Junior Claim until all of the Guaranteed Obligations have been indefeasibly paid in full.

Section 14. Avoidance Provisions. It is the intent of each Guarantor, the Agent, the Lenders and the Swingline Lender that in any Proceeding, such Guarantor's maximum obligation hereunder shall equal, but not exceed, the maximum amount which would not otherwise cause the obligations of such Guarantor hereunder (or any other obligations of such Guarantor to the Agent, the Lenders and the Swingline Lender) to be avoidable or unenforceable against such Guarantor in such Proceeding as a result of Applicable Law, including without limitation,

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(a) Section 548 of the Bankruptcy Code of 1978, as amended (the "Bankruptcy Code") and (b) any state fraudulent transfer or fraudulent conveyance act or statute applied in such Proceeding, whether by virtue of Section 544 of the Bankruptcy Code or otherwise. The Applicable Laws under which the possible avoidance or unenforceability of the obligations of such Guarantor hereunder (or any other obligations of such Guarantor to the Agent, the Lenders and the Swingline Lender) shall be determined in any such Proceeding are referred to as the "Avoidance Provisions". Accordingly, to the extent that the obligations of any Guarantor hereunder would otherwise be subject to avoidance under the Avoidance Provisions, the maximum Guaranteed Obligations for which such Guarantor shall be liable hereunder shall be reduced to that amount which, as of the time any of the Guaranteed Obligations are deemed to have been incurred under the Avoidance Provisions, would not cause the obligations of such Guarantor hereunder (or any other obligations of such Guarantor to the Agent, the Lenders and the Swingline Lender), to be subject to avoidance under the Avoidance Provisions. This Section is intended solely to preserve the rights of the Agent, the Lenders and the Swingline Lender hereunder to the maximum extent that would not cause the obligations of any Guarantor hereunder to be subject to avoidance under the Avoidance Provisions, and no Guarantor or any other Person shall have any right or claim under this Section as

against the Agent, the Lenders and the Swingline Lender that would not otherwise be available to such Person under the Avoidance Provisions.

Section 15. Information. Each Guarantor assumes all responsibility for being and keeping itself informed of the financial condition of the Borrower and the other Guarantors, and of all other circumstances bearing upon the risk of nonpayment of any of the Guaranteed Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that none of the Agent, the Lenders or the Swingline Lender shall have any duty whatsoever to advise any Guarantor of information regarding such circumstances or risks.

Section 16. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

SECTION 17. WAIVER OF JURY TRIAL.

(a) EACH PARTY HERETO ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN OR AMONG ANY GUARANTOR, THE AGENT OR ANY OF THE LENDERS WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND WOULD RESULT IN DELAY AND EXPENSE TO THE PARTIES. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE LENDERS, THE AGENT AND EACH GUARANTOR HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST ANY PARTY HERETO ARISING OUT OF THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR BY REASON OF ANY OTHER SUIT, CAUSE OF ACTION OR DISPUTE WHATSOEVER BETWEEN OR AMONG ANY GUARANTOR, THE AGENT OR

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ANY OF THE LENDERS OF ANY KIND OR NATURE RELATING TO ANY OF THE LOAN DOCUMENTS.

(b) EACH OF THE GUARANTORS, THE AGENT AND EACH LENDER HEREBY AGREES THAT THE FEDERAL DISTRICT COURT LOCATED IN THE SOUTHERN DISTRICT OF NEW YORK OR, ANY STATE COURT LOCATED IN THE BOROUGH OF MANHATTAN, NEW YORK, NEW YORK, SHALL HAVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN OR AMONG ANY GUARANTOR, THE AGENT OR ANY OF THE LENDERS, PERTAINING DIRECTLY OR INDIRECTLY TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR TO ANY MATTER ARISING HEREFROM OR THEREFROM. EACH GUARANTOR AND EACH OF THE LENDERS EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS WITH RESPECT TO SUCH CLAIMS OR DISPUTES. EACH PARTY FURTHER WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT FORUM AND EACH AGREES NOT TO PLEAD OR CLAIM THE SAME. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE AGENT OR ANY LENDER OR THE ENFORCEMENT BY THE AGENT OR ANY LENDER OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

(c) THE PROVISIONS OF THIS SECTION HAVE BEEN CONSIDERED BY EACH PARTY WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF, AND SHALL SURVIVE THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS, THE TERMINATION OR EXPIRATION OF ALL LETTERS OF CREDIT AND THE TERMINATION OF THIS GUARANTY.

Section 18. Loan Accounts. The Agent, each Lender and the Swingline Lender may maintain books and accounts setting forth the amounts of principal, interest and other sums paid and payable with respect to the Guaranteed Obligations, and in the case of any dispute relating to any of the outstanding amount, payment or receipt of any of the Guaranteed Obligations or otherwise, the entries in such books and accounts shall be deemed conclusive evidence of the amounts and other matters set forth herein, absent manifest error. The failure of the Agent, any Lender or the Swingline Lender to maintain such books and accounts shall not in any way relieve or discharge any Guarantor of any of its obligations hereunder.

Section 19. Waiver of Remedies. No delay or failure on the part of the Agent, any Lender or the Swingline Lender in the exercise of any right or remedy it may have against any Guarantor hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by the Agent, any Lender or the Swingline Lender of any such right or remedy shall preclude any other or further exercise thereof or the exercise of any other such right or remedy.

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Section 20. Termination. This Guaranty shall remain in full force and effect until indefeasible payment in full of the Guaranteed Obligations and the other Obligations and the termination or cancellation of the Credit Agreement in accordance with its terms.

Section 21. Successors and Assigns. Each reference herein to the Agent or the Lenders shall be deemed to include such Person's respective successors and assigns (including, but not limited to, any holder of the Guaranteed Obligations) in whose favor the provisions of this Guaranty also shall inure, and each reference herein to each Guarantor shall be deemed to include such Guarantor's successors and assigns, upon whom this Guaranty also shall be binding. The Lenders and the Swingline Lender may, in accordance with the applicable provisions of the Credit Agreement, assign, transfer or sell any Guaranteed Obligation, or grant or sell participations in any Guaranteed Obligations, to any Person without the consent of, or notice to, any Guarantor and without releasing, discharging or modifying any Guarantor's obligations hereunder. Subject to Section 12.8. of the Credit Agreement, each Guarantor hereby consents to the delivery by the Agent or any Lender to any Eligible Assignee or Participant (or any prospective Eligible Assignee or Participant) of any financial or other information regarding the Borrower or any Guarantor. No Guarantor may assign or transfer its obligations hereunder to any Person without the prior written consent of all Lenders and any such assignment or other transfer to which all of the Lenders have not so consented shall be null and void.

Section 22. JOINT AND SEVERAL OBLIGATIONS. THE OBLIGATIONS OF THE GUARANTORS HEREUNDER SHALL BE JOINT AND SEVERAL, AND ACCORDINGLY, EACH GUARANTOR CONFIRMS THAT IT IS LIABLE FOR THE FULL AMOUNT OF THE "GUARANTIED OBLIGATIONS" AND ALL OF THE OBLIGATIONS AND LIABILITIES OF EACH OF THE OTHER GUARANTORS HEREUNDER.

Section 23. Amendments. This Guaranty may not be amended except in writing signed by the Requisite Lenders (or all of the Lenders if required under the terms of the Credit Agreement), the Agent and each Guarantor.

Section 24. Payments. All payments to be made by any Guarantor pursuant to this Guaranty shall be made in Dollars, in immediately available funds to the Agent at the Principal Office, not later than 2:00 p.m. on the date of demand therefor.

Section 25. Notices. All notices, requests and other communications hereunder shall be in writing (including facsimile transmission or similar writing) and shall be given (a) to each Guarantor at its address set forth below its signature hereto, (b) to the Agent, any Lender or the Swingline Lender at its respective address for notices provided for in the Credit Agreement, or (c) as to each such party at such other address as such party shall designate in a written notice to the other parties. Each such notice, request or other communication shall be effective (i) if mailed, when received or when receipt is refused; (ii) if telecopied, when transmitted; or (iii) if hand delivered, when

delivered; provided, however, that any notice of a change of address for notices shall not be effective until received.

Section 26. Severability. In case any provision of this Guaranty shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 27. Headings. Section headings used in this Guaranty are for convenience only and shall not affect the construction of this Guaranty.

Section 28. Limitation of Liability. Neither the Agent nor any Lender, nor any affiliate, officer, director, employee, attorney, or agent of the Agent or any Lender, shall have any liability with respect to, and each Guarantor hereby waives, releases, and agrees not to sue any of them upon, any claim for any special, indirect, incidental, or consequential damages suffered or incurred by a Guarantor in connection with, arising out of, or in any way related to, this Guaranty or any of the other Loan Documents, or any of the transactions contemplated by this Guaranty, the Credit Agreement or any of the other Loan Documents. Each Guarantor hereby waives, releases, and agrees not to sue the Agent or any Lender or any of the Agent's or any Lender's affiliates, officers, directors, employees, attorneys, or agents for punitive damages in respect of any claim in connection with, arising out of, or in any way related to, this Guaranty, the Credit Agreement or any of the other Loan Documents, or any of the transactions contemplated by Credit Agreement or financed thereby.

Section 29. Definitions. (a) For the purposes of this Guaranty:

"Proceeding" means any of the following: (i) a voluntary or involuntary case concerning any Guarantor shall be commenced under the Bankruptcy Code of 1978, as amended; (ii) a custodian (as defined in such Bankruptcy Code or any other applicable bankruptcy laws) is appointed for, or takes charge of, all or any substantial part of the property of any Guarantor; (iii) any other proceeding under any Applicable Law, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up or composition for adjustment of debts, whether now or hereafter in effect, is commenced relating to any Guarantor; (iv) any Guarantor is adjudicated insolvent or bankrupt; (v) any order of relief or other order approving any such case or proceeding is entered by a court of competent jurisdiction; (vi) any Guarantor makes a general assignment for the benefit of creditors; (vii) any Guarantor shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; (viii) any Guarantor shall call a meeting of its creditors with a view to arranging a composition or adjustment of its debts; (ix) any Guarantor shall by any act or failure to act indicate its consent to, approval of or acquiescence in any of the foregoing; or (x) any corporate action shall be taken by any Guarantor for the purpose of effecting any of the foregoing.

(b) Terms not otherwise defined herein are used herein with the respective meanings given them in the Credit Agreement.

[Signature on Next Page]

IN WITNESS WHEREOF, each Guarantor has duly executed and delivered this Guaranty as of the date and year first written above.

CORPORATE OFFICE PROPERTIES TRUST

By: _____
Name: _____
Title: _____

[OTHER GUARANTORS]

Address for Notices for all Guarantors:

c/o Corporate Office Properties, L.P.
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Attention: General Counsel
Telephone Number: (443) 285-5400
Telecopy Number: (443) 285-7650

ANNEX I

FORM OF ACCESSION AGREEMENT

THIS ACCESSION AGREEMENT dated as of _____, 200____, executed and delivered by _____, a _____ (the "New Guarantor"), in favor of (a) KEYBANK NATIONAL ASSOCIATION, in its capacity as Agent (the "Agent") for the Lenders under that certain Second Amended and Restated Credit Agreement dated as of October 1, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Corporate Office Properties, L.P. (the "Borrower"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), the Agent, and the other parties thereto, and (b) the Lenders and the Swingline Lender.

WHEREAS, pursuant to the Credit Agreement, the Agent, the Lenders and the Swingline Lender have agreed to make available to the Borrower certain financial accommodations on the terms and conditions set forth in the Credit Agreement;

WHEREAS, the Borrower, the New Guarantor, and the existing Guarantors, though separate legal entities, are mutually dependent on each other in the conduct of their respective businesses as an integrated operation and have determined it to be in their mutual best interests to obtain financing from the Agent, the Lenders and the Swingline Lender through their collective efforts;

WHEREAS, the New Guarantor acknowledges that it will receive direct and indirect benefits from the Agent, the Lenders and the Swingline Lender making such financial accommodations available to the Borrower under the Credit Agreement and, accordingly, the New Guarantor is willing to guarantee the Borrower's obligations to the Agent, the Lenders and the Swingline Lender on the terms and conditions contained herein; and

WHEREAS, the New Guarantor's execution and delivery of this Agreement is a condition to the Agent, the Lenders and the Swingline Lender continuing to make such financial accommodations to the Borrower.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the New Guarantor, the New Guarantor agrees as follows:

Section 1. Accession to Guaranty. The New Guarantor hereby agrees that it is a "Guarantor" under that certain Guaranty dated as of October 1, 2007 (as amended, supplemented, restated or otherwise modified from time to time, the "Guaranty"), made by each Subsidiary of the Borrower a party thereto in favor of the Agent, the Lenders and the Swingline Lender and assumes all obligations of a "Guarantor" thereunder, all as if the New Guarantor had been an original signatory to the Guaranty. Without limiting the generality of the foregoing, the New Guarantor hereby:

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- (a) irrevocably and unconditionally guarantees the due and punctual payment and performance when due, whether at stated maturity, by acceleration or otherwise, of all Guaranteed Obligations (as defined in the Guaranty);
- (b) makes to the Agent, the Lenders and the Swingline Lender as of the date hereof each of the representations and warranties contained in Section 5 of the Guaranty and agrees to be bound by each of the covenants contained in Section 6 of the Guaranty; and
- (c) consents and agrees to each provision set forth in the Guaranty.

SECTION 2. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

Section 3. Definitions. Capitalized terms used herein and not otherwise defined herein shall have their respective defined meanings given them in the Credit Agreement.

[Signatures on Next Page]

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IN WITNESS WHEREOF, the New Guarantor has caused this Accession Agreement to be duly executed and delivered under seal by its duly authorized officers as of the date first written above.

[NEW GUARANTOR]

By: _____
Name: _____
Title: _____

Address for Notices:

c/o Corporate Office Properties, L.P.
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Attention: General Counsel
Telephone Number: (443)
Telecopy Number: (443)

Accepted:

KEYBANK NATIONAL ASSOCIATION,
as Agent

By: _____
Name: _____
Title: _____

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EXHIBIT K

Patriot Act and OFAC Transferee and Assignee Identifying Information Form

1. Patriot Act Checklist

ADDITIONAL LENDER REQUIRED INFORMATION

Name:

Identification

- (a) (US Company) TIN (a)
- (b) (Non-US) Gov't issued document certifying existence (b)

Phone Number

BUSINESS REPRESENTATIVE REQUIRED INFORMATION PERSON WHO WILL EXECUTE DOCUMENTS

Name

Residential Address

Date of Birth

Form of Identification

(a) (US Citizen) Social Security Number

(a)

(b) (No-US) TIN, Passport Number (country of issuance, number & date), or Alien Identification Number

(b)

2. OFAC Checklist:

Name:

Co-Lenders

General Partner/Managing Member/Trustee

Limited Partners/Members/Beneficiaries

EXECUTION COPY

PURCHASE AGREEMENT AND
 AGREEMENT AND PLAN OF MERGER
 DATED AS OF DECEMBER 21, 2006
 BY AND
 AMONG
 CORPORATE OFFICE PROPERTIES TRUST,
 CORPORATE OFFICE PROPERTIES, L.P.,
 W&M BUSINESS TRUST,
 AND
 NOTTINGHAM VILLAGE, INC.

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PURCHASE AGREEMENT AND AGREEMENT AND PLAN OF MERGER dated as of December 21, 2006 (this "**Agreement**"), among Corporate Office Properties Trust, a Maryland real estate investment trust ("**Acquiror**"), Corporate Office Properties, L.P., a Delaware limited partnership ("**Acquiror OP**"), W&M Business Trust, a Maryland business trust ("**Merger Subsidiary**"), and Nottingham Village, Inc. ("**Target**"), a Maryland corporation.

RECITALS

WHEREAS, Nottingham Properties, Inc., a Maryland corporation ("**NPI**") owns, through one or more subsidiaries, the commercial office properties and the appurtenances thereto and the partnership and membership interests listed on Schedule 1 hereto (the "**Purchase Properties**") and Target will own, immediately prior to the Closing Date, the commercial office properties and tracts of land listed on Schedule 2 hereto and the appurtenances thereto through one or more subsidiaries (the "**Merger Properties**");

WHEREAS, Acquiror OP desires to purchase and NPI desires to sell the percentage of ownership interests in the entities owning the Purchase Properties as more particularly set forth on Schedule 1 hereto;

WHEREAS, prior to the Merger, Target intends to dispose of certain residential and other non-office properties, related entities assets and contracts to the Liquidating Trust or to third parties;

WHEREAS, one (1) day following the Merger, the Surviving Entity shall dispose of the ownership interests in the entities (the "**Retail Entities**") owning the retail properties listed on Schedule 3 hereto (the "**Retail Properties**") by consummating an exchange under Section 1031 of the Code (the "**Exchange**") with NPI whereby the Surviving Entity will exchange the ownership interests in the Retail Entities for the ownership interests in the entities (the "**NPI Exchange Entities**") owning those properties listed on Schedule 4 hereto (the "**NPI Exchange Properties**");

WHEREAS, the Board of Trustees of Acquiror and the Board of Directors of Target have each adopted a resolution declaring that the merger of Target with and into Merger Subsidiary (the "**Merger**"), with Merger Subsidiary continuing as the surviving entity in the Merger in accordance with the MGCL, is advisable and have approved this Agreement;

WHEREAS, it is intended that, for U.S. federal income tax purposes, the Merger shall qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"), and that this Agreement shall constitute, and is hereby adopted as, a plan of reorganization;

WHEREAS, Acquiror, Acquiror OP, Merger Subsidiary and Target desire to make certain representations, warranties and agreements in connection with the Merger.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants, representations, warranties and agreements contained herein, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I. CERTAIN DEFINITIONS

1.01. Certain Definitions.

The following terms are used in this Agreement with the meanings set forth below:

"**Acquiror**" has the meaning set forth in the preamble to this Agreement.

"**Acquiror Bylaws**" means the bylaws of Acquiror.

"**Acquiror Common Shares**" means common shares of beneficial interest, \$.01 par value per share, of Acquiror.

"**Acquiror Convertible Preferred Shares**" means the 5.6% convertible Acquiror Preferred Shares, \$50.00 liquidation preference per share, of Acquiror, with such terms as are set forth in the Articles Supplementary.

"**Acquiror Declaration of Trust**" means the declaration of trust of Acquiror.

"**Acquiror Material Adverse Effect**" means any event, circumstance, change or effect that adversely affects the financial condition or results of operations of Acquiror in an amount in excess of \$100,000,000, that was not reasonably foreseeable at the date of this Agreement; *provided, however*, that none of the following shall be deemed to constitute or shall be taken into account in determining whether there has been an "Acquiror Material Adverse Effect": (i) any event, circumstance, change or effect arising out of or attributable to (A) any changes in the United States or global economy or capital, financial or securities markets generally, including changes in interest or exchange rates, (B) the commencement or escalation of a war or armed hostilities or the occurrence of acts of terrorism or sabotage, (C) any changes in general economic, legal, regulatory or political conditions in the geographic regions in which Acquiror operates, (D) earthquakes, hurricanes or other natural disasters, and (E) changes in Law or GAAP or (ii) any existing event, circumstance, change or effect with respect to which Target has knowledge as of the date hereof.

"**Acquiror OP**" has the meaning set forth in the preamble to this Agreement.

"**Acquiror Preferred Shares**" means preferred shares of beneficial interest, \$.01 par value per share, of Acquiror.

"**Acquiror SEC Documents**" has the meaning set forth in Section 6.04(b).

"**Acquiror Shares**" means the Acquiror Common Shares and Acquiror Preferred Shares, collectively.

"**Acquiror Subsidiary**" or "**Acquiror Subsidiaries**" means a Subsidiary or Subsidiaries of Acquiror.

"**Acquisition Agreement**" means the Acquisition Agreement dated August 17, 2005 by and between Honeygo Run Reclamation Center, Inc. and Target.

"**Acquisition Proposal**" has the meaning set forth in Section 7.04(a).

"**Action**" means any claim, action, suit, proceeding, arbitration, mediation or other investigation as to which written notice has been provided to the applicable party.

"**Additional Escrow Shares**" has the meaning set forth in Section 4.05(b).

“**Additional Share Escrow Agreement**” means the escrow agreement among the Share Escrow Agent, Acquiror, Acquiror OP, Merger Subsidiary and Stockholders’ Agent with respect to the Additional Escrow Shares.

“**Affiliate**” means, with respect to any Person, any other Person which directly or indirectly controls, is controlled by or is under common control with such Person. For purposes of the immediately preceding sentence, the term “**control**” (including, with correlative meanings, the terms “**controlling**,” “**controlled by**” and “**under common control with**”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

“**Aggregate Closing Adjustments**” has the meaning set forth in Section 4.01(a).

“**Agreement**” means this Agreement, as amended or modified from time to time in accordance with Section 11.04.

“**Applicable Date**” has the meaning set forth in Section 6.04(b).

“**Applicable Permits**” has the meaning set forth in Section 6.02(e).

“**Articles of Merger**” has the meaning set forth in Section 3.02(b).

“**Articles Supplementary**” means the Articles Supplementary to the Acquiror Declaration of Trust setting forth the terms of the Acquiror Convertible Preferred Shares, in the form attached hereto as Exhibit A.

“**Assumed Loans**” means the loans listed in Schedule 5 hereto.

“**Assumption Fees**” has the meaning set forth in Section 7.11(b).

“**Blue Sky Laws**” means the state securities laws of the several States.

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“**Business Day**” means Monday through Friday of each week, except a legal holiday recognized as such by the U.S. Government or any day on which banking institutions in the State of Maryland are authorized or obligated to close.

“**Calculation Price**” means the average closing price on the NYSE of the Acquiror Common Shares over a period of twenty (20) trading days, ending on the tenth (10th) trading day prior to the Closing Date; *provided, however*, that such price shall equal a minimum of \$43.00 per share and a maximum of \$49.00 per share.

“**Cash Escrow Agent**” means Anchor Title Company.

“**Cash Escrow Agreement**” means the escrow agreement among the Cash Escrow Agent, Acquiror, Acquiror OP, Merger Subsidiary and Target with respect to investment and payment of the Deposit.

“**Certificate**” or “**Certificates**” has the meaning set forth in Section 4.02(a).

“**Change in Recommendation**” has the meaning set forth in Section 7.04(f).

“**Claims Notice**” has the meaning set forth in Section 7.07(d).

“**Closing**” and “**Closing Date**” have the meanings set forth in Section 3.02(a).

“**Closing Adjustments**” has the meaning set forth in Section 8.04.

“**Closing Adjustment Amount**” has the meaning set forth in Section 8.04.

“**Closing Adjustment Time**” has the meaning set forth in Section 8.04.

“**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Common Share Consideration**” means the Common Share Consideration Amount divided by the Calculation Price (i.e., the amount of Acquiror Common Shares issued at Closing).

“**Common Share Consideration Amount**” means the Merger Consideration Amount minus the Preferred Share Consideration Amount.

“**Confidentiality Agreement**” has the meaning set forth in Section 7.03(b).

“**Damages**” has the meaning set forth in Section 7.07(b)(i).

“**Debt Balance**” means the balance due under all indebtedness of Target, Target Subsidiaries and Retail Entities at the Effective Time, including but not limited to accrued but unpaid interest, and incurred but unpaid prepayment premiums. The Debt

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Balance does not include the Exchange Properties Indebtedness, as this shall be an obligation of NPI at the Effective Time.

“**Deposit**” has the meaning set forth in Section 4.04.

“**Dollenberg Retirement Obligations**” means any outstanding obligations to make payments to P. Douglas Dollenberg pursuant to Sections 3(iii), 4 and 8(i) of the Retirement Agreement dated January 1, 2005 by and among P. Douglas Dollenberg, Target and NPI, as amended.

“**Effective Date**” means the day of the Effective Time.

“**Effective Time**” has the meaning set forth in Section 3.02(b).

“**Environment**” has the meaning set forth in Section 6.04(f).

“**Environmental Laws**” means any United States federal, state or local Laws in existence on the date hereof relating to the presence or release of Hazardous Substances or protection of the environment, including the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“**CERCLA**”).

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

“**ERISA Affiliate**” means any Person who, together with Target or the Surviving Entity, as appropriate in the context, is or has been treated as a single employer under Section 414 of the Code, and the regulations thereunder.

“**Escrow Fund**” has the meaning set forth in Section 7.07(a).

“**Escrow Period**” has the meaning set forth in Section 7.07(c).

“**Escrow Shares**” has the meaning set forth in Section 4.05(a).

“**Exchange**” has the meaning set forth in the preamble to this Agreement.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“**Exchange Agreement**” means the exchange agreement to be entered into by and between NPI and Surviving Entity on the day after the Closing pursuant to which the ownership interests in the Retail Entities will be exchanged for the ownership interests in the NPI Exchange Entities.

“**Exchange Properties Indebtedness**” has the meaning set forth in the Exchange Agreement.

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“**Existing Indebtedness**” means the Existing Office Indebtedness and the Existing Retail Indebtedness.

“**Existing Office Indebtedness**” means the loans incurred by the entities set forth in Section 8.02 of the Target Disclosure Letter, secured by deeds of trust on the properties owned by such entities, having an aggregate balance as of December 1, 2006 of approximately Fifty-Seven Million Five Hundred Sixty-Four Thousand One Hundred Thirty-One Dollars (\$57,564,131). Target shall use a portion of the proceeds of the Short Term Loan to prepay the Existing Office Indebtedness prior to Closing.

“**Existing Retail Indebtedness**” means the loans secured by deeds of trust on the properties owned by White Marsh Plaza Business Trust and The Avenue at White Marsh Business Trust, having an aggregate balance as of December 1, 2006 of approximately Twenty-Nine Million One Hundred Forty-Six Thousand Three Hundred Ninety-Eight Dollars (\$29,146,398). Acquiror shall not be directly or indirectly liable for the Existing Retail Indebtedness upon or after the closing of the Exchange, except to the extent set forth in Section 6.02(k) of the Target Disclosure Letter.

“**Former Superior Proposal**” has the meaning set forth in Section 7.04(e).

“**GAAP**” means accounting principles generally accepted in the United States of America.

“**Governmental Authority**” means any federal, state or local court, administrative agency or commission or other governmental authority or instrumentality or agency.

“**Gross Value**” means the sum of \$303,422,124 (which is equal to \$362,500,000 less the gross purchase price of \$59,077,876 payable for the ownership interests in the NPI Entities).

“**Hazardous Materials**” means (i) those substances defined in or regulated under the following federal statutes and their state counterparts, as each may be amended from time to time, and all regulations thereunder: the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Water Act, the Safe Drinking Water Act, the Atomic Energy Act and the Clean Air Act; (ii) petroleum and petroleum products, including crude oil and any fractions thereof; (iii) polychlorinated biphenyls, friable asbestos and radon; and (iv) any chemicals, materials, substances or wastes which are defined as or included in the definition of “hazardous substances,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants” or words of similar import, under any applicable Environmental Law; and (v) any substance, material, or waste regulated by any Governmental Authority pursuant to any Environmental Law.

“**Indemnified Person**” or “**Indemnified Persons**” have the meaning set forth in Section 7.07(b)(i).

“**Indemnity Threshold**” has the meaning set forth in Section 7.07(b)(iii).

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“**Inspection Period**” has the meaning set forth in Section 8.01(b).

“**Intellectual Property**” means all intellectual property owned or used by Target and the Target Subsidiaries, including patents (including any continuations, divisionals, continuations-in-part, renewals and reissues), trademarks, trade names, service marks, logos, domain names and other indicators of source or origin, database rights, copyrights, mask works, technology, know-how, trade secrets, inventory, ideas, algorithms, processes, computer software programs or applications (in both source code and object code form), tangible or intangible proprietary information or material and all other intellectual property or proprietary rights, together with all goodwill symbolized by any of the foregoing, registrations and applications for the foregoing, and rights to sue for past infringement thereof.

“**IRS**” means the Internal Revenue Service.

“**knowledge of Acquiror**” or “**to Acquiror’s knowledge**” means the actual knowledge of Randall M. Griffin or Roger A. Waesche, Jr.

“**knowledge of Target**” or “**to Target’s knowledge**” means the actual knowledge of J. Joseph Credit, Steven Endres or Peter Teeling.

“**Law**” has the meaning set forth in Section 6.02(d)(i).

“**Leasing Commissions**” means any commissions due and payable on the Target Properties Leases to third parties and not to Affiliates of Target.

“**Lender’s Approval**” has the meaning set forth in Section 7.11(b).

“**License Agreement**” has the meaning set forth in Section 8.06.

“**Liens**” means any charge, mortgage, pledge, security interest, restriction, Claim, lien or encumbrance.

“**Liquidating Trust**” means NVI Liquidating Trust, a Maryland business trust.

“**Liquidation Preference**” means \$50.00 per Acquiror Convertible Preferred Share.

“**Loan Escrows**” has the meaning set forth in Section 4.01(a).

“**Loan Documents**” has the meaning set forth in Section 7.11(a).

“**Loans**” means any loan, loan agreement, note, borrowing arrangement or extension of credit, including, without limitation, letters of credit, leases, credit enhancements, guarantees and similar interest-bearing assets, as well as commitments to extend any of the same.

“**Merger**” has the meaning set forth in Section 3.01(a).

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“**Merger Closing Properties**” means the Merger Properties and the Retail Properties.

“**Merger Closing Properties Leases**” means the leases applicable to the Merger Closing Properties.

“**Merger Consideration**” has the meaning set forth in Section 4.01(a).

“**Merger Consideration Amount**” has the meaning set forth in Section 4.01(a).

“**Merger Properties**” has the meaning set forth in the preamble to this Agreement.

“**Merger Properties Leases**” means the leases in effect as of the date hereof with tenants of the Merger Properties and all written amendments, modifications and supplements thereto.

“**Merger Subsidiary**” has the meaning set forth in the preamble to this Agreement.

“**Merger Subsidiary Common Shares**” means the common shares of beneficial interest, \$0.01 par value per share, of Merger Subsidiary.

“**MGCL**” means the Maryland General Corporation Law.

“**Non-Target Properties Letters of Credit**” has the meaning set forth in Section 6.02(g)(xix).

“**NPI**” has the meaning set forth in the preamble to this Agreement.

“**NPI Entities**” means, collectively, one hundred percent (100%) of the ownership interests in 37 Allegheny Business Trust, Philadelphia Road Operating Company, LLC, 9020 Mendenhall, LLC, Woods Investors, LLC, Rivers Center III Investors LLC and White Marsh Hi-Tech 2 Business Trust, fifty percent (50%) of the ownership interests in Campbell Corporate Center I Limited Partnership, forty-three and seven-tenths percent (43.7%) in Nottingham Associates Limited Partnership and sixty percent (60%) in Sandpiper Limited Partnership.

“**NPI Exchange Entities**” has the meaning set forth in the preamble to this Agreement.

“**NPI Exchange Properties**” has the meaning set forth in the preamble to this Agreement.

“**NPI Exchange Properties Leases**” means all leases in effect as of the date hereof with tenants of the NPI Exchange Properties and all written amendments, modifications and supplements thereto.

“**NYSE**” means the New York Stock Exchange, Inc.

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“**Office Assumed Loan Documents**” means the documents evidencing and relating to the Office Assumed Loans.

“**Office Assumed Loans**” means the Assumed Loans, the loans to be assumed by Acquiror OP under the PSA (Woods and Rivers Center III) and the loan made to Tyler Ridge I.

“**Outside Date**” has the meaning set forth in Section 10.01(b)(ii).

“**Payment Fund**” has the meaning set forth in Section 4.02(a).

“**Permitted Liens**” means (i) Liens for Taxes not yet delinquent and Liens for Taxes being contested in good faith; (ii) inchoate mechanics’ and materialmen’s Liens for construction in progress; (iii) inchoate workmen’s, repairmen’s, warehousemen’s and carriers’ Liens arising in the ordinary course of business of Target or any of the Target Subsidiaries; (iv) zoning restrictions, survey exceptions, utility easements, rights of way and similar Liens that are imposed by any Governmental Authority having jurisdiction thereon; (v) with respect to real property, any title exception disclosed in title insurance policy with respect to any Target Property (whether material or immaterial), Liens and obligations arising under the Material Contracts (including but not limited to any Lien securing mortgage debt disclosed in the Target Disclosure Letter) and any other Lien that does not interfere materially with the current use of such property (assuming its continued use in the manner in which it is currently used) or materially adversely affect the value or marketability of such property; (vi) reciprocal easement agreements; (vii) matters that would be disclosed on current title reports or

surveys and/or (viii) Liens or restrictions arising pursuant to the Target Properties Leases.

“**Person**” means any individual, bank, corporation, partnership, association, joint-stock company, business trust, limited liability company or unincorporated organization.

“**Potential Acquiror**” has the meaning set forth in Section 7.04(d).

“**Preferred Share Consideration**” means the number of Acquiror Convertible Preferred Shares designated by Target to Acquiror at least five (5) Business Days prior to the Closing; *provided, however*, the number of Acquiror Convertible Preferred Shares shall not exceed the sum of (i) 2,830,000 plus (ii) seventy percent (70%) of the Aggregate Closing Adjustments divided by the Liquidation Preference.

“**Preferred Share Consideration Amount**” means the Preferred Share Consideration multiplied by the Liquidation Preference.

“**Pre-LOI Leases**” the Target Properties Leases signed on or prior to September 6, 2006.

“**Pre-LOI Leasing Commissions**” means any commissions due and payable on Pre-LOI Leases but excluding commissions due with respect to future renewals or extensions of Pre-LOI Leases.

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“**Pre-LOI TI Work**” has the meaning set forth in Section 7.14.

“**Proxy Statement**” means the proxy statement to be provided to the Target Stockholders in connection with the Target Stockholders Meeting.

“**Purchase and Sale**” has the meaning set forth in Section 2.01.

“**Purchase Price**” has the meaning set forth in Section 2.02.

“**Purchase Properties**” has the meaning set forth in the preamble to this Agreement.

“**Purchase Properties Leases**” means all leases in effect as of the date hereof with tenants of the Purchase Properties and all written amendments, modifications and supplements thereto.

“**Rating Agencies**” has the meaning set forth in Section 7.11(b).

“**Reciprocal Release**” has the meaning set forth in Section 9.04(k).

“**REIT**” means a real estate investment trust within the meaning of Section 856- 860 of the Code.

“**Registration Rights Agreement**” means the registration rights agreement between Acquiror and the Target Stockholders relating to the filing of the Registration Statement, in substantially the form attached hereto as Exhibit B.

“**Registration Statement**” means the Acquiror Registration Statement on Form S-3 or other available form registering the resale of the Common Share Consideration and the Acquiror Common Shares issuable upon conversion of the Acquiror Convertible Preferred Shares and any amendments or supplements thereto.

“**Release**” has the meaning set forth in Section 6.04(f).

“**Representative**” has the meaning set forth in Section 7.04(b).

“**Retail Entities**” has the meaning set forth in the preamble to this Agreement.

“**Retail Loan Guarantees**” has the meaning set forth in Section 7.07(b).

“**Retail Properties**” has the meaning set forth in the preamble to this Agreement.

“**Retail Transaction**” means the acquisition of NPI by, or the merger of NPI with, an entity that engages or proposes to engage in retail property acquisitions or ownership.

“**Rights**” means, with respect to any Person, warrants, options, rights, convertible securities and other arrangements or commitments which obligate the Person to issue or dispose of any of its stock or other ownership interests.

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“**Scheduled Contracts**” means those service and other contracts which have been entered into by Target or Target Subsidiaries or that will be assigned to Target or Target Subsidiaries prior to Closing, all as set forth in Section 6.02(k) of the Target Disclosure Letter.

“**SDAT**” has the meaning set forth in Section 3.02(b).

“**SEC**” means the Securities and Exchange Commission.

“**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

“**Share Escrow Agent**” means U.S. Bank National Association.

“**Share Escrow Agreement**” means the escrow agreement among the Share Escrow Agent, Acquiror, Acquiror OP, Merger Subsidiary and Stockholders’ Agent with respect to the Escrow Shares.

“**Shares**” means shares of Target Common Stock.

“**Short Term Loan**” means the loan to be made to Target by Wachovia Bank, N.A. with an outstanding balance not to exceed \$83,018,978 as of the Closing, which

may be fully prepaid at any time by Acquiror after Closing without any prepayment penalty thereto. The documents evidencing or securing the Short Term Loan are referred to herein as the “*Short Term Loan Documents*.” Of the total proceeds of the Short Term Loan, up to \$57,564,131 shall be applied by Target to prepay Existing Office Indebtedness prior to Closing.

“*Stockholder Approval*” has the meaning set forth in Section 6.02(c)(ii).

“*Stockholders’ Agent*” shall mean the Liquidating Trust.

“*Subsidiary*” and “*Significant Subsidiary*” have the meanings ascribed to those terms in Rule I-02 of Regulation S-X promulgated by the SEC.

“*Superior Proposal*” means a bona fide written proposal (and its most recently amended or modified terms, if amended or modified) made by a Person other than Target or its Affiliates: (A) to consummate an Acquisition Proposal; (B) on terms which the Target Board in good faith concludes (following advice of its financial advisors that such proposal is more favorable to the Target Stockholders, from a financial point of view, and advice of outside counsel), taking into account, among other things, all legal, financial, regulatory, timing and other aspects of the proposal and the identity and nature of the Person making the proposal, would, if consummated, result in a transaction that is more favorable to Target or to the Target Stockholders (in their capacities as stockholders), as the case may be, from a financial point of view, than the transactions contemplated by this Agreement (as the same may be proposed to be amended by Acquiror pursuant to

Section 7.04(e); and (C) that does not contain any contingency to obtain financing or other funding.

“*Superior Proposal Notice*” has the meaning set forth in Section 7.04(d).

“*Surviving Entity*” has the meaning set forth in Section 3.01(a).

“*Target*” has the meaning set forth in the preamble to this Agreement.

“*Target Board*” means the Board of Directors of Target.

“*Target Bylaws*” means the Amended and Restated Bylaws of Target as in effect on the date hereof.

“*Target Charter*” means the Articles of Incorporation of Target as in effect on the date hereof.

“*Target Class A Common Stock*” means the Class A Common Stock, \$10.00 par value per share, of Target.

“*Target Class B Common Stock*” means the Class B Common Stock, \$1.00 par value per share, of Target.

“*Target Common Stock*” means the Target Class A Common Stock together with the Target Class B Common Stock.

“*Target Disclosure Letter*” has the meaning set forth in Section 6.01.

“*Target Group*” means, collectively, Target, Target Subsidiaries, NPI and the NPI Entities.

“*Target Joint Ventures*” means the Target Properties in which Target or a Target Subsidiary owns less than a 100% equity interest.

“*Target Material Adverse Effect*” means any event, circumstance, change or effect that adversely affects the financial condition or results of operations of Target and the Target Subsidiaries in an amount in excess of \$18,000,000, taken as a whole, that was not reasonably foreseeable at the date hereof; *provided, however*, that none of the following shall be deemed to constitute or shall be taken into account in determining whether there has been an “Target Material Adverse Effect”: (i) any event, circumstance, change or effect arising out of or attributable to (A) any changes in the United States or global economy or capital, financial or securities markets generally, including changes in interest or exchange rates, (B) the commencement or escalation of a war or armed hostilities or the occurrence of acts of terrorism or sabotage, (C) any changes in general economic, legal, regulatory or political conditions in the geographic regions in which Target and the Target Subsidiaries operate, (D) earthquakes, hurricanes or other natural

disasters and (E) changes in Law or GAAP or (ii) any existing event, circumstance, change or effect with respect to which Acquiror has knowledge as of the date hereof.

“*Target Material Contracts*” means the Target Properties Leases, the Office Assumed Loan Documents, the Short Term Loan Documents, the Scheduled Contracts and the documents evidencing or securing the Existing Indebtedness (it being recognized that the documents evidencing or securing the Existing Office Indebtedness shall be terminated in conjunction with the repayment thereof with the proceeds of the Short Term Loan).

“*Target Property*” or “*Target Properties*” means, collectively, the Merger Properties, NPI Exchange Properties and Purchase Properties.

“*Target Properties Escrow LCs*” has the meaning set forth in Section 6.02(g)(xix).

“*Target Properties Leases*” means the Purchase Properties Leases collectively with the Merger Properties Leases and the NPI Exchange Properties Leases.

“*Target Properties LCs*” has the meaning set forth in Section 6.02(g)(xix).

“*Target Stockholders*” means the holders of the Target Common Stock.

“*Target Stockholders Meeting*” means a special meeting of the Target Stockholders to consider and vote upon the approval of the Merger, this Agreement and any other matter required to be approved by Target’s stockholders for consummation of the Transaction (including any adjournment or postponement).

“*Target Subsidiary*” or “*Target Subsidiaries*” has the meaning set forth in Section 6.02(a)(ii).

“*Tax*” or “*Taxes*” shall mean any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

“**Tax Returns**” means any return, declaration, report, claim for refund, transfer pricing report or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Termination Date**” has the meaning set forth in Section 10.01.

“**Termination Fee**” has the meaning set forth in Section 10.03(b).

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“**Transaction**” shall mean the Merger and the Purchase and Sale, collectively, along with any other transaction contemplated by this Agreement.

“**Transfer Taxes**” shall mean any real property transfer, sales, use, recordation, recording costs, registration and other fees and any similar Taxes together with any related interest, penalties or additions to Tax.

ARTICLE II. PURCHASE AND SALE OF OWNERSHIP INTERESTS IN NPI ENTITIES

2.01. Purchase and Sale of the Ownership Interests.

On the Closing Date, Acquiror OP shall purchase from NPI the percentage of ownership interests in the NPI Entities as more particularly set forth or Schedule 1 hereto pursuant to the terms and conditions set forth herein (the “**Purchase and Sale**”) and pursuant to a purchase and sale agreement by and between NPI and Acquiror OP (the “**PSA**”).

2.02. Purchase Price.

The purchase price for the ownership interests in the NPI Entities which Acquiror OP agrees to deliver to NPI, subject to the terms and conditions set forth herein and in the PSA, shall be cash in an amount equal to (a) \$59,077,876 (subject to adjustment) reduced by (b) the reductions and adjustments set forth in the PSA (the difference between (a) and (b) being herein referred to as the “**Purchase Price**”).

ARTICLE III. THE MERGER

3.01. The Merger.

(a) The Merger. Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, Target will merge into Merger Subsidiary (the “**Merger**”), the separate corporate existence of Target shall cease and Merger Subsidiary shall survive and continue to exist as a Maryland business trust and as a wholly owned subsidiary of Acquiror (Merger Subsidiary, as the surviving entity in the Merger, is sometimes referred to herein as the “**Surviving Entity**”) with all its rights, privileges, immunities, powers and franchises continuing unaffected by the Merger.

(b) Name. The name of the Surviving Entity shall be “W&M Business Trust”.

(c) Certificate of Trust and Declaration of Trust. The certificate of trust and declaration of trust of the Merger Subsidiary in effect immediately prior to the Effective Time shall be the certificate of trust and declaration of trust of the Surviving Entity, unless and until duly amended in accordance with applicable Law.

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(d) Trustees and Officers of the Surviving Entity. The parties hereto shall take all actions necessary so that the trustees of the Surviving Entity immediately after the Merger shall be the trustees of the Merger Subsidiary immediately prior to the Merger. The parties hereto shall take all actions necessary so that the officers of the Surviving Entity immediately after the Merger shall be the officers of the Merger Subsidiary immediately prior to the Merger.

(e) Effect of the Merger. At the Effective Time, the effect of the Merger shall be as provided in the MGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, powers and franchises of Target shall vest in the Surviving Entity, and the Assumed Loans directly or indirectly shall become the debts of the Surviving Entity.

(f) Additional Actions. If, at any time after the Effective Time, the Surviving Entity shall consider that any further assignments or assurances in law or any other acts are necessary or desirable to (i) vest, perfect or confirm, of record or otherwise, in the Surviving Entity its right, title or interest in, to or under any of the rights, properties or assets of Target acquired or to be acquired by the Surviving Entity as a result of, or in connection with, the Merger, or (ii) otherwise carry out the purposes of this Agreement, Target, and its proper officers and directors, shall be deemed to have granted to the Surviving Entity an irrevocable power of attorney to execute and deliver all such proper deeds, assignments and assurances in law and to do all acts necessary or proper to vest, perfect or confirm title to and possession of such rights, properties or assets in the Surviving Entity and otherwise to carry out the purposes of this Agreement, and the proper officers and trustees of the Surviving Entity are fully authorized in the name of the Surviving Entity or otherwise to take any and all such action.

3.02. Effective Date and Effective Time: Closing.

(a) The closing of the Transaction (the “**Closing**”) shall take place immediately prior to the Effective Time at 10:00 a.m., Eastern Time, at the offices of DLA Piper US LLP at 6225 Smith Avenue, Baltimore, Maryland 21209, or at such other place, at such other time, or on such other date as the parties may mutually agree upon (such date, the “**Closing Date**”). At the Closing, there shall be delivered to Acquiror and Target the certificates and other documents required to be delivered under Article IX hereof. It is the parties’ goal that the Closing Date shall occur no later than December 31, 2006.

(b) As soon as practicable upon satisfaction or waiver of the conditions set forth in Article IX (other than those conditions that by their nature are to be satisfied at the consummation of the Merger, but subject to the fulfillment or waiver of those conditions), at the closing, the parties shall cause Articles of Merger in the form of Exhibit C hereto (the “**Articles of Merger**”) to be filed with the State Department of Assessments and Taxation of Maryland (the “**SDAT**”) pursuant to the MGCL. The Merger provided for herein shall become effective at such time as the Articles of Merger have been accepted for record by the SDAT, or such later time (not to exceed 30 days

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from the date of filing) designated by the parties in the Articles of Merger in accordance with the MGCL *provided, however*, that such time shall not be on a date later than the Outside Date (the “*Effective Time*”).

**ARTICLE IV.
MERGER CONSIDERATION; EXCHANGE PROCEDURES**

4.01. Conversion of Shares.

At the Effective Time, by virtue of the Merger and without any action on the part of a holder of shares of Target Common Stock:

(a) The aggregate merger consideration payable to holders of Target Common Stock issued and outstanding immediately prior to the Effective Time (expressed as a number of shares) is referred to as the “*Merger Consideration*”. The Merger Consideration shall be comprised of the Preferred Share Consideration and the Common Share Consideration. For example, assume that the Debt Balance were \$129,648,266 (comprised of the Existing Retail Indebtedness of \$29,146,398, the Short Term Loan of \$83,018,978 and the Assumed Loans of \$17,482,890), the Closing Adjustment Amount due by Target to Acquiror were \$2,000,000 and the Loan Escrows were \$1,000,000. The Merger Consideration Amount would be as follows:

	\$	303,422,124
Debt Balance	\$	-129,648,266
Closing Adjustment Amount	\$	-2,000,000
Loan Escrows	\$	+1,000,000
Merger Consideration Amount	\$	172,773,858

Further, assume that the Preferred Share Consideration were designated by Target to be 2,830,000 Acquiror Convertible Preferred Shares. The Preferred Share Consideration Amount would therefore be 2,830,000 x \$50 = \$141,500,000. The Common Share Consideration Amount would therefore be:

Merger Consideration Amount	\$	172,773,858
Preferred Share Consideration Amount	\$	-141,500,000
Common Share Consideration Amount	\$	31,273,858

If the Calculation Price were \$45 per share, the Common Share Consideration would be $31,273,858 \div \$45 = 694,974.62$ Acquiror Common Shares.

“*Merger Consideration Amount*” means (i) the excess of the Gross Value over the Debt Balance, (ii) increased by any Closing Adjustment Amount owed by Acquiror to Target pursuant to Section 8.04, if applicable, or decreased by any Closing Adjustment Amount owed by Target to Acquiror pursuant to Section 8.04, if applicable, as the case may be, plus (iii) the amount of any loan escrows held by Target’s lenders in connection with the Assumed Loans at the Effective Time, to the extent not taken into account in

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computing the Debt Balance (the “*Loan Escrows*”). The sum of (ii) and (iii) is referred to as the “*Aggregate Closing Adjustments*”.

(b) At the Effective Time, except as set forth in subsections (c) and (d) below, each share of Target Common Stock issued and outstanding immediately prior to the Effective Time shall be converted into, and shall be canceled in exchange for, the right to receive a pro rata share of the Merger Consideration.

(c) Each share of Merger Subsidiary Common Shares issued and outstanding immediately prior to the Effective Time that is owned by Acquiror or by any Subsidiary of Acquiror, shall be converted into and become one share of common stock of the Surviving Entity.

(d) Each share of Target Common Stock that is owned by Target or any of the Target Subsidiaries, or by Acquiror, Merger Subsidiary or any other direct or indirect Subsidiary of Acquiror or Merger Subsidiary, shall be cancelled and retired and shall cease to exist and no cash, stock or any other consideration shall be delivered by Acquiror or Merger Subsidiary in exchange therefor.

4.02. Exchange Procedures.

(a) Custody of Certificates and Payment Fund. At or prior to the Effective Time, (i) Target shall acquire and hold for the Target Stockholders pursuant to a Power of Attorney between the Liquidating Trust and the Target Stockholders the certificate or certificates or affidavits of loss in accordance with Section 4.02(e) hereof (collectively, the “*Certificates*”), which immediately prior to the Effective Time represented shares of Target Common Stock and (ii) Acquiror shall deposit or cause to be deposited with the Liquidating Trust, for the benefit of the Target Stockholders for exchange in accordance with this Article IV, full certificates representing Acquiror Common Shares and Acquiror Convertible Preferred Shares in an amount sufficient to satisfy the aggregate Merger Consideration (such aggregate certificates being deposited hereinafter referred to as the “*Payment Fund*”). The Liquidating Trust shall, pursuant to irrevocable instructions, make payments out of the Payment Fund as provided for in this Article IV, and the Payment Fund shall not be used for any other purpose.

(b) Exchange Procedures for Target Common Stock. After surrender to the Liquidating Trust of a Certificate for cancellation, together with such Power of Attorney duly executed, and such other customary documents as may reasonably be required by the Liquidating Trust, upon the Effective Time, the holder of such Certificate shall be entitled to receive the Merger Consideration in exchange therefor for each share of Target Common Stock formerly represented by such Certificate. Such payment of the Merger Consideration shall be sent to such holder by the Liquidating Trust promptly after receipt by the Liquidating Trust of the Payment Fund, and the Power of Attorney duly executed, and such other customary documents as may reasonably be required by the Liquidating Trust, and the shares of Target Common Stock formerly represented by such

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Certificate so surrendered shall forthwith be canceled. No interest will be paid or will accrue on any cash payable upon the surrender of a Certificate.

(c) No Further Ownership Rights in Stock. Until surrendered as contemplated by this Article IV, each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the Merger Consideration in respect of the shares of Target Common Stock formerly represented by such Certificate as contemplated by this Section 4.02. All shares paid upon the surrender for exchange of Certificates in accordance with the terms of this Article IV shall be deemed to have been paid in full satisfaction of all rights pertaining to the shares of Target Common Stock represented by such Certificates. After the Effective Time, there shall be no further registration of transfers of shares of Target Common Stock outstanding immediately prior to the Effective Time on the records of Target, and if Certificates are presented to the Surviving Entity, they shall be canceled and exchanged as provided for, and in accordance with the procedures set forth, in this Article IV.

(d) Unregistered Transfer of Stock. If payment of the Merger Consideration is to be made to a Person other than the Person in whose name the surrendered Certificate is registered, it shall be a condition of such payment that the Certificate so surrendered shall be properly endorsed or shall be otherwise in proper form for transfer and that the Person requesting such payment shall have paid any transfer and any other Taxes required by reason of the payment to a Person other than the registered holder of the Certificate surrendered or shall have established to the satisfaction of the Surviving Entity that such Tax either has been paid or is not applicable.

(e) Lost Certificates. In the event that any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by the Surviving Entity, an indemnity against any claim that may be made against it with respect to such Certificate, the Liquidating Trust will issue, in exchange for such lost, stolen or destroyed Certificate, the Merger Consideration payable pursuant to this Article IV.

(f) Termination of Payment Fund. Any portion of the Payment Fund remaining unclaimed by holders of Shares immediately prior to such time as such amounts would otherwise escheat to or become property of any Governmental Authority shall, to the extent permitted by applicable Law, become the property of the Liquidating Trust free and clear of all claims or interest of any Persons previously entitled thereto.

(g) No Liability. None of Acquiror, Merger Subsidiary, Target or the Liquidating Trust, or any employee, officer, director, agent or Affiliate thereof, shall be liable to any Person in respect of any cash from the Payment Fund delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

4.03. Adjustments.

Notwithstanding anything in this Agreement to the contrary, if, between the date of this Agreement and the Effective Time, the outstanding shares of Target Common

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Stock shall be changed into a different number, class or series of shares by reason of any stock dividend, subdivision, reclassification, recapitalization, stock split, combination or exchange of shares, then the Merger Consideration payable with respect thereto and any other amounts payable pursuant to this Agreement shall be appropriately adjusted in order to provide holders of Target Common Stock the same economic effect as contemplated by this Agreement.

4.04. Deposit.

Within one (1) Business Day after the execution of this Agreement, Acquiror shall deposit with the Cash Escrow Agent in cash Two Million Dollars (\$2,000,000) which sum, together with any interest earned thereon prior to the Closing Date, is referred to as the "Deposit", pursuant to the Cash Escrow Agreement for the benefit of the Target Stockholders. The Deposit shall be held in an interest bearing escrow account, pending disposition of the Deposit in accordance with Section 8.01(b). At Closing of the Merger, the Cash Escrow Agent shall remit the Deposit to Acquiror.

4.05. Deposit of Escrow Shares and Additional Escrow Shares.

(a) As soon as practicable after the Effective Time, and subject to, and in accordance with, the provisions of Section 7.07, Acquiror shall cause to be deposited with the Share Escrow Agent a certificate or certificates representing a number of Acquiror Common Shares (the "Escrow Shares") equal to Three Million Five Hundred Thousand Dollars (\$3,500,000) of the Merger Consideration Amount, which shall be registered in the name of the Share Escrow Agent as nominee for the holders of Certificates cancelled pursuant to Section 4.02(b). The Escrow Shares shall be beneficially owned by such holders so that such holders shall be entitled to any dividends or distributions (other than securities) and have the right to vote the shares and shall be available to compensate Acquiror for certain damages as provided in Section 7.07. The Escrow Shares shall be released in accordance with and subject to the provisions of Section 7.07 and the Share Escrow Agreement. At the Effective Time, the Escrow Shares will not have been registered under the Securities Act. In accordance with the Registration Rights Agreement, Acquiror will register the Escrow Shares with the SEC after Closing pursuant to the Registration Statement.

(b) As soon as practicable after the Effective Time, and subject to, and in accordance with, the Additional Share Escrow Agreement, Acquiror shall cause to be deposited with the Share Escrow Agent a certificate or certificates representing a number of shares of Acquiror Common Shares (the "Additional Escrow Shares") equal to Four Million Five Hundred Thousand (\$4,500,000) of the Merger Consideration Amount, which shall be registered in the name of the Share Escrow Agent as nominee for the holders of Certificates cancelled pursuant to Section 4.02(b). The Additional Escrow Shares shall be beneficially owned by such holders so that such holders shall be entitled to any dividends or distributions (other than securities) and have the right to vote the shares and shall be available to Acquiror as provided in the Additional Share Escrow Agreement. The Additional Escrow Shares shall be released in accordance with and

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subject to the provisions of the Additional Share Escrow Agreement. At the Effective Time, the Additional Escrow Shares will not have been registered under the Securities Act. In accordance with the Registration Rights Agreement, Acquiror will register the Additional Escrow Shares with the SEC after Closing pursuant to the Registration Statement.

ARTICLE V. CONDUCT OF THE PARTIES PENDING CLOSING

5.01. Conduct of Business by Target.

From the date hereof until the earlier of the Effective Time and the termination of this Agreement pursuant to and in accordance with Article X, except as expressly contemplated or permitted by this Agreement or as disclosed in the Target Disclosure Letter as noted specifically herein, without the prior written consent of Acquiror, not to be unreasonably withheld, Target will not, and will cause each of the Target Subsidiaries not to:

(a) Ordinary Course. Conduct its business other than in the ordinary and usual course consistent with past practice or fail to use commercially reasonable efforts to preserve its business organization and in no event enter into any commitment that would impose any obligation on Acquiror, Target, Target Subsidiaries or the Surviving Entity after the Closing, other than tenant improvements with respect to Target Properties Leases signed after September 6, 2006 and other than as set forth in the Target Disclosure Letter.

(b) Acquisitions. Except as set forth in Section 5.01(b) of the Target Disclosure Letter, acquire all or any portion of the assets, business or properties of any other entity.

(c) Governing Documents. Amend the Target Charter or the Target Bylaws or the articles of incorporation or bylaws (or equivalent documents) of Target or any Target Subsidiary.

(d) Contracts. Except in the ordinary course of business consistent with past practice or as otherwise permitted under this Section 5.01 and except as disclosed in the Target Disclosure Letter, enter into or terminate any Target Material Contract or amend or modify in any material respect any of its existing Target Material Contracts.

(e) Insurance. Allow any insurance policy in effect as of the date hereof to be modified, lapse or expire prior to Closing or fail to file any claim, notice or report that Target would normally file in the ordinary course of business or as reasonably requested by Acquiror.

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(f) Future Obligations. Grant any severance or termination pay to any director, officer or consultant, pay any special bonus or any remuneration to any director, officer or consultant, the terms of which would require any payments to be made post-Closing.

(g) Employees. Hire any employees.

(h) Litigation. Commence a lawsuit other than for the routine collection of bills, to protect a material right, or for a breach of this Agreement.

(i) Dispositions. Sell, license or otherwise dispose of any Target Properties.

(j) Liens. Encumber or permit any liens on any Target Properties.

(k) Notices. Deliver a default notice to any tenant without simultaneously delivering a copy of such notice to Acquiror.

(l) Indebtedness. Incur any indebtedness for borrowed money or guarantee any such indebtedness or issue or sell any debt securities or guarantee any debt securities of others, other than draw-downs under credit arrangements or loan facilities existing on the date of this Agreement, and other than the Short Term Loans.

(m) Taxes. Except as provided in Section 6.02(i)(xix), make any Tax election, change any Tax election, adopt any Tax accounting method, change any Tax accounting method, file any Tax return (other than any estimated Tax returns, payroll Tax returns or sales Tax returns) or any amendment to a Tax return, enter into any closing agreement, settle any Tax claim or assessment, or consent to any Tax claim or assessment.

(n) Target Properties Leases. (i) Enter into any new leases in excess of 5,000 square feet with respect to a Target Property, (ii) modify or change in any material respect any existing Target Property Lease in excess of 5,000 square feet or (iii) terminate any Target Property Lease in excess of 5,000 square feet. For purposes of this Section 5.01(n), consent of Acquiror may be assumed in the event Target has not received a response from Acquiror within two (2) Business Days of Target's request for consent.

(o) Other Actions. Authorize or enter into any agreement or otherwise agree or commit to do any of the foregoing.

5.02. Conduct of Acquiror.

From the date hereof until the Effective Time, except as expressly contemplated or permitted by this Agreement, without the prior written consent of Target, not to be unreasonably withheld, Acquiror will not, and will cause each of the Acquiror Subsidiaries not to:

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(a) Interference or Delay. Take, or cause to be taken, any action that would interfere with the consummation of the Transaction and other transactions contemplated by this Agreement, or delay the consummation of such transactions.

(b) Adverse Actions. Take any action that is intended or is reasonably likely to result in (x) any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect at any time at or prior to the Effective Time or (y) any of the conditions to the Transaction set forth in Article IX not being satisfied.

(c) Other Actions. Authorize or enter into any agreement or otherwise agree or commit to do any of the foregoing.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES

6.01. Target Disclosure Letter.

Concurrently with the execution and delivery of this Agreement, Target is delivering to Acquiror a disclosure letter with numbered sections corresponding to the relevant sections in this Agreement (the "Target Disclosure Letter"). Any exception, qualification, limitation, document or other item described in any provision, subprovision, section or subsection of any Section of the Target Disclosure Letter with respect to a particular representation or warranty contained in Section 6.02 herein shall be deemed to be an exception or qualification with respect to all other representations or warranties contained in Section 6.02 herein to which the relevance of such item is reasonably apparent. Nothing in the Target Disclosure Letter is intended to broaden the scope of any representation or warranty contained in Section 6.02 herein.

6.02. Representations and Warranties of Target.

Subject to the exceptions and qualifications set forth in the Target Disclosure Letter, Target hereby represents and warrants to Acquiror, Acquiror OP and Merger Subsidiary that:

(a) Existence; Good Standing; Authority; Compliance with Law.

(i) Target is a corporation duly incorporated, validly existing under the laws of the State of Maryland and in good standing with the SDAT. Target is duly qualified or licensed to do business as a foreign entity and is in good standing under the laws of any other jurisdiction in which the character of the properties owned, leased or operated by it therein or in which the transaction of its business makes such qualification or licensing necessary. Target has all requisite corporate power and authority to own, operate, lease and encumber the Target Properties and carry on its business as now conducted.

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(ii) Section 6.02(a)(ii) of the Target Disclosure Letter sets forth as of the Closing Date: (i) each Subsidiary of Target (each, a **“Target Subsidiary.”** and collectively, the **“Target Subsidiaries”**); (ii) the legal form of each Target Subsidiary, including the state of formation; and (iii) the identity and ownership interest of each of the Target Subsidiaries that is held by Target or a Target Subsidiary.

(iii) Each of the Target Subsidiaries is duly organized, validly existing and is in good standing under the laws of the State of Maryland. Each of the Target Subsidiaries is duly qualified or licensed to do business and in good standing under the laws of each jurisdiction in which the character of the properties owned, leased or operated by it therein or in which the transaction of its business makes such qualification or licensing necessary.

(iv) Except as set forth in Section 6.02(a)(iv) of the Target Disclosure Letter, as of the Closing Date all of the outstanding voting securities or other interests of each of the Target Subsidiaries have been validly issued and are (i) fully paid and nonassessable and (ii) owned, directly or indirectly, free and clear of any Lien (including any restriction on the right to vote or sell the same, except as may be provided as a matter of Law), and all voting interests in each of the Subsidiaries that is a partnership, joint venture, limited liability company or trust which are owned by Target, by one of the Target Subsidiaries or by Target and one of the Target Subsidiaries, are owned free and clear of any Lien (including any restriction on the right to vote or sell the same, except as may be provided as a matter of Law).

(v) Target has previously made available to Acquiror true and complete copies of the (i) Target Charter and the Target Bylaws, each as amended through the date hereof, (ii) minute books of meetings of the Target’s Board and (iii) organizational documents of the Target Subsidiaries, each as amended through the date hereof.

(vi) Section 6.02(a)(vi) of the Target Disclosure Letter sets forth as of the date hereof each Subsidiary of Target; the legal form of such Subsidiary, including the state of formation, and the identity and ownership interest of each of the Subsidiaries held directly or indirectly by Target.

(b) Capitalization.

(i) The authorized shares of capital stock of Target consist of 100,000 shares of Target Class A Common Stock, of which, as of September 30, 2006, 15,000 were issued and outstanding, 300,000 shares of Target Class B Common Stock, of which, as of September 30, 2006, 75,000 were issued and outstanding and 600 shares of Target Class C Common Stock, of which, as of September 30, 2006, none are issued and outstanding. As of the date of this Agreement, there were no shares of Target Common Stock reserved for issuance or required to be reserved for issuance. Section 6.02(b)(i) of the Target Disclosure Letter sets forth a list of the Target Stockholders and the shares of

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Target Common Stock owned by each. There are no other classes of stock of Target other than Target Common Stock.

(ii) Section 6.02(b)(ii) of the Target Disclosure Letter sets forth a list of all secured and unsecured debt instruments outstanding as of the date hereof of Target and/or relating to the Target Properties and their outstanding principal amounts as of December 1, 2006. Target has no outstanding bonds, debentures, notes or other similar obligations the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the Target Stockholders on any matter.

(iii) As of the Effective Time, there will not be outstanding any share appreciation rights, dividend equivalent rights, performance awards, restricted stock unit awards or “phantom” shares applicable to Target or Target Subsidiaries.

(iv) Except as set forth in Section 6.02(b)(iv) of the Target Disclosure Letter, there are no agreements or understandings to which Target is a party with respect to shares of Target Common Stock, nor does Target have knowledge, as of the date of this Agreement, of any third party agreements or understandings with respect to the voting of any such shares.

(v) Immediately prior to the Closing, each Target Subsidiary shall be wholly-owned by Target except as otherwise shown on Schedule 2. Neither Target nor any Target Subsidiary has any agreement or commitment to sell or transfer any of its stock, partnership or ownership interests, as the case may be.

(c) Authority Relative to this Agreement.

(i) Target has all necessary corporate power and authority to execute and deliver this Agreement and to consummate the Transaction. No other corporate proceedings on the part of Target is necessary to authorize this Agreement or to consummate the Transaction (other than, with respect to the Merger and this Agreement, to the extent required by Law, the Stockholder Approval). This Agreement has been duly and validly executed and delivered by Target and, assuming due authorization, execution and delivery hereof by each of Acquiror, Acquiror OP and Merger Subsidiary, constitutes a valid, legal and binding agreement of Target, enforceable against Target in accordance with and subject to its terms and conditions, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar Laws of general applicability relating to or affecting creditors’ rights or by general equitable principles.

(ii) The Target Board has duly and validly authorized the execution and delivery of this Agreement, declared the Transaction advisable and approved, subject to the approval of the Target Stockholders, the Transaction, and no other actions are required to be taken by the Target Board for the consummation of the Transaction. The Target Board has directed that this Agreement be submitted to the Target Stockholders for their approval to the extent required by Law and the Target

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Charter and Target Bylaws. The Merger requires the affirmative vote of a two-thirds majority of all votes entitled to be cast by the holders of all outstanding Target Common Stock as of the record date for the Target Stockholder Meeting (the **“Stockholder Approval”**). The Stockholder Approval is the only vote of the holders of any class or series of stock of Target necessary to approve the Transaction.

(d) No Conflict; Required Filings and Consents.

(i) Except as set forth in Section 6.02(d)(i) of the Target Disclosure Letter, the execution and delivery by Target of this Agreement does not, and the performance of its obligations hereunder will not, (A) conflict with or violate the organizational documents of Target or Target Subsidiaries, (B) assuming that all consents, approvals, authorizations and other actions described in subsection (ii) have been obtained and all filings and obligations described in subsection (ii) have been made, conflict with or violate any domestic statute, law, ordinance, regulation, rule, code, executive order, injunction, judgment, decree or other order (**“Law”**) applicable to Target and Target Subsidiaries or by which any Target Property or other property or asset of Target or any of the Target Subsidiaries is bound or affected, or (C) result in any breach of or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien or other encumbrance on any Target Property or other property or asset of Target or any of the Target Subsidiaries pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation, except, with respect to clauses (B) and (C), for any such conflicts, violations, breaches, defaults or other occurrences that would not (x) prevent or delay consummation of the Transaction or otherwise prevent it from performing its obligations under this Agreement or (y) have a Target Material Adverse Effect.

(ii) Except as set forth in Section 6.02(d)(ii) of the Target Disclosure Letter, the execution and delivery by Target of this Agreement does not, and the performance of its obligations hereunder will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority except (A) for the filing of the Articles of Merger with, and the acceptance for record of the Articles of Merger by, the SDAT and (B) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not (x) prevent or delay consummation of the Transaction or otherwise prevent it from performing its obligations under this Agreement or (y) have a Target Material Adverse Effect.

(e) Permits; Compliance. Except as set forth in Section 6.02(e) of the Target Disclosure Letter, to the knowledge of Target, each of Target and the Target Subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, consents, certificates, approvals and orders of any Governmental Authority necessary for each of Target or the Target Subsidiaries to own, lease and operate the Target Properties or to carry on its business as it is now being conducted (the "Applicable Permits"),

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except where the failure to have, or the suspension or cancellation of, any of the Applicable Permits could not reasonably be expected to have a Target Material Adverse Effect. As of the date hereof, no suspension or cancellation of any of the Applicable Permits is pending or, to the knowledge of Target, threatened, except where the failure to have, or the suspension or cancellation of, any of the Applicable Permits could not reasonably be expected to have a Target Material Adverse Effect. Neither Target nor any of the Target Subsidiaries is in conflict with, or in default, breach or violation of, (i) any Law applicable to Target or any of the Target Subsidiaries or by which any of the Target Properties or assets is bound or affected, or (ii) any note, bond, mortgage, indenture, contract, agreement, lease, license, Applicable Permit, franchise or other instrument or obligation to which Target or any of the Target Subsidiaries is a party or by which Target or any of the Target Subsidiaries or any of their properties or assets is bound, except for any such conflicts, defaults, breaches or violations that could not reasonably be expected to have a Target Material Adverse Effect.

(f) Litigation. Except (i) as listed in Section 6.02(f) of the Target Disclosure Letter, or (ii) for suits, claims, Actions, proceedings or investigations arising in the ordinary course of business of Target and the Target Subsidiaries which are adequately covered by insurance (it being understood that litigation (A) arising from or related in any way to Hazardous Materials or (B) related to any landlord/tenant rent collection proceeding or regarding Target Properties Leases in excess of 5,000 square feet shall not be considered in the ordinary course of business), there is no suit, Action pending or, to Target's knowledge, threatened against Target or any of the Target Subsidiaries or any of the Target Properties that could reasonably have a Target Material Adverse Effect or that question the validity of this Agreement or any action to be taken by Target in connection with the consummation of the Transaction. None of Target or the Target Subsidiaries is subject to any order, judgment, writ, injunction or decree by any Governmental Authority, except as could not reasonably be expected to have a Target Material Adverse Effect.

(g) Target Properties and Target Properties Leases.

(i) Prior to the Closing Date, the Target Properties shall be owned by the entities shown on Schedules 1, 2 and 4 hereof and no other person will have any ownership interest in or right to share in the profits of any Target Property.

(ii) Target has provided Acquiror all policies of title insurance or updates or endorsements that are in the possession of Target with respect to the Target Properties, and no claim has been made against any such policy that has not been resolved and, to Target's knowledge, there are no facts or circumstances which would constitute the basis for such a claim. Except as set forth in Section 6.02(g)(ii) of the Target Disclosure Letter, to Target's knowledge and subject to matters of record, there are no material exceptions not shown on such title insurance policies.

(iii) All buildings currently under construction by the Target Group on the Target Properties, all construction projects and building maintenance and

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improvements currently ongoing, all tenant improvements required to be performed under the Target Properties Leases prior to the commencement of the initial term of a Target Properties Lease or an existing expansion or renewal thereof that have not been so completed as of the date of this Agreement (and have been designated as Pre-LOI TI Work and other work), and all properties currently under contract for acquisition as of the date of this Agreement by the Target or Target Subsidiaries are listed as such in Section 6.02(g)(iii) of the Target Disclosure Letter, other than routine building maintenance in the ordinary course of business not exceeding \$2,500.

(iv) Except as provided in Section 6.02(g)(iv) of the Target Disclosure Letter, none of the Target Group (A) has received written notice of any violation of any Law issued by any Governmental Authority, (B) has received written notice of any structural defects relating to any Target Property which would reasonably be expected to have a Target Material Adverse Effect, or (C) has received written notice of any physical damage to any Target Property which would, individually or in the aggregate, reasonably be expected to have a Target Material Adverse Effect for which there is not insurance in effect covering the cost of the restoration and the loss of revenue.

(v) Except as set forth in Section 6.02(g)(v) of the Target Disclosure Letter, no tenant or third party has any option to purchase any of the Target Properties, rights of first refusal or other agreements to purchase or sell any Target Properties, other than as set forth in the Target Properties Leases.

(vi) Except (A) as set forth in Section 6.02(g)(vi) of the Target Disclosure Letter, (B) for the Target Properties Leases and (C) for secured loan documents entered into in the ordinary course of business, there are no written agreements which restrict the Target Group from transferring any of the Target Properties, and none of the Target Properties is subject to any restriction on the sale or other disposition thereof or on the financing or release of financing thereon.

(vii) To the knowledge of Target, (i) no certificate, permit or license from any Governmental Authority having jurisdiction over any of the Target Properties or any agreement, easement or other right which is necessary to permit the lawful use and operation of the buildings and improvements on any of the Target Properties or which is necessary to permit the lawful use and operation of all driveways, roads, parking areas, out lots, and other means of egress and ingress to and from any of the Target Properties has not been obtained and is not in full force and effect, and there is no pending threat of modification or cancellation of any of the same; and (ii) no written notice of any violation of any federal, state or municipal law, ordinance, order, regulation or requirement affecting any portion of any of the Target Properties has been received by any of the Target Group with respect to the Target Properties from any Governmental Authority and none of the Target Properties has received notice that any of the Target Properties are in violation of any such federal, state or municipal law, order, ordinance, regulation or requirement, including, without limitation, the Americans with Disabilities Act, except for such violations that would not have a Target Material Adverse Effect on the value of any of the Target Properties, individually or in the aggregate.

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(viii) Except as set forth in Section 6.02(g)(viii) of the Target Disclosure Letter, there are no condemnation proceedings pending, or to Target's Knowledge, threatened, against any of the Target Properties.

(ix) None of the Target Group has received any notice to the effect that (A) any betterment assessments have been levied against, or rezoning

proceedings are pending or threatened with respect to, any of the Target Properties or (B) any zoning, building or similar law, code, ordinance, order or regulation is or will be violated by the continued maintenance, operation or use of any buildings or other improvements on any of the Target Properties or by the continued maintenance, operation or use of the parking areas.

(x) Section 6.02(g)(x) of the Target Disclosure Letter sets forth a true, accurate and complete rent roll for each of the Target Properties (the "**Rent Roll**") as of the date specified in the Target Disclosure Letter. On the Closing Date, Section 6.02(g)(x) of the Target Disclosure Letter will be updated by Target to reflect the Rent Roll as of two (2) Business Days prior to the Closing Date. Section 6.02(g)(x) of the Target Disclosure Letter sets forth a report listing all tenant delinquencies (the "**Delinquency Report**") as of the date specified in the Target Disclosure Letter. On the Closing Date, Section 6.02(g)(x) of the Target Disclosure Letter will be updated by Target to reflect the Delinquency Report as of two (2) Business Days prior to the Closing Date. Except as noted in Section 6.02(g)(x) of the Target Disclosure Letter, to Target's knowledge, there is no violation of any co-tenancy, exclusive or restriction listed in such Section 6.02(g)(x) of the Target Disclosure Letter.

(xi) Except as set forth in the Target Disclosure Letter, Target has previously delivered or made available to Acquiror a true, complete and correct copy of all Target Properties Leases, tenancies or other agreements for all or any portion of the Target Properties listed on the Rent Roll, all amendments, modifications, assignments, subleases to which any member of the Target Group has consented and supplements thereto and all guarantees with respect thereto.

(xii) Each of the Target Properties Leases is valid and subsisting and in full force and effect and has not been amended, modified or supplemented. Except as noted in Section 6.02(g)(xii) of the Target Disclosure Letter, to the knowledge of Target, other than as set forth in the Target Properties Leases, no tenant under a Lease has the right to terminate such lease prior to the scheduled expiration thereof. Except as set forth in Section 6.02(g)(xii) of the Target Disclosure Letter, none of the Target Group has received any written notice from any tenant under a Target Property Lease of more than 5,000 square feet of any intention to vacate.

(xiii) Except as set forth in Section 6.02(g)(xiii) of the Target Disclosure Letter, no member of the Target Group has received written notice from any tenant under a Lease of any offset, defense or claim against rent payable by it or other performance of obligations due from it under its lease.

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(xiv) Except as set forth in Section 6.02(g)(xiv) of the Target Disclosure Letter, to Target's knowledge and without independent investigation, no tenant under a Lease is currently in default under any monetary provision of its lease nor is any tenant under a Lease currently in material default under any non-monetary provision of its lease, and no such tenant is in arrears in the performance of any monetary obligation required of it under its lease. Except as set forth in Section 6.02(g)(xiv) of the Target Disclosure Letter, Target, to Target's knowledge and without independent investigation, is not aware of any facts or circumstances which with the passage of time and/or notice would constitute a default by any tenant under a Lease.

(xv) Except as set forth in Section 6.02(g)(xv) of the Target Disclosure Letter, Target has received no written notice stating that any tenant leasing in excess of 5,000 square feet under a Lease is insolvent or that any such tenant is unable to perform any or all of its material obligations under its lease.

(xvi) Except as set forth in Section 6.02(g)(xvi) of the Target Disclosure Letter, no tenant under any of the Target Properties Leases, or any guarantor, has asserted any claim of which the Target Group has received written notice which would materially affect the collection of rent from such tenant and the Target Group has not received written notice of any material default or breach on the part of the Target Group under any of the Target Properties Leases which has not been cured within the applicable cure period.

(xvii) Section 6.02(g)(xvii) of the Target Disclosure Letter sets forth a list of all written commitments made by the Target Group to enter into leases of 5,000 square feet or more of any of the Target Properties or any portion thereof which has not yet been reduced to a written lease, including a description of the right of any third party broker to any outstanding brokerage or other commission incidental thereto and all other financial terms, all in reasonable detail. Section 6.02(g)(xvii) of the Target Disclosure Letter also sets forth a complete list of all brokerage or other commissions owed in whole or part as of the date hereof by the Target Group relating to the Target Properties. Target has provided true and correct copies of all such written commitments to Acquiror.

(xviii) Except as set forth in Section 6.02(g)(xviii) of the Target Disclosure Letter and to the knowledge of Target, all Target Properties Leases are valid and effective in accordance with their respective terms, and there is not, under any of such Target Properties Leases, any material existing default or any event which with notice or lapse of time or both would constitute such a default, nor do any of such Target Properties Leases contain any provision which would preclude the Surviving Entity, a Target Subsidiary or a NPI Entity from occupying and using the leased premises for the same purposes and upon substantially the same rental and other terms as are applicable to the occupation and current use by the Target Group.

(xix) Section 6.02(g)(xix) of the Target Disclosure Letter sets forth a list of all of the letters of credit with respect to which Target has any liability,

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classified as (A) those letters of credit for which Acquiror will substitute letters of credit and if such letters of credit are drawn upon, Target shall reimburse Acquiror the amount of such draw (the "**Target Properties Escrow LCs**"), (B) those letters of credit for which Acquiror will substitute letters of credit and assume all obligations thereunder (the "**Target Properties LCs**") and (C) letters of credit relating to properties other than Target Properties (the "**Non-Target Properties Letters of Credit**").

(xx) Except as set forth in Section 6.02(g)(xx) of the Target Disclosure Letter, Target Group has not received any notices of threatened claims regarding the Target Properties.

(xxi) A true and correct copy of the Acquisition Agreement has been supplied to Target and there have been no amendments thereof. Miles & Stockbridge P.C. is the escrow agent under such Acquisition Agreement and is holding the \$800,000 Sewer System Credit (as such term is defined therein) pursuant to Section 6.3 of such Acquisition Agreement and none of the Sewer System Credit has been spent. Work in connection with the Sewer System (as such term is defined in the Acquisition Agreement) has been performed by Target or Target Subsidiaries and the cost of such work incurred since September 6, 2006 shall be determined prior to Closing.

(h) Intellectual Property. Except as would not have a Target Material Adverse Effect, (i) the conduct of business of the Target Group as currently conducted with respect to the Target Properties does not, to Target's knowledge, infringe the Intellectual Property rights of any third parties and (ii) with respect to Intellectual Property owned by or licensed to the Target Group and material to the Target Properties, the Target Group has not received any notice that it does not have the right to use such Intellectual Property in the continued operation of its business as currently conducted.

(i) Taxes.

(i) There are no Liens for Taxes upon any assets of the Target Group, except for Permitted Liens.

(ii) Each of the Target Group has timely filed with the appropriate taxing authority all Tax Returns required to be filed by it prior to the date hereof. Each such Tax Return is complete and accurate in all material respects. All Taxes have been properly reflected in the statements of operations of the Target Group,

and have been paid prior to the imposition of any penalty. None of the Target Group has executed or filed with the IRS or any other taxing authority any agreement now in effect extending the period for assessment or collection of any Tax. Except as set forth in Section 6.02(i)(ii) of the Target Disclosure Letter, none of the Target Group is a party to any pending action or proceedings by any taxing authority for assessment or collection of any Tax, and no claim for assessment or collection of any Tax has been asserted against it. Except as set forth in the Target Disclosure Letter, true and complete copies of all federal, state and local income or franchise Tax Returns filed by each member of the Target Group with respect to taxable years commencing on or after January 1, 2003 have

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been delivered to Acquiror. No claim has been made in writing by a Governmental Authority in a jurisdiction where the Target Group does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. There is no dispute or claim concerning any Tax liability of the Target Group, (A) claimed or raised by any taxing authority in writing or (B) as to which the Target Group has knowledge. No issues have been raised in writing in any examination by any taxing authority with respect to the Target Group which, by application of similar principles, reasonably could be expected to result in a material deficiency or increase in Tax for any other period not so examined.

Section 6.02(i)(ii) of the Target Disclosure Letter lists all federal and state income Tax Returns filed with respect to the Target Group for taxable periods commencing on or after January 1, 2003 that have been audited, and indicates those Tax Returns, if any, that currently are the subject of audit.

(iii) Target and the Stockholders of Target as of April 1, 1998 made a valid election for Target to be treated as an "S corporation", as that term is defined in Section 1361(a) of the Code, and such election will be in effect at the Closing Date. There are no grounds for the revocation of any such election and no such election will be revoked retroactively or otherwise. Target has been an S corporation from April 1, 1998 through the date hereof. Neither Target nor any of the stockholders of Target has taken any action that would cause, or would result in, the termination of the S corporation status of the Target.

(iv) Section 6.02(i)(iv) of the Target Disclosure Letter contains a copy of the Target's election to be treated as an S corporation, which was timely filed with the IRS and has not been superseded by any subsequent filing. The IRS has not sent any correspondence to Target questioning the Target's status as an S corporation.

(v) Target (A) shall be taxed as an S corporation through the Closing Date and has complied (and will comply) with all applicable provisions of the Code relating to an S corporation through the Closing Date, (B) has operated, and intends to continue to operate, in such a manner as to qualify as an S corporation from 1998 and through Closing, and (C) has not taken or omitted to take any action which would reasonably be expected to result in a challenge to its status as an S corporation during such time period, and, to the knowledge of Target, no such challenge is pending or threatened.

(vi) Target, for all taxable years commencing as of April 1, 1998, was eligible to and did validly elect to be taxed as an S corporation for federal income tax purposes and at all times thereafter continued such election and continued to be so eligible to be taxed as an S corporation for federal income tax purposes. The "built-in gain", as of December 31, 2005, of the assets owned indirectly by Target as listed on Section 6.02(i)(vi) of the Target Disclosure Letter is true, accurate and complete.

(vii) Target shall not revoke its election to be taxed as an S corporation within the meaning of Sections 1361 and 1362 of the Code. Target shall not

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take or allow any action that would result in the termination of its status as a validly electing S corporation within the meaning of Sections 1361 and 1362 of the Code.

(viii) Any disposition of the assets of Target and/or any of the Target Subsidiaries, other than those listed on Section 6.02(i)(viii) of the Target Disclosure Letter, will not be subject to the rules under Section 1374 of the Code. As of Closing, Target shall have no earnings and profits accumulated in any "non-REIT year" within the meaning of Section 857(a)(2) of the Code.

(ix) Target and each of the Target Subsidiaries have withheld and paid all Taxes required to have been withheld and/or paid in connection with amounts paid or owing to any employee, former employee, independent contractor, creditor, stockholder, or other third party.

(x) Target has not owned, directly or indirectly, an interest in any Subsidiary other than (A) a "qualified subchapter S subsidiary" within the meaning of Section 1361(b)(3)(B) of the Code, (B) an entity disregarded for federal income tax purposes or (C) an entity treated as a partnership for federal income tax purposes.

(xi) Neither Target nor any of the Target Subsidiaries has made any election, or is required, to treat any asset of any Subsidiary as owned by another person for tax purposes (other than by reason of a Subsidiary being a "qualified S corporation subsidiary" or a "disregarded entity" for federal income tax purposes and any comparable provision of state, local or foreign law and except with respect to assets beneficially owned by a Subsidiary and record title to which is held by another entity).

(xii) Neither Target nor any of the Target Subsidiaries has requested, received or is subject to any written ruling of a taxing authority related to Taxes or has entered into any written and legally binding agreement with a taxing authority relating to Taxes.

(xiii) Neither Target nor any of its Subsidiaries (A) is a party to or is otherwise subject to any Tax allocation or sharing agreement other than pursuant to the Target Properties Leases or matters appearing in the land records and (B) has any liability for the Taxes of another person under law, by contract or otherwise.

(xiv) Neither Target nor any Target Subsidiary is a party to any so-called "tax increment financing" or similar agreement and none of the Target Properties are located within or subject to any tax increment financing or other special tax district.

(xv) Target is not and has not been subject to passive income tax under Section 1375 of the Code. Target and Target Subsidiaries have not had gross receipts for any three consecutive fiscal years subsequent to the taxable year ended December 31, 1998 of which more than twenty-five percent (25%) were "passive investment income" (as such term is defined in Section 1362(d)(3)(C) of the Code).

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(xvi) Except as set forth in Section 6.02(i)(xvi) of the Target Disclosure Letter, Target has not acquired assets from another corporation in which the Target's tax basis for the acquired assets was determined, in whole or in part, by reference to the tax basis of the acquired assets (or any other property) in the hands of the transferor.

(xvii) As of the Effective Time, Target will have no earnings and profits for federal income tax purposes that were accumulated in any taxable

year to which the provisions of Sections 856 through 859 of the Code did not apply with respect to Target or any Predecessor. For purposes of this representation, "Predecessor" means any corporation the earnings and profits of which Target is required to take into account under Section 381(c) of the Code, by one or more successive applications of such Section.

(xviii) The tax basis as of December 31, 2005 of the Merger Properties and the Retail Properties is shown in Section 6.02(i)(xviii) of the Target Disclosure Letter and is true, accurate and complete.

(xix) Target agrees to timely file the federal and state income tax returns for Target and Target Subsidiaries for the final taxable year ending immediately prior to the Effective Time. Target will timely make an election under Treasury Regulation Section 1.1368-1(f)(3) to distribute all of its "subchapter C" earnings and profits through a deemed dividend to the Target Stockholders with respect to the final taxable year of Target ending immediately prior to the Effective Time.

(j) Environmental Matters. Except as disclosed in Section 6.02(j) of the Target Disclosure Letter or in the environmental audits/reports listed thereon (all representations being made only to the knowledge of Target):

(i) None of the Target Group has received written notice that any complaint has been filed that remains unresolved, any penalty has been assessed that has not been paid and any investigation or review is pending or threatened by any Governmental Entity with respect to any alleged failure by the Target Group to have any permit required under any applicable Environmental Law or with respect to any treatment, storage, recycling, transportation, disposal or "release" (as defined in 42 U.S.C. § 9601(22) ("Release")) by the Target Group of any Hazardous Material in violation of any applicable Environmental Law.

(ii) Except in material compliance with applicable Environmental Laws, (A) there are no asbestos-containing materials present on any Target Property, (B) there are no regulated levels of PCBs present on any Target Property, and (C) there are no underground storage tanks, active or abandoned, used for the storage of Hazardous Materials currently present on any Target Property.

(iii) None of Target, NPI or any Target Subsidiary has received written notice of a claim against any of them, that has not been resolved, to the effect that it is liable to a third party, including a Governmental Entity, as a result of a Release of a

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Hazardous Material into the environment in material violation of any applicable Environmental Law at any Target Property nor has any reason to believe such a claim is expected.

(iv) None of the Target Group has received written notice of (A) any Liens arising under or pursuant to any applicable Environmental Law on any Target Property or (B) any action taken or in process which could subject any Target Property to such Liens. The Target Group currently does not have any duty under any applicable Environmental Law to place any restriction relating to the presence of Hazardous Material at any Target Property which have not already been placed.

(v) None of the Target Group has transported or arranged for the transportation of any Hazardous Material to any location which is the subject of any action, suit or proceeding that could be reasonably expected to result in claims against the Target Group related to such Hazardous Material for clean-up costs, remedial work, damages to natural resources or personal injury claims, including claims under CERCLA and the rules and regulations promulgated thereunder and, to the knowledge of Target, there is no reasonable basis for such claim.

(vi) No Hazardous Materials have been or are threatened to be spilled, released, discharged or disposed of at any site presently or formerly owned, operated, leased or used by the Target Group, or, to the knowledge of Target, are present in the soil, sediment, water or groundwater at any such site. No Target Property is listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA or on any similar list of sites under any applicable Environmental Law of any other Governmental Entity where such listing requires active investigation or clean-up.

(vii) None of the Target Group has in its possession or control any environmental assessment or investigation reports prepared within the last five years that disclose a material environmental condition with respect to the Target Properties which has not been addressed or remediated (or is not in the process of being remediated) or been made the subject of an environmental insurance policy maintained by the Target Group.

(viii) Except as set forth in Section 6.02(j)(viii) of the Target Disclosure Letter, Target has not entered into any agreements to provide indemnification to any third party purchaser since January 1, 2003, or to any lender with respect to existing loans, pursuant to Environmental Laws in relation to any property or facility previously owned or operated by the Target Group.

(ix) The backup generator at 9930 Franklin Square Drive that exhibited oil spill characteristics was the result of an overfill, not a spill, and there is no subsurface impact.

(k) Contracts. Except for the Target Material Contracts, neither Target nor any Target Subsidiary is a party to or bound by any contract, other than (i) those contracts entered into in the ordinary course of business consistent with past practice that

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do not extend beyond the Closing Date or are terminable at the option of Target without penalty and (ii) public works agreements, utility, grading, storm water management and other development agreements or permits that are binding on Target or Target Subsidiaries as of the date hereof but which shall be assigned by Target or Target Subsidiaries prior to the Effective Time as a result of which neither Target nor any Target Subsidiary shall have any liability thereunder as of the Effective Time. Copies of all of the Scheduled Contracts have been provided to Acquiror and are true and correct. None of the Target Group has received any notice of a default that has not been cured under any of the Scheduled Contracts or is in default respecting any payment obligations thereunder beyond any applicable grace periods except where such default has not had or could not reasonably be expected to have a Target Material Adverse Effect or such default would not prevent or delay consummation of the Transaction.

(i) Each Target Material Contract is valid and binding on each Target Group party thereto, and none of the Target Group is in default under any Target Material Contract, except as would not (A) prevent or materially delay consummation of the Transaction, or (B) result in a Target Material Adverse Effect.

(l) Insurance. Section 6.02(l) of the Target Disclosure Letter sets forth a correct and complete list of the insurance policies held by, or for the benefit of, the Target Group, including the underwriter of such policies and the amount of coverage thereunder. The Target Group has paid, or caused to be paid, all premiums due under such policies and has not received written notice that any such member is in default with respect to any obligations under such policies. None of the Target Group has received any written notice of cancellation or termination with respect to any existing insurance policy set forth in Section 6.02(l) of the Target Disclosure Letter that is held by, or for the benefit of, any of the Target Group. Except as set forth in Section 6.02(l) of the Target Disclosure Letter, in the past three (3) years there have been no claims made under or against the insurance policies listed thereon. Effective upon the date hereof, Acquiror, Acquiror OP and the Surviving Entity shall be named as additional insureds, as their interests may appear, with respect to all of the insurance policies held by or for the benefit of the Target Group as they relate to the Target Properties. Target will include all Target Subsidiaries as additional insureds under such policies.

(m) Related Party Transactions. Except as set forth in Section 6.02(m) of the Target Disclosure Letter and except for ordinary course advances to employees, set forth in Section 6.02(m) of the Target Disclosure Letter is a list of all arrangements, agreements and contracts entered into by Target or any of the Target Subsidiaries under which continuing obligations exist with any Person who is an officer, director or Affiliate of Target or any of the Target Subsidiaries, any member of the "immediate family" (as such term is defined in Item 404 of Regulation S-K promulgated under the Securities Act) of any of the foregoing or any entity of which any of the foregoing is an Affiliate.

(n) Brokers. No broker, finder or investment banker (other than Wachovia Capital Markets, LLC) is entitled to any brokerage, finder's or other fee or commission in connection with the Transaction based upon arrangements made by or on

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behalf of Target, Target Subsidiaries or NPI. At Closing, Target shall have delivered to Acquiror a release by Wachovia Capital Markets, LLC in the form attached hereto as Exhibit D releasing Acquiror, Acquiror OP and the Surviving Entity from any liability for any brokerage, finder's or other fee or commission due to Wachovia Capital Markets, LLC relating to the Merger and except as set forth in the documents evidencing the Short Term Loan.

(o) Labor and ERISA Matters.

(i) None of the Target Group is a party to, or bound by, any collective bargaining agreement, contract or other agreement or understanding with a labor union or labor union organization. There is no unfair labor practice or labor arbitration proceeding pending or, to the knowledge of Target, threatened against the Target Group, except for any such proceeding which have not had or could not reasonably be expected to have a Target Material Adverse Effect. To the knowledge of Target, there are no organizational efforts with respect to the formation of a collective bargaining unit presently being made or threatened involving employees of the Target Group.

(ii) Target has never had any employees, has never maintained any employee benefit plans (including, without limitation employee benefit plans within the meaning of Section 3(3) of ERISA) except as disclosed on Section 6.02(o)(ii) of the Target Disclosure Letter, and, except as disclosed on Section 6.02(o)(ii) of the Target Disclosure Letter, as of the Effective Time shall not have any liabilities or contingent liabilities with respect to employee benefit plans maintained by any member of the Target Group or any ERISA Affiliate of Target. The transactions contemplated by this Agreement will not result in any liability or obligation, contingent or otherwise as of the Effective Time, to Target, the Surviving Entity, nor any ERISA Affiliate of the Surviving Entity, with respect to employees or employee benefit plans of any member of the Target Group or any ERISA Affiliate of Target, except for any obligations assumed as set forth in Section 8.07, Section 6.02(o)(ii) of the Target Disclosure Letter is a complete and accurate list of all employee benefit plans and deferred compensation plans (including, without limitation, employee benefit plans within the meaning of Section 3(3) of ERISA) in which employees of the Target Group whose employment involves services in connection with the Target Properties participate. As of the date hereof, all persons owed any money under the section "Employee Benefit Plans of Target" set forth in Section 6.02(o)(ii) of the Target Disclosure Letter are listed in Section 6.02(o)(ii) of the Target Disclosure Letter under the section "List of Persons Owed Money Under Target Employee Benefit Plans." All obligations under the "Employee Benefit Plans of Target" set forth in Section 6.02(o)(ii) of the Target Disclosure Letter shall be fully paid and satisfied at or prior to Closing, other than the Dollenberg Retirement Obligations. Except for any obligations assumed as set forth in Section 8.07 of this Agreement and except for the Dollenberg Retirement Obligations, Target shall have no liability under any of the "Employee Benefit Plans of NPI" set forth in Section 6.02(o)(ii) of the Target Disclosure Letter. At the Effective Time, all employee benefit plans and deferred compensation

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plans applicable to Target or Target Subsidiaries shall be terminated, except for the Dollenberg Retirement Obligations.

(p) Office Assumed Loans. Copies of all documents evidencing and relating to the Office Assumed Loans (the "Office Assumed Loan Documents") have been provided to Acquiror and are true and correct. None of the Target Group has received any notice of a default that has not been cured under any of the Office Assumed Loan Documents or is in default respecting any payment obligations thereunder beyond any applicable grace periods. None of the Target Group is aware of any default by Target under the Office Assumed Loan Documents that has not been previously disclosed to Acquiror and cured by Target.

(q) Personal Property. At Closing, Target shall own all of the personal property set forth in Section 6.02(q) of the Target Disclosure Letter free and clear of any liens and encumbrances.

(r) No Undisclosed Liabilities; Indebtedness. As of the Closing Date, the only liabilities of Target and Target Subsidiaries shall be the Assumed Loans, the Short Term Loan, and the liability, if any, under those Scheduled Contracts which have not been terminated or assigned to the Liquidating Trust or another party prior to the Effective Date. There have been and are no defaults under the Office Assumed Loan Documents or the Short Term Loan Documents. To Target's knowledge, Columbia Equity Finance LLC, Rivers Center III Investors LLC and Woods Investors LLC have complied, since their inception, with all single purpose entity and bankruptcy remote requirements under the loan documents to which each is a party. As of the Closing Date, the only liabilities of the Retail Entities for monies borrowed shall be the Existing Retail Indebtedness. As of the Closing Date, the maximum aggregate amount due under the Existing Retail Indebtedness, the Short Term Loan and the Assumed Loans shall be \$129,648,266 (which has been computed assuming Existing Retail Indebtedness of \$29,146,398, Short Term Loan of \$83,018,978 and Assumed Loans of \$17,482,890).

(s) No Other Representations or Warranties.

(i) Except for the representations and warranties contained in Section 6.02 of this Agreement, Acquiror, Acquiror OP and Merger Subsidiary acknowledge that none of Target, NPI or nor any other Person or entity on behalf of Target or NPI has made, and none of Acquiror, Acquiror OP or Merger Subsidiary has relied upon, any representation or warranty, whether express or implied, with respect to Target, NPI or any of the Target Subsidiaries or their respective businesses, affairs, assets, liabilities, financial condition, results of operations or prospects or with respect to the accuracy or completeness of any other information provided or made available to Acquiror and Merger Subsidiary by or on behalf of Target or NPI. None of Target, NPI or any other Person or entity will have, or be subject to, any liability or indemnification obligation to Acquiror, Acquiror OP, Merger Subsidiary or any other Person or entity resulting from the distribution in written or verbal communications to Acquiror or Merger Subsidiary or use by Acquiror, Acquiror OP or Merger Subsidiary of, any such

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information, including any information, documents, projections, forecasts or other material made available to Acquiror, Acquiror OP or Merger Subsidiary in online "data rooms," confidential information memoranda or management interviews and presentations in expectation of the transactions contemplated by this Agreement.

(ii) In connection with any investigation by Acquiror, Acquiror OP and Merger Subsidiary of Target, the Target Subsidiaries and the Target Properties, Acquiror and Merger Subsidiary have received or may receive from Target and the Target Subsidiaries and/or other persons or entities on behalf of Target certain projections, forward-looking statements and other forecasts and certain business plan information in written or verbal communications. Acquiror, Acquiror OP and Merger Subsidiary acknowledge that there are uncertainties inherent in attempting to make such estimates, projections and other forecasts and plans, that Acquiror, Acquiror OP and

Merger Subsidiary are familiar with such uncertainties, that Acquiror, Acquiror OP and Merger Subsidiary are taking full responsibility for making their own evaluation of the adequacy and accuracy of all estimates, projections and other forecasts and plans so furnished to them (including the reasonableness of the assumptions underlying such estimates, projections, forecasts or plans), and that Acquiror, Acquiror OP and Merger Subsidiary shall have no claim against any Person or entity with respect thereto. Accordingly, Acquiror, Acquiror OP and Merger Subsidiary acknowledge that none of Target, NPI or any other Person or entity on behalf of Target or NPI makes any representation or warranty with respect to such estimates, projections, forecasts or plans (including the reasonableness of the assumptions underlying such estimates, projections, forecasts or plans).

6.03. Representations and Warranties of Acquiror, Acquiror OP and Merger Subsidiary.

Acquiror, Acquiror OP and Merger Subsidiary hereby jointly and severally represent and warrant to Target as follows:

(a) Organization.

(i) Acquiror is a real estate investment trust duly organized, validly existing and in good standing under the Laws of the State of Maryland. The Acquiror Declaration of Trust is in effect and no dissolution, revocation or forfeiture proceedings regarding Acquiror have been commenced. Acquiror is in good standing under the Laws of any other jurisdiction in which the character of the properties owned, leased or operated by it therein or in which the transaction of its business makes such qualification or licensing necessary. Acquiror has all requisite power and authority to own, lease and operate its properties and to carry on its businesses as now conducted and proposed by Acquiror to be conducted.

(ii) Acquiror OP is a limited partnership duly formed, validly existing and in good standing under the laws of Delaware. The certificate of formation is in effect and no dissolution, revocation or forfeiture proceedings regarding Acquiror OP

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have been commenced. Acquiror OP is in good standing under the Laws of any other jurisdiction in which the character of the properties owned, leased or operated by it therein or in which the transaction of its business makes such qualification or licensing necessary. Acquiror OP has all requisite power and authority to own, lease and operate its properties and to carry on its businesses as now conducted and proposed by Acquiror OP to be conducted.

(iii) Merger Subsidiary is a business trust duly formed, validly existing and in good standing under the Laws of the State of Maryland. The certificate of trust of Merger Subsidiary is in effect and no dissolution, revocation or forfeiture proceedings regarding Merger Subsidiary have been commenced. Merger Subsidiary is in good standing under the Laws of any other jurisdiction in which the character of the properties owned, leased or operated by it therein or in which the transaction of its business makes such qualification or licensing necessary. Merger Subsidiary has all requisite power and authority to own, lease and operate its properties and to carry on its businesses as now conducted and proposed by Merger Subsidiary to be conducted.

(b) Authority Relative to this Agreement.

(i) Each of Acquiror, Acquiror OP and Merger Subsidiary has all necessary power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. No other proceedings on the part of Acquiror, Acquiror OP or Merger Subsidiary, or any of their respective subsidiaries, are necessary to authorize this Agreement or to consummate the Transaction. This Agreement has been duly and validly executed and delivered by each of Acquiror, Acquiror OP and Merger Subsidiary and, assuming due authorization, execution and delivery hereof by Target, constitutes a valid, legal and binding agreement of each of Acquiror, Acquiror OP and Merger Subsidiary, enforceable against each of Acquiror, Acquiror OP and Merger Subsidiary in accordance with and subject to its terms and conditions, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar Laws of general applicability relating to or affecting creditors' rights or by general equitable principles.

(ii) The board of trustees of Acquiror has duly and validly authorized the execution and delivery of this Agreement by Acquiror and by Acquiror OP and approved the consummation of the Transaction, and taken all actions required to be taken by Acquiror or Acquiror OP for the consummation of the Transaction.

(iii) The board of trustees of Merger Subsidiary has duly and validly authorized the execution and delivery of this Agreement and approved the consummation of the Transaction, and taken all actions required to be taken by Merger Subsidiary for the consummation of the Transaction.

(c) Consents and Approvals; No Violations.

(i) The execution and delivery of this Agreement by Acquiror or Merger Subsidiary does not, and the performance of Acquiror or Merger Subsidiary's

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obligations hereunder will not, (A) conflict with or violate the Acquiror Declaration of Trust or Acquiror Bylaws, the certificate of formation or limited partnership agreement of Acquiror OP or the certificate of trust or declaration of trust of Merger Subsidiary, (B) assuming that all consents, approvals, authorizations and other actions described below in subsection (ii) have been obtained and all filings and obligations described below in subsection (ii) have been made, conflict with or violate any Law applicable to Acquiror, Acquiror OP or Merger Subsidiary or by which any of its properties or assets is bound or affected, or (C) result in any breach of, or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien or other encumbrance on any of its properties or assets pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which it is a party or by which it or any of its properties or assets is bound or affected, except, with respect to clauses (B) and (C), for any such conflicts, violations, breaches, defaults or other occurrences that would not (x) prevent or delay consummation of the Transaction or otherwise prevent it from performing its obligations under this Agreement or (y) have an Acquiror Material Adverse Effect.

(ii) The execution and delivery of this Agreement by Acquiror or Merger Subsidiary does not, and the performance of Acquiror or Merger Subsidiary's obligations hereunder will not, require any consent, approval, authorization or permit of, or filing with, or notification to, any Governmental Authority, except (A) for applicable requirements, if any, of the Exchange Act, Blue Sky Laws and state takeover Laws, and (B) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not (x) prevent or delay consummation of the Transaction, or otherwise prevent Acquiror from performing its obligations under this Agreement or (y) have an Acquiror Material Adverse Effect.

(d) Litigation. There is no Action pending or, to Acquiror's knowledge, threatened against Acquiror or any of the Acquiror Subsidiaries or any of its or their respective properties or assets that questions the validity of this Agreement or any action to be taken by Acquiror or Merger Subsidiary in connection with the consummation of the Merger.

(e) Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission payable by Acquiror in connection with the Merger based upon arrangements made by and on behalf of Acquiror or Merger Subsidiary or any of their Subsidiaries.

(f) Ownership of Merger Subsidiary; No Prior Activities. Merger Subsidiary is a direct wholly owned subsidiary of Acquiror. Merger Subsidiary is a disregarded entity for federal income tax purposes. Merger Subsidiary has not conducted any activities other than in connection with its organization, the negotiation and execution of this Agreement and the consummation of the transactions contemplated hereby. Merger Subsidiary has no subsidiaries.

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(g) No Ownership of Target Common Stock. Neither Acquiror nor any of the Acquiror Subsidiaries, including Merger Subsidiary, own any Target Common Stock or other securities of Target.

6.04. Representations and Warranties of Acquiror and Acquiror OP.

Acquiror and Acquiror OP represent and warrant to Target as follows:

(a) Capitalization.

(i) As of the date of this Agreement, the authorized capital stock of Acquiror consists of 75,000,000 Acquiror Common Shares and 15,000,000 Acquiror Preferred Shares, consisting of (1) 42,375,505 outstanding Acquiror Common Shares, (2) 2,200,000 8.0% Series G Cumulative Redeemable Preferred Shares, all of which were issued and outstanding, (3) 2,000,000 7.5% Series H Cumulative Redeemable Preferred Shares, all of which were issued and outstanding and (4) 3,390,000 7.625% Series J Cumulative Redeemable Preferred Shares of which 3,390,000 were issued and outstanding.

(ii) All outstanding Acquiror Common Shares and Acquiror Preferred Shares are, and the Common Share Consideration and the Preferred Share Consideration to be issued in connection with the Merger will be, duly authorized, validly issued, fully paid and nonassessable and not subject to, or issued in violation of, any preemptive right, purchase option, call option, right of first refusal, subscription or any other similar right.

(iii) Acquiror owns approximately 82.4% of the outstanding common units, 2,200,000 Series G Preferred Units, 2,000,000 Series H Preferred Units and 3,390,000 Series J Preferred Units issued by Acquiror OP, and 352,000 Series I Preferred Units issued by Acquiror OP are owned by a third party and have a liquidation preference of \$25.00.

(iv) The authorized capital shares of Merger Subsidiary consists of 1,000 Merger Subsidiary Common Shares. All of the issued and outstanding capital shares of Merger Subsidiary are owned by Acquiror or Acquiror Subsidiaries. Merger Subsidiary does not have issued or outstanding any options, warrants, subscriptions, calls, rights, convertible securities or other agreements or commitments obligating Merger Subsidiary to issue, transfer or sell any Merger Subsidiary Common Shares to any Person, other than Acquiror Subsidiaries.

(v) Except as provided herein, there are no outstanding restricted Acquiror Common Shares, performance share awards, stock options, stock appreciation rights or dividend equivalent rights relating to Acquiror Common Shares.

(vi) There is no voting debt of Acquiror or any Acquiror Subsidiary outstanding.

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(vii) All dividends or distributions on securities of Acquiror that have been declared or authorized prior to the date of this Agreement have been paid in full.

(b) SEC Documents: Financial Statements.

(i) Acquiror has filed with or furnished to the SEC, and has heretofore made available to Target (by public filing with the SEC or otherwise) true and complete copies of, all reports, schedules, forms, statements and other documents required to be filed with or furnished to the SEC by Acquiror since January 1, 2006 (the "Applicable Date") and prior to the date hereof (collectively, the "Acquiror SEC Documents"). As of its respective date, each Acquiror SEC Document complied as to form in all material respects with the requirements of the Exchange Act or the Securities Act, as the case may be, as and to the extent applicable thereto, and the rules and regulations of the SEC promulgated thereunder applicable to such Acquiror SEC Document. Except to the extent that information contained in any Acquiror SEC Document filed and publicly available prior to the date of this Agreement has been revised or superseded by a later Acquiror SEC Document, none of the Acquiror SEC Documents contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(ii) The consolidated financial statements of Acquiror included in the Acquiror SEC Documents complied as of their respective dates in all material respects with the then applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, were prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly presented in all material respects the consolidated financial position of Acquiror and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and their consolidated cash flows for the periods then ended, all in accordance with GAAP (subject, in the case of unaudited statements, to normal year-end audit adjustments and to any other adjustments described therein).

(c) No Undisclosed Liabilities. Subsequent to the respective dates as of which information is given in Acquiror SEC Documents, except as described in Acquiror SEC Documents, Acquiror and Acquiror Subsidiaries have not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction, in each case not in the ordinary course of business, that could result in an Acquiror Material Adverse Effect.

(d) Absence of Certain Changes or Events. Subsequent to the respective dates as of which information is given in Acquiror SEC Documents, (i) neither Acquiror nor any of Acquiror Subsidiaries has sustained any material casualty loss, condemnations or interference with their respective businesses or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from

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any labor dispute or any legal or governmental proceeding that could result in an Acquiror Material Adverse Effect and (ii) there has not been any development or event that could be reasonably likely to result in an Acquiror Material Adverse Effect, except in each case as described in or contemplated by Acquiror SEC Documents.

(e) Compliance with Laws. To Acquiror's knowledge, Acquiror and Acquiror Subsidiaries possess adequate certificates, authorities, consents, authorizations or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by them, have complied, in all material

respects, with the laws, regulations and orders known by them to be applicable to them or their respective businesses and properties, the absence of which or the failure to comply with could result in an Acquiror Material Adverse Effect and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, consents, authorizations or permit that, if determined adversely to Acquiror or any of Acquiror Subsidiaries, would individually or in the aggregate have an Acquiror Material Adverse Effect.

(f) Environmental Matters.

(i) Except for activities, conditions, circumstances or matters that would not have an Acquiror Material Adverse Effect, (A) to the knowledge of Acquiror, neither Acquiror nor any of Acquiror Subsidiaries has violated any Environmental Laws (and Acquiror and Acquiror Subsidiaries are in compliance with all requirements of applicable permits, licenses, approvals or other authorizations issued pursuant to Environmental Laws); (B) to the knowledge of Acquiror, none of Acquiror or Acquiror Subsidiaries has caused or suffered to occur any Release (as hereinafter defined) of any Hazardous Materials into the Environment (as hereinafter defined) on, in, under or from any property owned by Acquiror or Acquiror Subsidiaries that would reasonably be expected to result in the incurrence of liabilities under, or any violations of, any Environmental Law or give rise to the imposition of any Lien, under any Environmental Law;

As used herein, "**Environment**" shall mean any surface water, drinking water, ground water, land surface, subsurface strata, river sediment, buildings, structures, and indoor and outdoor air and "**Release**" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, emanating or disposing of any Hazardous Materials into the Environment, including, without limitation, the abandonment or discard of barrels, containers, tanks (including, without limitation, underground storage tanks) or other receptacles containing or previously containing and containing a residue of any Hazardous Materials.

(ii) To the knowledge of Acquiror, none of the environmental consultants which prepared environmental and asbestos inspection reports with respect to any of the properties was employed for such purpose on a contingent basis or has any substantial interest in Acquiror or any of Acquiror Subsidiaries, and none of them nor any

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of their directors, officers or employees is connected with Acquiror or any of Acquiror Subsidiaries as a promoter, selling agent, voting trustee, director, officer or employee.

(g) Litigation. Except as disclosed in Acquiror SEC Documents, there are no pending actions, suits or proceedings against or, to the knowledge of Acquiror, affecting Acquiror, any of Acquiror Subsidiaries or any of their respective properties or any of their respective officers or trustees that, if determined adversely to Acquiror or any of Acquiror Subsidiaries or any of their respective officers or trustees, would individually or in the aggregate have an Acquiror Material Adverse Effect; and, to the knowledge of Acquiror, no such actions, suits or proceedings are threatened or contemplated, in each case, before or by any federal or state court, commission, regulatory body, administrative agency or other governmental body, domestic or foreign, having jurisdiction over Acquiror, any of Acquiror Subsidiaries or assets which would individually or in the aggregate have an Acquiror Material Adverse Effect.

(h) Investment Company Act of 1940. Acquiror is not and, after giving effect to the Transaction, will not be an "investment company" as defined in the Investment Company Act of 1940, as amended.

(i) Taxes.

(i) Acquiror and each of Acquiror Subsidiaries has filed all foreign, federal, state and local income tax returns that are required to be filed or has requested extensions thereof (except in any case in which the failure so to file would not have an Acquiror Material Adverse Effect) and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such tax, assessment, fine or penalty that is currently being contested in good faith or as described in or contemplated by Acquiror SEC Documents or which would not result in an Acquiror Material Adverse Effect.

(ii) Commencing with Acquiror's taxable year ended December 31, 1992, Acquiror was organized and has operated in conformity with the requirements for qualification and taxation as a REIT. All statements in Acquiror SEC Documents regarding Acquiror's qualification as a REIT are true, complete and correct in all material respects.

(j) No Conflict or Violation. To the knowledge of Acquiror, neither Acquiror nor any of Acquiror Subsidiaries is in breach or violation of its respective declaration of trust, charter, bylaws, partnership agreement or other organizational document, as the case may be, or in default in the performance of any obligation, agreement, covenant or condition contained in any indenture, loan agreement, mortgage, bond, debenture, note agreement, joint venture or partnership agreement, lease or other agreement or instrument that is material to Acquiror and Acquiror Subsidiaries, taken as a whole, and to which Acquiror or any of Acquiror Subsidiaries is a party or by which Acquiror or any of Acquiror Subsidiaries or their respective property is bound (and there is no event which, whether with or without the giving of notice, or passage of time or

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both, would constitute a default under any of foregoing), where such breach, violation or default would have an Acquiror Material Adverse Effect.

(k) Vote Required. No vote of the holders of any class or series of Acquiror's capital stock is required to approve this Agreement, the Merger or any of the transactions contemplated hereby.

(l) No Other Representations or Warranties. Except for the representations and warranties contained in this Article VI, Target acknowledges that none of Acquiror, Acquiror OP nor any other Person or entity on behalf of Acquiror or Acquiror OP has made, nor has Target relied upon, any representation or warranty, whether express or implied, with respect to Acquiror or any of the Acquiror Subsidiaries or their respective businesses, affairs, assets, liabilities, financial condition, results of operations, future operating or financial results, estimates, projections, forecasts, plans or prospects (including the reasonableness of the assumptions underlying such estimates, projections, forecasts, plans or prospects) or with respect to the accuracy or completeness of any other information provided or made available to Target by or on behalf of Acquiror or Acquiror OP. Target acknowledges that there are uncertainties inherent in attempting to make such estimates, projections and other forecasts and plans, that Target is taking full responsibility for making their own evaluation of the adequacy and accuracy of all estimates, projections and other forecasts and plans so furnished to them (including the reasonableness of the assumptions underlying such estimates, projections, forecasts or plans). None of Acquiror, Acquiror OP nor any other Person or entity will have, or be subject to, any liability or indemnification obligation to Target or any other Person or entity resulting from the distribution in written or verbal communications to Target or use by Target of, any such information, including any information, documents, estimates, projections, forecasts, plans, prospects, forward looking statements or other material made available to Target in online "data rooms," confidential information memoranda or management interviews and presentations in expectation of the transactions contemplated by this Agreement, except to the extent any such information is deemed to be "made available" to the Company by Acquiror for purposes of this Article VI.

7.01. Stockholders' Meeting.

Target shall, in accordance with applicable Law and Target Charter and Target Bylaws, (a) duly call, give notice of, convene and hold the Target Stockholders Meeting as promptly as reasonably practicable after the date of this Agreement, but in no event later than February 14, 2007, and (b) except as is reasonably likely to be required by the Target Board's duties under applicable Law, (i) include in the Proxy Statement the recommendation of the Target Board that Target's Stockholders approve the Merger and (ii) use its reasonable efforts to obtain Target Stockholder Approval.

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7.02. Registration Statement.

Prior to the Effective Time, Acquiror and the Target Stockholders shall enter into the Registration Rights Agreement. The parties hereto shall cooperate with each other in the preparation of the Registration Statement, and Acquiror shall notify Target of the receipt of any comments of the SEC with respect to the Registration Statement and of any requests by the SEC for any amendment or supplement thereto or for additional information and shall provide to Target copies of all correspondence between Acquiror or any representative of Acquiror and the SEC. Acquiror shall give Target and its counsel the opportunity to review the Registration Statement prior to its being filed with the SEC and shall give Target and its counsel the opportunity to review all amendments and supplements to the Registration Statement and all responses to requests for additional information and replies to comments prior to their being filed with, or sent to, the SEC. Target shall use its commercially reasonable efforts to obtain the completed accredited investor questionnaires from the Target Stockholders prior to the Closing Date. Target agrees to furnish a copy of the offering circular or other such offering document prepared by Acquiror to the Target Stockholders, the distribution of which shall be at Target's expense, at the time Target distributes notice of the Target Stockholders Meeting to the Target Stockholders.

7.03. Access to Information: Confidentiality.

(a) Upon reasonable notice and subject to applicable Laws relating to the exchange of information, Target shall, and shall cause each of the Target Subsidiaries to, afford to the officers, employees, accountants, counsel and other representatives of Acquiror, reasonable access during normal business hours during the period prior to the Effective Time, to all its properties, books, contracts, commitments, records, officers, employees, accountants, counsel and other representatives and, during such period, Target shall, and shall cause the Target Subsidiaries to, make available to Acquiror information concerning the Target Properties and Target personnel as Acquiror may reasonably request. Neither Target nor any of the Target Subsidiaries shall be required to provide access to or disclose information where such access or disclosure would violate or prejudice the rights of Target's customers, jeopardize attorney-client privilege or contravene any Law, fiduciary duty or binding agreement entered into prior to the date of this Agreement. Acquiror shall, and cause its representatives to, take all reasonable efforts to prevent such access and inspection from interfering with the business operations of Target and the Target Subsidiaries.

(b) All information obtained by Acquiror pursuant to this Section 7.03 shall be kept confidential in accordance with the confidentiality agreement, dated June 7, 2006 (the "Confidentiality Agreement"), between Acquiror and Target.

(c) After the Effective Time, Acquiror shall afford to the officers, employees, accountants, counsel and other representatives of the Liquidating Trust access during normal business hours to the books and records of the Target Properties as may reasonably be requested.

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7.04. No-Shop Clause.

(a) From and after the date of the execution and delivery of this Agreement by Target until the termination of this Agreement or the consummation of the Transaction, the Target Group will not, without the prior written consent of Acquiror or except as otherwise permitted by this Agreement directly or indirectly: (i) sell, assign, lease, pledge or otherwise transfer or dispose of, directly or indirectly, all or any portion of the Target Properties or Target Properties Leases, or any material portion or amount of equity securities of Target, whether through merger, consolidation, business combination, asset sale, share exchange or otherwise (and including in connection with an offer for all or a material portion of Target's stock or assets) (each of such actions being an "Acquisition Proposal"); (ii) solicit offers for, offer up or seek any Acquisition Proposal; (iii) initiate, encourage or provide any documents or information to any third party in connection with, discuss or negotiate with any person regarding any inquires, proposals or offers relating to any Acquisition Proposal; or (iv) enter into any agreement or discussions with any party (other than Acquiror) with respect to any Acquisition Proposal.

(b) Without limiting the foregoing, it is agreed that any violation of the restrictions set forth in Section 7.04(a) by any of the Target Group's employees, investment bankers, attorneys, accountants and other advisors or representatives (such employees, investment bankers, attorneys, accountants and other advisors or representatives, collectively, "Representatives"), shall be a breach of Section 7.04(a) by Target. Upon execution of this Agreement, Target has caused the Target Group and its Representatives to, cease immediately and caused to be terminated any and all existing discussions or negotiations with any Persons conducted heretofore with respect to an Acquisition Proposal.

(c) Target shall, as promptly as practicable (and in no event later than 24 hours after receipt thereof), advise Acquiror of any inquiry received by the Target Group relating to any potential Acquisition Proposal and of the material terms of any proposal or inquiry, including the identity of the Person and its Affiliates making the same, that it may receive in respect of any such potential Acquisition Proposal, or of any information requested from it or of any negotiations or discussions being sought to be initiated with it, shall furnish to Acquiror a copy of any such proposal or inquiry, if it is in writing, or a written summary of any such proposal or inquiry, if it is not in writing, and shall keep Acquiror fully informed on a prompt basis with respect to any developments with respect to the foregoing.

(d) Notwithstanding the provisions of Section 7.04(a), prior to the receipt of the approval of the transactions contemplated by this Agreement by Target's Stockholders, Target may, in response to an unsolicited, bona fide written Acquisition Proposal from a Person (the "Potential Acquiror") which the Target Board determines in good faith, after consultation with a nationally recognized financial advisor and its outside legal counsel, constitutes a Superior Proposal (and continues to constitute a Superior Proposal after taking into account any modifications proposed by Acquiror

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during any five (5) Business Day period referenced below), take the following actions (but only if and to the extent that the Target Board concludes in good faith, following the receipt of advice of its outside legal counsel, that the failure to do so would constitute a breach of its fiduciary obligations under applicable Law); *provided* that, Target has first given Acquiror written notice that states that Target has received such Superior Proposal and otherwise includes the information required by Section 7.04(c) (the "Superior Proposal Notice") and five (5) Business Days have passed since the receipt of the Superior Proposal Notice by Acquiror:

(i) furnish nonpublic information to the Potential Acquiror, *provided* that (A) (1) concurrently with furnishing any such nonpublic information to the Potential Acquiror, Target gives Acquiror written notice of its intention to furnish nonpublic information and (2) Target receives from the Potential

Acquiror an executed confidentiality agreement containing customary limitations on the use and disclosure of all nonpublic written and oral information furnished to the Potential Acquiror on its behalf, the terms of which are at least as restrictive as to the Potential Acquiror as the terms contained in the Confidentiality Agreement are as to Acquiror, and containing customary standstill provisions and (B) contemporaneously with furnishing any such nonpublic information to the Potential Acquiror, Target furnishes such nonpublic information to Acquiror; and

(ii) engage in negotiations with the Potential Acquiror with respect to the Superior Proposal, *provided* that concurrently with entering into negotiations with the Potential Acquiror, it gives Acquiror written notice of its intention to enter into negotiations with the Potential Acquiror.

(e) For a period of not less than five (5) Business Days after Acquiror's receipt of each Superior Proposal Notice, Target shall, if requested by Acquiror, negotiate in good faith with Acquiror to revise this Agreement so that the Acquisition Proposal that constituted a Superior Proposal no longer constitutes a Superior Proposal (a "**Former Superior Proposal**"). The terms and conditions of this Section 7.04 shall again apply to any inquiry or proposal made by any Person who withdraws a Superior Proposal or who made a Former Superior Proposal (after withdrawal or after such time as their proposal is a Former Superior Proposal).

(f) In response to the receipt of a Superior Proposal that has not been withdrawn and continues to constitute a Superior Proposal after Target's compliance with Sections 7.04(b)–(c), the Target Board may withhold or withdraw its recommendation that the Target Stockholders vote in favor of the approval of the Transaction and, in the case of a Superior Proposal that is a tender or exchange offer made directly to the stockholders of Target, may recommend that the Target Stockholders accept the tender or exchange offer (any of the foregoing actions, whether by the Target Board or a committee thereof, a "**Change in Recommendation**"), if both of the following conditions are met:

(i) the Target Stockholder Meeting has not occurred; and

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(ii) the Target Board has concluded in good faith, following the receipt of advice of its outside legal counsel, that, in light of such Superior Proposal, the failure of the Target Board to effect a Change in Recommendation would result in a breach of its fiduciary obligations to the Target Stockholders under applicable Law.

(g) Notwithstanding anything to the contrary contained in this Agreement, the obligation of Target to call, give notice of, convene and hold the Target Stockholder Meeting and to hold a vote of the Target Stockholders on this Agreement shall not be limited or otherwise affected by the commencement, disclosure, announcement or submission to it of any Acquisition Proposal (whether or not a Superior Proposal), or by any Change in Recommendation.

7.05. Further Action: Reasonable Efforts.

(a) Upon the terms and subject to the conditions hereof, each of the parties hereto shall use its reasonable efforts to take, or cause to be taken, all appropriate action, and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws to consummate and make effective the Merger, including, without limitation, using its reasonable best efforts to obtain all Applicable Permits, consents, approvals, authorizations, qualifications and orders of Governmental Authorities and parties to contracts with Target and the Target Subsidiaries as are necessary for the consummation of the Merger and to fulfill the conditions to the Closing. In case, at any time after the Closing, any further action is necessary or desirable to carry out the purposes of this Agreement, each of the parties hereto shall use all reasonable efforts to cause its respective officers, employees and agents to take all such action.

(b) The parties hereto shall cooperate and assist one another in connection with all actions to be taken pursuant to Section 7.05(a), including the preparation and making of the filings referred to therein and, if requested, amending or furnishing additional information thereunder, including, subject to applicable Law and the Confidentiality Agreement, providing copies of all related documents to the non-filing party and their advisors prior to filing, and to the extent practicable none of the parties will file any such document or have any communication with any Governmental Authority without prior consultation with the other parties; *provided, however*, Acquiror may make any Exchange Act filings with the SEC with prior notice to Target to the extent possible (but without approval rights). Each party shall keep the others apprised of the content and status of any communications with, and communications from, any Governmental Authority with respect to the Merger. To the extent practicable, and as permitted by a Governmental Authority, each party hereto shall permit representatives of the other party to participate in meetings (whether by telephone or in Person) with such Governmental Authority.

(c) Each of the parties hereto agrees to cooperate and use its reasonable efforts to defend through litigation on the merits any Action, including administrative or judicial Action, asserted by any party in order to avoid the entry of, or to have vacated, lifted, reversed, terminated or overturned any decree, judgment,

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injunction or other order (whether temporary, preliminary or permanent) that in whole or in part restricts, delays, prevents or prohibits consummation of the Merger, including, without limitation, by vigorously pursuing all available avenues of administrative and judicial appeal.

7.06. Public Announcements.

Acquiror and Target agree that no public release or announcement concerning the Merger shall be issued by either party without the prior consent of the other party, except as such release or announcement may be required by Law or the rules or regulations of the NYSE in which case the party required to make the release or announcement shall use its reasonable best efforts to allow the other party reasonable time to comment on such release or announcement in advance of such issuance; *provided, however*, if such other party fails to respond or comment on such release or announcement within two (2) Business Days of receipt of a draft of such release or announcement, the release or announcement shall be deemed approved.

7.07. Escrow and Indemnification.

(a) Escrow Fund. Within five (5) Business Days after the Effective Time, the Escrow Shares shall be registered in the name of, and be deposited with the Share Escrow Agent, such deposit to constitute the escrow fund (the "**Escrow Fund**") and to be governed by the terms set forth herein and in the Share Escrow Agreement. The Escrow Fund shall consist of the Escrow Shares and shall be available to compensate Acquiror for Damages pursuant to the indemnification obligations of Target set forth in Section 7.07(b).

(b) Indemnification.

(i) Subject to the limitations set forth in this Section 7.07, the Target Stockholders will indemnify and hold harmless Acquiror, Acquiror OP and Merger Subsidiary and their respective officers, directors, agents and employees, and each Affiliate thereof (hereinafter referred to individually as an "**Indemnified Person**" and, collectively, as "**Indemnified Persons**") from and against any and all losses, costs, damages, liabilities, taxes and expenses arising from claims, demands, actions, causes of action, including, without limitation, reasonable legal fees, (collectively, "**Damages**") arising out of (A) any misrepresentation or breach of, or default in connection with, any of the representations, warranties, covenants and agreements given or made by the Target Group in this Agreement, the Target Disclosure Letter or any exhibit, schedule or certificate to, or delivered in connection with, this Agreement, (B) any of the matters described in Sections 6.02(f) and 6.02(g)(xx) of the Target

Disclosure Letter, (C) payment obligations under NPI's or Target's deferred compensation plan, pension plan, severance obligations and retirement obligations including, but not limited to, the Dollenberg Retirement Obligations, (D) any misrepresentation or breach by NPI under the Exchange Agreement, (E) any continuing liability in connection with the loans as more particularly described in Section 6.02(j)(viii) and Section 6.02(k) of the Target Disclosure Letter but excluding any continuing liability in connection with the Office Assumed Loans and (F) guarantees signed by Target with respect to loans relating to the Retail Properties (the "**Retail Loan Guarantees**"). The Escrow Fund shall be the security for this indemnity obligation subject to the limitations in this Agreement.

(ii) Acquiror and Target each acknowledge that such Damages, if any, would relate to unresolved contingencies existing at the Effective Time, which if resolved at the Effective Time would have led to a reduction in the total number of shares of Merger Consideration that Acquiror would have agreed to issue in connection with the Merger. Following the Effective Time, the right to obtain indemnification from the Escrow Fund, pursuant to the indemnification provisions of this Section 7.07 and the Share Escrow Agreement shall be Acquiror's exclusive remedy for any breach by Target hereof or Damages described in Section 7.07(b)(i); *provided, however*, that the foregoing shall not limit liability of any Person or entity in the case of fraud or any intentional misrepresentation by such Person or entity.

(iii) Acquiror may not receive any Escrow Shares from the Escrow Fund unless and until the Claims Notice specifying an aggregate amount of Damages incurred by Acquiror in excess of Five Hundred Thousand Dollars (\$500,000) (the "**Indemnity Threshold**") have been delivered to the Share Escrow Agent as provided in Section 7.07(d) and such amount is determined pursuant to this Section 7.07 to be payable, after which Acquiror shall receive Escrow Shares for the amount of any Damages in excess of the Indemnity Threshold. In determining the amount of any Damage attributable to a breach, any materiality standard contained in a representation, warranty or covenant of Target shall be disregarded.

(iv) The Indemnity Threshold shall not apply to any Claims Notice (A) regarding the payment of any Transfer Taxes, (B) arising out of matters described in Sections 6.02(f) and 6.02(g)(xx) of the Target Disclosure Letter whereby Acquiror sustains actual Damages not reimbursed by insurance, (C) relating to payment obligations under NPI's or Target's deferred compensation plan, pension plan, severance obligations and retirement obligations including, but not limited to, the Dollenberg Retirement Obligations, (D) any misrepresentation or breach by NPI under the Exchange Agreement, (E) arising out of any continuing liability in connection with the loans as more particularly described in Section 6.02(j)(viii) and Section 6.02(k) of the Target Disclosure Letter but excluding any continuing liability in connection with the Office Assumed Loans or (F) regarding the Retail Loan Guarantees.

(c) Escrow Period. The escrow period (the "**Escrow Period**") shall terminate at 11:59 p.m. Eastern Standard Time on the thirty-six (36) month anniversary of the Closing Date; *provided, however*, that a portion of the Escrow Fund, which is necessary to satisfy any unpaid fees due to the Share Escrow Agent and any unsatisfied claims specified in any Claims Notice theretofore delivered to the Share Escrow Agent prior to termination of the Escrow Period with respect to facts and circumstances existing prior to expiration of the Escrow Period, shall remain in the Escrow Fund until such claims have been resolved and such fees have been paid. Promptly after the Effective

Time, Acquiror shall deliver to the Share Escrow Agent a certificate specifying the Closing Date.

(d) Claims Upon Escrow Fund.

(i) Upon receipt by the Share Escrow Agent on or before the last day of the Escrow Period of a certificate signed by any officer of Acquiror (a "**Claims Notice**"):

(A) stating that Damages exist in an aggregate amount greater than the Indemnity Threshold; and

(B) specifying in reasonable detail the individual items included in the amount of Damages in such claim, the date each such item was paid, properly accrued or arose and the nature of the misrepresentation, breach of warranty or claim to which such item is related,

the Share Escrow Agent shall set aside Escrow Shares having a value equal to the amount of Damages in excess of the Indemnity Threshold.

(ii) Upon the earliest of: (A) receipt of written authorization from the Stockholders' Agent or from the Stockholders' Agent jointly with Acquiror to make such delivery, (B) receipt of written notice of a final decision in arbitration of the claim, or (C) in the event the claim set forth in the Claims Notice is uncontested by the Stockholders' Agent as of the close of business on the next Business Day following the fifteenth (15th) day following receipt by the Share Escrow Agent of the Claims Notice; on the next Business Day, the Share Escrow Agent shall deliver the Escrow Shares or the portion of Escrow Shares set aside pursuant to Section 7.07(d)(i) to Acquiror.

(iii) For the purpose of compensating Acquiror for its Damages pursuant to this Agreement, the Escrow Shares in the Escrow Fund shall be valued at the last reported sale price of an Acquiror Common Share on the NYSE on the Business Day prior to the date such claim is paid.

(e) Objections to Claims. At the time of delivery of any Claims Notice to the Share Escrow Agent, a duplicate copy of such Claims Notice shall be delivered to the Stockholders' Agent and for a period of fifteen (15) days after such delivery to the Share Escrow Agent of such Claims Notice, the Share Escrow Agent shall make no delivery of Escrow Shares pursuant to Section 7.07 unless and until the Share Escrow Agent shall have received written authorization from the Stockholders' Agent to make such delivery. After the expiration of such fifteen (15) day period, the Share Escrow Agent shall make delivery of the Escrow Shares in accordance with Section 7.07, *provided*, that no such payment or delivery may be made if the Stockholders' Agent shall object in a written statement to the claim made in the Claims Notice, and such statement shall have been delivered to the Share Escrow Agent and to Acquiror prior to the expiration of such fifteen (15) day period.

(f) Resolution of Conflicts: Arbitration.

(i) In case the Stockholders' Agent shall so object in writing to any claim or claims by Acquiror made in any Claims Notice, Acquiror shall have fifteen (15) days after receipt by the Share Escrow Agent of an objection by the Stockholders' Agent to respond in a written statement to the objection of the Stockholders' Agent. If after such fifteen (15) day period there remains a dispute as to any claims, the Stockholders' Agent and Acquiror shall attempt in good faith for thirty (30) days to agree upon the rights of the respective parties with respect to each of such claims. If the Stockholders' Agent and Acquiror should so agree, a memorandum setting forth such agreement shall be prepared and signed by both parties and shall be furnished to the Share Escrow Agent. The Share Escrow Agent shall be entitled to rely on any such memorandum and shall distribute the Escrow Shares from the Escrow Fund in accordance with the terms thereof.

(ii) If no such agreement can be reached after good faith negotiation, either Acquiror or the Stockholders' Agent may, by written notice to the other, demand arbitration of the matter unless the amount of the damage or loss is at issue in pending litigation with a third party, in which event arbitration shall not be commenced until such amount is ascertained or both parties agree to arbitration; and in either such event the matter shall be settled by arbitration conducted by three arbitrators. Within fifteen (15) days after such written notice is sent, Acquiror and the Stockholders' Agent shall each select one arbitrator, and the two arbitrators so selected shall select a third arbitrator. The decision of the arbitrators as to the validity and amount of any claim in such Claims Notice shall be binding and conclusive upon the parties to this Agreement, and notwithstanding anything in this Section 7.07, the Share Escrow Agent shall be entitled to act in accordance with such decision and make or withhold payments out of the Escrow Fund in accordance therewith.

(iii) Judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction. Any such arbitration shall be held in Howard County, Maryland under the commercial rules then in effect of the American Arbitration Association and applying the laws of the State of Maryland. Acquiror, on the one hand, and Target Stockholders, on the other hand, shall each bear its/their own expenses (including attorneys' fees and expenses) incurred in connection with any such arbitration. In the event the arbitrator or arbitrators find in favor of Acquiror as to the claim in dispute, all fees, costs, and the reasonable expenses of legal counsel incurred by Acquiror will be charged against the Escrow Fund in addition to the amount of the disputed claim. Similarly, in the event the arbitrator or arbitrators find in favor of Target as to the claim in dispute, all fees, costs, and the reasonable expenses of legal counsel incurred by Target will be paid by Acquiror. The fees and expenses of each arbitrator and the administrative fee of the American Arbitration Association shall be allocated by the arbitrator or arbitrators, as the case may be (or, if not so allocated, shall be borne equally by Acquiror, on the one hand, and Target Stockholders, out of the Escrow Fund, on the other hand).

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(g) Stockholders' Agent

(i) The Liquidating Trust shall be constituted and appointed as the Stockholders' Agent for and on behalf of the Target Stockholders to execute and deliver the Share Escrow Agreement and for all other purposes thereunder, to give and receive notices and communications, to authorize delivery of Escrow Shares from the Escrow Fund in satisfaction of claims by Acquiror, to object to such deliveries, to agree to, negotiate, enter into settlements and compromises of, and demand arbitration and comply with orders of courts and awards of arbitrators with respect to such claims, and to take all actions necessary or appropriate in the judgment of the Stockholders' Agent for the accomplishment of the foregoing. Such agency may be changed by the holders of a majority in interest of the Escrow Fund from time to time upon not less than ten (10) days' prior written notice to all of Target Stockholders and to Acquiror. No bond shall be required of the Stockholders' Agent, and the Stockholders' Agent shall receive no compensation for his services. Notices or communications to or from the Stockholders' Agent shall constitute notice to or from each of Target Stockholders.

(ii) The Stockholders' Agent shall not be liable for any act done or omitted hereunder as Stockholders' Agent while acting in good faith, and any act done or omitted pursuant to the advice of counsel shall be conclusive evidence of such good faith. Target Stockholders shall severally indemnify the Stockholders' Agent and hold him harmless against any loss, liability or expense incurred without bad faith on the part of the Stockholders' Agent and arising out of or in connection with the acceptance or administration of his duties hereunder.

(h) Actions of the Stockholders' Agent. A decision, act, consent or instruction of the Stockholders' Agent shall constitute a decision of all of Target Stockholders and shall be final, binding and conclusive upon each and every Target Stockholder, and the Share Escrow Agent and Acquiror may rely upon any decision, act, consent or instruction of the Stockholders' Agent as being the decision, act, consent or instruction of each and every Target Stockholder. The Share Escrow Agent and Acquiror are hereby relieved from any liability to any person for any acts done by them in accordance with such decision, act, consent or instruction of the Stockholders' Agent.

(i) Third-Party Claims. In the event that Acquiror becomes aware of a third-party claim which Acquiror believes may result in a demand against the Escrow Fund, Acquiror shall promptly notify the Stockholders' Agent of such claim, and the Stockholders' Agent and Target Stockholders shall be entitled, at their expense, to participate in any defense of such claim. Acquiror shall have the right in its sole discretion to settle any such claim; *provided, however*, that Acquiror may not effect the settlement of any such claim without the consent of the Stockholders' Agent, which consent shall not be unreasonably withheld. In the event that the Stockholders' Agent has consented to any such settlement, the Stockholders' Agent shall have no power or authority to object under Section 7.07(e) or any other provision of this Section 7.07 to any claim by Acquiror against the Escrow Fund for indemnity in the amount of such settlement.

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(j) The provisions of this Section 7.07 shall not be terminated or modified in such a manner as to adversely affect any indemnitee to whom this Section 7.07 applies without the consent of such affected indemnitee and are intended to be for the benefit of, and will be enforceable by, each indemnified party, his or her heirs and his or her legal representatives.

(k) Additional Escrow Shares. The Additional Escrow Shares shall be held by the Share Escrow Agent pursuant to the terms of the Additional Share Escrow Agreement.

7.08. Intentionally Deleted

7.09. Transfer Taxes

Acquiror shall be liable for all Transfer Taxes (including any such taxes imposed post-Closing) applicable to any transfers relating to the properties set forth in Section 7.09(a) of the Target Disclosure Letter. Target and Acquiror shall each be liable for one-half of all Transfer Taxes (including any such taxes imposed post-Closing) applicable to any transfers relating to the properties set forth in Section 7.09(b) of the Target Disclosure Letter. Target shall be liable for all Transfer Taxes (including any such taxes imposed post-Closing) applicable to any transfers relating to the properties set forth in Section 7.09(c) of the Target Disclosure Letter. Target and Acquiror shall each be liable for one-half of all Transfer Taxes (including any such taxes imposed post-Closing) applicable to any transfers effectuated pursuant to the transactions contemplated in the PSA. Notwithstanding the foregoing, in no event shall liability under this Section 7.09 extend to any transfers taking place after the Effective Time.

7.10. Additional Acknowledgement #2. Upon the closing of the Retail Transaction, the Liquidating Trust shall deliver to the Surviving Entity a copy of the Additional Acknowledgement #2 by P. Douglas Dollenberg in the form attached hereto as Exhibit P.

7.11. Lender's Approval

(a) The current loan documents evidencing the Office Assumed Loans are listed in Section 7.11 of the Target Disclosure Letter (the "**Loan Documents**").

(b) Target and Acquiror, with due diligence and in good faith, shall cooperate to attempt to obtain for the benefit of Acquiror, Acquiror OP and Merger Subsidiary legally binding letters or agreements, effective through the Closing Date, from the lenders who hold Office Assumed Loans and, if required, any nationally recognized rating agencies (if any) required by such lenders (the "**Rating Agencies**"), approving the transactions contemplated by this Agreement, to the extent applicable to the Office Assumed Loans, setting forth the amount of principal and interest outstanding as of the Closing Date, stating that there has not been, and there does not currently

“*Lender’s Approval*”). All documentation to be signed by Target Group, Acquiror or Acquiror OP in connection with any Lender’s Approval shall be subject to Acquiror’s prior written consent, not to be unreasonably withheld. Target shall pay (i) any assumption fee under the Loan Documents, (ii) the consent fee charged by the servicer and lenders, (iii) the legal fees of the servicer and lenders in connection with Lender’s Approval, (iv) any and all other fees and costs of the servicer, the lenders, and the Rating Agencies relating to Lender’s Approval including all structural, environmental, inspection, administrative, flood determination, insurance review and credit review fees of the servicer, the lenders, and the Rating Agencies relating to Lender’s Approval or otherwise relating to the Office Assumed Loans (the “*Assumption Fees*”). On the Closing Date if the Transaction is consummated, Acquiror shall reimburse Target for the Assumption Fees.

(c) Acquiror shall use its commercially reasonable efforts to obtain a release of NPI and Nottingham Investment Company from guarantees and/or indemnities for obligations accruing under the Office Assumed Loans from and after the date of assumption of the Office Assumed Loans.

7.12. Termination of Management Agreements.

Prior to the Effective Time, Target shall terminate those property management agreements listed in Section 7.12 of the Target Disclosure Letter.

7.13. Short Term Loan.

No later than one (1) Business Day prior to the Closing Date, Target shall obtain the Short Term Loan and will sign the Short Term Loan Documents as may be reasonably requested by Wachovia Bank, N.A. or Acquiror. The Short Term Loan Documents shall be subject to Acquiror’s prior written approval, which may be withheld in its reasonable discretion. The proceeds of the Short Term Loan will be used to repay in full the Existing Office Indebtedness and certain other obligations of Target. All liens securing the Existing Office Indebtedness shall be released at the time of the closing of the Short Term Loan. The Short Term Loan may be secured by a lien on the ownership interests of Target or Target Subsidiaries, *provided* that such lien is released upon the guaranty by Acquiror OP of the Short Term Loan.

7.14. Tenant Improvements.

Target shall use commercially reasonable efforts to complete all tenant improvement work with respect to the Pre-LOI Leases required to be performed at the commencement of the lease term (the “*Pre-LOI TI Work*”) prior to the Effective Time. If such work shall not be completed prior to the Effective Time, Target will enter into contracts with third parties, subject to Acquiror’s prior written approval, to complete such work. Target will enter into contracts with third parties, subject to Acquiror’s prior written approval, for all tenant improvements with respect to Target Properties Leases which are not Pre-LOI Leases.

7.15. Sewer System Escrow.

Upon the completion of all work to the Sewer System (as defined in the Acquisition Agreement), in the event any unspent funds remain in the escrow under such Acquisition Agreement (which agreement calls for the such remaining funds to be equally split between Honeygo Run Reclamation Center, Inc. and Target), Acquiror shall transmit all of the funds it receives from such escrow to the Liquidating Trust promptly upon receipt of such funds. Except as set forth in Section 8.04(viii) hereof, Acquiror shall not be responsible for the reimbursement to Target, any Target Subsidiary or the Liquidating Trust of any money spent as of the Closing Date on the Sewer System.

**ARTICLE VIII.
ADDITIONAL AGREEMENTS**

8.01. Inspection of the Target Properties.

(a) Right of Inspection. Acquiror shall have the right, at its own risk, cost and expense, at any time prior to Closing during normal business hours (i.e. Monday through Friday from 9:00 a.m. to 5:00 p.m. - federal holidays excepted) upon not less than forty-eight (48) hours prior notice to Target, and subject to the approval of the tenants under the Target Properties Leases with respect to any entry into the leased premises, to enter, or cause its agents or representatives to enter, upon any of the Target Properties for the purpose of making surveys, tests, test borings, inspections, investigations and architectural, structural, economic, environmental and other studies of any of the Target Properties as Acquiror may deem desirable. Target agrees that it shall reasonably cooperate with Acquiror in connection with any other information regarding the Target Properties reasonably requested by Acquiror and will provide or make available such information during the Inspection Period and at all periods thereafter through the Closing to the extent in Target’s possession. Acquiror shall, at Acquiror’s sole cost and expense, promptly and fully restore any damage or destruction to any of the Target Properties occurring as a result of any act or omission of Acquiror by reason of such tests, studies or investigations. Acquiror shall indemnify, defend and hold Target harmless from and against all loss, cost, damage or claim (including attorneys’ fees reasonably incurred, court costs and costs of investigation) arising out of or resulting from Acquiror’s exercise of the right and privilege granted to Acquiror contained in this Section 8.01, and the undertakings contained in this Section 8.01 shall survive Closing or prior termination of this Agreement.

(b) Inspection Period. Acquiror shall have the period commencing on the date hereof and ending at 5:00 p.m. Eastern Time on December 21, 2006 (the “*Inspection Period*”) to inspect the Target Properties and to conduct such tests and investigations as it deems advisable in order to determine that the Target Properties can be used for Acquiror’s intended use. If, during the Inspection Period, Acquiror is not reasonably satisfied with its findings thereof or for any other reason whatsoever, Acquiror shall notify Target in writing (prior to the expiration of the Inspection Period) in which event:

- (i) the Deposit shall be returned to Acquiror; and
- (ii) this Agreement shall be terminated in accordance with the provisions of Article X hereof.

It is expressly recognized and agreed by the parties that following expiration of the Inspection Period, Acquiror shall be deemed to have waived its termination right under this Section 8.01. If this Agreement is terminated by Target pursuant to Section 10.01(d)(i), the Cash Escrow Agent shall pay the Deposit to Target as Target’s final liquidated damages (it being understood that Target’s actual damages in the event of such default are difficult to ascertain and that such proceeds represent the parties’ best current estimate of such damages). Conversely, if this Agreement is terminated for any other reason whatsoever, the Deposit shall be promptly paid by the Cash Escrow Agent to Acquiror.

8.02. Prepayment of Indebtedness.

After obtaining Acquiror's prior written consent, Target shall prepay the Existing Office Indebtedness listed in Section 8.02 of the Target Disclosure Letter prior to Closing, using a portion of the proceeds of the Short Term Loan, which Existing Office Indebtedness is secured by the properties listed in Section 8.02 of the Target Disclosure Letter, and in connection therewith shall pay all accrued interest, prepayment penalties and other charges related thereto or in connection therewith.

8.03. Acquisition of Joint Venture Interests; Disposal of Properties.

Prior to or concurrently with the Closing, Target shall have taken all actions necessary to (i) acquire the outstanding equity interests in the Target Joint Ventures not owned by Target and (ii) dispose of the real estate properties and related entities owned by Target which hold assets other than the Target Properties or the Retail Properties.

8.04. Prorations and Adjustments.

This Section 8.04 applies to the Merger Closing Properties. At Closing, accounts payable, rents (to the extent prepaid), all real and personal property taxes, water rents, sewer charges, electric and other utility charges, fuel if any, operating expenses, wages, any special assessments, if any, and other similar charges affecting the Merger Closing Properties and all utility charges, if any, shall be adjusted and prorated as of midnight of the day prior to the Closing Date (the "Closing Adjustment Time"). All other charges or fees customarily prorated and adjusted in similar transactions shall be adjusted as of the Closing Adjustment Time. All rent (other than prepaid rent) received from the tenants of the Merger Closing Properties shall be adjusted (prorated) as of the Closing Adjustment Time and paid in accordance with the following provisions, together with the following adjustments:

(i) Following receipt of the monthly installment of basic rent under any of the Merger Closing Properties Leases attributable to the month in which the

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Closing occurs, such installment shall be adjusted as of the Closing Adjustment Time, with the Target Stockholders being entitled to the portion thereof attributable to the period of the month immediately preceding the Closing Date and Acquiror entitled to the balance of such monthly installment. Acquiror shall use commercially reasonable efforts to seek to collect unpaid rents and other amounts attributable to the period prior to the Closing Adjustment Time.

(ii) Acquiror shall be entitled to all basic rent and other sums due under any of the Merger Closing Properties Leases as of the Closing Adjustment Time with the exception of (a) common area maintenance (CAM) and real estate tax reimbursements attributable to periods prior to the Closing Adjustment Time; (b) the basic rent for the Closing month to which an Acquiror is entitled under (i) above, and (c) rental arrearages for periods preceding the Closing Adjustment Time, and (d) rents received from tenants prior to the Closing Adjustment Time which relate to periods prior to the Closing Adjustment Time. Annual CAM and tax reimbursements, which are payable by the tenant on an annual basis after the conclusion of each calendar year, will be adjusted as of the Closing Adjustment Time, with the Target Stockholders being entitled to the portion thereof attributable to the period of the year immediately preceding the Closing Adjustment Time and the Acquiror being entitled to the balance of such payment. Additionally, any tenant payments for special services which were specifically billed by Target or one of its Affiliates prior to the Closing Adjustment Time shall be owed to the Target Stockholders. All CAM payments from tenants received by Target or Target Subsidiaries which relate to periods after the Closing Adjustment Time shall be credited to Acquiror at Closing.

(iii) All security deposits under the Merger Closing Properties Leases (excluding letters of credit posted as security deposits as listed in Section 8.04(iii) of the Target Disclosure Letter) and rents received by Target and Target Subsidiaries which relate to periods after the Closing Adjustment Time shall be credited to Acquiror at Closing. Letters of credit posted as security deposits as listed in Section 8.04(iii) of the Target Disclosure Letter shall be assigned to Acquiror at Closing.

(iv) All Leasing Commissions and tenant improvements with respect to the Target Properties Leases signed after September 6, 2006 shall be assumed by Acquiror. All Pre-LOI Leasing Commissions and Pre-LOI TI Work shall be the obligation of the Target. Any such unpaid amounts with regard to the Pre-LOI Leases as of the Closing Date, together with the estimated cost to complete the Pre-LOI TI Work after the Closing, shall be credited to Acquiror at Closing. To the extent Target has paid the Leasing Commissions and tenant improvements for leases signed after September 6, 2006, Target Stockholders shall receive a credit at Closing.

(v) Acquiror will be credited at Closing for an amount equal to any casualty insurance deductibles and uninsured losses relating to casualties which may have occurred at the Merger Closing Properties prior to the Closing.

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(vi) If Acquiror collects any unpaid or delinquent rents relating to the Merger Closing Properties after the Closing Adjustment Time, Acquiror shall deliver to the Liquidating Trust the rent to which the Liquidating Trust is entitled relating to the period prior to the Closing Adjustment Time. All rents relating to the Merger Closing Properties received by Acquiror after the Closing Adjustment Time shall be applied first to current and then delinquent rent in the inverse order of maturity.

(vii) An amount equal to the Retained LC Amount shall be credited to Acquiror at Closing pursuant to Section 8.08.

(viii) Acquiror shall credit to Target Stockholders at Closing any money spent by Target with respect to the Sewer System (as such term is defined in the Acquisition Agreement) on or after September 6, 2006.

(ix) Intentionally Deleted.

(x) If there are any liens or encumbrances applicable to Target Properties other than Permitted Liens, as of Closing, the amount to discharge such liens and encumbrances shall be credited to Acquiror at Closing.

(xi) If there shall be a breach of any of the representations, warranties, covenants or agreements made by Target herein and Target fails to cure such breach by the Outside Date, or if there shall be any outstanding liabilities or obligations of Target, Target Subsidiaries, NPI Exchange Entities or NPI Entities as of the Effective Time other than the Office Assumed Loans, the Short Term Loan, the Scheduled Contracts and the Target Properties Leases, the amount of the aggregate Damages resulting from such breach or such outstanding liabilities or obligations in excess of Two Hundred Fifty Thousand Dollars (\$250,000) shall be credited to Acquiror at Closing.

(xii) The fees payable to the Share Escrow Agent shall be equally split by Target Stockholders and Acquiror and paid at Closing.

(xiii) Any unpaid amounts due by Target as of the Effective Time as described in Section 6.02(i)(ii) of the Target Disclosure Letter shall be credited to Acquiror at Closing. Any refund of prior property taxes owed to Target as of the Effective Time (net of any attorneys' fees), pursuant to a successful appeal, shall be credited to Target Stockholders at Closing.

(xiv) Any costs to rectify overstressed joints pursuant to, and in accordance with, paragraph three of Section 6.02(g)(iv) of the Target Disclosure Letter shall be credited to Acquiror at Closing, to the extent such costs were not paid by Target prior to Closing.

All adjustment items (collectively, the “*Closing Adjustments*”) shall be resolved by the parties in good faith at least five (5) Business Days prior to the Closing Date. To the extent that the Closing Adjustments result in a net payment due to Target Stockholders, immediately prior to the Effective Time, the Merger Consideration shall be increased as

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set forth in Section 4.01. To the extent that the Closing Adjustments result in a net payment due by the Target Stockholders, immediately prior to the Effective Time, the Merger Consideration shall be decreased as set forth in Section 4.01. The net payment either due to or due by the Target Stockholders is referred to as the “*Closing Adjustment Amount*”.

8.05. Articles Supplementary.

Acquiror shall take all necessary actions to approve and file with the SDAT the Articles Supplementary prior to the Effective Time.

8.06. Intellectual Property.

The parties hereto agree that the Target Stockholders retain the exclusive rights to use of the word “Nottingham” except that Acquiror will be granted a license to use the names “Nottingham Ridge,” “Nottingham Centre” and “Nottingham Center” with respect to those properties, in the form attached hereto as Exhibit E (the “*License Agreement*”).

8.07. COBRA Agreements.

On and after the Effective Time, Acquiror shall provide applicable notices and continuing health coverage that satisfies COBRA to Ronald Heagy, Bruce Campbell III, John Auer and Deborah Sellmayer (and members of their family), to individuals who are within their COBRA election period as of the Effective Time, and to employees of NPI (and members of their family) terminated in connection with the Retail Transaction but only with respect to the NPI Group Health Plan and only if such Retail Transaction is consummated within sixty (60) days of the Closing hereunder. Acquiror’s obligation, however, does not include the assumption of any other liability with respect to NPI’s employee benefit plans and does not extend to any other obligation or liability under COBRA. NPI shall indemnify Acquiror, Acquiror OP and Merger Subsidiary with respect to any such non-assumed obligations and liabilities, pursuant to the agreement described in Section 9.05(f) of this Agreement.

8.08. Certain Agreements.

As of the Effective Time, Acquiror shall assume the obligations of Target or its Affiliates under each of the public works agreements, utility agreements and permits relating to the Target Properties Escrow LCs and the Target Properties LCs. At the Closing, Acquiror shall receive a credit against the Merger Consideration equal to the sum of the amount outstanding under the Target Properties Escrow LCs as of the Effective Time (the “*Retained LC Amount*”). Acquiror OP shall use its commercially reasonable efforts to arrange for the Target Properties Escrow LCs to be released or terminated once the work which is secured by the Target Properties Escrow LCs shall have been completed (the “*Outstanding Work*”). Target will use its commercially reasonable efforts to complete all Outstanding Work prior to Closing. To the extent that any such Outstanding Work is not completed prior to Closing, Acquiror shall use its commercially reasonable efforts to complete such Outstanding Work. At any time and

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from time to time as a Target Properties Escrow LC is terminated or released, Acquiror will pay to the Liquidating Trust the amount of the outstanding balance of such Target Properties Escrow LC less the documented amount paid by Acquiror or Acquiror OP to complete the Outstanding Work or to correct any defective Outstanding Work related to such Target Properties Escrow LC.

8.09. Reciprocal Release.

Prior to the Closing, Target and NPI will enter into the Reciprocal Release.

8.10. Lockbox.

Prior to Closing, Target shall close its lockbox that was previously established for the receipt of rents attributable to the Target Properties.

8.11. Final Tax Returns.

Target shall prepare its final income tax return at its own expense subject to Acquiror’s prior written approval.

8.12. Insurance Proceeds.

All insurance proceeds with respect to the Target Properties, regardless of the amount, shall remain the property of Target and Target Subsidiaries. Thus, Target Stockholders shall not be entitled to any such insurance proceeds in the event of a casualty at the Target Properties or a claim that arose with respect to the Target Properties.

8.13. Satisfaction of Dollenberg Retirement Obligations.

Prior to the Closing, NPI and Target will establish a trust to which they shall pay the funds due to P. Douglas Dollenberg to satisfy the Dollenberg Retirement Obligations.

**ARTICLE IX.
CONDITIONS TO CONSUMMATION OF THE TRANSACTION AND CLOSING
DELIVERIES**

9.01. Conditions to the Obligations of Each Party.

The obligations of each party to effect the Merger shall be subject to the satisfaction, at or prior to the Closing, of the following conditions:

(a) Target Stockholder Approval. This Agreement and the Transaction shall have been approved and adopted by the requisite affirmative vote of the Target Stockholders in accordance with the MGCL and the Target Charter.

(b) No Order. No Governmental Authority in the United States shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) which is then in effect and has the effect of making the Transaction illegal or otherwise restricting, preventing or prohibiting consummation of the Transaction.

(c) Governmental Approvals. All required approvals of Governmental Authorities, if any, shall have been obtained.

(d) Lender's Approval. All required Lender's Approval of the Target Group, if any, shall have been obtained.

9.02. Conditions to the Obligations of Acquiror, Acquiror OP and Merger Subsidiary.

The obligations of Acquiror and Merger Subsidiary to consummate the Transaction are subject to the satisfaction or waiver (where permissible) of the following additional conditions:

(a) Representations and Warranties. The representations and warranties of Target in this Agreement that (i) are not made as of a specific date shall be true and correct as of the date of this Agreement and as of the Closing, as though made on and as of the Closing, and (ii) are made as of a specific date shall be true and correct as of such date, in each case, except where the failure of all representations or warranties to be true and correct in the aggregate is not reasonably likely to result in a Target Material Adverse Effect. Notwithstanding the foregoing, in determining whether a cumulative Target Material Adverse Effect has occurred at Closing for the purposes of this Section 9.02(a), any limitation as to materiality or Target Material Adverse Effect in a representation or warranty shall be disregarded.

(b) Agreements and Covenants. Target shall have delivered all of the items listed in Section 9.04, and otherwise have performed, in all material respects, all obligations and complied with, in all material respects, all agreements and covenants to be performed or complied with by it under this Agreement on or prior to the Closing.

(c) Material Adverse Effect. Since the date of this Agreement, there shall have occurred no change, event or circumstance which, individually, or in the aggregate, is reasonably likely to result in a Target Material Adverse Effect.

(d) Existing Indebtedness. All of the Existing Office Indebtedness shall have been repaid and the only indebtedness of Target and Target Subsidiaries as of the Effective Time shall be the Assumed Loans and the Short Term Loan, the only indebtedness of the Retail Entities as of the Effective Time shall be the Existing Retail Indebtedness, and the amounts due under the Existing Retail Indebtedness, Short Term Loan and Assumed Loans shall not exceed \$129,648,266.

(e) Officer's Certificate. Target shall have delivered to Acquiror a certificate, dated the date of the Closing, signed by the President or any Vice President of Target, certifying as to the satisfaction of the conditions specified in this Section 9.02, and including as an exhibit a Target Disclosure Letter updated as of the Closing Date.

(f) Tenant Estoppels. At least one (1) Business Day prior to the Closing Date, Target shall have delivered to Acquiror the tenant estoppel certificates in the form attached hereto as Exhibit J executed by those tenants listed in Section 9.02(f) of the Target Disclosure Letter, free from material adverse disclosures not previously disclosed to Acquiror.

(g) Office Assumed Loan Documents. The Office Assumed Loan Documents shall have been fully executed and delivered to Acquiror.

(h) Corporate Dissolutions. Prior to the Effective Time, Target shall have dissolved the corporations listed in Section 9.02(h) of the Target Disclosure Letter.

(i) Stock Distribution. Prior to the Effective Time, Target shall have caused all of the outstanding stock in each of NVI Communities, Inc. and Village Ventures, Inc. to be distributed to the Liquidating Trust.

(j) Assignment of Insurance Loans. Prior to the Effective Time, Target shall have transferred all of its rights and obligations relating to the officers life insurance policies and loans as listed in Section 9.02(j) of the Target Disclosure Letter to the Liquidating Trust.

9.03. Conditions to the Obligations of Target.

The obligations of Target to consummate the Merger are subject to the satisfaction or waiver (where permissible) of the following additional conditions:

(a) Representations and Warranties. The representations and warranties of Acquiror, Acquiror OP and Merger Subsidiary in this Agreement that (i) are not made as of a specific date shall be true and correct as of the date of this Agreement and as of the Closing, as though made on and as of the Closing, and (ii) are made as of a specific date shall be true and correct as of such date, in each case, except where the failure of such representations or warranties to be true and correct in the aggregate is not reasonably likely to result in an Acquiror Material Adverse Effect. Notwithstanding the foregoing, in determining whether a cumulative Acquiror Material Adverse Effect has occurred at Closing for the purposes of this Section 9.03(a), any limitation as to materiality or Acquiror Material Adverse Effect in a representation or warranty shall be disregarded.

(b) Agreements and Covenants. Acquiror, Acquiror OP and Merger Subsidiary shall have performed, in all material respects, all obligations or complied with, in all material respects, all agreements and covenants to be performed or complied with by them under this Agreement on or prior to the Closing.

(c) Intentionally Deleted.

(d) Articles Supplementary. The Articles Supplementary shall have been approved by the trustees of Acquiror, filed with and accepted by the SDAT and be in full force and effect.

(e) Material Adverse Effect. Since the date of this Agreement, there shall have occurred no change, event or circumstance which, individually, or in the aggregate, is reasonably likely to result in an Acquiror Material Adverse Effect.

(f) Officer Certificate. Acquiror shall have delivered to Target a certificate, dated the date of the Closing, signed by the President or any Vice President of Acquiror, certifying as to the satisfaction of the conditions specified in this Section 9.03.

9.04. Deliveries by Target. At Closing, Target shall execute and deliver or cause to be delivered to Acquiror:

(a) Notices to Tenants substantially in the form attached hereto as Exhibit F, dated as of the Closing Date, executed by Target, and complying with applicable statutes in order to relieve Target of liability for any security deposits (provided the security deposits are paid to Acquiror), directing tenants to pay all rent due and owing under the Target Properties Leases to Acquiror or Acquiror's designated agent;

(b) originals of the Target Properties Leases and copies of lease files at the Target Properties, and originals of any maintenance and service contracts that are to be assumed, to the extent any such documents are in the possession of Target or any Target Subsidiary;

(c) an affidavit that Target is not a "foreign person" in the form attached as Exhibit G;

(d) maintenance records, equipment manuals and plans and specifications for the Target Properties, to the extent any such documents are in the possession of Target or any Target Subsidiary;

(e) keys or combinations to all locks at the Target Properties, to the extent any such keys or combinations are in the possession of Target or any Target Subsidiary;

(f) the certificate described in Section 9.02(e);

(g) legal opinions of Gordon, Feinblatt, Rothman, Hoffberger & Hollander, LLC, dated as of the Closing Date and in the form attached hereto as Exhibit H;

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(h) the receipt or release from Wachovia Capital Markets, LLC as described in Section 6.02(n);

(i) an executed settlement sheet;

(j) affidavits required by the Anchor Title Company in the form attached hereto as Exhibit I;

(k) cross-release and indemnity between NPI, Acquiror and Target in the form of Exhibit K attached hereto (the "Reciprocal Release");

(l) release of guaranties executed by Target on properties that are not Target Properties or evidence reasonably satisfactory to Acquiror that the associated loan has been repaid;

(m) certificate of good standing of Target from the State Department of Assessments and Taxation of the State of Maryland;

(n) estoppels from the community associations set forth on Section 9.04(n) of the Target Disclosure Letter;

(o) tenant estoppels as more particularly set forth in Section 9.02(f) hereof;

(p) the Office Assumed Loan Documents;

(q) with respect to obligations of Target to P. Douglas Dollenberg, a receipt evidencing payment of such obligations, a payoff acknowledgement, a copy of the original promissory note marked cancelled and paid-in-full and a copy of the returned Target stock certificates;

(r) the First Amendment to Retirement Agreement by and between P. Douglas Dollenberg, NPI and Target in substantially the form of Exhibit L attached hereto;

(s) releases from the employees listed in document #1 under the heading "Employee Benefit Plans of Target" in Section 6.02(o)(ii) of the Target Disclosure Letter;

(t) evidence of payment of all deferred management fees owed by Target to NPI;

(u) evidence from Mercantile — Safe Deposit and Trust Company that there is no balance due under Target's revolving line of credit;

(v) the License Agreement (as executed by the Liquidating Trust);

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(w) the Acknowledgement by P. Douglas Dollenberg in substantially the form attached hereto as Exhibit N; and

(x) the Additional Acknowledgement #1 by P. Douglas Dollenberg in substantially the form attached hereto as Exhibit O.

9.05. Deliveries by Acquiror. At Closing, Acquiror shall execute and deliver or cause to be delivered to Target:

(a) the Merger Consideration, as more particularly set forth in Section 4.01;

(b) certificate of good standing of Acquiror from the State Department of Assessments and Taxation of the State of Maryland;

(c) the Office Assumed Loan Documents;

(d) legal opinion of DLA Piper US LLP, dated as of the Closing Date in the form attached hereto as Exhibit M;

(e) the certificate described in Section 9.03(f);

- (f) the Reciprocal Release; and
- (g) the License Agreement (as executed by the Surviving Entity).

**ARTICLE X.
TERMINATION**

10.01. Termination.

This Agreement may be terminated at any time prior to the Effective Time in writing (the date of any such termination, the "**Termination Date**");

- (a) by the mutual written consent of Acquiror and Target;
- (b) by either Target or the Acquiror upon written notice to the other party, if:

(i) any Governmental Authority with jurisdiction over such matters shall have issued a governmental order permanently restraining, enjoining or otherwise prohibiting the Transaction, and such governmental order shall have become final and unappealable; *provided, however*, that the terms of this Section 10.01(b)(i) shall not be available to any party (A) unless such party shall have used its reasonable efforts to oppose any such governmental order or to have such governmental order vacated or made inapplicable to the Transaction or (B) whose failure to comply with the terms of this Agreement has been the cause of, or materially contributed to, such governmental action;

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(ii) the Transaction shall not have been consummated on or before February 28, 2007 (the "**Outside Date**"), unless the failure to consummate the Transaction on or prior to the Outside Date is the result of any action or inaction under this Agreement by the party seeking to terminate the Agreement pursuant to the terms of this Section 10.01(b)(ii); or

(iii) upon a vote at a duly held meeting (or at any adjournment or postponement thereof) to obtain the Stockholder Approval, the Stockholder Approval is not obtained;

- (c) by Acquiror, upon written notice to Target:

- (i) if a Target Material Adverse Effect shall have occurred;
- (ii) if the Target Board makes a Change in Recommendation prior to the Target Stockholder Meeting; or

(iii) if Target shall have breached any of its representations or warranties or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 9.02 and (B) is incapable of being cured by Target by the Outside Date or, if capable of being cured by Target by the Outside Date, Target does not commence to cure such breach or failure within ten (10) Business Days after its receipt of written notice thereof from Acquiror and cure such breach or failure by the Outside Date;

- (d) by Target, upon written notice to Acquiror, if:

(i) Acquiror shall have breached any of its representations or warranties or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 9.03(a) or 9.03(b) and (B) is incapable of being cured by Acquiror by the Outside Date or, if capable of being cured by Acquiror by the Outside Date, Acquiror does not commence to cure such breach or failure within ten (10) Business Days after its receipt of written notice thereof from Target and cure such breach or failure by the Outside Date;

(ii) prior to receipt of the Stockholder Approval, Target (i) receives a Superior Proposal, (ii) resolves to accept such Superior Proposal, (iii) shall have given Acquiror three (3) Business Days' prior written notice of its intention to terminate pursuant to this provision, and (iv) such proposal continues to constitute a Superior Proposal taking into account any revised proposal made by Acquiror during such three (3) Business Day period; *provided, however*, that such termination shall not be effective until such time as payment of the Termination Fee required by Section 10.03(b) shall have been made by Target; *provided, further*, that Target's right to terminate this Agreement under this Section 10.01(d)(ii) shall not be available if Target is then in breach of Section 7.04; or

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(iii) the average last reported sale price on the NYSE of the Acquiror Common Shares over any period of ten (10) consecutive trading days after the date of this Agreement is less than or equal to \$35.00 per share.

10.02. Effect of Termination.

In the event of termination of this Agreement and abandonment of the Merger and the other transactions contemplated by this Agreement pursuant to and in accordance with Section 10.01, this Agreement shall forthwith become void and of no further force or effect whatsoever and there shall be no liability on the part of any party, or their respective officers, directors, subsidiaries or partners, as applicable, to this Agreement; *provided, however*, that notwithstanding the foregoing, the covenants and other obligations under this Agreement shall terminate upon the termination of this Agreement, except that the agreements set forth in Section 7.03(b), Section 7.06, Section 8.01, Section 10.03, Section 11.07, Section 11.08 and Section 11.09 shall survive termination indefinitely. If this Agreement is terminated as provided herein, all filings, applications and other submissions made pursuant to this Agreement, to the extent practicable, shall be withdrawn from the agency or other Person to which they were made.

10.03. Fees and Expenses.

(a) Except as otherwise explicitly set forth in this Section 10.03 or elsewhere in this Agreement, all costs and expenses incurred in connection with this Agreement or the transactions contemplated hereby shall be paid by the party incurring such expenses, whether or not the transactions contemplated by this Agreement are consummated.

(b) Target agrees that if this Agreement shall be terminated by (i) Acquiror pursuant to Section 10.01(c)(ii), or (ii) Target pursuant to Section 10.01(d)(ii), Target shall pay to Acquiror an amount equal to \$6,500,000 (the "**Termination Fee**") in cash upon such termination.

(c) Target agrees that if this Agreement shall be terminated by Acquiror or Target pursuant to Section 10.01(b)(iii), and, (i) prior to the Target Stockholder Meeting, an Acquisition Proposal shall have been publicly announced that is not subsequently withdrawn, and (ii) concurrently with such termination or within twelve (12) months following the Termination Date, Target enters into an agreement with respect to such Acquisition Proposal, or such Acquisition Proposal is consummated,

then Target shall, if and when such Acquisition Proposal is consummated, pay to Acquiror the Termination Fee within three (3) Business Days following consummation.

(d) Intentionally Deleted.

(e) Acquiror agrees that if (i) all conditions to Closing under Section 9.01 and Section 9.02 have been satisfied, (ii) Target has tendered all of its deliveries under Section 9.04, (iii) Acquiror fails to deliver the closing deliveries set forth in Section 9.05 and (iv) Target therefore terminates this Agreement in accordance with Section

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10.01(b)(ii), then Acquiror shall reimburse Target for the full amount of prepayment penalties under the Existing Office Indebtedness previously paid by Target. Target acknowledges that if it elects reimbursement of the prepayment penalties under this Section 10.03(e), such election shall be its sole remedy, together with payment to it of the Deposit, upon the termination of this Agreement.

(f) Intentionally Deleted.

(g) If Stockholder Approval is not obtained prior to the Outside Date, Target shall reimburse Acquiror for the reasonable fees and expenses of outside auditors for any audit required by Rule 3-14 of Regulation S-X, as promulgated by the SEC, which filing requirement results from the filing or contemplated filing of the Registration Statement, within three (3) Business Days after demand by Acquiror.

(h) Intentionally Deleted.

(i) If Acquiror terminates this Agreement pursuant to Section 10.01(c)(i) or Section 10.01(c)(iii), Target shall reimburse Acquiror for Acquiror's reasonable costs and expenses (including reasonable attorney's fees) in connection with this Transaction, not to exceed One Million Dollars (\$1,000,000), within three (3) Business Days after demand by Acquiror.

ARTICLE XI. GENERAL PROVISIONS

11.01. Survival of Representations and Warranties.

The representations, warranties, covenants and agreements in this Agreement and any exhibit, schedule or instruments delivered pursuant to this Agreement shall survive the Closing for a period of thirty-six (36) months from the Closing Date; *provided*, that any claims made under Section 7.07 prior to the end of such thirty-six (36) month period shall survive until such claim is resolved pursuant to Section 7.07.

11.02. Notices.

All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in Person or by a recognized overnight courier service or sent by teletype (providing confirmation of transmission) to the respective parties at the following addresses or teletype numbers (or at such other address or teletype numbers for a party as shall be specified in a notice given in accordance with this Section 11.02):

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if to Acquiror, Acquiror OP or Merger Subsidiary:

Corporate Office Properties Trust
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Fax No.: (443) 285-7650
Attn: Roger A. Waesche, Jr., Executive Vice President and Chief Operating Officer

with copies to:

Corporate Office Properties Trust
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Fax No.: (443) 285-7652
Attn: Karen M. Singer, Senior Vice President and General Counsel

and

DLA Piper US LLP
6225 Smith Avenue
Baltimore, Maryland 21209
Fax No.: (410) 580-3400
Attn: Richard E. Levine, Esq.

if to Target:

Nottingham Village, Inc.
100 West Pennsylvania Avenue
Towson, Maryland 21204
Fax No.: (410) 321-8018
Attention: J. Joseph Credit

with a copy to:

Gordon, Feinblatt, Rothman, Hoffberger & Hollander, LLC
233 East Redwood Street
Baltimore, Maryland 21202

11.03. Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner

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materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

11.04. Amendment.

This Agreement may be amended by the parties hereto by action taken by their respective board of directors (or similar governing body or entity) at any time prior to the Effective Time; *provided, however*, that, after approval of the Merger by the Target Stockholders, no amendment may be made that would reduce the Purchase Price or the Merger Consideration without further Stockholder Approval. This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

11.05. Entire Agreement; Assignment.

This Agreement, the exhibits attached hereto, the Target Disclosure Letter and any documents delivered by the parties in connection herewith constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes, except as set forth in Section 7.03(b), all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof and thereof. This Agreement shall not be assigned by operation of law or otherwise (except to the Surviving Entity) without the prior written consent of the other parties.

11.06. Parties in Interest.

This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, other than Section 7.08, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

11.07. Specific Performance.

(a) The parties hereto agree that irreparable damage would occur to Acquiror in the event any provision of this Agreement were not performed by Target or Target Subsidiaries in accordance with the terms hereof and that Acquiror shall be entitled to seek specific performance of the terms and conditions of this Agreement, in addition to any other remedy at law or equity against Target.

(b) In the event Acquiror fails to perform its obligations under this Agreement, Target's exclusive remedy shall be to terminate this Agreement, in which case the Deposit shall be paid by the Cash Escrow Agent as provided in Section 8.01 and Section 10.03(e), if applicable. Target may not pursue specific performance against Acquiror, Acquiror OP or Merger Subsidiary.

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11.08. Governing Law.

This Agreement shall be governed by and construed in accordance with, the laws of the State of Maryland without regard, to the fullest extent permitted by law, to the conflicts of laws provisions thereof which might result in the application of the laws of any other jurisdiction.

11.09. Waiver of Jury Trial.

Each of the parties hereto hereby waives to the fullest extent permitted by applicable Law any right it may have to a trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated hereby. Each of the parties hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce that foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the transactions contemplated hereby, as applicable, by, among other things, the mutual waivers and certifications in this Section 11.09.

11.10. Headings.

The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

11.11. Counterparts.

This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

11.12. Mutual Drafting.

Each party hereto has participated in the drafting of this Agreement, which each party acknowledges is the result of extensive negotiations between the parties.

11.13. Time is of the Essence.

Time is of the essence with respect to each provision of this Agreement.

[Signature page follows]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in counterparts by their duly authorized officers, all as of the day and year first above written.

CORPORATE OFFICE PROPERTIES TRUST

By: /s/ ROGER A. WAESCHE, JR.
Executive Vice President
Roger A. Waesche, Jr.
Chief Operating Officer and

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust,
its sole general partner

By: /s/ ROGER A. WAESCHE, JR.
Executive Vice President
Roger A. Waesche, Jr.
Chief Operating Officer and

W&M BUSINESS TRUST

By: /s/ ROGER A. WAESCHE
Executive Vice President
Roger A. Waesche, Jr.
Chief Operating Officer and

NOTTINGHAM VILLAGE, INC.

By: /s/ J. JOSEPH CREDIT
J. Joseph Credit
President and Chief Executive Officer

[Signature page to Merger Agreement]

JOINDERS

Nottingham Properties, Inc. joins herein for the sole purpose of acknowledging its obligations under Sections 8.09 and 8.13 of this Agreement.

NOTTINGHAM PROPERTIES, INC.

By: /s/ J. JOSEPH CREDIT
J. Joseph Credit

President and
Chief Executive Officer

NVI Liquidating Trust joins herein to evidence its obligations under this Agreement, including its obligations as Stockholders' Agent under Section 7.07 of this Agreement.

NVI LIQUIDATING TRUST

By: /s/ J. JOSEPH CREDIT
J. Joseph Credit, Trustee

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The Cash Escrow Agent executes this Purchase Agreement and Agreement and Plan of Merger of this 21st day of December, 2006 to acknowledge its receipt of an original copy of this Agreement as executed by Acquiror, Acquiror OP, Merger Subsidiary and Target, to acknowledge that it is holding the Deposit, and to acknowledge its agreement to act as Cash Escrow Agent in accordance with the terms and conditions set forth herein.

WITNESS:

CASH ESCROW AGENT:

ANCHOR TITLE COMPANY

By: /s/ M. CHARLOTTE POWEL
Name: M. Charlotte Powel
Title: President

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The Share Escrow Agent executes this Purchase Agreement and Agreement and Plan of Merger of this 21st day of December, 2006 to acknowledge its receipt of an original copy of this Agreement as executed by Acquiror, Acquiror OP, Merger Subsidiary and Target, to acknowledge that it is holding the Escrow Shares, and to acknowledge its agreement to act as Share Escrow Agent in accordance with the terms and conditions set forth herein.

WITNESS:

SHARE ESCROW AGENT:

U.S. BANK NATIONAL ASSOCIATION

By: /s/ CHRIS M. FRIESS
Name: Chris M. Friess
Title: Account Manager

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SCHEDULE 1

PURCHASE PROPERTIES

Property Class	Property	Address	Ownership Immediately Prior To Effective Time
B.1	37 Allegheny Avenue	37 Allegheny Avenue, Baltimore County, MD	37 Allegheny Business Trust
B.2	10552 Philadelphia Road — Leasehold Interest	10552 Philadelphia Road, Baltimore County, MD	Philadelphia Road Operating Company, LLC
B.3	Intentionally Deleted		
B.4	9020 Mendenhall	9020 Mendenhall Court, Howard County, MD	9020 Mendenhall, LLC
B.5	Woods at Broken Land	9700 Patuxent Woods Drive, Howard County, MD	Woods Investors, LLC
B.6	Rivers Center III	10270 N. Old Columbia Road, Howard County, MD	Rivers Center III Investors, LLC
G.1	Campbell Corporate Center I	4940 Campbell Boulevard, Baltimore County, MD	Corporate Center I Limited Partnership
G.9	Nottingham Centre	502 Washington Avenue, Baltimore County, MD	Nottingham Associates Limited Partnership
G.10	White Marsh Health Center	8114 Sandpiper Circle, Baltimore County, MD	White Marsh Health Center Limited Partnership, LLLP
G.12	White Marsh Hi-Tech I and II	4969 Mercantile Road (Bldg 1) 4979 Mercantile Road (Bldg 2) 4981 Mercantile Road (Parking)	White Marsh Hi-Tech 1 Business Trust (49%) and White Marsh Hi-Tech 2 Business Trust (51%)

Notes

G.1. Acquiror OP will purchase a 50% limited partnership interest in Corporate Center I Limited Partnership.

G.9. Acquiror OP will purchase a 43.7% limited partnership interest in Nottingham Associates Limited Partnership.

G.10. Acquiror OP will purchase a 60% limited partnership interest in Sandpiper Limited Partnership which, in turn, owns a 72.5% general partnership interest in White Marsh Health Center Limited Partnership, LLLP.

G.12. Acquiror OP will purchase 100% of beneficial interests in White Marsh Hi-Tech 2 Business Trust (which shall own a 51% tenancy-in-common interest in White Marsh Hi-Tech property).

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SCHEDULE 2

MERGER PROPERTIES

Property Class	Property	Address	Property Owner Immediately Prior To Effective Time
A.1	8029 - 8031 Corporate Drive	8029-8031 Corporate Drive, Baltimore County, MD	8029 Corporate Drive Business Trust
A.2	Corporate Place I	8140 Corporate Drive, Baltimore County, MD	Corporate Place I Business Trust
A.3	Franklin Ridge V	9900 Franklin Square Drive, Baltimore County, MD	Franklin Ridge V Business Trust
A.4	Tyler Ridge II — Fee Interest	8007 Corporate Drive, Baltimore County, MD	Tyler Ridge II Business Trust
A.5	Tyler Ridge IIA	8003 Corporate Drive, Baltimore County, MD	Tyler Ridge IIA Business Trust
A.6	Tyler Ridge III — Fee Interest	7941 Corporate Drive, Baltimore County, MD	Tyler Ridge III Business Trust
A.7	McLean Ridge V (L)	8100 Sandpiper Circle, Baltimore County, MD	McLean Ridge V Business Trust
A.8	Corporate Place III (L)	8120 Corporate Drive, Baltimore County, MD	Corporate Place III Business Trust
A.9	Corporate Place IV (L)	8130 Corporate Drive, Baltimore County, MD	Corporate Place IV Business Trust
A.10	Lot 401 — on cul-de-sac (L) (Tax Parcel No. 11-2200015748)	4985 Mercantile Road, Baltimore County, MD	Lot 401 Business Trust
A.11	Nottingham Ridge (L) and (Tax Parcel Nos. 11-2400002078 and 11-2300012935)	5300 Nottingham Drive, Baltimore County, MD SWM Pond in Nottingham Ridge	Nottingham Ridge I Business Trust
A.12	Nottingham Ridge/Phila. Road (L) (Tax Parcel No. 11-2400002075)	5357 Nottingham Drive, Baltimore County, MD	Nottingham Ridge II Business Trust
A.13	10521 Red Run Boulevard (L)	10521 Red Run Boulevard, Baltimore County, MD	10521 Red Run Business Trust
A.14	Intentionally Deleted		
A.15	Campbell Blvd & Franklin Sq. (18.62 acres and 1.0052 acres SWM) (L) (Tax Parcel No. 14-2200020875) and Tax Parcel No. 14-22000020877)	5251 Campbell Boulevard, Baltimore County, MD	Campbell Boulevard I Business Trust

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A.16	Campbell Blvd & Franklin Sq. (5.23 acres) (L) (Tax Parcel No. 14-2200020165)	5201 Campbell Boulevard, Baltimore County, MD	Campbell Boulevard II Business Trust
A.17	Nottingham Ridge/Phila. Rd. (9.14 acres) (L) (Tax Parcel No. 11-2300012656)	5361 Nottingham Drive, Baltimore County, MD	Nottingham Ridge III Business Trust
A.18	Intentionally Deleted		
A.19	Franklin Ridge Open Space (Tax Parcel No. 14-2300006823) and (Tax Parcel No. 14-2300006822)	.174 Ac Pvt Op Sp., NSR Franklin Square Drive and .539 Ac Pvt Op Sp., NSR Franklin Square Drive	Franklin Ridge Open Space Business Trust
A.20	8027 Corporate Drive	8027 Corporate Drive, Baltimore County, MD Lot 13 — Adjacent to Tyler Ridge I	8027 Corporate Drive Business Trust
A.21	Tyler Ridge Water Management (Tax Parcel No. 14-220001624) and (Tax Parcel No. 14-220001623)	Flood Plain and Storm Water Management Area adjacent to Tyler Ridge.	Tyler Ridge Water Management Business Trust
C.1	10552 Philadelphia Road — Fee Interest	10552 Philadelphia Road, Baltimore County, MD	Honeygo Run Holdings, LLC
C.2	Corporate Place II	8110 Corporate Drive, Baltimore County, MD	Corporate Place B Equity Affiliates, LLC
C.3	Franklin Ridge I	9940 Franklin Square Drive, Baltimore County, MD	Franklin Ridge No. 1 Business Trust
C.4	Franklin Ridge II	9930 Franklin Square Drive, Baltimore County, MD	Franklin Ridge No. 2 Business Trust
C.5	Franklin Ridge IV	9910 Franklin Square Drive, Baltimore County, MD	Franklin Ridge No. 4 Business Trust
C.6	Nottingham Ridge C	5355 Nottingham Drive, Baltimore County, MD	Nottingham Ridge No. 20 Business Trust
C.7	Nottingham Ridge D	5325 Nottingham Drive, Baltimore County, MD	Nottingham Ridge No. 30 Business Trust
E.1	Intentionally Deleted		
F.1	White Marsh Commerce Center I	10001 Franklin Square (10001 — 10049), Baltimore County, MD	White Marsh Commerce Center I Business Trust
F.2	McLean Ridge I	8012 - 8020 Corporate Drive, Baltimore County, MD	McLean Ridge I Business Trust

F.3	McLean Ridge II	8002 - 8010 Corporate Drive, Baltimore County, MD	McLean Ridge II Business Trust
F.4	McLean Ridge III	7920 Corporate Drive, Baltimore County, MD	McLean Ridge III Business Trust
F.5	McLean Ridge IV	8098 Sandpiper Cir., Baltimore County, MD	McLean Ridge IV Business Trust

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F.6	White Marsh Commerce Center II (L)	9951 Franklin Square Drive (9951-9999 Franklin Sq.), Baltimore County, MD	White Marsh Commerce Center II Business Trust
G.1	Campbell Corporate Center I and Parcel A (.630 acres-Tax Parcel No. 14-2200005926)	4940 Campbell Boulevard, Baltimore County, MD	Corporate Center I Limited Partnership (Campbell Corporate Center I) and Campbell Corporate Center I-2 Business Trust (Tax Parcel No. 14-2200005926)
G.2	Franklin Ridge III	9920 Franklin Square Drive, Baltimore County, MD	Franklin Ridge No. 3 Business Trust
G.3	7272 Park Circle Drive	7272 Park Circle Drive, Anne Arundel County, MD	Park Circle Equities, LLC
G.8	1.14 acres Tax Parcel No. 14-2000000284	Campbell Boulevard, Baltimore County, MD	White Marsh Business Center 2 Business Trust (Tax Parcel No. 14-2000000284)
G.9	Nottingham Centre	502 Washington Avenue, Baltimore County, MD	Nottingham Associates Limited Partnership
G.10	White Marsh Health Center	8114 Sandpiper Circle, Baltimore County, MD	White Marsh Health Center Limited Partnership, LLLP
G.12	White Marsh Hi-Tech I and II	4969 Mercantile Road (Bldg 1) 4979 Mercantile Road (Bldg 2) 4981 Mercantile Road (Parking)	White Marsh Hi-Tech 1 Business Trust (49%) and White Marsh Hi-Tech 2 Business Trust (51%)

Notes

1. All are improved by buildings, except for those marked with an "L" which are land only.
2. Target shall own 100% of the ownership interests in each of the Property Owners in the last column, except as shown below.
- G.1. Corporate Center I Limited Partnership shall be owned by Corporate Center I, LLC (1% general partner), Acquiror OP (50% limited partner) and Target (49% limited partner). Target shall own 100% of Corporate Center I, LLC. Target shall also own 100% of Campbell Corporate Center I-2 Business Trust.
- G.9. Nottingham Associates Limited Partnership shall be owned by Nottingham Center, LLC (1% general partner) Acquiror OP (43.7% limited partner) and Target (55.3% limited partner). Target shall own 100% of Nottingham Center, LLC.
- G.10. White Marsh Health Center Limited Partnership, LLLP shall be owned by Sandpiper Limited Partnership (72.5% general partner) and Target (27.5% limited partner). Target shall own a 40% general partnership interest in Sandpiper Limited Partnership and Acquiror OP shall own a 60% limited partnership interest in Sandpiper Limited Partnership.
- G.12. Target shall own 100% of White Marsh Hi-Tech I Business Trust (which shall own a 49% tenancy-in-common interest in White Marsh Hi-Tech property) and Acquiror OP shall own 100% of White Marsh Hi-Tech 2 Business Trust (which shall own a 51% tenancy-in-common interest in White Marsh Hi-Tech property).

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SCHEDULE 3

RETAIL PROPERTIES

Property	Address	Property Owner Immediately Prior To Effective Time
Avenue at White Marsh Parking	8207 Town Center Drive, Baltimore County, MD	Retail Properties Business Trust
8019 Honeygo Blvd — groundlease — Bertucci's	8019 Honeygo Blvd, Baltimore County, MD	Retail Properties Business Trust
8132 Corporate Drive — groundlease — Red Lobster	8132 Corporate Drive, Baltimore County, MD	Retail Properties Business Trust
4921 Campbell Blvd — groundlease — TGI Friday's	4921 Campbell Blvd, Baltimore County, MD	Retail Properties Business Trust
4924 Campbell Blvd — groundlease — Johns Hopkins	4924 Campbell Blvd, Baltimore County, MD	Retail Properties Business Trust
4930 Campbell Blvd — groundlease — JHU — Phase 2	4930 Campbell Blvd, Baltimore County, MD	Retail Properties Business Trust
5302 Campbell Blvd — groundlease — McDonald's II	5302 Campbell Blvd, Baltimore County, MD	Retail Properties Business Trust
4965-4967 Campbell Blvd — groundlease — Hilton Garden Inn	4965-4967 Campbell Blvd, Baltimore County, MD	Retail Properties Business Trust
5100 Campbell Blvd — groundlease — M&T Bank	5100 Campbell Blvd, Baltimore County, MD	Retail Properties Business Trust
5154 Campbell Blvd — groundlease — Chick-fil-A	5154 Campbell Blvd, Baltimore County, MD	Retail Properties Business Trust
5250 Campbell Blvd — groundlease — BP/Subway	5250 Campbell Blvd, Baltimore County, MD	Retail Properties Business Trust
5260 Campbell Blvd — groundlease — SunTrust Bank	5260 Campbell Blvd, Baltimore County, MD	Retail Properties Business Trust
5340 Campbell Blvd — groundlease — BCSB	5340 Campbell Blvd, Baltimore County, MD	Retail Properties Business Trust
5300 Campbell Blvd — groundlease — Lowe's	5300 Campbell Blvd, Baltimore County, MD	Retail Properties Business Trust
5110 Campbell Blvd — groundlease — Panera Bread	5110 Campbell Blvd, Baltimore County, MD	Nottingham Square Business Trust

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Shoppes at Nottingham Square 1	5270 Campbell Boulevard, Baltimore County, MD	Shoppes at Nottingham Square Business Trust
Shoppes at Nottingham Square 2	5350 Campbell Boulevard, Baltimore County, MD	Campbell-Philadelphia Business Trust
White Marsh Plaza	District 14, Acct. No. 1900001897, Perry Hall Boulevard Baltimore County, MD	White Marsh Plaza Business Trust White Marsh Plaza Limited Partnership White Marsh Plaza, LLC
The Avenue at White Marsh*	8101 Honeygo Boulevard, Baltimore County, MD	The Avenue at White Marsh Business Trust

Notes

1. All are improved by buildings.
2. NVI owns 100% of the ownership interests in each of the Property Owners in the last column, except as shown below.

* NVI owns 100% of The Avenue at White Marsh Business Trust. However, The Avenue at White Marsh Business Trust owns only a 30% tenancy-in-common interest in The Avenue at White Marsh.

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SCHEDULE 4

NPI EXCHANGE PROPERTIES

Property Class	Property1	Address	Property Owner Immediately Prior To Effective Time
D.1	Tyler Ridge II — Leasehold Interest	8007 Corporate Drive, Baltimore County, MD	Tyler Ridge II Improvements Business Trust
D.2	Tyler Ridge III — Leasehold Interest	7941 Corporate Drive, Baltimore County, MD	Tyler Ridge III Improvements Business Trust
D.3	Allegheny Parking Facility and (Tax Parcel No. 09-0914652094) (L)	111 West Allegheny Avenue, Baltimore County, MD and 117 West Allegheny Avenue, Baltimore County, MD	Allegheny Parking Business Trust
D.4	Campbell Building	100 West Pennsylvania Avenue, Baltimore County, MD	Campbell Building Business Trust
D.5	Royston Building	102 West Pennsylvania Avenue, Baltimore County, MD	Royston Building Business Trust
D.6	Lot 3A — In front of Residence Inn (L)	4960 Mercantile Road, Baltimore County, MD	Lot 3A Business Trust
D.7	Philadelphia Rd./Rt. 43 (28.53 acres) (L) (Tax Parcel No. 11-1114066244)	Philadelphia Road, Baltimore County, MD	Philadelphia Road Business Trust
E.2	Riverwood Business Center	7150 Riverwood Drive, Howard County, MD	Riverwood Business Center Equity Affiliates, LLC
E.3	216 Schilling Center	216 Schilling Circle, Baltimore County, MD	Schilling 216 Investors, LLC
E.4	Ridgely's Choice	8623 Ridgely's Choice Drive, Baltimore County, MD	Ridgely's Choice Business Trust
G.4	Schilling Center	222 Schilling Circle (222-224 Schilling Cir.), Baltimore County, MD	Schilling Center Equities, LLC
G.5	Professional Center I	7939 Honeygo Boulevard, Baltimore County, MD	Honeygo Limited Partnership I, LLLP
G.6	Professional Center II	7923 Honeygo Boulevard, Baltimore County, MD	Honeygo Limited Partnership II, LLLP
G.7	Professional Center III	8133 Perry Hall Boulevard, Baltimore County, MD	Honeygo Limited Partnership III, LLLP

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G.8	White Marsh Business Center	5020 Campbell Boulevard (WMBC I) 5022 Campbell Boulevard (WMBC II) 5026 Campbell Boulevard (WMBC III) 5024 Campbell Boulevard (WMBC IV), Baltimore County, MD	White Marsh Business Center Limited Partnership (White Marsh Business Center)
G.11	Tyler Ridge I	8011 Corporate Drive, Baltimore County, MD	Tyler Ridge I Business Trust

Notes

1. All are improved by buildings, except for those marked with an "L" which are land only.
2. NPI owns 100% of the ownership interests in each of the Property Owners in the last column, except as shown below.
- G.5. Honeygo Limited Partnership I, LLLP shall be owned by Professional Center I, LLC (1% general partner) and NPI (99% limited partner). NPI shall own 100% of Professional Center I, LLC.
- G.6. Honeygo Limited Partnership II, LLLP shall be owned by White Marsh Professional Center II, LLC (1% general partner) and NPI (99% limited partner). NPI shall own 100% of White Marsh Professional Center II, LLC.
- G.7. Honeygo Limited Partnership III, LLLP shall be owned by Professional Center III, LLC (1% general partner) and NPI (99% limited partner). NPI shall own 100% of Professional Center III, LLC.
- G.8. White Marsh Business Center Limited Partnership shall be owned by White Marsh Business Center, LLC (1% general partner) and NPI (99% limited partner). NPI shall own 100% of White Marsh Business Center, LLC. NPI shall also own 100% of White Marsh Business Center 2 Business Trust.

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SCHEDULE 5

ASSUMED LOANS

Lender/ Origination Date/ Loan Amount	Property Securing Loan	Property Owner	Loan Balance December 1, 2006
State Farm Bank 6/24/2005 \$6,000,000	Franklin Ridge IV (Property C.5)	Franklin Ridge No. 4 Business Trust	\$ 5,884,138
State Farm Life Insurance Co. 7/28/2006 \$6,000,000	7272 Park Circle (Property G.3)	Park Circle Equities, LLC	\$ 5,966,778

* This figure represents 100% of the outstanding loan balance at December 1, 2006 and the entire loan constitutes an Assumed Loan, even though a 43.7% interest in the partnership will have been purchased pursuant to the PSA.

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Exhibit A.
CORPORATE OFFICE PROPERTIES TRUST

**ARTICLES SUPPLEMENTARY
ESTABLISHING AND FIXING THE RIGHTS AND PREFERENCES
OF
SERIES K CUMULATIVE REDEEMABLE CONVERTIBLE PREFERRED SHARES
(PAR VALUE \$0.01 PER SHARE)**

CORPORATE OFFICE PROPERTIES TRUST, a Maryland real estate investment trust (hereinafter called the "Trust"), having its principal office in Columbia, Maryland, hereby certifies to the State Department of Assessments and Taxation of the State of Maryland that:

FIRST: Pursuant to authority expressly vested in the Board of Trustees of the Trust by Article VI of the Declaration of Trust of the Trust, as amended to date and as the same may be amended hereafter from time to time (the "Declaration of Trust"), and in accordance with Section 2-208(b) of the Maryland General Corporation Law, the Board of Trustees has duly classified _____ authorized but unissued preferred shares of beneficial interest of the Trust (the "Preferred Shares") into a series designated as 5.60% Series K Cumulative Redeemable Convertible Preferred Shares, par value \$0.01 per share, and has provided for the issuance of such class by adoption of a resolution in the form of Article Third hereof effective as of December _____, 2006.

SECOND: The classification increases the number of shares classified as 5.60% Series K Cumulative Redeemable Convertible Preferred Shares, par value \$0.01 per share, from no shares immediately prior to the classification to _____ shares immediately after the classification. The classification decreases the number of unclassified Preferred Shares from 4,660,000 to _____.

THIRD: The terms of the 5.60% Series K Cumulative Redeemable Convertible Preferred Shares (including the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, or terms or conditions of redemption) as set by the Board of Trustees are as follows:

1. NUMBER OF SHARES AND DESIGNATION.

This series of Preferred Shares shall be designated as 5.60% Series K Cumulative Redeemable Convertible Preferred Shares, par value \$0.01 per share (the "Series K Preferred Shares"), and _____ shares shall be the authorized number of such Series K Preferred Shares constituting such series. The designations, powers, preferences and relative participating, optional or other special rights, and the qualifications, limitations or restrictions, of the Series K Preferred Shares shall be subject in all cases to the provisions of Article VII of the Declaration of Trust regarding limitations on beneficial ownership of the Trust's equity securities.

2. DEFINITIONS.

For purposes of the Series K Preferred Shares, the following terms shall have the meanings indicated:

"Affiliate" of a Person means a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified.

"Board of Trustees" shall mean the Board of Trustees of the Trust or any committee authorized by such Board of Trustees to perform any of its responsibilities with respect to the Series K Preferred Shares; provided, that for purposes of Section 8(a) of this Article, the term "Board of Trustees" shall not include any such committee.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York, New York are not required to be open.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto. Reference to any provision of the Code shall mean such provision as in effect from time to time, as the same may be amended, and any successor thereto, as interpreted by any applicable regulations or other administrative pronouncements as in effect from time to time.

"Common Shares" shall mean the common shares of beneficial interest, par value \$0.01 per share, of the Trust.

"Calculation Price" shall have the meaning set forth in the Purchase Agreement.

"Current Market Price" of publicly traded Common Shares or any other class or series of capital shares or other security of the Trust or of any similar security of any other issuer for any day shall mean the last reported sales price, regular way settlement on such day, or, if no sale takes place on such day, the average of the reported closing bid and asked prices regular way on such day, in either case as reported on the New York Stock Exchange ("NYSE") or, if such security is not listed or admitted for trading on the NYSE, on the principal national securities exchange on which such security is listed or admitted for trading or, if not listed or admitted for trading on any national securities exchange, the average of the closing bid and asked prices on such day in the over-the-counter market as reported by the NASDAQ Stock Market, Inc. ("NASDAQ") or, if bid and asked prices for such security on such day shall not have been reported through NASDAQ, the average of the bid and asked prices on such day as furnished by any NYSE member firm regularly making a market in such security selected for such purpose by the Chief Executive Officer of the Trust or the Trustees or if any class or series of securities are not publicly traded, the fair value of the shares of such class as determined reasonably and in good faith by the Trustees.

“Dividend Payment Date” shall mean January 15, April 15, July 15 and October 15 of each year; provided, that if any Dividend Payment Date falls on any day other than a Business Day, the dividend payment payable on such Dividend Payment Date shall be paid on the Business Day immediately following such Dividend Payment Date and no interest shall accrue on such dividend from such date to such Dividend Payment Date.

“Dividend Periods” shall mean the Initial Dividend Period and each subsequent quarterly dividend period commencing on and including January 15, April 15, July 15 and October 15 of each year and ending on and including the day preceding the first day of the next succeeding Dividend Period, other than the Dividend Period during which any Series K Preferred Shares shall be redeemed pursuant to Section 5 of this Article, which shall end on and include the Redemption Date with respect to the Series K Preferred Shares being redeemed.

“Dividend Record Date” shall have the meaning set forth in Section 3(a) of this Article.

“Equity Shares” shall mean shares of any class or series of shares of beneficial ownership in the Trust.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Initial Dividend Period” shall mean the period commencing on and including the Issue Date and ending on and including April 14, 2007.

“Issue Date” shall mean December , 2006.

“Junior Shares” shall have the meaning set forth in Section 8(a) of this Article.

“Liquidation Preference” shall have the meaning set forth in Section 4(a) of this Article.

“Operating Partnership” shall mean Corporate Office Properties, L.P., a Delaware limited partnership.

“Parity Shares” shall have the meaning set forth in Section 8(b) of this Article.

“Person” shall mean an individual, corporation, partnership, estate, trust (including a trust qualifying under Section 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, “private foundation,” within the meaning of Section 509(a) of the Code, joint stock company or other entity, and also includes a “group,” as that term is used for purposes of Section 13(d)(3) of the Exchange Act, and a group to which an Excepted Holder Limit (as defined in Article VII of the Declaration of Trust) applies.

“Purchase Agreement” shall mean that certain Purchase Agreement and Agreement and Plan of Merger, dated as of , 2006, by and among the Trust, the Operating Partnership, W&M Business Trust, a Maryland business trust and Nottingham Village, Inc., a Maryland corporation.

“Redemption Date” shall mean, in the case of any redemption of any Series K Preferred Shares, the date fixed for redemption of such shares.

“Redemption Notice” shall have the meaning set forth in Section 5(e) of this Article.

“Redemption Price” shall mean, with respect to any Series K Preferred Shares to be redeemed, a cash payment equal to 100% of the Liquidation Preference thereof plus all accrued and unpaid dividends, if any, to the Redemption Date.

“REIT” shall mean a “real estate investment trust,” as defined in Section 856 of the Code.

“Senior Shares” shall have the meaning set forth in Section 7(c) of this Article.

“Series G Preferred Shares” shall mean the Trust’s 8% Series G Cumulative Redeemable Preferred Shares of beneficial interest, par value \$0.01 per share.

“Series H Preferred Shares” shall mean the Trust’s 7.5% Series H Cumulative Redeemable Preferred Shares of beneficial interest, par value \$0.01 per share.

“Series J Preferred Shares” shall mean the Trust’s 7.625% Series E Cumulative Redeemable Preferred Shares of beneficial interest, par value \$0.01 per share.

“Set apart for payment” shall be deemed to include, without any action other than the following, the recording by the Trust in its accounting ledgers of any accounting or bookkeeping entry which indicates, pursuant to a declaration of dividends or other distribution by the Board of Trustees, the allocation of funds to be so paid on any series or class of Equity Shares of the Trust; provided, that the funds are actually available for and have been segregated for such purpose; provided, further, that if any funds for any class or series of Junior Shares or any class or series of Parity Shares are placed in a separate account of the Trust or delivered to a disbursing, paying or other similar agent, then “set apart for payment” with respect to the Series K Preferred Shares shall mean placing such funds in a separate account or delivering such funds to a disbursing, paying or other similar agent.

“Transfer Agent” means Wells Fargo & Company or such transfer agent as may be designated from time to time by the Board of Trustees or its designee as the transfer agent for the Series K Preferred Shares.

“Trustee” shall mean a member of the Board of Trustees.

“Voting Parity Shares” shall have the meaning set forth in Section 8(a) of this Article.

3. DIVIDENDS.

(a) The holders of Series K Preferred Shares shall be entitled to receive, when, as and if declared by the Board of Trustees, out of funds legally available for the payment of dividends, quarterly cash dividends on the Series K Preferred Shares at the rate of 5.60% of the Liquidation Preference per year (\$2.80 per share per year). Such dividends shall accrue and be cumulative from the Issue Date, whether or not in any Dividend Period or Periods such dividends shall be declared or there shall be funds of the Trust legally available for the payment of such dividends, and shall be payable quarterly in arrears on each Dividend Payment Date, commencing on April 15, 2007. Each such dividend shall be payable in arrears to the holders of record of the Series K Preferred Shares, as they appear on the share records of the Trust at the close of business on the applicable record date (the “Dividend Record Date”), which shall be fixed by the Board of Trustees and which shall be not more than 60 days nor less than 10

days prior to each such Dividend Payment Date. The Dividend Record Date for the dividend payable on April 15, 2007 shall be _____, 2007. Accrued and unpaid dividends for any past Dividend Periods may be declared and paid at any time, without reference to any regular Dividend Payment Date, to holders of record on such date, which date shall not precede by more than 45 days nor less than 15 days the payment date thereof, as may be fixed by the Board of Trustees.

(b) Any dividend payable on the Series K Preferred Shares for any partial Dividend Period shall be computed ratably on the basis of twelve 30-day months and a 360-day year. Holders of Series K Preferred Shares shall not be entitled to any dividends in excess of full cumulative dividends, as herein provided, on the Series K Preferred Shares. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series K Preferred Shares that may be in arrears.

(c) So long as any of the Series K Preferred Shares are outstanding, when dividends are not paid in full upon the Series K Preferred Shares or any other class or series of Parity Shares, or a sum sufficient for such payment is not set apart for payment, all dividends declared upon the Series K Preferred Shares and any Parity Shares shall be declared ratably in proportion to the respective amounts of dividends accrued and unpaid on the Series K Preferred Shares and accrued and unpaid on such Parity Shares. Except as set forth in the preceding sentence, unless dividends on the Series K Preferred Shares equal to the full amount of accrued and unpaid dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for such payment, for all past dividends periods, no dividends shall be declared or paid or set apart for payment by the Trust and no other distribution of cash or other property may be declared or made, directly or indirectly, by the Trust with respect to any Parity Shares.

(d) So long as any of the Series K Preferred Shares are outstanding, unless dividends equal to the full amount of all accrued and unpaid dividends on the Series K Preferred Shares have been paid, or declared and set apart for payment, for all past dividend periods, no dividends (other than dividends or distributions paid in Junior Shares or options, warrants or rights to subscribe for or purchase Junior Shares) may be declared or paid or set apart for payment by the Trust and no other distribution of cash or other property may be declared or made, directly or indirectly, by the Trust with respect to any Junior Shares, nor shall any Junior Shares be

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redeemed, purchased or otherwise acquired (except for a redemption, purchase or other acquisition of Common Shares made for purposes of an employee incentive or benefit plan of the Trust or a subsidiary of the Trust) for any consideration (or any monies be paid to or made available for a sinking fund for the redemption of any such Junior Shares), directly or indirectly, by the Trust (except by conversion into or exchange for Junior Shares, or options, warrants or rights to subscribe for or purchase Junior Shares), nor shall any other cash or other property be paid or distributed to or for the benefit of holders of Junior Shares.

(e) Notwithstanding the provisions of this Section 3, the Trust shall not be prohibited from (i) declaring or paying or setting apart for payment any dividend or distribution on any Parity Shares or (ii) redeeming, purchasing or otherwise acquiring any Parity Shares, in each case, if such declaration, payment, redemption, purchase or other acquisition is necessary in order to maintain the continued qualification of the Trust as a REIT under Section 856 of the Code.

4. LIQUIDATION PREFERENCE.

(a) Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Trust, before any payment or distribution by the Trust shall be made to or set apart for payment to the holders of any Junior Shares, the holders of Series K Preferred Shares shall be entitled to receive a liquidation preference of fifty dollars (\$50.00) per Series K Preferred Share (the "Liquidation Preference"), plus an amount equal to all accrued and unpaid dividends (whether or not earned or declared) to the date of final distribution to such holders; but such holders shall not be entitled to any further payment. Until the holders of the Series K Preferred Shares have been paid the Liquidation Preference in full, plus an amount equal to all accrued and unpaid dividends (whether or not earned or declared) to the date of final distribution to such holders, no payment will be made to any holder of Junior Shares upon the liquidation, dissolution or winding-up of the Trust. If, upon any liquidation, dissolution or winding-up of the Trust, the assets of the Trust, or proceeds thereof, distributable among the holders of Series K Preferred Shares shall be insufficient to pay in full the Liquidation Preference and liquidating payments on any other shares of any class or series of Parity Shares, then such assets, or the proceeds thereof, shall be distributed among the holders of Series K Preferred Shares and any such other Parity Shares ratably in the same proportion as the respective amounts that would be payable on such Series K Preferred Shares and any such other Parity Shares if all amounts payable thereon were paid in full. For the purposes of this Section 4, a voluntary or involuntary liquidation, dissolution or winding-up of the Trust shall not include (i) a consolidation or merger of the Trust with or into one or more other entities, (ii) a sale or transfer of all or substantially all of the Trust's assets, or (iii) a statutory share exchange.

(b) Upon any liquidation, dissolution or winding-up of the Trust, after payment shall have been made in full to the holders of Series K Preferred Shares and any Parity Shares, as provided in Section 4(a) of this Article, any other series or class or classes of Junior Shares shall, subject to the respective terms thereof, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series K Preferred Shares and any Parity Shares shall not be entitled to share therein.

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5. REDEMPTION

(a) Except as set forth in Section 5(b) of this Article below or as set forth in Article VII of the Declaration of Trust that is incorporated by reference herein (relating to share ownership limitations in order to preserve REIT status), the Series K Preferred Shares shall not be redeemable by the Trust prior to December _____, 2016. On or after December _____, 2016, the Trust, at its option, may redeem Series K Preferred Shares, in whole or from time to time in part, at the Redemption Price.

(b) In the event of a redemption of Series K Preferred Shares, if the Redemption Date occurs after a Dividend Record Date and on or prior to the related Dividend Payment Date, the dividend payable on such Dividend Payment Date in respect of such shares called for redemption shall be payable on such Dividend Payment Date to the holders of record at the close of business on such Dividend Record Date and shall not be payable as part of the Redemption Price for such shares. If full cumulative dividends on all outstanding Series K Preferred Shares have not been paid or declared and set apart for payment, no Series K Preferred Shares may be redeemed unless all outstanding Series K Preferred Shares are simultaneously redeemed and neither the Trust nor any Affiliate of the Trust may purchase or acquire Series K Preferred Shares, otherwise than pursuant to a purchase or exchange offer made on the same terms to all holders of Series K Preferred Shares.

(c) If fewer than all the outstanding Series K Preferred Shares are to be redeemed, the Trust will select those Series K Preferred Shares to be redeemed pro rata in proportion to the numbers of Series K Preferred Shares held by holders (with adjustment to avoid redemption of fractional shares) or by lot or in such other manner as the Board of Trustees may determine. If fewer than all Series K Preferred Shares represented by any certificate (which may include a global certificate) are redeemed, then a new certificate (including, if appropriate, a new global certificate) representing the unredeemed Series K Preferred Shares shall be issued without cost to the holders thereof.

(d) If the Trust shall redeem Series K Preferred Shares pursuant to this Section 5, notice of the redemption shall be mailed by the Trust not less than 30 days nor more than 60 days prior to the Redemption Date to each holder of record of the Series K Preferred Shares to be redeemed (the "Redemption Notice"). Such Redemption Notice shall be provided by first class mail, postage prepaid, at such holder's address as the same appears on the share records of the Trust. Neither the failure to mail the Redemption Notice, nor any defect therein or in the mailing thereof to any particular holder, shall affect the sufficiency of the Redemption Notice or the validity of the proceedings for redemption with respect to the other holders. A Redemption Notice which has been mailed in the manner herein provided shall be conclusively presumed to have been duly given on the date mailed whether or not the holder receives the Redemption Notice. Each Redemption Notice shall state, as appropriate: (i) the Redemption Date; (ii) the number of Series K Preferred Shares to be redeemed; (iii) the manner in which Series K Preferred Shares are to be surrendered, including the requisite form of documentation for such surrender of Series K Preferred Shares to the Trust; and (iv) the Redemption Price payable on such Redemption Date, including, without limitation, a

next Dividend Payment Date to the record holder at the close of business on the relevant Record Date as described in the next succeeding sentence. A Redemption Notice having been mailed as aforesaid, from and after the Redemption Date (unless the Trust shall fail to set apart for payment the amount of cash necessary to effect such redemption), (i) dividends on the Series K Preferred Shares so called for redemption shall cease to accrue on said shares, (ii) said shares shall no longer be deemed to be outstanding, and (iii) all rights of the holders thereof as holders of Series K Preferred Shares shall cease, except (a) the right to receive the Redemption Price, without interest thereon, and (b) if the Redemption Date for any Series K Preferred Shares occurs after any Dividend Record Date and on or prior to the related Dividend Payment Date, the full dividend payable on such Dividend Payment Date in respect of such Series K Preferred Shares called for redemption shall be payable on such Dividend Payment Date to the holders of record of such shares at the close of business on the corresponding Dividend Record Date notwithstanding the prior redemption of such shares. The Trust's obligation to make available the cash necessary to effect such redemption in accordance with the preceding sentence shall be deemed fulfilled if, on or before the applicable Redemption Date, the Trust shall irrevocably deposit in trust with a bank or trust company (which may not be an Affiliate of the Trust) that has, or is an Affiliate of a bank or trust company that has, a capital and surplus of at least \$50,000,000, such amount of cash as is necessary for such redemption plus, if such Redemption Date occurs after any Dividend Record Date and on or prior to the related Dividend Payment Date, such amount of cash as is necessary to pay the dividend payable on such Dividend Payment Date in respect of such Series K Preferred Shares called for redemption, with irrevocable instructions that such cash be applied to the redemption of the Series K Preferred Shares so called for redemption and, if applicable, the payment of such dividend. No interest shall accrue for the benefit of the holders of Series K Preferred Shares to be redeemed on any cash so set aside by the Trust. Subject to applicable escheat laws, any such cash unclaimed at the end of two years from the Redemption Date shall revert to the general funds of the Trust, after which reversion the holders of Series K Preferred Shares so called for redemption shall look only to the general funds of the Trust for the payment of such cash. As promptly as practicable after the surrender in accordance with the Redemption Notice of any such Series K Preferred Shares to be so redeemed (in the case of certificated shares, properly endorsed or assigned for Transfer, if the Trust shall so require and the Redemption Notice shall so state), such surrendered Series K Preferred Shares shall be exchanged for cash (without interest thereon) for which such Series K Preferred Shares have been redeemed in accordance with such Redemption Notice.

6. CONVERSION AT OPTION OF THE HOLDER.

Holders of Series K Preferred Shares shall have the right to convert all or a portion of such shares into Common Shares, as follows:

(a) Subject to and upon compliance with the provisions of this Section 6, a holder of Series K Preferred Shares shall have the right, at such holder's option, at any time, to convert such shares, in whole or in part, into the number of fully paid and nonassessable shares of authorized but previously unissued Common Shares obtained by dividing (1) an amount equal to the aggregate Liquidation Preference of the Series K Preferred Shares to be converted by (2) an amount equal to (A) the Calculation Price multiplied by (B) 1.25. Such conversion shall be caused by the surrender of such shares to be converted, such surrender to be made in the manner

provided in Section 6(b) of this Article.

(b) In order to exercise the conversion right, the holder of each Series K Preferred Share to be converted shall surrender the certificate representing such shares, duly endorsed or assigned to the Trust or in blank, at the office of the Transfer Agent, accompanied by written notice to the Trust that the holder thereof elects to convert such Series K Preferred Shares. Unless the shares issuable on conversion are to be issued in the same name as the name in which such Series K Preferred Shares are registered, each share surrendered for conversion shall be accompanied by instruments of transfer, in form reasonably satisfactory to the Trust, duly executed by the holder or such holder's duly authorized attorney, and an amount sufficient to pay any transfer or similar tax (or evidence reasonably satisfactory to the Trust demonstrating that such taxes have been paid) as required by Section 6(j) of this Article. As promptly as practicable after the surrender of certificates for Series K Preferred Shares as aforesaid, the Trust shall issue and shall deliver at such office to such holder, or send on such holder's written order, a certificate or certificates for the number of full Common Shares issuable upon the conversion of such Series K Preferred Shares in accordance with provisions of this Section 6, and any fractional interest in respect of a Common Share arising upon such conversion shall be settled as provided in Section 6(c) of this Article. If all Series K Preferred Shares evidenced by any certificate are not converted, the Trust shall issue and deliver at such office to such holder a certificate for the remaining Series K Preferred Shares not converted. Each conversion shall be deemed to have been effected immediately prior to the close of business on the date on which the certificates for Series K Preferred Shares shall have been surrendered and such notice received by the Trust as aforesaid, and the Person or Persons in whose name or names any certificate or certificates for Common Shares shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares represented thereby at such time on such date unless the share transfer books of the Trust shall be closed on that date, in which event such Person or Persons shall be deemed to have become such holder or holders of record at the close of business on the next succeeding day on which such transfer books are open, provided that such closure of the share transfer books shall not delay the date on which such Person shall become a holder of such shares by more than two Business Days.

(c) No fractional Common Share or scrip representing fractions of a Common Share shall be issued upon conversion of the Series K Preferred Shares. Instead of any fractional interest in a Common Share that would otherwise be deliverable upon the conversion of Series K Preferred Shares, the Trust shall pay to the holder of such share an amount in cash based upon the Current Market Price of the Common Shares on the Trading Day immediately preceding the date of conversion. If more than one share shall be surrendered for conversion at one time by the same holder, the number of full Common Shares issuable upon conversion thereof shall be computed on the basis of the aggregate number of Series K Preferred Shares so surrendered.

(d) If the Trust shall be a party to any transaction (including without limitation a merger, consolidation, statutory share exchange or reclassification of the Common Shares (each of the foregoing being referred to herein as a "Transaction")), in each case as a result of which Common Shares shall be converted into the right to receive shares, securities or other property (including cash or any combination thereof), each Series K Preferred Share which is not converted into the right to receive shares, securities or other property in connection with such

Transaction shall thereupon be convertible into the kind and amount of shares, securities and other property (including cash or any combination thereof) receivable upon such consummation by a holder of that number of Common Shares into which one Series K Preferred Share was convertible immediately prior to such Transaction. The Trust shall not be a party to any Transaction unless the terms of such Transaction are consistent with the provisions of this Section 6(d), and it shall not consent or agree to the occurrence of any Transaction until the Trust has entered into an agreement with the successor or purchasing entity, as the case may be, for the benefit of the holders of the Series K Preferred Shares that will contain provisions enabling the holders of the Series K Preferred Shares that remain outstanding after such Transaction to convert into the consideration received by holders of Common Shares in accordance with the conversion rate established pursuant to Section 6(a) of this Article, as it may be adjusted pursuant to this Section 6. The provisions of this Section 6(d) shall similarly apply to successive Transactions.

(e) If there shall be any reclassification of the Common Shares or any consolidation or merger to which the Trust is a party and for which approval of any shareholders of the Trust is required, or a statutory share exchange, or the voluntary or involuntary liquidation, dissolution and winding up of the Trust, then the Trust shall

cause to be mailed to each holder of Series K Preferred Shares at such holder's address as shown on the records of the Trust, as promptly as possible, but at least 15 days prior to the applicable date hereinafter specified, a notice stating the date on which such reclassification, consolidation, merger, statutory share exchange or liquidation, dissolution and winding up is expected to become effective, and the date as of which it is expected that holders of Common Shares of record shall be entitled to exchange their Common Shares for securities or other property, if any, deliverable upon such event. Failure to give or receive such notice or any defect therein shall not affect the legality or validity of the proceedings described in this Section 6.

(f) (i) In the event the Trust should at any time or from time to time after the date of issuance of the Series K Preferred Shares fix a record date for the effectuation of a split or subdivision of the outstanding Common Shares or the determination of holders of Common Shares entitled to receive a dividend or other distribution payable in additional Common Shares without payment of any consideration by such holder for the additional Common Shares, then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Calculation Price shall be appropriately decreased so that the number of Common Shares issuable on conversion of each Series K Preferred Share shall be increased in proportion to such increase of outstanding Common Shares. If the number of Common Shares outstanding at any time after the date of issuance of the Series K Preferred Shares is decreased by a combination of the then outstanding Common Shares, then, following the record date of such combination (or the date of such combination if no record date is fixed), the Calculation Price for the Series K Preferred Shares shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each Series K Preferred Share shall be decreased in proportion to such decrease in outstanding Common Shares. Whenever the Calculation Price is adjusted as herein provided, the Trust shall promptly file with the Transfer Agent an officer's certificate setting forth the Calculation Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment which certificate shall be conclusive evidence of the correctness of such adjustment absent manifest error. Promptly after delivery of

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such certificate, the Trust shall prepare a notice of such adjustment setting forth the adjusted Calculation Price and the effective date such adjustment becomes effective and shall mail such notice of such adjustment to each holder of Series K Preferred Shares at such holder's last address as shown on the share records of the Trust.

(ii) In the event the Trust at any time, or from time to time, shall make or issue, or fix a record date for the determination of holders of Common Shares entitled to receive, a dividend or other distribution payable in securities of the Trust other than Common Shares, then and in each such event, provision shall be made so that the holders of Series K Preferred Shares shall receive upon conversion thereof, in addition to the number of Common Shares receivable thereupon, the amount of securities of the Trust which they would have received had their Series K Preferred Shares been converted into Common Shares on the date of such event and had thereafter, during the period from the date of such event to and including the date of conversion, retained such securities receivable by them as aforesaid during such period, giving application to all adjustments called for during such period under this Section 6(f) with respect to the rights of the holders of Series K Preferred Shares.

(g) In any case in which Section 6(f) of this Article provides that an adjustment shall become effective on the day next following the record date for an event, the Trust may defer until the occurrence of such event (A) issuing to the holder of any Series K Preferred Share converted after such record date and before the occurrence of such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event over and above the Common Shares issuable upon such conversion before giving effect to such adjustment and (B) paying to such holder any amount of cash in lieu of any fraction pursuant to Section 6(c) of this Article; provided, however, that the holder of such Series K Preferred Shares shall be entitled to such additional Common Shares and cash, as applicable, upon such event.

(h) There shall be no adjustment of the Calculation Price in case of the issuance of any capital shares of the Trust, including issuance in connection with a reorganization, acquisition or other similar transaction except as specifically set forth in this Section 6. If any action or transaction would require adjustment of the Calculation Price pursuant to more than one paragraph of this Section 6, only one adjustment shall be made and such adjustment shall be the amount of adjustment that has the highest absolute value to the holder of Series K Preferred Shares.

(i) The Trust shall at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued Common Shares solely for the purpose of effecting conversion of the Series K Preferred Shares, the full number of Common Shares deliverable upon the conversion of all outstanding Series K Preferred Shares not theretofore converted into Common Shares. For purposes of this Section 6(i), the number of Common Shares that shall be deliverable upon the conversion of all outstanding Series K Preferred Shares shall be computed as if at the time of computation all such outstanding shares were held by a single holder. The Trust covenants that any Common Shares issued upon conversion of the Series K Preferred Shares shall be validly issued, fully paid and non-assessable. The Trust shall list the Common Shares required to be delivered upon conversion of the Series K Preferred Shares, prior to such delivery, upon each national securities exchange, if any, upon which the

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outstanding Common Shares are listed at the time of such delivery.

(j) The Trust will pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of Common Shares or other securities or property on conversion of Series K Preferred Shares pursuant hereto; provided, however, that the Trust shall not be required to pay any tax that may be payable in respect of any transfer involved in the issue or delivery of Common Shares or other securities or property in a name other than that of the holder of the Series K Preferred Shares to be converted, and no such issue or delivery shall be made unless and until the Person requesting such issue or delivery has paid to the Trust the amount of any such tax or established, to the reasonable satisfaction of the Trust, that such tax has been paid.

7. STATUS OF REACQUIRED SHARES.

All Series K Preferred Shares that have been issued and are reacquired in any manner by the Trust (including, without limitation, Series K Preferred Shares which are redeemed) shall be returned to the status of authorized but unissued Preferred Shares, without designation as to series. The Trust may also retire any unissued Series K Preferred Shares, and such shares shall then be restored to the status of authorized but unissued Preferred Shares without designation as to series. In no event shall any retired Series K Preferred Shares, or any other retired Preferred Shares, be reissued as Series K Preferred Shares.

8. RANKING.

The Series K Preferred Shares will, with respect to dividend rights and rights upon the liquidation, dissolution or winding-up of the Trust, rank:

(a) prior or senior to the Common Shares and any other class or series of the Trust's Equity Shares authorized or designated in the future if the holders of Series K Preferred Shares shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding-up in preference or priority to the holders of shares of such class or series ("Junior Shares");

(b) on a parity with the Series G Preferred Shares, Series H Preferred Shares, Series J Preferred Shares and any other class or series of the Trust's Equity Shares authorized or designated in the future if, by the terms of such class or series, the holders of such class or series of securities and the Series K Preferred Shares shall be entitled to the receipt of dividends and of amounts distributable upon liquidation, dissolution or winding-up in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation preferences, without preference or priority of one over the other ("Parity Shares"); and

(c) junior to any class or series of Equity Shares authorized or designated in the future if, by the terms of such class or series, the holders of such class or series shall be entitled to the receipt of dividends and amounts distributable upon liquidation, dissolution or winding-up in preference or priority to the holders of the Series K Preferred Shares (“Senior Shares”).

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9. VOTING.

(a) If and whenever six (6) quarterly dividends (whether or not consecutive) payable on the Series K Preferred Shares or any series or class of Parity Shares shall be in arrears (which shall, with respect to any such quarterly dividend, mean that any such dividend has not been paid in full), whether or not declared, the number of Trustees then constituting the Board of Trustees shall be increased by two (if not already increased by reason of similar types of provisions with respect to Parity Shares of any other class or series which is entitled to similar voting rights (the “Voting Parity Shares”); without limiting the foregoing, the Series G Preferred Shares, Series H Preferred Shares and Series J Preferred Shares shall be deemed to be entitled to voting rights similar to the Series K Preferred Shares) and the holders of Series K Preferred Shares, together with the holders of all other Voting Parity Shares then entitled to exercise similar voting rights, voting as a single class regardless of series or class, shall be entitled to elect the two additional Trustees to serve on the Board of Trustees at any annual meeting of shareholders or at a special meeting of the holders of the Series K Preferred Shares and the Voting Parity Shares called as hereinafter provided. At any time when such right to elect Trustees separately shall have been so vested in the holders of Series K Preferred Shares and the Voting Parity Shares, if applicable, the Secretary of the Trust may, and upon the written request of the holders of record of not less than 20% of the total number of Series K Preferred Shares and Voting Parity Shares (addressed to the Secretary at the principal office of the Trust) shall, call a special meeting of the holders of the Series K Preferred Shares and of the Voting Parity Shares for the election of the two Trustees to be elected by them as herein provided, such call to be made by notice similar to that provided in the Bylaws of the Trust for a special meeting of the shareholders or as required by law. Such special meeting shall be held, in the case of such written request, within 90 days after the delivery of such request, provided that the Trust shall not be required to call such a special meeting if such request is received less than 120 days before the date fixed for the next ensuing annual meeting of shareholders and the holders of the Series K Preferred Shares and Voting Parity Share are offered the opportunity to elect such Trustees at such annual meeting. The Trustees elected at any such special meeting shall hold office until the next annual meeting of the shareholders or special meeting held in lieu thereof if such office shall not have previously terminated as provided herein. If any vacancy shall occur among the Trustees elected by the holders of the Series K Preferred Shares and the Voting Parity Shares by reason of death, resignation or disability, a successor shall be elected by the Board of Trustees, upon the nomination of the then-remaining Trustee elected by the holders of the Series K Preferred Shares and the Voting Parity Shares or the successor of such remaining Trustee, to serve until the next annual meeting of the shareholders or special meeting held in place thereof if such office shall not have previously terminated as provided above. Whenever all arrears in dividends on the Series K Preferred Shares and the Voting Parity Shares then outstanding shall have been paid and dividends thereon for the current Dividend Period shall have been declared and paid, or declared and set apart for payment, then the right of the holders of the Series K Preferred Shares and the Voting Parity Shares to elect such additional two Trustees shall cease (but subject always to the same provision for the vesting of such voting rights in the case of any similar future arrearages), and the terms of office of all persons elected as Trustees by the holders of the Series K Preferred Shares and the Voting Parity Shares shall forthwith terminate and the number of Trustees constituting the Board of Trustees shall be reduced accordingly.

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(b) So long as any Series K Preferred Shares are outstanding, in addition to any other vote or consent of shareholders required by law or by the Declaration of Trust of the Trust, the affirmative vote or consent of at least sixty-six and two-thirds percent (66-2/3%) of the votes entitled to be cast by the holders of the outstanding Series K Preferred Shares voting as a single class with the holders of all other classes or series of Voting Parity Shares entitled to vote on such matters, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) Any amendment, alteration or repeal of any of the provisions of, or the addition of any provision to, these Articles Supplementary, the Declaration of Trust or the By-Laws of the Trust that materially adversely affects the voting powers, rights or preferences of the holders of the Series K Preferred Shares; provided, however, that the amendment of or supplement to the provisions of the Declaration of Trust to authorize, create, increase or decrease the authorized amount of, or to issue Junior Shares, Series K Preferred Shares or any class of Parity Shares shall not be deemed to materially adversely affect the voting powers, rights or preferences of the holders of Series K Preferred Shares; or

(ii) The authorization, creation of, increase in the authorized amount of, or issuance of shares of any class or series of Senior Shares or any security convertible or exchangeable into shares of any class or series of Senior Shares (whether or not such class or series of Senior Shares is currently authorized);

provided, however, that no such vote of the holders of Series K Preferred Shares shall be required if, at or prior to the time when such amendment, alteration or repeal is to take effect, or when the issuance of any such Senior Shares or convertible or exchangeable security is to be made, as the case may be, provision is made for the redemption of all outstanding Series K Preferred Shares to the extent such redemption is authorized by Section 5 of this Article.

For purposes of the foregoing provisions and all other voting rights under these Articles Supplementary, each Series K Preferred Share shall have one (1) vote per share, except that when any other class or series of preferred shares of the Trust shall have the right to vote with the Series K Preferred Shares as a single class on any matter, then the Series K Preferred Shares and such other class or series shall have with respect to such matters one half of one vote per \$50.00 of stated liquidation preference. Except as otherwise required by applicable law or as set forth herein or in the Declaration of Trust, the Series K Preferred Shares shall not have any relative, participating, optional or other special voting rights and powers other than as set forth herein, and the consent of the holders thereof shall not be required for the taking of any action by the Trust.

10. RECORD HOLDERS.

The Trust and the Transfer Agent may deem and treat the record holder of any Series K Preferred Share as the true and lawful owner thereof for all purposes, and neither the Trust nor the Transfer Agent shall be affected by any notice to the contrary.

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11. RESTRICTIONS ON OWNERSHIP AND TRANSFER; REMEDIES.

Article VII of the Declaration of Trust sets forth certain ownership and transfer restrictions relating to the Equity Shares, including the Series K Preferred Shares. Article VII of the Declaration of Trust is hereby incorporated by reference herein.

FOURTH: These Articles Supplementary have been duly adopted by all necessary action on the part of the Trust.

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IN WITNESS WHEREOF, the Trust has caused these presents to be signed in its name and on its behalf by its President and Chief Executive Officer and witnessed by its Secretary, Vice President and General Counsel on December , 2006.

WITNESS:

CORPORATE OFFICE PROPERTIES TRUST

Name: Karen M. Singer
Title: Secretary, Vice President & General Counsel

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

THE UNDERSIGNED, Secretary, Vice President and General Counsel of CORPORATE OFFICE PROPERTIES TRUST, hereby acknowledges in the name and on behalf of said Trust the foregoing Articles Supplementary to be the official act of said Trust and hereby certifies that the matters and facts set forth herein with respect to the authorization and approval thereof are true in all material respects under the penalties of perjury.

Name: Karen M. Singer
Title: Secretary, Vice President and General Counsel

Exhibit B

REGISTRATION RIGHTS AGREEMENT

Dated December , 2006

by and among

CORPORATE OFFICE PROPERTIES TRUST

and the

JOSEPH J. CREDIT, AS AGENT FOR THE HOLDERS

OF THE COMMON STOCK OF NOTTINGHAM VILLAGE, INC.

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement, dated as of December , 2006 (the "Agreement"), between Corporate Office Properties Trust, a Maryland real estate investment trust (the "Company"), and Joseph J. Credit, as agent (the "Agent") for, pursuant to a power of attorney given by, each of the persons listed on Schedule I hereto (each an "Initial Holder" and, collectively, the "Initial Holders").

Pursuant to the Purchase Agreement (as defined herein), the holders of the Class A common stock, par value \$10.00 per share and the Class B common stock, par value \$1.00 per share (collectively, the "Nottingham Common Stock"), of Nottingham Village, Inc., a Maryland corporation ("Nottingham Village"), will receive from the Company in the Merger (as defined herein), as consideration for their shares of Nottingham common stock, consideration consisting of (i) Series K convertible preferred shares of beneficial interest, par value \$0.01 per share, of the Company (the "Series K Preferred Shares") and (ii) common shares of beneficial interest, par value \$0.01 per share, of the Company (the "Common Shares" and, collectively with the Series K Preferred Shares, the "Shares"). The Series K Preferred Shares will be convertible in accordance with the terms and conditions set forth in the Articles Supplementary fixing the terms of the Series K Preferred Shares (the "Articles Supplementary"), into Common Shares.

To induce Nottingham Village to enter into the Purchase Agreement, the Company has agreed to provide the registration rights set forth in this Agreement, whereby the Company agrees with the Agent, for the benefit of the Holders (as defined herein) from time to time of the Shares, as follows:

1. **Definitions.** Capitalized terms used herein without definition shall have their respective meanings set forth in the Purchase Agreement. As used in this Agreement, the following capitalized defined terms shall have the following meanings:

"Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Additional Shares" means Common Shares or other securities of the Trust issued in respect of the Shares by reason of or in connection with any dividend, distribution, split, purchase in any rights offering or in connection with any exchange for or replacement of such shares or any combination of shares, recapitalization, merger or consolidation, or any other equity securities issued pursuant to any other pro rata distribution with respect to the Common Shares.

"Agent" shall have the meaning set forth in the preamble hereto.

"Affiliate" shall have the meaning specified in Rule 405 under the Act or any successor rule promulgated by the Commission under the Act, and the terms "controlling" and "controlled" shall have meanings correlative thereto.

"Automatic Shelf Registration Statement" shall mean a registration statement on Form S-3 filed by a Well-Known Seasoned Issuer which shall become effective upon filing thereof pursuant to General Instruction I.D of Form S-3.

"Broker-Dealer" shall mean any broker or dealer registered as such under the Exchange Act.

"Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City.

“**Closing Date**” shall have the meaning set forth in the Purchase Agreement.

“**Commission**” shall mean the Securities and Exchange Commission.

“**Common Shares**” shall have the meaning set forth in the preamble hereto.

“**Company**” shall have the meaning set forth in the preamble hereto.

“**Deferral Period**” shall have the meaning indicated in Section 3(i) hereof.

“**DTC**” shall mean The Depository Trust Company, New York, New York.

“**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

“**Free Writing Prospectus**” shall have the meaning specified in Rule 405 under the Act or any successor rule promulgated by the Commission under the Act.

“**Holder**” or “**Holders**” shall mean the Initial Holders and/or any Person who, or that, has received directly or indirectly from an Initial Holder, pursuant to a Transfer, any of such Initial Holder’s Shares; provided, that such Transfer is permissible pursuant to federal and state securities laws, the Company’s Declaration of Trust and the Articles Supplementary.

“**Initial Holder**” or “**Initial Holders**” shall have the meaning set forth in the preamble hereto.

“**Issuer Free Writing Prospectus**” shall have the meaning specified in Rule 433 under the Act or any successor rule promulgated by the Commission under the Act.

“**Losses**” shall have the meaning set forth in Section 5(d) hereof.

“**Majority Holders**” shall mean, on any date, Holders of a majority of the Registrable Securities.

“**Managing Underwriters**” shall mean the investment banker or investment bankers and manager or managers that administer an underwritten offering, if any, conducted pursuant to Section 6 hereof.

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“**Merger**” shall mean the merger of Nottingham Village with and into Merger Subsidiary, as contemplated by the Purchase Agreement.

“**NASD Rules**” shall mean the Conduct Rules and the By-Laws of the National Association of Securities Dealers, Inc.

“**Notice and Questionnaire**” shall mean a written notice delivered to the Company substantially in the form attached hereto as Exhibit A.

“**Notice Holder**” shall mean, on any date, any Holder of Registrable Securities that has delivered a Notice and Questionnaire to the Company on or prior to such date.

“**Nottingham Common Stock**” shall have the meaning set forth in the preamble hereto.

“**Nottingham Village**” shall have the meaning set forth in the preamble hereto.

“**Operating Partnership**” shall mean Corporate Office Properties, L.P., a Delaware limited partnership.

“**Person**” shall mean an individual, partnership, corporation, limited liability company, trust or unincorporated organization, or a government or agency or political subdivision thereof.

“**Prospectus**” shall mean the prospectus included in the Shelf Registration Statement, including a prospectus that omits information in reliance upon Rule 430A or Rule 430B under the Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Common Shares covered by the Shelf Registration Statement, and all amendments and supplements thereto, including any and all exhibits thereto and any information incorporated by reference therein.

“**Purchase Agreement**” shall mean that certain Purchase Agreement and Agreement and Plan of Merger, dated as of November , 2006, by and among the Company, the Operating Partnership, W&M Business Trust, a Maryland business trust (“**Merger Subsidiary**”) and Nottingham Village, relating to the merger of Nottingham Village with and into Merger Subsidiary, with Merger Subsidiary continuing as the surviving entity in such merger.

“**Registrable Securities**” shall mean Common Shares issued to the Initial Holders in connection with the Merger and the Common Shares issuable upon conversion by the Holders of the Series K Preferred Shares issued to the Initial Holders in connection with the Merger, in each case, upon original issuance and at all times subsequent thereto, including upon the transfer thereof by the Initial Holders and any subsequent Holders, including any Additional Shares, other than any such Common Shares that have (i) been registered under the Shelf Registration Statement and disposed of in accordance therewith, (ii) have become eligible to be sold without restriction as contemplated by Rule 144(k) under the Act or any successor rule or regulation thereto that may be adopted by the Commission and (iii) ceased to be outstanding.

“**Registration Expenses**” shall mean any and all expenses incident to performance of or compliance by the Company with this Agreement, including without limitation: (i) all Commission or National Association of Securities Dealers, Inc. (the “**NASD**”) registration and

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filing fees, including, if applicable, the fees and expenses of any “qualified independent underwriter” (and its counsel) that is required to be retained by any Holder of Registrable Securities in accordance with the rules and regulations of the NASD, (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws (including reasonable fees and disbursements of one counsel for all underwriters or Holders as a group in connection with blue sky qualification of any of the Registrable Securities) and compliance with the rules of the NASD, (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any Shelf Registration Statement, any Prospectus and any amendments or supplements thereto, and in preparing or assisting in preparing, printing and distributing any underwriting agreements, securities sales agreements and other documents relating to the performance of and compliance with this Agreement, (iv) the fees and disbursements of counsel for the Company and of the independent certified public accountants of the Company, including the expenses of any “cold comfort” letters required by or incident to the performance of and compliance with this Agreement, and (v) the reasonable fees and expenses of any special experts retained by the Company in

connection with the Shelf Registration Statement.

“**Series K Preferred Shares**” shall have the meaning set forth in the preamble hereto.

“**Shares**” shall have the meaning set forth in the preamble hereto.

“**Shelf Registration Period**” shall have the meaning set forth in Section 2(c) hereof.

“**Shelf Registration Statement**” shall mean a “shelf” registration statement of the Company pursuant to the provisions of Section 2 hereof which covers some or all of the Registrable Securities on an appropriate form under Rule 415 under the Act, or any similar rule that may be adopted by the Commission, amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

“**Transfer**”, “**transferring**” or “**transferred**” shall mean any sale or other disposition of any Registrable Securities that would constitute a sale thereof under the Securities Act.

“**Underwriter**” shall mean any underwriter of Common Shares in connection with an offering thereof under the Shelf Registration Statement.

“**Well-Known Seasoned Issuer**” or “**WKSI**” shall have the meaning set forth in Rule 405 under the Act or any successor rule promulgated by the Commission under the Act.

2. **Shelf Registration.** (a) The Company shall as promptly as practicable (but in no event more than 65 days after the Closing Date) file with the Commission a Shelf Registration Statement (which shall be, if the Company is, on the date of such filing, a WKSI, an Automatic Shelf Registration Statement) providing for the registration of, and the sale on a continuous or delayed basis by the Holders of, all of the Registrable Securities, from time to time in accordance with the methods of distribution elected by such Holders, pursuant to Rule 415 under the Act or any similar rule that may be adopted by the Commission.

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(b) At the date hereof: (A) the Company satisfies all of the requirements of the Securities Act for use of Form S-3 for the registration of the Registrable Securities contemplated hereby; (B) the Company is a WKSI, including not having been and not being an “ineligible issuer,” as defined in Rule 405 of the Securities Act; (C) the Registrable Securities are eligible for registration by the Company on an Automatic Shelf Registration Statement; and (D) the Company has not received from the Commission any notice pursuant to Rule 401(g)(2) of the Securities Act objecting to the use of the Automatic Shelf Registration Statement form.

(c) If the Shelf Registration Statement is not an Automatic Shelf Registration Statement, the Company shall use its best commercially practicable efforts to cause the Shelf Registration Statement to become or be declared effective under the Act as promptly as practicable but in no event later than 120 days after the Closing Date.

(d) The Company shall use its best commercially practicable efforts to keep the Shelf Registration Statement continuously effective, supplemented and amended as required by the Act, in order to permit the Prospectus forming part thereof to be usable by Holders for a period (the “**Shelf Registration Period**”) from the date the Shelf Registration Statement is declared effective by the Commission (or becomes effective in the case of an Automatic Shelf Registration Statement) until the date upon which there are no Registrable Securities outstanding.

(e) The Company shall cause the Shelf Registration Statement and the related Prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement or such amendment or supplement, (i) to comply in all material respects with the applicable requirements of the Act; and (ii) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein (in the case of the Prospectus, in the light of the circumstances under which they were made) not misleading.

(f) No later than 30 days after the Closing Date, each Holder of Registrable Securities agrees to deliver, or to cause to be delivered on its behalf by the Agent, a Notice and Questionnaire and such other information as the Company may reasonably request in writing, if any.

3. **Registration Procedures.** The following provisions shall apply in connection with the Shelf Registration Statement.

(a) The Company shall:

(i) furnish to the Agent and his counsel, not less than three Business Days prior to the filing thereof with the Commission, a copy of the Shelf Registration Statement and each amendment thereto and each amendment or supplement, if any, to the Prospectus included therein (including all documents incorporated by reference therein after the initial filing) and shall use its best commercially practicable efforts to reflect in each such document, when so filed with the Commission, such comments as the Agent reasonably proposes; and

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(ii) include information regarding the Holders and the reasonable methods of distribution they have elected for their Registrable Securities provided to the Company in Notices and Questionnaires as necessary to permit such distribution by the methods specified therein.

(b) The Company shall ensure that:

(i) the Shelf Registration Statement and any amendment thereto and any Prospectus forming part thereof and any amendment or supplement thereto complies in all material respects with the Act; and

(ii) the Shelf Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(c) The Company shall advise the Agent and the Notice Holders, and confirm such advice in writing, if requested (which notice pursuant to clauses (ii)-(v) of this Section 3(c) shall be accompanied by an instruction to suspend the use of the Prospectus until the Company shall have remedied the basis for such suspension):

(i) when the Shelf Registration Statement and any amendment thereto has been filed with the Commission and when the Shelf Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for any amendment or supplement to the Shelf Registration Statement or the Prospectus or for additional

information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Shelf Registration Statement or the institution or threatening of any proceeding for that purpose;

(iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Common Shares included therein for sale in any jurisdiction or the institution or threatening of any proceeding for such purpose; and

(v) of the happening of any event that requires any change in the Shelf Registration Statement or the Prospectus so that, as of such date, they (A) do not contain any untrue statement of a material fact and (B) do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in the light of the circumstances under which they were made) not misleading.

(d) The Company shall use its best commercially practicable efforts to prevent the issuance of any order suspending the effectiveness of the Shelf Registration Statement or the qualification of the securities therein for sale in any jurisdiction and, if issued, to obtain as soon as possible the withdrawal thereof. The Company shall undertake additional reasonable actions

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as required to permit unrestricted resales of the Common Shares in accordance with the terms and conditions of this Agreement.

(e) Upon request, the Company shall furnish to each Notice Holder, without charge, at least one copy of the Shelf Registration Statement and any post-effective amendment thereto, including all material incorporated therein by reference, and, if a Notice Holder so requests in writing, all exhibits thereto (including exhibits incorporated by reference therein).

(f) During the Shelf Registration Period, the Company shall promptly deliver to the Agent, each Notice Holder, and any sales or placement agents or underwriters acting on their behalf, without charge, as many copies of the Prospectus (including the preliminary Prospectus, if any) included in the Shelf Registration Statement and any amendment or supplement thereto as any such person may reasonably request. The Company consents to the use of the Prospectus or any amendment or supplement thereto by each of the foregoing in connection with the offering and sale of the Common Shares.

(g) Prior to any offering of Common Shares pursuant to the Shelf Registration Statement, the Company shall arrange for the qualification of the Common Shares for sale under the laws of such jurisdictions as any Notice Holder shall reasonably request and shall maintain such qualification in effect so long as required; provided that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not then so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the Initial Placement or any offering pursuant to the Shelf Registration Statement, in any jurisdiction where it is not then so subject.

(h) Upon the occurrence of any event contemplated by subsections (c)(ii) through (v) above, the Company shall promptly (or within the time period provided for by Section 3(i) hereof, if applicable) prepare a post-effective amendment to the Shelf Registration Statement or an amendment or supplement to the related Prospectus or file any other required document so that, as thereafter delivered to Holders of the securities included therein, the Prospectus will not include an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) Upon the occurrence or existence of any pending corporate development, public filings with the Commission or any other material event that, in the reasonable judgment of the Company, makes it appropriate to suspend the availability of the Shelf Registration Statement and the related Prospectus, the Company shall give notice (without notice of the nature or details of such events) to the Notice Holders that the availability of the Shelf Registration Statement is suspended and, upon actual receipt of any such notice, each Notice Holder agrees not to sell any Registrable Securities pursuant to the Shelf Registration Statement until such Notice Holder's receipt of copies of the supplemented or amended Prospectus provided for in Section 3(h) hereof, or until it is advised in writing by the Company that the Prospectus may be used, and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus. The period during which the availability of the Shelf Registration Statement and any Prospectus is suspended (the "**Deferral Period**") shall not exceed 45 days in any 90-day period or 90 days in any 360-day

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period; provided, that, if the event triggering the Deferral Period relates to a proposed or pending material business transaction, the disclosure of which the board of trustees of the Company determines in good faith would be reasonably likely to impede the ability to consummate the transaction or would otherwise be seriously detrimental to the Company and its subsidiaries taken a whole, the Company may extend the Deferral Period from 45 days to 60 days in any 90-day period or from 90 days to 120 days in any 360-day period.

(j) The Company shall use its best commercially practicable efforts to prepare and file in a timely manner all documents and reports required by the Exchange Act and, to the extent the Company's obligation to file such reports pursuant to Section 13(a) or 15(d) of the Exchange Act for the term of this Agreement. The Company shall comply with all applicable rules and regulations of the Commission and shall make generally available to its securityholders (by virtue of filing its Annual Report on Form 10-K with the Securities and Exchange Commission on its EDGAR filing system or otherwise) an earnings statement satisfying the provisions of Section 11(a) of the Act as soon as practicable after the effective date of the Shelf Registration Statement and in any event no later than 45 days after the end of a 12-month period (or 90 days, if such period is a fiscal year) beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the Shelf Registration Statement

(k) The Company may require each Holder of Common Shares to be sold pursuant to the Shelf Registration Statement to furnish to the Company such information regarding the Holder and the distribution of such Common Shares as may from time to time be required by the Act to be included in the Shelf Registration Statement. The Company may exclude from the Shelf Registration Statement the Common Shares of any Holder that fails to furnish such information within a reasonable time after receiving such request.

(l) The Company shall use its best commercially practicable efforts to take all other steps necessary to effect the registration of the Common Shares covered by the Shelf Registration Statement.

4. **Registration Expenses.** The Company shall pay all Registration Expenses in connection with any Shelf Registration Statement filed pursuant to Section 2(a) hereof (including the reasonable fees and disbursements of no more than one firm of counsel for the Holders of the Registrable Securities in connection with the review of any Shelf Registration Statement, Prospectus or amendment or supplement thereto in accordance with the provisions of Section 3(a) hereof, which counsel shall be reasonably satisfactory to the Company). Except as provided herein, each Holder shall pay all expenses of its counsel, underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration Statement.

5. **Indemnification and Contribution.**

(a) The Company shall indemnify and hold harmless each Holder of Registrable Securities, its directors, officers, employees and agents, and each person, if any, who controls any Holder within the meaning of the Securities Act or the Exchange Act (each, an “**Indemnified Holder**”), against any loss, claim, damage, liability or expense, as incurred, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or

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expense relating to resales of the Registrable Securities) (collectively, “**Losses**”), to which such Indemnified Holder may become subject, insofar as any such Loss arises out of or is based upon:

(i) any untrue statement or alleged untrue statement of a material fact contained in (A) the Shelf Registration Statement as originally filed or in any amendment thereof, or (B) any blue sky application or other document or any amendment or supplement thereto prepared or executed by the Company (or based upon written information furnished by or on behalf of the Company expressly for use in such blue sky application or other document or amendment or supplement) filed in any jurisdiction specifically for the purpose of qualifying any or all of the Registrable Securities under the securities law of any state or other jurisdiction (such application or document being hereinafter called a “**Blue Sky Application**”), or, in each case, the omission or alleged omission to state therein any material fact required to be stated therein or necessary to make the statements therein not misleading; or

(ii) any untrue statement or alleged untrue statement of a material fact contained in any Issuer Free Writing Prospectus, any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact, in each case, necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

and to reimburse each Indemnified Holder for any and all expenses including the reasonable fees and disbursements of counsel as such expenses are reasonably incurred by such Indemnified Holder in connection with investigating, defending, settling, compromising or paying any such Loss; provided, however, that the foregoing indemnity agreement shall not apply to any Loss to the extent, but only to the extent, arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Holder (or its related Indemnified Holder) expressly for use therein. The indemnity agreement set forth in this Section 5(a) shall be in addition to any liabilities that the Company may otherwise have.

The Company also agrees to indemnify as provided in this Section 5(a) or contribute as provided in Section 5(e) hereof to Losses of each underwriter (as defined in the Act), if any, of Registrable Securities registered under a Shelf Registration Statement, their directors, officers, employees or agents and each person who controls such underwriter on substantially the same basis as that of the indemnification of the selling Holders provided in this Section 5(a) and shall, if requested by any Holder, enter into an underwriting agreement reflecting such agreement.

(b) Each Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, each of its trustees, each of its officers who sign the Shelf Registration Statement and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act (i) to the same extent as the foregoing indemnity from the Company to each such Holder, but only with reference to written information relating to such Holder furnished to the Company by or on behalf of such Holder specifically for inclusion in the documents referred to in the foregoing indemnity and (ii) against any Loss, joint or several, including, but not limited to, any Loss relating to resales of the Registrable Securities, to which

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such person may become subject, insofar as any such Loss arises out of, or is based upon any Free Writing Prospectus used by such Holder without the prior consent of the Issuer, and in connection with any underwritten offering, the underwriters, provided that the indemnification obligation in this clause (ii) shall be several, not joint and several, among the Holders who used such Free Writing Prospectus. This indemnity agreement set forth in this Section shall be in addition to any liabilities which any such Holder may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 5 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 5, notify the indemnifying party in writing of the commencement thereof, but the failure to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. In case any such action is brought against any indemnified party and such indemnified party seeks or intends to seek indemnity from an indemnifying party, the indemnifying party will be entitled to participate in, and, to the extent that it shall elect, jointly with all other indemnifying parties similarly notified, by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel satisfactory to such indemnified party in its reasonable discretion; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that a conflict may arise between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties that are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of such indemnifying party's election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 5 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (other than local counsel), reasonably approved by the indemnifying party, representing the indemnified parties who are parties to such action) or (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party in its reasonable discretion to represent the indemnified party within a reasonable time after notice of commencement of the action, in each of which cases the reasonable fees and expenses of counsel shall be at the expense of the indemnifying party.

(d) The indemnifying party under this Section 5 shall not be liable for any settlement of any proceeding effected without its written consent, which shall not be withheld unreasonably, but if settled with such consent or if there is a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any Loss by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified

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party shall have requested an indemnifying party to reimburse the indemnified party for reasonable fees and expenses of counsel as contemplated by Section 5(c) hereof, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or consent to the entry of judgment in any pending or threatened action, suit or proceeding in respect of which any indemnified party is or could have been a party and indemnity was or could have been sought hereunder by such indemnified party, unless such settlement, compromise or consent (x) includes an unconditional release of such

indemnified party from all liability on claims that are the subject matter of such action, suit or proceeding and (y) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(e) If the indemnification provided for in Section 5 is for any reason unavailable to or otherwise insufficient to hold harmless an indemnified party in respect of any Loss referred to therein, then each indemnifying party shall contribute to the aggregate amount paid or payable by such indemnified party, as incurred, as a result of any Loss referred to therein:

(i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Holders, on the other hand, from the offering and sale of the Registrable Securities, on the one hand, and a Holder with respect to the sale by such Holder of the Registrable Securities, on the other hand, or

(ii) if the allocation provided by Section (6)(e)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in Section 5(e)(i) above but also the relative fault of the Company, on the one hand, and the Holders, on the other hand, in connection with the statements or omissions or alleged statements or omissions that resulted in such Loss, as well as any other relevant equitable considerations.

The relative fault of the Company, on the one hand, and the Holders, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, on the one hand, or the Holders, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Holders agree that it would not be just and equitable if contribution pursuant to this Section 5(e) were determined by pro rata allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in this Section 5(e).

The amount paid or payable by a party as a result of the Loss referred to above shall be deemed to include, subject to the limitations set forth in Section 5(c), any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim.

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Notwithstanding the provisions of this Section 5, in no event will (i) any Holder be required to undertake liability to any person under this Section 5 for any amounts in excess of the dollar amount of the proceeds to be received by such Holder from the sale of such Holder's Registrable Securities (after deducting any fees, discounts and commissions applicable thereto) pursuant to any Shelf Registration Statement under which such Registrable Securities are to be registered under the Securities Act and (ii) any underwriter be required to undertake liability to any person hereunder for any amounts in excess of the discount or commission payable to such underwriter with respect to the Registrable Securities underwritten by it and distributed to the public. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute as provided in this Section 5(e) are several and not joint.

(f) The provisions of this Section 5 shall remain in full force and effect, regardless of any investigation made by or on behalf of any Holder or the Company or any of the officers, directors, employees, agents or controlling persons referred to in Section 5 hereof, and will survive the sale by a Holder of Registrable Securities.

6. **Underwritten Registrations.** (a) In no event will the method of distribution of Registrable Securities take the form of an underwritten offering without the prior written consent of the Company, which consent shall not be unreasonably withheld.

(b) If any Common Shares covered by the Shelf Registration Statement are to be sold in an underwritten offering, the Managing Underwriters shall be selected by the Company, subject to the prior written consent of the Majority Holders, which consent shall not be unreasonably withheld.

(c) No person may participate in any underwritten offering pursuant to the Shelf Registration Statement unless such person (i) agrees to sell such person's Common Shares on the basis reasonably provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements; and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

7. **No Inconsistent Agreements.** The Company has not entered into, and agrees not to enter into, any agreement with respect to its securities that is inconsistent with the registration rights granted to the Holders herein.

8. **Rule 144.** So long as any Registrable Securities remain outstanding, the Company shall use its reasonable best efforts to file the reports required to be filed by it under Rule 144(c) under the Act and the Exchange Act in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the written request of any Holder of Registrable Securities, make publicly available other information so long as necessary to permit sales of such Holder's Registrable Securities pursuant to Rules 144 of the Act. The Company covenants that it will take such further action as any Holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Act within the limitation of the exemptions

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provided by Rules 144 (including, without limitation, the requirements of Rule 144A(c)). Upon the written request of any Holder of Registrable Securities, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements. Notwithstanding the foregoing, nothing in this Section 8 shall be deemed to require the Company to register any of its securities pursuant to the Exchange Act.

9. **Listing.** The Company shall use its best commercially practicable efforts to (i) obtain approval of the listing of the Registrable Securities on the New York Stock Exchange and (ii) maintain the approval of the Common Shares for listing on the New York Stock Exchange.

10. **Amendments and Waivers.** The provisions of this Agreement may not be amended, qualified, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of the Majority Holders.

11. **Notices.** All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail, telex, telecopier or air courier guaranteeing overnight delivery:

- (a) if to a Holder, at the most current address given by such holder to the Company in accordance with the provisions of the Notice and Questionnaire;
- (b) if to the Agent, initially at the address or addresses set forth in the Purchase Agreement; and
- (c) if to the Company, initially at its address set forth in the Purchase Agreement.

All such notices and communications shall be deemed to have been duly given when received.

The Agent, Holders or the Company by notice to the other parties may designate additional or different addresses for subsequent notices or communications.

12. **Remedies.** Each Holder, in addition to being entitled to exercise all rights provided to it herein or in the Purchase Agreement or granted by law, including recovery of liquidated or other damages, will be entitled to specific performance of its rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by them of the provisions of this Agreement and hereby agree to waive in any action for specific performance the defense that a remedy at law would be adequate.

13. **Successors.** This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective successors and assigns, including, without the need for an express assignment or any consent by the Company thereto, subsequent Holders of Common Shares, and the indemnified persons referred to in Section 5 hereof. The Company hereby agrees to extend the benefits of this Agreement to any Holder of Common Shares, and any such Holder may specifically enforce the provisions of this Agreement as if an original party hereto.

14. **Counterparts.** This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

15. **Headings.** The section headings used herein are for convenience only and shall not affect the construction hereof.

16. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed in the State of New York. The parties hereto each hereby waive any right to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement.

17. **Severability.** In the event that any one of more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected thereby, it being intended that all of the rights and privileges of the parties shall be enforceable to the fullest extent permitted by law.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement by and among the Company and the with the Agent, for the benefit of the Holders.

Very truly yours,

CORPORATE OFFICE PROPERTIES TRUST

By: _____

Name:

Title:

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

Joseph J. Credit, as agent for, pursuant to a power of attorney given by, each of the persons listed on Schedule I hereto.

EXHIBIT A (to Exhibit B)

CORPORATE OFFICE PROPERTIES TRUST

Selling Shareholder Notice and Questionnaire

Corporate Office Properties Trust (the "Company") will file shortly with the United States Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (the "Shelf Registration Statement"). The Shelf Registration Statement relates to the registration and resale under the Securities Act of 1933, as amended (the "Securities Act"), of the Company's common shares of beneficial interest, \$0.01 par value ("Common Shares"), issued pursuant to that certain Purchase Agreement and Agreement and Plan of Merger, dated as of November , 2006, by and among the Company, Corporate Office Properties, L.P., a Delaware limited partnership, W&M Business Trust, a Maryland business trust ("Merger Subsidiary") and Nottingham Village, relating to the merger (the "Merger") of Nottingham Village, Inc., a Maryland corporation ("Merger Subsidiary"), with and into Merger Subsidiary, with Merger Subsidiary continuing as the surviving entity in such merger. The filing of the Shelf Registration Statement will be made in accordance with the Registration Rights Agreement (the "Registration Agreement"), dated as of , 2006, between the Company and Joseph J. Credit, as agent (the "Agent") for, pursuant to a power of attorney given by, the holders of the Class A and Class B common stock of Nottingham Village (the "Selling Shareholders").

Under the Registration Agreement, the Company has agreed to include in the Shelf Registration Statement the Common Shares initially issued to the Selling Shareholders in connection with the Merger and the Common Shares issuable upon conversion by the Holders of the Series K Preferred Shares of Beneficial Interest of the Company issued to the Holders in connection with the Merger. Such Common Shares are referred to as the "Registrable Securities."

Certain legal consequences arise from being named as a selling shareholder in the Shelf Registration Statement and related Prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling shareholder in the Shelf Registration Statement and related Prospectus.

ACKNOWLEDGEMENT

The undersigned holder (the "Selling Shareholder") of Registrable Securities understands that the Company is requesting submission of this Notice and Questionnaire in order to facilitate compliance with applicable law and regulations. The undersigned, by signing and returning this Notice and Questionnaire, agrees to be bound with respect to such Registrable Securities by the terms and conditions of this Notice and Questionnaire.

The Selling Shareholder also acknowledges that, in the event of a transfer of Registrable Securities (other than pursuant to a sale under the Shelf Registration Statement), including to donees, pledgees and other successors in interest, the Company will require such transferee to execute a Notice and Questionnaire and such other documentation to insure compliance with applicable law and regulations.

The Selling Shareholder hereby provides the following information to the Company and represents and warrants that such information is accurate and complete:

NOTICE AND QUESTIONNAIRE

1. (a) Full legal name of Selling Shareholder:
- (b) Full legal name of registered holder (if not the same as (a) above) of Registrable Securities listed in Item (3) below:
- (c) Full legal name of DTC Participant (if applicable and if not the same as (b) above) through which Registrable Securities listed in Item (3) below are held:
- (d) State whether the Selling Shareholder is a publicly-held entity or a subsidiary of a publicly-held entity (i.e., an entity that has a class of securities registered under the Securities Exchange Act of 1934, as amended):
- Yes No
- If a subsidiary, please identify the publicly-held parent entity:
- (e) State whether the Selling Shareholder is an investment company, or a subsidiary of an investment company, registered under the Investment Company Act of 1940:
- Yes No
- If a subsidiary, please identify the investment company parent entity:
- (f) **If you are not a natural person, and if you answered “No” to questions (d) and (e), state the number of natural persons who have or share voting or investment control over the Registrable Securities:**
- If your answer is 3 or fewer, please identify those natural persons:

Please note that the SEC requires that these natural persons be named in the prospectus.

2. Beneficial Ownership of Securities:
- Except as set forth below in this Item (2), the undersigned Selling Shareholder does not beneficially own any Common Shares or Common Shares issuable upon exercise or conversion of any Company securities.*
- (a) Number of Common Shares purchased under the Purchase Agreement and beneficially owned:
- (b) Number of Common Shares beneficially owned other than shares received under the Merger Agreement:
3. Beneficial Ownership of other securities of the Company:
- Except as set forth below in this Item (3), the undersigned Selling Shareholder is not the beneficial or registered owner of any Common Shares or any other security of the Company, other than the Common Shares listed above in Item (2).*
- State any exceptions here:
4. Relationship with the Company:
- Except as set forth below, neither the Selling Shareholder nor any of its affiliates, officers, directors or principal equity holders (5% or more) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.*
- State any exceptions here:
5. (a) State whether the undersigned Selling Shareholder is a registered broker-dealer.
- Yes No
-

- (b) State whether the undersigned Selling Shareholder received the Registrable Securities as compensation for underwriting activities and, if so, provide a brief description of the transaction(s) involved.

Yes No

- (c) State whether the undersigned Selling Shareholder is an affiliate of a registered broker-dealer and if so, list the name(s) of the broker-dealer affiliate(s).

Yes No

If the answer is "Yes," you must answer question (d) below.

- (d) If the undersigned Selling Shareholder is an affiliate of a registered broker-dealer:

- (i) Did the undersigned Selling Shareholder purchase the Registrable Securities in the ordinary course of business?

Yes No

If the answer is "No," to question (i) state any exceptions below:

- (ii) At the time of the purchase of the Registrable Securities, did the undersigned Selling Shareholder have any agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?

Yes No

If the answer is "Yes," to question (ii) state any exceptions below:

If the answer is "No" to question (i) or "Yes" to question (ii), you will be named as an underwriter in the prospectus relating to the Registrable Securities.

By signing below, the Selling Shareholder consents to the disclosure of the information contained herein in its answers to Items (1) through (8) above and the inclusion of such information in the Shelf Registration Statement and related Prospectus. The Selling Shareholder understands that such information will be relied upon by the Company in connection with the preparation of the Shelf Registration Statement and related Prospectus.

In accordance with the Selling Shareholder's obligation under the Registration Agreement to provide such information regarding its ownership of shares as is required for preparation and filing of the Shelf Registration Statement, the Selling Shareholder agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein which may occur subsequent to the date hereof at any time while the Shelf Registration Statement remains in effect and to provide any additional information as the Company reasonably may request.

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated: _____

Selling Shareholder
(Print/type full legal name of beneficial owner of Registrable Securities)

By: _____
Name:
Title:

PLEASE FAX THE COMPLETED AND EXECUTED QUESTIONNAIRE FOR RECEIPT TO:

CORPORATE OFFICE PROPERTIES TRUST
6711 Columbia Gateway Drive
Suite 300
Columbia, MD 21046
Attention: Investor Relations
Facsimile: (443) 285-5481

Exhibit C

ARTICLES OF MERGER

between

NOTTINGHAM VILLAGE, INC.

(a Maryland corporation)

and

W&M BUSINESS TRUST

(a Maryland business trust)

NOTTINGHAM VILLAGE, INC., a corporation duly organized and existing under the laws of the State of Maryland ("NVI"), and W&M BUSINESS TRUST, a business trust duly organized and existing under the laws of the State of Maryland ("W&M Trust"), do hereby certify that:

FIRST: The name and place of incorporation or organization, as the case may be, of each party to these Articles of Merger are Nottingham Village, Inc., a Maryland corporation, and W&M Business Trust, a Maryland business trust. W&M Trust shall survive the merger as the successor company and shall continue under the name "W&M Business Trust" as a business trust of the State of Maryland.

SECOND: NVI has its principal office in the State of Maryland in Baltimore County and does not own an interest in land in the State of Maryland.

THIRD: W&M Trust has its principal office in the State of Maryland in Howard County and does not own an interest in land in the State of Maryland.

FOURTH: A Purchase Agreement and Agreement and Plan of Merger has been approved and executed by each of NVI and W&M Trust.

FIFTH: The terms and conditions of the transaction set forth in these Articles of Merger were advised, authorized, and approved by NVI in the manner and by the vote required by its charter and the laws of the state of its incorporation and by W&M Trust in the manner and by the vote required by its certificate of trust and declaration of trust and by the laws of the state of its organization. The manner of approval was as follows:

(a) The Board of Directors of NVI at a meeting held on December 14, 2006, adopted resolutions which declared that the proposed merger was advisable on substantially the terms and conditions set forth or referred to in the resolutions and directed that the proposed merger be submitted for consideration at a special meeting of the stockholders of NVI. Notice which stated that a purpose of the special meeting was to act on the proposed merger was given by NVI to its stockholders as required by law. The proposed merger was approved by the stockholders of NVI at a special meeting of stockholders held on January 3, 2007 by the affirmative vote of the holders of at least a majority of all shares of NVI common stock that were outstanding and entitled to vote at the special meeting.

(b) The sole trustee of W&M Trust adopted resolutions on November 20, 2006 by written consent which declared that the proposed merger was advisable and approved the merger on substantially the terms and conditions set forth or referred to in the resolutions.

SIXTH: No amendment to the declaration of trust of W&M Trust is to be effected as a part of the merger.

SEVENTH: The total number of shares of capital stock of all classes which NVI has authority to issue, the number of shares of each class which NVI has authority to issue, and the par value of the shares of each class which NVI has authority to issue is as follows: the total number of shares of stock of all classes which NVI has authority to issue is 400,600 shares of stock, of which 100,000 shares are classified as Class A Common Stock, par value \$10.00 per share, 300,000 shares are classified as Class B Common Stock, par value \$1.00 per share and 600 shares are classified as Class C Common Stock, par value \$1.00 per share. The aggregate par value of all the shares of stock of all classes of NVI is \$1,300,600.00.

EIGHTH: The total number of shares of beneficial interest of all classes which W&M Trust has authority to issue is 1,000 shares of beneficial interest. There is only one class of shares of beneficial interest of W&M Trust.

NINTH: The manner and basis of converting or exchanging issued stock of NVI, the merging corporation, into a combination of cash, common stock and preferred stock of Corporate Office Properties Trust, a Maryland real estate investment trust ("COPT"), which is the sole owner of all of the shares of beneficial interest of W&M Trust, are as follows:

(a) the shares of NVI common stock (the "Shares") issued and outstanding immediately prior to the effective time of the merger shall be converted into, and become exchangeable for a combination of cash, common stock of COPT and preferred stock of COPT (together, the "Merger Consideration") as determined in accordance with that certain Purchase Agreement and Agreement and Plan of Merger dated as of December 21, 2006 among NVI, COPT, Corporate Office Properties, L.P. and W&M Trust. At the effective time of the merger, all of the Shares shall cease to be outstanding, shall be cancelled and shall cease to exist, and each certificate formerly representing any of such Shares shall thereafter represent only the right to the Merger Consideration. The amount of Merger Consideration received by each stockholder of NVI shall equal the aggregate Merger Consideration divided by the number of outstanding shares of common stock of NVI multiplied by the number of shares of NVI common stock then held by such stockholder; and

(b) The shares of beneficial interest in W&M Trust issued and outstanding immediately prior to the effective time of the merger shall remain unchanged and shall remain as the issued and outstanding shares of beneficial interest of the surviving entity.

TENTH: The merger shall become effective upon the acceptance of these Articles by the State Department of Assessments and Taxation of the State of Maryland.

ELEVENTH: The executed Purchase Agreement and Agreement and Plan of Merger is on file at the principal place of business of W&M Trust which is 6711 Columbia Gateway Drive, Suite 300, Columbia, Maryland 21046.

TWELFTH: A copy of the Purchase Agreement and Agreement and Plan of Merger will be furnished by W&M Trust, on request and without cost, to any stockholder of NVI.

IN WITNESS WHEREOF, NOTTINGHAM VILLAGE, INC. and W&M BUSINESS TRUST have caused these presents to be signed in their respective names and on their respective behalves by their respective president or executive vice president and witnessed by their respective secretaries on January 9, 2006.

WITNESS:

NOTTINGHAM VILLAGE, INC.
(a Maryland corporation)

Secretary

By: _____
J. Joseph Credit, President

W&M BUSINESS TRUST
(a Maryland business trust)

Secretary

By: _____
Roger A. Waesche, Jr., Chief Operating Officer and Executive Vice
President

THE UNDERSIGNED, President of NOTTINGHAM VILLAGE, INC., who executed on behalf of NVI the foregoing Articles of Merger of which this certificate is made a part, hereby acknowledges in the name and on behalf of NVI the foregoing Articles of Merger to be the corporate act of NVI and hereby certifies that to the best of his knowledge, information and belief the matters and facts set forth therein with respect to the authorization and approval thereof are true in all material respects under the penalties of perjury.

J. Joseph Credit, President

THE UNDERSIGNED, Chief Operating Officer and Executive Vice President of W&M BUSINESS TRUST, who executed on behalf of W&M Trust the foregoing Articles of Merger of which this certificate is made a part, hereby acknowledges in the name and on behalf of W&M Trust the foregoing Articles of Merger to be the corporate act of W&M Trust and hereby certifies that to the best of his knowledge, information and belief the matters and facts set forth therein with respect to the authorization and approval thereof are true in all material respects under the penalties of perjury.

Roger A. Waesche, Jr., Chief Operating Officer and Executive Vice President

**EXHIBIT D
PAYMENT RELEASE**

This Payment Release (this "Release") is entered into this 9th day of January, 2007 by Wachovia Capital Markets, LLC ("Releasor") for the benefit of Nottingham Village, Inc. ("NVI"), Corporate Office Properties Trust ("COPT"), Corporate Office Properties, L.P. ("COPLP"), W&M Business Trust (the "Trust") and their respective successors and assigns.

RECITALS

A. NVI, COPT, COPLP and the Trust are parties to a Purchase Agreement and Agreement and Plan of Merger dated December 21, 2006 (the "Merger Agreement"), to which

reference is made for the definitions of capitalized terms appearing herein that are not otherwise defined herein.

B. The Releasor is entitled to an advisory fee to be paid by NVI upon the consummation of the Transaction pursuant to the terms of an Engagement Letter dated June 22, 2006 by and between NVI and Releasor.

C. This Release is being delivered in connection with the closing of the transactions contemplated by the Merger Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the payment by NVI to Releasor of the sum of \$2,889,340, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Releasor hereby agrees as follows:

1. Release. Releasor, on Releasor's behalf and on behalf of Releasor's heirs, devisees, legatees, executors, administrators, personal and legal representatives, assigns and successors in interest (collectively, the "Derivative Claimants" and each a "Derivative Claimant"), hereby IRREVOCABLY, UNCONDITIONALLY AND GENERALLY RELEASES, ACQUITS, AND FOREVER DISCHARGES, to the fullest extent permitted by law, each of NVI, COPT, COPLP and the Trust and each of their present and future owners, members, predecessors, successors, assigns, agents, directors, officers, employees, representatives, attorneys, divisions, subsidiaries and affiliates (and agents, directors, officers, employees, owners, members, representatives and attorneys of such owners, members, predecessors, successors, assigns, divisions, subsidiaries and affiliates), and all persons acting by, through, under or in concert with any of them (collectively, the "Releasees" and each a "Releasee"), or any of them, from any and all any liability for any brokerage, finder's or other fee or commission due to any of the Derivative Claimants relating to the Merger; *provided, however*, this Release shall not apply to any loan commitment fees due to Releasor under the Short Term Loan Documents.

2. Enforcement. Each Releasee shall have the right to enforce the terms of this Agreement.

IN WITNESS WHEREOF, Releasor has executed this Agreement on the date set forth below.

WITNESS:

RELEASOR:

WACHOVIA CAPITAL MARKETS, LLC

By: _____ (SEAL)
Name:
Title:

Exhibit E
LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "Agreement") is made as of the 9th day of January, 2007 by and between NVI Liquidating Trust, a Maryland business trust ("Licensor"), and W&M BUSINESS TRUST, a Maryland business trust ("Licensee").

RECITALS:

- A. A Purchase Agreement and Agreement and Plan of Merger (the "Merger Agreement") was entered into on December 21, 2006 by and among Nottingham Village, Inc. ("NVI"), an affiliate of Licensor, and the Licensee Group (as defined below);
- B. Licensor is the owner of the trade names and service marks "Nottingham Ridge," "Nottingham Centre" and "Nottingham Center" (collectively, the "Marks"), which Marks are used in connection with real properties owned by affiliates of Licensee Group (the "Properties");
- C. Licensor obtained the Marks pursuant to an Assignment dated January 7, 2007 from NVI to Licensor; and
- D. Pursuant to the Merger Agreement, Licensor hereby grants to Licensee Group the right, privilege and license to use the Marks, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

- 1. Grant of License. Licensor hereby grants to W&M Business Trust, Corporate Office Properties Trust, Corporate Office Properties, L.P. and their respective subsidiaries,

affiliates, successors and assigns (the "Licensee Group") a perpetual, royalty-free, non-exclusive right and license to use the Marks in connection with business conducted by Licensee Group, provided that such use may only be in connection with the Properties, as such Properties may be improved by Licensee Group.

- 2. Assignment. Licensee Group may assign, delegate or otherwise transfer this Agreement, or any rights under this Agreement, in connection with any transfer of any of the Properties or interests in the entities owning any of the Properties, provided all transferees shall remain subject to the terms of this Agreement, including being responsible to Licensor respecting the quality control set forth herein.

- 3. Quality Control. Upon reasonable request by Licensor, Licensee shall provide Licensor reasonable amounts of samples of advertising and promotional materials using the Marks and shall allow Licensor to enter Licensee's premises during normal business hours to view the services being offered. Licensor may review the quality and usage of such services, and suggest that Licensee make such changes as Licensor deems appropriate, in Licensor's reasonable discretion. If disapproval or comment is not received by Licensee within thirty days after Licensor's receipt of the materials or inspection, as appropriate, such materials and services shall be considered approved.

- 4. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed under, and the rights of the parties determined in accordance with, the laws of the State of Maryland (without reference to the choice of law provisions of the State of Maryland).

(b) Status of Relationship of the Parties. It is understood and agreed by the parties that this Agreement does not create a fiduciary relationship between them. The parties agree that Licensee is an independent contractor and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. The relationship of the parties is that of licensor and licensee only, and is contractual in nature. Nothing in this Agreement authorizes either party to make any contract, agreement, warranty or representation on the other party's behalf, or to incur any debt or other obligation in the other party's name; and neither party shall in any event assume liability for, or be deemed liable as a result of, any such action by the other party; nor shall either party be liable by reason of any act or omission of the other party in its conduct of its business or for any claim or judgment arising therefrom against the other party.

(c) Severability. If any provision of this Agreement, or the application thereof, is held illegal, unenforceable, or otherwise invalid by government promulgation or court decree, such holding shall not affect the other provisions or applications of this Agreement that can be given effect without the invalid provision.

- (d) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first written above.

WITNESS:

NVI LIQUIDATING TRUST

By: _____
J. Joseph Credit
President

W&M BUSINESS TRUST

By: _____

Roger A. Waesche, Jr.
Chief Operating Officer and Executive Vice President

Exhibit F

January 8, 2007

To: «TENANT»

c/o «ADDRESS»

Re: «PROPERTY» (the "Property")

Dear tenant:

Please be advised that the ownership interests in the owner of the Property have been transferred to Corporate Office Properties, L.P. or an affiliate thereof ("Transferee"), which has the address of 6711 Columbia Gateway Drive, Suite 300, Columbia, Maryland 21046.

In connection with such transfer, any security deposit and other deposits held under the lease (the "Lease") for the Property between the landlord as named in the Lease and you, as tenant, have been transferred to Transferee.

All future payments of rent and all other sums due and payable to the landlord under the Lease should be made to the order of Transferee as follows:

(1) to the lockbox address which is noted below (not to Transferee's address above):

M&T Lockbox # 64521
Nottingham Village, Inc.
P.O. Box 64521
Baltimore, Maryland 21264-4521

Overnight address:

M&T Bank
Attn: Lock Box 64521
1800 Washington Boulevard
Baltimore, Maryland 21230; or

(2) by wire or ACH per the below instructions:

Deposit Account # 9843684326

ABA No.: Wire: 022 000 046
ACH: 052 000 013

Sincerely,

Michael C. Bolesta, Esq.
Gordon, Feinblatt, Rothman, Hoffberger & Hollander, LLC, authorized agent and
attorney for landlord

Exhibit G
CERTIFICATE REGARDING FOREIGN INVESTMENT
IN REAL PROPERTY TAX ACT

Section 1445 of the Internal Revenue Code provides that a transferee (purchaser) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. To inform the transferee (purchaser) that withholding of tax is not required upon the disposition of a U.S. real property interest by Nottingham Village, Inc. ("Transferor") Transferor hereby certifies:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations).

2. Transferor's Federal Employer Identification Number is 52-0793645.
3. Transferor's office address is: 100 West Pennsylvania Avenue, Towson, Maryland 21204.
4. The address or description of the property which is the subject matter of the disposition set forth in the Purchase Agreement and Agreement and Plan of Merger dated December 21, 2006.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Transferor declares that it has examined this certification and to the best of its knowledge and belief, it is true, correct and complete, and further declares that the individual executing this certification on behalf of Transferor has full authority to do so.

NOTTINGHAM VILLAGE, INC.,
a Maryland corporation

By: _____
J. Joseph Credit
President and Chief Executive Officer

EXHIBIT H-1
to
Merger Agreement

OPINION OF GORDON, FEINBLATT, ROTHMAN, HOFFBERGER & HOLLANDER, LLC COUNSEL TO TARGET
, 2007

Corporate Office Properties Trust
Corporate Office Properties, L.P.
W&M Business Trust
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046

Purchase Agreement and Agreement and Plan of Merger dated as of December 20, 2006

Ladies and Gentlemen:

We are counsel Nottingham Village, Inc., a Maryland corporation (the "Target"). Target has entered into that certain Purchase Agreement and Agreement and Plan of Merger dated as of December 20, 2006 (the "Merger Agreement"), by and among Target, Corporate Office Properties Trust, a Maryland real estate investment trust, Corporate Office Properties, L.P., a Delaware limited partnership, and W&M Business Trust, a Maryland business trust (the "Merger Subsidiary"). We have been requested to deliver this opinion in connection with the execution and delivery of the Merger Agreement. This opinion is furnished to you pursuant to Section 9.04(g) of the Merger Agreement. Unless otherwise defined herein, terms used herein have the meanings assigned to such terms in the Merger Agreement.

In connection with this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of each of the following documents:

-
- (a) the Merger Agreement;
 - (b) the Articles of Merger between Target and Merger Subsidiary in the form to be filed with the SDAT (the "Articles of Merger") which, together with the Merger Agreement, are referred to as the "Agreements";
 - (c) the Articles of Incorporation of Target, as certified by the State Department of Assessments and Taxation of Maryland (the "SDAT");
 - (d) the bylaws of Target, as certified by an officer of Target;
 - (e) certified resolutions of the Board of Directors of Target relating to the Agreements and the transactions contemplated thereby;
 - (f) a good standing certificate for Target, dated as of a recent date, issued by the SDAT;
 - (g) an officer's certificate of Target, dated the date hereof, as to certain factual matters (the "Officer's Certificate"); and
 - (h) such other documents as we have considered necessary to the rendering of the opinion expressed below

In our examination of the aforesaid documents, we have assumed, without independent investigation, the genuineness of all signatures, the legal capacity of all individuals who have executed any of the aforesaid documents, the authenticity of all documents submitted to us as originals, the conformity with originals of all documents submitted to us as copies (and the authenticity of the originals of such copies), and that all public records from which public information has been received are accurate and complete. In making our examination of documents executed by parties other than Target, we have assumed that such parties had the power, corporate or other, to enter into and perform all obligations thereunder, and we have also assumed the due authorization by all requisite action, corporate or other, and the valid execution and delivery by such parties of such documents and the validity, binding effect and enforceability thereof with respect to such parties. As to any facts material to this opinion, we have relied solely upon the Officer's Certificate and have not independently verified the matters stated therein.

Based upon the foregoing, we are of the opinion and advise you as follows:

1. Target is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Maryland.

2. Target (a) has the corporate power and authority to execute, deliver, and perform the Merger Agreement, (b) has all requisite corporate power and authority to own or lease and operate its properties and assets and to carry on its business as now conducted, (c) has taken all corporate action necessary to authorize the execution, delivery, and performance of the Merger Agreement, and (d) has duly executed and delivered the Merger Agreement.

3. The execution and delivery by Target of the Merger Agreement do not, and the performance by Target of its obligations under the Merger Agreement will not, (a) result in a violation of Target's articles of incorporation or bylaws, or (b) result in a violation of any Maryland law, rule, or regulation or, to the best of our knowledge, any order, writ, judgment, injunction, decree, determination or award binding on Target.

4. No authorization, approval or other action by, and no notice to or filing with, any Maryland governmental authority or regulatory body, or other third party is required for the due execution, delivery, or performance by Target of the Merger Agreement.

5. The execution and delivery of the Merger Agreement and the documents contemplated thereby by Target have been duly authorized by its Board of Directors and those stockholders holding more than two-thirds of the issued and outstanding stock.

Our opinions expressed above are subject to the following qualifications and limitations:

(a) We have not made any investigations of, and express no opinion concerning, laws, rules and regulations of the State of Maryland relating to health, safety, the environment, environmental contamination, land use or construction nor any laws, rules and regulations promulgated by political subdivisions of the State of Maryland.

(b) We do not express any opinion with respect to the law of any jurisdiction other than the laws of Maryland, as in effect on the date hereof, and we do not express any opinion herein concerning any other law.

(c) The foregoing opinions are rendered as of the date hereof. We assume no obligation to update such opinions to reflect any facts or circumstances which may hereafter come to our attention or changes in the law which may hereafter occur.

(d) This opinion is limited to the matters set forth herein, and no other opinion should be inferred beyond the matters expressly stated.

This opinion letter is rendered to you in connection with the transactions contemplated by the Agreements. This opinion letter may not be relied upon by you or any other person for any other purpose.

Very truly yours,

Exhibit H-2
to
Merger Agreement

OPINION OF GORDON, FEINBLATT, ROTHMAN, HOFFBERGER & HOLLANDER, LLC COUNSEL TO SELLER

, 2007

Corporate Office Properties, L.P.
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046

Purchase and Sale Agreement of Ownership Interests in NPI Entities dated as of December 20, 2006

Ladies and Gentlemen:

We are counsel Nottingham Properties, Inc., a Maryland corporation (the "Seller"). Seller has entered into that certain Purchase and Sale Agreement of Ownership Interests in NPI Entities dated as of December 20, 2006 (the "PSA"), by and between Seller and Corporate Office Properties, L.P., a Delaware limited partnership. We have been requested to deliver this opinion in connection with the execution and delivery of the PSA. Unless otherwise defined herein, terms used herein have the meanings assigned to such terms in the PSA.

In connection with this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of each of the following documents:

- (a) the PSA;
 - (b) the Articles of Incorporation of Seller, as certified by the State Department of Assessments and Taxation of Maryland (the "SDAT");
 - (c) the bylaws of Seller, as certified by an officer of Seller;
 - (d) certified resolutions of the Board of Directors of Seller relating to the PSA and the transactions contemplated thereby;
 - (e) a good standing certificate for Seller, dated as of a recent date, issued by the SDAT;
 - (f) an officer's certificate of Seller, dated the date hereof, as to certain factual matters (the "Officer's Certificate"); and
 - (g) such other documents as we have considered necessary to the rendering of the opinion expressed below
-

In our examination of the aforesaid documents, we have assumed, without independent investigation, the genuineness of all signatures, the legal capacity of all individuals who have executed any of the aforesaid documents, the authenticity of all documents submitted to us as originals, the conformity with originals of all documents

submitted to us as copies (and the authenticity of the originals of such copies), and that all public records from which public information has been received are accurate and complete. In making our examination of documents executed by parties other than Seller, we have assumed that such parties had the power, corporate or other, to enter into and perform all obligations thereunder, and we have also assumed the due authorization by all requisite action, corporate or other, and the valid execution and delivery by such parties of such documents and the validity, binding effect and enforceability thereof with respect to such parties. As to any facts material to this opinion, we have relied solely upon the Officer's Certificate and have not independently verified the matters stated therein.

Based upon the foregoing, we are of the opinion and advise you as follows:

1. Seller is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Maryland.
2. Seller (a) has the corporate power and authority to execute, deliver, and perform the PSA, (b) has all requisite corporate power and authority to own or lease and operate its properties and assets and to carry on its business as now conducted, (c) has taken all corporate action necessary to authorize the execution, delivery, and performance of the PSA, and (d) has duly executed and delivered the PSA.
3. The execution and delivery by Seller of the PSA do not, and the performance by Seller of its obligations under the PSA will not, (a) result in a violation of Seller's articles of incorporation or bylaws, or (b) result in a violation of any Maryland law, rule, or regulation or, to the best of our knowledge, any order, writ, judgment, injunction, decree, determination or award binding on Seller.
4. No authorization, approval or other action by, and no notice to or filing with, any Maryland governmental authority or regulatory body, or other third party is required for the due execution, delivery, or performance by Seller of the PSA.
5. The execution and delivery of the PSA and the documents contemplated thereby by Seller have been duly authorized by its Board of Directors and those stockholders holding more than two-thirds of the issued and outstanding stock.

Our opinions expressed above are subject to the following qualifications and limitations:

(a) We have not made any investigations of, and express no opinion concerning, laws, rules and regulations of the State of Maryland relating to health, safety, the environment, environmental contamination, land use or construction nor any laws, rules and regulations promulgated by political subdivisions of the State of Maryland.

(b) We do not express any opinion with respect to the law of any jurisdiction other than the laws of Maryland, as in effect on the date hereof, and we do not express any opinion herein concerning any other law.

(c) The foregoing opinions are rendered as of the date hereof. We assume no obligation to update such opinions to reflect any facts or circumstances which may hereafter come to our attention or changes in the law which may hereafter occur.

(d) This opinion is limited to the matters set forth herein, and no other opinion should be inferred beyond the matters expressly stated.

This opinion letter is rendered to you in connection with the transactions contemplated by the PSA. This opinion letter may not be relied upon by you or any other person for any other purpose.

Very truly yours,

CHICAGO TITLE INSURANCE COMPANY
Commercial Certificate

RE: 67 parcels of land in Baltimore and Howard
Counties, Maryland k/a W&M Transaction
(hereinafter referred to as the "Property")

STATE OF: Maryland

{to wit:

COUNTY/CITY OF:

BEFORE ME, the undersigned authority personally appeared J. Joseph Credit, Trustee, of NVI Liquidating Trust (NVILT) who disposes and says that:

1. To the best of my information, knowledge and belief, NVILT's enjoyment of the Property has been peaceful and undisturbed and the title to the Property has not been disputed or questioned, nor do I know of any facts by reason of which title to, or possession of the Property might be disputed or questioned, or by reason of which others may claim title to the property or any portion thereof or an easement over and across same except: all matters and conditions on record. There are no other tenancies, leases, parties in possession or other occupancies of the Property and each of the parties/tenants disclosed on the attached list occupies the Property or has a right to such occupancy either as a tenant from month to month without lease or pursuant to the terms of an unrecorded lease.
2. No proceedings in bankruptcy or receivership have been filed by NVILT nor has NVILT ever made an assignment for the benefit of creditors.
3. I know of no action or proceeding relating to the Property now pending before any State or Federal Court nor do I know of any judgments or liens (including state and federal tax liens) which now constitutes a lien or charge upon the Property.
4. I know of no unrecorded documents affecting title to the Property.
5. I know of no unpaid real or personal property taxes and/or special assessments affecting the Property other than those shown on the Commitment For Title Insurance issued to buyer/lender.
6. There are no unpaid real or personal property taxes, water and/or sewer usage charges or unpaid special assessments for items such as improvements for sidewalks, curbs, gutters, alleys, etc.
7. There are no unpaid bills or claims for labor or services performed or materials furnished for the construction of improvements on the Property.

This certificate is given to induce CHICAGO TITLE INSURANCE COMPANY to issue it's policy(ies) of title insurance with full knowledge that the Company will rely upon the accuracy of same; and the entity on behalf of which this affidavit is made hereby agrees to hold CHICAGO TITLE INSURANCE COMPANY harmless and indemnify it against any actual out of pocket loss or damage it may sustain directly as a result of any false statement made herein.

WITNESS the hand and seal of affiant.

NVI Liquidating Trust, a Maryland business trust

By: _____ {SEAL}
J. Joseph Credit, Trustee

Sworn to and subscribed before me this _____ day of _____, 2006.

Notary Public

My Commission Expires _____

GAP INDEMNITY AND CERTIFICATE

State of Maryland

City/County of _____

WHEREAS, CHICAGO TITLE INSURANCE COMPANY, (hereinafter referred to as "the Company") has been requested to issue its Title Insurance Commitment No. 40110-06 A thru X (hereinafter referred to as "the Commitment") in respect to the land therein described;

AND WHEREAS, the Company intends to raise an exception to title on the Commitment as follows:

Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date that proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

(Hereinafter referred to as "the Exception")

AND WHEREAS, the Company has been requested to issue the Commitment without the Exception.

NOW THEREFORE, it is agreed that in consideration of the Company issuing the Commitment without Exception, and issuing its policy(ies) without exception to such matters as are described in the Exception, the undersigned hereby agrees to promptly defend, remove, bond or otherwise dispose of any encumbrance, lien or other act solely of or caused by the undersigned which may arise or be filed, as the case may be, against or having an effect upon the subject premises during the period of time between the most recent effective date of the Commitment and date of recording and further agrees to indemnify and hold the Company harmless against all loss or damage, including but not limited to all actual out of pocket expenses, costs and reasonable attorneys' fees which may arise directly out of the failure to so remove, bond or otherwise dispose of any said liens, encumbrances or acts of the undersigned.

NOTWITHSTANDING the aforementioned, it is agreed that the liability of the undersigned hereunder shall cease at such time as the Company shall have completed its recordation within a reasonable period of time after final closing, and provided that it finds no defects, liens, encumbrances, adverse claims or other matters caused by or recorded against the undersigned in addition to those appearing in the Commitment, and

provided further that the undersigned is not in default in the performance of any of the terms, covenants and conditions hereof.

Dated this _____ day of _____, 2006.

NVI Liquidating Trust, a Maryland business trust

By: _____
J. Joseph Credit, Trustee

Executed, subscribed before me, the undersigned, a Notary Public in and for the State aforesaid, on this _____ day of _____, 2006.

Notary Public

My Commission Expires: _____

Corporation/limited liability company

State of Maryland)
County of _____) to wit:

RE: 67 parcels in Baltimore and Howard

Certificate to Support Issuance of Non-Imputation Endorsement

The undersigned being first duly sworn, on oath, deposes and says the following:

1. NVI Liquidating Trust (NVILT) has succeeded to certain interests of Nottingham Village, Inc. and Nottingham Properties, Inc. and, in consideration thereof, executes and delivers this Certificate with regard to the above-referenced properties.
2. That to the best of the information, knowledge and belief of the undersigned and subject to all matters and conditions of record:
 - a. There are presently no defect in or liens, encumbrances or other claims against the title to the property described in the Commitment for Title Insurance No. 40110-06 A thru X (hereinafter referred to as "the Commitment") having an Effective Date of July 1, 2006, issued by Anchor Title Company, LLC as agent for Chicago Title Insurance Company (hereinafter referred to as "the Company") other than as disclosed by the exceptions listed in Schedule B- Section 2 of said Commitment and the following: all matters and conditions of record and rights of tenants under Leases provided the parties to be insured as shown in Schedule A of the Commitment; and
 - b. There are presently no inchoate rights which may ripen into any defect, lien, encumbrance or claim against the title to said property except as may be created by any instrument or action required in Schedule B- Section 1 of the Commitment, other than the following: (If none, state "None")
 - c. The undersigned makes these statements after having questioned all of the other officers, directors, or members of the corporation/limited liability company who have had any substantial contact with any transaction or negotiation involving the property described in the Commitment.
 - d. The undersigned makes these statements for the purpose of inducing the Company to issue the non-imputation endorsement attached hereto as Exhibit A to one or more of the owner's or loan policies issued pursuant to the Commitment.

Dated: _____

NVI Liquidating Trust, a Maryland business trust

By: _____
J. Joseph Credit, Trustee

Indemnity To Support Issuance of Non-Imputation Endorsement

The following indemnity is given to the Company as further inducement to it to issue the said endorsement, as aforesaid.

The undersigned entity hereby indemnifies the Company against any actual out of pocket loss which the Company may suffer directly by virtue of any valid claim made under the said non-imputation endorsement based on the existence of any defect in or lien, encumbrance, right or claim against or with respect to the title to the aforesaid property which was not disclosed in the above Affidavit but which should have been so disclosed in order to make all statements in the Affidavit true and correct. The undersigned entity understands that such losses may include court costs and reasonable attorney's fees expended by the Company in defending the title or interest of the insured against such lien, encumbrance, right or claim.

The undersigned entity further agrees to pay all court costs and reasonable attorney's fees which the Company may expend in enforcing the terms of this Indemnity.

NVI Liquidating Trust, a Maryland business trust

BY: _____
J. Joseph Credit, Trustee

Sworn to and subscribed before me this _____ day of _____, 2006.

Notary Public
My Commission expires: _____

SURVEY CERTIFICATE

As an inducement to Chicago Title Insurance Company to issue its owner's title insurance policy to Corporate Office Properties, L.P. or an affiliate thereof with respect to each improved property identified on Exhibit A attached hereto (individually, "property" and, collectively, "properties") with certain survey coverages, but without the benefit of a new or revised ALTA/ACSM or equivalent survey of each, and with the understanding that Chicago Title Insurance Company will act in reliance upon the statements made herein, NVI Liquidating Trust ("NVILT") hereby certifies as follows:

1. NVILT has succeeded to certain interests of Nottingham Village, Inc. and Nottingham Properties, Inc. and, in consideration thereof, executes and delivers this certificate with regard to the properties listed in Exhibit A.
2. To the best information, knowledge and belief of NVILT, based on an inspection of each property, no physical changes or alterations to such property and the improvements located thereon have occurred which would materially and adversely conflict or differ with such property and the improvements thereon as described and shown on the existing survey for each such property, each such survey being identified on Exhibit A and a copy of which has been furnished to Anchor Title Company, LLC, as agent for Chicago Title Insurance Company in connection with the issuance of such owner's title insurance policies, except the following conditions existing or believed to exist on each property:

- a. miscellaneous changes to the location of curbs and gutters, fences, transformers and trash dumpsters serving the properties; and
 - b. a 10,000-12,000 square foot addition to the existing building on the property known as Tyler Ridge III
3. This Certificate is subject to all matters of record affecting title to each of the properties and the rights of tenants under Leases provided to insured parties shown in Schedule A of a Commitment for Title Insurance no. 40110-06 A thru X issued by Anchor Title Company, LLC as agent for Chicago Title Insurance Company.

NVI Liquidating Trust, a Maryland business Trust

Date: _____, 2006

By: _____
J. Joseph Credit, Trustee

Property Name	Title Policy	Commitment	Survey
Franklin Ridge V 9900 Franklin Square Drive \$3,000,000	9/12/05		10/19/00
Franklin Ridge III 9920 Franklin Square Drive \$5,000,000	8/10/05		7/15/05
Franklin Ridge I and II and Nottingham Ridge D \$10,300,000	1/8/03		3/25/03 (FR I&II) 3/28/03 (NRD)
White Marsh Hi-Tech 4969 Mercantile Road \$5,000,000	8/31/98		8/18/98
Tyler Ridge IIA 8003 Corporate Drive \$1,700,000	9/12/00		10/27/00
McLean Ridge I & II 8010 & 8020 Corporate Drive \$6,000,000	3/30/98		3/11/98
7272 Park Circle \$6,000,000	pending	5/31/06	4/18/96
White Marsh Health Center LP \$3,760,000	12/30/97		1/21/98
White Marsh Business Center 5020, 5022, 5024 and 5026 Campbell Boulevard \$8,789,076	4/28/00		4/11/00
Corporate Center I 4940 Campbell Boulevard \$4,700,000	7/31/03	7/31/03	7/15/03
Riverwood Business Center \$11,600,000		1/24/02	1/14/03
Tyler Ridge I 8013 – 8023 Corporate Drive \$6,500,000	2/26/03	11/14/02	6/10/03
Nottingham Ridge C 5355 Nottingham Drive \$4,200,000	9/2/05		7/28/05
10552 Philadelphia Road \$5,000,000	10/21/05		9/21/05
216 Schilling Circle \$2,450,000	8/12/03	8/12/03	7/15/03
Ridgely's Choice 8601 – 8611 Ridgely's Choice \$5,100,000	5/16/05	5/13/05	4/29/05

Property Name	Title Policy	Commitment	Survey
Nottingham Center 502 Washington Avenue \$6,042,652.41	11/12/04	Not dated	3/1/94
Royston Building and APF 102 W. Pennsylvania Ave and 111 W. Allegheny \$4,500,000	Not dated	7/1/97	9/2/97
222 - 224 Schilling Circle \$2,000,000		4/30/97	4/24/97
Franklin Ridge IV 9910 Franklin Square Drive \$4,700,000	6/24/05	6/24/05	11/7/05

Corporate Place II 8110 Corporate Drive \$8,000,000			
Tyler Ridge II & III 7941 - 7949 & 8007 Corporate Drive \$5,000,000	7/10/97		6/25/97
8029 Corporate Drive \$6,100,000	8/31/98		8/28/98
White Marsh Commerce Center \$7,000,000			6/14/00
McLean Ridge III & IV Professional Center I, II & III	12/31/98		12/14/98
9020 Mendenhall Court	2/17/06	2/15/06	10/11/04
Woods at Broken Land and Rivers Center III	5/19/05		5/16/05

ESTOPPEL CERTIFICATE

[insert date]

Tenant:

Attn:

To: Nottingham Village, Inc., their subsidiaries and affiliates, and their successors and assigns and lenders

Re: Building:
Property:

1. _____, a _____ corporation, is the named Tenant ("Tenant"), and _____ is the Landlord ("Landlord") under a Lease dated _____, located at the Property ("Property") identified above. The Lease, together with the amendments:

(collectively, "Lease") constitutes the entire agreement between Landlord and Tenant with respect to the Property and the Premises. A true and correct copy of the Lease is attached hereto as **Exhibit A**. There are no other lease documents, commitments, options or rights with respect to the Property or the Premises and there are no other representations, warranties, agreements, concessions, commitments, or other understandings between the Tenant and the Landlord regarding the Property or the premises demised other than as set forth in the Lease or this paragraph 1.

2. Tenant occupies Suite _____, with a Rentable Square Footage Area of _____ rentable square feet (the "Premises"). Tenant's Pro Rata Share of the Property is _____ % (_____).

3. The Term of the Lease commenced _____ and will expire _____. Tenant is the actual occupant in possession of the Premises and has not sublet, assigned or hypothecated its leasehold interest. All improvements to be constructed on the Premises by Landlord have been completed and accepted by Tenant and any tenant construction or improvement allowances have been paid.

4. As of this date, no breach or default exists on the part of Tenant under the Lease, and there exists no facts that, with the passage of time or the giving of notice, or both, would constitute a default. To the best knowledge of Tenant, no breach or default exists on the part of Landlord under the Lease, and there exists no facts that, with the passage of time or the giving of notice, or both, would constitute a default. Neither Tenant nor Landlord has commenced any action or given or received any notice for the purpose of terminating the Lease.

5. Base Rent is currently payable in the amount of \$ _____ per month (which includes an expense stop equal to the amount of the operating expenses incurred by Landlord in the _____ calendar year and a real estate expense stop equal to the amount of the real estate taxes incurred by Landlord in the _____ calendar year). The base year amounts for operating expenses are \$ _____ and for real estate taxes are \$ _____ (please specify either dollar amounts or per square foot amounts). Pursuant to the Lease, Tenant is obligated to pay as additional rent its pro-rata share of operating expenses and real estate taxes that exceed the operating expense stop and real estate expense stop set forth in the Lease. The monthly base rent has been paid through _____ and all additional rent has been paid on a current basis in the manner required under the Lease.

6. Tenant has paid the first monthly installment of rent in advance, and Tenant has no claim or defense against Landlord under the Lease and is asserting no offsets or credits against either the rent or Landlord. Tenant has no claim against Landlord for any security or other deposits except \$ _____ which was paid pursuant to the Lease. Tenant has no right to any free rent, rent abatement, rent credit, or other rent concession, except:

7. Tenant has no right to renew or extend the term of the Lease, or to expand the size of the Premises, except:

Tenant has no interest in or option or preferential right to purchase all or any part of the Premises or the Property of which it forms a part, other than its right to lease the Premises as Tenant under the Lease.

8. Tenant has no rights of termination with the terms of the Lease except:

9. All insurance required of Tenant by the Lease has been provided by Tenant and all premiums paid.

10. There has not been filed by or against Tenant a petition in bankruptcy, voluntary or otherwise, any assignment for the benefit of creditors, any petition seeking reorganization or arrangement under the bankruptcy laws of the United States or any state thereof, or any other action brought under said bankruptcy laws with respect to Tenant.

11. Tenant has not received any notice of Landlord's prior sale, transfer, or assignment, hypothecation or pledge of the Lease or any of the rents or other amounts to be paid by Tenant pursuant thereto.

12. Tenant has received no notice from any governmental authority or other person or party claiming a violation of, or requiring compliance with, any Federal, State or local statute, ordinance, rule or regulation or the requirement of law for environmental contamination at the Premises, to the best knowledge of Tenant, the Tenant is in compliance with all applicable provisions of the Industry Site Recovery Act, and no hazardous, toxic, or polluting substances or wastes have been generated, treated, manufactured, stored, refined, used, handled, transported, released, spilled, disposed of or deposited by Tenant on, in or under the Premises.

This Tenant Estoppel Certificate may be relied upon by the Landlord, COPT Acquisitions, Inc. and Corporate Office Properties, L.P. and any lender providing financing to acquire the Property.

Effective Date: _____

WITNESS/ATTEST:

_____, a
corporation

By: _____
Printed Name: _____
Title: _____
Date: _____

**EXHIBIT K
MUTUAL RELEASE AND INDEMNIFICATION AGREEMENT**

This Mutual Release and Indemnification Agreement (this "**Agreement**") is entered into as of the 9th day of January, 2007 (the "**Effective Date**"), by and among Nottingham Properties, Inc., a Maryland corporation ("**NPT**"), Nottingham Village, Inc., a Maryland corporation ("**NVT**"), Corporate Office Properties Trust, a Maryland real estate investment trust ("**COPT**"), Corporate Office Properties, L.P., a Delaware limited partnership ("**COPLP**"), and W&M Business Trust, a Maryland business trust and a wholly owned subsidiary of COPT ("**COPT Merger Sub**"). NVI, COPT, COPLP, and COPT Merger Sub shall sometimes be referred to hereinafter as the "**COPT Group**."

RECITALS

A. NPT and COPT Merger Sub shall be parties to that certain Like-Kind Exchange Agreement dated as of January 10, 2007 (the "**Exchange Agreement**"), pursuant to which (i) COPT Merger Sub will convey to NPT all of its interests in certain entities that are disregarded for federal income tax purposes and that are listed on Schedule 1 attached hereto (the "**Exchanged Retail Interests**") and that own certain properties and listed on Schedule 2 attached hereto (the "**Exchanged Retail Properties**") and (ii) NPT will convey to COPT Merger Sub all of its interests in certain entities that are disregarded for federal income tax purposes and that are listed on Schedule 3 attached hereto (the "**Exchanged Office Interests**") and that own certain other properties identified therein and listed on Schedule 4 attached hereto (the "**Exchanged Office Properties**"), in an exchange (the "**Exchange**") intended to qualify as a like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended.

B. NPT and COPLP are parties to that certain Purchase and Sale Agreement dated as of December 21, 2006 (the "**NPT Purchase Agreement**"), pursuant to which COPLP will

purchase the ownership interests in entities owning the properties set forth on Schedule 5 attached hereto.

C. NVI is also a party to that certain Purchase Agreement and Agreement and Plan of Merger dated December 21, 2006 (the "**NVI Merger Agreement**"), among NVI, COPT, COPLP and COPT Merger Sub, pursuant to which NVI will merge with and into COPT Merger Sub (the "**NVI Merger**") the day prior to the Exchange.

D. The ultimate goal of the NPT Purchase Agreement, the Exchange and the NVI Merger (collectively, the "**Nottingham Transactions**") is for COPT Merger Sub and COPLP to receive all interests in all of the office properties owned, directly or indirectly, by NPT and NVI as set forth on Schedule 6 attached hereto (the "**Office Properties**").

E. For purposes of this Agreement, "Affiliates" shall mean, with respect to any Person, any other Person which directly or indirectly controls, is controlled by or is under common control with such Person, and "Subsidiaries" shall mean any entity wholly owned, either directly or indirectly, by another entity. For purposes of the immediately preceding sentence, the term "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract, or otherwise. "Person" means any individual, bank, corporation, partnership, association, joint-stock company, business trust, limited liability company or unincorporated organization. For purposes of this Agreement, the NPT Liquidating Trust, a Maryland business trust ("**Liquidating Trust**"), shall not be considered an Affiliate of NVI.

F. This Agreement is being delivered in connection with and as a condition precedent to closing under the Exchange Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements made herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, NPT, NVI, COPT, COPLP and COPT Merger Sub hereby agree as follows:

3. **COPT Group Releases.**

(a) **Release of NVI and NVI Derivative Claimant Claims.** NVI, on its own behalf and on behalf of its heirs, devisees, legatees, executors, administrators, personal and legal representatives, assigns and successors in interest, and its past, present and future Subsidiaries (collectively, the "**NVI Derivative**

Claimants” and each an “*NVI Derivative Claimant*”), hereby IRREVOCABLY, UNCONDITIONALLY AND GENERALLY RELEASES, ACQUITS, AND FOREVER DISCHARGES, to the fullest extent permitted by law, NPI and its past, present and future owners, members, predecessors (including, without limitation, Nottingham Investment Company), successors, assigns, agents, directors, officers, employees, representatives, attorneys, divisions, Subsidiaries and Affiliates (and agents, directors, officers, employees, owners,

members, representatives and attorneys of such owners, members, predecessors, successors, assigns, divisions, Subsidiaries and Affiliates), and all persons acting by, through, under or in concert with any of them (collectively, the “*NPI Releasees*” and each a “*NPI Releasee*”), or any of them, from any and all charges, complaints, claims, damages, actions, causes of action, suits, rights, demands, grievances, costs, losses, debts, and expenses (including attorneys’ fees and costs incurred), of any nature whatsoever, known or unknown, absolute or contingent, arising out of or relating to activities of NVI, NPI or any of their respective Subsidiaries or Affiliates, or the Office Properties or the Office Interests, or the Nottingham Transactions (including, without limitation, any claims or other liabilities under the Purchase Agreement or the Exchange Agreement), or any transactions preceding the Nottingham Transactions to which NVI, NPI or any of their respective Subsidiaries or Affiliates was a party, that NVI or any of the NVI Derivative Claimants now has, owns, or holds, or claims to have, own, or hold, or which NVI or any of the NVI Derivative Claimants at any time heretofore had, owned, or held, or claimed to have, own, or hold from the beginning of time to the Effective Date (each of which is referred to herein as an “*NVI Claim*”). Notwithstanding the foregoing, NVI, on its own behalf and on behalf of all NVI Derivative Claimants, expressly reserves any known or unknown claims any of them might now or hereafter have against Nottingham Management Company, a Maryland corporation and a former Subsidiary of NPI (“*NMC*”), Nottingham Construction Company, a Maryland corporation and a former Subsidiary of NPI (“*NCC*”), and Nottingham Utility Company, LLC, a Maryland limited liability company and a former Subsidiary of NPI (“*NUC*”), all of which shall be wholly owned by the Liquidating Trust, and against the Liquidating Trust; *provided, however*, that no such claim shall name NPI or any other NPI Releasee as a defendant nor shall any such claimant hold or attempt to hold NPI or any other NPI Releasee liable (including by means of any attempt to pierce the corporate veil) for any acts or omissions of NMC, NCC, NUC or the Liquidating Trust. If the Retail Transaction (defined below) closes with Federal Realty Investment Trust and/or any of its Affiliates or Subsidiaries (collectively, “*FRIT*”) as the acquiring party, then the term “*NPI Releasee*” or “*NPI Releasees*” as used in this Agreement shall include, for all purposes, FRIT, its Affiliates and Subsidiaries, and their respective successors, assigns, agents, directors, trustees, officers, employees, representatives, attorneys, divisions, Subsidiaries and Affiliates (and agents, directors, officers, employees, owners, members, representatives and attorneys of such successors, assigns, divisions, Subsidiaries and Affiliates), and all persons acting by, through, under or in concert with any of them.

(b) Release of NVI and NVI Derivative Claimant Unknown Claims NVI recognizes that NVI or an NVI Derivative Claimant may have some claim, demand, or cause of action against the NPI Releasees relating to an NVI Claim of which NVI and/or any NVI Derivative Claimant is totally unaware and unsuspecting and which is given up by the execution of this Agreement. It is NVI’s intention in executing this Agreement with the advice of legal counsel that this Agreement will deprive NVI and all NVI Derivative Claimants of any such NVI Claim and prevent NVI and all NVI Derivative Claimants from asserting the same. The provisions of any local, state, federal, or foreign law, statute, or judicial decision providing in substance that this Agreement shall not extend to such unknown or unsuspecting claims, demands, or damages, are hereby expressly waived.

(c) Release of COPT, COPLP, COPT Merger Sub and COPT Derivative Claimant Claims COPT, COPLP and COPT Merger Sub, on their own behalf and on behalf of

their respective heirs, devisees, legatees, executors, administrators, personal and legal representatives, assigns and successors in interest, and their respective past, present and future Subsidiaries (collectively, the “*COPT Derivative Claimants*” and each a “*COPT Derivative Claimant*”), hereby IRREVOCABLY, UNCONDITIONALLY AND GENERALLY RELEASE, ACQUIT, AND FOREVER DISCHARGE, to the fullest extent permitted by law, NPI and all other NPI Releasees, or any of them, from any and all charges, complaints, claims, damages, actions, causes of action, suits, rights, demands, grievances, costs, losses, debts, and expenses (including attorneys’ fees and costs incurred), of any nature whatsoever, known or unknown, absolute or contingent, arising out of or relating to activities of NVI, NPI or any of their respective Subsidiaries or Affiliates, or the Office Properties or the Office Interests, or the Nottingham Transactions (including, without limitation, any claims or other liabilities under the Purchase Agreement or the Exchange Agreement), or any transactions preceding the Nottingham Transactions to which NVI, NPI or any of their respective Subsidiaries or Affiliates was a party, that COPT, COPLP, COPT Merger Sub or any of the COPT Derivative Claimants now has, owns, or holds, or claims to have, own, or hold, or which COPT, COPLP, COPT Merger Sub or any of the COPT Derivative Claimants at any time heretofore had, owned, or held, or claimed to have, own, or hold from the beginning of time to the Effective Date (each of which is referred to herein as a “*COPT Claim*”). Notwithstanding the foregoing, COPT, COPLP and COPT Merger Sub, on their own behalf and on behalf of all COPT Derivative Claimants, expressly reserve any known or unknown claims any of them might now or hereafter have against NMC, NCC, NUC or the Liquidating Trust; *provided, however*, that no such claim shall name NPI or any other NPI Releasee as a defendant nor shall any such claimant hold or attempt to hold NPI or any other NPI Releasee liable (including by means of any attempt to pierce the corporate veil) for any acts or omissions of NMC, NCC, NUC or the Liquidating Trust.

(d) Release of COPT, COPLP, COPT Merger Sub and COPT Derivative Claimant Unknown Claims COPT, COPLP and COPT Merger Sub recognize that COPT, COPLP, COPT Merger Sub or a COPT Derivative Claimant may have some claim, demand, or cause of action against the NPI Releasees relating to a COPT Claim of which COPT, COPLP, COPT Merger Sub and/or any COPT Derivative Claimant is totally unaware and unsuspecting and which is given up by the execution of this Agreement. It is COPT’s, COPLP’s and COPT Merger Sub’s intention in executing this Agreement with the advice of legal counsel that this Agreement will deprive COPT, COPLP, COPT Merger Sub and all COPT Derivative Claimants of any such COPT Claim and prevent COPT, COPLP, COPT Merger Sub and all COPT Derivative Claimants from asserting the same. The provisions of any local, state, federal, or foreign law, statute, or judicial decision providing in substance that this Agreement shall not extend to such unknown or unsuspecting claims, demands, or damages, are hereby expressly waived.

4. *NPI Release.*

(a) Release of NPI and NPI Derivative Claimant Claims NPI, on its own behalf and on behalf of its heirs, devisees, legatees, executors, administrators, personal and legal representatives, assigns and successors in interest (including, without limitation, FRIT, if the Retail Transaction closes and FRIT or one of its Subsidiaries or Affiliates is the acquiring party thereunder), and its respective past, present and future Subsidiaries (collectively, the “*NPI Derivative Claimants*” and each a “*NPI Derivative Claimant*”), hereby IRREVOCABLY,

UNCONDITIONALLY AND GENERALLY RELEASE, ACQUIT, AND FOREVER DISCHARGE, to the fullest extent permitted by law, NVI, COPT, COPLP and COPT Merger Sub and their respective present and future owners, members, predecessors, successors, assigns, agents, directors, officers, employees, representatives, attorneys, divisions, Subsidiaries and Affiliates (and agents, directors, officers, employees, owners, members, representatives and attorneys of such owners, members, predecessors, successors, assigns, divisions, Subsidiaries and Affiliates), and all persons acting by, through, under or in concert with any of them (collectively, the “*NVI/COPT Releasees*” and each an “*NVI/COPT Releasee*”), or any of them, from any and all charges, complaints, claims, damages, actions, causes of action, suits, rights, demands, grievances, costs, losses, debts, and expenses (including attorneys’ fees and costs incurred), of any nature whatsoever, known or unknown, absolute or contingent, arising out of or relating to activities of NVI, NPI or any of their respective Subsidiaries or Affiliates, or the Retail Properties or the Retail Interests, or the Nottingham Transactions, or any transactions preceding the Nottingham Transactions (including, without limitation, any claims or liabilities under the Purchase Agreement or the Exchange Agreement) to which NVI, NPI or any of their respective Subsidiaries or Affiliates was a party, that NPI or any of the NPI Derivative Claimants now has, owns, or holds, or claims to have, own, or hold, or which NPI or any of the NPI Derivative Claimants at any time heretofore had, owned, or held, or claimed to have, own, or hold from the beginning of time to the Effective Date (each of which is referred to herein as a “*NPI Claim*”). Notwithstanding the foregoing, NPI, on its own behalf and on behalf of all NPI Derivative

Claimants, expressly reserves any known or unknown claims any of them might now or hereafter have against NMC, NCC, NUC or the Liquidating Trust; *provided, however*, that no such claim shall name any member of the COPT Group or any other COPT Releasee as a defendant nor shall any such claimant hold or attempt to hold any member of the COPT Group or any other COPT Releasee liable (including by means of any attempt to pierce the corporate veil) for any acts or omissions of NMC, NCC, NUC or the Liquidating Trust.

(b) **Release of NPI or any of the NPI Derivative Claimant Unknown Claims.** NPI recognizes that NPI or an NPI Derivative Claimant may have some claim, demand, or cause of action against the NVI/COPT Releasees relating to an NPI Claim of which NPI and/or any NPI Derivative Claimant is totally unaware and unsuspecting and which is given up by the execution of this Agreement. It is NPI's intention in executing this Agreement with the advice of legal counsel that this Agreement will deprive NPI and all NPI Derivative Claimants of any such NPI Claim and prevent NPI and all NPI Derivative Claimants from asserting the same. The provisions of any local, state, federal, or foreign law, statute, or judicial decision providing in substance that this Agreement shall not extend to such unknown or unsuspecting claims, demands, or damages, are hereby expressly waived.

3. **Collected Rent.** NPI agrees that any rent collected after the date hereof by NPI attributable to the Office Properties shall promptly be forwarded to COPLP. NVI, COPT, COPLP and COPT Merger Sub agree that any rent collected after the date hereof by NVI, COPT, COPLP and COPT Merger Sub attributable to the Retail Properties shall promptly be forwarded to NPI; provided, however, that if the Retail Transaction closes and FRIT or one of its Subsidiaries or Affiliates is the acquiring party thereunder, then from and after the closing of such Retail Transaction, such rent shall promptly be forwarded to FRIT at 1626 East Jefferson Street, Rockville, Maryland 20852.

4. **COPT Group Indemnification.** The COPT Group hereby agrees to indemnify, defend and hold NPI and all other NPI Releasees harmless from and against any and all charges, complaints, claims, actions, causes of action, suits, rights, demands, or grievances of any nature whatsoever, known or unknown, absolute or contingent, of or brought or asserted by any third party against NPI or any of the NPI Releasees, and all damages, costs, losses, debts, and expenses (including attorneys' fees and costs) incurred by NPI or any other NPI Releasee in connection therewith, that are now pending or that hereafter arise and that are related to (a) the Office Properties or the Exchanged Office Interests, including, without limitation, (i) claims relating to the loans encumbering any such Office Properties at the time of, or at any time preceding, the Nottingham Transactions, (ii) claims relating to any transfer or recordation taxes now or hereafter imposed on or with respect to the conveyance of such Office Properties or Exchanged Office Interests to NVI, COPT, COPLP, COPT Merger Sub or its or their Subsidiaries, (iii) claims relating to the environmental condition of the Office Properties, and (iv) claims relating to or involved in any litigation relating to the Office Properties or the Exchanged Office Interests pending as of the Effective Date, including, without limitation, that certain case captioned as Silberhorn, et al. v. Woods Investors Group, LLC Partnership, et al., Case No.: 13-C-05-063766OT, and that certain case captioned as Hartford Fire Insurance Company as subrogee of The Management Alliance, Inc. v. Nottingham Management Company, Case No.: 03-C-06-009327 OC and (b) COPT Group's failure to provide applicable notices and continuing health coverage that satisfies COBRA to Ronald Heagy, Bruce Campbell III, John Auer and Deborah Sellmayer (and members of their families), to individuals who are within their COBRA election period as of the Effective Date, and to employees of NPI (and members of their families) terminated in connection with qualifying events after the Effective Date and before the closing of NPI's proposed acquisition by FRIT, or a subsidiary of FRIT (the "**Retail Transaction**"), but only with respect to the NPI Group Health Plan (including dental, vision and prescription drug coverage) and only if such Retail Transaction is consummated within sixty (60) days of the Closing hereunder; *provided*, that COPT Group's indemnification obligation does not include the assumption of any other liability with respect to NPI's employee benefit plans and does not extend to any other obligation or liability under COBRA.

5. **NPI Indemnification.** NPI hereby agrees to indemnify, defend and hold NVI, all other NVI Releasees, COPT, COPLP, COPT Merger Sub and all other NVI/COPT Releasees harmless from and against any and all charges, complaints, claims, actions, causes of action, suits, rights, demands, or grievances of any nature whatsoever, known or unknown, absolute or contingent, of or brought or asserted by any third party against NVI, any other NVI Releasee, COPT, COPLP, COPT Merger Sub or any other NVI/COPT Releasee, and all damages, costs, losses, debts, and expenses (including attorneys' fees and costs) incurred by NVI, any other NVI Releasee, COPT, COPLP, COPT Merger Sub or any other NVI/COPT Releasee in connection therewith, that are now pending or that hereafter arise and that are related to (a) the Retail Properties or the Exchanged Retail Interests, including, without limitation, (i) claims relating to the loans encumbering any such Retail Properties at the time of, or at any time preceding, the Nottingham Transactions, (ii) claims relating to any transfer or recordation taxes now or hereafter imposed on or with respect to the conveyance of such Retail Properties, and (iii) any claims relating to the environmental condition of the Retail Properties, and (iv) claims relating to or involved in any litigation relating to the Retail Properties or Exchanged Retail Interests pending as of the Effective Date and (b) any liabilities or obligations to P. Douglas Dollenberg arising out of NPI's or NVI's payment obligations under the Retirement Agreement dated

January 1, 2005 by and among NPI, NVI and P. Douglas Dollenberg; *provided*, that NPI's indemnification obligation set forth in this subparagraph (b) shall terminate upon the closing of the Retail Transaction; and *provided further* that if the Retail Transaction closes and FRIT or one of its Subsidiaries or Affiliates is the acquiring party, then neither NVI, COPT, COPLP, COPT Merger Sub nor any other NVI/COPT Releasee shall have any right to claim the benefit of such indemnification under this subparagraph (b) against FRIT, its successors, assigns, agents, directors, officers, employees, representatives, attorneys, divisions, Subsidiaries and Affiliates (the "**FRIT Persons**"), and FRIT and FR White Marsh, Inc. shall assume the indemnification obligations under subparagraph (a) above.

6. **Loan Guarantees.** NVI previously executed Loan Guarantees. Upon the consummation of the Retail Transaction, NPI shall use its commercially reasonable efforts to cause the lenders to release COPT Group (as successor to NVI) from all obligations under the Loan Guarantees which accrue subsequent to the date of the closing of the Retail Transaction. If the Retail Transaction fails to close within one hundred twenty (120) days from the date hereof, NPI shall use its commercially reasonable efforts to cause the lenders to release COPT Group (as successor to NVI) from all obligations under the Loan Guarantees accruing after the date of the release. "**Loan Guarantees**" shall mean all guarantees and indemnities executed by NVI in connection with the loans secured by the Exchanged Retail Properties.

7. **Insurance Coverage.** NPI shall cause COPLP to be named as an additional "loss payee" as its interest may appear under all insurance policies relating to the Exchanged Retail Properties with respect to which NVI signed Loan Guarantees. NPI shall provide evidence to COPLP by April 1 of each year regarding the insurance coverage on all of the Exchanged Retail Properties. Notwithstanding the foregoing, NPI's obligations hereunder shall terminate upon the closing of the Retail Transaction such that the FRIT Persons shall have no obligations under this Section 7.

8. **Notices.** All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given by delivery (and shall be deemed to have been duly given upon receipt or refusal of delivery) either (i) in Person, (ii) by a recognized overnight courier service, in either case to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8), or (iii) by facsimile transmission (if such transmission is followed by delivery on the immediately following Business Day via the methods set forth in (i) or (ii) above):

If to any member of NPI:

Nottingham Properties, Inc.
100 West Pennsylvania Avenue
Towson, Maryland 21204
Fax No.: 410-321-8018
Attn: J. Joseph Credit, President and Chief Executive Officer

With a copy to:

Gordon, Feinblatt, Rothman, Hoffberger & Hollander, LLC
233 East Redwood Street
Baltimore, Maryland 21202
Fax No.: 410-576-4246
Attn: Abba David Poliakoff, Esq.

If to any member of the COPT Group:

Corporate Office Properties Trust
6711 Columbia Gateway Drive
Suite 300
Columbia, Maryland 21046
Fax No.: 443-285-7652
Attention: Karen M. Singer, Esq.

With a copy to:

DLA Piper US LLP
6225 Smith Avenue
Baltimore, Maryland 21209-3600
Fax No.: 410-580-3400
Attention: Richard E. Levine, Esq.

9. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties. No party shall have the right to assign its rights or obligations under this Agreement without the prior written consent of the other parties hereto, which consent may be granted or withheld in any party's sole and absolute discretion. Notwithstanding the foregoing, any member of the COPT Group or NPI may assign its rights (but not its obligations) under this Agreement to future owners of any of the Exchanged Office Interests and the Exchanged Office Properties and the Exchanged Retail Interests and the Exchanged Retail Properties, respectively.

10. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland, but without reference to the conflicts of laws principles of such state.

11. **Joint and Several Liability.** NVI, COPT, COPLP and COPT Merger Sub shall be jointly and severally liable for the obligations of each of them hereunder. NPI shall be wholly liable for its obligations hereunder.

12. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one

and the same instrument; provided, however, in no event shall this Agreement be effective unless and until signed by all parties hereto.

13. **Entire Agreement; Modifications; Waivers.** This Agreement contains the entire agreement among the parties relating to the subject matter hereof, and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between them other than as herein set forth. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. No waiver of any of the provisions of this Agreement shall be valid unless in writing and signed by the party against whom it is sought to be enforced.

14. **Partial Invalidity.** If any term, covenant or condition of this Agreement is held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

15. **Interpretation.** Section headings used herein shall not be used in construing this Agreement. Each party acknowledges that such party and its counsel, after negotiation and consultation, have reviewed and revised this Agreement. As such, the terms of this Agreement shall be fairly construed, and the rule of construction that ambiguities in this Agreement should be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments, modifications or exhibits hereto or thereto. Whenever the words "including," "include" or "includes" are used in this Agreement, they shall be interpreted in a non-exclusive manner (*i.e.*, they shall mean "including, without limitation").

16. **Recitals.** Each and all of the recitals set forth above are hereby incorporated into this Agreement by reference.

PLEASE READ THIS AGREEMENT CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, NPI, NVI, COPT, COPLP and COPT Merger Sub have executed this Agreement as of the Effective Date.

NOTTINGHAM PROPERTIES, INC.

By: _____
Name: J. Joseph Credit
Title: President
Date: _____

NOTTINGHAM VILLAGE, INC.

By: _____
Name: J. Joseph Credit

Title: President

Date: _____

[signatures continue on the following page]

CORPORATE OFFICE PROPERTIES TRUST

By:

Name: Roger A. Waesche, Jr.

Title: Executive Vice President and Chief Operating Office

Date: _____

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust,
its general partner

By:

Name: Roger A. Waesche, Jr.

Title: Executive Vice President and Chief Operating Office

Date: _____

W&M BUSINESS TRUST

By:

Name: Roger A. Waesche, Jr.

Title: Executive Vice President and Chief Operating Office

Date: _____

SCHEDULE 1

Exchanged Retail Interests

Retail Properties Business Trust
Nottingham Square Business Trust
White Marsh Plaza Limited Partnership
White Marsh Plaza Business Trust
White Marsh Plaza, LLC
The Avenue at White Marsh Business Trust
Shoppes at Nottingham Square Business Trust
Campbell-Philadelphia Business Trust
30% tenancy in common interest in Retail Funding Affiliates, LLC

SCHEDULE 2

Exchanged Retail Properties

<u>Property</u>	<u>Address</u>	<u>Title Holder</u>	<u>Tax No.</u>
The Avenue at White Marsh (30% tenancy-in-common interest)	8101 Honeygo Boulevard	The Avenue at White Marsh Business Trust	14-2200028701
The Avenue at White Marsh Parking	8207 Town Center Drive	Retail Properties Business Trust	14-2000011985
White Marsh Plaza	Perry Hall Boulevard	White Marsh Plaza Business Trust	14-1900001897
Shoppes at Nottingham Square	5270 Campbell Boulevard	Shoppes at Nottingham Square Business Trust	14-2300010302
Shoppes at Nottingham Square 2	5350 Campbell Boulevard	Campbell-Philadelphia Business Trust	14-2300002821
Bertucci's	8019 Honeygo Boulevard	Retail Properties Business Trust	14-2200017197
Red Lobster	8132 Corporate Drive	Retail Properties Business Trust	14-2200011638
TGI Friday's	4921 Campbell Boulevard	Retail Properties Business Trust	14-2200018668
Johns Hopkins Health Systems	4924 Campbell Boulevard	Retail Properties Business Trust	14-2200005924
Johns Hopkins Health Systems - Phase 2	4930 Campbell Boulevard	Retail Properties Business Trust	14-2200005923
McDonald's II	5302 Campbell Boulevard	Retail Properties Business Trust	14-2300007101
Hilton Garden Inn	4967 Campbell Boulevard	Retail Properties Business Trust	14-2200025469
	4965 Campbell Boulevard		14-2300001519
Panera Bread	5110 Campbell Boulevard	Nottingham Square Business Trust	14-2400002795
M&T Bank	5100 Campbell Boulevard	Retail Properties Business Trust	14-2300011554
Chic-Fil-A	5154 Campbell Boulevard	Retail Properties Business Trust	14-2400002796
Eastern Petroleum Corp (BP/Subway)	5250 Campbell Boulevard	Retail Properties Business Trust	14-2300010300
Sun Trust Bank (Crestar)	5260 Campbell Boulevard	Retail Properties Business Trust	14-2300010301
Baltimore County Savings Bank	5340 Campbell Boulevard	Retail Properties Business Trust	14-2300007100
Lowe's Home Centers	5300 Campbell Boulevard	Retail Properties Business Trust	14-2300002820

SCHEDULE 3

Exchanged Office Interests

Allegheny Parking Business Trust
Campbell Building Business Trust
Honeygo Limited Partnership I, LLLP
Honeygo Limited Partnership II, LLLP
Honeygo Limited Partnership III, LLLP
Lot 3A Business Trust
Philadelphia Road Business Trust
Professional Center I, LLC
White Marsh Professional Center II, LLC
Professional Center III, LLC
Ridgely's Choice Business Trust
Riverwood Business Center Equity Affiliates, LLC
Royston Building Business Trust (sole member of Royston-Allegheny Affiliates, LLC)
Schilling 216 Investors, LLC
Schilling Center Equities, LLC
Tyler Ridge Limited Partnership (sole beneficiary of Tyler Ridge I Business Trust)
Tyler Ridge I, LLC
Tyler Ridge II Improvements Business Trust
Tyler Ridge III Improvements Business Trust
Tyler Ridge Affiliates, LLC
White Marsh Business Center Limited Partnership
White Marsh Business Center, LLC
WMBC 13A Investment Company

SCHEDULE 4

Exchanged Office Properties

Property Class	Property	Address	Ownership Immediately Prior To Effective Time of NVI Merger
D.1	Tyler Ridge II — Leasehold Interest	8007 Corporate Drive, Baltimore County, MD	Tyler Ridge II Improvements Business Trust
D.2	Tyler Ridge III — Leasehold Interest	7941 Corporate Drive, Baltimore County, MD	Tyler Ridge III Improvements Business Trust
D.3	Allegheny Parking Facility and 117 Allegheny Avenue (Tax Parcel No. 09-0914652094)	111 West Allegheny Avenue, Baltimore County, MD and 117 West Allegheny Avenue, Baltimore County, MD	Allegheny Parking Business Trust
D.4	Campbell Building	100 West Pennsylvania Avenue, Baltimore County, MD	Campbell Building Business Trust
D.5	Royston Building	102 West Pennsylvania Avenue, Baltimore County, MD	Royston Building Business Trust
D.6	Lot 3A — In front of Residence Inn (L)	4960 Mercantile Road, Baltimore County, MD	Lot 3A Business Trust
D.7	Philadelphia Rd./Rt. 43 (28.53 acres) (L) (Tax Parcel No. 11-1114066244)	Philadelphia Road, Baltimore County, MD	Philadelphia Road Business Trust
E.2	Riverwood Business Center	7150 Riverwood Drive, Howard County, MD	Riverwood Business Center Equity Affiliates, LLC
E.3	216 Schilling Center	216 Schilling Circle, Baltimore County, MD	Schilling 216 Investors, LLC
E.4	Ridgely's Choice	8623 Ridgely's Choice Drive, Baltimore County, MD	Ridgely's Choice Business Trust
G.4	Schilling Center	222 Schilling Circle (222-224 Schilling Cir.), Baltimore County, MD	Schilling Center Equities, LLC
G.5	Professional Center I	7939 Honeygo Boulevard, Baltimore County, MD	Honeygo Limited Partnership I, LLLP
G.6	Professional Center II	7923 Honeygo Boulevard, Baltimore County, MD	Honeygo Limited Partnership II, LLLP
G.7	Professional Center III	8133 Perry Hall Boulevard, Baltimore County, MD	Honeygo Limited Partnership III, LLLP
G.8	White Marsh Business Center	5020 Campbell Boulevard (WMBC I), 5022 Campbell Boulevard (WMBC II), 5026 Campbell Boulevard (WMBC III), 5024 Campbell Boulevard (WMBC IV), Baltimore County, MD	White Marsh Business Center Limited Partnership
G.11	Tyler Ridge I	8011 Corporate Drive, Baltimore County, MD	Tyler Ridge I Business Trust

SCHEDULE 5

Office Properties to be Purchased

Property Class	Property	Address	Ownership Immediately Prior To Effective Time of NVI Merger
B.1	37 Allegheny Avenue	37 Allegheny Avenue, Baltimore County, MD	37 Allegheny Business Trust
B.2	10552 Philadelphia Road (Leasehold Interest)	10552 Philadelphia Road, Baltimore County, MD	Philadelphia Road Operating Company, LLC
B.3	Intentionally Deleted		
B.4	9020 Mendenhall	9020 Mendenhall Court, Howard County, MD	9020 Mendenhall, LLC

B.5	Woods at Broken Land	9700 Patuxent Woods Drive, Howard County, MD	Woods Investors, LLC
B.6	Rivers Center III	10270 N. Old Columbia Road, Howard County, MD	Rivers Center III Investors, LLC
G.1	Campbell Corporate Center I	4940 Campbell Boulevard, Baltimore County, MD	Corporate Center I Limited Partnership
G.9	Nottingham Centre	502 Washington Avenue, Baltimore County, MD	Nottingham Associates Limited Partnership
G.10	White Marsh Health Center	8114 Sandpiper Circle, Baltimore County, MD	White Marsh Health Center Limited Partnership, LLLP
G.12	White Marsh Hi-Tech I and II	4969 Mercantile Road (Bldg 1) 4979 Mercantile Road (Bldg 2) 4981 Mercantile Road (Parking)	White Marsh Hi-Tech 1 Business Trust (49%) And White Marsh Hi-Tech 2 Business Trust (51%)

Notes

- G.1. COPLP will purchase a 50% limited partnership interest in Corporate Center I Limited Partnership.
G.9. COPLP will purchase a 43.7% limited partnership interest in Nottingham Associates Limited Partnership.
G.10. COPLP will purchase a 60% limited partnership interest in Sandpiper Limited Partnership which, in turn, owns a 72.5% general partnership interest in White Marsh Health Center Limited Partnership, LLLP.
G.12. COPLP will purchase 100% of beneficial interests in White Marsh Hi-Tech 2 Business Trust (which shall own a 51% tenancy-in-common interest in White Marsh Hi-Tech property).

SCHEDULE 6

Office Properties

Property Class	Property	Address	Ownership Immediately Prior To Effective Time of NVI Merger
B.1	37 Allegheny Avenue	37 Allegheny Avenue, Baltimore County, MD	37 Allegheny Business Trust
B.2	10552 Philadelphia Road — Leasehold Interest	10552 Philadelphia Road, Baltimore County, MD	Philadelphia Road Operating Company, LLC
B.3	Intentionally Deleted		
B.4	9020 Mendenhall	9020 Mendenhall Court, Howard County, MD	9020 Mendenhall, LLC
B.5	Woods at Broken Land	9700 Patuxent Woods Drive, Howard County, MD	Woods Investors, LLC
B.6	Rivers Center III	10270 N. Old Columbia Road, Howard County, MD	Rivers Center III Investors, LLC
A.1	8029 - 8031 Corporate Drive	8029-8031 Corporate Drive, Baltimore County, MD	8029 Corporate Drive Business Trust
A.2	Corporate Place I	8140 Corporate Drive, Baltimore County, MD	Corporate Place I Business Trust
A.3	Franklin Ridge V	9900 Franklin Square Drive, Baltimore County, MD	Franklin Ridge V Business Trust
A.4	Tyler Ridge II — Fee Interest	8007 Corporate Drive, Baltimore County, MD	Tyler Ridge II Business Trust
A.5	Tyler Ridge IIA	8003 Corporate Drive, Baltimore County, MD	Tyler Ridge IIA Business Trust
A.6	Tyler Ridge III — Fee Interest	7941 Corporate Drive, Baltimore County, MD	Tyler Ridge III Business Trust
A.7	McLean Ridge V (L)	8100 Sandpiper Circle, Baltimore County, MD	McLean Ridge V Business Trust
A.8	Corporate Place III (L)	8120 Corporate Drive, Baltimore County, MD	Corporate Place III Business Trust
A.9	Corporate Place IV (L)	8130 Corporate Drive, Baltimore County, MD	Corporate Place IV Business Trust
A.10	Lot 401 — on cul-de-sac (L) (Tax Parcel No. 11-2200015748)	4985 Mercantile Road, Baltimore County, MD	Lot 401 Business Trust
A.11	Nottingham Ridge (L) and (Tax Parcel Nos. 11-2400002078 and 11-2300012935)	5300 Nottingham Drive, Baltimore County, MD SWM Pond in Nottingham Ridge	Nottingham Ridge I Business Trust
A.12	Nottingham Ridge/Phila. Road (L) (Tax Parcel No. 11-2400002075)	5357 Nottingham Drive, Baltimore County, MD	Nottingham Ridge II Business Trust
A.13	10521 Red Run Boulevard (L)	10521 Red Run Boulevard, Baltimore County, MD	10521 Red Run Business Trust
A.14	Intentionally Deleted		
A.15	Campbell Blvd & Franklin Sq. (18.62 acres and	5251 Campbell Boulevard, Baltimore County, MD	Campbell Boulevard I Business Trust
A.16	1.0052 acres SWM) (L) (Tax Parcel No. 14-2200020875) and (Tax Parcel No. 14-22000020877) Campbell Blvd & Franklin Sq. (5.23 acres) (L) (Tax Parcel No. 14-2200020165)	5201 Campbell Boulevard, Baltimore County, MD	Campbell Boulevard II Business Trust
A.17	Nottingham Ridge/Phila. Rd. (9.14 acres) (L) (Tax Parcel No. 11-2300012656)	5361 Nottingham Drive, Baltimore County, MD	Nottingham Ridge III Business Trust
A.18	Intentionally Deleted		
A.19	Franklin Ridge Open Space (Tax Parcel No. 14-2300006823) and (Tax Parcel No. 14-2300006822)	.174 Ac Pvt Op Sp., NSR Franklin Square Drive and .539 Ac Pvt Op Sp., NSR Franklin Square Drive	Franklin Ridge Open Space Business Trust
A.20	8027 Corporate Drive	8027 Corporate Drive, Baltimore County, MD	8027 Corporate Drive Business Trust
A.21	Tyler Ridge Water Management (Tax Parcel No. 14-220001624) and (Tax Parcel No. 14-220001623)	Flood Plain and Storm Water Management Area adjacent to Tyler Ridge.	Tyler Ridge Water Management Business Trust
C.1	10552 Philadelphia Road — Fee Interest	10552 Philadelphia Road, Baltimore County, MD	Honeygo Run Holdings, LLC
C.2	Corporate Place II	8110 Corporate Drive, Baltimore County, MD	Corporate Place B Equity Affiliates, LLC
C.3	Franklin Ridge I	9940 Franklin Square Drive, Baltimore County, MD	Franklin Ridge No. 1 Business Trust

C.4	Franklin Ridge II	9930 Franklin Square Drive, Baltimore County, MD	Franklin Ridge No. 2 Business Trust
C.5	Franklin Ridge IV	9910 Franklin Square Drive, Baltimore County, MD	Franklin Ridge No. 4 Business Trust
C.6	Nottingham Ridge C	5355 Nottingham Drive, Baltimore County, MD	Nottingham Ridge No. 20 Business Trust
C.7	Nottingham Ridge D	5325 Nottingham Drive, Baltimore County, MD	Nottingham Ridge No. 30 Business Trust
D.1	Tyler Ridge II — Leasehold Interest	8007 Corporate Drive, Baltimore County, MD	Tyler Ridge II Improvements Business Trust
D.2	Tyler Ridge III — Leasehold Interest	7941 Corporate Drive, Baltimore County, MD	Tyler Ridge III Improvements Business Trust
D.3	Allegheny Parking Facility and 117 Allegheny Avenue (Tax Parcel No. 09-0914652094)	111 West Allegheny Avenue, Baltimore County, MD and 117 West Allegheny Avenue, Baltimore County, MD	Allegheny Parking Business Trust
D.4	Campbell Building	100 West Pennsylvania Avenue, Baltimore County, MD	Campbell Building Business Trust
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D.5	Royston Building	102 West Pennsylvania Avenue, Baltimore County, MD	Royston Building Business Trust
D.6	Lot 3A — In front of Residence Inn (L)	4960 Mercantile Road, Baltimore County, MD	Lot 3A Business Trust
D.7	Philadelphia Rd./Rt. 43 (28.53 acres) (L) (Tax Parcel No. 11-1114066244)	Philadelphia Road, Baltimore County, MD	Philadelphia Road Business Trust
E.1	Intentionally Deleted		
E.2	Riverwood Business Center	7150 Riverwood Drive, Howard County, MD	Riverwood Business Center Equity Affiliates, LLC
E.3	216 Schilling Center	216 Schilling Circle, Baltimore County, MD	Schilling 216 Investors, LLC
E.4	Ridgely's Choice	8623 Ridgely's Choice Drive, Baltimore County, MD	Ridgely's Choice Business Trust
F.1	White Marsh Commerce Center I	10001 Franklin Square (10001 — 10049), Baltimore County, MD	White Marsh Commerce Center I Business Trust
F.2	McLean Ridge I	8012 - 8020 Corporate Drive, Baltimore County, MD	McLean Ridge I Business Trust
F.3	McLean Ridge II	8002 - 8010 Corporate Drive, Baltimore County, MD	McLean Ridge II Business Trust
F.4	McLean Ridge III	7920 Corporate Drive, Baltimore County, MD	McLean Ridge III Business Trust
F.5	McLean Ridge IV	8098 Sandpiper Cir., Baltimore County, MD	McLean Ridge IV Business Trust
F.6	White Marsh Commerce Center II (L)	9951 Franklin Square Drive (9951-9999 Franklin Sq.), Baltimore County, MD	White Marsh Commerce Center II Business Trust
G.1	Campbell Corporate Center I and Parcel A (.630 acres-Tax Parcel No. 14-2200005926)	4940 Campbell Boulevard, Baltimore County, MD	Corporate Center I Limited Partnership (Campbell Corporate Center I) and Campbell Corporate Center I-2 Business Trust (Tax Parcel No. 14-2200005926)
G.2	Franklin Ridge III	9920 Franklin Square Drive, Baltimore County, MD	Franklin Ridge No. 3 Business Trust
G.3	7272 Park Circle Drive	7272 Park Circle Drive, Anne Arundel County, MD	Park Circle Equities, LLC
G.4	Schilling Center	222 Schilling Circle (222-224 Schilling Cir.), Baltimore County, MD	Schilling Center Equities, LLC
G.5	Professional Center I	7939 Honeygo Boulevard, Baltimore County, MD	Honeygo Limited Partnership I, LLLP
G.6	Professional Center II	7923 Honeygo Boulevard, Baltimore County, MD	Honeygo Limited Partnership II, LLLP
G.7	Professional Center III	8133 Perry Hall Boulevard, Baltimore County, MD	Honeygo Limited Partnership III, LLLP
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G.8	White Marsh Business Center and 1.14 acres (Tax Parcel No. 14-2000000284)	5020 Campbell Boulevard (WMBC I) 5022 Campbell Boulevard (WMBC II) 5026 Campbell Boulevard (WMBC III) 5024 Campbell Boulevard (WMBC IV), Baltimore County, MD	White Marsh Business Center Limited Partnership (White Marsh Business Center) and White Marsh Business Center 2 Business Trust (Tax Parcel No. 14-2000000284)
G.9	Nottingham Centre	502 Washington Avenue, Baltimore County, MD	Nottingham Associates Limited Partnership
G.10	White Marsh Health Center	8114 Sandpiper Circle, Baltimore County, MD	White Marsh Health Center Limited Partnership, LLLP
G.11	Tyler Ridge I	8011 Corporate Drive, Baltimore County, MD	Tyler Ridge I Business Trust
G.12	White Marsh Hi-Tech I and II	4969 Mercantile Road (Bldg 1) 4979 Mercantile Road (Bldg 2) 4981 Mercantile Road (Parking)	White Marsh Hi-Tech 1 Business Trust (49%) and White Marsh Hi-Tech 2 Business Trust (51%)

Notes

- G.1. COPLP will purchase a 50% limited partnership interest in Corporate Center I Limited Partnership.
- G.9. COPLP will purchase a 43.7% limited partnership interest in Nottingham Associates Limited Partnership.
- G.10. COPLP will purchase a 60% limited partnership interest in Sandpiper Limited Partnership which, in turn, owns a 72.5% general partnership interest in White Marsh Health Center Limited Partnership, LLLP.
- G.12. COPLP will purchase 100% of beneficial interests in White Marsh Hi-Tech 2 Business Trust (which shall own a 51% tenancy-in-common interest in White Marsh Hi-Tech property).

Exhibit L FIRST AMENDMENT TO RETIREMENT AGREEMENT

P. DOUGLAS DOLLENBERG

THIS FIRST AMENDMENT (the "First Amendment") is made as of January , 2007, but effective as of January 1, 2005, by and between Nottingham Properties, Inc., a Maryland corporation (the "Company"), Nottingham Village, Inc., a Maryland corporation ("Village") and P. Douglas Dollenberg ("Executive").

RECITALS

WHEREAS, the Company, Village and Executive entered into a Retirement Agreement dated as of January 1, 2005 (the "Retirement Agreement"); and

WHEREAS, under the Retirement Agreement, the Company will provide to Executive benefits under the Company's retiree medical program; and

WHEREAS, the Company has been providing to Executive and Kathleen B. Dollenberg, his wife, benefits under the Company's retiree medical program since his retirement from active employment with the Company; and

WHEREAS, the Company, Village and Executive wish to amend the Retirement Agreement to comply with Section 409A of the Internal Revenue Code, based on regulations and guidance issued to date by the Internal Revenue Service interpreting Code Section 409A; and

WHEREAS, the Company, Village and Executive also wish to amend the Retirement Agreement to provide that, in lieu of continuing to provide Executive and Kathleen B. Dollenberg benefits under the Company's retiree medical program, Company will pay Executive a lump sum payment in cash of \$491,822 on or about January 3, 2007.

NOW, THEREFORE, it is agreed as follows:

1. Effective January 3, 2007, the following shall be added at the end of paragraph 3 of the Retirement Agreement:
-

"Notwithstanding any other provision of this Agreement, effective January 3, 2007, the Company shall have no obligation to provide Executive or Kathleen B. Dollenberg any benefit under the Company's retiree medical program, including, but not limited to, reimbursement of the Medicare Supplement and, in lieu thereof, the Company shall pay Executive a lump sum payment in cash of \$491,822 on or about January 5, 2007. Executive acknowledges that such payment constitutes payment in full of all obligations of the Company and Village to Executive and Kathleen B. Dollenberg with respect to benefits under the Company's retiree medical program, including, but not limited to, reimbursement of the Medicare Supplement, under this Agreement or otherwise. At the time of such payment, Executive and Kathleen B. Dollenberg will execute a receipt acknowledging payment in full of all such obligations of the Company and Village."

2. Effective January 1, 2005, the following shall be added at the end of paragraph 1 of the Retirement Agreement:

"Such retirement and resignation shall constitute a "separation from service" under Section 409A(a)(2)(A)(i) of the Internal Revenue Code and the Internal Revenue Service guidance and Treasury Regulations promulgated thereunder."

3. Effective January 1, 2005, paragraph 4(d) of the Retirement Agreement shall be deleted and replaced with the following:

"(d) Acceleration. Notwithstanding the payment provisions of paragraph 4(a), above, the entire remaining balance of the Post-Retirement Compensation payable to the Executive under paragraph 4(a) shall be paid in one lump sum payment as soon as administratively practicable after the earlier of (i) the death of the Executive or (ii) a "Change in Control" as to the Executive. For purposes of this Agreement, a "Change in Control" means a "change in the ownership of the corporation," a "change in the effective control of the corporation," or a "change in the ownership of a substantial portion of the assets of the corporation," as such terms are defined under Section 409A(a)(2)(A)(v) of the Internal Revenue Code and the Internal Revenue Service guidance and Treasury Regulations promulgated thereunder. Executive acknowledges that such payment, in the amount of \$2,625,000.00 (if payable before April 1, 2007), constitutes payment in full of all obligations of the Company and Village to Executive with respect to Post-Retirement Compensation payable under this Agreement or otherwise. At the time of such payment, Executive will execute a receipt acknowledging payment in full of all such obligations of the Company and Village."

4. Merger.

(a) Village is anticipating that it will be merging into and with an affiliate of Corporate Office Properties Trust ("COPT Affiliate") and has provided a copy of the Retirement Agreement and this First Amendment, containing the obligations of Village thereunder, to COPT Affiliate. Upon the consummation of such merger, COPT Affiliate shall be bound by the obligations of Village under the Retirement Agreement, as hereby amended, under Maryland law as the successor in the merger with Village.

(b) Company is anticipating that it may be merging with another entity ("Company Successor"). Company shall provide a copy of the Retirement Agreement and this First Amendment containing the obligations of Company thereunder, to the Company Successor. Upon the consummation of such merger, Company Successor shall be bound by the obligations of Company under the Retirement Agreement, as hereby amended under Maryland law as the successor in the merger with Company.

5. Reaffirmation. Except as provided herein, the parties hereto reaffirm all of the terms and provisions of the Retirement Agreement, and all defined terms not defined herein shall have the meaning ascribed to such defined terms in the Retirement Agreement.
-

IN WITNESS WHEREOF, the parties have executed this First Amendment as of the day and year first above written.

WITNESS:

NOTTINGHAM PROPERTIES, INC.

By:

J. Joseph Credit
President and Chief Executive Officer

WITNESS:

NOTTINGHAM VILLAGE, INC.

By:

J. Joseph Credit
President and Chief Executive Officer

WITNESS:

P. Douglas Dollenberg

Exhibit M

January 9, 2007

Nottingham Village, Inc.
100 W. Pennsylvania Avenue
Towson, Maryland 21204

Purchase Agreement and Agreement and Plan of Merger dated as of December 21, 2006

Ladies and Gentlemen:

We are counsel to Corporate Office Properties Trust, a Maryland real estate investment trust (the "Acquiror"), Corporate Office Properties, L.P., a Delaware limited partnership (the "Acquiror OP") and W&M Business Trust, a Maryland business trust (the "Merger Subsidiary"). Acquiror has entered into that certain Purchase Agreement and Agreement and Plan of Merger dated as of December 21, 2006 (the "Merger Agreement"), by and among Acquiror, Acquiror OP, Merger Subsidiary and Nottingham Village, Inc., a Maryland corporation (the "Target"). We have been requested to deliver this opinion in connection with the execution and delivery of the Merger Agreement. This opinion is furnished to you pursuant to Section 9.05(d) of the Merger Agreement. Unless otherwise defined herein, terms used herein have the meanings assigned to such terms in the Merger Agreement.

In connection with this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of each of the following documents:

- (a) the Merger Agreement;
- (b) the PSA;
- (c) the Articles of Merger between the Target and Merger Subsidiary in the form to be filed with the SDAT (the "Articles of Merger") which, together with the Merger Agreement and the PSA, are referred to as the "Agreements";
- (d) the Certificate of Trust of each of Acquiror and Merger Subsidiary, as certified by the State Department of Assessments and Taxation of Maryland (the "SDAT");
- (e) the Certificate of Limited Partnership of Acquiror OP, as certified by the Secretary of State of the State of Delaware;
- (f) the Declaration of Trust of each of Acquiror and Merger Subsidiary, as certified by an officer of Acquiror and Merger Subsidiary;
- (g) the Agreement of Limited Partnership of Acquiror OP, as certified by the general partner of Acquiror OP;
- (h) certified consent of the Sole Trustee of Merger Subsidiary relating to the organization of Merger Subsidiary;
- (i) certified consent of the Sole Trustee of Merger Subsidiary relating to the Agreements and the transactions contemplated thereby;
- (j) certified resolutions of the Board of Directors of the Acquiror relating to the Agreements and the transactions contemplated thereby;
- (k) certified consent of the general partner of the Acquiror OP relating to the Agreements and the transactions contemplated thereby;

-
- (l) a good standing certificate for Merger Subsidiary, dated as of a recent date, issued by the SDAT;
 - (m) a good standing certificate for Acquiror, dated as of a recent date, issued by the SDAT;
 - (n) a good standing certificate for Acquiror OP, dated as of a recent date, issued by the Secretary of State of the State of Delaware;
 - (o) an officer's certificate of Acquiror, dated the date hereof, as to certain factual matters (the "Officer's Certificate"); and
 - (p) such other documents as we have considered necessary to the rendering of the opinion expressed below

In our examination of the aforesaid documents, we have assumed, without independent investigation, the genuineness of all signatures, the legal capacity of all individuals who have executed any of the aforesaid documents, the authenticity of all documents submitted to us as originals, the conformity with originals of all documents submitted to us as copies (and the authenticity of the originals of such copies), and that all public records from which public information has been received are accurate and complete. In making our examination of documents executed by parties other than Merger Subsidiary, Acquiror or Acquiror OP, we have assumed that such parties had the power, corporate or other, to enter into and perform all obligations thereunder, and we have also assumed the due authorization by all requisite action, corporate or other, and the valid execution and delivery by such parties of such documents and the validity, binding effect and enforceability thereof with respect to such parties. As to any facts material to this opinion, we have relied solely upon the Officer's Certificate and have not independently verified the matters stated therein. Additionally, when used herein, the phrase "to our knowledge" or other similar phrases mean the actual knowledge of the attorneys in this firm who have had active involvement in matters relating to the Merger Agreement or who have prepared or signed this opinion letter

Based upon the foregoing, we are of the opinion and advise you as follows:

1. Acquiror is a real estate investment trust duly incorporated, validly existing, and in good standing under the laws of the State of Maryland.
 2. Acquiror OP is a limited partnership duly organized, validly existing, and in good standing under the laws of the State of Delaware.
 3. Merger Subsidiary is a business trust duly organized, validly existing, and in good standing under the laws of the State of Maryland.
 4. Acquiror (a) has the corporate power and authority to execute, deliver, and perform the Merger Agreement, (b) has all requisite corporate power and authority to own or lease and operate its properties and assets and to carry on its business as now conducted, (c) has taken all corporate action necessary to authorize the execution, delivery, and performance of the Merger Agreement, and (d) has duly executed and delivered the Merger Agreement.
-
5. Acquiror OP (a) has the corporate power and authority to execute, deliver, and perform the Agreements, (b) has all requisite corporate power and authority to own or lease and operate its properties and assets and to carry on its business as now conducted, (c) has taken all corporate action necessary to authorize the execution, delivery, and performance of the Agreements, and (d) has duly executed and delivered the Agreements.
 6. Merger Subsidiary (a) has the corporate power and authority to execute, deliver, and perform the Merger Agreement, (b) has all requisite corporate power and authority to own or lease and operate its properties and assets and to carry on its business as now conducted, (c) has taken all corporate action necessary to authorize the execution, delivery, and performance of the Merger Agreement, and (d) has duly executed and delivered the Merger Agreement.
 7. The execution and delivery by Acquiror of the Merger Agreement do not, and the performance by Acquiror of its obligations under the Merger Agreement will not, (a) result in a violation of Acquiror's certificate of trust or declaration of trust, or (b) result in a violation of any Maryland law, rule, or regulation or, to the best of our knowledge, any order, writ, judgment, injunction, decree, determination or award binding on Acquiror.
 8. The execution and delivery by Acquiror OP of the Agreements do not, and the performance by Acquiror OP of its obligations under the Agreements will not, (a) result in a violation of Acquiror OP's certificate of limited partnership or agreement of limited partnership, or (b) result in a violation of any Delaware law, rule, or regulation or, to the best of our knowledge, any order, writ, judgment, injunction, decree, determination or award binding on Acquiror OP.
 9. The execution and delivery by the Merger Subsidiary of the Merger Agreement do not, and the performance by Merger Subsidiary of its obligations under the Merger Agreement will not, (a) result in a violation of Merger Subsidiary's certificate of trust or declaration of trust, or (b) result in a violation of any Maryland law, rule, or regulation or, to the best of our knowledge, any order, writ, judgment, injunction, decree, determination or award binding on Merger Subsidiary.
 10. No authorization, approval or other action by, and no notice to or filing with, any Maryland governmental authority or regulatory body, or other third party is required for the due execution, delivery, or performance by Acquiror of the Merger Agreement, except for the filing of the Articles of Merger with, and the acceptance for record of the Articles of Merger by, the SDAT.
 11. No authorization, approval or other action by, and no notice to or filing with, any Delaware governmental authority or regulatory body, or other third party is required for the due execution, delivery, or performance by Acquiror OP of the Agreements, except for the filing of the Articles of Merger with, and the acceptance for record of the Articles of Merger by, the SDAT.
 12. No authorization, approval or other action by, and no notice to or filing with, any Maryland governmental authority or regulatory body, or other third party is required for the due execution, delivery, or performance by Merger Subsidiary of the Merger Agreement, except for

the filing of the Articles of Merger with, and the acceptance for record of the Articles of Merger by, the SDAT.

13. The execution and delivery of the Merger Agreement and the documents contemplated thereby by Acquiror, Acquiror OP and Merger Subsidiary have been duly authorized by the requisite partners or trustees.

14. The execution and delivery of the PSA and the documents contemplated thereby by Acquiror OP have been duly authorized by the general partner of Acquiror OP.

Our opinions expressed above are subject to the following qualifications and limitations:

(a) We have not made any investigations of, and express no opinion concerning, laws, rules and regulations of the State of Maryland relating to health, safety, the environment, environmental contamination, land use or construction nor any laws, rules and regulations promulgated by political subdivisions of the State of Maryland.

(b) We do not express any opinion with respect to the law of any jurisdiction other than the laws of Maryland or Delaware, as in effect on the date hereof, and we do not express any opinion herein concerning any other law.

(c) The foregoing opinions are rendered as of the date hereof. We assume no obligation to update such opinions to reflect any facts or circumstances which may hereafter come to our attention or changes in the law which may hereafter occur.

(d) This opinion is limited to the matters set forth herein, and no other opinion should be inferred beyond the matters expressly stated.

This opinion letter is rendered to you in connection with the transactions contemplated by the Agreements. This opinion letter may not be relied upon by you or any other person for any other purpose, other than State Farm Life Insurance Company in accordance with the reliance letter delivered to State Farm of even date herewith.

Very truly yours,

**Exhibit N
ACKNOWLEDGEMENT**

The undersigned, P. Douglas Dollenberg ("Dollenberg"), hereby acknowledges the following:

- (i.) Dollenberg has received Four Hundred Ninety-One Thousand Eight Hundred Twenty-Two Dollars (\$491,822.00), in full satisfaction of all obligations of Nottingham Properties, Inc. ("NPI") and Nottingham Village, Inc. ("NVI") to provide benefits to Dollenberg and Kathleen B. Dollenberg under NPI's retiree medical program, including, but not limited to, reimbursement of the Medicare Supplement, pursuant to Section 3(i) of the Retirement Agreement by and between Dollenberg, NPI and NVI, dated January 1, 2005, as amended (the "Retirement Agreement");
- (ii.) Dollenberg has received to date monthly annuity payments from the trustee of the Nottingham Properties, Inc. Pension Plan (the "Pension Plan") in full satisfaction of all obligations of NPI to provide Pension Plan benefits to him to date, pursuant to Section 3(ii) of the Retirement Agreement;
- (iii.) All amounts to which Dollenberg is entitled under the Nottingham Properties, Inc. 401(k) Capital Accumulation Plan (the "401(k) Plan") are currently being held on his behalf under the 401(k) Plan's trust, pursuant to Section 3(iv) of the Retirement Agreement;
- (iv.) Dollenberg has received any performance bonus to which he may have been entitled with respect to any period ending on or before December 31, 2004, pursuant to Section 3(v) of the Retirement Agreement; and
- (v.) Title to the NPI automobile assigned to Dollenberg as of December 31, 2004 has been transferred to Dollenberg, pursuant to Section 3(vi) of the Retirement Agreement.

The foregoing shall not affect the obligations of NPI pursuant to Section 9(i) of the Retirement Agreement.

Date: _____
P. Douglas Dollenberg

**Exhibit O
ACKNOWLEDGEMENT**

The undersigned, P. Douglas Dollenberg ("Dollenberg"), hereby acknowledges the following:

- (vi.) Dollenberg has received Ninety-Nine Thousand Nine Hundred Twenty-Seven Dollars (\$99,927.00), which represents payment in full for Dollenberg's interests in Campbell Enterprises Limited Partnership ("CELP") and is in full satisfaction of all obligations of CELP to Dollenberg;
- (vii.) Dollenberg has received (\$ _____), which represents payment in full of the Promissory Note from Nottingham Properties, Inc. dated January 1, 2005 in the amount of Two Million One Hundred Ninety-Three Thousand Four Hundred Twenty-One Dollars (\$2,193,421.00) and such Promissory Note is satisfied, discharged and paid in full; and
- (viii.) Dollenberg has received (\$ _____), which represents payment in full of the Promissory Note from Nottingham Village, Inc. dated January 1, 2005 in the amount of Three Million Six Hundred Forty-Eight Thousand Three Hundred Sixty-Two Dollars (\$3,648,362.00) and such Promissory Note is satisfied, discharged and paid in full.

Date: _____
P. Douglas Dollenberg

**Exhibit P
ACKNOWLEDGEMENT**

The undersigned, P. Douglas Dollenberg ("Dollenberg"), hereby acknowledges the following:

- (ix.) Dollenberg has received Two Hundred Fifty-Five Thousand Two Hundred Thirty Five Dollars (\$255,235.00), in full satisfaction of all obligations of Nottingham Properties, Inc. ("NPI") to provide benefits to Dollenberg under the Nottingham Properties, Inc. Supplemental Executive Retirement Plan, effective as of April 1, 1996, pursuant to Section 3(iii) of the Retirement Agreement by and between Dollenberg, NPI and Nottingham Village, Inc. ("NVI") dated January 1, 2005, as amended (the "Retirement Agreement"); and
- (x.) Dollenberg has received Two Million Six Hundred Twenty-Five Thousand Dollars (\$2,625,000.00), in full satisfaction of all obligations of NPI and NVI to provide "Post-Retirement Compensation" to Dollenberg, pursuant to Section 4 of the Retirement Agreement.

The foregoing shall not affect the obligations of NPI pursuant to Section 9(i) of the Retirement Agreement.

Date: _____
P. Douglas Dollenberg



**PURCHASE AND SALE AGREEMENT OF
OWNERSHIP INTERESTS IN NPI ENTITIES**

THIS PURCHASE AND SALE AGREEMENT is made this 21st day of December, 2006, by and between Nottingham Properties, Inc., a Maryland corporation (“Seller”), and Corporate Office Properties, L.P., a Delaware limited partnership (“Buyer”).

WITNESSETH

A. Seller is, or prior to Closing shall be, the owner of 100% of the membership interests (the “Membership Interests”) in:

(1) Philadelphia Road Operating Company, LLC, a Maryland limited liability company and the owner of a leasehold interest in the property known as 10552 Philadelphia Road, Baltimore County, Maryland, as more fully described on Exhibit A-1 attached hereto;

(2) 9020 Mendenhall, LLC, a Maryland limited liability company and the owner of the land and improvements known as 9020 Mendenhall Court, Howard County, Maryland, as more fully described on Exhibit A-2, attached hereto;

(3) Woods Investors, LLC, a Maryland limited liability company and the owner of the land and improvements known as Woods at Brokenland located at 9700, 9710, 9720, 9730 and 9740 Patuxent Woods Drive, Howard County, Maryland, as more fully described on Exhibit A-3 attached hereto (the “Woods Property”); and

(4) Rivers Center III Investors LLC, a Maryland limited liability company and the owner of the land and improvements known as Rivers Center III, located at 10270, 10280, 10290 Old Columbia Road, Howard County, Maryland, as more fully described on Exhibit A-4 attached hereto (the “Rivers Property”).

B. Seller is the owner of 100% of the beneficial trust interests (the “Trust Interests”) in:

(1) White Marsh Hi-Tech 2 Business Trust, a Maryland business trust which owns a 51% tenancy-in-common interest in the land and improvements

known as White Marsh Hi-Tech I and II, Baltimore County, Maryland, as more fully described on Exhibit A-5 attached hereto; and

(2) 37 Allegheny Business Trust, a Maryland business trust which owns the land and improvements known as 37 Allegheny Avenue, Baltimore County, Maryland, as more fully described on Exhibit A-6 attached hereto.

C. Seller is, or prior to Closing shall be, the owner of the following partnership interests (the “Partnership Interests”):

(1) 50% limited partnership interest in Corporate Center I Limited Partnership, a Maryland limited partnership which is the owner of the land and improvements known as Campbell Corporate Center I, Baltimore County, Maryland, as more fully described on Exhibit A-7 attached hereto;

(2) 43.7% limited partnership interest in Nottingham Associates Limited Partnership, a Maryland limited partnership which is the owner of the land and improvements known as Nottingham Centre, Baltimore County, Maryland, as more fully described on Exhibit A-8 attached hereto (the “Nottingham Associates Property”); and

(3) 60% limited partnership interest in Sandpiper Limited Partnership, a Maryland limited partnership which owns a 72.5% general partnership interest in White Marsh Health Center Limited Partnership, LLLP which, in turn, is the owner of the land and improvements known as White Marsh Health Center, Baltimore County, Maryland, as more fully described on Exhibit A-9 attached hereto.

D. As used in this Agreement, (1) the term “NPI Entities” means, collectively, Philadelphia Road Operating Company, LLC, 9020 Mendenhall, LLC, Woods Investors, LLC, 37 Allegheny Business Trust, Rivers Center III Investors LLC, White Marsh Hi-Tech 2 Business Trust, Corporate Center I Limited Partnership, Nottingham Associates Limited Partnership and White Marsh Health Center Limited Partnership, LLLP, (2) the term “Ownership Interests” means, collectively, the Membership Interests, the Trust Interests and the Partnership Interests, and (3) the term “Property” means each of, and the term “Properties” means collectively, the properties owned by the NPI Entities and described herein.

E. Pursuant to Article I of the Purchase Agreement and Plan of Merger (the “Merger Agreement”) of even date herewith by and among Corporate Office Properties Trust, Buyer, W&M Business Trust, and Nottingham Village, Inc.

(“NVI”), Buyer has agreed to purchase from Seller 100% of the Ownership Interests pursuant to the terms and conditions set forth in the Merger Agreement and this Agreement.

NOW, THEREFORE, in consideration of \$5.00 paid by Seller to Buyer and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledge, Seller and Buyer hereby agree as follows:

1. Recitals. The Recitals are incorporated herein by reference.

2. Sale of Ownership Interests. Subject to and upon the terms and conditions set forth in the Merger Agreement and in this Agreement, Seller agrees to sell to Buyer (and/or its assigns) 100% of the Ownership Interests; and Buyer agrees to purchase from Seller 100% of the Ownership Interests.

3. Purchase Price for the Ownership Interests. The purchase price (the “Purchase Price”) for 100% of the Ownership Interests shall be payable in cash by Buyer to Seller at Closing in an amount equal to (a) \$59,077,876, reduced by (b) the balance due under all mortgage indebtedness encumbering the Woods Property and the Rivers Property as of the date of Closing, further reduced by (c) all other indebtedness and liabilities of the NPI Entities as of the date of Closing, further reduced by (d) the 9020 Mendenhall Adjustment (as defined in Section 17 hereof), and further reduced by (e) any applicable adjustments under Section 12. The Nottingham Associates Property may be encumbered by mortgage indebtedness not to exceed \$5,631,974. The Purchase Price allocable to Nottingham Associates in Section 4 has taken into account the mortgage indebtedness on the Nottingham Associates Property and, thus, such mortgage indebtedness shall not be a further reduction under this Section 3.

4. Allocation of Purchase Price. The Purchase Price, prior to the adjustments set forth in Sections 3(b), (c), (d) and (e) above, shall be allocated to each of the Ownership Interests as follows:

<u>Ownership Interests</u>	<u>Purchase Price Prior to Adjustments</u>
Philadelphia Road	\$ 6,440,333
9020 Mendenhall	\$ 6,022,927
Woods Investors	\$ 23,354,945

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37 Allegheny	\$ 500,000
Rivers Center III	\$ 6,655,855
Campbell Corporate Center I	\$ 3,472,976
Nottingham Associates	\$ 2,307,999
Sandpiper (White Marsh Health Center)	\$ 3,320,500
White Marsh Hi-Tech I and II	\$ 7,002,341

5. **Closing.** The Closing (the "Closing") of the purchase and sale of the Ownership Interests under this Agreement shall occur simultaneously with the Merger, as defined in the Merger Agreement, at 10:00 a.m., Eastern Time, at the offices of DLA Piper US LLP at 6225 Smith Avenue, Baltimore, Maryland 21209, or at such other place, at such other time, or on such other date as the parties may mutually agree upon in writing (such date, the "Closing Date").

6. **Closing Documents.** At the Closing, Seller and Buyer shall each execute and deliver to the other an Assignment of Membership/Beneficial/ Partnership Interests and Amendment to Operating Agreement/Declaration of Trust/Partnership Agreement with respect to each of the NPI Entities in the form attached hereto as **Exhibit B** and, upon request of either party, such other documents as may be reasonably necessary or requested to consummate the transaction contemplated by this Agreement.

7. **Prorations and Adjustments.** At Closing, income and expenses with respect to the Membership Interests and Trust Interests shall be adjusted and prorated as of midnight of the day prior to the Closing Date in the manner provided for in Section 8.04 of the Merger Agreement. There shall be no adjustment with respect to the Partnership Interests, as the adjustments for the underlying properties shall occur at the Closing under the Merger Agreement not under this Agreement.

8. **Representations and Warranties.** It is intended by Seller and Buyer that the representations and warranties contained in the Merger Agreement shall be the sole representations and warranties relating to the Properties and the NPI Entities, that such representations and warranties shall remain in full force and effect and binding upon the parties to the Merger Agreement as provided under Merger Agreement, and that Seller is not making any representations or warranties in respect thereof.

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9. **Termination.** This Agreement shall automatically terminate if the Merger Agreement shall have terminated for any reason prior to the Closing Date.

10. **Conditions to Closing.** The Buyer's obligations to be performed at the Closing shall be subject to the satisfaction of the following conditions:

- (a) There shall not have been a breach of any warranty, representation or covenant as given by NVI in the Merger Agreement relating to the NPI Entities or the Properties;
- (b) The NPI Entities shall own good and marketable title to the Properties free and clear of all liens and encumbrances, other than the Permitted Liens (as defined in the Merger Agreement);
- (c) NPI shall own all of the Ownership Interests free and clear of all liens and encumbrances; and
- (d) None of the Properties shall be encumbered by any mortgage indebtedness other than the Woods Property (in which case the maximum amount of indebtedness as of Closing shall be \$11,391,579) and the Rivers Property (in which case the maximum amount of indebtedness as of Closing shall be \$3,213,010) and the Nottingham Associates Property (in which case the maximum amount of indebtedness as of Closing shall be \$5,631,974).

If any condition precedent to Closing set forth above is not satisfied prior to or on the Closing Date, Buyer may elect to terminate this Contract by written notice to Seller. Upon such notice, this Agreement shall then be of no further force and effect and neither party shall have any obligations or liabilities to the other.

11. **Real Estate Commissions.** The parties mutually represent to each other that none of them employed or had any negotiations or dealings in connection with this transaction with any brokers or finders. Seller agrees to defend, indemnify and hold Buyer harmless from and against any claims of any other person, firm or corporation claiming any brokerage commission, finder's fee or similar compensation base on any alleged negotiations or dealings with or employment by Seller, together with all expenses incurred including court costs and attorneys' fees. Buyer agrees to defend, indemnify and hold Seller harmless from and against any claims of any other person, firm or corporation other than Broker claiming any brokerage commission, finder's fee or similar compensation based on any alleged negotiations or dealings with or employment by Buyer,

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together with all expenses incurred including court costs and attorneys' fees. This paragraph shall survive any termination of this Agreement.

12. **Risk of Loss.** The Seller assumes the risk of loss or damage to the Properties by fire or other casualty prior to Closing. The Seller shall, at its expense, keep the Properties insured until Closing pursuant to a standard, all risk, fire and extended coverage insurance policy in an amount not less than the replacement cost thereof and shall have such policy endorsed to protect the interest of Buyer. As of the date hereof, Buyer will be named as a "loss payee" under the foregoing insurance policy of Seller. In the event of the destruction or damage to any of the Properties, this Agreement shall remain in full force and effect, but (a) all insurance awards, regardless of amount, shall remain the property of the NPI Entities, (b) the Purchase Price shall be reduced by the amount of any deductible applicable to the insurance policy insuring such

destruction or damage, and (c) Buyer shall have the authority to adjust all claims with the applicable insurance company. Thus, Seller shall not be entitled to any such insurance proceeds unless this Agreement is terminated.

13. Assignment. This Agreement and the rights of Buyer hereunder may be assigned by Buyer upon notice thereof to Seller.

14. Like-Kind Exchange. Seller acknowledges that Buyer may choose to engage in a like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended. Seller agrees to execute, upon Buyer's request, one or more Assignment and Assumption Agreements pursuant to which Buyer's rights under this Agreement as to any or all of the Ownership Interest will be assigned to a qualified intermediary ("QI") or exchange accommodation titleholder ("EAT") and the QI or EAT will take title to all or any of the Ownership Interests. No additional liability will be incurred by Seller as a result of any such Assignment and Assumption Agreement.

15. Time of Essence. Time shall be of the essence with respect to each and every provision of this Agreement.

16. Further Assurances. The parties hereto agree to take such further actions and to execute and deliver such further documents, agreements and instruments as may be reasonably necessary or appropriate to carry out the purposes of this Agreement.

17. 9020 Mendenhall Adjustment. Seller and Buyer acknowledge that structural defects have been discovered at 9020 Mendenhall Court property. Seller

shall engage a structural engineer to determine the extent of the structural defects at such property and the estimated cost to repair such defects, subject to Buyer's approval of such engineer and the methodology suggested by the engineer to correct the defects. To the extent the repairs of the structural defects have not been completed by the Closing, the Purchase Price shall be reduced by the estimated cost to complete the repairs (the "9020 Mendenhall Adjustment").

(Signatures on next page)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, as of the day and year first above written.

WITNESS: NOTTINGHAM PROPERTIES, INC.

/S/ Illegible By: /s/ J. JOSEPH CREDIT
J. Joseph Credit,
President and CEO

WITNESS: CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust, its sole general partner

/S/ Illegible By: /s/ ROGER A. WAESCHE, JR.
Name: Roger A. Waesche, Jr
Title: Chief Operating Officer and Executive Vice President

Exhibits A-1 through A-9

Descriptions of the Properties

Exhibit A-1

10552 Philadelphia Road — Leasehold Interest

Leasehold interest in the property being known and designated as Lot No. 1 on a plat entitled "Subdivision of Wayne B. Knight Property" which plat is recorded among the Land Records of Baltimore County, MD in Plat Book S.M. No. 67, Folio 39; containing 6.8027 acres, more or less. The improvements thereon being known as 10552 Philadelphia Road.

Exhibit A-2

9020 Mendenhall Court

Being Known and Designated as Parcel X-1", as shown on the Plat entitled "Columbia, Sieling Industrial Center, Section 1, Area 1, Parcel X-1, A Resubdivision of Parcel X and W-3", which Plat is recorded among the Land Records of Howard County, Maryland, as Plat CMP No. 4842. The improvements thereon being known as No. 9020 Mendenhall Court.

Together With certain easements for ingress and egress described in a Deed and Agreement by Columbia Industrial Development Corporation et al dated January 27, 1982 and recorded in Liber CMP No. 1088, folio 165 and a Confirmatory Deed of Easement and Agreement dated October 25, 2005 and recorded in Liber MDR No. 9614, folio

Exhibit A-3

Woods At Broken Land

Being Known and Designated as Parcel B as shown on Plat entitled "Columbia, Village of Owen Brown, Parcels A, B, C, D and Lot 1, Section 6, Area 1, Sheet 2 of 4", which plat is recorded among the Land Records of Howard County, Maryland as Plat CMP No. 6126; containing 14.623 acres of land, more or less.

The street addresses of the improvements situate on the above described parcel of land are 9700, 9710, 9720, 9730 and 9740 Patuxent Woods Drive.

Exhibit A-4

Rivers Center III
10270, 10280 and 10290 Old Columbia Road

Being Known and Designated as Parcel D as shown on plat entitled "Rivers Corporate Park, Section I, Area I, Parcels B thru E, H thru P, and Lot 2, Sheet 4 of 6", which plat is recorded among the Land Records of Howard County, Maryland as Plat CMP No. 5078; containing 5.0031 acres of land, more or less.

Exhibit A-5

White Marsh Hi-Tech I and II

White Marsh Hi-Tech I:

Being known and designated as Lot 5A on a plat entitled "Resubdivision of Lots 4&5 - Section B, White Marsh Business Community" which plat is recorded among the Land Records of Baltimore County, Maryland in Plat Book E.H.K. Jr. No. 49, folio 87; containing 3.3715 acres of land, more or less. The improvements thereon known as 4969 Mercantile Road. Together with and subject to the legal operation and effect of a Declaration of Easement of White Marsh Hi - Tech Associates Limited Partnership dated April 27, 1989 and recorded in Liber S.M. No. 8163, folio 704.

White Marsh Hi-Tech II:

Being known and designated as Lot 5B on a plat entitled "Resubdivision of Lots 4&5 - Section B, White Marsh Business Community" which plat is recorded in Plat Book E.H.K. Jr., No. 49, folio 87; containing 3.1724 acres of land, more or less. The improvements being known as 4979 Mercantile Road. Together with and subject to the legal operation and effect of a Declaration of Easement of White Marsh Hi - Tech Associates Limited Partnership dated April 27, 1989 and recorded in Liber S.M. No. 8163, folio 704.

White Marsh Hi - Tech Parking:

Being known and designated as Parcel A on a plat entitled "Amended Resubdivision Plat of Lot 4 - Section B, White Marsh Business Community, previously recorded on Plat of Resubdivision of Lot 4, Section B, White Marsh Business Community E.H.K. Jr. 55/65" recorded in Plat Book E.H.K.Jr. No. 55, folio 124; containing 1.1906 acres of land, more or less. The improvements thereon to be known as 4981 Mercantile Road. Together with and subject to the legal operation and effect of a Declaration of Easement-of White Marsh Hi - Tech Associates Limited Partnership dated April 27, 1989 and recorded in Liber S.M. No. 8163, folio 704.

Exhibit A-6

37 West Allegheny Ave.

Parking Lot

BEGINNING for the same at the intersection formed by the southern side of Allegheny Avenue with the eastern side of Washington Avenue, said place of beginning being at the beginning of the 1st or Easterly 81 foot 3 inch line of that parcel of land described in a Deed dated October 28, 1953, between Annarose C. Sleeth and R. Dalton Berry et ux, recorded among the Land Records of Baltimore County, Maryland in Liber G.L.B. 2381 folio 132, running thence leaving said place of beginning binding on the southern side of said Allegheny Avenue and binding on said 1st line, as now surveyed, 1) South 82 degrees 51 minutes 26 seconds East 81.29 feet, running thence leaving said Allegheny Avenue and binding on the 2nd line of said Deed, as now surveyed, 2) South 07 degrees 16 minutes 03 seconds west 150.00 feet to the northern aide of a 20 foot alley, running thence binding on the northern side of said 20 foot alley, with the use and privilege thereof in common and binding on the 3rd line of said Deed, as now surveyed, 3) North 82 degrees 51 minutes 26 seconds West 80.80 feet to the eastern side of said Washington Avenue, running thence binding on the eastern side of said Washington Avenue and binding on the 4th line of said Deed, as now surveyed, 4) North 07 degrees 04 minutes 44 seconds East 150.00 feet to said place of beginning. Containing 0.279 acres of land, more or less.

Exhibit A-7

Campbell Corporate Center 1

BEGINNING for the same on the northern side of Campbell Boulevard, variable width, at the point designated 35, shown on a plat entitled "Campbell Corporate Center, Amended Resubdivision of Lot 1, IA, IB (S.M. 60 Folio 70), Whitmarsh Business Community Section C", dated November 2, 1989, recorded among the Land Records of Baltimore County, Maryland in Plat Book S.M. 63 folio 002, said point of beginning also being the southernmost common corner of Lot 1 and Lot IA shown on said plat,

running thence leaving said point of beginning and leaving said northern side of Campbell Boulevard, binding on the division line between said Lot 1 and Lot IA, all shown on said plat,

1) By a radial line, North 06 degrees 07 minutes 17 seconds West 58.87 feet to the point designated 34 on said plat, running thence, for part of the distance continuing to bind on said division line between said Lot 1 and said Lot IA, and for part of the distance binding on the division line between Lot 1D and said Lot IA, shown on said plat, in all,

2) North 26 degrees 23 minutes 00 seconds East 600.79 feet to the point designated 63 on said plat, running thence binding on the division line between said Lot 1D and Lot 1B, shown on said plat, reversing the bearing shown on said plat,

3) South 73 degrees 59 minutes 25 seconds East 304.82 feet to a point designated 64 on the western side of Town Center Court, all being shown on said plat, running thence binding on said western side of Town Center Court, 60 feet wide, for part of the distance binding on the eastern side of said Lot 1D and for part of the distance binding on part of the eastern side of said Lot 1, shown on said plat, in all,

4) Southwesterly by a non-radial curve to the left having a radius of 1030.00 feet for a distance of 139.38 feet, said curve being subtended by a chord bearing South 16 degrees 01 minutes 00 seconds West 139.27 feet to the point designated 209 on said plat, running thence continuing to bind on said western side of Town Center Court and continuing to bind on part of said eastern side of said Lot 1, shown on said plat,

5) By a line tangent to said curve, South 12 degrees 08 minutes 25 seconds West 338.29 feet to the point designated 208 at the beginning of the cut-off leading to Campbell Boulevard, all being shown on said plat, running thence binding on said cut-off leading to said Campbell Boulevard, shown on said plat,

6) South 55 degrees 27 minutes 51 seconds West 27.44 feet to the point designated 207 on the northern side of said Campbell Boulevard, all being shown on said plat, running thence binding on said northern side of Campbell Boulevard, 70 feet wide, shown on said plat,

7) Northwesterly by a non-radial curve to the left having a radius of 835.00 feet for a distance of 165.86 feet, said curve being subtended by a chord bearing North 86 degrees 54 minutes 14 seconds West 165.59 feet to the point designated 52 on said plat, running thence leaving said Campbell Boulevard, binding on the division line between said Lot 1 and Parcel A, shown on said plat, reversing the bearings shown on said plat, the eight following courses;

8) By a non-radial line, North 06 degrees 07 minutes 17 seconds West 51.64 feet to the point designated 50 on said plat,

9) North 74 degrees 35 minutes 57 seconds West 36.00 feet to the point designated 51 on said plat,

10) North 69 degrees 23 minutes 33 seconds West 86.21 feet to the point designated 49 on said plat,

11) North 29 degrees 35 minutes 57 seconds West 20.00 feet to the point designated 47 on said plat,

12) North 15 degrees 24 minutes 03 seconds East 150.00 feet to the point designated 48 on said plat,

13) North 74 degrees 35 minutes 57 seconds West 24.11 feet to the point designated 45 on said plat,

14) South 26 degrees 23 minutes 00 seconds West 248.00 feet to the point designated 39 on said plat and

15) South 06 degrees 07 minutes 17 seconds East 73.70 feet to the point designated 46 on said northern side of Campbell Boulevard, all being shown on said plat, running thence binding on part of said northern side of Campbell Boulevard, shown on said plat,

16) Southwesterly by a non radial curve to the right having a radius of 565.00 feet for a distance of 40.03 feet, said curve being subtended by a chord bearing South 81 degrees 50 minutes 56 seconds West 40.03 feet to the point of beginning.

Containing 4.049 acres of land more or less.

The Improvements thereon being known as 4940 Campbell Boulevard.

BEING all those two parcels of land containing 3.647 acres of land, more or less, and 0.402 acres of land, more or less, and shown and designated, respectively, as Lot 1 and Lot 1D on a plat entitled "Campbell Corporate Center," which plat is recorded among the Land Records of Baltimore County, Maryland in Plat Book SM No. 63, folio 2.

BEING the same two parcels of land conveyed to Corporate Center I Limited Partnership by the following deeds:

1. Deed dated September 27, 1989, and recorded among the Land Records of Baltimore County, Maryland in Liber 8285, folio 229 from Nottingham Village, Inc. to Corporate Center I Limited Partnership; and

2. Deed dated December 21, 1994, and recorded among the Land Records of Baltimore County, Maryland in Liber 10879, folio 743 from Nottingham Village, Inc. to Corporate Center I Limited Partnership.

TOGETHER WITH THE BENEFIT AND SUBJECT TO the legal operation and effect of a Declaration of Easements dated August 19, 1994, and recorded among the Land Records of Baltimore County, Maryland in Liber 10716, folio 51 made by Nottingham Village, Inc., et al.

Exhibit A-8

Nottingham Centre

Beginning for the same at the intersection of the west side of Washington Avenue as widened and shown on Baltimore County Bureau of Land Acquisition Drawing RW 83-417-1 and recorded in a deed from Nottingham Associates Limited Partnership et al to Baltimore County, Maryland, dated June 20, 1984 and recorded among the Land Records of Baltimore County in Liber E.H.K., Jr. No. 6748, folio 300 and the north side of a 20 Foot Alley there situate, said place of beginning being in the second line of a

parcel of land which by a deed dated June 1, 1983 and recorded among the Land Records of Baltimore County in Liber E.H.K., Jr. No. 6533, folio 581 was conveyed by Nottingham Properties, Inc. to Nottingham Associates Limited Partnership, distant North 82 degrees 59 minutes 56 seconds West 11.81 feet . Measured along said second line from the beginning thereof and running thence with and binding on a part of said second line and binding on the north side of said 20 Foot Alley, North 82 degrees 59 minutes 56 seconds West 88.19 feet to the end of said second line, thence leaving said 20 Foot Alley and running with and binding on the third, fourth, fifth, Sixth and seventh lines of said parcel of land which was conveyed by Nottingham Properties, Inc. to Nottingham Associates Limited Partnership, the five following courses and distances via: North 7 degrees 00 minutes 04 seconds East 15.04 feet, North 82 degrees 59 minutes 56 seconds West 9.67 feet, North 7 degrees 00 minutes 04 seconds East, binding for a part on the outside extremity of the panels on the east side of the parking garage erected on the property adjoining on the west, 121.16 feet, South 82 degrees 59 minutes 56 seconds East 2.00 feet and North 7 degrees 00 minutes 04 seconds East 13.80 feet to the south side of Allegheny Avenue, thence binding on the south side of Allegheny Avenue and running with and binding on a part of the last line of the last mentioned .parcel of land which was conveyed by Nottingham Properties, Inc. to Nottingham Associates Limited Partnership, South 82 degrees 59 minutes 56 seconds East 85.97 feet and thence leaving Allegheny Avenue and binding on the right of way lines as shown on the aforesaid Land Acquisition Drawing RW 83-417-1, the two following courses and distances viz: South 38 degrees 01 minutes 14 seconds East, binding on a line which connects the south side of Allegheny Avenue with the west side of Washington Avenue, 14.14 feet to the west side of Washington Avenue as widened and South 7 degrees 02 minutes 34 seconds West, binding on the west side of Washington Avenue as widened, 140 feet to the place of beginning. Containing 0.332 of an acre of land, more or less. The improvements thereon known as 502 Washington Avenue.

Exhibit A-9

White Marsh Health Center

Being known and designated as Lot No. 2 on a plat entitled "A Resubdivision of White Marsh Business Community, Section A, Lots 2 and 3" which plat is recorded among the Land Records of Baltimore County, Maryland in Plat Book E.H.K. Jr., No. 52, folio 80; containing 3.996 acres of land, more or less.

The improvements thereon known as 8114 Sandpiper Circle.

Exhibit B

Assignment of Interests

EXHIBIT B

ASSIGNMENT OF MEMBERSHIP/BENEFICIAL/PARTNERSHIP INTERESTS
AND AMENDMENT TO OPERATING AGREEMENT/
DECLARATION OF TRUST/PARTNERSHIP AGREEMENT

(Insert Name of LLC or Business Trust)

THIS ASSIGNMENT OF MEMBERSHIP/BENEFICIAL/PARTNERSHIP INTERESTS AND AMENDMENT TO OPERATING AGREEMENT/ DECLARATION OF TRUST/PARTNERSHIP AGREEMENT is made as of the _____ day of _____, 2006 by and among Nottingham Properties, Inc., a Maryland corporation ("Seller") and Corporate Office Properties, L.P., a Delaware limited partnership ("Buyer").

RECITALS:

- A. _____ (the "Company/Trust/Partnership") is a limited liability company/business trust/limited partnership created by the filing of a certificate of limited liability company/business trust/limited partnership in the records of the Maryland State Department of Assessments and Taxation on _____ and governed by the Operating Agreement/Declaration of Trust/Partnership Agreement dated as of _____ (the "Operating Agreement/Declaration of Trust/Partnership Agreement").
- B. Sellers own all of the membership/beneficial/partnership interests in the Company/Business Trust/Limited Partnership (the "Interest").
- C. By a Purchase and Sale Agreement dated _____, 2006 (the "Purchase Agreement"), Seller agreed to sell to Buyer the Interest.
- D. The purpose of this Assignment and Amendment is to evidence the transfer and assignment to Buyer by Seller of the Interest in the Company/Business Trust/ Limited Partnership pursuant to the Purchase Agreement and to amend the Operating Agreement/Declaration of Trust of the Company/Business Trust/ Limited Partnership to reflect the transfer of the Interest.

NOW, THEREFORE, in consideration of the mutual covenants of the parties and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Recitals. The recitals are incorporated herein by reference.
2. Assignment of Interest to Buyer. For value received, Seller hereby grants, transfers and assigns to Buyer the Interest in the Company/Business Trust/ Limited Partnership, free and clear of all liens, charges and encumbrances.
3. Acceptance of Assignment. Buyer hereby accepts the grant and assignment of the Interest.
4. Amendment to Operating Agreement/Declaration of Trust/Partnership Agreement. The Operating Agreement/Declaration of Trust of the Company/Business Trust/ Limited Partnership is hereby amended to provide that, as a result of the foregoing grant and assignment to Buyer, as of the date hereof, (a) Seller is no longer a member/beneficial owner of the Company/Business Trust Limited Partnership, (b) Buyer is the sole member/beneficial owner/limited partner of the Company/Business Trust, (c) Buyer is the owner of all of the membership/beneficial/partnership interests in the Company/Business Trust/ Limited Partnership, and (d) Seller has withdrawn as Manager of the Company/trustee of the Business Trust/limited partner of the Limited Partnership.

5. Further Assurances. Seller hereby agrees to execute and deliver promptly upon request of Buyer such further agreements or instruments and do, or cause to be done, such further acts and things as may be necessary or reasonably desired by Buyer to complete the assignment and transfer of the Interest to Buyer as contemplated hereby.

6. Ratification. As amended herein, the Operating Agreement/ Declaration of Trust/Limited Partnership Agreement is ratified and affirmed.

IN WITNESS WHEREOF, the parties have executed this Assignment and Amendment as of the day and year of first above written.

Seller: Nottingham Properties, Inc.

By: _____
J. Joseph Credit
President and CEO

Buyer: Corporate Office Properties, L.P.

By: Corporate Office Properties Trust, its sole general partner

By: _____
Name: Roger A. Waesche, Jr.
Title: Chief Operating Officer and Executive Vice President

Exhibit B-2
AMENDMENT NO. 1 TO PURCHASE AND SALE AGREEMENT OF
OWNERSHIP INTERESTS IN NPI ENTITIES

This **AMENDMENT NO. 1 TO PURCHASE AND SALE AGREEMENT OF OWNERSHIP INTERESTS IN NPI ENTITIES** dated as of January 9, 2007 (this "**Amendment**"), between Corporate Office Properties, L.P., a Delaware limited partnership ("**Buyer**"), and Nottingham Properties, Inc. ("**Seller**"), a Maryland corporation.

RECITALS

WHEREAS, Buyer and Seller are parties to the Purchase and Sale Agreement of Ownership Interests in NPI Entities dated as of December 21, 2006 whereby Buyer shall purchase the Ownership Interests (as such term is defined therein) from Buyer (the "**Agreement**"); and

WHEREAS, Buyer and Seller have agreed to revise the allocation of the Purchase Price and, therefore, desire to amend the Agreement in the manner hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants, representations, warranties and agreements contained herein, and intending to be legally bound hereby, the parties agree as follows:

1. The amount of \$59,077,876 in Section 3(a) is hereby deleted and replaced with the amount of \$57,577,876.
2. Section 4 is hereby deleted in its entirety and the following shall be inserted in lieu thereof:

"4. ALLOCATION OF PURCHASE PRICE. THE PURCHASE PRICE, PRIOR TO THE ADJUSTMENTS SET FORTH IN SECTIONS 3(B), (C), (D) AND (E) ABOVE, SHALL BE ALLOCATED TO EACH OF THE OWNERSHIP INTERESTS AS FOLLOWS:

<u>Ownership Interests</u>	<u>Purchase Price Prior to Adjustments</u>
Philadelphia Road	\$ 4,940,333
9020 Mendenhall	\$ 6,022,927
Woods Investors	\$ 23,354,945
37 Allegheny	\$ 500,000

Rivers Center III	\$ 6,655,855
Campbell Corporate Center I	\$ 3,472,976
Nottingham Associates	\$ 2,307,999
Sandpiper (White Marsh Health Center)	\$ 3,320,500
White Marsh Hi-Tech I and II	\$ 7,002,341 "

3. Buyer and Seller agree that the amount of the 9020 Mendenhall Adjustment (as defined in the Agreement) is Zero Dollars (\$0).

4. The Agreement, as amended, is ratified and affirmed in all respects and shall continue in full force and effect.
5. This Amendment may be signed in several counterparts, all of which taken together shall constitute one instrument.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed in counterparts by their duly authorized officers, all as of the day and year first above written.

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust,
its sole general partner

By: _____
Roger A. Waesche, Jr.
Chief Operating Officer and
Executive Vice President

NOTTINGHAM PROPERTIES, INC.

By: _____
J. Joseph Credit
President and Chief Executive Officer

[Signature page to Amendment No. 1 to Purchase Agreement]

EXHIBIT B-3
ASSIGNMENT OF BENEFICIAL INTEREST
AND
AMENDMENT TO DECLARATION OF TRUST
WHITE MARSH HI-TECH 2 BUSINESS TRUST

THIS ASSIGNMENT OF BENEFICIAL INTEREST AND AMENDMENT TO DECLARATION OF TRUST ("Assignment and Amendment") is made as of the day of January, 2007 by and among Nottingham Properties, Inc., a Maryland corporation ("Seller"), and Corporate Office Properties, L.P., a Delaware limited partnership ("Buyer").

RECITALS:

- A. White Marsh Hi-Tech 2 Business Trust (the "Trust") is a business trust created by the filing of a Certificate of Trust in the records of the Maryland State Department of Assessments and Taxation on November 16, 2006 and governed by the Declaration of Trust dated November 16, 2006 (the "Declaration of Trust").
- B. Seller owns 100% of the beneficial interests in the Trust (the "Interest").
- C. By a Purchase and Sale Agreement dated December 21, 2006 (the "Purchase Agreement"), Seller agreed to sell to Buyer the Interest.
- D. The purpose of this Assignment and Amendment is to evidence the transfer and assignment to Buyer by Seller of the Interest in the Trust pursuant to the Purchase Agreement and to amend the Declaration of Trust of the Trust to reflect the transfer of the Interest.

NOW, THEREFORE, in consideration of the mutual covenants of the parties and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Recitals. The recitals are incorporated herein by reference.
2. Assignment of Interest to Buyer. For value received, Seller hereby grants, transfers and assigns to Buyer the Interest in the Trust, free and clear of all liens, charges and encumbrances.
3. Acceptance of Assignment. Buyer hereby accepts the grant and assignment of the Interest.
4. Amendment to Declaration of Trust. The Declaration of Trust of the Trust is hereby amended to provide that, as a result of the foregoing grant and assignment to Buyer, as of the date hereof, (a) Seller is no longer a beneficial owner of the Trust, (b) Buyer is the sole beneficial owner of the Trust, (c) Buyer is the owner of all of the beneficial interest, in the Trust, and (d) Seller has withdrawn as a beneficial owner of the trust.
5. Further Assurances. Seller hereby agrees to execute and deliver promptly upon request of Buyer such further agreements or instruments and do, or cause to be done, such further acts and things as may be necessary or reasonably desired by Buyer to complete the assignment and transfer of the Interest to Buyer as contemplated hereby.
6. Ratification. As amended herein, the Declaration of Trust is ratified and affirmed.

**ASSIGNMENT OF MEMBERSHIP INTEREST
AND
AMENDMENT TO OPERATING AGREEMENT**

9020 MENDENHALL, LLC

THIS ASSIGNMENT OF MEMBERSHIP INTEREST AND AMENDMENT TO OPERATING AGREEMENT ("Assignment and Amendment") is made as of the 9th day of January, 2007 by and among Nottingham Properties, Inc., a Maryland corporation ("Seller"), and Corporate Office Properties, L.P., a Delaware limited partnership ("Buyer").

RECITALS:

- A. 9020 Mendenhall, LLC (the "Company") is a limited liability company created by the filing of Articles of Organization in the records of the Maryland State Department of Assessments and Taxation on November 21, 2000, as amended, and governed by the Operating Agreement dated December 20, 2004 (the "Operating Agreement").
- B. Seller owns 100% of the membership interest in the Company (the "Interest").
- C. By a Purchase and Sale Agreement dated December 21, 2006 (the "Purchase Agreement"), Seller agreed to sell to Buyer the Interest. Buyer has assigned its rights to buy the Interest under the Purchase Agreement to Land America Exchange Company ("LEC"), pursuant to the Deferred Real Estate Exchange Agreement dated September 1, 2006 between Buyer and LEC (the "Partial Assignment").
- D. The purpose of this Assignment and Amendment is to evidence the transfer and assignment to Buyer by Seller of the Interest in the Company pursuant to the Purchase Agreement and the Partial Assignment and to amend the Operating Agreement of the Company to reflect the transfer of the Interest.

NOW, THEREFORE, in consideration of the mutual covenants of the parties and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Recitals. The recitals are incorporated herein by reference.

2. Assignment of Interest to Buyer. Seller, for value received from LEC and at the direction of LEC, hereby grants, transfers and assigns to Buyer the Interest in the Company, free and clear of all liens, charges and encumbrances.

3. Acceptance of Assignment. Buyer hereby accepts the grant and assignment of the Interest.

4. Amendment to Operating Agreement. The Operating Agreement of the Company is hereby amended to provide that, as a result of the foregoing grant and assignment to Buyer, as of the date hereof, (a) Seller is no longer a member of the Company, (b) Buyer is the sole member of the Company, (c) Buyer is the owner of all of the membership interest in the Company, and (d) Seller has withdrawn as a member of the Company.

5. Further Assurances. Seller hereby agrees to execute and deliver promptly upon request of Buyer such further agreements or instruments and do, or cause to be done, such further acts and things as may be necessary or reasonably desired by Buyer to complete the assignment and transfer of the Interest to Buyer as contemplated hereby.

6. Ratification. As amended herein, the Operating Agreement is ratified and affirmed.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Assignment of Membership Interest and Amendment to Operating Agreement as of the day and year of first above written.

Witness:

Seller: Nottingham Properties, Inc.

/s/ Abba Poliakoff

By: /s/ J. Joseph Credit (SEAL)
J. Joseph Credit
President and CEO

Buyer: Corporate Office Properties, L.P.

By: Corporate Office Properties Trust, its sole general partner

/s/ Karen Singer

By: /s/ Roger A. Waesche, Jr. (SEAL)
Name: Roger A. Waesche, Jr.
Title: Chief Operating Officer and
Executive Vice President

**ASSIGNMENT OF MEMBERSHIP INTEREST
AND
AMENDMENT TO OPERATING AGREEMENT**

WOODS INVESTORS LLC

THIS ASSIGNMENT OF MEMBERSHIP INTEREST AND AMENDMENT TO OPERATING AGREEMENT ("Assignment and Amendment") is made as of the 9th day of January, 2007 by and among Nottingham Properties, Inc., a Maryland corporation ("Seller"), and Corporate Office Properties, L.P., a Delaware limited partnership ("Buyer").

RECITALS:

- A. Woods Investors LLC (the "Company") is a limited liability company created by the filing of Articles of Organization in the records of the Maryland State Department of Assessments and Taxation on May 17, 2001 and governed by the Second Amended and Restated Operating Agreement dated May 18, 2005 (the "Operating Agreement").
- B. Seller owns 100% of the membership interest in the Company (the "Interest").
- C. By a Purchase and Sale Agreement dated December 21, 2006 (the "Purchase Agreement"), Seller agreed to sell to Buyer the Interest. Buyer has assigned its rights to buy the Interest under the Purchase Agreement to Land America Exchange Company ("LEC"), pursuant to the Deferred Real Estate Exchange Agreement dated September 1, 2006 between Buyer and LEC (the "Partial Assignment").
- D. The purpose of this Assignment and Amendment is to evidence the transfer and assignment to Buyer by Seller of the Interest in the Company pursuant to the Purchase Agreement and the Partial Assignment and to amend the Operating Agreement of the Company to reflect the transfer of the Interest.

NOW, THEREFORE, in consideration of the mutual covenants of the parties and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Recitals. The recitals are incorporated herein by reference.

2. Assignment of Interest to Buyer. Seller, for value received from LEC and at the direction of LEC, hereby grants, transfers and assigns to Buyer the Interest in the Company, free and clear of all liens, charges and encumbrances.

3. Acceptance of Assignment. Buyer hereby accepts the grant and assignment of the Interest.

4. Amendment to Operating Agreement. The Operating Agreement of the Company is hereby amended to provide that, as a result of the foregoing grant and assignment to Buyer, as of the date hereof, (a) Seller is no longer a member of the Company, (b) Buyer is the sole member of the Company, (c) Buyer is the owner of all of the membership interest in the Company, and (d) Seller has withdrawn as a member of the Company.

5. Further Assurances. Seller hereby agrees to execute and deliver promptly upon request of Buyer such further agreements or instruments and do, or cause to be done, such further acts and things as may be necessary or reasonably desired by Buyer to complete the assignment and transfer of the Interest to Buyer as contemplated hereby.

6. Ratification. As amended herein, the Operating Agreement is ratified and affirmed.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Assignment of Membership Interest and Amendment to Operating Agreement as of the day and year of first above written.

Witness:

/s/ Abba Poliakoff

Seller: Nottingham Properties, Inc.

By: _____ (SEAL)
/s/ J. Joseph Credit
J. Joseph Credit
President and CEO

Buyer: Corporate Office Properties, L.P.

By: Corporate Office Properties Trust, its sole general partner

/s/ Karen Singer

By: _____ (SEAL)
/s/ Roger A. Waesche, Jr.
Name: Roger A. Waesche, Jr.
Title: Chief Operating Officer and
Executive Vice President

EXHIBIT B-6
ASSIGNMENT OF MEMBERSHIP INTEREST
AND
AMENDMENT TO OPERATING AGREEMENT

RIVERS CENTER III INVESTORS LLC

THIS ASSIGNMENT OF MEMBERSHIP INTEREST AND AMENDMENT TO OPERATING AGREEMENT ("Assignment and Amendment") is made as of the day of January, 2007 by and among Nottingham Properties, Inc., a Maryland corporation ("Seller"), and Corporate Office Properties, L.P., a Delaware limited partnership ("Buyer").

RECITALS:

E. Rivers Center III Investors LLC (the "Company") is a limited liability

company created by the filing of Articles of Organization in the records of the Maryland State Department of Assessments and Taxation on May 17, 2001 and governed by the Second Amended and Restated Operating Agreement dated as of May 18, 2005 (the "Operating Agreement").

F. Seller owns 100% of the membership interest in the Company (the "Interest").

G. By a Purchase and Sale Agreement dated December 21, 2006 (the "Purchase Agreement"), Seller agreed to sell to Buyer the Interest.

H. The purpose of this Assignment and Amendment is to evidence the transfer and assignment to Buyer by Seller of the Interest in the Company pursuant to the Purchase Agreement and to amend the Operating Agreement of the Company to reflect the transfer of the Interest.

NOW, THEREFORE, in consideration of the mutual covenants of the parties and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

7. Recitals. The recitals are incorporated herein by reference.

8. Assignment of Interest to Buyer. For value received, Seller hereby grants, transfers and assigns to Buyer the Interest in the Company, free and clear of all liens, charges and encumbrances.

9. Acceptance of Assignment. Buyer hereby accepts the grant and assignment of the Interest.

10. Amendment to Operating Agreement. The Operating Agreement of the Company is hereby amended to provide that, as a result of the foregoing grant and assignment to Buyer, as of the date hereof, (a) Seller is no longer a member of the Company, (b) Buyer is the sole member of the Company, (c) Buyer is the owner of all of the membership interests in the Company, and (d) Seller has withdrawn as a member and Manager of the Company.

11. Further Assurances. Seller hereby agrees to execute and deliver promptly upon request of Buyer such further agreements or instruments and do, or cause to be done, such further acts and things as may be necessary or reasonably desired by Buyer to complete the assignment and transfer of the Interest to Buyer as contemplated hereby.

12. Ratification. As amended herein, the Operating Agreement is ratified and affirmed.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Assignment of Membership Interest and Amendment to Operating Agreement as of the day and year of first above written.

Seller: Nottingham Properties, Inc.

By: _____
J. Joseph Credit
President and CEO

Buyer: Corporate Office Properties, L.P.

By: Corporate Office Properties Trust, its sole general partner

By: _____
Name: Roger A. Waesche, Jr.
Title: Chief Operating Officer and
Executive Vice President

**ASSIGNMENT OF BENEFICIAL INTEREST
AND
AMENDMENT TO DECLARATION OF TRUST**

37 ALLEGHENY BUSINESS TRUST

THIS ASSIGNMENT OF BENEFICIAL INTEREST AND AMENDMENT TO DECLARATION OF TRUST ("Assignment and Amendment") is made as of the day of January, 2007 by and among Nottingham Properties, Inc., a Maryland corporation ("Seller"), and Corporate Office Properties, L.P., a Delaware limited partnership ("Buyer").

RECITALS:

I. 37 Allegheny Business Trust (the "Trust") is a business trust created by the filing of a certificate of trust in the records of the Maryland State Department of Assessments and Taxation on October 16, 2006 and governed by the Declaration of Trust dated October 16, 2006 (the "Declaration of Trust").

J. Seller owns 100% of the beneficial interest in the Trust (the "Interest").

K. By a Purchase and Sale Agreement dated December 21, 2006 (the "Purchase Agreement"), Seller agreed to sell to Buyer the Interest.

L. The purpose of this Assignment and Amendment is to evidence the transfer and assignment to Buyer by Seller of the Interest in the Trust pursuant to the Purchase Agreement and to amend the Declaration of Trust of the Trust to reflect the transfer of the Interest.

NOW, THEREFORE, in consideration of the mutual covenants of the parties and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

13. Recitals. The recitals are incorporated herein by reference.

14. Assignment of Interest to Buyer. For value received, Seller hereby grants, transfers and assigns to Buyer the Interest in the Trust, free and clear of all liens, charges and encumbrances.

15. Acceptance of Assignment. Buyer hereby accepts the grant and assignment of the Interest.

16. Amendment to Declaration of Trust. The Declaration of Trust of the Trust is hereby amended to provide that, as a result of the foregoing grant and assignment to Buyer, as of the date hereof, (a) Seller is no longer a beneficial owner of the Trust, (b) Buyer is the sole beneficial owner of the Trust, (c) Buyer is the owner of all of the beneficial interest, in the Trust, and (d) Seller has withdrawn as a beneficial owner of the trust.

17. Further Assurances. Seller hereby agrees to execute and deliver promptly upon request of Buyer such further agreements or instruments and do, or cause to be done, such further acts and things as may be necessary or reasonably

desired by Buyer to complete the assignment and transfer of the Interest to Buyer as contemplated hereby.

18. Ratification. As amended herein, the Declaration of Trust is ratified and affirmed.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Assignment of Beneficial Interest and Amendment to Declaration of Trust as of the day and year of first above written.

Witness:

Seller: Nottingham Properties, Inc.

By: _____ (SEAL)

J. Joseph Credit
President and CEO

Buyer: Corporate Office Properties, L.P.

By: Corporate Office Properties Trust, its sole general partner

By: _____ (SEAL)

Name: Roger A. Waesche, Jr.
Title: Chief Operating Officer and
Executive Vice President

IN WITNESS WHEREOF, the parties have executed this Assignment of Beneficial Interest and Amendment to Declaration of Trust as of the day and year of first above written.

Witness:

Seller: Nottingham Properties, Inc.

By: _____ (SEAL)
J. Joseph Credit
President and CEO

Buyer: Corporate Office Properties, L.P.

By: Corporate Office Properties Trust, its sole general partner

By: _____ (SEAL)
Name: Roger A. Waesche, Jr.
Title: Chief Operating Officer and
Executive Vice President

EXHIBIT B-8
ASSIGNMENT OF BENEFICIAL INTEREST
AND
AMENDMENT TO DECLARATION OF TRUST
WHITE MARSH HI-TECH 2 BUSINESS TRUST

THIS ASSIGNMENT OF BENEFICIAL INTEREST AND AMENDMENT TO DECLARATION OF TRUST ("Assignment and Amendment") is made as of the day of January, 2007 by and among Nottingham Properties, Inc., a Maryland corporation ("Seller"), and Corporate Office Properties, L.P., a Delaware limited partnership ("Buyer").

RECITALS:

M. White Marsh Hi-Tech 2 Business Trust (the "Trust") is a business trust created by the filing of a Certificate of Trust in the records of the Maryland State Department of Assessments and Taxation on November 16, 2006 and governed by the Declaration of Trust dated November 16, 2006 (the "Declaration of Trust").

N. Seller owns 100% of the beneficial interests in the Trust (the "Interest").

O. By a Purchase and Sale Agreement dated December 21, 2006 (the "Purchase Agreement"), Seller agreed to sell to Buyer the Interest.

P. The purpose of this Assignment and Amendment is to evidence the transfer and assignment to Buyer by Seller of the Interest in the Trust pursuant to the Purchase Agreement and to amend the Declaration of Trust of the Trust to reflect the transfer of the Interest.

NOW, THEREFORE, in consideration of the mutual covenants of the parties and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

19. Recitals. The recitals are incorporated herein by reference.

20. Assignment of Interest to Buyer. For value received, Seller hereby grants, transfers and assigns to Buyer the Interest in the Trust, free and clear of all liens, charges and encumbrances.

21. Acceptance of Assignment. Buyer hereby accepts the grant and assignment of the Interest.

22. Amendment to Declaration of Trust. The Declaration of Trust of the Trust is hereby amended to provide that, as a result of the foregoing grant and assignment to Buyer, as of the date hereof, (a) Seller is no longer a beneficial owner of the Trust, (b) Buyer is the sole beneficial owner of the Trust, (c) Buyer is the owner of all of the beneficial interest, in the Trust, and (d) Seller has withdrawn as a beneficial owner of the trust.

23. Further Assurances. Seller hereby agrees to execute and deliver promptly upon request of Buyer such further agreements or instruments and do, or cause to be done, such further acts and things as may be necessary or reasonably

desired by Buyer to complete the assignment and transfer of the Interest to Buyer as contemplated hereby.

24. Ratification. As amended herein, the Declaration of Trust is ratified and affirmed.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Assignment of Beneficial Interest and Amendment to Declaration of Trust as of the day and year of first above written.

Witness:

Seller: Nottingham Properties, Inc.

By: _____ (SEAL)
J. Joseph Credit
President and CEO

Buyer: Corporate Office Properties, L.P.

By: Corporate Office Properties Trust, its sole general partner

By: _____ (SEAL)
Name: Roger A. Waesche, Jr.
Title: Chief Operating Officer and
Executive Vice President

EXHIBIT B-9
ASSIGNMENT OF LIMITED PARTNERSHIP INTEREST
AND
AMENDMENT TO AGREEMENT OF LIMITED PARTNERSHIP
CORPORATE CENTER I LIMITED PARTNERSHIP

THIS ASSIGNMENT OF LIMITED PARTNERSHIP INTEREST AND AMENDMENT TO AGREEMENT OF LIMITED PARTNERSHIP (Assignment and Amendment") is made as of the _____ day of January, 2007 by and among Nottingham Properties, Inc., a Maryland corporation ("Seller"), and Corporate Office Properties, L.P., a Delaware limited partnership ("Buyer").

RECITALS:

Q. Corporate Center I Limited Partnership (the "Partnership") is a limited partnership created by the filing of a certificate of limited partnership in the records of the Maryland State Department of Assessments and Taxation on September 21, 1989 and governed by the Amended and Restated Agreement of Limited Partnership dated December 21, 1994, as amended by the Amendment to Agreement of Limited Partnership dated December 15, 2006 (collectively, the "Partnership Agreement").

R. Seller owns a 50% limited partnership interest in the Partnership (the "Interest").

S. By a Purchase and Sale Agreement dated December 21, 2006 (the "Purchase Agreement"), Seller agreed to sell to Buyer the Interest.

T. The purpose of this Assignment and Amendment is to evidence the transfer and assignment to Buyer by Seller of the Interest in the Partnership pursuant to the Purchase Agreement and to amend the Partnership Agreement of the Partnership to reflect the transfer of the Interest.

NOW, THEREFORE, in consideration of the mutual covenants of the parties and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

25. Recitals. The recitals are incorporated herein by reference.

26. Assignment of Interest to Buyer. For value received, Seller hereby grants, transfers and assigns to Buyer the Interest in the Partnership, free and clear of all liens, charges and encumbrances.

27. Acceptance of Assignment. Buyer hereby accepts the grant and assignment of the Interest.

28. Amendment to Partnership Agreement. The Partnership Agreement of the Partnership is hereby amended to provide that, as a result of the foregoing grant and assignment to Buyer, as of the date hereof, (a) Seller is no longer a 50% limited partner of the Partnership, (b) Buyer is a 50% limited partner of the Partnership in Seller's place, and (c) Seller has withdrawn as a limited partner of the Partnership.

29. Further Assurances. Seller hereby agrees to execute and deliver promptly upon request of Buyer such further agreements or instruments and do, or cause to be done, such further acts and things as may be necessary or reasonably desired by Buyer to complete the assignment and transfer of the Interest to Buyer as contemplated hereby.

30. Ratification. As amended herein, the Partnership Agreement is ratified and affirmed.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Assignment of Limited Partnership Interest and Amendment to Agreement of Limited Partnership as of the day and year of first above written.

Witness:

Seller: Nottingham Properties, Inc.

By: _____ (SEAL)

J. Joseph Credit
President and CEO

Buyer: Corporate Office Properties, L.P.

By: Corporate Office Properties Trust, its sole general partner

By: _____ (SEAL)

Name: Roger A. Waesche, Jr.
Title: Chief Operating Officer and
Executive Vice President

EXHIBIT B-10
ASSIGNMENT OF LIMITED PARTNERSHIP INTEREST
AND
AMENDMENT TO LIMITED PARTNERSHIP AGREEMENT
NOTTINGHAM ASSOCIATES LIMITED PARTNERSHIP

THIS ASSIGNMENT OF LIMITED PARTNERSHIP INTEREST AND AMENDMENT TO LIMITED PARTNERSHIP AGREEMENT is made as of the _____ day of January, 2007 by and among Nottingham Properties, Inc., a Maryland corporation ("Seller"), and Corporate Office Properties, L.P., a Delaware limited partnership ("Buyer").

RECITALS:

U. Nottingham Associates Limited Partnership (the "Partnership") is a limited partnership created by the filing of a certificate of limited partnership in the records of the Maryland State Department of Assessments and Taxation on May 31, 1983 and governed by the Limited Partnership Agreement dated as of May 27, 1983, as amended by an Amendment to Agreement of Limited Partnership dated December 15, 2006 (collectively, the "Partnership Agreement").

V. Seller owns a 43.7% limited partnership interest in the Partnership (the "Interest").

W. By a Purchase and Sale Agreement dated December 21, 2006 (the "Purchase Agreement"), Seller agreed to sell to Buyer the Interest.

X. The purpose of this Assignment and Amendment is to evidence the transfer and assignment to Buyer by Seller of the Interest in the Partnership pursuant to the Purchase Agreement and to amend the Partnership Agreement of the Partnership to reflect the transfer of the Interest.

NOW, THEREFORE, in consideration of the mutual covenants of the parties and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

31. Recitals. The recitals are incorporated herein by reference.

32. Assignment of Interest to Buyer. For value received, Seller hereby grants, transfers and assigns to Buyer the Interest in the Partnership, free and clear of all liens, charges and encumbrances.

33. Acceptance of Assignment. Buyer hereby accepts the grant and assignment of the Interest.

34. Amendment to Partnership Agreement. The Partnership Agreement of the Partnership is hereby amended to provide that, as a result of the foregoing grant and assignment to Buyer, as of the date hereof, (a) Seller is no longer a 43.7% limited partner of the Partnership, (b) Buyer is a 43.7% limited partner of the Partnership in Seller's place, and (c) Seller has withdrawn as a limited partner of the Partnership.

35. Further Assurances. Seller hereby agrees to execute and deliver promptly upon request of Buyer such further agreements or instruments and do, or

cause to be done, such further acts and things as may be necessary or reasonably desired by Buyer to complete the assignment and transfer of the Interest to Buyer as contemplated hereby.

36. Ratification. As amended herein, the Partnership Agreement is ratified and affirmed.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Assignment of Limited Partnership Interest and Amendment to Limited Partnership Agreement as of the _____ day and year of first above written.

Witness:

Seller: Nottingham Properties, Inc.

By: _____ (SEAL)

J. Joseph Credit
President and CEO

Buyer: Corporate Office Properties, L.P.

By: Corporate Office Properties Trust, its sole general partner

By: _____ (SEAL)

Name: Roger A. Waesche, Jr.
Title: Chief Operating Officer and
Executive Vice President

EXHIBIT B-11
ASSIGNMENT OF LIMITED PARTNERSHIP INTEREST
AND
AMENDMENT TO AGREEMENT OF LIMITED PARTNERSHIP
SANDPIPER LIMITED PARTNERSHIP

THIS ASSIGNMENT OF LIMITED PARTNERSHIP INTEREST AND AMENDMENT TO AGREEMENT OF LIMITED PARTNERSHIP is made as of the day of January, 2007 by and among Nottingham Properties, Inc., a Maryland corporation ("Seller"), and Corporate Office Properties, L.P., a Delaware limited partnership ("Buyer").

RECITALS:

Y. Sandpiper Limited Partnership (the "Partnership") is a limited partnership created by the filing of a certificate of limited partnership in the records of the Maryland State Department of Assessments and Taxation on December 31, 1984 and governed by the Limited Partnership Agreement dated as of December 26, 1984, as amended by an Amendment to Agreement of Limited Partnership dated December 31, 1984, as amended by Amendment No. 2 thereto dated October 31, 1985, as amended by Amendment No. 3 thereto dated October 13, 1987, as amended by Amendment No. 4 dated January 22, 1993, and as amended by an Amendment to Agreement of Limited Partnership dated December 15, 2006 (collectively, the "Partnership Agreement").

Z. Seller owns a 60% limited partnership interest in the Partnership (the "Interest").

AA. By a Purchase and Sale Agreement dated December 21, 2006 (the "Purchase Agreement"), Seller agreed to sell to Buyer the Interest.

BB. The purpose of this Assignment and Amendment is to evidence the transfer and assignment to Buyer by Seller of the Interest in the Partnership pursuant to the Purchase Agreement and to amend the Partnership Agreement of the Partnership to reflect the transfer of the Interest.

NOW, THEREFORE, in consideration of the mutual covenants of the parties and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

37. Recitals. The recitals are incorporated herein by reference.

38. Assignment of Interest to Buyer. For value received, Seller hereby grants, transfers and assigns to Buyer the Interest in the Partnership, free and clear of all liens, charges and encumbrances.

39. Acceptance of Assignment. Buyer hereby accepts the grant and assignment of the Interest.

40. Amendment to Partnership Agreement. The Partnership Agreement of the Partnership is hereby amended to provide that, as a result of the foregoing grant and assignment to Buyer, as of the date hereof, (a) Seller is no longer a 60% limited partner of the Partnership, (b) Buyer is a 60% limited partner of the

Partnership in Seller's place, and (c) Seller has withdrawn as a limited partner of the Partnership.

41. Further Assurances. Seller hereby agrees to execute and deliver promptly upon request of Buyer such further agreements or instruments and do, or cause to be done, such further acts and things as may be necessary or reasonably desired by Buyer to complete the assignment and transfer of the Interest to Buyer as contemplated hereby.

42. Ratification. As amended herein, the Partnership Agreement is ratified and affirmed.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Assignment of Limited Partnership Interest and Amendment to Agreement of Limited Partnership as of the day and year of first above written.

Witness:

Seller: Nottingham Properties, Inc.

By: _____ (SEAL)

J. Joseph Credit
President and CEO

Buyer: Corporate Office Properties, L.P.

By: Corporate Office Properties Trust, its sole general partner

By: _____ (SEAL)

Name: Roger A. Waesche, Jr.
Title: Chief Operating Officer and
Executive Vice President

CONSTRUCTION LOAN AGREEMENT

Dated as of May 2, 2008

by and among

CORPORATE OFFICE PROPERTIES, L.P.,
as BorrowerCORPORATE OFFICE PROPERTIES TRUST,
as Parent,KEYBANC CAPITAL MARKETS
as Arranger,KEYBANK NATIONAL ASSOCIATION,
as Administrative Agent,BANK OF AMERICA, N.A.,
as Syndication Agent,MANUFACTURERS AND TRADERS TRUST COMPANY,
as Documentation Agent,

and

THE FINANCIAL INSTITUTIONS INITIALLY SIGNATORY HERETO
AND THEIR ASSIGNEES PURSUANT TO SECTION 12.5.,
as Lenders

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THIS CONSTRUCTION LOAN AGREEMENT (this “**Agreement**”) dated as of May 2, 2008 by and among CORPORATE OFFICE PROPERTIES, L.P., a limited partnership formed under the laws of the State of Delaware (the “**Borrower**”), CORPORATE OFFICE PROPERTIES TRUST, a real estate investment trust formed under the laws of the State of Maryland (the “**Parent**”), each of the financial institutions initially a signatory hereto together with their assignees pursuant to Section 12.5., KEYBANC CAPITAL MARKETS, INC., as Arranger (the “**Arranger**”), KEYBANK NATIONAL ASSOCIATION, as Administrative Agent, BANK OF AMERICA, N.A., as Syndication Agent (the “**Syndication Agent**”), and MANUFACTURERS AND TRADERS TRUST COMPANY, as Documentation Agent (the “**Documentation Agent**”).

WHEREAS, the Lenders desire to make to the Borrower a construction credit facility in an aggregate principal amount of \$225,000,000 on the terms and conditions contained herein and the other Loan Documents.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS

Section 1.1. Definitions.

In addition to terms defined elsewhere herein, the following terms shall have the following meanings for the purposes of this Agreement:

“**Additional Costs**” has the meaning given that term in Section 4.1.

“**Adjusted LIBOR**” means, with respect to each Interest Period for any LIBOR Loan, the rate obtained by dividing (a) LIBOR for such Interest Period by (b) a percentage equal to 1 minus the stated maximum rate (stated as a decimal) of all reserves, if any, required to be maintained with respect to Eurocurrency funding (currently referred to as “Eurocurrency liabilities”) as specified in Regulation D of the Board of Governors of the Federal Reserve System (or against any other category of liabilities which includes deposits by reference to which the interest rate on LIBOR Loans is determined or any applicable category of extensions of credit or other assets which includes loans by an office of any Lender outside of the United States of America to residents of the United States of America). Any change in such maximum rate shall result in a change in Adjusted LIBOR on the date on which such change in such maximum rate becomes effective.

“**Administrative Questionnaire**” means an Administrative Questionnaire in a form supplied by the Agent to the Lenders from time to time.

“**Affiliate**” means any Person (other than the Agent or any Lender): (a) directly or indirectly controlling, controlled by, or under common control with, the Parent; (b) directly or indirectly owning or holding five percent (5.0%) or more of any Equity Interest in the Parent; or (c) five percent (5.0%) or more of whose voting stock or other Equity Interest is directly or indirectly owned or held by the Parent. For purposes of this definition, “control” (including with correlative meanings, the terms “controlling”, “controlled by” and “under common control

with”) means the possession directly or indirectly of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or by contract or otherwise. The Affiliates of a Person shall include any officer or director of such Person. In no event shall the Agent or any Lender be deemed to be an Affiliate of the Borrower or the Parent.

“**Agent**” means KeyBank National Association, as contractual representative for the Lenders under the terms of this Agreement, and any of its successors.

“**Agreement Date**” means the date as of which this Agreement is dated.

“**Applicable Law**” means all applicable provisions of constitutions, statutes, rules, regulations and orders of all governmental bodies and all orders and decrees of all courts, tribunals and arbitrators.

“**Applicable Margin**” means the percentage set forth below corresponding to the ratio of Total Indebtedness to Total Asset Value as determined in accordance with Section 9.1. of the Existing Credit Agreement:

Level	Total Indebtedness to Total Asset Value	Applicable Margin for LIBOR Loans	Applicable Margin for Base Rate Loans
1	Less than 0.50 to 1.00	1.60%	0.0%
2	Greater than or equal to 0.50 to 1.00 and less than 0.55 to 1.00	1.75%	0.0%
3	Greater than or equal to 0.55 to 1.00 and less than 0.60 to 1.00	1.85%	0.0%
4	Greater than or equal to 0.60 to 1.00	2.00%	0.0%

The Applicable Margin shall be determined by the Agent from time to time, based on the ratio of Total Indebtedness to Total Asset Value as set forth in the Compliance Certificate most recently delivered by the Borrower pursuant to Section 9.1. Any adjustment to the Applicable Margin shall be effective (a) in the case of a Compliance Certificate delivered in connection with quarterly financial statements of the Parent delivered pursuant to Section 8.1. of the Existing Credit Agreement, as of the date fifty-five (55) days following the end of the last day of the applicable fiscal quarter covered by such Compliance Certificate, (b) in the case of a Compliance Certificate delivered in connection with annual financial statements of the Parent delivered pursuant to Section 8.2 of the Existing Credit Agreement, as of the date one hundred (100) days following the end of the last day of the applicable fiscal year covered by such Compliance Certificate, and (c) in the case of any other Compliance Certificate, as of the date five (5) Business Days following the Agent's request for such Compliance Certificate. If the Borrower fails to deliver a Compliance Certificate pursuant to Section 9.1., the Applicable Margin shall equal the percentages corresponding to Level 4 until the date of the delivery of the required Compliance Certificate. Notwithstanding the foregoing, for the period from the Effective Date through but excluding the date on which the Agent first determines the Applicable Margin as set forth above, the Applicable Margin shall equal the percentages corresponding to Level 1. The provisions of this definition are subject to Section 2.2.(c).

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“**Applicable Period**” has the meaning set forth in Section 2.2.(c).

“**Appraisal**” means an MAI certified appraisal of an applicable Borrowing Base Property performed in accordance with FIRREA and the Agent's appraisal requirements by an appraiser selected and retained by the Agent.

“**Arranger**” means KeyBanc Capital Markets, together with its successors and permitted assigns.

“**Assignment and Acceptance Agreement**” means an Assignment and Acceptance Agreement among a Lender, an Eligible Assignee and the Agent, substantially in the form of Exhibit A.

“**Available Funding Capacity**” shall mean for a particular Borrowing Base Property the aggregate of (a) the Commitments, less (b) the aggregate amount of the Borrowing Base Values for each outstanding Borrowing Base Property Sub-Facility (other than the subject Borrowing Base Property for which such Available Funding Capacity is being determined), less (c) the aggregate principal amount of any outstanding Loans under the subject Borrowing Base Property.

“**Base Rate**” means the per annum rate of interest equal to the greater of (a) the Prime Rate or (b) the Federal Funds Rate plus one-half of one percent (0.5%). Any change in the Base Rate resulting from a change in the Prime Rate or the Federal Funds Rate shall become effective as of 12:01 a.m. on the Business Day on which each such change occurs. The Base Rate is a reference rate used by the Lender acting as the Agent in determining interest rates on certain loans and is not intended to be the lowest rate of interest charged by the Lender acting as the Agent or any other Lender on any extension of credit to any debtor.

“**Base Rate Loan**” means a Loan bearing interest at a rate based on the Base Rate.

“**Borrower**” has the meaning set forth in the introductory paragraph hereof and shall include the Borrower's successors and permitted assigns.

“**Borrowing Base**” means an amount equal to the sum of the Borrowing Base Values of the Borrowing Base Properties as determined and adjusted from time to time in accordance with Section 5.3. A Borrowing Base Property shall be excluded from calculations of the Borrowing Base if at any time (a) the Agent shall cease to have a perfected, first-priority security interest in all of the outstanding Equity Interests of (i) the Property Owner that owns such Borrowing Base Property or (ii) any Subsidiary of the Borrower or the Parent (other than the Borrower) that owns, directly or indirectly, any Equity Interests in such Property Owner or (b) such Property ceases to be an Eligible Property.

“**Borrowing Base Certificate**” means a report in substantially the form of Exhibit B, certified by the chief financial officer or treasurer of the Parent, setting forth the calculations required to establish the Borrowing Base Value for each Borrowing Base Property and the

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Borrowing Base for all Borrowing Base Properties as of a specified date, all in form and detail reasonably satisfactory to the Agent.

“**Borrowing Base Property**” means an Eligible Property which the Agent or the Requisite Lenders, as the case may be, have agreed to include in calculations of the Borrowing Base pursuant to Section 5.1.

“**Borrowing Base Property Sub-Facility**” has the meaning given that term in Section 2.1.(c).

“**Borrowing Base Value**” means, with respect to a Borrowing Base Property for any date of determination, an amount, as determined by the Agent in its sole discretion, equal to the lesser of (a) 85% of the total budgeted cost of Construction of the applicable Improvements on the Borrowing Base Property as set out in the Total Development Budget (which Total Development Budget shall not exceed \$50,000,000), (b) 70% of the Proforma Value, and (c) the Maximum DSCR Loan Amount, as such amount may be reduced by the Agent following the Agent's receipt and review of the Appraisal of such Borrowing Base Property.

“**Business Day**” means (a) any day other than a Saturday, Sunday or other day on which banks in Cleveland, Ohio are authorized or required to close and (b) with reference to a LIBOR Loan, any such day that is also a day on which dealings in Dollar deposits are carried out in the London interbank market.

“**Capitalized Lease Obligation**” means obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP. The amount of a Capitalized Lease Obligation is the capitalized amount of such obligation determined in accordance with GAAP.

“**Collateral**” means any property directly or indirectly securing any of the Obligations or any other obligation of a Person under or in respect of any Loan Document to which it is a party, and includes, without limitation, all “Pledged Collateral” under and as defined in the Pledge Agreement.

“**Commitment**” means, as to each Lender, such Lender's obligation to make Loans pursuant to Section 2.1., in an amount up to, but not exceeding, the amount set forth for such Lender on Schedule I as such Lender's “Commitment Amount” or as set forth in the applicable Assignment and Acceptance Agreement or as may be increased from time to time pursuant to Section 2.11. or as appropriate to reflect any assignments to or by such Lender effected in accordance with Section 12.5.

“**Commitment Percentage**” means, as to each Lender, the ratio, expressed as a percentage, of (a) the amount of such Lender's Commitment to (b) the aggregate amount of the Commitments of all Lenders; provided, however, that if at the time of determination the Commitments have terminated or been reduced to zero, the “Commitment Percentage” of each Lender shall be the Commitment Percentage of such Lender in effect immediately prior to such termination or reduction.

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“**Completion Date**” means, (a) for any Construction on a Borrowing Base Property where the Improvements consist of a shell completion and additional tenant improvements, the earlier of (i) the completion date required by the Lease for such Improvements to be constructed on the Borrowing Base Property, or (ii) the completion date listed in the Construction Schedule or (b) for any Construction on a Borrowing Base Property where the Improvements consist solely of the shell completion of the relevant office building, the completion date listed in the Construction Schedule, each as approved by the Agent, as such Construction Schedule may be modified pursuant to the terms of this Agreement; provided that in no event shall any Completion Date be a date later than a date ninety (90) days prior to the existing Termination Date.

“**Compliance Certificate**” has the meaning set forth in Section 9.1.

“**Construction or construction**” means the construction and equipping of the Improvements in accordance with the Plans and Specifications to complete the Borrowing Base Property’s shell completion, the installation of all personal property, fixtures and equipment required for the operation of the Borrowing Base Property and all applicable tenant improvements required by the applicable Leases.

“**Construction Documents**” means, with respect to the Construction of Improvements on each Borrowing Base Property, the General Contract, the applicable site plan, Plans and Specifications and the Construction Schedule.

“**Construction Schedule**” means a schedule satisfactory to the Agent, establishing a timetable for completion of the Construction, showing, on a monthly basis, the anticipated progress of the Construction and also showing that the Improvements can be completed on or before the applicable Completion Date.

“**Continue**”, “**Continuation**” and “**Continued**” each refers to the continuation of a LIBOR Loan from one Interest Period to another Interest Period pursuant to Section 2.6.

“**Convert**”, “**Conversion**” and “**Converted**” each refers to the conversion of a Loan of one Type into a Loan of another Type pursuant to Section 2.7.

“**Credit Event**” means any of the following: (a) the making (or deemed making) of any Loan and (b) the Conversion of a Loan.

“**Date of Borrowing**” has the meaning set forth in Section 2.1.(g).

“**Default**” means any of the events specified in Section 10.1., whether or not there has been satisfied any requirement for the giving of notice, the lapse of time, or both.

“**Defaulting Lender**” has the meaning set forth in Section 3.11.

“**Dollars**” or “**\$**” means the lawful currency of the United States of America.

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“**Draw Request**” means a written request for any disbursement of Loan proceeds with respect to a Borrowing Base Property, in the form attached hereto as Exhibit C or in such other format as is acceptable to the Agent and otherwise in compliance with Section 2.1.(d).

“**Effective Date**” means the later of: (a) the Agreement Date; and (b) the date on which all of the conditions precedent set forth in Section 6.1. shall have been fulfilled or waived in writing by the Requisite Lenders.

“**Eligible Assignee**” means any Person who is, at the time of determination: (i) a Lender or an affiliate of a Lender; (ii) a commercial bank, trust, trust company, insurance company, investment bank or pension fund organized under the laws of the United States of America, or any state thereof, and having total assets in excess of \$5,000,000,000; (iii) a savings and loan association or savings bank organized under the laws of the United States of America, or any state thereof, and having a tangible net worth of at least \$500,000,000; or (iv) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and having total assets in excess of \$10,000,000,000, provided that such bank is acting through a branch or agency located in the United States of America. If such Person is not currently a Lender or an affiliate of a Lender, such Person’s (or its parent’s) senior unsecured long term indebtedness must be rated BBB or higher by S&P, Baa2 or higher by Moody’s, or the equivalent or higher of either such rating by another rating agency reasonably acceptable to the Agent.

“**Eligible Property**” means a Property which satisfies all of the following requirements: (a) the Property is owned or leased under a ground lease entirely by the Property Owner; (b) such Property is zoned by the applicable Governmental Authority to have a commercial office building; (c) such Property is located in one of the 48 contiguous states of the United States of America or in the District of Columbia and is located in one of Borrower’s core markets or is part of the Borrower’s tenant relationship driven development program; (d) none of the Equity Interests issued by the Property Owner that owns such Property or issued by any Subsidiary that owns, directly or indirectly, any Equity Interests in such Property Owner is subject to any Negative Pledge or any Lien other than Permitted Liens; (e) subject to such exceptions as may be acceptable to the Agent, the following actions may be taken without the need to obtain the consent of any Person: (i) Liens may be granted to the Agent for the benefit of the Lenders in all such Equity Interests as security for the Obligations, (ii) the Agent may exercise its remedies with respect to any such Lien while an Event of Default exists, (iii) the Agent, any Lender or any of their affiliates may become the owner of such Equity Interests, and (iv) the Borrower, directly or indirectly through a Subsidiary, has the right to sell, transfer or otherwise dispose of any of such Equity Interests; (f) such Property is free of all structural defects or major architectural deficiencies, title defects, environmental conditions or other adverse matters except for defects, deficiencies, conditions or other matters individually or collectively which are not material to the profitable operation of such Property; (g) the Property is in compliance with all Environmental Laws; (h) the Total Development Budget for such Property shall not exceed \$50,000,000; and (i) such Property is not subject to any Liens, except Permitted Liens.

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“**Environmental Laws**” means any Applicable Law relating to environmental protection or the manufacture, storage, remediation, disposal or clean-up of Hazardous Materials including, without limitation, the following: Clean Air Act, 42 U.S.C. § 7401 et seq.; Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.; National Environmental Policy Act, 42 U.S.C. § 4321 et seq.; regulations of the Environmental Protection Agency and any applicable rule of common law and any judicial interpretation thereof relating primarily to the environment or Hazardous Materials.

“**Environmental Proceedings**” means any environmental proceedings, whether civil (including actions by private parties), criminal or administrative proceedings, relating to the Borrowing Base Property.

“**Equity Interest**” means, with respect to any Person, any share of capital stock of (or other ownership or profit interests in) such Person, any warrant, option or other right for the purchase or other acquisition from such Person of any share of capital stock of (or other ownership or profit interests in) such Person, any security convertible into or exchangeable for any share of capital stock of (or other ownership or profit interests in) such Person or warrant, right or option for the purchase or other

acquisition from such Person of such shares (or such other interests), and any other ownership or profit interest in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized or otherwise existing on any date of determination.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as in effect from time to time.

“**Event of Default**” means any of the events specified in Section 10.1., provided that any requirement for notice or lapse of time or any other condition has been satisfied.

“**Existing Credit Agreement**” means that certain Second Amended and Restated Credit Agreement dated as October 1, 2007, by and among the Parent, the Borrower, the lenders party thereto, KeyBank National Association, as Agent, and the other parties thereto.

“**Existing Credit Agreement Default**” means any event or condition set forth in Section 10.1 of the Existing Credit Agreement or such other section or provision of the Existing Credit Agreement which relates to Events of Default (as defined in such Existing Credit Agreement) if such Existing Credit Agreement is amended and such amendments are incorporated into this Agreement pursuant to Section 12.19.

“**Existing Credit Agreement Representations**” means the representations and warranties set forth in Article VI of the Existing Credit Agreement.

“**Extension Request**” has the meaning set forth in Section 2.9.

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“**Federal Funds Rate**” means, for any day, the rate per annum (rounded upward to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Agent by federal funds dealers selected by the Agent on such day on such transaction as determined by the Agent.

“**Fees**” means the fees and commissions provided for or referred to in Section 3.6. and any other fees payable by the Borrower hereunder or under any other Loan Document.

“**FIRREA**” means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended from time to time.

“**Funds from Operations**” shall have the meaning set forth in the Existing Credit Agreement.

“**General Contract**” means the general contract(s) between the Borrower or relevant Property Owner and General Contractor, pertaining to the construction of all Improvements for a Borrowing Base Property.

“**General Contractor**” means the general contractor for a Borrowing Base Property.

“**GAAP**” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

“**Governmental Approvals**” means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and reports to, all Governmental Authorities, including, without limitation, all consents, licenses and permits (including, without limitation, any building permit, environmental permit, utility permit, land use permit, wetland permit and any other permits) and all other authorization or approvals required from any Governmental Authority for the Construction in accordance with the Plans and Specifications or required from any Governmental Authority for the operation of the Improvements on any Borrowing Base Property.

“**Governmental Authority**” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau, commission, board, department or other entity (including, without limitation, the Federal Deposit

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Insurance Corporation, the Comptroller of the Currency or the Federal Reserve Board, any central bank or any comparable authority) or any arbitrator with authority to bind a party at law.

“**Guarantor**” means any Person that is a party to the Guaranty as a “Guarantor” and in any event shall include the Parent and each existing or future Property Owner.

“**Guaranty**” means the Guaranty to which each Guarantor is a party substantially in the form of Exhibit D.

“**Hard Cost Advances**” has the meaning set forth in Section 2.1.(f).

“**Hazardous Material**” means all or any of the following: (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable Environmental Laws as “hazardous substances”, “hazardous materials”, “hazardous wastes”, “toxic substances” or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, “TCLP” toxicity or “EP toxicity”; (b) oil, petroleum or petroleum derived substances, natural gas, natural gas liquids or synthetic gas and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; (c) any flammable substances or explosives or any radioactive materials; (d) asbestos in any form; (e) toxic mold; and (f) electrical equipment which contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty parts per million.

“**Improvements**” means the improvements more particularly described in each of the Plans and Specifications for each Borrowing Base Property, and offsite improvements and together with any existing improvements not to be demolished.

“**Indebtedness**” has the meaning given that term in the Existing Credit Agreement as in effect on the Agreement Date.

“**Indemnified Costs**” has the meaning set forth in Section 12.9.

“**Indemnified Parties**” has the meaning set forth in Section 12.9.

“**Indemnity Proceeding**” has the meaning set forth in Section 12.9.

“**Interest Period**” means with respect to any LIBOR Loan, each period commencing on the date such LIBOR Loan is made or the last day of the next preceding Interest Period for such Loan and ending seven (7) days, or 1, 2, 3 or 6 months thereafter, as the Borrower may select in a Notice of Borrowing, Notice of Continuation or Notice of Conversion, as the case may be, except that each Interest Period (other than an Interest Period of 7-days’ duration) that commences on the last Business Day of a calendar month shall end on the last Business Day of the appropriate subsequent calendar month. Notwithstanding the foregoing: (i) if any Interest Period would otherwise end after the Termination Date, such Interest Period shall end on the Termination Date; and (ii) each Interest Period that would otherwise end on a day which is not a Business Day shall end on the immediately following Business Day (or, if such immediately

following Business Day falls in the next calendar month, on the immediately preceding Business Day).

“**Internal Revenue Code**” means the Internal Revenue Code of 1986, as amended.

“**KeyBank**” means KeyBank National Association, together with its successors and assigns.

“**Leases**” means a collective reference to all leases, subleases and occupancy agreements affecting a Borrowing Base Property or any part thereof existing as of the Agreement Date or executed thereafter and all amendments, modifications or supplements thereto approved in writing by the Agent, if required hereunder.

“**Lender**” means each financial institution from time to time party hereto as a “Lender”, together with its respective successors and permitted assigns.

“**Lending Office**” means, for each Lender and for each Type of Loan, the office of such Lender specified in such Lender’s Administrative Questionnaire, or such other office of such Lender of which such Lender may notify the Agent in writing from time to time.

“**Level**” has the meaning given that term in the definition of the term “Applicable Margin.”

“**LIBOR**” means, for any LIBOR Loan for any Interest Period therefor, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page) as the London interbank offered rate for deposits in Dollars at approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period. If for any reason such rate is not available, the term “LIBOR” shall mean, for any LIBOR Loan for any Interest Period therefor, the applicable British Bankers’ Association LIBOR rate for deposits in Dollars as reported by any generally recognized financial information service as of 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period. If for any reason none of the foregoing rates is available to the Agent, LIBOR shall be, for any Interest Period, the rate determined by the Agent to be the rate at which KeyBank or one of its affiliate banks offers to place deposits in Dollars with first class banks in the London interbank market at approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period, in the approximate amount of the relevant LIBOR Loan and having a maturity equal to such Interest Period.

“**LIBOR Loan**” means a Loan bearing interest at a rate based on LIBOR.

“**Lien**” as applied to the property of any Person means: (a) any security interest, encumbrance, mortgage, deed to secure debt, deed of trust, assignment of leases and rents, pledge, lien, charge or lease constituting a Capitalized Lease Obligation, conditional sale or other title retention agreement, or other security title or encumbrance of any kind in respect of any property of such Person, or upon the income, rents or profits therefrom; (b) any arrangement,

express or implied, under which any property of such Person is transferred, sequestered or otherwise identified for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to the payment of the general, unsecured creditors of such Person; (c) the filing of any financing statement under the Uniform Commercial Code or its equivalent in any jurisdiction, other than any precautionary filing not otherwise constituting or giving rise to a Lien, including a financing statement filed (i) in respect of a lease not constituting a Capitalized Lease Obligation pursuant to Section 9-505 (or a successor provision) of the Uniform Commercial Code or its equivalent as in effect in an applicable jurisdiction or (ii) in connection with a sale or other disposition of accounts or other assets not prohibited by this Agreement in a transaction not otherwise constituting or giving rise to a Lien; and (d) any agreement by such Person to grant, give or otherwise convey any of the foregoing.

“**Loan**” means a loan made by a Lender to the Borrower pursuant to Section 2.1.

“**Loan Document**” means this Agreement, each Note, the Guaranty, the Pledge Agreement and each other document or instrument now or hereafter executed and delivered by a Loan Party in connection with, pursuant to or relating to this Agreement.

“**Loan Party**” means the Borrower, the Parent, each Guarantor, each Pledgor and each Property Owner and any New Loan Party.

“**Material Adverse Effect**” means a materially adverse effect on (a) the business, assets, liabilities, condition (financial or otherwise), results of operations or business prospects of the Parent and its Subsidiaries taken as a whole, (b) the ability of the Borrower or any other Loan Party to perform its obligations under any Loan Document to which it is a party, (c) the validity or enforceability of any of the Loan Documents or the Agent’s Lien in any of the Collateral, (d) the rights and remedies of the Lenders and the Agent under any of the Loan Documents or (e) the timely payment of the principal of or interest on the Loans or other amounts payable in connection therewith.

“**Material Subsidiary**” has the meaning given that term in the Existing Credit Agreement.

“**Maximum DSCR Loan Amount**” means the amount equal to (a) the Proforma NOI for the applicable Borrowing Base Property divided by 1.25%, divided by (b) the Mortgage Constant.

“**Moody’s**” means Moody’s Investors Service, Inc., and its successors.

“**Mortgage Constant**” means the greater of (a) a debt constant based on the then current 10-year Treasury Bond as of the date of determination, plus 2.00%, or (b) 7.00%, and a 25-year amortization schedule.

“**Negative Pledge**” means, with respect to a given asset, any provision of a document, instrument or agreement (other than any Loan Document) which prohibits or purports to prohibit

the creation or assumption of any Lien on such asset as security for Indebtedness of the Person owning such asset or any other Person.

“**New Loan Parties**” has the meaning set forth in Section 5.1.(d).

“**NOI**” means, for any period, the gross income from operations of the applicable Borrowing Base Property derived from arm’s length, market rate rents from leases with unaffiliated third parties (unless otherwise approved by the Agent), service fees or charges, less operating expenses (such as cleaning, utilities, administrative, landscaping, security and management expenses), repairs and maintenance and reserves for replacements, and less fixed expenses (such as insurance, real estate and other taxes). All operating expenses shall be related to the applicable Borrowing Base Property, shall be for services from arm’s length third party transactions or equivalent to the same and shall exclude all expenses for capital improvements and replacements, debt service and depreciation or amortization of capital expenditures and other similar non-cash items.

“**Note**” has the meaning set forth in Section 2.8.(a).

“**Notice of Completion**” means a notice delivered to the Agent after all Construction for Improvements for a particular Borrowing Base Property has been completed and Borrower or Property Owner has received all Governmental Approvals, including, if applicable, a certificate of occupancy or similar permit, in order to operate and lease the Improvements on the Borrowing Base Property.

“**Notice of Continuation**” means a notice in the form of Exhibit E to be delivered to the Agent pursuant to Section 2.6. evidencing the Borrower’s request for the Continuation of a LIBOR Loan.

“**Notice of Conversion**” means a notice in the form of Exhibit F to be delivered to the Agent pursuant to Section 2.7. evidencing the Borrower’s request for the Conversion of a Loan from one Type to another Type.

“**Notice of Satisfaction of Conditions Precedent**” has the meaning set forth in Section 2.1.(g).

“**Obligations**” means, individually and collectively: (a) the aggregate principal balance of, and all accrued and unpaid interest on, all Loans; and (b) all other indebtedness, liabilities, obligations, covenants and duties of the Borrower and the other Loan Parties owing to the Agent or any Lender of every kind, nature and description, under or in respect of this Agreement or any of the other Loan Documents, including, without limitation, the Fees and indemnification obligations, whether direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any promissory note.

“**OFAC**” means U.S. Department of the Treasury’s Office of Foreign Assets Control and any successor Governmental Authority.

“**OFAC Review Process**” means that certain review process established by the Agent to determine if any potential transferee of any interests in, or any assignee of any portion of, a Commitment or Loan assigned by a Lender is a party with whom the Agent and any Lender are restricted from doing business under (i) the regulations of OFAC, including any Sanctioned Person, or (ii) any other statute, executive order or other governmental action or list (including the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism).

“**Operating Account**” has the meaning set forth in Section 2.1.(i).

“**Parent**” has the meaning set forth in the introductory paragraph hereof and shall include the Parent’s successors and permitted assigns.

“**Participant**” has the meaning set forth in Section 12.5.(i).

“**Patriot Act Customer Identification Process**” means that certain customer identification and review process established by the Agent pursuant to the requirements of 31 U.S.C. §5318(1) and 31 C.F.R. §103.121 to verify the identity of all permitted transferees of interests in the Borrower and any assignees of a portion of a Commitment or Loan assigned by a Lender.

“**Permitted Liens**” means, as to any Person: (a) Liens securing taxes, assessments and other charges or levies imposed by any Governmental Authority (excluding any Lien imposed pursuant to any of the provisions of ERISA or pursuant to any Environmental Laws) or the claims of materialmen, mechanics, carriers, warehousemen or landlords for labor, materials, supplies or rentals incurred in the ordinary course of business, which are not at the time required to be paid or discharged under Section 7.6. of the Existing Credit Agreement; (b) Liens consisting of deposits or pledges made, in the ordinary course of business, in connection with, or to secure payment of, obligations under workers’ compensation, unemployment insurance or similar Applicable Laws; (c) Liens consisting of encumbrances in the nature of zoning restrictions, easements, and rights or restrictions of record on the use of real property, which do not materially detract from the value of such property or impair the use thereof in the business of such Person; (d) the rights of tenants under leases or subleases not interfering with the ordinary conduct of business of such Person; (e) all restrictions, covenants and other instruments of record existing as of the date the initial Loan is made with respect to any Borrowing Base Property Sub-Facility in question and set forth in any Title Report furnished by Borrower and/or any Property Owner to Agent in connection with such Borrowing Base Property Sub-Facility; (f) any other easements or other agreements necessary for the completion of Construction of Improvements for a Borrowing Base Property; and (g) Liens in favor of the Agent for the benefit of the Lenders.

“**Person**” means an individual, corporation, partnership, limited liability company, association, trust or unincorporated organization, or a government or any agency or political subdivision thereof.

“**Plans and Specifications**” means detailed plans and specifications for the Improvements for a Borrowing Base Property, as modified hereafter as expressly permitted by this Agreement.

“**Pledge Agreement**” means the Pledge Agreement executed by the Borrower and the Pledgors in favor of the Agent and substantially in the form of Exhibit G.

“**Pledgor**” means any Subsidiary of the Borrower or the Parent that owns, directly or indirectly, any Equity Interests of a Property Owner.

“**Post-Default Rate**” means, in respect of any principal of any Loan or any other Obligation that is not paid when due (whether at stated maturity, by acceleration, by optional or mandatory prepayment or otherwise), a rate per annum equal to the Base Rate as in effect from time to time plus the Applicable Margin for Base Rate Loans plus two percent (2%).

“**Prime Rate**” means the rate of interest per annum announced publicly by the Lender then acting as the Agent as its prime rate from time to time. The Prime Rate is not necessarily the best or the lowest rate of interest offered by the Lender acting as the Agent or any other Lender.

“**Principal Office**” means the office of the Agent located at 127 Public Square, Cleveland, Ohio 44114, or such other office of the Agent as the Agent may designate from time to time.

“**Proforma NOI**” means the amount equal to the proforma NOI for the first stabilized year derived from ten (10) year “as stabilized” cash flow projections for the applicable Borrowing Base Property, which are provided by the Borrower and which are acceptable to the Agent.

“**Proforma Value**” means the sum determined by dividing the Proforma NOI for the applicable Borrowing Base Property by 7.50%.

“**Project Equity**” means for a Borrowing Base Property the amount of equity to be provided by Borrower and invested in the related Construction of Improvements equal to the Total Development Budget for such Borrowing Base Property (which Total Development Budget in any event shall not be greater than \$50,000,000) less the Borrowing Base Value for such Borrowing Base Property. Such equity shall be from sources other than the applicable Borrowing Base Property Sub-Facility or any other Loan and shall be applied to the costs of Construction for the applicable Improvements prior to any disbursement under a Borrowing Base Property Sub-Facility.

“**Property**” means any parcel of real property owned or leased (in whole or in part) by the Borrower or any Property Owner and the applicable Improvements, if any, associated therewith.

“**Property Release**” has the meaning set forth in Section 5.2.

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“**Property Owner**” means the Borrower or a Subsidiary of the Borrower which owns a Borrowing Base Property.

“**Regulatory Change**” means, with respect to any Lender, any change effective after the Agreement Date in Applicable Law (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) or the adoption or making after such date of any interpretation, directive or request applying to a class of banks, including such Lender, of or under any Applicable Law (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) by any Governmental Authority or monetary authority charged with the interpretation or administration thereof or compliance by any Lender with any request or directive regarding capital adequacy.

“**Requisite Lenders**” means, as of any date, Lenders having at least 66-2/3% of the aggregate amount of the Commitments (not held by Defaulting Lenders who are not entitled to vote), or, if the Commitments have been terminated or reduced to zero, Lenders holding at least 66-2/3% of the principal amount of the aggregate outstanding Loans (not held by Defaulting Lenders who are not entitled to vote). Commitments and Loans held by Defaulting Lenders shall be disregarded when determining the Requisite Lenders.

“**Responsible Officer**” means with respect to the Parent or any Subsidiary, the chief executive officer, the chief operating officer, the chief financial officer, or president of the Parent or such Subsidiary.

“**Sanctioned Entity**” means (a) an agency of the government of, (b) an organization directly or indirectly controlled by, or (c) a Person resident in, in each case, a country that is subject to a sanctions program identified on the list maintained by the OFAC and published from time to time, as such program may be applicable to such agency, organization or Person.

“**Sanctioned Person**” means a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by the OFAC as published from time to time.

“**Soft Cost Advances**” has the meaning set forth in Section 2.1.(f).

“**Solvent**” means, when used with respect to any Person, that (a) the fair value and the fair salable value of its assets (excluding any Indebtedness due from any affiliate of such Person) are each in excess of the fair valuation of its total liabilities (including all contingent liabilities computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that could reasonably be expected to become an actual and matured liability); (b) such Person is able to pay its debts or other obligations in the ordinary course as they mature; and (c) such Person has capital not unreasonably small to carry on its business and all business in which it proposes to be engaged.

“**S&P**” means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors.

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“**Subsidiary**” means, for any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (without regard to the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person, and shall include all Persons the accounts of which are consolidated with those of such Person pursuant to GAAP.

“**Supplemental Equity Deposit**” means the amount, if any, required to be deposited from time to time by the Borrower in connection with a Borrowing Base Property pursuant to Section 2.1.(h) and Section 8.5.(m).

“**Survey**” means a plat of subdivision, if applicable, and, only to the extent available, a survey prepared by a surveyor registered or licensed to do business in the State in which the Property is located.

“**Taxes**” has the meaning given that term in Section 3.12.

“**Tenant**” means the tenant under a Lease.

“**Termination Date**” means May 2, 2011, or such later date to which the Termination Date may be extended pursuant to Section 2.9.

“**Titled Agent**” means, collectively and individually, each of the Arranger, the Documentation Agent, the Syndication Agent and their respective successors and permitted assigns.

“**Title Report**” means a title insurance report covering the applicable Borrowing Base Property or proposed Borrowing Base Property.

“**Total Asset Value**” has the meaning given that term in the Existing Credit Agreement as in effect as of the Agreement Date.

“**Total Development Budget**” means the applicable budget for a Borrowing Base Property specifying all costs and expenses of every kind and nature whatever to be incurred by the Borrower in connection with the Construction of Improvements on such Borrowing Base Property prior to the Termination Date. The Total Development Budget for a Borrowing Base Property shall specify the amount of Project Equity invested in a Borrowing Base Property.

“**Total Indebtedness**” has the meaning given that term in the Existing Credit Agreement as in effect as of the Agreement Date.

“**Type**” with respect to any Loan, refers to whether such Loan is a LIBOR Loan or Base Rate Loan.

“**Unavoidable Delay**” means any delay in the Construction of the Improvements on a Borrowing Base Property, caused by natural disaster, fire, earthquake, floods, explosion, extraordinary adverse weather conditions, inability to procure or a general shortage of labor, equipment, facilities, energy, materials or supplies in the open market, failure of transportation, strikes or lockouts for which the Borrower has notified the Agent in writing.

“**Unused Amounts**” has the meaning set forth in Section 3.6.

“**Wholly Owned Subsidiary**” means any Subsidiary of a Person in respect of which all of the equity securities or other ownership interests (other than, in the case of a corporation, directors’ qualifying shares) are at the time directly or indirectly owned or controlled by such Person or one or more other Subsidiaries of such Person or by such Person and one or more other Subsidiaries of such Person.

Section 1.2. General; References to Times.

Unless otherwise indicated, all accounting terms, ratios and measurements shall be interpreted or determined in accordance with GAAP; provided that, if at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Requisite Lenders shall so request, the Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Requisite Lenders); provided further that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Parent shall provide to the Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. References in this Agreement to “Sections”, “Articles”, “Exhibits” and “Schedules” are to sections, articles, exhibits and schedules herein and hereto unless otherwise indicated. References in this Agreement to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, to the extent permitted hereby and (c) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, supplemented, restated or otherwise modified as of the date of this Agreement and from time to time thereafter to the extent not prohibited hereby and in effect at any given time; provided, however, to the extent any amendment, supplement, restatement or other modification of the Existing Credit Agreement affects any of the definitions, representations, covenants or other provisions thereof incorporated in this Agreement by reference, such amendment, supplement, restatement or other modification shall only be given effect hereunder as provided in Section 12.19. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter. Unless explicitly set forth to the contrary, a reference to “Subsidiary” means a Subsidiary of the Parent or a Subsidiary of such Subsidiary and a reference to an “Affiliate” means a reference to an Affiliate of the Parent. Titles and captions of Articles, Sections, subsections and clauses in this Agreement are for convenience only, and neither limit

nor amplify the provisions of this Agreement. Unless otherwise indicated, all references to time are references to Cleveland, Ohio time.

ARTICLE II. CREDIT FACILITY

Section 2.1. Loans.

(a) Generally. Subject to the terms and conditions hereof, during the period from the Effective Date to but excluding the Termination Date, each Lender severally and not jointly agrees to make Loans to the Borrower in an aggregate principal amount at any one time outstanding up to, but not exceeding, the amount of such Lender’s Commitment. Subject to the terms and conditions of this Agreement, during the period from the Effective Date to but excluding the Termination Date, the Borrower may borrow, repay and reborrow Loans hereunder.

(b) Purpose of Loan. To the extent provided in the Total Development Budget, Loans made pursuant to this Agreement shall only be used to reimburse the Borrower for the actual costs incurred or expended for the Construction of Improvements on the Borrowing Base Properties included in the Borrowing Base, as approved by the Agent.

(c) Borrowing Base Property Facilities. Subject to the terms and conditions hereof, during the period from the Effective Date to but excluding the Termination Date, the funding of a construction project for a particular Borrowing Base Property shall be a distinct construction loan facility for such particular Borrowing Base Property allocated from the total Commitments available (each such facility, a “**Borrowing Base Property Sub-Facility**”); provided that in no event shall the aggregate of the Loans provided for any such Borrowing Base Property Sub-Facility exceed the applicable Borrowing Base Value for such Borrowing Base Property; and, provided further, that in no event shall the amount available under a Borrowing Base Property Sub-Facility for draws exceed the Available Funding Capacity. A Lender’s obligation to fund a Borrowing Base Property Sub-Facility shall be several (and not joint and several) and shall be limited to its proportionate share according to the amount of its Commitment pursuant to Section 3.2.

(d) Requesting Loans. Provided that the applicable Borrowing Base Property is part of the Borrowing Base pursuant to Article V., for each Loan for such particular Borrowing Base Property Sub-Facility, the Borrower shall submit a completed Draw Request to the Agent, setting forth the identification of the Borrowing Base Property, the amount of Loan proceeds desired, the Type of Loan desired, the disbursement instructions, the information required for any Hard Cost Advances or Soft Cost Advances, and the applicable conditions precedent in accordance with Article VI., together with such certification and additional information as the Agent may reasonably require, signed by a duly authorized representative of the Borrower. Such Draw Request shall be submitted not less than five (5) Business Days prior to the date on which the requested Loan is to be made. The Agent will transmit a copy of the Draw Request to each Lender no later than five (5) Business Days after delivering the Notice of Satisfaction of Conditions Precedent. Each Draw Request shall be irrevocable once given and binding on the Borrower.

(e) Frequency of Draw Requests and Advances. For each Borrowing Base Property, the Borrower may only submit one Draw Request to the Agent each calendar month. For each Borrowing Base Property Sub-Facility, Loans shall be made no more frequently than monthly.

(f) Types of Advances.

(i) Hard Cost Advances. Advances by the Lenders for the payment of any sums due under any Construction Document, any subcontract or for any other labor performed and/or materials supplied with respect to the direct costs of the construction of all or any portion of the Improvements (collectively, "**Hard Cost Advances**") shall be made on requisitions in a form approved by the Agent, which requisitions must be signed by the chief financial officer or treasurer of the Parent and must be approved by or on behalf of the Agent. The Borrower shall submit with each requisition a statement that the work completed to the date of such requisition is of quality consistent with the Plans and Specifications. Disbursements for Hard Cost Advances shall not exceed ninety-five percent (95%) of each requisition for direct construction costs. Subject to the applicable conditions precedent contained in Article VI., the final holdback of direct construction costs with respect to each Borrowing Base Property shall be available for requisition by the Borrower upon the completion of the Construction of such Improvements for such Borrowing Base Property; provided, however, that so long as no Event of Default shall have occurred and be continuing, upon the election of the Borrower to fully advance on a completed subcontract, the Lenders shall fully disburse the retained amounts under such subcontract upon completion of the work to be performed under such subcontract in accordance with the Plans and Specifications.

(ii) Soft Cost Advances. Requisitions for the payment of settlement expenses, interest and all other indirect expenses under a Borrowing Base Property Sub-Facility and included in the applicable Total Development Budget (collectively, "**Soft Cost Advances**") shall be signed by the chief financial officer or treasurer of the Parent, and in the event that the same shall individually exceed the sum of \$250,000, must be supported by invoices, receipts for payment and such other detail as the agent may reasonably request to assure that amounts requisitioned are to be used to reimburse the Borrower for costs previously paid by the Borrower and/or applicable Property Owner or to pay costs incurred by the Borrower and/or the applicable Property Owner which are due and owing. Soft Cost Advances shall be in an amount equal to one hundred percent (100%) of the approved requisition.

(g) Disbursements of Loan Proceeds. Upon the satisfaction of all applicable conditions precedent to the making of a Loan set forth in Article VI., with respect to Loans to be made after the Effective Date, the Agent shall deliver a notice of such satisfaction to the Lenders ("**Notice of Satisfaction of Conditions Precedent**"). No later than 1:00 p.m. (i) in the case of Base Rate Loans, on the date that is one Business Day after receipt of such Notice of Satisfaction of Conditions Precedent (provided if such date is not a Business Day, the next succeeding Business Day) or (ii) in the case of LIBOR Loans, on the date that is three (3) Business Days after receipt of such Notice of Satisfaction of Conditions Precedent (provided if such date is not a Business Day, the next succeeding Business Day) (each a "**Date of Borrowing**") or no later than 1:00 p.m. on the Effective Date for Loans to be made on such date, each Lender will make

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available for the account of its applicable Lending Office to the Agent at the Principal Office, in immediately available funds, the proceeds of the Loan to be made by such Lender. With respect to Loans to be made after the Effective Date, unless the Agent shall have been notified by any Lender prior to the specified Date of Borrowing that such Lender does not intend to make available to the Agent the Loan to be made by such Lender on such date, the Agent may assume that such Lender will make the proceeds of such Loan available to the Agent on the applicable Date of Borrowing and the Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrower the amount of such Loan to be provided by such Lender. Subject to terms and conditions hereof, the Agent will make the proceeds of such borrowing available to the Borrower no later than 2:00 p.m. on the applicable Date of Borrowing and at the account specified by the Borrower in such Draw Request or, pursuant to Section 2.1. (i)., to the Operating Account.

(h) Borrowing Base Property Equity and Supplemental Equity Deposits As to each Borrowing Base Property and the Construction of the related Improvements, the Borrower shall contribute the Project Equity for such Construction of the Improvements, and such Project Equity shall be from sources other than the applicable Borrowing Base Property Sub-Facility, or any other Loan and shall be applied to the costs of Construction for the applicable Improvements prior to any disbursement under a Borrowing Base Property Sub-Facility. The Borrower's equity must be disbursed prior to the first disbursement of any applicable Loan proceeds, and used to pay direct Borrowing Base Property costs with evidence of payment delivered to the Agent prior to the disbursement of the Loan proceeds related to such Borrowing Base Property Sub-Facility. If the Agent at any time determines that the undisbursed portion of such Borrowing Base Property Sub-Facility, plus the amount of all Project Equity and other equity investments made or scheduled to be made by the Borrower are not sufficient to complete fully the Improvements in accordance with the applicable Plans and Specifications, the Agent shall have the option of requiring the Borrower to deposit with the Lender additional funds from some other source (or submit evidence to the Agent of equity investments previously made), in amounts sufficient to cover the resulting deficit before the Lenders will disburse any further Loan proceeds with respect to that particular Borrowing Base Property. Such Supplemental Equity Deposit shall be disbursed to the Borrower as construction progresses in accordance with this Agreement before proceeds of any Loans are disbursed with respect to that particular Borrowing Base Property.

(i) Operating Account. After the occurrence of a Default or an Event of Default (but without impairing any Lender's right under Section 6.2), the Agent may at its election disburse funds directly to a special bank account maintained at the Agent, on behalf of the Lenders (the "**Operating Account**"), or at its option and at such Borrower's cost, disburse funds through a title company, or to contractors, subcontractors, materialmen or laborers directly, but any such election shall not prevent the Agent from making subsequent disbursements in a different manner or through or to a different party. The Loan proceeds shall be deemed to be disbursed to the Borrower from the date of deposit into the Operating Account, the escrow of the title company or directly to any contractor, subcontractor, materialmen or laborer, and interest shall accrue on those proceeds from that date (and with respect to a disbursement to an escrow of a title company, interest shall accrue on the proceeds from the date of delivery to such escrow regardless of the date such proceeds are released by the title company).

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(j) No Implied Waivers. The making of any Loan for a Borrowing Base Property shall not be deemed a waiver of the Agent's or any Lender's rights hereunder with respect to any further or future Loan for such Borrowing Base Property, nor shall it be construed to be a waiver of any of the conditions precedent to the Lenders' obligations to make further or future Loans to such Borrowing Base Property.

Section 2.2. Rates and Payment of Interest on Loans.

(a) Rates. The Borrower promises to pay to the Agent for the account of each Lender interest on the unpaid principal amount of each Loan made by such Lender for the period from and including the date of the making of such Loan to but excluding the date such Loan shall be paid in full, at the following per annum rates:

(i) during such periods as such Loan is a Base Rate Loan, at the Base Rate (as in effect from time to time) plus the Applicable Margin for Base Rate Loans; and

(ii) during such periods as such Loan is a LIBOR Loan, at Adjusted LIBOR for such Loan for the Interest Period therefor plus the Applicable Margin for LIBOR Loans.

Notwithstanding the foregoing, during the continuance of an Event of Default, the Borrower shall pay to the Agent for the account of each Lender interest at the Post-Default Rate on the outstanding principal amount of each Loan made by such Lender, and on any other amount payable by the Borrower hereunder or under the Note held by such Lender to or for the account of such Lender (including without limitation, accrued but unpaid interest to the extent permitted under Applicable Law).

(b) **Payment of Interest.** Accrued and unpaid interest on each Loan shall be payable (i) in the case of a Base Rate Loan, monthly in arrears on the first day of each calendar month, (ii) in the case of a LIBOR Loan, in arrears on the last day of each Interest Period therefor, and, if such Interest Period is longer than ninety (90) days, at three-month intervals following the first day of such Interest Period, and (iii) in the case of any Loan, in arrears upon the payment, prepayment or Continuation thereof or the Conversion of such Loan to a Loan of another Type (but only on the principal amount so paid, prepaid, Continued or Converted). Interest payable at the Post-Default Rate shall be payable from time to time on demand. Promptly after the determination of any interest rate provided for herein or any change therein, the Agent shall give notice thereof to the Lenders to which such interest is payable and to the Borrower. All determinations by the Agent of an interest rate hereunder shall be conclusive and binding on the Lenders and the Borrower for all purposes, absent manifest error.

(c) **Inaccurate Financial Statements or Compliance Certificates.** If any financial statement or Compliance Certificate delivered pursuant to Section 9.1. is shown to be inaccurate as a result of any fraudulent act or omission of a Loan Party or its agents or representatives acting on behalf of such Loan Party (regardless of whether this Agreement is in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an "**Applicable Period**") than the Applicable Margin applied for such Applicable Period, then (i) the Borrower shall immediately deliver to the Agent

a correct Compliance Certificate for such Applicable Period and (ii) the Borrower shall immediately pay to the Agent for the account of the Lenders the additional accrued additional interest owing calculated based on such higher Applicable Margin for such Applicable Period, which payment shall be promptly applied by the Agent in accordance with Section 3.2. This subsection shall not in any way limit the rights of the Agent and Lenders (x) with respect to the last sentence of the immediately preceding subsection (a) or (y) under Article X.

Section 2.3. Number of Interest Periods.

There may be no more than eight (8) different Interest Periods for LIBOR Loans outstanding at the same time (for which purpose Interest Periods described in the definition of the term "Interest Period" shall be deemed to be different Interest Periods even if they are coterminous).

Section 2.4. Repayment of Loans.

The Borrower shall repay the entire outstanding principal amount of, and all accrued but unpaid interest on, the Loans and all other sums due under this Agreement on the Termination Date.

Section 2.5. Prepayments.

(a) **Optional.** Subject to Section 4.4., the Borrower may prepay any Loan, in whole or in part, at any time without premium or penalty. The Borrower shall give the Agent at least one (1) Business Day's prior written notice of the prepayment of any Loan.

(b) **Mandatory.**

(i) If at any time the aggregate principal amount of all outstanding Loans exceeds the Borrowing Base, the Borrower shall within five (5) Business Days of the Borrower obtaining knowledge of the occurrence of any such excess eliminate such excess.

(ii) If at any time a Borrowing Base Property remains in the Borrowing Base for more than twelve (12) months after the shell completion of the Improvements for such Borrowing Base Property is complete, pursuant to the applicable Plans and Specifications and as determined by the Agent, then the Agent may, in its sole discretion, obtain an "as stabilized" Appraisal at the Borrower's cost for such Borrowing Base Property. If, based on such "as stabilized" Appraisal, the Agent determines that the loan-to-value ratio expressed as a percentage for such Borrowing Base Property Sub-Facility is greater than seventy percent (70%), then the Borrower shall pay to the Agent within fifteen (15) Business Days of notice from the Agent the amounts required to make the loan-to-value ratio expressed as a percentage for such Borrowing Base Property Sub-Facility no greater than seventy percent (70%).

If such excess identified in either (i) and/or (ii) above is not eliminated within such time period provided, then the entire outstanding principal balance of all Loans and all other Obligations

shall be immediately due and payable in full. All payments under this subsection (b) shall be applied to pay all amounts of principal outstanding on the Loans pro rata in accordance with Section 3.2. If the Borrower is required to pay any outstanding LIBOR Loans by reason of this Section prior to the end of the applicable Interest Period therefor, the Borrower shall pay all amounts due under Section 4.4.

Section 2.6. Continuation.

So long as no Event of Default shall exist, the Borrower may on any Business Day, with respect to any LIBOR Loan, elect to maintain such LIBOR Loan or any portion thereof as a LIBOR Loan by selecting a new Interest Period for such LIBOR Loan. Each new Interest Period selected under this Section shall commence on the last day of the immediately preceding Interest Period. Each selection of a new Interest Period shall be made by the Borrower giving to the Agent a Notice of Continuation not later than 11:00 a.m. on the third Business Day prior to the date of any such Continuation. Such notice by the Borrower of a Continuation shall be by telephone or teletype, confirmed immediately in writing if by telephone, in the form of a Notice of Continuation, specifying (a) the proposed date of such Continuation, (b) the LIBOR Loans and portions thereof subject to such Continuation and (c) the duration of the selected Interest Period, all of which shall be specified in such manner as is necessary to comply with all limitations on Loans outstanding hereunder. Each Notice of Continuation shall be irrevocable by and binding on the Borrower once given. Promptly after receipt of a Notice of Continuation, the Agent shall notify each Lender by teletype, or other similar form of transmission, of the proposed Continuation. If the Borrower shall fail to select in a timely manner a new Interest Period for any LIBOR Loan in accordance with this Section, or if an Event of Default shall exist, such Loan will automatically, on the last day of the current Interest Period therefor, Convert into a Base Rate Loan notwithstanding the first sentence of Section 2.7. or the Borrower's failure to comply with any of the terms of such Section.

Section 2.7. Conversion.

The Borrower may on any Business Day, upon the Borrower's giving of a Notice of Conversion to the Agent, Convert all or a portion of a Loan of one Type into a Loan of another Type; provided, however, a Base Rate Loan may not be Converted to a LIBOR Loan if an Event of Default shall exist. Any Conversion of a LIBOR Loan into a Base Rate Loan shall be made on, and only on, the last day of an Interest Period for such LIBOR Loan and, upon Conversion of a Base Rate Loan into a LIBOR Loan, the Borrower shall pay accrued interest to the date of Conversion on the principal amount so Converted. Each such Notice of Conversion shall be given not later than

11:00 a.m. on the Business Day prior to the date of any proposed Conversion into Base Rate Loans and on the third Business Day prior to the date of any proposed Conversion into LIBOR Loans. Promptly after receipt of a Notice of Conversion, the Agent shall notify each Lender by telecopy, or other similar form of transmission, of the proposed Conversion. Subject to the restrictions specified above, each Notice of Conversion shall be by telephone (confirmed immediately in writing) or telecopy in the form of a Notice of Conversion specifying (a) the requested date of such Conversion, (b) the Type of Loan to be Converted, (c) the portion of such Type of Loan to be Converted, (d) the Type of Loan such Loan is to be Converted into and (e) if such Conversion is into a LIBOR Loan, the requested duration of the Interest Period of such

Loan. Each Notice of Conversion shall be irrevocable by and binding on the Borrower once given.

Section 2.8. Notes.

(a) Notes. The Borrower shall execute and deliver on the Effective Date to each Lender requesting the same (or to the Agent for that Lender) a promissory note (each a “**Note**”) substantially in the form of Exhibit H, payable to the order of such Lender to evidence its Commitment. Any Lender not receiving a Note may request at any time that the Borrower issue it such Note on the terms set forth herein, and the Borrower agrees to issue such Note promptly upon the request of a Lender or the Agent for such Lender. The Notes and the Obligations evidenced thereby shall be governed by, subject to and benefit from all of the terms and conditions of this Agreement and the other Loan Documents and shall be secured by the Collateral. Lenders shall not require separate promissory notes for each Borrowing Base Property Sub-Facility.

(b) Records. The date, amount, interest rate, Type and duration of Interest Periods (if applicable) of each Loan made by each Lender to the Borrower, and each payment made on account of the principal thereof, shall be recorded by such Lender on its books and such entries shall be binding on the Borrower, absent manifest error; provided, however, that the failure of a Lender to make any such record shall not affect the obligations of the Borrower under any of the Loan Documents.

(c) Lost, Stolen, Destroyed or Mutilated Notes Upon receipt by the Borrower of (i) written notice from a Lender that the Note of such Lender has been lost, stolen, destroyed or mutilated, and (ii) (A) in the case of loss, theft or destruction, an unsecured agreement of indemnity from such Lender in form reasonably satisfactory to the Borrower, or (B) in the case of mutilation, upon surrender and cancellation of such Note, the Borrower shall at its own expense execute and deliver to such Lender a new Note dated the date of such lost, stolen, destroyed or mutilated Note.

Section 2.9. Extension of Termination Date.

The Borrower shall have the right, exercisable one time, to extend the Termination Date by one year. The Borrower may exercise such right only by executing and delivering to the Agent at least ninety (90) days but not more than one hundred eighty (180) days prior to the current Termination Date, a written request for such extension (an “**Extension Request**”). The Agent shall forward to each Lender a copy of the Extension Request delivered to the Agent promptly upon receipt thereof. Subject to satisfaction of the following conditions, the Termination Date shall be extended for one year: (a) immediately prior to such extension and immediately after giving effect thereto, (i) no Default or Event of Default shall exist and (ii) the representations and warranties made or deemed made by the Borrower and each other Loan Party in the Loan Documents to which any of them is a party, shall be true and correct on and as of the date of such extension with the same force and effect as if made on and as of such date except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date), and (b) the Borrower shall have paid the Fees payable under Section 3.6.(b).

Section 2.10. Amount Limitations.

Notwithstanding any other term of this Agreement or any other Loan Document, no Lender shall be required to make a Loan if immediately after the making of such Loan the aggregate principal amount of all outstanding Loans would exceed the lesser of (a) the aggregate amount of the Commitments at such time or (b) Borrowing Base.

Section 2.11. Increase of Commitments.

With the prior consent of the Agent, such consent not to be unreasonably withheld, conditioned or delayed, the Borrower shall have the right at any time prior to the date one year prior to the Termination Date (without giving effect to any extension thereof pursuant to Section 2.9.) to request an increase in the aggregate amount of the Commitments (provided that after giving effect to any increases in the Commitments pursuant to this Section, the aggregate amount of the Commitments may not exceed \$325,000,000) by providing written notice to the Agent, which notice shall be irrevocable once given and shall be forwarded by the Agent to each Lender; provided, however, the Borrower shall not have the right to make more than two (2) requests for increases in the aggregate amount of the Commitments during the term of this Agreement. Each such increase in the Commitments must be in an aggregate minimum amount of \$25,000,000 and integral multiples of \$5,000,000 in excess thereof. No Lender shall be required to increase its Commitment and any new Lender becoming a party to this Agreement in connection with any such requested increase must be an Eligible Assignee. If a new Lender becomes a party to this Agreement, or if any existing Lender agrees to increase its Commitment, such Lender shall on the date it becomes a Lender hereunder (or increases its Commitment, in the case of an existing Lender) (and as a condition thereto) purchase from the other Lenders its Commitment Percentage (or in the case of an existing Lender, increase the amount of its Commitment Percentage), in each case, as determined after giving effect to the increase of Commitments, of any outstanding Loans, by making available to the Agent for the account of such other Lenders at the Principal Office, in same day funds, an amount equal to the sum of (A) the portion of the outstanding principal amount of such Loans to be purchased by such Lender plus (B) interest accrued and unpaid to and as of such date on such portion of the outstanding principal amount of such Loans. The Borrower shall pay to the Lenders amounts payable, if any, to such Lenders under Section 4.4. as a result of the prepayment of any such Loans. No increase of the Commitments may be effected under this Section if (x) a Default or Event of Default shall be in existence on the effective date of such increase or (y) any representation or warranty made or deemed made by the Borrower or any other Loan Party in any Loan Document to which any such Loan Party is a party is not (or would not be) true or correct on the effective date of such increase and after giving effect thereto (except for representations or warranties which expressly relate solely to an earlier date). In connection with any increase in the aggregate amount of the Commitments pursuant to this subsection, (a) any Lender becoming a party hereto shall execute such documents and agreements as the Agent may reasonably request and (b) the Borrower shall make appropriate arrangements so that each new Lender, and any existing Lender increasing its Commitment, receives a new or replacement Note, as appropriate, in the amount of such Lender’s Commitment within five (5) Business Days of the effectiveness of the applicable increase in the aggregate amount of Commitments.

ARTICLE III. PAYMENTS, FEES AND OTHER GENERAL PROVISIONS

Section 3.1. Payments.

Except to the extent otherwise provided herein, all payments of principal, interest and other amounts to be made by the Borrower under this Agreement or any other Loan Document shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to the Agent at its Principal Office, not later than 2:00 p.m. on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next

succeeding Business Day). Subject to Section 10.4., the Borrower may, at the time of making each payment under this Agreement or any Note, specify to the Agent the amounts payable by the Borrower hereunder to which such payment is to be applied. Each payment received by the Agent for the account of a Lender under this Agreement or any Note shall be paid to such Lender at the applicable Lending Office of such Lender no later than 4:00 p.m. on the date of receipt. If the Agent fails to pay such amount to a Lender as provided in the previous sentence, the Agent shall pay interest on such amount until paid at a rate per annum equal to the Federal Funds Rate from time to time in effect. If the due date of any payment under this Agreement or any other Loan Document would otherwise fall on a day which is not a Business Day such date shall be extended to the next succeeding Business Day and interest shall be payable for the period of such extension.

Section 3.2. Pro Rata Treatment.

Except to the extent otherwise provided herein: (a) each borrowing of Loans from the Lenders under Section 2.1. shall be made from the Lenders, and each payment of the Fees under Sections 3.6.(a) and (b) shall be made for the account of the Lenders, pro rata according to the amounts of their respective Commitments; (b) each payment or prepayment of principal of Loans by the Borrower shall be made for the account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Loans held by them; (c) each payment of interest on Loans by the Borrower shall be made for the account of the Lenders pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Lenders; and (d) the making, Conversion and Continuation of Loans of a particular Type (other than Conversions provided for by Section 4.5.) shall be made pro rata among the Lenders according to the amounts of their respective Commitments (in the case of making of Loans) or their respective Loans (in the case of Conversions and Continuations of Loans) and the then current Interest Period for each Lender’s portion of each Loan of such Type shall be coterminous.

Section 3.3. Sharing of Payments, Etc.

If a Lender shall obtain payment of any principal of, or interest on, any Loan made by it to the Borrower under this Agreement, or shall obtain payment on any other Obligation owing by the Borrower or a Loan Party through the exercise of any right of set-off, banker’s lien or counterclaim or similar right or otherwise or through voluntary prepayments directly to a Lender or other payments made by the Borrower to a Lender not in accordance with the terms of this Agreement and such payment should be distributed to the Lenders pro rata in accordance with Section 3.2. or Section 10.4., as applicable, such Lender shall promptly purchase from the other Lenders participations in (or, if and to the extent specified by such Lender, direct interests in) the

Loans made by the other Lenders or other Obligations owed to such other Lenders in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all the Lenders shall share the benefit of such payment (net of any reasonable expenses which may be incurred by such Lender in obtaining or preserving such benefit) pro rata in accordance with Section 3.2. or Section 10.4., as applicable. To such end, all the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored. The Borrower agrees that any Lender so purchasing a participation (or direct interest) in the Loans or other Obligations owed to such other Lenders may exercise all rights of set-off, banker’s lien, counterclaim or similar rights with respect to such participation as fully as if such Lender were a direct holder of Loans in the amount of such participation. Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Borrower.

Section 3.4. Several Obligations.

No Lender, Agent, Arranger, Syndication Agent or Documentation Agent shall be responsible for the failure of any other Lender to make a Loan or to perform any other obligation to be made or performed by such other Lender hereunder, and the failure of any Lender to make a Loan or to perform any other obligation to be made or performed by it hereunder shall not relieve the obligation of any other Lender to make any Loan or to perform any other obligation to be made or performed by such other Lender.

Section 3.5. Minimum Amounts.

- (a) Borrowings and Conversions. For the initial Loan in any Borrowing Base Property Sub-Facility, each such borrowing of LIBOR Loans shall be in an aggregate minimum amount of \$500,000. Each Conversion of LIBOR Loans shall be in an aggregate minimum amount of \$500,000.
- (b) Prepayments. Each voluntary prepayment of Loans shall be in an aggregate minimum amount of \$1,000,000 and integral multiples of \$500,000 in excess thereof (or, if less, the aggregate principal amount of Loans then outstanding).

Section 3.6. Fees.

(a) Unused Fee. During the period from the Effective Date to but excluding the Termination Date, the Borrower agrees to pay to the Agent for the account of the Lenders an unused facility fee with respect to the average daily difference between the (i) aggregate amount of the Commitments and (ii) the aggregate principal amount of all outstanding Loans (the “**Unused Amount**”). Such fee shall be computed by multiplying the Unused Amount with respect to such quarter by the corresponding per annum rate set forth below:

<u>Unused Amount</u>	<u>Unused Fee</u>
Greater than or equal to 50% of the aggregate amount of Commitments	0.20 %
Less than 50% of the aggregate amount of Commitments	0.125 %

Such fee shall be payable in arrears on the last day of each March, June, September or December of each calendar year. Any such accrued and unpaid fee shall also be payable on the Termination Date or any earlier date of termination of the Commitments or reduction of the Commitments to zero.

- (b) Extension Fee. If the Borrower exercises its right to extend the Termination Date pursuant to Section 2.9., the Borrower agrees to pay to the Agent for the account of each Lender a fee equal to two-tenths of one percent (0.20%) of the amount of such Lender’s Commitment (whether or not utilized) at the time of such extension. Such fee shall be due and payable in full on the date the Agent receives the Extension Request pursuant to such Section.
- (c) Administrative and Other Fees. The Borrower agrees to pay the administrative and other fees of the Agent as may be agreed to in writing by the Borrower and the Agent from time to time.

Section 3.7. Computations.

Unless otherwise expressly set forth herein, any accrued interest on any Loan, any Fees or any other Obligations due hereunder shall be computed on the basis of a year of three hundred sixty (360) days and the actual number of days elapsed; provided, however, any accrued interest on any Base Rate Loan shall be computed on the basis of a year of three hundred sixty-five (365) or three hundred sixty-six (366) days, as applicable, and the actual number of days elapsed.

Section 3.8. Usury.

In no event shall the amount of interest due or payable on the Loans or other Obligations exceed the maximum rate of interest allowed by Applicable Law and, if any such payment is paid by the Borrower or any other Loan Party or received by any Lender, then such excess sum shall be credited as a payment of principal, unless the Borrower shall notify the respective Lender in writing that the Borrower elects to have such excess sum returned to it forthwith. It is the express intent of the parties hereto that the Borrower not pay and the Lenders not receive, directly or indirectly, in any manner whatsoever, interest in excess of that which may be lawfully paid by the Borrower under Applicable Law.

Section 3.9. Agreement Regarding Interest and Charges.

The parties hereto hereby agree and stipulate that the only charge imposed upon the Borrower for the use of money in connection with this Agreement is and shall be the interest specifically described in Section 2.2.(a).(i) and (ii). Notwithstanding the foregoing, the parties hereto further agree and stipulate that all agency fees, syndication fees, facility fees, closing fees, underwriting fees, default charges, late charges, funding or "breakage" charges, increased cost charges, attorneys' fees and reimbursement for costs and expenses paid by the Agent or any Lender to third parties or for damages incurred by the Agent or any Lender, in each case in connection with the transactions contemplated by this Agreement and the other Loan Documents, are charges made to compensate the Agent or any such Lender for underwriting or administrative services and costs or losses performed or incurred, and to be performed or

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incurred, by the Agent and the Lenders in connection with this Agreement and shall under no circumstances be deemed to be charges for the use of money. All charges other than charges for the use of money shall be fully earned and nonrefundable when due.

Section 3.10. Statements of Account.

The Agent will account to the Borrower monthly with a statement of Loans, accrued interest and Fees, charges and payments made pursuant to this Agreement and the other Loan Documents, and such account rendered by the Agent shall be deemed conclusive upon the Borrower to the extent the Borrower shall fail to object to such account in writing within five (5) Business Days of the receipt thereof. The failure of the Agent to deliver such a statement of accounts shall not relieve or discharge the Borrower from any of its obligations hereunder.

Section 3.11. Defaulting Lenders.

(a) Generally. If for any reason any Lender (a "**Defaulting Lender**") shall fail or refuse to perform any of its obligations under this Agreement or any other Loan Document to which it is a party within the time period specified for performance of such obligation or, if no time period is specified, if such failure or refusal continues for a period of two (2) Business Days after notice from the Agent, then, in addition to the rights and remedies that may be available to the Agent or the Borrower under this Agreement or Applicable Law, such Defaulting Lender's right to participate in the administration of the Loans, this Agreement and the other Loan Documents, including without limitation, any right to vote in respect of, to consent to or to direct any action or inaction of the Agent or to be taken into account in the calculation of the Requisite Lenders, shall be suspended during the pendency of such failure or refusal. If a Lender is a Defaulting Lender because it has failed to make timely payment to the Agent of any amount required to be paid to the Agent hereunder (without giving effect to any notice or cure periods), in addition to other rights and remedies which the Agent or the Borrower may have under this Agreement or otherwise, the Agent shall be entitled (i) to collect interest from such Defaulting Lender on such delinquent payment for the period from the date on which the payment was due until the date on which the payment is made at the Federal Funds Rate, (ii) to withhold or setoff and to apply in satisfaction of the defaulted payment and any related interest, any amounts otherwise payable to such Defaulting Lender under this Agreement or any other Loan Document and (iii) to bring an action or suit against such Defaulting Lender in a court of competent jurisdiction to recover the defaulted amount and any related interest. Any amounts received by the Agent in respect of a Defaulting Lender's Loans shall not be paid to such Defaulting Lender and shall be held uninvested by the Agent and either applied against the purchase price of such Loans under the following subsection (b) or paid to such Defaulting Lender upon the Defaulting Lender's curing of its default.

(b) Purchase of Defaulting Lender's Commitment. The Borrower may request the Agent to notify the Lenders that a Lender has become a Defaulting Lender. Any Lender who is not a Defaulting Lender shall have the right, but not the obligation, in its sole discretion, to acquire all of a Defaulting Lender's Commitment. Any Lender desiring to exercise such right shall give written notice thereof to the Agent and the Borrower no sooner than two (2) Business Days and not later than five (5) Business Days after such Defaulting Lender became a Defaulting Lender. If more than one Lender exercises such right, each such Lender shall have the right to

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acquire an amount of such Defaulting Lender's Commitment in proportion to its Commitments to the aggregate Commitments of all Lenders exercising such right. If after such fifth (5th) Business Day, the Lenders have not elected to purchase all of the Commitment of such Defaulting Lender, then the Borrower may, by giving written notice thereof to the Agent, such Defaulting Lender and the other Lenders, demand that such Defaulting Lender assign its Commitment to an Eligible Assignee subject to and in accordance with the provisions of Section 12.5. for the purchase price provided for below. No party hereto shall have any obligation whatsoever to initiate any such replacement or to assist in finding an Eligible Assignee. Upon any such purchase or assignment, the Defaulting Lender's interest in the Loans and its rights hereunder (but not its liability in respect thereof or under the Loan Documents or this Agreement to the extent the same relate to the period prior to the effective date of the purchase) shall terminate on the date of purchase, and the Defaulting Lender shall promptly execute all documents reasonably requested to surrender and transfer such interest to the purchaser or assignee thereof, including an appropriate Assignment and Acceptance Agreement and, notwithstanding Section 12.5., shall pay to the Agent an assignment fee in the amount of \$7,000. The purchase price for the Commitment of a Defaulting Lender shall be equal to the amount of the principal balance of the Loans outstanding and owed by the Borrower to the Defaulting Lender. Prior to payment of such purchase price to a Defaulting Lender, the Agent shall apply against such purchase price any amounts retained by the Agent pursuant to the last sentence of the immediately preceding subsection (a). The Defaulting Lender shall be entitled to receive amounts owed to it by the Borrower under the Loan Documents which accrued prior to the date of the default by the Defaulting Lender, to the extent the same are received by the Agent from or on behalf of the Borrower. There shall be no recourse against any Lender or the Agent for the payment of such sums except to the extent of the receipt of payments from any other party or in respect of the Loans.

Section 3.12. Taxes.

(a) Taxes Generally. All payments by the Borrower of principal of, and interest on, the Loans and all other Obligations shall be made free and clear of and without deduction for any present or future excise, stamp or other taxes, fees, duties, levies, imposts, charges, deductions, withholdings or other charges of any nature whatsoever imposed by any taxing authority, but excluding (i) franchise taxes, (ii) any taxes imposed on or measured by any Lender's assets, net income, receipts or branch profits, (iii) any taxes (other than withholding taxes) with respect to the Agent or a Lender that would not be imposed but for a connection between the Agent or such Lender and the jurisdiction imposing such taxes (other than a connection arising solely by virtue of the activities of the Agent or such Lender pursuant to or in respect of this Agreement or any other Loan Document), and (iv) any taxes, fees, duties, levies, imposts, charges, deductions, withholdings or other charges to the extent imposed as a result of the failure of the Agent or a Lender, as applicable, to provide and keep current (to the extent legally able) any certificates, documents or other evidence required to qualify for an exemption from, or reduced rate of, any such taxes fees, duties, levies, imposts, charges, deductions, withholdings or other charges or required by the immediately following subsection (c) to be furnished by the Agent or such Lender, as applicable (such non-excluded items being collectively called "**Taxes**"). If any withholding or deduction from any payment to be made by the Borrower hereunder is required in respect of any Taxes pursuant to any Applicable Law, then the Borrower will:

- (i) pay directly to the relevant Governmental Authority the full amount required to be so withheld or deducted;
- (ii) promptly forward to the Agent an official receipt or other documentation satisfactory to the Agent evidencing such payment to such Governmental Authority; and
- (iii) pay to the Agent for its account or the account of the applicable Lender, as the case may be, such additional amount or amounts as is necessary to ensure that the net amount actually received by the Agent or such Lender will equal the full amount that the Agent or such Lender would have received had no such withholding or deduction been required.

(b) **Tax Indemnification.** If the Borrower fails to pay any Taxes when due to the appropriate Governmental Authority or fails to remit to the Agent, for its account or the account of the respective Lender, as the case may be, the required receipts or other required documentary evidence, the Borrower shall indemnify the Agent and the Lenders for any incremental Taxes, interest or penalties that may become payable by the Agent or any Lender as a result of any such failure. For purposes of this Section, a distribution hereunder by the Agent or any Lender to or for the account of any Lender shall be deemed a payment by the Borrower.

(c) **Tax Forms.** Prior to the date that any Lender or Participant organized under the laws of a jurisdiction outside the United States of America becomes a party hereto, such Person shall deliver to the Borrower and the Agent such certificates, documents or other evidence, as required by the Internal Revenue Code or Treasury Regulations issued pursuant thereto (including Internal Revenue Service Forms W-8ECI and W-8BEN, as applicable, or appropriate successor forms), properly completed, currently effective and duly executed by such Lender or Participant establishing that payments to it hereunder and under the Notes are (i) not subject to United States Federal backup withholding tax and (ii) not subject to United States Federal withholding tax imposed under the Internal Revenue Code. Each such Lender or Participant shall, to the extent it may lawfully do so, (x) deliver further copies of such forms or other appropriate certifications on or before the date that any such forms expire or become obsolete and after the occurrence of any event requiring a change in the most recent form delivered to the Borrower or the Agent and (y) obtain such extensions of the time for filing, and renew such forms and certifications thereof, as may be reasonably requested by the Borrower or the Agent. The Borrower shall not be required to pay any amount pursuant to the last sentence of subsection (a) above to any Lender or Participant that is organized under the laws of a jurisdiction outside of the United States of America or the Agent, if it is organized under the laws of a jurisdiction outside of the United States of America, if such Lender, Participant or the Agent, as applicable, fails to comply with the requirements of this subsection. If any such Lender or Participant, to the extent it may lawfully do so, fails to deliver the above forms or other documentation, then the Agent may withhold from any payments to be made to such Lender under any of the Loan Documents such amounts as are required by the Internal Revenue Code. If any Governmental Authority asserts that the Agent did not properly withhold or backup withhold, as the case may be, any tax or other amount from payments made to or for the account of any Lender, such Lender shall indemnify the Agent therefor, including all penalties and interest, any taxes imposed by any jurisdiction on the amounts payable to the Agent under this Section, and costs

and expenses (including all reasonable fees and disbursements of any law firm or other external counsel and the allocated cost of internal legal services and all disbursements of internal counsel) of the Agent. The obligation of the Lenders under this Section shall survive the termination of the Commitments, repayment of all Obligations and the resignation or replacement of the Agent.

ARTICLE IV. YIELD PROTECTION, ETC.

Section 4.1. Additional Costs; Capital Adequacy.

(a) **Additional Costs.** The Borrower shall promptly pay to the Agent for the account of a Lender from time to time such amounts as such Lender may determine to be necessary to compensate such Lender for any costs incurred by such Lender that it determines are attributable to its making or maintaining of any LIBOR Loans or its obligation to make any LIBOR Loans hereunder, any reduction in any amount receivable by such Lender under this Agreement or any of the other Loan Documents in respect of any of such Loans or such obligation or the maintenance by such Lender of capital in respect of its Loans or its Commitment (such increases in costs and reductions in amounts receivable being herein called "**Additional Costs**"), to the extent any such Additional Costs result from any Regulatory Change that: (i) changes the basis of taxation of any amounts payable to such Lender under this Agreement or any of the other Loan Documents in respect of any of such Loans or its Commitment (other than taxes, fees, duties, levies, imposts, charges, deductions, withholdings or other charges which are excluded from the definition of Taxes pursuant to the first sentence of Section 3.12.(a)); or (ii) imposes or modifies any reserve, special deposit or similar requirements (other than Regulation D of the Board of Governors of the Federal Reserve System or other reserve requirement to the extent utilized in the determination of Adjusted LIBOR for such Loan) relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, such Lender, or any commitment of such Lender (including, without limitation, the Commitment of such Lender hereunder); or (iii) has or would have the effect of reducing the rate of return on capital of such Lender to a level below that which such Lender could have achieved but for such Regulatory Change (taking into consideration such Lender's policies with respect to capital adequacy).

(b) **Lender's Suspension of LIBOR Loans.** Without limiting the effect of the provisions of the immediately preceding subsection (a), if, by reason of any Regulatory Change, any Lender either (i) incurs or would incur Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of such Lender that includes deposits by reference to which the interest rate on LIBOR Loans is determined as provided in this Agreement or a category of extensions of credit or other assets of such Lender that includes LIBOR Loans or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets that it may hold, then, if such Lender so elects by notice to the Borrower (with a copy to the Agent), the obligation of such Lender to make or Continue, or to Convert any other Type of Loans into, LIBOR Loans hereunder shall be suspended until such Regulatory Change ceases to be in effect (in which case the provisions of Section 4.5. shall apply).

(c) **Notification and Determination of Additional Costs.** Each of the Agent and each Lender agrees to notify the Borrower of any event occurring after the Agreement Date entitling the Agent or such Lender to compensation under any of the preceding subsections of this Section

as promptly as practicable; provided, however, the failure of the Agent or any Lender to give such notice shall not release the Borrower from any of its obligations hereunder (and in the case of a Lender, to the Agent). The Agent or such Lender agrees to furnish to the Borrower (and in the case of a Lender, to the Agent) a certificate setting forth the basis and amount of each request by the Agent or such Lender for compensation under this Section. Absent manifest error, determinations by the Agent or any Lender of the effect of any Regulatory Change shall be conclusive, provided that such determinations are made on a reasonable basis and in good faith.

Section 4.2. Suspension of LIBOR Loans.

Anything herein to the contrary notwithstanding, if, on or prior to the determination of any LIBOR Rate for any Interest Period:

(a) the Agent reasonably determines (which determination shall be conclusive) that by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining Adjusted LIBOR for such Interest Period, or

(b) the Agent reasonably determines (which determination shall be conclusive) that Adjusted LIBOR will not adequately and fairly reflect the cost to the Lenders of making or maintaining LIBOR Loans for such Interest Period;

then the Agent shall give the Borrower and each Lender prompt notice thereof and, so long as such condition remains in effect, the Lenders shall be under no obligation to, and shall not, make additional LIBOR Loans, Continue LIBOR Loans or Convert Loans into LIBOR Loans and the Borrower shall, on the last day of each current Interest Period for each outstanding LIBOR Loan, either repay such Loan or Convert such Loan into a Base Rate Loan.

Section 4.3. Illegality.

Notwithstanding any other provision of this Agreement, if any Lender shall reasonably determine (which determination shall be conclusive and binding) that it has become unlawful for such Lender to honor its obligation to make or maintain LIBOR Loans hereunder, then such Lender shall promptly notify the Borrower thereof (with a copy to the Agent) and such Lender's obligation to make or Continue, or to Convert Loans of any other Type into, LIBOR Loans shall be suspended until such time as such Lender may again make and maintain LIBOR Loans (in which case the provisions of Section 4.5. shall be applicable).

Section 4.4. Compensation.

The Borrower shall pay to the Agent for the account of each Lender, upon the request of such Lender through the Agent, such amount or amounts as shall be sufficient (in the reasonable opinion of such Lender) to compensate it for any loss, cost or expense that such Lender reasonably determines is attributable to:

(a) any payment or prepayment (whether mandatory or optional) of a LIBOR Loan, or Conversion of a LIBOR Loan, made by such Lender for any reason (including,

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without limitation, acceleration) on a date other than the last day of the Interest Period for such Loan; or

(b) any failure by the Borrower for any reason (including, without limitation, the failure of any of the applicable conditions precedent specified in Article VI. to be satisfied) to borrow a LIBOR Loan from such Lender on the requested date for such borrowing, or to Convert a Base Rate Loan into a LIBOR Loan or Continue a LIBOR Loan on the requested date of such Conversion or Continuation.

Upon the Borrower's request, any Lender requesting compensation under this Section shall provide the Borrower with a statement setting forth the basis for requesting such compensation and the method for determining the amount thereof. Absent manifest error, determinations by any Lender in any such statement shall be conclusive, provided that such determinations are made on a reasonable basis and in good faith.

Section 4.5. Treatment of Affected Loans.

If the obligation of any Lender to make LIBOR Loans or to Continue, or to Convert Base Rate Loans into, LIBOR Loans shall be suspended pursuant to Section 4.1. (b)., 4.2. or 4.3., then such Lender's LIBOR Loans shall be automatically Converted into Base Rate Loans on the last day(s) of the then current Interest Period(s) for LIBOR Loans (or, in the case of a Conversion required by Section 4.1.(b). or 4.3., on such earlier date as such Lender may specify to the Borrower with a copy to the Agent) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 4.2. or 4.3. that gave rise to such Conversion no longer exist:

(a) to the extent that such Lender's LIBOR Loans have been so Converted, all payments and prepayments of principal that would otherwise be applied to such Lender's LIBOR Loans shall be applied instead to its Base Rate Loans; and

(b) all Loans that would otherwise be made or Continued by such Lender as LIBOR Loans shall be made or Continued instead as Base Rate Loans, and all Base Rate Loans of such Lender that would otherwise be Converted into LIBOR Loans shall remain as Base Rate Loans.

If such Lender gives notice to the Borrower (with a copy to the Agent) that the circumstances specified in Section 4.1. or 4.3. that gave rise to the Conversion of such Lender's LIBOR Loans pursuant to this Section no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when LIBOR Loans made by other Lenders are outstanding, then such Lender's Base Rate Loans shall be automatically Converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding LIBOR Loans, to the extent necessary so that, after giving effect thereto, all Loans held by the Lenders holding LIBOR Loans and by such Lender are held pro rata (as to principal amounts, Types and Interest Periods) in accordance with their respective Commitments.

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Section 4.6. Change of Lending Office.

Each Lender agrees that it will use reasonable efforts to designate an alternate Lending Office with respect to any of its Loans affected by the matters or circumstances described in Sections 3.12., 4.1. or 4.3. to reduce the liability of the Borrower or avoid the results provided thereunder, so long as such designation is not disadvantageous to such Lender as determined by such Lender in its sole discretion, except that such Lender shall have no obligation to designate a Lending Office located in the United States of America.

Section 4.7. Assumptions Concerning Funding of LIBOR Loans.

Calculation of all amounts payable to a Lender under this Article IV. shall be made as though such Lender had actually funded LIBOR Loans through the purchase of deposits in the relevant market bearing interest at the rate applicable to such LIBOR Loans in an amount equal to the amount of the LIBOR Loans and having a maturity comparable to the relevant Interest Period; provided, however, that each Lender may fund each of its LIBOR Loans in any manner it sees fit and the foregoing assumption shall be used only for calculation of amounts payable under this Article IV.

ARTICLE V. BORROWING BASE PROPERTIES

Section 5.1. Eligibility of Properties.

(a) Initial Borrowing Base Properties. As of the date hereof, the Lenders have approved for inclusion in calculations of the Borrowing Base, the Properties identified on Schedule 5.1., as well as the Borrowing Base Value initially attributable to each such Property. The Borrower represents that it has provided, prior to the Agreement Date, to the Agent for each such Borrowing Base Property the documents and instruments listed in Section 5.1.(b). and that no material change has occurred as of

the Agreement Date that would otherwise amend, modify or terminate such documents, materially change the information provided or otherwise cause the Properties identified in Schedule 5.1. to no longer be Eligible Properties. The Borrower further represents that it shall deliver to the Agent prior to any disbursement of Loan proceeds for each of such Borrowing Base Properties the documents and instruments listed in Sections 5.1(d)(i). - (viii).

(b) Additional Borrowing Base Properties. If after the Effective Date the Borrower desires that any additional Property be included in calculations of the Borrowing Base, the Borrower shall so notify the Agent in writing. No Property will be evaluated by the Agent unless and until the Borrower delivers to the Agent all of the following, in form and substance satisfactory to the Agent:

- (i) A description of the proposed Improvements on such Property;
- (ii) Evidence that the proposed Property is an Eligible Property;
- (iii) The Total Development Budget for the proposed Property, which shall evidence that the total development costs for such Property net of the Borrower's Project

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Equity does not exceed the Available Funding Capacity and does not exceed \$50,000,000;

- (iv) Evidence that the Parent, the applicable Borrower or their respective Subsidiaries are the sole member(s), shareholder(s) or partner(s), as the case may be, of the Property Owner;
- (v) Copies of any executed Lease and any lease letter of intent entered into by any Loan Party in connection with the Construction and/or the operation of the proposed Property;
- (vi) A Proforma NOI for such proposed Property in form and substance satisfactory to the Agent; and
- (vii) To the extent not provided under the immediately preceding clause (vi), such projections, proforma operating statements and other information concerning the anticipated operation of such Property as the Agent may reasonably request.

Upon receipt of all of the foregoing documents and information, the Agent shall promptly distribute, at the Borrower's cost, a copy of such documents and information to the Lenders. If, after receipt and review of all of the foregoing documents and information, the Agent is prepared to accept such Property as a Borrowing Base Property, the Agent will so notify the Borrower and each Lender within ten (10) Business Days after receipt of all of such documents and information. If the Agent fails to give such notice within such time period, the Agent shall be deemed to have rejected such Property as a Borrowing Base Property. The Agent shall determine whether to accept such Property as a Borrowing Base Property in its reasonable judgment.

(c) Nonconforming Properties. If the Agent rejects any Property as a Borrowing Base Property under the immediately preceding subsection (b), or if a Property which the Borrower wants to have included in calculations of the Borrowing Base does not satisfy the requirements of an Eligible Property, then the Agent, upon written request of the Borrower shall request that the Lenders determine whether such Property shall be included as a Borrowing Base Property. If such a request is made by the Agent to the Lenders, within ten (10) Business Days of the date on which a Lender has received such request and all of the items referred to in the immediately preceding subsection (b), such Lender shall notify the Agent in writing whether or not such Lender accepts such Property as a Borrowing Base Property. If a Lender fails to give such notice within such time period, such Lender shall be deemed to have rejected such Property as a Borrowing Base Property. A Property shall become a Borrowing Base Property under this subsection only upon the approval of the Requisite Lenders.

(d) Conditions to Property Becoming a Borrowing Base Property. Notwithstanding anything to the contrary contained in this Agreement, no Property shall become a Borrowing Base Property until the Agent or the Requisite Lenders, as applicable, shall have approved of such Property as provided in the immediately preceding subsection (b) or (c), as the case may be, and the Borrower shall have caused to be executed, if applicable, and delivered to the Agent the

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following instruments, documents and agreements in respect of such Property, each to be in form and substance satisfactory to the Agent:

- (i) The Borrowing Base Certificate for the proposed Property calculated to give proforma effect to the inclusion of such Property as a Borrowing Base Property (and any Property Release being effected in connection with the addition of such Property as a Borrowing Base Property);
- (ii) The most currently available Phase I environmental report and Phase II environmental report, if applicable, demonstrating that the project site for the applicable Property is free from any Hazardous Materials and is in compliance with Environmental Laws and showing the flood zone designation of the applicable Property;
- (iii) Evidence that the applicable Property Owner holds a one hundred percent (100%) fee simple interest and clear and marketable title in the Property or, if such Property Owner holds a ground leasehold estate in such Property, a certified copy of a fully executed counterpart of the related ground lease and all amendments thereto, which ground lease shall contain provisions (including, without limitation, a term of thirty (30) years or more from the Agreement Date, transfer and assignment provisions and rights to sublease) acceptable to the Agent;
- (iv) A Title Report demonstrating that the applicable Property is free of all Liens, other than Permitted Liens;
- (v) Copies of the Construction Documents;
- (vi) Evidence satisfactory to the Lender that the Borrower has funded the Project Equity or has such Project Equity in immediately available funds to apply toward any Construction on the proposed Property;
- (vii) Copies of all insurance policies (or satisfactory certificates of insurance) evidencing that insurance coverages are in effect with respect to the proposed Property and Property Owner, in accordance with the "Ground-Up New Construction" insurance requirements attached hereto as Schedule 8.5(f), for which the premiums have been fully prepaid;
- (viii) A Survey;
- (ix) An amendment to the Pledge Agreement executed by the Borrower, the Pledgors and each Subsidiary that owns, directly or indirectly, any Equity Interests in such Property Owner (such new Property Owner and each such Subsidiary, the "**New Loan Parties**") subjecting to the Lien created thereby all of the outstanding Equity Interests of (x) the Property Owner that owns such Property and (y) any Subsidiary that owns, directly or indirectly, any Equity Interests in such

- (x) A certificate executed by the Borrower and the Parent updating the information set forth on Schedule 7.1(b) to this Agreement to include the relevant information relating to the new Property Owner and confirming to the Agent that the representations and warranties contained in Section 7.1.(b). are true and correct;
- (xi) An accession agreement to the Guaranty to add the new Property Owner as an additional Guarantor;
- (xii) The certificate or articles of incorporation, articles of organization, certificate of limited partnership, declaration of trust or other comparable organizational instrument (if any) of the New Loan Parties, certified as of a recent date by the Secretary of State of the State of formation of such Person;
- (xiii) A Certificate of Good Standing or certificate of similar meaning with respect to each New Loan Party (and in the case of a limited partnership, the general partner of such New Loan Party) issued as of a recent date by the Secretary of State of the State of formation of each such Person and, if the proposed Property is located in a State different than the State of formation of such New Loan Party, certificates of qualification to transact business or other comparable certificates issued by such Secretary of State (and any state department of taxation, as applicable) of the State of the location of the proposed Property;
- (xiv) A certificate of incumbency signed by the Secretary or Assistant Secretary (or other individual performing similar functions) of each New Loan Party that is becoming a Pledgor or a Guarantor, as the case may be, with respect to each of the officers of such Person authorized to execute and deliver the amendments to the applicable Loan Documents referred to above;
- (xv) Copies certified by the Secretary or Assistant Secretary (or other individual performing similar functions) of each New Loan Party of the by-laws of such Person, if a corporation, the operating agreement, if a limited liability company, the partnership agreement, if a limited or general partnership, or other comparable document in the case of any other form of legal entity;
- (xvi) Unless a blanket resolution reasonably satisfactory to the Agent has been previously delivered to Agent, copies certified by the Secretary or Assistant Secretary (or other individual performing similar functions) of each New Loan Party that is becoming a Pledgor or Guarantor, as the case may be, of all corporate, partnership, member or other necessary action taken by each Pledgor or Guarantor, as the case may be, to authorize the execution, delivery and performance of the amendments to the applicable Loan Documents referred to above;
- (xvii) Such UCC Financing Statements naming the Borrower and each New Loan Party that is becoming a Pledgor as debtor and the Agent as secured party, as the Agent shall have requested in order to perfect the security interests and other Liens

created pursuant to the Pledge Agreement as amended by the amendment thereto referred to above;

(xviii) Satisfactory reports of UCC, tax lien, judgment and litigation searches conducted by a search firm reasonably acceptable to the Agent with respect to the Collateral being added to the Pledge Agreement, the Borrower and each New Loan Party that is becoming a Pledgor, such searches to be conducted where the Property is located and where any UCC Financing Statements will be filed; and

(xix) Such other documents, agreements and instruments as the Agent on behalf of the Lenders may reasonably request.

Section 5.2. Release of Properties.

From time to time the Borrower may request, upon not less than ten (10) Business Days prior written notice to the Agent, that a Borrowing Base Property be no longer considered a Borrowing Base Property, which release (the “**Property Release**”) shall be effected by the Agent if the Agent determines all of the following conditions are satisfied as of the date of such Property Release:

- (a) No Default or Event of Default exists or will exist immediately after giving effect to such Property Release and the reduction in the Borrowing Base by reason of the release of such Property;
- (b) The Borrower repays the Loans attributable to the applicable Borrowing Base Property Sub-Facility relating to such Property Release; and
- (c) The Borrower shall have delivered to the Agent a Borrowing Base Certificate and Compliance Certificate demonstrating on a proforma basis, and the Agent shall have determined to its satisfaction, that the outstanding principal balance of the Loans will not exceed the Borrowing Base after giving effect to such request and any prepayment to be made and/or the acceptance of any Property as an additional or replacement Borrowing Base Property to be given concurrently with such request and that the Parent and the Borrower will be in compliance with the covenants set forth in Section 9.1. of the Existing Credit Agreement after giving effect to the Property Release.

The Agent agrees to execute, at the Borrower’s sole cost and expense, such documents and instruments as the Borrower may reasonably request to effect and evidence a Property Release.

Section 5.3. Frequency of Calculations of Borrowing Base.

Initially, the Borrowing Base shall be the amount set forth as such in the Borrowing Base Certificate delivered under Section 6.1. Thereafter, the Borrowing Base shall be the amount set forth as such in any Borrowing Base Certificate delivered from time to time under Article V. or Article IX. Any increase in the Borrowing Base Value of a Borrowing Base Property shall become effective as of the next determination of the Borrowing Base Value as provided in this Section.

ARTICLE VI. CONDITIONS PRECEDENT

Section 6.1. Conditions Precedent to Effectiveness of Agreement.

The effectiveness of this Agreement and obligation of the Lenders to make the initial Loans on the Effective Date is subject to the following conditions precedent:

- (a) The Agent shall have received each of the following, in form and substance satisfactory to the Agent:
- (i) Counterparts of this Agreement executed by each of the parties hereto;
 - (ii) Notes executed by the Borrower, payable to each Lender and complying with the applicable provisions of Section 2.8.;
 - (iii) The Guaranty executed by the Parent and each Property Owner existing as of the Effective Date;
 - (iv) The Pledge Agreement executed by the Borrower and the Pledgors;
 - (v) An opinion of the general counsel of the Parent and the Loan Parties, addressed to the Agent and the Lenders, addressing the matters set forth in Exhibit I;
 - (vi) An opinion of Alston & Bird, LLP, counsel to the Agent, and addressed to the Agent and the Lenders, addressing the enforceability of the Loan Documents and such matters as the Agent shall reasonably request;
 - (vii) A certificate of incumbency signed by the Secretary or Assistant Secretary of the Parent with respect to each of the officers of the Parent authorized to execute and deliver on behalf of the Parent and the Borrower the Loan Documents to which the Parent or the Borrower is a party and to execute and deliver (or make by telephone in the case of Notices of Conversion or Continuation) on behalf of the Borrower Draw Requests, Notices of Conversion and Notices of Continuation;
 - (viii) A certified copy (certified by the Secretary or Assistant Secretary of the Parent) of all necessary action taken by the Parent to authorize the execution, delivery and performance of the Loan Documents to which either the Parent or the Borrower is a party;
 - (ix) The certificate or articles of incorporation, articles of organization, certificate of limited partnership, declaration of trust or other comparable organizational instrument (if any) of the Parent, the Borrower and each Loan Party, certified as of a recent date by the Secretary of State of the State of formation of such Person;
 - (x) A Certificate of Good Standing or certificate of similar meaning with respect to the Parent, the Borrower and each other Loan Party (and in the case of a

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limited partnership, the general partner of such Loan Party) issued as of a recent date by the Secretary of State of the State of formation of each such Person and, if the applicable Borrowing Base Property is located in a State different than the State of formation of the applicable Loan Party, certificates of qualification to transact business or other comparable certificates issued by such Secretary of State (and any state department of taxation, as applicable) of the State of the location of the applicable Borrowing Base Property;

- (xi) Copies certified by the Secretary or Assistant Secretary (or other individual performing similar functions) of the Parent, the Borrower and each Loan Party of the by-laws of such Person, if a corporation, the operating agreement, if a limited liability company, the partnership agreement, if a limited or general partnership, or other comparable document in the case of any other form of legal entity;
- (xii) A certificate of incumbency signed by the Secretary or Assistant Secretary (or other individual performing similar functions) of each Loan Party with respect to each of the officers of such Person authorized to execute and deliver the Loan Documents to which such Person is a party;
- (xiii) Copies certified by the Secretary or Assistant Secretary (or other individual performing similar functions) of each Loan Party of all corporate, partnership, member or other necessary action taken by each Loan Party to authorize the execution, delivery and performance of the Loan Documents to which such Person is a party;
- (xiv) Such UCC Financing Statements naming the Borrower and each Pledgor as debtor and the Agent as secured party, as the Agent shall have requested in order to perfect the security interests and other Liens created pursuant to the Pledge Agreement;
- (xv) Satisfactory reports of UCC, tax lien, judgment and litigation searches conducted by a search firm reasonably acceptable to the Agent with respect to the Collateral, the Borrower, each Pledgor and each Property Owner, such searches to be conducted where the Borrowing Base Properties are located and where any UCC Financing Statements will be filed;
- (xvi) Any Fees payable to the Agent, the Titled Agent and the Lenders on or prior to the Effective Date;
- (xvii) A Borrowing Base Certificate calculated as of the Effective Date; and
- (xviii) Such other documents, agreements, information and instruments as the Agent on behalf of the Lenders may reasonably request; and

(b) In the good faith judgment of the Agent and the Lenders:

- (i) There shall not have occurred or become known to the Agent or any of the Lenders any event, condition, situation or status since the date of the information

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contained in the financial and business projections, budgets, proforma data and forecasts concerning the Borrower and its Subsidiaries delivered to the Agent and the Lenders prior to the Agreement Date that has had or could reasonably be expected to result in a Material Adverse Effect;

(ii) The Borrower and its Subsidiaries shall have received all approvals, consents and waivers, and shall have made or given all necessary filings and notices as shall be required to consummate the transactions contemplated hereby without the occurrence of any default under, conflict with or violation of (1) any Applicable Law or (2) any agreement, document or instrument to which the Borrower or any other Loan Party is a party or by which any of them or their respective properties is bound, except for such approvals, consents, waivers, filings and notices the receipt, making or giving of which would not reasonably be likely to (A) have a Material Adverse Effect, or (B) restrain or enjoin, impose materially burdensome conditions on, or otherwise materially and adversely affect the ability of the Borrower or any other Loan Party to fulfill its obligations under the Loan Documents to which it is a party; and

(iii) There shall not have occurred or exist any other material disruption of financial or capital markets that could reasonably be expected to materially and adversely affect the transactions contemplated by the Loan Documents.

Section 6.2. Additional Conditions Precedent To All Loans.

The obligation of the Lenders to make any Loan is subject to the further condition precedent that:

- (a) no Default or Event of Default shall exist as of the date of the making of such Loans or would exist immediately after giving effect thereto;
- (b) no litigation, action, suit, investigation or other arbitral, administrative or judicial proceeding shall be pending or threatened which could reasonably be expected to (i) result in a Material Adverse Effect or (ii) restrain or enjoin, impose materially burdensome conditions on, or otherwise materially and adversely affect the ability of the Borrower or any other Loan Party to fulfill its obligations under the Loan Documents to which it is a party;
- (c) the representations and warranties made or deemed made by the Borrower and each other Loan Party in the Loan Documents to which any of them is a party, shall be true and correct on and as of the date of the making of such Loans with the same force and effect as if made on and as of such date except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date) and except for changes in factual circumstances specifically and expressly permitted hereunder.

Each Credit Event shall constitute a certification by the Borrower to the effect set forth in the preceding subsections (a), (b) and (c) (both as of the date of the giving of notice relating to such Credit Event and, unless the Borrower otherwise notifies the Agent prior to the date of such Credit Event, as of the date of the occurrence of such Credit Event). In addition, if such Credit

Event is the making of a Loan, the Borrower shall be deemed to have represented to the Agent and the Lenders at the time such Loan is made that all conditions to the occurrence of such Credit Event contained in Article VI. have been satisfied.

Section 6.3. Initial Construction Requirements to Making of Loans Under a Borrowing Base Property Sub-Facility.

The obligation of the Lenders to make the initial Loan to the Borrower under a Borrowing Base Property Sub-Facility for a particular Borrowing Base Property is subject to the condition precedent that the requirements of Section 5.1. and 6.2. have been satisfied and, in addition, shall have received each of the following items in form and substance satisfactory to the Agent:

- (a) A completed Draw Request;
- (b) A certification made by the chief financial officer or treasurer of the Parent made to Agent and Lenders in a form acceptable to Agent regarding all hard and soft costs incurred or paid as of the date of the Draw Request and all related invoices and supporting documentation associated with any Soft Cost Advance or any Hard Cost Advance pursuant to Section 2.1.(f).;
- (c) Fully executed copies of the Construction Documents and Leases and any amendments not previously delivered to Agent; and
- (d) Such other papers, materials and documents as the Agent may reasonably require with respect to the Construction.

Section 6.4. Deliveries for Subsequent Loans for Borrowing Base Properties.

The obligation of the Lenders to make any Loan to the Borrower under a Borrowing Base Property Sub-Facility following the initial Loan thereunder is subject to the satisfaction of all items set forth in Sections 5.1., 6.2. and 6.3. above and, in addition, the Agent shall have received each of the following items in form and substance satisfactory to Agent:

- (a) A completed Draw Request;
- (b) A certification made by the chief financial officer or treasurer of the Parent made to Agent and Lenders in a form acceptable to Agent regarding all hard and soft costs incurred or paid (and not reimbursed by proceeds from a prior draw) as of the date of the applicable Draw Request, and detailing such costs incurred since the prior draw, and all related invoices and supporting documentation associated with any Soft Cost Advance or Hard Cost Advance pursuant to Section 2.1.(f).;
- (c) Copies of any amendments or modifications to the Construction Documents and Leases since the prior draw;
- (d) Evidence of payment of any required Supplemental Equity Deposit; and

- (e) Such other items as the Agent may reasonably require to establish the construction progress of such Construction of Improvements for such Borrowing Base Property.

Section 6.5. Deliveries for Final Disbursements.

The final disbursement to Borrower of any and all Loan proceeds previously retained by the Lenders in connection with a Borrowing Base Property Sub-Facility for a Borrowing Base Property shall be subject to the conditions listed in Sections 5.1., 6.2., 6.3. and 6.4., and Agent shall advance to Borrower the final disbursement for such Borrowing Base Property Sub-Facility when the following conditions have been complied with to the satisfaction of the Agent:

- (a) The Improvements have been fully completed and equipped in accordance with the Plans and Specifications free and clear of Liens and a Notice of Completion has been delivered to Agent;
- (b) The Borrower shall have furnished to the Agent evidence of "all risks" casualty insurance in accordance with Section 8.5.(f).;
- (c) If requested by the Agent, the Borrower shall have delivered to the Agent a notice of title continuation indicating that there has been no change in the status of title and no exceptions other than Permitted Liens unless otherwise approved by the Agent; and
- (d) Such other items as the Agent may reasonably require to establish the completion of the applicable Construction.

Section 6.6. Conditions as Covenants.

If the Lenders make any Loans prior to the satisfaction of any or all conditions precedent set forth in Article VI., the Borrower shall nevertheless cause such condition or conditions to be satisfied within five (5) Business Days after the date of the making of such Loans.

ARTICLE VII. REPRESENTATIONS AND WARRANTIES

Section 7.1. Representations and Warranties.

In order to induce the Agent and each Lender to enter into this Agreement and to make Loans, the Parent and the Borrower represent and warrant to the Agent and each Lender as follows:

(a) **Organization; Power; Qualification.** Each of the Parent, the Borrower and the other Loan Parties is a corporation, partnership or other legal entity, duly organized or formed, validly existing and in good standing under the jurisdiction of its incorporation or formation, has the power and authority to own or lease its respective properties and to carry on its respective business as now being and hereafter proposed to be conducted and is duly qualified and is in good standing as a foreign corporation, partnership or other legal entity, and authorized to do business, in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization and where the failure to be so qualified or authorized could reasonably be expected to have, in each instance, a Material Adverse Effect.

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(b) **Ownership of Property Owners.** Each of the Property Owners is a Wholly Owned Subsidiary of the Borrower. Schedule 7.1.(b) and any certificate delivered in accordance with Section 5.1.(d).(x), set forth for each Property Owner and Pledgor (except the Borrower), (i) the jurisdiction of organization of such Subsidiary, (ii) each Person holding any Equity Interests in such Subsidiary, (iii) the nature of the Equity Interests held by each such Person, (iv) the percentage of ownership of such Subsidiary represented by such Equity Interests, and (v) the Borrowing Base Properties held by such Property Owner. Except as disclosed in such Schedule and any certificate delivered in accordance with Section 5.1.(d).(x), (i) the Borrower or a Pledgor, as applicable, owns, free and clear of all Liens (other than Permitted Liens), and has the unencumbered right to vote, all outstanding Equity Interests in each Person shown to be held by it on such Schedule and (ii) there are no outstanding subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including, without limitation, any stockholders' or voting trust agreements) for the issuance, sale, registration or voting of, or outstanding securities convertible into, any additional shares of capital stock of any class, or partnership or other ownership interests of any type in, any such Person.

(c) **Authorization of Agreement, Etc.** The Borrower has the right and power, and has taken all necessary action to authorize it, to borrow and obtain the extensions of credit hereunder. The Parent, the Borrower and each other Loan Party have the right and power, and has taken all necessary action to authorize it, to execute, deliver and perform each of the Loan Documents to which it is a party in accordance with their respective terms and to consummate the transactions contemplated hereby and thereby. The Loan Documents to which the Borrower or any other Loan Party is a party have been duly executed and delivered by the duly authorized officers of such Person and each is a legal, valid and binding obligation of such Person enforceable against such Person in accordance with its respective terms except as the same may be limited by bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and the availability of equitable remedies for the enforcement of certain obligations (other than the payment of principal) contained herein or therein and as may be limited by equitable principles generally.

(d) **Compliance of Loan Documents with Laws, Etc.** The execution, delivery and performance of this Agreement, the Notes and the other Loan Documents to which the Borrower or any other Loan Party is a party in accordance with their respective terms and the borrowings and other extensions of credit hereunder do not and will not, by the passage of time, the giving of notice, or both: (i) require any Governmental Approval or violate any Applicable Law (including all Environmental Laws) relating to the Borrower or any other Loan Party; (ii) conflict with, result in a breach of or constitute a default under the organizational documents of the Borrower or any other Loan Party, or any indenture, agreement or other instrument to which the Borrower or any other Loan Party is a party or by which it or any of its respective properties may be bound; or (iii) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by the Borrower or any other Loan Party.

(e) **Absence of Defaults.** Neither the Parent, the Borrower nor any other Loan Party is in default under its articles of incorporation, bylaws, partnership agreement or other similar organizational documents, and no event has occurred, which has not been remedied, cured or waived, which, in any such case: (i) constitutes a Default or an Event of Default; or (ii) constitutes, or which with the passage of time, the giving of notice, a determination of

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materiality, the satisfaction of any condition, or any combination of the foregoing, would constitute, a default or event of default by the Parent, the Borrower or any Subsidiary under any agreement (other than this Agreement) or judgment, decree or order to which the Parent, the Borrower, any Subsidiary or any other Loan Party is a party or by which the Parent, the Borrower or any Subsidiary or other Loan Party or any of their respective properties may be bound where such default or event of default could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(f) **Broker's Fees.** No broker's or finder's fee, commission or similar compensation will be payable with respect to the transactions contemplated hereby. No other similar fees or commissions will be payable by any Loan Party for any other services rendered to the Parent or any of its Subsidiaries ancillary to the transactions contemplated hereby.

(g) **Accuracy and Completeness of Information.** No written information, report or other papers or data (excluding financial projections and other forward looking statements) furnished to the Agent or any Lender by, on behalf of, or at the direction of, the Parent, the Borrower, any Subsidiary or any other Loan Party in connection with or relating in any way to this Agreement, contained any untrue statement of a fact material to the creditworthiness of the Parent, the Borrower, any Subsidiary or any other Loan Party or omitted to state a material fact necessary in order to make such statements contained therein, in light of the circumstances under which they were made, not misleading. All financial statements furnished to the Agent or any Lender by, on behalf of, or at the direction of, the Parent, the Borrower, any Subsidiary or any other Loan Party in connection with or relating in any way to this Agreement, present fairly, in accordance with GAAP consistently applied throughout the periods involved, the financial position of the Persons involved as at the date thereof and the results of operations for such periods. All financial projections and other forward looking statements prepared by or on behalf of the Parent, the Borrower, any Subsidiary or any other Loan Party that have been or may hereafter be made available to the Agent or any Lender were or will be prepared in good faith based on reasonable assumptions. As of the Effective Date, no fact is known to the Parent or the Borrower which has had, or may in the future have (so far as the Parent or the Borrower can reasonably foresee), a Material Adverse Effect which has not been set forth in the financial statements referred to in Article VIII of the Existing Credit Agreement or in such information, reports or other papers or data or otherwise disclosed in writing to the Agent and the Lenders.

(h) **Properties.** Each Property Owner has good, marketable and legal title to, or a valid leasehold interest in the Borrowing Base Property. Each of the Properties included in calculations of the Borrowing Base satisfies all of the requirements contained in the definition of "Eligible Property."

(i) **Security Interests and Liens.** The Pledge Agreement creates, as security for the Obligations, a valid and enforceable, perfected first priority security interest in and Lien on all of the Collateral, in favor of the Agent for the benefit of the Lenders, and subject to no other Liens other than Permitted Liens. Such security interest in and Lien on the Collateral shall be superior to and prior to the rights of all third parties in the Collateral, and, other than in connection with any future change in the name of the Borrower or a Pledgor or the location in which the Borrower or a Pledgor is organized or registered, no further recordings or filings are or will be

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required in connection with the creation, perfection or enforcement of such security interest and Lien, other than the filing of continuation statements in accordance with Applicable Law.

(j) Existing Credit Agreement Representations. Subject to Section 12.19, the Existing Credit Agreement Representations are each true and correct on and as of the Agreement Date, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date) and except for changes in factual circumstances not prohibited hereunder. The Existing Credit Agreement Representations are hereby incorporated herein by reference and made to the Agent and the Lenders on and as of the date of the making of the Loans as if set forth herein in full together with the related definitions, except to the extent that such representations and warranties expressly relate solely to an earlier date.

(k) No Material Adverse Change. Since December 31, 2007, there has been no material adverse change in the business, assets, liabilities, financial condition, results of operations, business or prospects of the Parent and its Subsidiaries taken as a whole. Each of the Parent, its Subsidiaries and the other Loan Parties is Solvent.

(l) Foreign Assets Control. To the best of the Borrower's knowledge after due inquiry, the Borrower, the Parent and each Loan Party are not Persons with whom the Agent and the Lenders are restricted from doing business under the regulations of OFAC (including, Sanctioned Persons) or under any statute, executive order (including, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not engaged in any dealings or transactions or otherwise be associated with such Persons.

(m) Environmental Proceedings. There are no Environmental Proceedings and the Borrower has no knowledge of any threatened Environmental Proceedings or any facts or circumstances which may give rise to any future Environmental Proceedings.

(n) Condemnation. (i) No condemnation of any portion of the Borrowing Base Property, (ii) no condemnation or relocation of any roadways abutting the Borrowing Base Property, and (iii) no proceeding to deny access to the Borrowing Base Property from any point or planned point of access to the Borrowing Base Property, has commenced or, to the best of the Borrower's knowledge, is contemplated by any Governmental Authority.

(o) Itemization. The amounts set forth in the budgets, including, without limitation, the applicable Total Development Budget, present a full and complete itemization by category of all costs, expenses and fees which the Borrower reasonably expects to pay or reasonably anticipates becoming obligated to pay to complete the related Construction and operate the related Borrowing Base Property (until such Borrowing Base Property achieves breakeven operations). The Borrower is unaware of any other such costs, expenses or fees which are material and are not covered by such Total Development Budget.

(p) Violation. Neither the Construction of any Improvements nor the use of any Borrowing Base Property when completed and the contemplated accessory uses will violate (i) any Applicable Laws (including subdivision, zoning, building, environmental protection and

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wetland protection laws), or (ii) any building permits, restrictions of record, or agreements affecting the Borrowing Base Property or any part thereof. Neither the zoning authorizations, approvals or variances nor any other right to construct or to use the Borrowing Base Property is to any extent dependent upon or related to any real estate other than the Borrowing Base Property. All Governmental Approvals required for the Construction in accordance with the Plans and Specifications have been obtained or will be obtained prior to the initial funding from an applicable Borrowing Base Property Sub-Facility, except for those approved by the Agent, and all Applicable Laws relating to the Construction and operation of the Improvements have been complied with and all permits and licenses required for the operation of the Borrowing Base Property which cannot be obtained until the Construction is completed can be obtained if the Improvements are completed in accordance with the Plans and Specifications.

(q) Public Utilities. Each Borrowing Base Property will have adequate water, gas and electrical supply, storm and sanitary sewerage facilities, other required public utilities, fire and police protection, and means of access between such Borrowing Base Property and public highways; none of the foregoing will be foreseeably delayed or impeded by virtue of any requirements under any Applicable Laws.

(r) Public Roads and On-Site Parking. The roads and other off-site work, if any, that are a part of each Borrowing Base Property will be constructed and installed in accordance with the standards and requirements of the state, county and local jurisdictions in which the Borrowing Base Property is located and other requirements of law. Each Borrowing Base Property currently has or will have upon completion of the Construction in accordance with the Plans and Specifications, adequate roads, drives, curb cuts, easements, sources of direct ingress and egress to public roads and adequate parking on the land to permit the Construction of Improvements for a Borrowing Base Property to be fully used and occupied for its intended purposes as reflected in the information provided to the Agent pursuant to Section 5.1 and sufficient to comply with the terms of all Leases and all zoning and land use requirements of the jurisdiction in which the Borrowing Base Property is located.

(s) Hazardous Material. Except as disclosed by the Borrower to the Agent in writing and to the Borrower's knowledge after due inquiry, (i) each Borrowing Base Property is in a clean, safe and healthful condition, and, except for materials used in the ordinary course of construction, maintenance and operation of such Borrowing Base Property, is free of all Hazardous Material and is in compliance with all Applicable Laws (including Environmental Laws); (ii) neither Borrower nor, to the best knowledge of the Borrower, any other person or entity, has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under, at or in a manner to affect the Borrowing Base Property, or any part thereof, and the Borrowing Base Property has never been used (whether by the Borrower or, to the best knowledge of the Borrower, by any other person or entity) for any activities involving, directly or indirectly, the use, generation, treatment, storage, transportation, or disposal of any Hazardous Material; and (iii) neither the Borrowing Base Property nor the Borrower is subject to any existing, pending, or, to the best of the Borrower's knowledge, threatened investigation or inquiry by any Governmental Authority, and the Borrowing Base Property is not subject to any remedial obligations under any applicable Laws pertaining to health or the environment.

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(t) Completion. When each Construction for an applicable Borrowing Base Property is completed in accordance with the Plans and Specifications, no building or other improvement will encroach upon any property line, building line, setback line, side yard line or any recorded or visible easement (or other easement of which the Borrower is aware or has reason to believe may exist) with respect to such Borrowing Base Property.

Section 7.2. Survival of Representations and Warranties, Etc.

All statements contained in any certificate, financial statement or other instrument delivered by or on behalf of the Parent, the Borrower, any Subsidiary or any other Loan Party to the Agent or any Lender pursuant to or in connection with this Agreement or any of the other Loan Documents (including, but not limited to, any such statement made in or in connection with any amendment thereto or any statement contained in any certificate, financial statement or other instrument delivered by or on behalf of the Parent or the Borrower prior to the Agreement Date and delivered to the Agent or any Lender in connection with the underwriting or closing of the transactions contemplated hereby) shall constitute representations and warranties made by the Borrower and the Parent in favor of the Agent or any of the Lenders under this Agreement. All representations and warranties made under this Agreement and the other Loan Documents shall be deemed to be made at and as of the Agreement Date, the Effective Date, the date any new Borrowing Base Property becomes part of the Borrowing Base, the date on which any extension of the Termination Date is effectuated pursuant to Section

2.9. and the date of the occurrence of any Credit Event, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date) and except for changes in factual circumstances not prohibited hereunder. All such representations and warranties shall survive the effectiveness of this Agreement, the execution and delivery of the Loan Documents and the making of the Loans.

ARTICLE VIII. AFFIRMATIVE COVENANTS

For so long as this Agreement is in effect, unless the Requisite Lenders (or, if required pursuant to Section 12.6., all of the Lenders) shall otherwise consent in the manner provided for in Section 12.6., the Parent and the Borrower shall comply with the following covenants:

Section 8.1. Use of Proceeds.

The Borrower shall use the proceeds of the Loans to finance the construction costs actually incurred with respect to Construction of Improvements on any Borrowing Base Property and to the extent provided for in the Total Development Budget. No part of the proceeds of any Loan will be used (a) for the purpose of buying or carrying "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or to extend credit to others for the purpose of purchasing or carrying any such margin stock or (b) to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or Sanctioned Entity.

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Section 8.2. Further Assurances.

The Parent and the Borrower shall, at the Borrower's cost and expense and upon request of the Agent, execute and deliver or cause to be executed and delivered, to the Agent such further instruments, documents and certificates, and do and cause to be done such further acts that may be reasonably necessary or advisable in the reasonable opinion of the Agent to carry out more effectively the provisions and purposes of this Agreement and the other Loan Documents.

Section 8.3. Certain Covenants of Existing Credit Agreement.

(a) Complying With Existing Credit Agreement Covenants Subject to Section 12.19, the Borrower will perform, comply with and be bound by, for the benefit of the Agent and the Lenders, each of its agreements, covenants and obligations contained in Articles VII (other than Section 7.8. and Section 7.12. thereof), VIII (other than Section 8.3. thereof) and IX of the Existing Credit Agreement, each of which (together with the related definitions and ancillary and referenced provisions) is hereby incorporated herein by reference.

(b) Certifications. Financial statements required to be delivered pursuant to Sections 8.1. and 8.2. of the Existing Credit Agreement may be certified by the treasurer of the Parent, as well as the chief financial officer or controller of the Parent. Such certifications shall be made in the same manner as provided for in Sections 8.1. and 8.2. of the Existing Credit Agreement.

Section 8.4. Foreign Assets Control.

The Borrower and each Loan Party shall not be at any time a Person with whom the Agent and the Lenders are restricted from doing business under the regulations of OFAC (including, Sanctioned Persons) or under any statute, executive order (including, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and shall not engage in any dealings or transactions or otherwise be associated with such Persons.

Section 8.5. Construction Related Covenants.

(a) Construction of Improvements. The Improvements shall be constructed and fully equipped in a good and workmanlike manner with materials of high quality, strictly in accordance with the Plans and Specifications, and such construction and equipping will be prosecuted with due diligence and continuity in accordance with the Construction Schedule and fully completed not later than the Completion Date. The Completion Date shall be extended in writing by the Agent by the number of days resulting from any Unavoidable Delay in the Construction of the Improvements on the Borrowing Base Property (but under no circumstances shall the Agent be obligated to extend the Completion Date beyond a date that is less than ninety (90) days prior to the Termination Date), provided that the Agent shall not be obligated to grant any such extension unless (i) the Borrower gives notice of such delay to the Agent as soon as reasonably practicable upon learning of the event resulting in such delay, and (ii) after giving effect to the consequences of such delay, the available amount under the applicable Borrowing Base Property Sub-Facility and all Project Equity is sufficient to complete the Construction in the sole determination of the Agent.

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(b) Changes in Budgets. All material changes to any budget, including any Total Development Budget, associated with a Borrowing Base Property shall be subject to the written approval of the Agent, which approval shall not be unreasonably withheld, conditioned or delayed. The Agent's approval of any budget or changes thereto shall not constitute a representation or agreement of the Agent that all costs and expenses for a related Construction of Improvements are accurate or properly reflected in such budget, the responsibility therefore being solely with the Borrower.

(c) Inspection by Agent. The Borrower will cooperate with the Agent in arranging for inspections by representatives of the Agent of the progress of any Construction from time to time including an examination of (i) the Improvements, (ii) all materials to be used in such Construction, (iii) all plans and shop drawings which are or may be kept at the construction site, (iv) any contracts, bills of sale, statements, receipts or vouchers in connection with such Improvements, (v) all work done, labor performed, materials furnished in and about the Improvements, (vi) all books, contracts and records with respect to such Improvements, and (vii) any other documents relating to such Improvements or such Construction. The Borrower shall cooperate with Agent or any of its agents to enable it to perform its functions hereunder.

(d) Liens.

(i) Liens in General. Neither the Borrower nor any of the Property Owners shall create, assume or suffer to exist any Lien upon any Borrowing Base Property other than any Permitted Lien.

(ii) Mechanics' Liens and Contest Thereof. The Borrower will not suffer or permit and the Borrower shall cause the Property Owners to not suffer or permit any mechanics' lien claims to be filed or otherwise asserted against any Borrowing Base Property or any funds due to the General Contractor, and will promptly discharge the same in case of the filing of any claims for Lien or proceedings for the enforcement thereof, provided, however, that the Borrower and/or the relevant Property Owner shall have the right to contest in good faith and with reasonable diligence the validity of any such Lien or claim provided that the Borrower posts a statutory lien bond which removes such Lien from title to the Borrowing Base Property within thirty (30) days of written notice by the Agent to the Borrower of the existence of the Lien. The Agent will not be required to make any further disbursements of the proceeds of a Borrowing Base Property Sub-Facility if such mechanics' lien claims have not been removed within such thirty (30) day period. After such thirty (30) day period, the Agent may also, at its option, restrict disbursements to reserve sufficient sums to pay one hundred twenty-five percent (125%) of the Lien.

(iii) Settlement of Mechanics' Lien Claims. If the Borrower and/or the relevant Property Owner shall fail promptly either (i) to discharge any such Lien, or (ii) post a statutory lien bond in the manner provided in Section 8.5.(d)., the Agent may, at its election (but shall not be required to), procure the release and discharge of any such claim and any judgment or decree thereon and, further, may in its sole discretion effect any settlement or compromise of the same and any amounts so expended by the Agent or Lenders, including premiums paid or security furnished in connection with the issuance

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of any surety company bonds, shall be deemed to constitute disbursement of the proceeds of the applicable Borrowing Base Property Sub-Facility. In settling, compromising or discharging any claims for lien, the Agent shall not be required to inquire into the validity or amount of any such claim.

(e) Payment of Taxes. The Borrower shall or shall cause the applicable Loan Party to pay all real estate taxes and assessments and charges of every kind upon the Borrowing Base Property before the same become delinquent, provided, however, that the Borrower or the applicable Loan Party shall have the right to pay such tax under protest or to otherwise contest any such tax or assessment, but only if (i) such contest has the effect of preventing the collection of such taxes so contested and also of preventing the sale or forfeiture of the Borrowing Base Property or any part thereof or any interest therein and (ii) the Borrower has notified the Agent of the Borrower's intent to contest such taxes. If the Borrower or the applicable Loan Party fails to commence such contest or, having commenced to contest the same, shall thereafter fail to prosecute such contest in good faith or with due diligence, or, upon adverse conclusion of any such contest, shall fail to pay such tax, assessment or charge, the Agent may, at its election (but shall not be required to), pay and discharge any such tax, assessment or charge, and any interest or penalty thereon, and any amounts so expended by the Agent shall be deemed to constitute disbursements of the applicable Borrowing Base Property Sub-Facility.

(f) Insurance. During Construction, the Borrower shall cause insurance policies for a Borrowing Base Property to be maintained in compliance with the "Ground-Up New Construction" insurance requirements contained in Schedule 8.5.(f). at all times. Upon completion of Construction and provided that the applicable Borrowing Base Property remains in the Borrowing Base, the Borrower shall cause insurance policies for a Borrowing Base Property to be maintained in compliance with "all risks" insurance policies similar to (and with no material deviations from) "all risk" insurance policies previously provided by the Borrower to and accepted by the Agent. The Agent has approved the "all risks" insurance policies maintained as of the date hereof by the Borrower for properties similar to Borrowing Base Properties. The Borrower shall timely pay all premiums on all insurance policies required hereunder.

(g) Appraisals. The Agent shall have the right to obtain an Appraisal of the Borrowing Base Property if such Borrowing Base Property remains in the Borrowing Base for more than twelve (12) months after the shell completion of the Improvements for such Borrowing Base Property. The Borrower shall cooperate with the Agent in this regard. The Borrower shall pay for any such Appraisal upon the Agent's request.

(h) Lease. The Borrower shall or shall cause the applicable Property Owner to not enter into, modify, amend, terminate or cancel any Lease related to a particular Borrowing Base Property, without the prior written approval of the Agent, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything contained herein to the contrary, the Agent shall be deemed to have approved any Lease or amendment thereto which (a) is on a standard lease form which has been approved by the Agent, without material change, and (b) the tenant's creditworthiness has been reasonably approved by the Borrower; provided that the Agent is provided with a copy of each such Lease promptly following its execution.

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(i) Furnishing Notices. The Borrower shall provide the Agent with copies of all notices pertaining to any Borrowing Base Property and relating to a Material Adverse Effect received by the Borrower from any Tenant, General Contractor, laborer, contractor, subcontractor, architect, Governmental Authority or insurance company within seven (7) days after such notice is received. Within fifteen (15) Business Days of the completion of the shell of any Improvement for a Borrowing Base Property, Borrower shall notify the Agent in writing of such completion. The Borrower shall provide the Agent with a Notice of Completion upon the completion of all Construction for a Borrowing Base Property contemplated by the Total Development Budget and related Construction Documents within fifteen (15) Business Days of such completion.

(j) Construction Contracts. The Borrower will furnish the Agent promptly after execution thereof executed copies of all Construction Documents that may not have been furnished at the time of the initial Loan under the applicable Borrowing Base Property Sub Facility.

(k) Correction of Defects. Within five (5) days after the Borrower acquires knowledge of or receives notice of a defect in the Improvements or any departure from the Plans and Specifications, or any other requirement of this Agreement, the Borrower will commence to correct all such defects and departures.

(l) Hold Disbursements in Trust. The Borrower shall receive and hold in trust for the sole benefit of the Agent and the Lenders (and not for the benefit of any other person, including, but not limited to, contractors or any subcontractors) all advances made hereunder directly to the Borrower, for the purpose of paying costs of the Construction in accordance with the applicable Total Development Budget. The Borrower shall use the proceeds of the Loan solely for the payment of costs as specified in the applicable Total Development Budget. The Borrower will pay all other costs, expenses and fees relating to the acquisition, equipping, use and operation of the applicable Borrowing Base Property.

(m) Supplemental Equity Deposit. The Borrower shall make any required Supplemental Equity Deposit within ten (10) days of written notice to the Borrower from the Agent of such requirement. No credit enhancement items (i.e. letters of credit, certificates of deposit, depository accounts, prospective rent, or other items of liquid collateral) securing any of the Obligations of the Borrower shall be the source of such Supplemental Equity Deposit.

(n) Timely Payment of Costs. Except as provided herein, the Borrower and the Property Owners shall pay when due all bills for services or labor performed and materials supplied in connection with the development of the Borrowing Base Property and the Construction of the Improvements.

(o) Existence, Etc. The Borrower shall cause each of the Property Owners to (a) do or cause to be done all things necessary to preserve and keep in full force and effect its existence; and (b) do or cause to be done all things necessary to obtain, extend, preserve, renew and keep in full force and effect the rights, licenses, permits, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business; maintain and operate such business in substantially the manner in which it is presently conducted and operated; comply in all material

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respects with all laws, rules, regulations and governmental orders (whether Federal, state or local) applicable to the operation of such business whether now in effect or hereafter enacted and with any and all other applicable laws, rules, regulations and governmental orders; and at all times maintain, preserve and protect all property material to the conduct of such business and keep such property in good repair, working order and condition and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times. The Borrower shall cause the Property Owners to not incur any Indebtedness other than that permitted or contemplated under this Agreement.

For so long as this Agreement is in effect, unless the Requisite Lenders (or, if required pursuant to Section 12.6., all of the Lenders) shall otherwise consent in the manner set forth in Section 12.6., the Borrower and the Parent shall furnish to each Lender (or to the Agent if so provided below) at its Lending Office:

Section 9.1. Compliance Certificate.

At the time financial statements are furnished pursuant to Sections 8.1. and 8.2. of the Existing Credit Agreement, and within five (5) Business Days of the Agent's request with respect to any other fiscal period, a certificate substantially in the form of Exhibit J (a "**Compliance Certificate**") executed by the chief financial officer or treasurer of each of the Parent and the Borrower: (a) setting forth in reasonable detail as at the end of such quarterly accounting period, fiscal year, or other fiscal period, as the case may be, the calculations required to establish whether or not the Parent and the Borrower were in compliance with the covenants contained in Section 9.1. of the Existing Credit Agreement and (b) stating that, to the best of such Person's knowledge, information and belief after due inquiry, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default and its nature, when it occurred, whether it is continuing and the steps being taken by the Borrower with respect to such event, condition or failure. Together with each Compliance Certificate delivered in connection with quarterly or annual financial statements, the Borrower and the Parent shall deliver a report, in form and detail reasonably satisfactory to the Agent, setting forth a Statement of Funds From Operations for the fiscal period then ending.

Section 9.2. Other Information.

(a) Default. Notice of the occurrence of any Default or Event of Default promptly upon a Responsible Officer of the Parent or the Borrower obtaining knowledge thereof;

(b) Borrowing Base Certificate. At the time the financial statements are furnished pursuant to Sections 8.1. and 8.2. of the Existing Credit Agreement, or within five (5) Business Days of request by the Agent, a Borrowing Base Certificate setting forth the information to be contained therein, as of the last day of such fiscal quarter. The Borrower shall also deliver a Borrowing Base Certificate as required pursuant to Section 5.2.(b);

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(c) Rent Roll and Operating Summary. At the time the financial statements are furnished pursuant to Sections 8.1. and 8.2. of the Existing Credit Agreement, or within five (5) Business Days of request by the Agent, an operating summary with respect to each Borrowing Base Property, including, without limitation, a quarterly and year-to-date statement of NOI and a leasing/occupancy status report together with a current rent roll for such Borrowing Base Properties that are substantially complete and have Tenants in occupancy and paying rent;

(d) Lease Agreements. If not previously provided to the Agent, at the time the financial statements are furnished pursuant to Sections 8.1. and 8.2. of the Existing Credit Agreement, or within five (5) Business Days of request by the Agent, all Leases and similar contracts, including any amendments thereto, entered into with respect to each Borrowing Base Property.

(e) Patriot Act Information, Etc. From time to time and promptly upon each request, (i) information identifying the Borrower as a Lender may request in order to comply with the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) and (ii) any information that the Agent reasonably deems necessary from time to time in order to ensure compliance with all Applicable Laws concerning money laundering and similar activities;

(f) Other Information. From time to time and promptly upon each request, such data, certificates, reports, statements, opinions of counsel, documents or further information regarding the business, assets, liabilities, financial condition, results of operations or business prospects of the Parent, the Borrower, the Loan Parties or any of their respective Subsidiaries as the Agent or any Lender may reasonably request.

ARTICLE X. DEFAULT

Section 10.1. Events of Default.

Each of the following shall constitute an Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of Applicable Law or pursuant to any judgment or order of any Governmental Authority:

(a) Default in Payment of Principal. The Borrower shall fail to pay when due (whether upon demand, at maturity, by reason of acceleration or otherwise) the principal of any of the Loans.

(b) Default in Payment of Interest and Other Obligations. The Borrower shall fail to pay when due any interest on any of the Loans or any of the other payment Obligations (other than those referenced in Section 10.1.(a)) owing by the Borrower under this Agreement or any other Loan Document, or any other Loan Party shall fail to pay when due any payment Obligation owing by such other Loan Party under any Loan Document to which it is a party, and such failure shall continue for a period of five (5) Business Days.

(c) Default in Performance. (i) The Parent or the Borrower shall fail to perform or observe any term, covenant, condition or agreement contained in Section 9.2. (a). and/or Section 8.3. that relates to Section 7.13. of the Existing Credit Agreement as modified by Section 12.19.

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and/or Article IX of the Existing Credit Agreement as modified by Section 12.19. or (ii) the Borrower or any other Loan Party shall fail to perform or observe any term, covenant, condition or agreement contained in this Agreement or any other Loan Document to which it is a party and not otherwise mentioned in this Section and in the case of this clause (ii) only such failure shall continue for a period of thirty (30) days after the earlier of (x) the date upon which a Responsible Officer of the Borrower or such Loan Party obtains knowledge of such failure or (y) the date upon which the Borrower has received written notice of such failure from the Agent; provided that with respect to any failure to complete any Construction by the applicable Completion Date in accordance with Section 8.5.(a). the thirty (30) day grace period provided above shall in no event apply if the application of such grace period would cause or would enable the applicable Completion Date to extend beyond a date that is less than ninety (90) days prior to the Termination Date.

(d) Misrepresentations. Any written statement, representation or warranty made or deemed made by or on behalf of the Parent, the Borrower or any other Loan Party under this Agreement or under any other Loan Document, or any amendment hereto or thereto, or in any other writing or statement at any time furnished or made or deemed made by or on behalf of the Borrower or any other Loan Party to the Agent or any Lender, shall at any time prove to have been incorrect or misleading, in light of the circumstances in which made or deemed made, in any material respect when furnished or made or deemed made.

(e) Voluntary Bankruptcy Proceeding. The Parent, the Borrower, any Guarantor, any Pledgor, any Property Owner or any Material Subsidiary shall: (i) commence a voluntary case under the Bankruptcy Code of 1978, as amended, or other federal bankruptcy laws (as now or hereafter in effect); (ii) file a petition seeking to take advantage of any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; (iii) consent to, or fail to contest in a timely and appropriate manner, any petition filed against it in an involuntary case under such bankruptcy laws or other Applicable Laws

or consent to any proceeding or action described in the immediately following subsection; (iv) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign; (v) admit in writing its inability to pay its debts as they become due; (vi) make a general assignment for the benefit of creditors; (vii) make a conveyance fraudulent as to creditors under any Applicable Law; or (viii) take any corporate or partnership action for the purpose of effecting any of the foregoing.

(f) **Involuntary Bankruptcy Proceeding.** A case or other proceeding shall be commenced against the Parent, the Borrower, any Guarantor, any Pledgor, any Property Owner or any Material Subsidiary of the Parent or the Borrower in any court of competent jurisdiction seeking: (i) relief under the Bankruptcy Code of 1978, as amended, or other federal bankruptcy laws (as now or hereafter in effect) or under any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; or (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of such Person, or of all or any substantial part of the assets, domestic or foreign, of such Person, and such case or proceeding shall continue undismissed or unstayed for a period of 60 consecutive calendar days, or an order granting the remedy or other relief requested in such case or

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proceeding against the Parent, the Borrower, such Subsidiary or such other Loan Party (including, but not limited to, an order for relief under such Bankruptcy Code or such other federal bankruptcy laws) shall be entered.

(g) **Litigation; Enforceability.** The Parent, the Borrower, any Guarantor, any Subsidiary or any other Loan Party shall disavow, revoke or terminate (or attempt to terminate) any Loan Document to which it is a party or shall otherwise challenge or contest in any action, suit or proceeding in any court or before any Governmental Authority the validity or enforceability of this Agreement, any Note or any other Loan Document or this Agreement, any Note, the Guaranty or any other Loan Document shall cease to be in full force and effect (except as a result of the express terms thereof).

(h) **Loan Documents.** An Event of Default (as defined therein) shall occur under any of the other Loan Documents.

(i) **Existing Credit Agreement Default.** An Existing Credit Agreement Default (each Existing Credit Agreement Default being hereby incorporated herein by reference) shall occur and remains uncured beyond any applicable grace period.

(j) **Failure of Security.** The Agent shall cease to have a valid and perfected first priority security interest in any of the Collateral for any reason other than the failure of the Agent to take any action within its control.

Section 10.2. Remedies Upon Event of Default.

Upon the occurrence of an Event of Default the following provisions shall apply:

(a) **Acceleration; Termination of Facilities.**

(i) **Automatic.** Upon the occurrence of an Event of Default specified in Sections 10.1.(e) or 10.1.(f), (A)(i) the principal of, and all accrued interest on, the Loans and the Notes at the time outstanding and (ii) all of the other Obligations of the Borrower, including, but not limited to, the other amounts owed to the Lenders and the Agent under this Agreement, the Notes or any of the other Loan Documents shall become immediately and automatically due and payable by the Borrower without presentment, demand, protest, or other notice of any kind, all of which are expressly waived by the Borrower and (B) all of the Commitments and the obligation of the Lenders to make Loans shall all immediately and automatically terminate.

(ii) **Optional.** If any other Event of Default shall exist, the Agent shall, at the direction of the Requisite Lenders: (A) declare (1) the principal of, and accrued interest on, the Loans and the Notes at the time outstanding and (2) all of the other Obligations, including, but not limited to, the other amounts owed to the Lenders and the Agent under this Agreement, the Notes or any of the other Loan Documents to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly

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waived by the Borrower and (B) terminate the Commitments and the obligation of the Lenders to make Loans hereunder.

(b) **Loan Documents.** The Requisite Lenders may direct the Agent to, and the Agent if so directed shall, exercise any and all of its rights under any and all of the other Loan Documents.

(c) **Applicable Law.** The Requisite Lenders may direct the Agent to, and the Agent if so directed shall, exercise all other rights and remedies it may have under any Applicable Law.

(d) **Appointment of Receiver.** To the extent permitted by Applicable Law, the Agent and the Lenders shall be entitled to the appointment of a receiver for the assets and properties of the Parent, the Borrower and their respective Subsidiaries, without notice of any kind whatsoever and without regard to the adequacy of any security for the Obligations or the solvency of any party bound for its payment, to take possession of all or any portion of the business operations of the Parent, the Borrower and their respective Subsidiaries and to exercise such power as the court shall confer upon such receiver.

Section 10.3. Remedies Upon Default.

Upon the occurrence of a Default specified in Sections 10.1.(e) or 10.1.(f), the Commitments shall immediately and automatically terminate.

Section 10.4. Allocation of Proceeds.

If an Event of Default shall exist and maturity of any of the Obligations has been accelerated, all payments received by the Agent under any of the Loan Documents, in respect of any principal of or interest on the Obligations or any other amounts payable by the Borrower hereunder or thereunder, shall be applied in the following order and priority:

- (a) amounts due to the Agent in respect of fees and expenses due under Section 12.2.;
- (b) amounts due to the Lenders in respect of fees and expenses due under Section 12.2., pro rata in the amount then due each Lender;
- (c) payments of interest on all other Loans, to be applied for the ratable benefit of the Lenders;
- (d) payments of principal of all other Loans, to be applied for the ratable benefit of the Lenders;

(e) amounts due the Agent and the Lenders pursuant to Sections 11.8. and 12.9.;

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(f) payments of all other Obligations and other amounts due and owing by the Borrower and the other Loan Parties under any of the Loan Documents, if any, to be applied for the ratable benefit of the Lenders; and

(g) any amount remaining after application as provided above, shall be paid to the Borrower or whomever else may be legally entitled thereto.

Section 10.5. Performance by Agent.

If the Parent or the Borrower shall fail to perform any covenant, duty or agreement contained in any of the Loan Documents, and such failure has continued after the expiration of any cure or grace period set forth herein, the Agent may, after notice to the Parent or the Borrower, perform or attempt to perform such covenant, duty or agreement on behalf of the Parent or the Borrower. In such event, the Borrower shall, at the request of the Agent, promptly pay any amount reasonably expended by the Agent in such performance or attempted performance to the Agent, together with interest thereon at the applicable Post-Default Rate from the date of such expenditure until paid. Notwithstanding the foregoing, neither the Agent nor any Lender shall have any liability or responsibility whatsoever for the performance of any obligation of the Borrower under this Agreement or any other Loan Document.

Section 10.6. Rights Cumulative.

The rights and remedies of the Agent and the Lenders under this Agreement and each of the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which any of them may otherwise have under Applicable Law. In exercising their respective rights and remedies the Agent and the Lenders may be selective and no failure or delay by the Agent or any of the Lenders in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

ARTICLE XI. THE AGENT

Section 11.1. Authorization and Action.

Each Lender hereby appoints and authorizes the Agent to take such action as contractual representative on such Lender's behalf and to exercise such powers under this Agreement and the other Loan Documents as are specifically delegated to the Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. Not in limitation of the foregoing, each Lender authorizes and directs the Agent to enter into the Loan Documents for the benefit of the Lenders. Each Lender hereby agrees that, except as otherwise set forth herein, any action taken by the Requisite Lenders in accordance with the provisions of this Agreement or the Loan Documents, and the exercise by the Requisite Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. Nothing herein shall be construed to deem the Agent a trustee or fiduciary for any Lender nor to impose on the Agent duties or obligations other than those expressly provided for herein. At the request of a Lender, the Agent will forward to such Lender copies or, where appropriate, originals of the documents delivered to the Agent pursuant to this Agreement or the other Loan Documents. The Agent will also furnish to any Lender,

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upon the request of such Lender, a copy of any certificate or notice furnished to the Agent by the Borrower, any Loan Party or any other Affiliate of the Borrower, pursuant to this Agreement or any other Loan Document not already delivered to such Lender pursuant to the terms of this Agreement or any such other Loan Document. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of any of the Obligations), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Requisite Lenders (or all of the Lenders if explicitly required under any other provision of this Agreement), and such instructions shall be binding upon all Lenders and all holders of any of the Obligations; provided, however, that, notwithstanding anything in this Agreement to the contrary, the Agent shall not be required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement or any other Loan Document or Applicable Law. Not in limitation of the foregoing, the Agent shall not exercise any right or remedy it or the Lenders may have under any Loan Document upon the occurrence of a Default or an Event of Default unless the Requisite Lenders have so directed the Agent to exercise such right or remedy.

Section 11.2. Agent's Reliance, Etc.

Notwithstanding any other provisions of this Agreement or any other Loan Documents, neither the Agent nor any of its directors, officers, agents, employees or counsel shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or any other Loan Document, except for its or their own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment. Without limiting the generality of the foregoing, the Agent: (a) may treat the payee of any Note as the holder thereof until the Agent receives written notice of the assignment or transfer thereof signed by such payee and in form satisfactory to the Agent; (b) may consult with legal counsel (including its own counsel or counsel for the Borrower or any other Loan Party), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (c) makes no warranty or representation to any Lender or any other Person and shall not be responsible to any Lender or any other Person for any statements, warranties or representations made by any Person in or in connection with this Agreement or any other Loan Document; (d) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any of this Agreement or any other Loan Document or the satisfaction of any conditions precedent under this Agreement or any Loan Document on the part of the Borrower or other Persons or inspect the property, books or records of the Borrower or any other Person; (e) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document, any other instrument or document furnished pursuant thereto or any collateral covered thereby or the perfection or priority of any Lien in favor of the Agent on behalf of the Lenders in any such collateral; and (f) shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telephone or telecopy) believed by it to be genuine and signed, sent or given by the proper party or parties.

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Section 11.3. Notice of Defaults.

The Agent shall not be deemed to have knowledge or notice of the occurrence of a Default or Event of Default unless the Agent has received notice from a Lender, the Parent or the Borrower referring to this Agreement, describing with reasonable specificity such Default or Event of Default and stating that such notice is a "notice of default." If any Lender (excluding the Lender which is also serving as the Agent) becomes aware of any Default or Event of Default, it shall promptly send to the Agent such a "notice of default." Further, if the Agent receives such a "notice of default", the Agent shall give prompt notice thereof to the Lenders.

Section 11.4. KeyBank as Lender.

KeyBank, as a Lender, shall have the same rights and powers under this Agreement and any other Loan Document as any other Lender and may exercise the same as though it were not the Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include KeyBank in each case in its individual capacity. KeyBank and its affiliates may each accept deposits from, maintain deposits or credit balances for, invest in, lend money to, act as trustee under indentures of, serve as financial advisor to, and generally engage in any kind of business with, the Parent, the Borrower, any other Loan Party or any other affiliate thereof as if it were any other bank and without any duty to account therefor to the other Lenders. Further, the Agent and any affiliate may accept fees and other consideration from the Parent or the Borrower for services in connection with this Agreement and otherwise without having to account for the same to the other Lenders. The Lenders acknowledge that, pursuant to such activities, KeyBank or its affiliates may receive information regarding the Parent, the Borrower, other Loan Parties, other Subsidiaries and other Affiliates (including information that may be subject to confidentiality obligations in favor of such Person) and acknowledge that the Agent shall be under no obligation to provide such information to them.

Section 11.5. Approvals of Lenders.

All communications from the Agent to any Lender requesting such Lender's determination, consent, approval or disapproval (a) shall be given in the form of a written notice to such Lender, (b) shall be accompanied by a description of the matter or issue as to which such determination, approval, consent or disapproval is requested, or shall advise such Lender where information, if any, regarding such matter or issue may be inspected, or shall otherwise describe the matter or issue to be resolved, (c) shall include, if reasonably requested by such Lender and to the extent not previously provided to such Lender, written materials and a summary of all oral information provided to the Agent by the Parent and the Borrower in respect of the matter or issue to be resolved, and (d) shall include the Agent's recommended course of action or determination in respect thereof. Each Lender shall reply promptly, but in any event within ten (10) Business Days (or such lesser or greater period as may be specifically required under the Loan Documents) of receipt of such communication. Except as otherwise provided in this Agreement, unless a Lender shall give written notice to the Agent that it specifically objects to the recommendation or determination of the Agent (together with a written explanation of the reasons behind such objection) within the applicable time period for reply (which shall be no less than ten (10) Business Days), such Lender shall be deemed to have conclusively approved of or consented to such recommendation or determination.

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Section 11.6. Lender Credit Decision, Etc.

Each Lender expressly acknowledges and agrees that neither the Agent nor any of its officers, directors, employees, agents, counsel, attorneys-in-fact or other affiliates has made any representations or warranties as to the financial condition, operations, creditworthiness, solvency or other information concerning the business or affairs of the Borrower, any other Loan Party, any Subsidiary or any other Person to such Lender and that no act by the Agent hereafter taken, including any review of the affairs of the Parent, the Borrower, any other Loan Party or any other Subsidiary of the Parent or the Borrower, shall be deemed to constitute any such representation or warranty by the Agent to any Lender. Each Lender acknowledges that it has made its own credit and legal analysis and decision to enter into this Agreement and the transactions contemplated hereby, independently and without reliance upon the Agent, any other Lender or counsel to the Agent, or any of their respective officers, directors, employees and agents, and based on the financial statements of the Parent, the Borrower, the Subsidiaries or any other Affiliate thereof, and inquiries of such Persons, its independent due diligence of the business and affairs of the Borrower, the Loan Parties, the Subsidiaries of the Parent and the Borrower and other Persons, its review of the Loan Documents, the legal opinions required to be delivered to it hereunder, the advice of its own counsel and such other documents and information as it has deemed appropriate. Each Lender also acknowledges that it will, independently and without reliance upon the Agent, any other Lender or counsel to the Agent or any of their respective officers, directors, employees and agents, and based on such review, advice, documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under the Loan Documents. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Agent under this Agreement or any of the other Loan Documents, the Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrower, any other Loan Party or any other Affiliate thereof which may come into possession of the Agent, or any of its officers, directors, employees, agents, attorneys-in-fact or other affiliates. Each Lender acknowledges that the Agent's legal counsel in connection with the transactions contemplated by this Agreement is only acting as counsel to the Agent and is not acting as counsel to such Lender.

Section 11.7. Collateral Matters.

(a) The Agent is authorized on behalf of all of the Lenders, without the necessity of any notice to or further consent from any Lender, from time to time prior to an Event of Default, to take any action with respect to any Collateral or Loan Documents which may be necessary to perfect and maintain perfected the Liens upon the Collateral granted pursuant to any of the Loan Documents.

(b) The Lenders hereby authorize the Agent, at its option and in its discretion, to release any Lien granted to or held by the Agent upon any Collateral (i) upon termination of this Agreement in accordance with Section 12.10.; or (ii) as required or permitted by Section 5.2. Upon request by the Agent at any time, the Lenders will confirm in writing the Agent's authority

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to release particular types or items of Collateral pursuant to this Section or any other applicable provision of any of the other Loan Documents.

(c) Upon any sale and transfer of Collateral which is expressly permitted pursuant to the terms of this Agreement, and upon at least five (5) Business Days' prior written request by the Borrower, the Agent shall (and is hereby irrevocably authorized by all of the Lenders to) execute such documents as may be necessary to evidence the release of the Liens granted to the Agent for the benefit of the Lenders herein or pursuant hereto upon the Collateral that was sold or transferred; provided, however, that (i) the Agent shall not be required to execute any such document on terms which, in the Agent's opinion, would expose the Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty; and (ii) such release shall not in any manner discharge, affect or impair the Obligations or any Liens upon (or obligations of the Borrower or any Loan Party in respect of) all interests retained by the Borrower or any Subsidiary, including (without limitation) the proceeds of the sale, all of which shall continue to constitute part of the Collateral. In the event of any sale or transfer of Collateral, or any foreclosure with respect to any of the Collateral, the Agent shall be authorized to deduct all of the expenses reasonably incurred by the Agent from the proceeds of any such sale, transfer or foreclosure.

(d) The Agent shall have no obligation whatsoever to the Lenders or to any other Person to assure that the Collateral exists or is owned by any Loan Party or is cared for, protected or insured or that the Liens granted to the Agent herein or pursuant hereto have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise or to continue exercising at all or in any manner or under any duty of care, disclosure or fidelity any of the rights, authorities and powers granted or available to the Agent in this Section or in any of the Loan Documents, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, the Agent may act in any manner it may deem appropriate, in its sole discretion, given the Agent's own interest in the Collateral as one of the Lenders and that the Agent shall have no duty or liability whatsoever to the Lenders, except to the extent found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the Agent's gross negligence or willful misconduct.

Section 11.8. Indemnification of Agent.

Each Lender agrees to indemnify the Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) pro rata in accordance with such Lender's respective Commitment Percentage (determined at the time any such claim is made), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against the Agent (in its capacity as Agent but not as a Lender) in any way relating to or arising out of the Loan Documents, any transaction contemplated hereby or thereby or any action taken or omitted by the Agent under the Loan Documents (collectively, "Indemnifiable Amounts"); provided, however, that no Lender shall be liable for any portion of such Indemnifiable Amounts to the extent resulting from the Agent's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment or if the Agent fails to follow the written direction of the Requisite Lenders (or all of the Lenders if expressly required hereunder) unless such failure

results from the Agent following the advice of counsel to the Agent of which advice the Lenders have received notice. Without limiting the generality of the foregoing but subject to the preceding proviso, each Lender agrees to reimburse the Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees of the counsel(s) of the Agent's own choosing) incurred by the Agent in connection with the preparation, negotiation, execution, or enforcement of, or legal advice with respect to the rights or responsibilities of the parties under, the Loan Documents, any suit or action brought by the Agent to enforce the terms of the Loan Documents and/or collect any Obligations, any "lender liability" suit or claim brought against the Agent and/or the Lenders, and any claim or suit brought against the Agent, and/or the Lenders arising under any Environmental Laws. Such out-of-pocket expenses (including counsel fees) shall be advanced by the Lenders on the request of the Agent notwithstanding any claim or assertion that the Agent is not entitled to indemnification hereunder upon receipt of an undertaking by the Agent that the Agent will reimburse the Lenders if it is actually and finally determined by a court of competent jurisdiction that the Agent is not so entitled to indemnification. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder or under the other Loan Documents and the termination of this Agreement. If the Borrower shall reimburse the Agent for any Indemnifiable Amount following payment by any Lender to the Agent in respect of such Indemnifiable Amount pursuant to this Section, the Agent shall share such reimbursement on a ratable basis with each Lender making any such payment.

Section 11.9. Successor Agent.

The Agent may resign at any time as Agent under the Loan Documents by giving written notice thereof to the Lenders and the Borrower. The Agent may be removed as Agent under the Loan Documents for gross negligence or willful misconduct upon 30-day's prior written notice by all Lenders (other than the Lender then acting as Agent). Upon any such resignation or removal, the Requisite Lenders shall have the right to appoint a successor Agent which appointment shall, provided no Default or Event of Default exists, be subject to the Borrower's approval, which approval shall not be unreasonably withheld or delayed (except that the Borrower shall, in all events, be deemed to have approved each Lender and its affiliates as a successor Agent). If no successor Agent shall have been so appointed in accordance with the immediately preceding sentence, and shall have accepted such appointment, within thirty (30) days after the resigning Agent's giving of notice of resignation or the giving of notice of the removal of the Agent, then the resigning or removed Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a Lender, if any Lender shall be willing to serve, and otherwise shall be a commercial bank having total combined assets of at least \$50,000,000,000; provided, the resigning or removed Agent shall continue to serve as Agent until such time as a successor Agent shall have accepted such appointment. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under the Loan Documents; provided, however, such retiring Agent shall not be relieved from any obligations arising prior to its discharge the extent resulting from the Agent's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment or from the failure by the Agent to follow the written direction of the Requisite Lenders (or all of the

Lenders if expressly required hereunder) unless such failure results from the Agent following the advice of counsel to the Agent of which advice the Lenders have received notice. After any Agent's resignation or removal hereunder as Agent, the provisions of this Article XI. shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under the Loan Documents.

Section 11.10. Titled Agent.

Each of the Titled Agents in each such respective capacity, assumes no responsibility or obligation hereunder, including, without limitation, for servicing, enforcement or collection of any of the Loans, nor any duties as an agent hereunder for the Lenders. The titles of "Arranger", "Syndication Agent" and "Documentation Agent" are solely honorific and imply no fiduciary responsibility on the part of the Titled Agents to the Agent, the Borrower or any Lender and the use of such titles does not impose on the Titled Agents any duties or obligations greater than those of any other Lender or entitle the Titled Agents to any rights other than those to which any other Lender is entitled.

ARTICLE XII. MISCELLANEOUS

Section 12.1. Notices.

Unless otherwise provided herein, communications provided for hereunder shall be in writing and shall be mailed, telecopied or delivered as follows:

If to the Parent:

Corporate Office Properties Trust
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Attention: General Counsel
Telephone Number: (443) 285-5400
Telecopy Number: (443) 285-7650

If to the Borrower:

Corporate Office Properties, L.P.
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Attention: General Counsel
Telephone Number: (443) 285-5400
Telecopy Number: (443) 285-7650

If to the Agent:

KeyBank National Association
127 Public Square, 8th Floor
Cleveland, Ohio 44114
Attn: John C. Scott
Telephone: (216) 689-5986
Telecopy: (216) 689-4997

with a copy to:

KeyBank National Association
800 Superior Avenue
Cleveland, Ohio 44114
Attn: REC Services
Telephone: (216) 828-7512
Telecopy: (216) 828-7523

If to a Lender:

To such Lender's address or telecopy number, as applicable, set forth in its Administrative Questionnaire;

or, as to each party at such other address as shall be designated by such party in a written notice to the other parties delivered in compliance with this Section. All such notices and other communications shall be effective (i) if mailed, when received; (ii) if telecopied, when transmitted; or (iii) if hand delivered or sent by overnight courier, when delivered. Notwithstanding the immediately preceding sentence, all notices or communications to the Agent or any Lender under Article II. shall be effective only when actually received or when receipt is refused. Neither the Agent nor any Lender shall incur any liability to the Borrower (nor shall the Agent incur any liability to the Lenders) for acting upon any telephonic notice referred to in this Agreement which the Agent or such Lender, as the case may be, believes in good faith to have been given by a Person authorized to deliver such notice or for otherwise acting in good faith hereunder. Failure of a Person designated to get a copy of a notice to receive such copy shall not affect the validity of notice properly given to any other Person.

Section 12.2. Expenses.

The Borrower agrees (a) to pay or reimburse the Agent for all of its reasonable out-of-pocket costs and expenses incurred in connection with the preparation, negotiation and execution of, and any amendment, supplement or modification to, any of the Loan

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Documents (including due diligence expenses and travel expenses relating to closing), and the consummation and administration of the transactions contemplated thereby, including the reasonable fees and disbursements of counsel to the Agent and costs and expenses in connection with the use of Intralinks, Inc. or other similar information transmission systems in connection with the Loan Documents, (b) to pay or reimburse the Agent, and the Lenders for all their costs and expenses incurred in connection with the enforcement or preservation of any rights under the Loan Documents, including the reasonable fees and disbursements of their respective counsel (including the allocated fees and expenses of in-house counsel) and any payments in indemnification or otherwise payable by the Lenders to the Agent pursuant to the Loan Documents, (c) to pay, and indemnify and hold harmless the Agent, and the Lenders from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any failure to pay or delay in paying, documentary, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of any of the Loan Documents, or consummation of any amendment, supplement or modification of, or any waiver or consent under or in respect of, any Loan Document; and (d) to the extent not already covered by any of the preceding subsections, to pay or reimburse the Agent, and the Lenders for all their costs and expenses incurred in connection with any bankruptcy or other proceeding of the type described in Sections 10.1.(e) or 10.1.(f), including the reasonable fees and disbursements of counsel to the Agent and any Lender, whether such fees and expenses are incurred prior to, during or after the commencement of such proceeding or the confirmation or conclusion of any such proceeding. If the Borrower shall fail to pay any amounts required to be paid by it pursuant to this Section, the Agent, and/or the Lenders may pay such amounts on behalf of the Borrower and either deem the same to be Loans outstanding hereunder or otherwise Obligations owing hereunder.

Section 12.3. Setoff.

Subject to Section 3.3. and in addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, the Agent, each Lender and each Participant is hereby authorized by the Borrower, at any time or from time to time during the continuance of an Event of Default, without prior notice to the Borrower or to any other Person, any such notice being hereby expressly waived, but in the case of a Lender or Participant subject to receipt of the prior written consent of the Agent exercised in its sole discretion, to set off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured) and any other indebtedness at any time held or owing by the Agent, such Lender or any affiliate of the Agent or such Lender, to or for the credit or the account of the Borrower against and on account of any of the Obligations, irrespective of whether or not any or all of the Loans and all other Obligations have been declared to be, or have otherwise become, due and payable as permitted by Section 10.2., and although such obligations shall be contingent or unmatured.

Section 12.4. Litigation; Jurisdiction; Other Matters; Waivers.

(a) EACH PARTY HERETO ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN OR AMONG THE PARENT, THE BORROWER, THE AGENT OR ANY OF THE LENDERS WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND WOULD RESULT IN DELAY AND EXPENSE TO THE PARTIES. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE LENDERS, THE AGENT, THE PARENT AND THE BORROWER HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST ANY PARTY HERETO ARISING OUT OF THIS AGREEMENT, THE NOTES, OR ANY OTHER LOAN DOCUMENT OR BY REASON OF

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ANY OTHER SUIT, CAUSE OF ACTION OR DISPUTE WHATSOEVER BETWEEN OR AMONG THE PARENT, THE BORROWER, THE AGENT OR ANY OF THE LENDERS OF ANY KIND OR NATURE RELATING TO ANY OF THE LOAN DOCUMENTS.

(b) EACH OF THE PARENT, THE BORROWER, THE AGENT AND EACH LENDER HEREBY AGREES THAT THE FEDERAL DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY STATE COURT LOCATED IN THE BOROUGH OF MANHATTAN, NEW YORK, NEW YORK, SHALL HAVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN OR AMONG THE PARENT, THE BORROWER, THE AGENT OR ANY OF THE LENDERS, PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE LOANS, THE NOTES OR ANY OTHER LOAN DOCUMENT OR TO ANY MATTER ARISING HEREFROM OR THEREFROM. THE PARENT, THE BORROWER AND EACH OF THE LENDERS EXPRESSLY SUBMIT AND CONSENT IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS WITH RESPECT TO SUCH CLAIMS OR DISPUTES. EACH PARTY FURTHER WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT FORUM, AND EACH AGREES NOT TO PLEAD OR CLAIM THE SAME. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE AGENT OR ANY LENDER OR THE ENFORCEMENT BY THE AGENT OR ANY LENDER OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

(c) THE PROVISIONS OF THIS SECTION HAVE BEEN CONSIDERED BY EACH PARTY WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF, AND SHALL SURVIVE THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS, AND THE TERMINATION OF THIS AGREEMENT.

Section 12.5. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that neither the Parent nor the Borrower may not assign or otherwise transfer any of their respective rights or obligations under this Agreement without the prior written consent of all Lenders and any such assignment or other transfer to which all of the Lenders have not so consented shall be null and void.

(b) Each Lender shall have the right to assign, transfer, sell, negotiate, pledge or otherwise hypothecate this Agreement and any of its rights and security hereunder and under the other Loan Documents to any other Eligible Assignee with the prior written consent of the Agent and with the prior written consent of the Borrower, which consents by the Agent and the Borrower shall not be unreasonably withheld, conditioned or delayed (provided that no consent of the Borrower shall be required if the Eligible Assignee is also a Lender or if an Event of

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Default then exists) and no consent of the Agent or the Borrower shall be required if the Eligible Assignee is also a Lender; provided, however, that (i) the parties to each such assignment shall execute and deliver to the Agent, for its approval and acceptance, an Assignment and Acceptance Agreement, (ii) each such assignment shall be of a constant, and not a varying, percentage of the assigning Lender's rights and obligations under this Agreement, (iii) if the potential assignee is not already a Lender hereunder, at least ten (10) days prior to the date of the assignment, the potential assignee shall deliver to the Agent the fully completed Patriot Act and OFAC forms attached as Exhibit K hereto and such other information as Agent shall require to successfully complete the Agent's Patriot Act Customer Identification Process and OFAC Review Process, (iv) unless the Agent and, so long as no Event of Default exists, the Borrower otherwise consent, the aggregate amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment shall in no event be less than \$10,000,000, (v) the Agent shall receive from the assigning Lender a processing fee of \$3,500, and (vi) if the assignment is less than the assigning Lender's entire Commitment, the assigning Lender must retain at least a \$10,000,000 Commitment. The Agent may designate any Eligible Assignee accepting an assignment of a specified portion of the Loan to be a Co-Agent, an "Arranger" or similar title, but such designation shall not confer on such Eligible Assignee the rights or duties of the Agent. Upon such execution, delivery, approval and acceptance, and upon the effective date specified in the applicable Assignment and Acceptance Agreement, (x) the Eligible Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance Agreement, have the rights and obligations of a Lender hereunder and under the other Loan Documents, and the Borrower hereby agrees that all of the rights and remedies of Lenders in connection with the interest so assigned shall be enforceable against the Borrower by an Eligible Assignee with the same force and effect and to the same extent as the same would have been enforceable but for such assignment, and (y) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance Agreement, relinquish its rights and be released from its obligations hereunder and thereunder.

(c) By executing and delivering an Assignment and Acceptance Agreement, the assigning Lender thereunder and the Eligible Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) except as provided in such Assignment and Acceptance Agreement, such assigning Lender and the Agent make no representation or warranty and assume no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document or any other instrument or document furnished in connection therewith; (ii) such assigning Lender and the Agent make no representation or warranty and assume no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under any Loan Document or any other instrument or document furnished in connection therewith; (iii) such Eligible Assignee confirms that it has received a copy of this Agreement together with such financial statements, Loan Documents and other documents and information as it has deemed appropriate to make its own independent credit analysis and decision to enter into the Assignment and Acceptance Agreement and to become a Lender hereunder; (iv) such Eligible

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Assignee will, independently and without reliance upon the Agent, the assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time continue to make its own independent credit decisions in taking or not taking action under this Agreement; (v) such Eligible Assignee appoints and authorizes the Agent to take such action as the Agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto; and (vi) such Eligible Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) The Agent shall maintain a copy of each Assignment and Acceptance Agreement delivered to and accepted by it and shall record in its records the name and address of each Lender and the Commitment of such Lender from time to time. The Borrower, the Agent and the Lenders may treat each entity whose name is so recorded as a Lender hereunder for all purposes of this Agreement. In the case of any assignment by a Lender, within five (5) Business Days after its receipt of written notice of such assignment, the Borrower, at its own expense, shall, if requested by the applicable Lender, execute and deliver to the Agent in exchange for the surrendered Note or Notes a new Note to the order of such Eligible Assignee in an amount equal to the Commitment assumed by it pursuant to such Assignment and Acceptance Agreement and, if any assigning Lender has retained a Commitment hereunder, a new Note to the order of such assigning Lender in an amount equal to the Commitment retained by it hereunder. Such new Note or Notes, if any, shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note or Notes and shall be dated the effective date of such Assignment and Acceptance.

(e) Upon receipt of an Assignment and Acceptance Agreement executed by an assigning Lender and an Eligible Assignee, the Agent shall, if such Assignment and Acceptance Agreement has been properly completed and consented to if required herein, accept such Assignment and Acceptance Agreement, and record the information contained therein in its records, and the Agent shall give prompt written notice thereof to the Borrower (provided that neither the Agent nor the Lenders shall be liable for any failure to give such notice).

(f) The Borrower shall use reasonable efforts to cooperate with the Agent and each Lender in connection with the assignment of interest under this Agreement or the sale of participations herein.

(g) Anything in this Agreement to the contrary notwithstanding, and without the need to comply with any of the formal or procedural requirements of this Agreement, including this Section, any Lender may at any time and from time to time pledge and assign all or any portion of its rights under all or any of the Loan Documents to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from its obligations hereunder or increase the Borrower's or any other Loan Party's obligations hereunder. To facilitate any such pledge or assignment, the Agent shall, at the request of such Lender, enter into a letter agreement with the Federal Reserve Bank in, or substantially in, the form of the exhibit to Appendix C to the Federal Reserve Bank of New York Operating Circular No. 12, or other applicable form.

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(h) Anything in this Agreement to the contrary notwithstanding, any Lender may assign all or any portion of its rights and obligations under this Agreement to another branch or affiliate of such Lender without first obtaining the approval of any Agent or the Borrower, provided that (i) such Lender remains liable hereunder unless the Borrower and the Agent shall otherwise agree, (ii) at the time of such assignment such Lender is not a Defaulting Lender, (iii) such Lender gives the Agent and the Borrower at least fifteen (15) days prior written notice of any such assignment; (iv) the parties to each such assignment execute and deliver to the Agent an Assignment and Acceptance Agreement, and (v) the Agent receives from the assigning Lender a processing fee of \$1,500.

(i) Each Lender shall have the right, without the consent of the Borrower, to sell participations to one or more Eligible Assignees (each a "Participant") in or to all or a portion of its rights and obligations under the Loan Documents; provided, however, that (i) such Lender's obligations under this Agreement (including without limitation its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and with regard to any and all payments to be made under this Agreement and (iv) the holder of any such participation shall not be entitled to voting rights under this Agreement or the other Loan Documents (but such holder may contract with the Lender selling such Eligible Assignee its interest in such Lender's share of the Loan as to voting of such Lender's interest under Section 12.6.(b), but not under any other section of this Agreement; provided that any such agreement by a Lender shall bind only such Lender alone and not the Borrower, the other Lenders or the Agent).

(j) No Eligible Assignee of any rights and obligations under this Agreement shall be permitted to subassign such rights and obligations. No Participant in any rights and obligations under this Agreement shall be permitted to sell subparticipations of such rights and obligations.

(k) Each of the Parent and the Borrower acknowledges and agrees that the Lenders may provide to any Eligible Assignee or Participant originals or copies of this Agreement, any other Loan Document and any other documents, instruments, certificates, opinions, insurance policies, letters of credit, reports, requisitions and other material and information of every nature or description, and may communicate all oral information, at any time submitted by or on behalf of any Loan Party or received by any Lender in connection with the Loan Documents or with respect to any Loan Party; provided that prior to any such delivery or communication, such Eligible Assignees or Participants shall agree to preserve the confidentiality of any of the foregoing to the same extent that such Lender agreed to preserve such confidentiality. In order to facilitate assignments to Eligible Assignees and sales to Eligible Assignees, the Borrower shall execute such further documents, instruments or agreements as the Lenders may reasonably require; provided, that the Borrower shall not be required (i) to execute any document or agreement which would decrease its rights, or increase its obligations, relative to those set forth in this Agreement or any of the other Loan Documents (including financial obligations, personal recourse, representations and warranties and reporting requirements), or (ii) to expend more than incidental sums of money or incidental administrative time for which it does not receive

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reasonable reimbursement in order to comply with any requests or requirements of any Lender in connection with such assignment or sale arrangement.

Section 12.6. Amendments.

(a) Except as otherwise expressly provided in this Agreement, any consent or approval required or permitted by this Agreement or any other Loan Document to be given by the Lenders may be given, and any term of this Agreement or of any other Loan Document may be amended, and the performance or observance by the Borrower or any other Loan Party or any Subsidiary of any terms of this Agreement or such other Loan Document or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Requisite Lenders (and, in the case of an amendment to any Loan Document, the written consent of each Loan Party a party thereto).

(b) Notwithstanding the foregoing, without the prior written consent of each Lender adversely affected thereby, no amendment, waiver or consent shall do any of the following:

- (i) increase the Commitments of the Lenders (except for any increase in the Commitments effectuated pursuant to Section 2.11.) or subject the Lenders to any additional obligations;
- (ii) reduce the principal of, or interest rates that have accrued or that will be charged on the outstanding principal amount of, any Loans or other Obligations;
- (iii) reduce the amount of any Fees payable hereunder or postpone any date fixed for payment thereof;
- (iv) modify the definition of the term "Termination Date" (except as contemplated under Section 2.9.) or otherwise postpone any date fixed for any payment of any principal of, or interest on, any Loans or any other Obligations (including the waiver of any Default or Event of Default as a result of the nonpayment of any such Obligations as and when due);
- (v) amend or otherwise modify the provisions of Section 3.2.;
- (vi) modify the definition of the term "Requisite Lenders" or otherwise modify in any other manner the number or percentage of the Lenders required to make any determinations or waive any rights hereunder or to modify any provision hereof, including without limitation, any modification of this Section 12.6. if such modification would have such effect;
- (vii) except in connection with any Property Release pursuant to Article V., release the Guarantor from its obligations under the Guaranty or release any of the Collateral;
- (viii) amend or otherwise modify the provisions of Section 10.4.; or

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- (ix) increase the number of Interest Periods permitted with respect to Loans under Section 2.3.

(c) No amendment, waiver or consent, unless in writing and signed by the Agent, in such capacity, in addition to the Lenders required hereinabove to take such action, shall affect the rights or duties of the Agent under this Agreement or any of the other Loan Documents.

(d) No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon and any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose set forth therein. No course of dealing or delay or omission on the part of the Agent or any Lender in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. Any Event of Default occurring hereunder shall continue to exist until such time as such Event of Default is waived in writing in accordance with the terms of this Section, notwithstanding any attempted cure or other action by the Borrower, any other Loan Party or any other Person subsequent to the occurrence of such Event of Default. Except as otherwise explicitly provided for herein or in any other Loan Document, no notice to or demand upon the Borrower shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

Section 12.7. Nonliability of Agent and Lenders.

The relationship between the Borrower and the Lenders and the Agent shall be solely that of borrower and lender. Neither the Agent nor any Lender shall have any fiduciary responsibilities to the Parent or the Borrower and no provision in this Agreement or in any of the other Loan Documents, and no course of dealing between or among any of the parties hereto, shall be deemed to create any fiduciary duty owing by the Agent or any Lender to any Lender, the Parent, the Borrower, any Subsidiary of the Parent or the Borrower or any other Loan Party. Neither the Agent nor any Lender undertakes any responsibility to the Borrower or the Parent to review or inform the Borrower or the Parent of any matter in connection with any phase of the Borrower's or the Parent's business or operations.

Section 12.8. Confidentiality.

The Agent and each Lender shall use reasonable efforts to assure that information about the Borrower, the Parent, the other Loan Parties and other Subsidiaries of the Parent and the Borrower, and the Properties thereof and their operations, affairs and financial condition, not generally disclosed to the public, which is furnished to the Agent or any Lender pursuant to the provisions of this Agreement or any other Loan Document, is used only for the purposes of this Agreement and the other Loan Documents and shall not be divulged to any Person other than the Agent, the Lenders, and their respective agents who are actively and directly participating in the evaluation, administration or enforcement of the Loan Documents and other transactions between the Agent or such Lender, as applicable, and the Borrower and the Parent, but in any event the Agent and the Lenders may make disclosure: (a) to any of their respective affiliates (provided such affiliates shall agree to keep such information confidential in accordance with the terms of this Section 12.8.); (b) as reasonably requested by any bona fide Assignee, Participant or other transferee in connection with the contemplated transfer of any Commitment or

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participations therein as permitted hereunder (provided they shall agree to keep such information confidential in accordance with the terms of this Section); (c) as required or requested by any Governmental Authority or representative thereof or pursuant to legal process or in connection with any legal proceedings; (d) to the Agent's or such Lender's independent auditors and other professional advisors (provided they shall be notified of the confidential nature of the information); (e) after the happening and during the continuance of an Event of Default, to any other Person, in connection with the exercise by the Agent or the Lenders of rights hereunder or under any of the other Loan Documents; (f) upon the Borrower's prior consent (which consent shall not be unreasonably withheld), to any contractual counter-parties to any swap or similar hedging agreement or to any rating agency; and (g) to the extent such information (x) becomes publicly available other than as a result of a breach of this Section actually known to such Lender to be such a breach or (y) becomes available to the Agent or any Lender on a nonconfidential basis from a source other than the Parent, the Borrower or any Affiliate. Notwithstanding the foregoing, the Agent and each Lender may disclose any such confidential information, upon notice to the Borrower or any other Loan Party, to the extent practicable (provided, that, any failure by the Agent or any Lender to give such notice to the Borrower or any Loan Party shall not subject the Agent or any Lender to any liability which may arise from such failure to give notice), to Governmental Authorities in connection with any regulatory examination of the Agent or such Lender or in accordance with the regulatory compliance policy of the Agent or such Lender.

Section 12.9. Indemnification.

(a) The Borrower shall and hereby agrees to indemnify, defend and hold harmless the Agent, each of the Lenders, any affiliate of the Agent or any Lender, and their respective directors, officers, shareholders, agents, employees and counsel (each referred to herein as an "**Indemnified Party**") from and against any and all of the following (collectively, the "**Indemnified Costs**"): losses, costs, claims, damages, liabilities, deficiencies, judgments or expenses of every kind and nature (including, without limitation, amounts paid in settlement, court costs and the reasonable fees and disbursements of counsel incurred in connection with any litigation, investigation, claim or proceeding or any advice rendered in connection therewith, but excluding losses, costs, claims, damages, liabilities, deficiencies, judgments or expenses indemnification in respect of which is specifically covered by Section 3.12. or 4.1. or expressly excluded from the coverage of such Sections 3.12. or 4.1.) incurred by an Indemnified Party in connection with, arising out of, or by reason of, any suit, cause of action, claim, arbitration, investigation or settlement, consent decree or other proceeding (the foregoing referred to herein as an "**Indemnity Proceeding**") which is in any way related directly or indirectly to: (i) this Agreement or any other Loan Document or the transactions contemplated thereby, including, without limitation, any act or failure to act by any Person arising from or resulting from the construction, use, occupancy or operation of any Borrowing Base Property or any act or omission relating thereto; (ii) the making of any Loans hereunder; (iii) any actual or proposed use by the Borrower of the proceeds of the Loans; (iv) the Agent's or any Lender's entering into this Agreement; (v) the fact that the Agent and the Lenders have established the credit facility evidenced hereby in favor of the Borrower; (vi) the fact that the Agent and the Lenders are creditors of the Borrower and have or are alleged to have information regarding the financial condition, strategic plans or business operations of the Parent, the Borrower and their respective Subsidiaries; (vii) the fact that the Agent and the Lenders are material creditors of the Borrower

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and are alleged to influence directly or indirectly the business decisions or affairs of the Parent, the Borrower and their respective Subsidiaries or their financial condition; (viii) the exercise of any right or remedy the Agent or the Lenders may have under this Agreement or the other Loan Documents; (ix) any civil penalty or fine assessed by the OFAC against, and all reasonable costs and expenses (including counsel fees and disbursements) incurred in connection with defense thereof by, the Agent or any Lender as a result of conduct of the Borrower, any other Loan Party or any Subsidiary that violates a sanction enforced by the OFAC; or (x) any violation or non-compliance by the Parent, the Borrower or any Subsidiary of any Applicable Law (including any Environmental Law) including, but not limited to, any Indemnity Proceeding commenced by (A) the Internal Revenue Service or state taxing authority or (B) any Governmental Authority or other Person under any Environmental Law, including any Indemnity Proceeding commenced by a Governmental Authority or other Person seeking remedial or other action to cause the Parent, the Borrower or their respective Subsidiaries (or its respective properties) (or the Agent and/or the Lenders as successors to the Borrower) to be in compliance with such Environmental Laws; provided, however, that the Borrower shall not be obligated to indemnify any Indemnified Party for (A) any acts or omissions of such Indemnified Party in connection with matters described in this subsection to the extent arising from the gross negligence or willful misconduct of such Indemnified Party, as determined by a court of competent jurisdiction in a final, non-appealable judgment or (B) Indemnified Costs to the extent arising directly out of or resulting directly from claims of one or more Indemnified Parties against another Indemnified Party.

(b) The Borrower's indemnification obligations under this Section 12.9. shall apply to all Indemnity Proceedings arising out of, or related to, the foregoing whether or not an Indemnified Party is a named party in such Indemnity Proceeding. In this regard, this indemnification shall cover all Indemnified Costs of any Indemnified Party in connection with any deposition of any Indemnified Party or compliance with any subpoena (including any subpoena requesting the production of documents). This indemnification shall, among other things, apply to any Indemnity Proceeding commenced by other creditors of the Parent, the Borrower or any Subsidiary, any shareholder

of the Parent, the Borrower or any Subsidiary (whether such shareholder(s) are prosecuting such Indemnity Proceeding in their individual capacity or derivatively on behalf of the Borrower or the Parent), any account debtor of the Parent, the Borrower or any Subsidiary or by any Governmental Authority. If indemnification is to be sought hereunder by an Indemnified Party, then such Indemnified Party shall notify the Borrower in writing of the commencement of any Indemnity Proceeding; provided, however, that the failure to so notify the Borrower shall not relieve the Borrower from any liability that it may have to such Indemnified Party pursuant to this Section 12.9.

(c) This indemnification shall apply to any Indemnity Proceeding arising during the pendency of any bankruptcy proceeding filed by or against the Parent, the Borrower and/or any Subsidiary.

(d) All out-of-pocket fees and expenses of, and all amounts paid to third-persons by, an Indemnified Party shall be advanced by the Borrower at the request of such Indemnified Party notwithstanding any claim or assertion by the Borrower that such Indemnified Party is not entitled to indemnification hereunder, upon receipt of an undertaking by such Indemnified Party that such Indemnified Party will reimburse the Borrower if it is actually and finally determined

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by a court of competent jurisdiction that such Indemnified Party is not so entitled to indemnification hereunder.

(e) An Indemnified Party may conduct its own investigation and defense of, and may formulate its own strategy with respect to, any Indemnity Proceeding covered by this Section and, as provided above, all Indemnified Costs incurred by such Indemnified Party shall be reimbursed by the Borrower. No action taken by legal counsel chosen by an Indemnified Party in investigating or defending against any such Indemnity Proceeding shall vitiate or in any way impair the obligations and duties of the Borrower hereunder to indemnify and hold harmless each such Indemnified Party; provided, however, that if (i) the Borrower is required to indemnify an Indemnified Party pursuant hereto and (ii) the Borrower has provided evidence reasonably satisfactory to such Indemnified Party that the Borrower has the financial wherewithal to reimburse such Indemnified Party for any amount paid by such Indemnified Party with respect to such Indemnity Proceeding, such Indemnified Party shall not settle or compromise any such Indemnity Proceeding without the prior written consent of the Borrower (which consent shall not be unreasonably withheld or delayed). Notwithstanding the foregoing, an Indemnified Party may settle or compromise any such Indemnity Proceeding without the prior written consent of the Borrower where (x) no monetary relief is sought against such Indemnified Party in such Indemnity Proceeding or (y) there is an allegation of a violation of law by such Indemnified Party.

(f) If and to the extent that the obligations of the Borrower under this Section are unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under Applicable Law.

(g) The Borrower's obligations under this Section shall survive any termination of this Agreement and the other Loan Documents and the payment in full in cash of the Obligations, and are in addition to, and not in substitution of, any other of their obligations set forth in this Agreement or any other Loan Document to which it is a party.

Section 12.10. Termination; Survival.

At such time as (a) all of the Commitments have been terminated, (b) none of the Lenders is obligated any longer under this Agreement to make any Loans and (c) all Obligations (other than obligations which survive as provided in the following sentence) have been paid and satisfied in full, this Agreement shall terminate. The indemnities to which the Agent and the Lenders are entitled under the provisions of Sections 3.12., 4.1., 4.4., 12.2. and 12.9. and any other provision of this Agreement and the other Loan Documents, and the provisions of Section 12.4., shall continue in full force and effect and shall protect the Agent and the Lenders (i) notwithstanding any termination of this Agreement, or of the other Loan Documents, against events arising before such termination as well as, in the case of Sections 11.8., 12.4. and 12.9., after such termination and (ii) at all times after any such party ceases to be a party to this Agreement with respect to all matters and events existing on or prior to the date such party ceased to be a party to this Agreement.

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Section 12.11. Severability of Provisions.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 12.12. GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

Section 12.13. Counterparts.

This Agreement and any amendments, waivers, consents or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all of which counterparts together shall constitute but one and the same instrument.

Section 12.14. Obligations With Respect to Loan Parties.

The obligations of the Parent and the Borrower to direct or prohibit the taking of certain actions by the other Loan Parties as specified herein shall be absolute and not subject to any defense the Parent or the Borrower may have that the Parent or the Borrower does not control such Loan Parties.

Section 12.15. Limitation of Liability.

Neither the Agent nor any Lender, nor any affiliate, officer, director, employee, attorney, or agent of the Agent or any Lender shall have any liability with respect to, and the Parent and the Borrower hereby waives, releases, and agrees not to sue any of them upon, any claim for any special, indirect, incidental, or consequential damages suffered or incurred by the Parent or the Borrower in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or any of the other Loan Documents. Each of the Parent and the Borrower hereby waives, releases, and agrees not to sue the Agent or any Lender or any of the Agent's or any Lender's affiliates, officers, directors, employees, attorneys, or agents for punitive damages in respect of any claim in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or financed hereby.

Section 12.16. Entire Agreement.

This Agreement, the Notes and the other Loan Documents referred to herein embody the final, entire agreement among the parties hereto and supersede any and all

prior commitments, agreements, representations, and understandings, whether written or oral, relating to the subject matter hereof and thereof and may not be contradicted or varied by evidence of prior,

contemporaneous, or subsequent oral agreements or discussions of the parties hereto. There are no oral agreements among the parties hereto.

Section 12.17. Construction.

The Agent, the Borrower, the Parent and each Lender acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement and the other Loan Documents with its legal counsel and that this Agreement and the other Loan Documents shall be construed as if jointly drafted by the Agent, the Borrower, the Parent and each Lender.

Section 12.18. Patriot Act.

The Lenders and the Agent each hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Agent, as applicable, to identify the Borrower in accordance with such Act.

Section 12.19. Existing Credit Agreement Provisions.

(a) Notwithstanding any provision of any Loan Document to the contrary, the Borrower, the Parent, the Agent and the Lenders hereby agree that on or after the Agreement Date any amendment to, or waiver of, (i) the Existing Credit Agreement Representations, (ii) the Existing Credit Agreement Defaults or (iii) the covenants from the Existing Credit Agreement referred to in Section 8.3., which has been consented to by the Requisite Lenders, shall be deemed to be incorporated herein by reference and shall become effective hereunder when such amendment or waiver becomes effective thereunder, without any further action necessary by the Borrower, the Guarantors, the Agent or the Lenders. Any such amendment or waiver shall be effective only in the specific instance and for the specific purpose for which given. The Borrower agrees to provide promptly the Agent and each Lender with a copy of such amendment or waiver.

(b) The Existing Credit Agreement Representations, the Existing Credit Agreement Defaults and the covenants from the Existing Credit Agreement referred to in Section 8.3. incorporated herein by reference and any definitions or other terms or provisions of the Existing Credit Agreement incorporated herein by reference, will be deemed to continue in effect for the benefit of the Agent and the Lenders until this Agreement has terminated in accordance with its terms, including, without limitation, whether or not the Existing Credit Agreement remains in effect or whether or not the Existing Credit Agreement is amended, restated or terminated after the date hereof. For purposes of the Existing Credit Agreement Representations and the covenants from the Existing Credit Agreement referred to in Section 8.3., (i) references in the provisions of the Existing Credit Agreement incorporated herein by reference to: (A) the "Borrower" shall refer to the Borrower; (B) the "Agent," "Lenders" and "Lender" shall refer to the Agent, the Lenders and a Lender, respectively; (C) "Material Adverse Effect" shall refer to a Material Adverse Effect; (D) "Loan Party" shall refer to the Loan Party; (E) "Obligations" shall refer to Obligations; (F) "Agreement Date" shall refer to Agreement Date; (G) "Default" and

"Event of Default" shall refer to Default and Event of Default, respectively; and (H) "Lien" and "Permitted Lien" shall refer to Lien and Permitted Lien, respectively; and (ii) the terms "Agreement," "hereto" and "hereof" when used in the provisions of the Existing Credit Agreement incorporated herein by referenced shall refer to this Agreement.

[Signatures on Following Pages]

IN WITNESS WHEREOF, the parties hereto have caused this Construction Loan Agreement to be executed by their authorized officers all as of the day and year first above written.

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust,
its sole general partner

By: /s/ Stephen E. Riffée
Name: Stephen E. Riffée
Title: Executive Vice President

CORPORATE OFFICE PROPERTIES TRUST

By: /s/ Stephen E. Riffée
Name: Stephen E. Riffée
Title: Executive Vice President

KEYBANC CAPITAL MARKETS, INC.,

as Arranger

By: /s/ Jay Johns
Name: Jay Johns
Title: Director

[Signatures Continued Next Page]

**[Signature Page to Construction Loan Agreement with
Corporate Office Properties, L.P.]**

KEYBANK NATIONAL ASSOCIATION, as Agent and
as a Lender

By: /s/ John Scott
Name: John Scott
Title: Vice President

[Signatures Continued Next Page]

**[Signature Page to Construction Loan Agreement with
Corporate Office Properties, L.P.]**

BANK OF AMERICA, N.A., as Syndication Agent
and as Lender

By: /s/ Deborah A. Thebaud
Name: Deborah A. Thebaud
Title: Senior Vice President

[Signatures Continued Next Page]

**[Signature Page to Construction Loan Agreement with
Corporate Office Properties, L.P.]**

MANUFACTURERS AND TRADERS TRUST
COMPANY, as Documentation Agent and as
a Lender

By: /s/ Matthew Lind
Name: Matthew Lind
Title: Vice President

[Signatures Continued Next Page]

**[Signature Page to Construction Loan Agreement with
Corporate Office Properties, L.P.]**

CITIZENS BANK OF PENNSYLVANIA, as a Lender

By: /s/ Kellie Anderson
Name: Kellie Anderson
Title: Senior Vice President

[Signatures Continued Next Page]

**[Signature Page to Construction Loan Agreement with
Corporate Office Properties, L.P.]**

WACHOVIA BANK, NATIONAL ASSOCIATION, as
a Lender

By: /s/ Casey Foulks
Name: Casey Foulks
Title: Vice President

[Signatures Continued Next Page]

**[Signature Page to Construction Loan Agreement with
Corporate Office Properties, L.P.]**

COMMERCE BANK, NA, as a Lender

By: /s/ Brian J. Gormley
Name: Brian J. Gormley
Title: Vice President

[Signatures Continued Next Page]

**[Signature Page to Construction Loan Agreement with
Corporate Office Properties, L.P.]**

PNC BANK, NATIONAL ASSOCIATION, as
a Lender

By: /s/ Timothy P. Gleeson
Name: Timothy P. Gleeson
Title: Vice President

[Signatures Continued Next Page]

**[Signature Page to Construction Loan Agreement with
Corporate Office Properties, L.P.]**

REGIONS BANK, as a Lender

By: /s/ Kerri Raines
Name: Kerri Raines
Title: Vice President

[Signatures Continued Next Page]

**[Signature Page to Construction Loan Agreement with
Corporate Office Properties, L.P.]**

SUNTRUST BANK, as a Lender

By: /s/ Gregory T. Horstman
Name: Gregory T. Horstman
Title: Senior Vice President

SCHEDULE I

Commitments

<u>Lender</u>	<u>Commitment Amount</u>
KeyBank National Association	\$ 38,333,333.34
Bank of America, N.A.	\$ 38,333,333.33
Manufacturers and Traders Trust Company	\$ 38,333,333.33
Citizens Bank of Pennsylvania	\$ 25,000,000.00
Wachovia Bank, National Association	\$ 25,000,000.00
SunTrust Bank	\$ 20,000,000.00
PNC Bank, National Association	\$ 15,000,000.00
Commerce Bank, NA	\$ 15,000,000.00
Regions Bank	\$ 10,000,000.00
TOTAL	\$ 225,000,000.00

SCHEDULE 5.1
BORROWING BASE PROPERTIES

- 6721 Gateway Drive, Columbia Maryland, Howard County
- 5520 Research Park Drive, Baltimore, Maryland, Baltimore County
- 9945 Federal Drive, Colorado Springs, Colorado, El Paso County
- 9925 Federal Drive, Colorado Springs, Colorado, El Paso County
- 655 Space Center Drive, Colorado Springs, Colorado, El Paso County

SCHEDULE 7.1(B)
OWNERSHIP STRUCTURE

<u>NAME OF PROPERTY OWNER</u>	<u>JURISDICTION</u>	<u>PERSONS HOLDING AN EQUITY INTEREST</u>	<u>NATURE OF INTERESTS HELD</u>	<u>PERCENTAGE OWNERSHIP</u>	<u>BORROWING BASE PROPERTY</u>
6721 Gateway, LLC	Maryland	Corporate Office Properties, L.P. ("COPLP")	Sole member	100%	6721 Columbia Gateway Drive Columbia, MD Howard County
COPT Baltimore County II, LLC	Maryland	COPLP	Sole member	100%	5520 Research Drive Baltimore, MD Baltimore County
COPT Patriot Park VI, LLC	Colorado	COPLP	Sole member	100%	655 Space Center Drive Colorado Springs, CO El Paso County
COPT Interquest Hybrid I, LLC	Colorado	COPLP	Sole member	100%	9945 Federal Drive Colorado Springs, CO El Paso County
COPT Interquest Hybrid II, LLC	Colorado	COPLP	Sole member	100%	9925 Federal Drive Colorado Springs, CO El Paso County

COPLP owns, free and clear of all Liens (other than Permitted Liens), and has the unencumbered right to vote, all outstanding equity interests in the Property Owners listed above. There are no outstanding subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including, without limitation, any stockholders' or voting trust agreements) for the issuance, sale, registration or voting of, or outstanding securities convertible into, any additional shares of capital stock of any class, or partnership or other ownership interests of any type in any of the Property Owners listed above.

SCHEDULE 8.5(f)

 **INSURANCE REQUIREMENTS FOR COMMERCIAL REAL ESTATE LOANS
GROUND-UP NEW CONSTRUCTION**

Named Insured (Borrower): Corporate Office Properties, LP and the entity owning the property

Property Address:

Mortgagee: KeyBank National Association, its successors and/or assignees,
for itself and as agent for other participating lenders

Mortgagee address: 800 Superior, 6th Floor
Attn: REC Services
Cleveland, OH 44114

Deductible under any line of coverage must not exceed: \$25,000

BUILDER'S RISK

Causes of loss insured against:

- "Special Form" equivalent to ISO standard, or "Risks of loss not otherwise excluded" for coverage comparable to ISO Special Form, including damage from windstorm and hail
- Boiler & Machinery or Breakdown coverage for buildings with elevators and central HVAC (not required for per-unit HVAC)

Additional causes of loss if specified:

- Flood - mandatory at NFIP limits (\$500,000 per commercial bldg.) if building is in a Special Flood Hazard Area
- Earthquake: 20% of projected completed value. Only required if located in Seismic Zone 4.
- Terrorism: certified only. Only required if building is high profile, in a geographic high risk area or has a governmental or other politically exposed tenant.
- Ordinance or Law: (A) Loss of value of undamaged part - within building limit;
- (B) Demolition and (C) Increased Cost of Construction
- Other

Amount of insurance: Sufficient to cover all hard costs of vertical construction, including value of foundations, overhead and profits, hard cost contingency, materials and supplies (sufficient to cover maximum values at any time on and off site, and in transit if borrower takes title before delivery) and soft costs. Not to be less than \$50,000,000 or the amount contained in the Total Development Budget.

Additional coverage conditions:

- Completed value, non-reporting coverage form
- Replacement cost valuation
- No coinsurance / coinsurance waived
- Permission to complete and occupy - e.g. for residential properties where occupancy may be staggered

Mortgagee Clause: Not applicable.

Documentation: Acord 28 Evidence of Property Insurance extending at least 30 days' notice of cancellation (45 days in Washington state) except 10 days' notice for non-payment of premium,

- All details specified above must be specifically addressed.
- All deductibles and any sub-limits must be disclosed.
- If program is blanket over other locations as well as loan property, show policy limits along with values reported to insurer for the subject location.

The use of any form other than Acord 28 (2003/10) may result in agent and/or insurer having to provide additional coverage documentation.

(NOTE: When building is complete and certificate of occupancy is issued, building should be transitioned to "all risk" or "special form" Property insurance, documented to lender with form, terms, and conditions acceptable to lender.)

GENERAL LIABILITY

Coverage form: Commercial General Liability - equivalent to ISO standard occurrence-based form, including BI, PD, PI/AI, Contractual

Limit of liability per occurrence: Not less than \$30,000,000 combining primary and excess

Mortgagee as Additional Insured: Not applicable.

Documentation: Acord 25 Certificate of Liability Insurance extending at least 30 days' notice of cancellation.

BORROWER'S PROPERTY, GENERAL LIABILITY AND UMBRELLA/EXCESS INSURERS MUST HAVE BEST'S RATINGS NOT LESS THAN A: X UNLESS OTHERWISE AGREED TO BY LENDER.

OTHER COVERAGES

Workers' Compensation: Statutory benefits for the state where the building is located. This requirement may be waived if borrowing entity has no employees and general contractor produces evidence of workers' compensation coverage.

Employer's Liability: \$100,000 per accident for accidental injury; \$100,000 per employee and \$100,000 aggregate for occupational illness or disease.

Business Auto Liability: Covering owned, non-owned and hired/rented vehicles

Environmental Liability: Requirement applies only if checked. Form should cover liability for bodily injury and property damage claims, both on and off site. Full quote and specimen forms must be submitted for lender approval.

Required limit: To be determined if required.

EXPECTATIONS FOR GENERAL CONTRACTOR'S INSURANCE:

General Liability: Commercial General Liability - equivalent to ISO standard occurrence-based form, including BI, PD, PI/AI, Contractual, and covering completed operations

- Covering Borrower (and lender, if possible) as Additional Insured for current work.
- When obtainable, covering Borrower (and lender, if possible) as Additional Insured for completed work if project will become at least partly occupied during term of construction/before loan is repaid

Limit of liability per occurrence: Not less than \$30,000,000 combining primary and excess

Workers' Compensation: Statutory benefits for state where work will be performed.

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EXHIBIT A

FORM OF ASSIGNMENT AND ACCEPTANCE AGREEMENT

THIS ASSIGNMENT AND ACCEPTANCE AGREEMENT dated as of _____, 20 (the "**Agreement**") by and among _____ (the "**Assignor**"), _____ (the "**Assignee**"), and KEYBANK NATIONAL ASSOCIATION, as Agent (the "**Agent**").

WHEREAS, the Assignor is a Lender under that certain Construction Loan Agreement dated as of May 2, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "**Construction Loan Agreement**"), by and among Corporate Office Properties, L.P. (the "**Borrower**"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "**Lenders**"), the Agent and the other parties thereto;

WHEREAS, the Assignor desires to assign to the Assignee, among other things, all or a portion of the Assignor's Loans under the Construction Loan Agreement, all on the terms and conditions set forth herein; and

WHEREAS, the Agent consents to such assignment on the terms and conditions set forth herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged by the parties hereto, the parties hereto hereby agree as follows:

Section 1. Assignment.

(a) Subject to the terms and conditions of this Agreement and in consideration of the payment to be made by the Assignee to the Assignor pursuant to Section 2 of this Agreement, effective as of _____, 20 (the "**Assignment Date**"), the Assignor hereby irrevocably sells, transfers and assigns to the Assignee, without recourse, \$ _____ of the outstanding principal amount of the Loans made by the Assignor (such interest being the "**Assigned Loans**", which represents % in respect of the aggregate amount of all outstanding Loans) and all voting rights of the Assignor associated with the Assigned Loans, all rights to receive interest on such amount of Loans and all Fees with respect to the Assigned Loans and other rights of the Assignor under the Construction Loan Agreement and the other Loan Documents with respect to the Assigned Loans. The Assignee, subject to the terms and conditions hereof, hereby assumes all obligations of the Assignor with respect to the Assigned Loans as if the Assignee were an original Lender under and signatory to the Construction Loan Agreement having a Loans equal to the Assigned Loans, which obligations shall include, but shall not be limited to, the obligation to indemnify the Agent as provided therein (the foregoing enumerated obligations, together with all other similar obligations more particularly set forth in the Construction Loan Agreement and the other Loan Documents, collectively, the "**Assigned Obligations**"). The Assignor shall have no further duties or obligations with respect to, and shall have no further interest in, the Assigned Obligations or the Assigned Loans from and after the Assignment Date.

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(b) The assignment by the Assignor to the Assignee hereunder is without recourse to the Assignor. The Assignee makes and confirms to the Agent, the Assignor, and the other Lenders all of the representations, warranties and covenants of a Lender under Article XI. of the Construction Loan Agreement. Not in limitation of the foregoing, the Assignee acknowledges and agrees that, except as set forth in Section 4 below, the Assignor is making no representations or warranties with respect to, and the Assignee hereby releases and discharges the Assignor for any responsibility or liability for: (i) the present or future solvency or financial condition of the Borrower, any Subsidiary or any other Loan Party, (ii) any representations, warranties, statements or information made or furnished by the Borrower, any Subsidiary or any other Loan Party in connection with the Construction Loan Agreement or otherwise, (iii) the validity, efficacy, sufficiency, or enforceability of the Construction Loan Agreement, any other Loan Document or any other document or instrument executed in connection therewith, or the collectibility of the Assigned Obligations, (iv) the perfection, priority or validity of any Lien with respect to any collateral at any time securing the Obligations or the Assigned Obligations under the Notes or the Construction Loan Agreement and (v) the performance or failure to perform by the Borrower or any other Loan Party of any obligation under the Construction Loan Agreement or any other Loan Document to which it is a party. Further, the Assignee acknowledges that it has, independently and without reliance upon the Agent, or on any affiliate or subsidiary thereof, the Assignor or any other Lender and based on the financial statements supplied by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to become a Lender under the Construction Loan Agreement. The Assignee also acknowledges that it will, independently and without reliance upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Construction Loan Agreement or any other Loan Documents or pursuant to any other obligation. Except as expressly provided in the Construction Loan Agreement, the Agent shall have no duty or responsibility whatsoever, either initially or on a continuing basis, to provide the Assignee with any credit or other information with respect to the Borrower or any other Loan Party or to notify the Assignee of any Default or Event of Default. The Assignee has not relied on the Agent as to any legal or factual matter in connection therewith or in connection with the transactions contemplated thereunder.

Section 2. Payment by Assignee. In consideration of the assignment made pursuant to Section 1 of this Agreement, the Assignee agrees to pay to the Assignor on the Assignment Date, such amount as they may agree.

Section 3. Payments by Assignor. The Assignor agrees to pay to the Agent on the Assignment Date the administration fee, if any, payable under the applicable provisions of the Construction Loan Agreement.

Section 4. Representations and Warranties of Assignor. The Assignor hereby represents and warrants to the Assignee that (a) as of the Assignment Date (i) the Assignor is a Lender under the Construction Loan Agreement and that the Assignor is not in default of its obligations under the Construction Loan Agreement; and (ii) the outstanding balance of Loans owing to the Assignor (without reduction by any assignments thereof which have not yet become effective) is

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\$ _____; and (b) it is the legal and beneficial owner of the Assigned Loans which are free and clear of any adverse claim created by the Assignor.

Section 5. Representations, Warranties and Agreements of Assignee. The Assignee (a) represents and warrants that it is (i) legally authorized to enter into this Agreement, (ii) an "accredited investor" (as such term is used in Regulation D of the Securities Act) and (iii) an Eligible Assignee; (b) confirms that it has received a copy of the Construction Loan Agreement, together with copies of the most recent financial statements delivered pursuant thereto and such other documents and information (including without limitation the Loan Documents) as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (c) appoints and

authorizes the Agent to take such action as contractual representative on its behalf and to exercise such powers under the Loan Documents as are delegated to the Agent by the terms thereof together with such powers as are reasonably incidental thereto; and (d) agrees that it will become a party to and shall be bound by the Construction Loan Agreement and the other Loan Documents to which the other Lenders are a party on the Assignment Date and will perform in accordance therewith all of the obligations which are required to be performed by it as a Lender.

Section 6. Recording and Acknowledgment by the Agent. Following the execution of this Agreement, the Assignor will deliver to the Agent (a) a duly executed copy of this Agreement for acknowledgment and recording by the Agent and (b) the Assignor's Note. Upon such acknowledgment and recording, from and after the Assignment Date, the Agent shall make all payments in respect of the interest assigned hereby (including payments of principal, interest, Fees and other amounts) to the Assignee. The Assignor and the Assignee shall make all appropriate adjustments in payments under the Construction Loan Agreement for periods prior to the Assignment Date directly between themselves.

Section 7. Addresses. The Assignee specifies as its address for notices and its Lending Office for all Loans, the offices set forth below:

Notice Address:

Telephone No.:

Telecopy No.:

Lending Office:

Telephone No.:

Telecopy No.:

Section 8. Payment Instructions. All payments to be made to the Assignee under this Agreement by the Assignor, and all payments to be made to the Assignee under the Construction Loan Agreement, shall be made as provided in the Construction Loan Agreement in accordance with the following instructions:

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Section 9. Effectiveness of Assignment. This Agreement, and the assignment and assumption contemplated herein, shall not be effective until (a) this Agreement is executed and delivered by each of the Assignor, the Assignee, the Agent, and if required under Section 12.5.(d) of the Construction Loan Agreement, the Borrower, and (b) the payment to the Assignor of the amounts, if any, owing by the Assignee pursuant to Section 2 hereof and (c) the payment to the Agent of the amounts, if any, owing by the Assignor pursuant to Section 3 hereof. Upon recording and acknowledgment of this Agreement by the Agent, from and after the Assignment Date, (i) the Assignee shall be a party to the Construction Loan Agreement and, to the extent provided in this Agreement, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Agreement, relinquish its rights (except as otherwise provided in Section 12.10, of the Construction Loan Agreement) and be released from its obligations under the Construction Loan Agreement; provided, however, that if the Assignor does not assign its entire interest under the Loan Documents, it shall remain a Lender entitled to all of the benefits and subject to all of the obligations thereunder with respect to its Commitment.

Section 10. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

Section 11. Counterparts. This Agreement may be executed in any number of counterparts each of which, when taken together, shall constitute one and the same agreement.

Section 12. Headings. Section headings have been inserted herein for convenience only and shall not be construed to be a part hereof.

Section 13. Amendments; Waivers. This Agreement may not be amended, changed, waived or modified except by a writing executed by the Assignee and the Assignor; provided, however, any amendment, waiver or consent which shall affect the rights or duties of the Agent under this Agreement shall not be effective unless signed by the Agent.

Section 14. Entire Agreement. This Agreement embodies the entire agreement between the Assignor and the Assignee with respect to the subject matter hereof and supersedes all other prior arrangements and understandings relating to the subject matter hereof.

Section 15. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 16. Definitions. Terms not otherwise defined herein are used herein with the respective meanings given them in the Construction Loan Agreement.

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[Include this Section only if Borrower's consent is required under Section 12.5.(d)] Section 17. Agreements of the Borrower. The Borrower hereby agrees that the Assignee shall be a Lender under the Construction Loan Agreement having Loans equal to principal amount of the Assigned Loans. The Borrower agrees that the Assignee shall have all of the rights and remedies of a Lender under the Construction Loan Agreement and the other Loan Documents as if the Assignee were an original Lender under and signatory to the Construction Loan Agreement, including, but not limited to, the right of a Lender to receive payments of principal and interest with respect to the Assigned Obligations and to receive the commitment and other Fees payable to the Lenders as provided in the Construction Loan Agreement. Further, the Assignee shall be entitled to the indemnification provisions from the Borrower in favor of the Lenders as provided in the Construction Loan Agreement and the other Loan Documents. The Borrower further agrees, upon the execution and delivery of this Agreement, to execute in favor of the Assignee Notes as required by Section 12.5.(d) of the Construction Loan Agreement. Upon receipt by the Assignor of the amounts due the Assignor under Section 2, the Assignor agrees to surrender to the Borrower such Assignor's Notes.]

[Signatures on Following Pages]

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IN WITNESS WHEREOF, the parties hereto have duly executed this Assignment and Acceptance Agreement as of the date and year first written above.

ASSIGNOR:

[NAME OF ASSIGNOR]

By:

Name: _____
Title: _____

ASSIGNEE:

[NAME OF ASSIGNEE]

By:

Name: _____
Title: _____

Accepted as of the date first written above.

AGENT:

KEYBANK NATIONAL ASSOCIATION, as
Agent

By:

Name: _____
Title: _____

[Signatures Continued on Following Page]

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*[Include signature of the Borrower only if required
under Section 12.5.(d) of the Construction Loan
Agreement]*

Agreed and consented to as of the
date first written above.

BORROWER:

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust, its
general partner

By:

Name: _____
Title: _____

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EXHIBIT B

FORM OF BORROWING BASE CERTIFICATE

Reference is made to that certain Construction Loan Agreement dated as of May 2, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "**Construction Loan Agreement**"), by and among Corporate Office Properties, L.P. (the "**Borrower**"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5, thereof and KeyBank National Association, as Agent (the "**Agent**"). Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Construction Loan Agreement.

Pursuant to Section 9.2.(b) of the Construction Loan Agreement, the undersigned hereby certifies to the Agent and the Lenders that:

1. Schedule 1 attached hereto accurately and completely sets forth the calculations required to establish the Borrowing Base as of _____, 20____, including, without limitation, the calculations of the Borrowing Base Value of each Borrowing Base Property.
2. The aggregate principal amount of all outstanding Loans as of the date hereof is \$ _____ and such amount does not exceed the Borrowing Base of \$ _____.
3. No Existing Credit Agreement Default, Default or Event of Default has occurred and is continuing, the Existing Credit Agreement Representations and the representations and warranties of the Borrower contained in the Construction Loan Agreement and the other Loan Documents are true and correct in all material respects, except to the extent such representations or warranties specifically relate to an earlier date or such representations or warranties become untrue by reason of events or conditions otherwise permitted under Existing Credit Agreement (with respect to the Existing Credit Agreement Representations), the Construction Loan Agreement or the

IN WITNESS WHEREOF, the undersigned has signed this Borrowing Base Certificate on and as of _____, _____.

Name: _____
Title: [Chief Financial Officer] [Treasurer]

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Schedule 1

[Spreadsheet to be provided]

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EXHIBIT C

FORM OF DRAW REQUEST

_____, 20____

KeyBank National Association, as Agent
127 Public Square, 8th Floor
Cleveland, Ohio 44114
Attention: John C. Scott

Ladies and Gentlemen:

Reference is made to that certain Construction Loan Agreement dated as of May 2, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "**Construction Loan Agreement**"), by and among Corporate Office Properties, L.P. (the "**Borrower**"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "**Lenders**"), KeyBank National Association, as Agent (the "**Agent**"), and the other parties thereto. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Construction Loan Agreement.

1. Pursuant to Section 2.1.(b) of the Construction Loan Agreement, the Borrower hereby requests that the Lenders make Loans to the Borrower in an aggregate principal amount equal to \$ _____.
2. The Borrowing Base Property with respect to which this request for Loans is made is _____.
3. Set forth on Schedule 1 is that portion of the hard costs and soft or indirect costs of Construction and completion of the Improvements set forth on the Total Development Budget that the Borrower has incurred and intends to pay with the proceeds of this Loan.
4. The Borrower requests that such Loans be made available to the Borrower on _____, 20____.

[Continued on Next Page]

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5. The Borrower hereby requests that the requested Loans all be of the following Type:

[Check one box only]

- Base Rate Loans
- LIBOR Loans, each with an initial Interest Period for a duration of:

- [Check one box only] seven days
- one month
- two months
- three months
- six months

6. The Borrower requests that the proceeds of this borrowing of Loans be made available to the Borrower by _____.

The Borrower hereby certifies to the Agent and the Lenders that as of the date hereof and as of the date of the making of the requested Loans and after giving effect thereto, (a) no Existing Credit Agreement Default, Default or Event of Default exists or shall exist, and (b) the Existing Credit Agreement Representations and the representations and warranties of the Borrower and each other Loan Party contained in the Loan Documents are and shall be true and correct in all material respects, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties were true and accurate on and as of such earlier date). In addition, the Borrower certifies to the Agent and the Lenders that all conditions to the making of the requested Loans contained in Articles V. and VI. of the Construction Loan Agreement will have been satisfied (or waived in accordance with the applicable provisions of the Loan Documents) at the time such Loans are made, including, without limitation, that the Project Equity has been funded with respect to the applicable Borrowing Base Property.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Notice of Borrowing as of the date first written above.

By: Corporate Office Properties Trust, its
general partner

By: _____
Name: _____
Title: _____

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EXHIBIT D

FORM OF GUARANTY

THIS GUARANTY dated as of May 2, 2008, executed and delivered by each of the undersigned and the other Persons from time to time party hereto pursuant to the execution and delivery of an Accession Agreement in the form of Annex I hereto (all of the undersigned, together with such other Persons, each a "Guarantor" and collectively, the "Guarantors") in favor of (a) KEYBANK NATIONAL ASSOCIATION, in its capacity as Agent (the "Agent") for the Lenders under that certain Construction Loan Agreement dated as of May 2, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Construction Loan Agreement"), by and among Corporate Office Properties, L.P. (the "Borrower"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), the Agent, and the other parties thereto, and (b) the Lenders.

WHEREAS, pursuant to the Construction Loan Agreement, the Agent and the Lenders have agreed to make available to the Borrower certain financial accommodations on the terms and conditions set forth in the Construction Loan Agreement;

WHEREAS, the Borrower and the Guarantors, though separate legal entities, are mutually dependent on each other in the conduct of their respective businesses as an integrated operation and have determined it to be in their mutual best interests to obtain financing from the Agent and the Lenders through their collective efforts;

WHEREAS, each Guarantor acknowledges that it will receive direct and indirect benefits from the Agent and the Lenders making such financial accommodations available to the Borrower under the Construction Loan Agreement and, accordingly, each Guarantor is willing to guarantee the Borrower's obligations to the Agent and the Lenders on the terms and conditions contained herein; and

WHEREAS, each Guarantor's execution and delivery of this Guaranty is a condition to the Agent and the Lenders making, and continuing to make, such financial accommodations to the Borrower.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and as a material inducement to Lenders to extend credit to the Borrower, the Guarantors hereby guarantee to the Agent and the Lenders the prompt and full payment and performance of the indebtedness and obligations described below in this Guaranty (collectively called the "Guaranteed Obligations"), this Guaranty being upon the following terms and conditions:

1. Guaranty of Payment. Each Guarantor hereby absolutely, irrevocably and unconditionally guarantees the due and punctual payment and performance when due, whether at stated maturity, by acceleration or otherwise, of all of the following: (a) all indebtedness and

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obligations owing by the Borrower to any Lender or the Agent under or in connection with the Construction Loan Agreement and any other Loan Document, including without limitation, the repayment of all principal of the Loans, and the payment of all interest, Fees, charges, attorneys' fees and other amounts payable to any Lender or the Agent thereunder or in connection therewith; (b) any and all extensions, renewals, modifications, amendments or substitutions of the foregoing; (c) all expenses, including, without limitation, reasonable attorneys' fees and disbursements, that are incurred by the Lenders and the Agent in the enforcement of any of the foregoing or any obligation of such Guarantor hereunder; and (d) all other Obligations. This Guaranty covers the Guaranteed Obligations, whether presently outstanding or arising subsequent to the date hereof, including all amounts advanced by Lenders in stages or installments and all amounts readvanced by the Lenders. The Guaranteed Obligations shall include, by way of illustration and not limitation, compliance with any Environmental Laws and indemnification of the Agent and the Lenders against any loss, claim, damage or liability arising out of, or with respect to, Hazardous Materials located on, or affecting all or any portion of the Borrowing Base Properties. The liability of the Guarantors with respect to Hazardous Materials and compliance with Environmental Laws with respect to a particular Borrowing Base Property shall survive until the date that is the earlier of (a) one (1) year after the date of the release of such Borrowing Base Property from the Borrowing Base, if applicable, or (b) one (1) year after the repayment of all of the Loans and Obligations. The guaranty of Guarantors as set forth in this Section 1 is a continuing guaranty of payment and not a guaranty of collection, and a debt of each Guarantor for its own account. Accordingly, none of the Lenders or the Agent shall be obligated or required before enforcing this Guaranty against any Guarantor: (a) to pursue any right or remedy any of them may have against the Borrower or any other Person or commence any suit or other proceeding against the Borrower or any other Person in any court or other tribunal; (b) to make any claim in a liquidation or bankruptcy of the Borrower or any other Person; or (c) to make demand of the Borrower or any other Person or to enforce or seek to enforce or realize upon any collateral security held by the Lenders or the Agent which may secure any of the Guaranteed Obligations.

2. Guaranty of Performance. Each Guarantor additionally hereby absolutely, unconditionally and irrevocably guarantees to the Agent and the Lenders the timely performance of all other obligations of the Borrower under all of the Loan Documents, including, without limiting the generality of the foregoing, that:

(a) all Improvements will be constructed in accordance with the Loan Agreement and with the Plans and Specifications;

(b) all Improvements will be completed, lien free, and ready for occupancy, including delivery of any permits, certificates or governmental approvals required by law or the Construction Loan Agreement, on or before the required Completion Date required in the Construction Loan Agreement; and

(c) Borrower will duly and punctually perform and observe all other terms, covenants, and conditions of the Notes, the Construction Loan Agreement and any other Loan Documents, whether according to the present terms thereof, at any earlier or accelerated date or dates as provided therein, or pursuant to any extension of time or to

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any change or changes in the terms, covenants, or conditions thereof now or hereafter made or granted.

If any of such obligations of Borrower are not complied with, in any respect whatsoever, and without the necessity of any notice from the Agent or any Lender to any Guarantor, each Guarantor agrees to (i) assume all responsibility for the completion of the Improvements and, at Guarantor's own cost and expense, cause the Improvements to be fully completed in accordance with the Plans and Specifications and the Loan Documents; (ii) pay all bills in connection with the construction of the Improvements; and (iii) indemnify and hold the Agent and the Lenders harmless from any and all loss, cost, liability or expense that the Lender may suffer by reason of any such non-compliance. The Agent and the Lenders do not have and shall never have any obligation to complete the Improvements or take any such action. The obligations and liability of each Guarantor under this Section 2 shall not be limited or restricted by the existence of (or any terms of) the guaranty of payment under Section 1.

Section 3. Guaranty Absolute. Each Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the documents evidencing the same, regardless of any Applicable Law now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Agent or the Lenders with respect thereto. The liability of each Guarantor under this Guaranty shall be absolute, irrevocable and unconditional in accordance with its terms and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including without limitation, the following (whether or not such Guarantor consents thereto or has notice thereof):

(a) (i) any change in the amount, interest rate or due date or other term of any of the Guaranteed Obligations, (ii) any change in the time, place or manner of payment of all or any portion of the Guaranteed Obligations, (iii) any amendment or waiver of, or consent to the departure from or other indulgence with respect to, the Construction Loan Agreement, any other Loan Document, or any other document or instrument evidencing or relating to any Guaranteed Obligations, or (iv) any waiver, renewal, extension, addition, or supplement to, or deletion from, or any other action or inaction under or in respect of, the Construction Loan Agreement, any of the other Loan Documents, or any other documents, instruments or agreements relating to the Guaranteed Obligations or any other instrument or agreement referred to therein or evidencing any Guaranteed Obligations or any assignment or transfer of any of the foregoing;

(b) any lack of validity or enforceability of the Construction Loan Agreement, any of the other Loan Documents, or any other document, instrument or agreement referred to therein or evidencing any Guaranteed Obligations or any assignment or transfer of any of the foregoing;

(c) any furnishing to the Agent or the Lenders of any security for the Guaranteed Obligations, or any sale, exchange, release or surrender of, or realization on, any collateral securing any of the Obligations;

(d) any settlement or compromise of any of the Guaranteed Obligations, any security therefor, or any liability of any other party with respect to the Guaranteed Obligations, or any

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subordination of the payment of the Guaranteed Obligations to the payment of any other liability of the Borrower or any other Loan Party;

(e) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to such Guarantor, the Borrower, any other Loan Party or any other Person, or any action taken with respect to this Guaranty by any trustee or receiver, or by any court, in any such proceeding;

(f) any act or failure to act by the Borrower, any other Loan Party or any other Person which may adversely affect such Guarantor's subrogation rights, if any, against the Borrower to recover payments made under this Guaranty;

(g) any nonperfection or impairment of any security interest or other Lien on any collateral, if any, securing in any way any of the Obligations;

(h) any application of sums paid by the Borrower or any other Person with respect to the liabilities of the Borrower to the Agent or the Lenders, regardless of what liabilities of the Borrower remain unpaid;

(i) any defect, limitation or insufficiency in the borrowing powers of the Borrower or in the exercise thereof; or

(j) any other circumstance which might otherwise constitute a defense available to, or a discharge of, a Guarantor hereunder (other than infeasible payment and performance in full).

Section 4. Action with Respect to Guaranteed Obligations. The Lenders and the Agent may, at any time and from time to time, without the consent of, or notice to, any Guarantor, and without discharging any Guarantor from its obligations hereunder, take any and all actions described in Section 3 and may otherwise: (a) amend, modify, alter or supplement the terms of any of the Guaranteed Obligations, including, but not limited to, extending or shortening the time of payment of any of the Guaranteed Obligations or changing the interest rate that may accrue on any of the Guaranteed Obligations; (b) amend, modify, alter or supplement the Construction Loan Agreement or any other Loan Document; (c) sell, exchange, release or otherwise deal with all, or any part, of any collateral securing any of the Obligations; (d) release any other Loan Party or other Person liable in any manner for the payment or collection of the Guaranteed Obligations; (e) exercise, or refrain from exercising, any rights against the Borrower or any other Person; and (f) apply any sum, by whomsoever paid or however realized, to the Guaranteed Obligations in such order as the Lenders shall elect.

Section 5. Representations and Warranties. Each Guarantor hereby makes to the Agent and the Lenders all of the representations and warranties made by the Borrower with respect to or in any way relating to such Guarantor in the Existing Credit Agreement, the Construction Loan Agreement and the other Loan Documents, as if the same were set forth herein in full.

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Section 6. Covenants. Each Guarantor will comply with all covenants which the Borrower is to cause such Guarantor to comply with under the terms of the Construction Loan Agreement or any of the other Loan Documents.

Section 7. Waiver. Each Guarantor, to the fullest extent permitted by Applicable Law, hereby waives notice of acceptance hereof or any presentment, demand, protest or notice of any kind, and any other act or thing, or omission or delay to do any other act or thing, which in any manner or to any extent might vary the risk of such Guarantor or which otherwise might operate to discharge such Guarantor from its obligations hereunder.

Section 8. Inability to Accelerate Loan. If the Agent and/or the Lenders are prevented under Applicable Law or otherwise from demanding or accelerating payment of any of the Guaranteed Obligations by reason of any automatic stay or otherwise, the Agent and/or the Lenders shall be entitled to receive from each Guarantor, upon demand therefor, the sums which otherwise would have been due had such demand or acceleration occurred.

Section 9. Reinstatement of Guaranteed Obligations. If claim is ever made on the Agent or any Lender for repayment or recovery of any amount or amounts received in payment or on account of any of the Guaranteed Obligations, and the Agent or such Lender repays all or part of said amount by reason of (a) any judgment, decree or order of any court or administrative body of competent jurisdiction, or (b) any settlement or compromise of any such claim effected by the Agent or such Lender with any such claimant (including the Borrower or a trustee in bankruptcy for the Borrower), then and in such event each Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding on it, notwithstanding any revocation hereof or the cancellation of the Construction Loan Agreement, any of the other Loan Documents, or any other instrument evidencing any liability of the Borrower, and such Guarantor shall be and remain liable to the Agent or such Lender for the amounts so

repaid or recovered to the same extent as if such amount had never originally been paid to the Agent or such Lender.

Section 10. Subrogation. Upon the making by any Guarantor of any payment hereunder for the account of the Borrower, such Guarantor shall be subrogated to the rights of the payee against the Borrower; provided, however, that such Guarantor shall not enforce any right or receive any payment by way of subrogation or otherwise take any action in respect of any other claim or cause of action such Guarantor may have against the Borrower arising by reason of any payment or performance by such Guarantor pursuant to this Guaranty, unless and until all of the Guaranteed Obligations have been indefeasibly paid and performed in full. If any amount shall be paid to any Guarantor on account of or in respect of such subrogation rights or other claims or causes of action, such Guarantor shall hold such amount in trust for the benefit of the Agent and the Lenders and shall forthwith pay such amount to the Agent to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms of the Construction Loan Agreement or to be held by the Agent as collateral security for any Guaranteed Obligations existing.

Section 11. Payments Free and Clear. All sums payable by any Guarantor hereunder, whether of principal, interest, Fees, expenses, premiums or otherwise, shall be paid in full, without set-off or counterclaim or any deduction or withholding whatsoever (including any

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Taxes), and if any Guarantor is required by Applicable Law or by a Governmental Authority to make any such deduction or withholding, such Guarantor shall pay to the Agent and the Lenders such additional amount as will result in the receipt by the Agent and the Lenders of the full amount payable hereunder had such deduction or withholding not occurred or been required.

Section 12. Set-off. In addition to any rights now or hereafter granted under any of the other Loan Documents or Applicable Law and not by way of limitation of any such rights, each Guarantor hereby authorizes the Agent and each Lender, at any time during the continuance of an Event of Default, without any prior notice to such Guarantor or to any other Person, any such notice being hereby expressly waived, but in the case of a Lender or Participant subject to receipt of the prior written consent of the Agent exercised in its sole discretion, to set off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured) and any other indebtedness at any time held or owing by the Agent, such Lender, or any affiliate of the Agent or such Lender, to or for the credit or the account of such Guarantor against and on account of any of the Guaranteed Obligations, although such obligations shall be contingent or unmatured. Each Guarantor agrees, to the fullest extent permitted by Applicable Law, that any Participant may exercise rights of setoff or counterclaim and other rights with respect to its participation as fully as if such Participant were a direct creditor of such Guarantor in the amount of such participation.

Section 13. Subordination. Each Guarantor hereby expressly covenants and agrees for the benefit of the Agent and the Lenders that all obligations and liabilities of the Borrower to such Guarantor of whatever description, including without limitation, all intercompany receivables of such Guarantor from the Borrower (collectively, the "**Junior Claims**") shall be subordinate and junior in right of payment to all Guaranteed Obligations. If an Event of Default shall exist, then no Guarantor shall accept any direct or indirect payment (in cash, property or securities, by setoff or otherwise) from the Borrower on account of or in any manner in respect of any Junior Claim until all of the Guaranteed Obligations have been indefeasibly paid in full.

Section 14. Avoidance Provisions. It is the intent of each Guarantor, the Agent and the Lenders that in any Proceeding, such Guarantor's maximum obligation hereunder shall equal, but not exceed, the maximum amount which would not otherwise cause the obligations of such Guarantor hereunder (or any other obligations of such Guarantor to the Agent and the Lenders) to be avoidable or unenforceable against such Guarantor in such Proceeding as a result of Applicable Law, including without limitation, (a) Section 548 of the Bankruptcy Code of 1978, as amended (the "**Bankruptcy Code**") and (b) any state fraudulent transfer or fraudulent conveyance act or statute applied in such Proceeding, whether by virtue of Section 544 of the Bankruptcy Code or otherwise. The Applicable Laws under which the possible avoidance or unenforceability of the obligations of each Guarantor hereunder (or any other obligations of the Guarantor to the Agent and the Lenders) shall be determined in any such Proceeding are referred to as the "**Avoidance Provisions**". Accordingly, to the extent that the obligations of any Guarantor hereunder would otherwise be subject to avoidance under the Avoidance Provisions, the maximum Guaranteed Obligations for which such Guarantor shall be liable hereunder shall be reduced to that amount which, as of the time any of the Guaranteed Obligations are deemed to have been incurred under the Avoidance Provisions, would not cause the obligations of such

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Guarantor hereunder (or any other obligations of such Guarantor to the Agent and the Lenders), to be subject to avoidance under the Avoidance Provisions. This Section is intended solely to preserve the rights of the Agent and the Lenders hereunder to the maximum extent that would not cause the obligations of any Guarantor hereunder to be subject to avoidance under the Avoidance Provisions, and no Guarantor or any other Person shall have any right or claim under this Section as against the Agent and the Lenders that would not otherwise be available to such Person under the Avoidance Provisions.

Section 15. Information. Each Guarantor assumes all responsibility for being and keeping itself informed of the financial condition of the Borrower, and of all other circumstances bearing upon the risk of nonpayment of any of the Guaranteed Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that none of the Agent or the Lenders shall have any duty whatsoever to advise such Guarantor of information regarding such circumstances or risks.

Section 16. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

SECTION 17. WAIVER OF JURY TRIAL.

(a) EACH PARTY HERETO ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN OR AMONG ANY OF THE GUARANTORS, THE AGENT OR ANY OF THE LENDERS WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND WOULD RESULT IN DELAY AND EXPENSE TO THE PARTIES. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE LENDERS, THE AGENT AND THE GUARANTORS HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST ANY PARTY HERETO ARISING OUT OF THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR BY REASON OF ANY OTHER SUIT, CAUSE OF ACTION OR DISPUTE WHATSOEVER BETWEEN OR AMONG THE GUARANTORS, THE AGENT OR ANY OF THE LENDERS OF ANY KIND OR NATURE RELATING TO ANY OF THE LOAN DOCUMENTS.

(b) EACH GUARANTOR, THE AGENT AND EACH LENDER HEREBY AGREES THAT THE FEDERAL DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OR, AT THE OPTION OF THE AGENT, ANY STATE COURT LOCATED IN THE BOROUGH OF MANHATTAN, SHALL HAVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN OR AMONG SUCH GUARANTOR, THE AGENT OR ANY OF THE LENDERS, PERTAINING DIRECTLY OR INDIRECTLY TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR TO ANY MATTER ARISING HEREFROM OR THEREFROM. EACH GUARANTOR AND EACH OF THE LENDERS EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS

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WITH RESPECT TO SUCH CLAIMS OR DISPUTES. EACH PARTY FURTHER WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT FORUM AND EACH AGREES NOT TO PLEAD OR CLAIM THE SAME. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE AGENT OR ANY LENDER OR THE ENFORCEMENT BY THE AGENT OR ANY LENDER OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

(c) THE PROVISIONS OF THIS SECTION HAVE BEEN CONSIDERED BY EACH PARTY WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF, AND SHALL SURVIVE THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS, AND THE TERMINATION OF THIS GUARANTY.

Section 18. Loan Accounts. The Agent and each Lender may maintain books and accounts setting forth the amounts of principal, interest and other sums paid and payable with respect to the Guaranteed Obligations, and in the case of any dispute relating to any of the outstanding amount, payment or receipt of any of the Guaranteed Obligations or otherwise, the entries in such books and accounts shall be deemed conclusive evidence of the amounts and other matters set forth herein, absent manifest error. The failure of the Agent or any Lender to maintain such books and accounts shall not in any way relieve or discharge any Guarantor of any of its obligations hereunder.

Section 19. Waiver of Remedies. No delay or failure on the part of the Agent or any Lender in the exercise of any right or remedy it may have against any Guarantor hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by the Agent or any Lender of any such right or remedy shall preclude any other or further exercise thereof or the exercise of any other such right or remedy.

Section 20. Termination. This Guaranty shall remain in full force and effect until indefeasible payment in full of the Guaranteed Obligations and the other Obligations and the termination or cancellation of the Construction Loan Agreement in accordance with its terms.

Section 21. Successors and Assigns. Each reference herein to the Agent or the Lenders shall be deemed to include such Person's respective successors and assigns (including, but not limited to, any holder of the Guaranteed Obligations) in whose favor the provisions of this Guaranty also shall inure, and each reference herein to any Guarantor shall be deemed to include such Guarantor's successors and assigns, upon whom this Guaranty also shall be binding. The Lenders may, in accordance with the applicable provisions of the Construction Loan Agreement, assign, transfer or sell any Guaranteed Obligation, or grant or sell participations in any Guaranteed Obligations, to any Person without the consent of, or notice to, any Guarantor and without releasing, discharging or modifying such Guarantor's obligations hereunder. Subject to Section 12.8. of the Construction Loan Agreement, each Guarantor hereby consents to the

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delivery by the Agent or any Lender to any Assignee or Participant (or any prospective Assignee or Participant) of any financial or other information regarding the Borrower or such Guarantor. No Guarantor may assign or transfer its obligations hereunder to any Person without the prior written consent of all Lenders and any such assignment or other transfer to which all of the Lenders have not so consented shall be null and void.

Section 22. JOINT AND SEVERAL OBLIGATIONS. THE OBLIGATIONS OF THE GUARANTORS HEREUNDER SHALL BE JOINT AND SEVERAL, AND ACCORDINGLY, EACH GUARANTOR CONFIRMS THAT IT IS LIABLE FOR THE FULL AMOUNT OF THE "GUARANTEED OBLIGATIONS" AND ALL OF THE OBLIGATIONS AND LIABILITIES OF THE OTHER GUARANTOR HEREUNDER.

Section 23. Amendments. This Guaranty may not be amended except in writing signed by the Requisite Lenders (or all of the Lenders if required under the terms of the Construction Loan Agreement), the Agent and each Guarantor.

Section 24. Payments. All payments to be made by any Guarantor pursuant to this Guaranty shall be made in Dollars, in immediately available funds to the Agent at the Principal Office, not later than 2:00 p.m. on the date of demand therefor.

Section 25. Notices. All notices, requests and other communications hereunder shall be in writing (including facsimile transmission or similar writing) and shall be given (a) to each Guarantor at its address set forth below its signature hereto, (b) to the Agent or any Lender at its respective address for notices provided for in the Construction Loan Agreement, or (c) as to each such party at such other address as such party shall designate in a written notice to the other parties. Each such notice, request or other communication shall be effective (i) if mailed, when received or when receipt is refused; (ii) if telecopied, when transmitted; or (iii) if hand delivered, when delivered; provided, however, that any notice of a change of address for notices shall not be effective until received.

Section 26. Severability. In case any provision of this Guaranty shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 27. Headings. Section headings used in this Guaranty are for convenience only and shall not affect the construction of this Guaranty.

Section 28. Limitation of Liability. Neither the Agent nor any Lender, nor any affiliate, officer, director, employee, attorney, or agent of the Agent or any Lender, shall have any liability with respect to, and each Guarantor hereby waives, releases, and agrees not to sue any of them upon, any claim for any special, indirect, incidental, or consequential damages suffered or incurred by a Guarantor in connection with, arising out of, or in any way related to, this Guaranty or any of the other Loan Documents, or any of the transactions contemplated by this Guaranty, the Construction Loan Agreement or any of the other Loan Documents. Each Guarantor hereby waives, releases, and agrees not to sue the Agent or any Lender or any of the Agent's or any Lender's affiliates, officers, directors, employees, attorneys, or agents for punitive damages in

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respect of any claim in connection with, arising out of, or in any way related to, this Guaranty, the Construction Loan Agreement or any of the other Loan Documents, or any of the transactions contemplated by Construction Loan Agreement or financed thereby.

Section 29. Definitions. (a) For the purposes of this Guaranty:

"**Proceeding**" means, with respect to any Guarantor, any of the following: (i) a voluntary or involuntary case concerning such Guarantor shall be commenced under the Bankruptcy Code of 1978, as amended; (ii) a custodian (as defined in such Bankruptcy Code or any other applicable bankruptcy laws) is appointed for, or takes charge of, all or any substantial part of the property of such Guarantor; (iii) any other proceeding under any Applicable Law, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up or composition for adjustment of debts, whether now or hereafter in effect, is commenced relating to such Guarantor; (iv) such Guarantor is adjudicated insolvent or bankrupt; (v) any order of relief or other order approving any such case or proceeding is entered by a court of competent jurisdiction; (vi) such Guarantor makes a general assignment for the benefit of creditors; (vii) such Guarantor shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; (viii) such Guarantor shall call a meeting of its creditors with a view to arranging a composition or adjustment of its debts; (ix) such Guarantor shall by any act or failure to act indicate its consent to, approval of or acquiescence in any of the foregoing; or (x) any corporate action shall be taken by such Guarantor for the purpose of effecting any of the foregoing.

(b) Terms not otherwise defined herein are used herein with the respective meanings given them in the Construction Loan Agreement.

[Signature on Next Page]

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IN WITNESS WHEREOF, the Guarantor has duly executed and delivered this Guaranty as of the date and year first written above.

CORPORATE OFFICE PROPERTIES TRUST

By: _____
Name: Stephen E. Riffie
Title: Executive Vice President

[INSERT NAMES OF OTHER GUARANTORS]

Address for Notices for each Guarantor:

c/o Corporate Office Properties, L.P.
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Attention: General Counsel
Telephone Number: (443) 285-5400
Telecopy Number: (443) 285-7650

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ANNEX I

FORM OF ACCESSION AGREEMENT

THIS ACCESSION AGREEMENT dated as of _____, 20____, executed and delivered by _____, a _____ (the "New Guarantor"), in favor of (a) KEYBANK NATIONAL ASSOCIATION, in its capacity as Agent (the "Agent") for the Lenders under that certain Construction Loan Agreement dated as of May 2, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Construction Loan Agreement"), by and among CORPORATE OFFICE PROPERTIES, L.P. (the "Borrower"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), the Agent, and the other parties thereto, and (b) the Lenders.

WHEREAS, pursuant to the Construction Loan Agreement, the Agent and the Lenders have agreed to make available to the Borrower certain financial accommodations on the terms and conditions set forth in the Construction Loan Agreement;

WHEREAS, the Borrower, the New Guarantor, and the existing Guarantors, though separate legal entities, are mutually dependent on each other in the conduct of their respective businesses as an integrated operation and have determined it to be in their mutual best interests to obtain financing from the Agent and the Lenders through their collective efforts;

WHEREAS, the New Guarantor acknowledges that it will receive direct and indirect benefits from the Agent and the Lenders making such financial accommodations available to the Borrower under the Construction Loan Agreement, the New Guarantor is willing to guarantee the Borrower's obligations to the Agent and the Lenders;

WHEREAS, the New Guarantor's execution and delivery of this Agreement is a condition to the Agent and the Lenders continuing to make such financial accommodations to the Borrower;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the New Guarantor, the New Guarantor agrees as follows:

Section 1. Accession to Guaranty. The New Guarantor hereby agrees that it is a "Guarantor" under that certain Guaranty dated as of May 2, 2008 (as amended, supplemented, restated or otherwise modified from time to time, the "Guaranty"), made by each Subsidiary of the Borrower a party thereto in favor of the Agent and the Lenders and assumes all obligations of a "Guarantor" thereunder and agrees to be bound thereby, all as if the New Guarantor had been an original signatory to the Guaranty. Without limiting the generality of the foregoing, the New Guarantor hereby:

(a) irrevocably and unconditionally guarantees the due and punctual payment and performance when due, whether at stated maturity, by acceleration or otherwise, of all Guaranteed Obligations (as defined in the Guaranty);

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(b) makes to the Agent and the Lenders as of the date hereof each of the representations and warranties contained in Section 5 of the Guaranty, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date) and except for changes in factual circumstances not prohibited by the Guaranty, and agrees to be bound by each of the covenants contained in Section 6 of the Guaranty; and

(c) consents and agrees to each provision set forth in the Guaranty.

SECTION 2. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

[Signatures on Next Page]

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IN WITNESS WHEREOF, the New Guarantor has caused this Accession Agreement to be duly executed and delivered under seal by its duly authorized officers as of the date first written above.

[NEW GUARANTOR]

By: _____
Name: _____
Title: _____

Address for Notices:
c/o Corporate Office Properties, L.P.
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Attention: General Counsel
Telephone Number: (443) 285-5400
Telecopy Number: (443) 285-7650

Accepted:

KEYBANK NATIONAL
ASSOCIATION, as Agent

By: _____
Name: _____
Title: _____

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EXHIBIT E

FORM OF NOTICE OF CONTINUATION

,20

KeyBank National Association, as Agent
127 Public Square, 8th Floor
Cleveland, Ohio 44114
Attention: John C. Scott

Ladies and Gentlemen:

Reference is made to that certain Construction Loan Agreement dated as of May 2, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "**Construction Loan Agreement**"), by and among Corporate Office Properties, L.P. (the "**Borrower**"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "**Lenders**"), KeyBank National Association, as Agent (the "**Agent**"), and the other parties thereto. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Construction Loan Agreement.

Pursuant to Section 2.6. of the Construction Loan Agreement, the Borrower hereby requests a Continuation of a borrowing of Loans under the Construction Loan Agreement, and in that connection sets forth below the information relating to such Continuation as required by such Section of the Construction Loan Agreement:

1. The proposed date of such Continuation is _____, 20__ .
2. The aggregate principal amount of Loans subject to the requested Continuation is \$ _____ and was originally borrowed by the Borrower on _____, 20__ and applied to the following Borrowing Base Property: _____ .
3. The portion of such principal amount subject to such Continuation is \$ _____ .
4. The current Interest Period for each of the Loans subject to such Continuation ends on _____, 20__ .

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5. The duration of the new Interest Period for each of such Loans or portion thereof subject to such Continuation is:

- [Check one box only] seven days
 one month
 two months
 three months
 six months

The Borrower hereby certifies to the Agent and the Lenders that as of the date hereof, as of the proposed date of the requested Continuation, and after giving effect to such Continuation, no Existing Credit Agreement Default, Default or Event of Default exists or will exist.

If notice of the requested Continuation was given previously by telephone, this notice is to be considered the written confirmation of such telephone notice required by Section 2.6. of the Construction Loan Agreement.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Notice of Continuation as of the date first written above.

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust, its
general partner

By: _____
Name: _____
Title: _____

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EXHIBIT F

FORM OF NOTICE OF CONVERSION

, 20

KeyBank National Association, as Agent
127 Public Square, 8th Floor
Cleveland, Ohio 44114
Attention: John C. Scott

Ladies and Gentlemen:

Reference is made to that certain Construction Loan Agreement dated as of May 2, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "**Construction Loan Agreement**"), by and among Corporate Office Properties, L.P. (the "**Borrower**"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "**Lenders**"), KeyBank National Association, as Agent (the "**Agent**"), and the other parties thereto. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Construction Loan Agreement.

Pursuant to Section 2.7. of the Construction Loan Agreement, the Borrower hereby requests a Conversion of a borrowing of Loans of one Type into Loans of another Type under the Construction Loan Agreement, and in that connection sets forth below the information relating to such Conversion as required by such Section of the Construction Loan Agreement:

1. The proposed date of such Conversion is _____, 20 .
2. The Loans to be Converted pursuant hereto are **currently**:
[Check one box only] Base Rate Loans
 LIBOR Loans
3. The aggregate principal amount of Loans subject to the requested Conversion is \$ _____ and was originally borrowed by the Borrower on _____, 20 and applied to the following Borrowing Base Property _____.
4. The portion of such principal amount subject to such Conversion is \$ _____.

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-
5. The amount of such Loans to be so Converted is to be converted into Loans of the following Type:

[Check one box only]

- Base Rate Loans
- LIBOR Loans, each with an initial Interest Period for a duration of:

- [Check one box only]** seven days
 one month
 two months
 three months
 six months

The Borrower hereby certifies to the Agent and the Lenders that as of the date hereof and as of the date of the requested Conversion and after giving effect thereto, (a) no Existing Credit Agreement Default, Default or Event of Default exists or shall exist (provided the certification under this clause (a) shall not be made in connection with the Conversion of a Loan into a LIBOR Loan), and (b) the Existing Credit Agreement Representations and the representations and warranties of the Borrower and each other Loan Party contained in the Loan Documents are and shall be true and correct in all material respects, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties were true and accurate on and as of such earlier date).

If notice of the requested Conversion was given previously by telephone, this notice is to be considered the written confirmation of such telephone notice required by

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Notice of Conversion as of the date first written above.

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust, its
general partner

By: _____
Name: _____
Title: _____

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EXHIBIT G

FORM OF PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT dated as of May 2, 2008, executed and delivered by each of the undersigned and the other Persons who may become Pledgors hereunder pursuant to the execution and delivery of a Pledge Agreement Supplement substantially in the form of Annex 1 hereto (all of the undersigned each a "Pledgor" and collectively, the "Pledgors") in favor of (a) KEYBANK NATIONAL ASSOCIATION, in its capacity as Agent (the "Agent") for the Lenders under that certain Construction Loan Agreement dated as of May 2, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Construction Loan Agreement"), by and among Corporate Office Properties, L.P. (the "Borrower"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), the Agent, and the other parties thereto, and (b) the Lenders.

WHEREAS, pursuant to the Construction Loan Agreement, the Agent and the Lenders have agreed to make available to the Borrower certain financial accommodations on the terms and conditions set forth in the Construction Loan Agreement; and

WHEREAS, each Pledgor's execution and delivery of this Pledge Agreement is a condition to the Agent and the Lenders making, and continuing to make, such financial accommodations to the Borrower.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Pledge. As collateral for the Secured Obligations (as defined in Section 2 hereof), each Pledgor hereby pledges, hypothecates, assigns, transfers, sets over and delivers unto the Agent, for its own benefit and for the benefit of the Lenders, and grants to the Agent, for its own benefit and for the benefit of the Lenders, a security interest in, all of its right, title and interest in, to and under the following (collectively, the "Pledged Collateral"):

- (a) the Pledged Interests;
- (b) all distributions to which such Pledgor shall at any time be entitled in respect of the Pledged Interests;
- (c) all other payments due or to become due to such Pledgor in respect of any Pledged Interest, whether under any Organizational Document, any other agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

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(d) all of such Pledgor's claims, rights, powers, privileges, authority, puts, calls, options, security interests, liens and remedies, if any, in respect of the Pledged Interests under any Organizational Document, other agreement, at law or otherwise;

(e) all of such Pledgor's rights under any Organizational Document, other agreement or at law to exercise and enforce any and every right, power, remedy, authority, option and privilege of such Pledgor relating to any Pledged Interests including any power to (i) execute any instruments and to take any and all other action on behalf of and in the name of such Pledgor in respect of any Pledged Interests, (ii) exercise voting rights or make determinations, (iii) exercise any election (including, but not limited to, election of remedies), (iv) exercise any "put", right of first offer or first refusal, or other option, (v) exercise any right of redemption or repurchase, (vi) give or receive any notice, consent, amendment, waiver or approval, (vii) demand, receive, enforce, collect or receipt for any of the foregoing, (viii) enforce or execute any checks, or other instruments or orders, (ix) file any claims and to take any action in connection with any of the foregoing, or (x) otherwise act as if such Pledgor were the absolute owner of such Pledged Interests and all rights associated therewith;

(f) all other property hereafter delivered in substitution for or in addition to any of the foregoing;

(g) all certificates and instruments representing or evidencing any of the foregoing;

(h) all other rights, titles, interests, powers, privileges and preferences pertaining to any of the foregoing;

(i) all products and proceeds of any of the foregoing; and

(j) all cash, securities, interest, distributions, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof.

Section 2. Obligations Secured. This Agreement is made, and the security interest created hereby is granted to the Agent, for its own benefit and for the benefit of the Lenders, to secure the prompt performance and payment in full of the following (collectively, the "Secured Obligations"): (a) all of the Obligations; (b) all of the Pledgors' obligations under this Agreement; and (c) all reasonable costs and expenses incurred by the Agent, the Lenders or their respective counsel in connection with the realization of the security for which this Agreement provides, including, without limitation, all reasonable attorney's fees and reasonable costs and expenses of any proceedings to which this Agreement may give rise.

Section 3. Representations and Warranties. Each Pledgor hereby represents and warrants to the Agent and the Lenders as follows:

(a) Validly Issued, etc. All of the Pledged Interests have been duly authorized and are validly issued.

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(b) Title and Liens. Such Pledgor is the sole legal and beneficial owner of the Pledged Collateral pledged by it and none of the Pledged Collateral is subject to any Lien. No financing statement under the Uniform Commercial Code of any jurisdiction which names any Pledgor as debtor or covers any of the Pledged Collateral, or any other notice filed in the public records indicating the existence of a Lien thereon, has been filed and is still effective in any state or other jurisdiction, other than Uniform Commercial Code financing statements filed in favor of the Agent, and no Pledgor has signed any such financing statement or notice or any security agreement or other document authorizing the filing of any such financing statement or notice, other than Uniform Commercial Code financing statements filed in favor of the Agent for its own benefit and for the benefit of the Lenders.

(c) Name: Chief Executive Office. The correct legal name of each Pledgor is set forth in the signature pages to this Agreement. The chief executive office and principal place of business of each Pledgor is located at 6711 Columbia Gateway Drive, Suite 300, Columbia, Maryland 21046 and the location of each Pledgor's books and records relating to the Pledged Collateral is 6711 Columbia Gateway Drive, Suite 300, Columbia, Maryland 21046.

Section 4. Covenants. Each Pledgor hereby unconditionally covenants and agrees as follows:

(a) No Liens; No Sale of Pledged Collateral. Such Pledgor will not create, assume, incur or permit or suffer to exist or to be created, assumed or incurred, any Lien on any of the Pledged Collateral (or any interest therein), nor, sell, lease, assign, transfer or otherwise dispose of all or any portion of the Pledged Collateral (or any interest therein).

(b) Change of Locations, Name, Etc. Without giving the Agent at least 30 days' prior written notice, such Pledgor will not change its name, identity, state of organization, or structure.

Section 5. Registration in Nominee Name, Denominations. The Agent shall have the right (in its sole and absolute discretion) to hold any Equity Interests which are part of the Pledged Collateral in its own name as pledgee, the name of its nominee (as Agent or as sub-agent) or the name of the Pledgor thereof, endorsed or assigned in blank or in favor of the Agent. Such Pledgor will promptly give to the Agent copies of any notices or other communications received by it with respect to any such Equity Interests constituting Pledged Collateral registered in the name of such Pledgor. The Agent shall at all times have the right to request that each Issuer of any Pledged Collateral issue certificates representing the Pledged Collateral and to exchange the certificates representing such Pledged Collateral for certificates of smaller or larger numbers of shares for any purpose consistent with this Agreement.

Section 6. Voting Rights; Dividends, etc.

(a) So long as no Event of Default shall have occurred and be continuing:

(i) each Pledgor shall be entitled to exercise any and all voting and/or consensual rights and powers accruing to an owner of the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms and conditions of this Agreement

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or any agreement giving rise to or otherwise relating to any of the Secured Obligations; provided, however, that no Pledgor shall exercise, or refrain from exercising, any such right or power if any such action would have a material adverse effect on the value of such Pledged Collateral; and

(ii) each Pledgor shall be entitled to retain and use any and all cash distributions paid on the Pledged Collateral, but any and all equity and/or liquidating distributions, other distributions in property, return of capital or other distributions made on or in respect of Pledged Collateral, whether resulting from a subdivision, combination or reclassification of outstanding Equity Interests which are pledged hereunder or received in exchange for Pledged Collateral or any part thereof or as a result of any merger, consolidation, acquisition or other exchange of assets or on the liquidation, whether voluntary or involuntary, of any Issuer, or otherwise, shall be and become part of the Pledged Collateral pledged hereunder and, if received by such Pledgor, shall forthwith be delivered to the Agent to be held as collateral subject to the terms and conditions of this Agreement.

The Agent agrees to execute and deliver to each Pledgor, or cause to be executed and delivered to such Pledgor, as appropriate, at the sole cost and expense of such Pledgor, all such proxies, powers of attorney, dividend orders and other instruments as such Pledgor may reasonably request for the purpose of enabling such Pledgor to exercise the voting and/or consensual rights and powers which such Pledgor is entitled to exercise pursuant to clause (i) above and/or to receive the distributions and other amounts which such Pledgor is authorized to retain pursuant to clause (ii) above.

(b) Upon the occurrence of an Event of Default, all rights of the Pledgors to exercise the voting and/or consensual rights and powers which the Pledgors are entitled to exercise pursuant to subsection (a)(i) above and/or to receive the distributions and other amounts which the Pledgors are authorized to receive and retain pursuant to subsection (a)(ii) above shall cease, and all such rights thereupon shall become immediately vested in the Agent, which shall have, to the extent permitted by law, the sole and exclusive right and authority to exercise such voting and/or consensual rights and powers which the Pledgors shall otherwise be entitled to exercise pursuant to subsection (a) (i) above and/or to receive and retain the distributions and other amounts which the Pledgors shall otherwise be authorized to retain pursuant to subsection (a)(ii) above. Any and all money and other property paid over to or received by the Agent pursuant to the provisions of this subsection (b) shall be retained by the Agent as additional collateral hereunder and shall be applied in accordance with the provisions of Section 9. If any Pledgor shall receive any distributions or other property which it is not entitled to receive under this Section, such Pledgor shall hold the same in trust for the Agent and the Lenders, without commingling the same with other funds or property of or held by such Pledgor, and shall promptly deliver the same to the Agent upon receipt by such Pledgor in the identical form received, together with any necessary endorsements.

Section 7. Event of Default Defined. For purposes of this Agreement, "**Event of Default**" shall mean any of the following events, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any

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judgment or order of any court or any order, rule or regulation of any governmental or nongovernmental body: (i) the failure of any Pledgor to comply with any of the terms and provisions of this Agreement; (ii) the occurrence of an "Event of Default" as such term is defined in the Construction Loan Agreement; or (iii) any action is taken by the issuer of any Pledged Interests or the members or trustees thereof to amend or modify the Organizational Documents in a manner that would adversely affect (A) the voting, liquidation, preference, redemption or other similar rights of any holder of the Pledged Interests or, (B) the Agent's or the Lenders' rights or remedies under this Pledge Agreement.

Section 8. Remedies upon Default.

(a) In addition to any right or remedy that the Agent or any Lender may have under the Construction Loan Agreement or any other Loan Document or otherwise under applicable law, if an Event of Default shall have occurred, the Agent may exercise any and all the rights and remedies of a secured party under the Uniform Commercial Code as in effect in any applicable jurisdiction and may otherwise sell, assign, transfer, endorse and deliver the whole or, from time to time, any part of the Pledged Collateral at a public or private sale or on any securities exchange, for cash, upon credit or for other property, for immediate or future delivery, and for such price or prices and on such terms as the Agent in its discretion shall deem appropriate. The Agent shall be authorized at any sale (if they deem it advisable to do so) to restrict the prospective bidders or purchasers to Persons who will represent and agree that they are purchasing the Pledged Collateral for their own account in compliance with the Securities Act and upon consummation of any such sale the Agent shall have the right to assign, transfer, endorse and deliver to the purchaser or purchasers thereof the Pledged Collateral so sold. Each purchaser at any sale of Pledged Collateral shall take and hold the property sold absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives (to the fullest extent permitted by applicable law) all rights of redemption, stay and/or appraisal which such Pledgor now has or may at any time in the future have under any applicable law now existing or hereafter enacted. Each Pledgor agrees that, to the extent notice of sale shall be required by applicable law, at least ten days' prior written notice to such Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, but notice given in any other reasonable manner or at any other reasonable time shall also constitute reasonable notification. Such notice, in case of public sale, shall state the time and place for such sale, and, in the case of sale on a securities exchange, shall state the exchange on which such sale is to be made and the day on which the Pledged Collateral, or portion thereof, will first be offered for sale at such exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Agent may fix and shall state in the notice or publication (if any) of such sale. At any such sale, the Pledged Collateral, or portion thereof to be sold, may be sold in one lot as an entirety or in separate parcels, as the Agent may determine in its sole and absolute discretion. Neither the Agent nor any Lender shall be obligated to make any sale of the Pledged Collateral if it shall determine not to do so regardless of the fact that notice of sale of the Pledged Collateral may have been given. The Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case the sale of all or any part of the Pledged Collateral is made

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on credit or for future delivery, the Pledged Collateral so sold may be retained by the Agent until the sale price is paid by the purchaser or purchasers thereof, but neither the Agent nor any Lender shall incur any liability to any Pledgor in case any such purchaser or purchasers shall fail to take up and pay for the Pledged Collateral so sold and, in case of any such failure, such Pledged Collateral may be sold again upon like notice. At any public sale made pursuant to this Agreement, the Agent or any Lender, to the extent permitted by applicable law, may bid for or purchase, free from any right of redemption, stay and/or appraisal on the part of any Pledgor (all said rights being also hereby waived and released to the extent permitted by applicable law), any part of or all the Pledged Collateral offered for sale and may make payment on account thereof by using any claim then due and payable to the Agent or any Lender from any Pledgor as a credit against the purchase price, and the Agent and the Lenders may, upon compliance with the terms of sale and to the extent permitted by applicable law, hold, retain and dispose of such property without further accountability to any Pledgor therefor. For purposes hereof, a written agreement to purchase all or any part of the Pledged Collateral shall be treated as a sale thereof; the Agent shall be free to carry out such sale pursuant to such agreement and no Pledgor shall be entitled to the return of any Pledged Collateral subject thereto, notwithstanding the fact that after the Agent shall have entered into such an agreement all Events of Default may have been remedied or the Secured Obligations may have been paid in full as herein provided. Each Pledgor hereby waives any right to require any marshaling of assets and any similar right.

(b) In addition to exercising the power of sale herein conferred upon it, the Agent shall also have the option to proceed by suit or suits at law or in equity to foreclose this Agreement and sell the Pledged Collateral or any portion thereof pursuant to judgment or decree of a court or courts having competent jurisdiction.

(c) The rights and remedies of the Agent and the Lenders under this Agreement are cumulative and not exclusive of any rights or remedies which they would otherwise have.

Section 9. Application of Proceeds of Sale and Cash. The proceeds of any sale of the whole or any part of the Pledged Collateral, together with any other moneys held by the Agent or any Lender under the provisions of this Agreement, shall be applied in accordance with the Construction Loan Agreement. The Pledgor shall remain liable and will pay, on demand, any deficiency remaining in respect of the Secured Obligations.

Section 10. Agent Appointed Attorney-in-Fact. Each Pledgor hereby constitutes and appoints the Agent as the attorney-in-fact of such Pledgor with full power of substitution either in the Agent's name or in the name of such Pledgor to do any of the following: (a) to perform any obligation of such Pledgor hereunder in such Pledgor's name or otherwise; (b) upon an Event of Default, to ask for, demand, sue for, collect, receive, receipt and give acquittance for any and all moneys due or to become due under and by virtue of any Pledged Collateral; (c) to prepare, execute, file, record or deliver notices, assignments, financing statements, continuation statements, applications for registration or like papers to perfect, preserve or release the Agent's security interest in the Pledged Collateral or any of the documents, instruments, certificates and agreements described in Section 13.(b); (d) to verify facts concerning the Pledged Collateral in its own name or a fictitious name; (e) upon an Event of Default, to endorse checks, drafts, orders and other instruments for the payment of money payable to such Pledgor, representing any

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interest or dividend or other distribution payable in respect of the Pledged Collateral or any part thereof or on account thereof and to give full discharge for the same; (f) upon an Event of Default, to exercise all rights, powers and remedies which such Pledgor would have, but for this Agreement, under the Pledged Collateral; and (g) to carry out the provisions of this Agreement and to take any action and execute any instrument (not taken or executed by such Pledgor promptly upon the request of the Agent) which the Agent may deem necessary or advisable to accomplish the purposes hereof, and to do all acts and things and execute all documents in the name of the Pledgor or otherwise, deemed by the Agent as necessary, proper and convenient in connection with the preservation, perfection or enforcement of its rights hereunder. Nothing herein contained shall be construed as requiring or obligating the Agent or any Lender to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or notice, or to take any action with respect to the Pledged Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken by the Agent or any Lender or omitted to be taken with respect to the Pledged Collateral or any part thereof shall give rise to any defense, counterclaim or offset in favor of any Pledgor or to any claim or action against the Agent or any Lender. The power of attorney granted herein is irrevocable and coupled with an interest.

Section 11. Reimbursement of Agent. Each Pledgor agrees to pay upon demand to the Agent the amount of any and all reasonable expenses, including the reasonable fees disbursements and other charges of its counsel and of any experts or agents, that the Agent may incur in connection with (a) the administration of this Agreement, (b) the custody or preservation of, or any sale of, collection from, or other realization upon, any of the Pledged Collateral, (c) the exercise or enforcement of any of the rights of the Agent or the Lenders hereunder, or (d) the failure by such Pledgor to perform or observe any of the provisions hereof. Any such amounts payable as provided hereunder shall be Secured Obligations.

Section 12. Further Assurances. Each Pledgor shall, at its sole cost and expense, take all action that may be necessary or desirable in the Agent's sole discretion, so as at all times to maintain the validity, perfection, enforceability and priority of the Agent's security interest in the Pledged Collateral, or to enable the Agent or the Lenders to exercise or enforce their respective rights hereunder, including without limitation (a) delivering to the Agent, endorsed or accompanied by such instruments of assignment as the Agent may specify, any and all chattel paper, instruments, letters of credit and all other advices of guaranty and documents evidencing or forming a part of the Pledged Collateral and (b) executing and delivering pledges, designations, notices and assignments, in each case in form and substance satisfactory to the Agent, relating to the creation, validity, perfection, priority or continuation of the security interest granted hereunder. Each Pledgor agrees to take, and authorizes the Agent to take on such Pledgor's behalf, any or all of the following actions with respect to any Pledged Collateral as the Agent shall deem necessary to perfect the security interest and pledge created

hereby or to enable the Agent to enforce its rights and remedies hereunder: (i) to register in the name of the Agent any Pledged Collateral in certificated or uncertificated form; (ii) to endorse in the name of the Agent any Pledged Collateral issued in certificated form; and (iii) by book entry or otherwise, identify as belonging to the Agent a quantity of securities or partnership interests that constitutes all or part of the Pledged Collateral registered in the name of the Agent. Notwithstanding the foregoing, each Pledgor agrees that Pledged Collateral which is not in certificated form or is

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otherwise in book-entry form shall be held for the account of the Agent. Each Pledgor hereby authorizes the Agent to file in all necessary and appropriate jurisdictions (as determined by the Agent) one or more financing or continuation statements (or any other document or instrument referred to in the immediately preceding clause (b)) in the name of such Pledgor. To the extent permitted by applicable law, a carbon, photographic, xerographic or other reproduction of this Agreement or any financing statement is sufficient as a financing statement. Any property comprising part of the Pledged Collateral required to be delivered to the Agent pursuant to this Pledge Agreement shall be accompanied by proper instruments of assignment duly executed by the Pledgors and by such other instruments or documents as the Agent may reasonably request.

Section 13. Securities Act. In view of the position of any Pledgor in relation to the Pledged Collateral, or because of other current or future circumstances, a question may arise under the Securities Act or any similar applicable law hereafter enacted analogous in purpose or effect (such Act and any such similar applicable law as from time to time in effect being called the “**Federal Securities Laws**”) with respect to any disposition of the Pledged Collateral permitted hereunder. Each Pledgor understands that compliance with the Federal Securities Laws might very strictly limit the course of conduct of the Agent if the Agent were to attempt to dispose of all or any part of the Pledged Collateral in accordance with the terms hereof, and might also limit the extent to which or the manner in which any subsequent transferee of any Pledged Collateral could dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Agent in any attempt to dispose of all or part of the Pledged Collateral in accordance with the terms hereof under applicable Blue Sky or other state securities laws or similar applicable law analogous in purpose or effect. Each Pledgor recognizes that in light of the foregoing restrictions and limitations the Agent may, with respect to any sale of the Pledged Collateral, limit the purchasers to those who will agree, among other things, to acquire such Pledged Collateral for their own account, for investment, and not with a view to the distribution or resale thereof. Each Pledgor acknowledges and agrees that in light of the foregoing restrictions and limitations, the Agent, in its sole and absolute discretion, may, in accordance with applicable law, (a) proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or part thereof shall have been filed under the Federal Securities Laws and (b) approach and negotiate with a single potential purchaser to effect such sale. Each Pledgor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, neither the Agent nor any Lender shall incur any responsibility or liability for selling all or any part of the Pledged Collateral in accordance with the terms hereof at a price that the Agent, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a single purchaser were approached. The provisions of this Section will apply notwithstanding the existence of public or private market upon which the quotations or sales prices may exceed substantially the price at which the Agent sells. If such registration statement is available at the time of disposing of any of the Equity Interests contained in the Pledged Collateral, the Agent agrees to use its reasonable best efforts to utilize such registration statement in connection with the disposition.

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Section 14. Investment Property. The Pledgor shall not, and shall not allow any issuer of any Pledged Collateral to elect that Pledged Interests except as directed or requested by the Agent be securities governed by Article 8 of the Uniform Commercial Code. No issuer of any Pledged Collateral has made such an election.

Section 15. Indemnification. Each Pledgor agrees to indemnify and hold the Agent, each Lender and any Person controlling, controlled by, or under common control with, the Agent or any Lender and any officer, attorney, director, shareholder, agent or employee of the Agent or any Lender or any such Person (each an “**Indemnified Person**”), harmless from and against any claim, loss, damage, action, cause of action, liability, cost and expense or suit of any kind or nature whatsoever (collectively, “**Losses**”), brought against or incurred by an Indemnified Person, in any manner arising out of or, directly or indirectly, related to or connected with this Agreement, including without limitation, the exercise by the Agent or any Lender of any of its rights and remedies under this Agreement or any other action taken by the Agent or any Lender pursuant to the terms of this Agreement; provided, however, the Pledgor shall not be liable to an Indemnified Person for any Losses to the extent that such Losses result from the willful misconduct or gross negligence of such Indemnified Person. The Pledgor’s obligations under this section shall survive the termination of this Agreement and the payment in full of the Secured Obligations.

Section 16. Security Interest Absolute. All rights of the Agent hereunder, the grant of a security interest in the Pledged Collateral and all obligations of the Pledgor hereunder, shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Note, any agreement with respect to any of the Secured Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of the payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from any of the documents, instruments or agreements evidencing any of the Secured Obligations, (c) any exchange, release or nonperfection of any other collateral, or any release or amendment or waiver of or consent to or departure from any guaranty, for all or any of the Secured Obligations or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Pledgor in respect of the Secured Obligations or in respect of this Agreement (other than the indefeasible payment in full of all the Secured Obligations).

Section 17. Continuing Security Interest. This Agreement shall create a continuing security interest in the Pledged Collateral and shall remain in full force and effect until it terminates in accordance with its terms. The Pledgors or the Agent hereby agree that the security interest created by this Agreement in the Pledged Collateral shall not terminate and shall continue and remain in full force and effect notwithstanding the transfer to the Pledgors or any person designated by it of all or any portion of the Pledged Collateral.

Section 18. No Waiver. Neither the failure on the part of the Agent or any Lender to exercise, nor the delay on its part in exercising any right, power or remedy hereunder, nor any course of dealing between the Agent or any Lender and any Pledgor shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy hereunder

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preclude any other or the further exercise thereof or the exercise of any other right, power or remedy.

Section 19. Notices. All notices, requests and other communications hereunder shall be in writing (including facsimile transmission or similar writing) and shall be given (a) to the Pledgor at its address set forth below its signature hereto, (b) to the Agent or any Lender at its respective address for notices provided for in the Construction Loan Agreement, or (c) as to each such party at such other address as such party shall designate in a written notice to the other parties. Each such notice, request or other communication shall be effective (i) if mailed, when received or when receipt is refused; (ii) if telecopied, when transmitted; or (iii) if hand delivered, when delivered; provided, however, that any notice of a change of address for notices shall not be effective until received.

SECTION 20. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

Section 21. Amendments. No amendment or waiver of any provision of this Agreement nor consent to any departure by any Pledgor herefrom shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 22. Binding Agreement; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that no Pledgor can assign this Agreement or any interest herein or in the Pledged Collateral, or any part thereof, or any cash or property held by the Agent or any Lender as collateral under this Agreement.

Section 23. Termination. Upon indefeasible payment in full of all of the Secured Obligations, this Agreement shall terminate. Upon termination of this Agreement in accordance with its terms the Agent agrees to take such actions as the Pledgors may reasonably request, and at the sole cost and expense of the Pledgors, (a) to return the Pledged Collateral to the Pledgors, and (b) to evidence the termination of this Agreement, including, without limitation, the filing of any releases or any termination statements under the Uniform Commercial Code.

Section 24. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

Section 25. Headings. Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

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Section 26. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute but one agreement.

Section 27. Definitions.

(a) As used herein, the following terms have the indicated meanings:

“**Equity Interests**” means all of the following: (a) all capital stock of any corporation; (b) all partnership interests in any general or limited partnership; (c) all membership interests in any limited liability company; (d) all securities and equity interests or beneficial in any other form of legal organization or entity.

“**Event of Default**” has the meaning set forth in Section 7.

“**Issuer**” means a Person which issued any Equity Interest that constitutes any part of the Pledged Collateral.

“**Organizational Documents**” means any declaration of trust, operating agreement, partnership agreement, by-laws, articles or certificate of incorporation, articles of organization, certificate of limited partnership, or other similar agreement or document.

“**Person**” means an individual, corporation, partnership, limited liability company, association, trust or unincorporated organization, or a government or any agency or political subdivision thereof.

“**Pledged Interests**” means, with respect to each Pledgor, such Pledgor’s right, title and interest Equity Interests of the Persons as described on Exhibit A, whether now owned or hereafter acquired.

“**Securities Act**” means the Securities Act of 1933, as amended from time to time, together with all rules and regulations issued thereunder.

(b) Terms not otherwise defined herein are used herein with the respective meanings given to them in the Construction Loan Agreement. Terms which are defined in the New York Uniform Commercial Code have the meanings given such terms therein.

[Signatures on Next Page]

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IN WITNESS WHEREOF, each Pledgor has executed and delivered this Pledge Agreement under seal as of this the date first written above.

[PLEDGORS]

By: _____

Stephen E. Riffée
Executive Vice President

Address for Notices for all Pledgors:

c/o Corporate Office Properties, L.P.
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Attention: General Counsel

Telephone Number: (443) 285-5400
Telecopy Number: (443) 285-7650

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Pledgor	Issuer	Description
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FORM OF PLEDGE AGREEMENT SUPPLEMENT

THIS PLEDGE AGREEMENT SUPPLEMENT dated as of _____, 20 (this "Supplement") executed and delivered by _____, a (the "New Pledgor") in favor of KEYBANK NATIONAL ASSOCIATION, as Agent (the "Agent").

WHEREAS, pursuant to that certain Construction Loan Agreement dated as of May 2, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Corporate Office Properties, L.P. (the "Borrower"), Corporate Offices Properties Trust, the financial institutions from time to time party thereto as "Lenders", the Agent, and the other parties thereto, the Lenders and the Agent have agreed to make available to the Borrower certain financial accommodations on the terms and conditions set forth in the Construction Loan Agreement;

WHEREAS, to secure obligations owing by certain parties under the Construction Loan Agreement and the other Loan Documents, the Borrower and the other "Pledgors" thereunder have executed and delivered that certain Pledge Agreement dated as of May 2, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Pledge Agreement") in favor of the Agent and the Lenders;

WHEREAS, it is a condition precedent to the continued extension of such financial accommodations under the Construction Loan Agreement that the New Pledgor execute this Supplement to become a party to the Pledge Agreement.

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the New Pledgor, the New Pledgor hereby agrees as follows:

Section 1. Accession to Pledge Agreement; Grant of Security Interest The New Pledgor agrees that it is a "Pledgor" under the Pledge Agreement and assumes all obligations of a "Pledgor" thereunder, all as if the New Pledgor had been an original signatory to the Pledge Agreement. Without limiting the generality of the foregoing, the New Pledgor hereby:

(a) pledges to the Agent for its benefit and the benefit of the Lenders, and grants to the Agent for its benefit and the benefit of the Lenders a security interest in, all of the New Pledgor's right, title and interest in, to and under the Collateral, including the Equity Interests described on Exhibit I attached hereto, as security for the Secured Obligations;

(b) makes to the Agent and the Lenders as of the date hereof each of the representations and warranties contained in Section 3 of the Pledge Agreement, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date) and except for changes in factual circumstances not prohibited by the Pledge Agreement, and agrees to be bound by each of the covenants contained in the Pledge Agreement, including without limitation, those contained in Section 4 thereof; and

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(c) consents and agrees to each other provision set forth in the Pledge Agreement.

SECTION 2. GOVERNING LAW. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

Section 3. Definitions. Capitalized terms used herein and not otherwise defined herein shall have their respective defined meanings given them in the Pledge Agreement.

[Signatures on Next Page]

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IN WITNESS WHEREOF, the New Pledgor has caused this Pledge Agreement Supplement to be duly executed and delivered under seal by its duly authorized officers as of the date first written above.

[NEW PLEDGOR]

By: _____
Stephen E. Riffie
Executive Vice President

Address for Notices:

c/o Corporate Office Properties, L.P.
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Attention: General Counsel
Telephone Number: (443) 285-5400
Telecopy Number: (443) 285-7650

Accepted:

KEYBANK, NATIONAL ASSOCIATION, as
Agent

By: _____
Name: _____
Title: _____

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EXHIBIT H
FORM OF NOTE

\$ _____, 20

FOR VALUE RECEIVED, the undersigned, CORPORATE OFFICE PROPERTIES, L.P., a limited partnership formed under the laws of the State of Delaware (the "**Borrower**"), hereby promises to pay to the order of _____ (the "**Lender**"), in care of KeyBank National Association, as Agent (the "**Agent**") at KeyBank National Association, 127 Public Square, 8th Floor, Cleveland, Ohio, or at such other address as may be specified in writing by the Agent to the Borrower, the principal sum of _____ AND _____ /100 DOLLARS (\$) (or such lesser amount as shall equal the aggregate unpaid principal amount of Loans made by the Lender to the Borrower under the Construction Loan Agreement (as herein defined)), on the dates and in the principal amounts provided in the Construction Loan Agreement, and to pay interest on the unpaid principal amount owing hereunder, at the rates and on the dates provided in the Construction Loan Agreement.

The date, amount of each Loan made by the Lender to the Borrower, and each payment made on account of the principal thereof, shall be recorded by the Lender on its books and, prior to any transfer of this Note, endorsed by the Lender on the schedule attached hereto or any continuation thereof, provided that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower to make a payment when due of any amount owing under the Construction Loan Agreement or hereunder in respect of the Loans made by the Lender.

This Note is one of the Notes referred to in the Construction Loan Agreement dated as of May 2, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "**Construction Loan Agreement**"), by and among the Borrower, Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "**Lenders**"), the Agent, and the other parties thereto. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Construction Loan Agreement.

The Construction Loan Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayments of Loans upon the terms and conditions specified therein.

Except as permitted by Section 12.5.(d) of the Construction Loan Agreement, this Note may not be assigned by the Lender to any other Person.

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THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

The Borrower hereby waives presentment for payment, demand, notice of demand, notice of non-payment, protest, notice of protest and all other similar notices.

Time is of the essence for this Note.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Note under seal as of the date first written above.

CORPORATE OFFICE PROPERTIES, L.P.

By: Corporate Office Properties Trust, its
general partner

By: _____
Stephen E. Riffie
Executive Vice President

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SCHEDULE OF LOANS

This Note evidences Loans made under the within-described Construction Loan Agreement to the Borrower, on the dates, in the principal amounts, bearing interest at the rates and maturing on the dates set forth below, subject to the payments and prepayments of principal set forth below:

<u>Date of Loan</u>	<u>Principal Amount of Loan</u>	<u>Amount Paid or Prepaid</u>	<u>Unpaid Principal Amount</u>	<u>Notation Made By</u>

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EXHIBIT I

FORM OF OPINION OF COUNSEL

[LETTERHEAD OF COUNSEL TO THE LOAN PARTIES]

, 2008

KeyBank National Association, as Agent
127 Public Square, 8th Floor
Cleveland, Ohio 44114

The Lenders party to the Construction Loan
Agreement referred to below

Ladies and Gentlemen:

We have acted as counsel to Corporate Office Properties, L.P., a limited partnership formed under the laws of the State of Delaware (the "**Borrower**") in connection with the negotiation, execution and delivery of that certain Construction Loan Agreement dated as of May 2, 2008 (the "**Construction Loan Agreement**"), by and among the Borrower, Corporate Office Properties Trust (the "**Parent**"), the financial institutions party thereto and their assignees under Section 12.5. thereof (the "**Lenders**"), KeyBank National Association, as Agent (the "**Agent**"), and the other parties thereto. We have also acted as counsel to (i) the Parent in connection with the Construction Loan Agreement, the Guaranty and the other Loan Documents identified below to which it is a party; and (ii) [PROVIDE PLEDGORS AND PROPERTY OWNERS WITH RESPECT TO WHICH OPINION IS ALSO TO BE GIVEN] (together with _____, the "Loan Parties"). Capitalized terms not otherwise defined herein have the respective meaning given them in the Construction Loan Agreement.

In these capacities, we have reviewed executed copies of the following:

- (a) the Construction Loan Agreement;
- (b) the Notes;
- (c) the Guaranty;
- (d) the Pledge Agreement;
- (e) [list other applicable Loan Documents]; and

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- (f) each of the UCC Financing Statements attached to Schedule 1 hereto (the "**Financing Statements**") to be filed in the offices set forth on such Schedule 1 (the "**Filing Office**") with respect to each Financing Statement.

The documents and instruments set forth in items (a) through () above are referred to herein as the "**Loan Documents**".

In addition to the foregoing, we have reviewed the declaration of trust, operating agreement and partnership agreement, as applicable, of each Loan Party and certain resolutions of the board of trustees, managers or directors, as applicable, of each Loan Party (collectively, the "**Organizational Documents**") and have also examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, and other instruments, and made such other investigations of law and fact, as we have deemed necessary or advisable for the purposes of rendering this opinion. In our examination of documents, we assumed the genuineness of all signatures on documents presented to us as originals (other than the signatures of officers of the Loan Parties) and the conformity to originals of documents presented to us as conformed or reproduced copies.

Based upon the foregoing, and subject to all of the qualifications and assumptions set forth herein, we are of the opinion that:

1. The Parent is a real estate investment trust, duly organized, validly existing and in good standing under the laws of the State of Maryland, and has the power to execute and deliver, and to perform its obligations under, the Loan Documents to which it is a party, to own and use its assets, and to conduct its business as presently conducted. The Parent is qualified to transact business as a foreign real estate investment trust in the following jurisdictions:

2. The Borrower is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Delaware, and has the power to execute and deliver, and to perform its obligations under, the Loan Documents to which it is a party, to own and use its assets, and to conduct its business as presently conducted. The Borrower is qualified to transact business as a foreign limited partnership in the following jurisdictions:

3. [Complete for each other Loan Party] [INSERT NAME OF APPLICABLE LOAN PARTY] is a [limited liability company] [corporation] [limited partnership], duly organized, validly existing and in good standing under the laws of the State of [INSERT STATE OF FORMATION], and has the power to execute and deliver, and to perform its obligations under, the Loan Documents to which it is a party, to own and use its assets, and to conduct its business as presently conducted. _____ is qualified to transact business as a foreign limited liability company in the following jurisdictions:

4. Each Loan Party has duly authorized the execution and delivery of the Loan Documents to which it is a party and the performance by such Loan Party of all of its obligations under each such Loan Document.

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5. Each Loan Party has duly executed and delivered the Loan Documents to which it is a party.

6. The execution and delivery by each Loan Party of the Loan Documents to which it is a party do not, and if each Loan Party were now to perform its obligations under such Loan Documents, such performance would not, result in any:

- (a) violation of such Loan Party's Organizational Documents;

- (b) violation of any existing federal or state constitution, statute, regulation, rule, order, or law to which such Loan Party or its assets are subject;
- (c) breach or violation of or default under, any agreement, instrument, indenture or other document evidencing any indebtedness for money borrowed or any other material agreement to which, to our knowledge, such Loan Party is bound or under which a Loan Party or its assets is subject;
- (d) creation or imposition of a lien or security interest in, on or against the assets of such Loan Party under any agreement, instrument, indenture or other document evidencing any indebtedness for money borrowed or any other material agreement to which, to our knowledge, such Loan Party is bound or under which a Loan Party or its assets is subject; or
- (e) violation of any judicial or administrative decree, writ, judgment or order to which, to our knowledge, such Loan Party or its assets are subject.

7. The execution, delivery and performance by each Loan Party of each Loan Document to which it is a party, and the consummation of the transactions thereunder, do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority of the United States of America or the States of _____, _____ or _____.

8. To our knowledge, there are no judgments outstanding against any of the Loan Parties or affecting any of their respective assets, nor is there any litigation or other proceeding against any of the Loan Parties or its assets pending or overtly threatened, could reasonably be expected to have a materially adverse effect on (a) the business, assets, liabilities, condition (financial or otherwise), results of operations or business prospects of the Borrower or any other Loan Party or (b) the validity or enforceability of any of the Loan Documents.

9. None of the Loan Parties is, or, after giving effect to any Loan will be, subject to the Investment Company Act of 1940 or to any federal or state statute or regulation limiting its ability to incur indebtedness for borrowed money.

10. No transfer, mortgage, intangible, documentary stamp or similar taxes are payable by the Agent or the Lenders to the States of _____ or _____ or any political

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subdivision thereof in connection with (a) the execution and delivery of the Loan Documents or (b) the creation of the Indebtedness and the other Obligations evidenced by any of the Loan Documents.

11. Assuming that Borrower applies the proceeds of the Loans as provided in the Construction Loan Agreement, the transactions contemplated by the Loan Documents do not violate the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System of the United States of America.

12. The consideration to be paid to the Agent and the Lenders for the financial accommodations to be provided to the Loan Parties pursuant to the Construction Loan Agreement does not violate any law of the States of _____ or _____ relating to interest and usury.

13. Under Section 9-501 of the Uniform Commercial Code (the "UCC") as enacted and in effect in the _____ and _____ (the "UCC" and "_____", respectively) the Filing Office set forth with respect to each Loan Party is the correct place to file financing statements against such Loan Party in respect of Pledged Collateral (as defined in each such Pledge Agreement, the "Pledged Collateral"). Assuming the Pledge Agreement creates a valid security interest in favor of the Agent in the Pledged Property of each Loan Party a party thereto in which and to the extent a security interest may be created under Article 9 of the UCC of the State of New York, upon the filing of the Financing Statements naming such Loan Party a party to the Pledge Agreement as Debtor with the Filing Office with respect to such Loan Party and the payment of all applicable filing fees, the security interest granted by such Loan Party in the Pledged Property in which such Loan Party has rights or the power to transfer rights shall be perfected to the extent a security interest may be perfected by the filing of a financing statement in the Filing Office.

[14. *If any of the Pledged Collateral is certificated, add the following opinion:* Upon the Agent's taking and retaining possession of the stock certificates evidencing the Equity Interests of _____ (the "Pledged Certificated Equity Interests"), together with the stock power properly endorsed in blank by _____, the security interest granted to the Agent, for the benefit of the Secured Creditors, in the Pledged Certificated Equity Interests will be perfected. Assuming that the Agent (i) is a "protected purchaser" (as defined in Section 8-303 of the New York UCC) with respect to its security interest in the Pledged Certificated Equity Interests and (ii) takes delivery of the certificates evidencing the Pledged Certificated Equity Interests together with undated transfer powers executed in blank, the Agent will acquire such security interest in the Pledged Certificated Equity Interest free of any "adverse claim" (as defined in Section 8-1-2(a)(1) of the Uniform Commercial Code as currently in effect in the State of _____).

This opinion is limited to the laws of the States of _____, _____ and _____ and the federal laws of the United States of America, and we express no opinions with respect to the law of any other jurisdiction.

[Other Customary Qualifications/Assumptions/Limitations]

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This opinion is furnished to you solely for your benefit in connection with the consummation of the transactions contemplated by the Construction Loan Agreement and may not be relied upon by any other Person, other than an Assignee of a Lender or a Participant, or for any other purpose without our express, prior written consent.

Very truly yours,

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SCHEDULE 1

Financing Statements

Name	Filing Office

EXHIBIT J

FORM OF COMPLIANCE CERTIFICATE

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KeyBank National Association, as Agent
127 Public Square, 8th Floor
Cleveland, Ohio 44114
Attention: John C. Scott

Each of the Lenders Party to the Construction
Loan Agreement referred to below

Ladies and Gentlemen:

Reference is made to that certain Construction Loan Agreement dated as of May 2, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Construction Loan Agreement"), by and among Corporate Office Properties, L.P. (the "Borrower"), Corporate Office Properties Trust, the financial institutions party thereto and their assignees under Section 12.5. thereof (the "Lenders"), KeyBank National Association, as Agent (the "Agent") and the other parties thereto. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Construction Loan Agreement.

Pursuant to Section 9.1. of the Construction Loan Agreement, the undersigned hereby certifies to the Agent and the Lenders as follows:

(1) The undersigned is the of the Borrower.

(2) The undersigned has examined the books and records of the Borrower and has conducted such other examinations and investigations as are reasonably necessary to provide this Compliance Certificate.

(3) No Existing Credit Agreement Default, Default or Event of Default exists [if such is not the case, specify such Existing Credit Agreement Default, Default or Event of Default and its nature, when it occurred and whether it is continuing and the steps being taken by the Borrower with respect to such event, condition or failure].

(4) The Existing Credit Agreement Representations and the representations and warranties made or deemed made by the Borrower and the other Loan Parties in the Loan Documents to which any is a party, are true and correct in all material respects on and as of the date hereof except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and accurate on and as of such earlier date).

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(5) Attached hereto as Schedule 1 are reasonably detailed calculations establishing whether or not the Borrower and its Subsidiaries were in compliance with the covenants contained in Section 9.1. of the Existing Credit Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first above written.

Name:
Title:

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Schedule 1

[Calculations to be Attached]

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EXHIBIT K

PATRIOT ACT AND OFAC FORM

Patriot Act and OFAC Transferee and Assignee Identifying Information Form

1. Patriot Act Checklist

ADDITIONAL LENDER REQUIRED INFORMATION

Name:

Identification

- (a) (US Company) TIN
(b) (Non-US) Gov't issued document certifying existence

- (a)
(b)

Phone Number

**BUSINESS REPRESENTATIVE REQUIRED INFORMATION PERSON WHO
WILL EXECUTE DOCUMENTS**

Name

Residential Address

Date of Birth

Form of Identification

- | | | |
|-----|--|-----|
| (a) | (US Citizen) Social Security Number | (a) |
| (b) | (No-US) TIN, Passport Number (country of issuance, number & date), or
Alien Identification Number | (b) |

2. OFAC Checklist:

Name:

Co-Lenders

General Partner/Managing Member/Trustee

Limited Partners/Members/Beneficiaries

**THIRD AMENDMENT
TO
EMPLOYMENT AGREEMENT**

This Third Amendment to Employment Agreement (“Amendment”) is made and entered into as of September 16, 2010, by and between CORPORATE OFFICE PROPERTIES, L.P. (the “Employer”), CORPORATE OFFICE PROPERTIES TRUST (“COPT”) and RANDALL M. GRIFFIN (the “Executive”).

WHEREAS, the Employer, COPT and the Executive are parties to an Employment Agreement, dated as of July 13, 2005, as amended (the “Agreement”); and

WHEREAS, the parties hereto desire to amend the Agreement pursuant to Section 11(b) of the Agreement; and

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Section 4(b)(ii) of the Agreement is hereby amended by (a) adding the following immediately prior to the period at the end thereof “to the extent such options or restricted shares are subject to a time-based vesting schedule” and (b) adding the following sentence to the end thereof:

“Any accelerated vesting of the Executive’s options and restricted stock 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.”

As amended and restated, such section shall read as follows:

“ (ii) Notwithstanding the vesting schedule otherwise applicable, in the event of a termination governed by this subparagraph (b) of Section 4, the Executive shall be fully vested in all of the Executive’s options and restricted shares under any Stock Plan or similar program to the extent such options or restricted shares are subject to a time-based vesting schedule. Any accelerated vesting of the Executive’s options and restricted stock 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.”

2. Section 4(b)(iii) of the Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

“ (iii) Any cash payment to the Executive under this Section 4(b) will be made monthly over twelve (12) months. Solely for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the ‘Code’), each installment payment is considered a separate payment.”

3. Section 4(e) of the Agreement is hereby amended by (a) adding the following immediately prior to the period at the end of the last sentence thereof “to the extent such options or restricted shares are subject to a time-based vesting schedule” and (b) adding the following sentence to the end thereof:

“Any accelerated vesting of the Executive’s options and restricted stock 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.”

As amended and restated, such section shall read as follows:

“(e) TERMINATION UPON DEATH. In the event payments are due and owing under this Agreement at the death of the Executive, such payments shall be made to such beneficiary, designee or fiduciary as Executive may have designated in writing, or failing such designation, to the executor or administrator of his estate, in full settlement and satisfaction of all claims and demands on behalf of the Executive. Such payments shall be in addition to any other death benefits of the Employer made available for the benefit of the Executive, and in full settlement and satisfaction of all payments provided for in this Agreement. Notwithstanding the vesting schedule otherwise applicable in the event of a termination governed by this subparagraph (e) of Section 4, all options and restricted shares granted to the Executive under any Stock Plan or similar program shall be fully vested to the extent such options or restricted shares are subject to a time-based vesting schedule. Any accelerated vesting of the Executive’s options and restricted stock 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.”

4. Section 4(f) of the Agreement is hereby amended by (a) adding the following immediately prior to the period at the end of the last sentence thereof “to the extent such options or restricted shares are subject to a time-based vesting schedule” and (b) adding the following sentence to the end thereof:

“Any accelerated vesting of the Executive’s options and restricted stock 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.”

As amended and restated, such section shall read as follows:

“(f) TERMINATION UPON DISABILITY. 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 (d) of Section 11 hereof, except that the arbitrator appointed by the American Arbitration Association shall be a duly licensed medical doctor. The Executive shall be entitled to the compensation and benefits provided for under this Agreement during any period of incapacitation occurring during the term of this Agreement, and occurring prior to the establishment of the Executive’s ‘disability’ during which the Executive is unable to work due to a physical or mental infirmity. Notwithstanding anything contained in this Agreement to the contrary, until the date specified in a notice of termination relating to the Executive’s disability, the Executive shall be entitled to return to his positions with the Employer as set forth in this Agreement, in which event no disability of the Executive will be deemed to have occurred. Notwithstanding the vesting schedule otherwise applicable, in the event of a termination governed by this subparagraph (f) of Section 4, the Executive shall be fully vested in all of the Executive’s options and restricted shares under any Stock Plan or similar program to the extent such options or restricted shares are subject to a time-based vesting schedule. Any accelerated vesting of the Executive’s options and restricted stock 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.”

5. Section 4(g)(i) of the Agreement is hereby amended by inserting the following as the second sentence of such Section:

“Such Termination Payment shall be payable in accordance with Section 4(b)(iii) of the Agreement.”

6. Section 4(g)(i) of the Agreement is hereby further amended by (a) adding the phrase “for the same period and to the same extent” after the phrase “The Employer shall also continue for the Executive the Post-Termination Perquisites and Benefits” and before “as provided in paragraph (b) of this Section 4” within the second sentence thereof and (b) inserting the following within the proviso within the second sentence thereof after the phrase “under any Stock Plan or similar program” and immediately before the phrase “and shall be allowed”:

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“to the extent such options or restricted shares are subject to a time-based vesting schedule (any accelerated vesting of Executive’s options and restricted stock under any Stock Plan or similar program that is subject to performance-based vesting shall occur in accordance with the terms of the applicable Stock Plan, program or award agreement),”

As amended and restated, such Section 4(g)(i) shall read as follows:

“ (i) In the event of a Change in Control (as defined below) and the termination of the Executive’s employment by Executive or by the Employer under either 1 or 2 below, the Executive shall be entitled to a Termination Payment equal to the sum of: (w) the rate of annualized Base Salary then payable to the Executive multiplied by the number of years then remaining in the contract term (but not less than three (3) years); plus (x) the average of the three (3) most recent Performance Bonuses that the Executive received (or if less, the average of the annual Performance Bonuses that the Executive has theretofore received from the Employer) multiplied by the number of years then remaining in the contract term (but not less than three (3) years). Such Termination Payment shall be payable in accordance with Section 4(b)(iii) of the Agreement. The Employer shall also continue for the Executive the Post-Termination Perquisites and Benefits for the same period and to the same extent as provided in paragraph (b) of this Section 4; provided, however, that notwithstanding the vesting schedule otherwise applicable, immediately following a Change in Control (whether or not the Executive’s employment is terminated), the Executive shall be fully vested in all of Executive’s options and restricted shares outstanding under any Stock Plan or similar program to the extent such options or restricted shares are subject to a time-based vesting schedule (any accelerated vesting of Executive’s options and restricted stock under any Stock Plan or similar program that is subject to performance-based vesting shall occur in accordance with the terms of the applicable Stock Plan, program or award agreement), and shall be allowed a period of eighteen (18) months following the termination of employment of the Executive for the Executive’s exercise of such options. The following shall constitute termination under this paragraph:”

7. Section 4(g)(ii)2 of the Agreement is hereby amended by (a) replacing the phrase “Approval by the stockholders of COPT or the Employer of” with “The consummation of”, and (b) deleting the phrase “a complete or substantial liquidation or dissolution, or an agreement for” within part (2) thereof. As amended and restated, such section shall read as follows:

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“ 2. The consummation of: (1) a merger or consolidation of COPT or the Employer, if the stockholders of COPT or the Employer 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 COPT or the Employer outstanding immediately before such merger or consolidation; or (2) the sale or other disposition of all or substantially all of the assets of COPT or the Employer.

8. Section 4(g)(ii) of the Agreement is hereby amended by adding the following as a new subsection 3 thereto:

“ 3. Approval by the stockholders of COPT or the Employer of a complete or substantial liquidation or dissolution of COPT or the Employer.”

9. The Agreement is hereby amended by inserting the following as a new Section 12 to the Agreement:

“12. SECTION 409A.

(a) 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 (as applicable) until the date that is the earlier of (x) the Executive’s death or (y) the later of (A) six months and one day after the Executive’s separation from service, or (B) the 18th month anniversary of the date of this Amendment. 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.

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(b) 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.

(c) 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 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).

(d) 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.

(e) The Employer and COPT make 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.”

10. All other provisions of the Agreement shall remain in full force and effect according to their respective terms, and nothing contained herein shall be deemed a waiver of any right or abrogation of any obligation otherwise existing under the Agreement except to the extent specifically provided for herein.

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11. The validity, interpretation, construction and performance of this Amendment shall be governed by the laws of the State of Maryland.

12. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

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

“Employer”
Corporate Office Properties L.P., a
Maryland limited liability corporation

“Executive”

By: /s/ Jay H. Shidler
Jay H. Shidler
Chairman

/s/ Randall M. Griffin
Randall M. Griffin

Corporate Office Properties Trust, a Maryland business trust

By: /s/ Jay H. Shidler
Jay H. Shidler
Chairman

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**FIFTH AMENDMENT
TO
EMPLOYMENT AGREEMENT**

This Fifth Amendment to Employment Agreement (“Amendment”) is made and entered into as of September 16, 2010, by and between CORPORATE OFFICE PROPERTIES, L.P. (the “Employer”), CORPORATE OFFICE PROPERTIES TRUST (“COPT”) and ROGER A. WAESCHE, JR. (the “Executive”).

WHEREAS, the Employer, COPT and the Executive are parties to an Employment Agreement, dated as of September 12, 2002, as amended (the “Agreement”); and

WHEREAS, the parties hereto desire to amend the Agreement pursuant to Section 11(b) of the Agreement; and

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Section 4(c)(ii) of the Agreement is hereby amended by (a) adding the following immediately prior to the period at the end thereof “to the extent such options or restricted shares are subject to a time-based vesting schedule” and (b) adding the following sentence to the end thereof:

“Any accelerated vesting of the Executive’s options and restricted stock 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.”

As amended and restated, such section shall read as follows:

“(ii) Notwithstanding the vesting schedule otherwise applicable, in the event of a termination governed by this subparagraph (c) of Section 4, the Executive shall be fully vested in all of the Executive’s options and restricted shares under any Stock Plan or similar program to the extent such options or restricted shares are subject to a time-based vesting schedule. Any accelerated vesting of the Executive’s options and restricted stock 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.”

2. Section 4(c)(iii) of the Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

“(iii) Any cash payment to the Executive under this Section 4(c) will be made monthly over twelve (12) months. Solely for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the ‘Code’), each installment payment is considered a separate payment.”

3. Section 4(f) of the Agreement is hereby amended by (a) adding the following immediately prior to the period at the end of the last sentence thereof “to the extent such options or restricted shares are subject to a time-based vesting schedule” and (b) adding the following sentence to the end thereof:

“Any accelerated vesting of the Executive’s options and restricted stock 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.”

As amended and restated, such section shall read as follows:

“(f) **TERMINATION UPON DEATH.** In the event payments are due and owing under this Agreement at the death of the Executive, such payments shall be made to such beneficiary, designee or fiduciary as Executive may have designated in writing, or failing such designation, to the executor or administrator of his estate, in full settlement and satisfaction of all claims and demands on behalf of the Executive. Such payments shall be in addition to any other death benefits of the Employer made available for the benefit of the Executive, and in full settlement and satisfaction of all payments provided for in this Agreement. Notwithstanding the vesting schedule otherwise applicable in the event of a termination governed by this subparagraph (f) of Section 4, all options and restricted shares granted to the Executive under any Stock Plan or similar program shall be fully vested to the extent such options or restricted shares are subject to a time-based vesting schedule. Any accelerated vesting of the Executive’s options and restricted stock 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.”

4. Section 4(g) of the Agreement is hereby amended by (a) adding the following immediately prior to the period at the end of the last sentence thereof “to the extent such options or restricted shares are subject to a time-based vesting schedule” and (b) adding the following sentence to the end thereof:

“Any accelerated vesting of the Executive’s options and restricted stock 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.”

As amended and restated, such section shall read as follows:

“(g) **TERMINATION UPON DISABILITY.** 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 (d) of Section 11 hereof, except that the arbitrator appointed by the American Arbitration Association shall be a duly licensed medical doctor. The Executive shall be entitled to the compensation and benefits provided for under this Agreement during any period of incapacitation occurring during the term of this Agreement, and occurring prior to the establishment of the Executive’s ‘disability’ during which the Executive is unable to work due to a physical or mental infirmity. Notwithstanding anything contained in this Agreement to the contrary, until the date specified in a notice of termination relating to the Executive’s disability, the Executive shall be entitled to return to his positions with the Employer as set forth in this Agreement, in which event no disability of the Executive will be deemed to have occurred. Notwithstanding the vesting schedule otherwise applicable, in the event of a termination governed by this subparagraph (g) of Section 4, the Executive shall be fully vested in all of the Executive’s options and restricted shares under any Stock Plan or similar program to the extent such options or restricted shares are subject to a time-based vesting schedule. Any accelerated vesting of the Executive’s options and restricted stock 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.”

5. Section 4(h)(i) of the Agreement is hereby amended by inserting the following as the second sentence of such Section:

“Such Termination Payment shall be payable in accordance with Section 4(c)(iii) of the Agreement.”

6. Section 4(h)(i) of the Agreement is hereby further amended by inserting the following within the proviso within the second sentence thereof after the phrase “under any Stock Plan or similar program” and immediately before the phrase “and shall be allowed”:

“to the extent such options or restricted shares are subject to a time-based vesting schedule (any accelerated vesting of Executive’s options and restricted stock under any Stock Plan or similar program that is subject to performance-based vesting shall

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occur in accordance with the terms of the applicable Stock Plan, program or award agreement).”

As amended and restated, such Section 4(h)(i) shall read as follows:

“ (i) In the event of a Change in Control (as defined below) and the termination of the Executive’s employment by Executive or by the Employer under either 1 or 2 below, the Executive shall be entitled to a Termination Payment equal to the sum of: (w) three (3) times the rate of annualized Base Salary then payable to the Executive, plus (x) three (3) times the average of the three (3) most recent annual Performance Bonuses that the Executive received. Such Termination Payment shall be payable in accordance with Section 4(c)(iii) of the Agreement. The Employer shall also continue for the Executive the Post-Termination Perquisites and Benefits for the same period and to the same extent as provided in paragraph (c) of this Section 4; provided, however, that notwithstanding the vesting schedule otherwise applicable, immediately following a Change in Control (whether or not the Executive’s employment is terminated), the Executive shall be fully vested in all of Executive’s options and restricted shares outstanding under any Stock Plan or similar program to the extent such options or restricted shares are subject to a time-based vesting schedule (any accelerated vesting of Executive’s options and restricted stock under any Stock Plan or similar program that is subject to performance-based vesting shall occur in accordance with the terms of the applicable Stock Plan, program or award agreement), and shall be allowed a period of eighteen (18) months following the termination of employment of the Executive for the Executive’s exercise of such options. The following shall constitute termination under this paragraph:”

7. Section 4(h)(ii)2 of the Agreement is hereby amended by (a) replacing the phrase “Approval by the stockholders of COPT or the Employer of” with “The consummation of”, and (b) deleting the phrase “a complete or substantial liquidation or dissolution, or an agreement for” within part (2) thereof. As amended and restated, such section shall read as follows:

“ 2. The consummation of: (1) a merger or consolidation of COPT or the Employer, if the stockholders of COPT or the Employer 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 COPT or the Employer outstanding immediately before such merger or

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consolidation; or (2) the sale or other disposition of all or substantially all of the assets of COPT or the Employer.

8. Section 4(h)(ii) of the Agreement is hereby amended by adding the following as a new subsection 3 thereto:

“ 3. Approval by the stockholders of COPT or the Employer of a complete or substantial liquidation or dissolution of COPT or the Employer.”

9. The Agreement is hereby amended by inserting the following as a new Section 12 to the Agreement:

“12. SECTION 409A.

(a) 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 (as applicable) until the date that is the earlier of (x) the Executive’s death or (y) the later of (A) six months and one day after the Executive’s separation from service, or (B) the 18th month anniversary of the date of this Amendment. 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.

(b) 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

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other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) 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 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).

(d) 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.

(e) The Employer and COPT make 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.”

10. All other provisions of the Agreement shall remain in full force and effect according to their respective terms, and nothing contained herein shall be deemed a waiver of any right or abrogation of any obligation otherwise existing under the Agreement except to the extent specifically provided for herein.

11. The validity, interpretation, construction and performance of this Amendment shall be governed by the laws of the State of Maryland.

12. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

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

“Employer”
Corporate Office Properties L.P., a
Maryland limited liability corporation

“Executive”

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

/s/ Roger A. Waesche, Jr.
Roger A. Waesche, Jr.

Corporate Office Properties Trust, a Maryland business trust

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

**SECOND AMENDMENT
TO
EMPLOYMENT AGREEMENT**

This Second Amendment to Employment Agreement (“Amendment”) is made and entered into as of September 16, 2010, by and between CORPORATE OFFICE PROPERTIES, L.P. (the “Employer”), CORPORATE OFFICE PROPERTIES TRUST (“COPT”) and STEPHEN E. RIFFEE (the “Executive”).

WHEREAS, the Employer, COPT and the Executive are parties to an Employment Agreement, dated as of July 31, 2006 (the “Agreement”); and

WHEREAS, the parties hereto desire to amend the Agreement pursuant to Section 11(b) of the Agreement; and

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Section 4(b)(ii) of the Agreement is hereby amended by (a) adding the following immediately prior to the period at the end thereof “to the extent such options or restricted shares are subject to a time-based vesting schedule” and (b) adding the following sentence to the end thereof:

“Any accelerated vesting of the Executive’s options and restricted stock 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.”

As amended and restated, such section shall read as follows:

“(ii) Notwithstanding the vesting schedule otherwise applicable, in the event of a termination governed by this subparagraph (b) of Section 4, the Executive shall be fully vested in all of the Executive’s options and restricted shares under any Stock Plan or similar program to the extent such options or restricted shares are subject to a time-based vesting schedule. Any accelerated vesting of the Executive’s options and restricted stock 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.”

2. Section 4(b)(iii) of the Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

“(iii) Any cash payment to the Executive under this Section 4(b) will be made monthly over twelve (12) months. Solely for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the ‘Code’), each installment payment is considered a separate payment.”

3. Section 4(e) of the Agreement is hereby amended by (a) adding the following immediately prior to the period at the end of the last sentence thereof “to the extent such options or restricted shares are subject to a time-based vesting schedule” and (b) adding the following sentence to the end thereof:

“Any accelerated vesting of the Executive’s options and restricted stock 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.”

As amended and restated, such section shall read as follows:

“(e) TERMINATION UPON DEATH. In the event payments are due and owing under this Agreement at the death of the Executive, such payments shall be made to such beneficiary, designee or fiduciary as Executive may have designated in writing, or failing such designation, to the executor or administrator of his estate, in full settlement and satisfaction of all claims and demands on behalf of the Executive. Any cash payments shall be made no later than two and one-half months following the close of the calendar year in which the Executive’s death occurs. Such payments shall be in addition to any other death benefits of the Employer made available for the benefit of the Executive, and in full settlement and satisfaction of all payments provided for in this Agreement. Notwithstanding the vesting schedule otherwise applicable in the event of a termination governed by this subparagraph (e) of Section 4, all options and restricted shares granted to the Executive under any Stock Plan or similar program shall be fully vested to the extent such options or restricted shares are subject to a time-based vesting schedule. Any accelerated vesting of the Executive’s options and restricted stock 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.”

4. Section 4(f) of the Agreement is hereby amended by (a) adding the following immediately prior to the period at the end of the last sentence thereof “to the extent such options

or restricted shares are subject to a time-based vesting schedule” and (b) adding the following sentence to the end thereof:

“Any accelerated vesting of the Executive’s options and restricted stock 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.”

As amended and restated, such section shall read as follows:

“(f) TERMINATION UPON DISABILITY. 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 (d) of Section 11 hereof, except that the arbitrator appointed by the American Arbitration Association shall be a duly licensed medical doctor. The Executive shall be entitled to the compensation and benefits provided for under this Agreement during any period of incapacitation occurring during the term of this Agreement, and occurring prior to the establishment of the Executive’s ‘disability’ during which the Executive is unable to work due to a physical or mental infirmity. Notwithstanding anything contained in this Agreement to the contrary, until the date specified in a notice of termination relating to the Executive’s disability, the Executive shall be entitled to return to his positions with the Employer as set forth in this Agreement, in which event no disability of the Executive will be deemed to have occurred. Notwithstanding the vesting schedule otherwise applicable, in the event of a termination governed by this subparagraph (f) of Section 4, the Executive shall be fully vested in all of the Executive’s options and restricted shares under any Stock Plan or similar program to the extent such options or restricted shares are subject to a time-based vesting schedule. Any accelerated vesting of the Executive’s options and restricted stock 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.”

5. Section 4(g)(i) of the Agreement is hereby amended by inserting the following as the second sentence of such Section:

“Such Termination Payment shall be payable in accordance with Section 4(b)(iii) of the Agreement.”

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6. Section 4(g)(i) of the Agreement is hereby further amended by inserting the following within the proviso within the second sentence thereof after the phrase “under any Stock Plan or similar program” and immediately before the phrase “and shall be allowed”:

“to the extent such options or restricted shares are subject to a time-based vesting schedule (any accelerated vesting of Executive’s options and restricted stock under any Stock Plan or similar program that is subject to performance-based vesting shall occur in accordance with the terms of the applicable Stock Plan, program or award agreement),”

As amended and restated, such Section 4(g)(i) shall read as follows:

“ (i) In the event of a Change in Control (as defined below) and the termination of the Executive’s employment by Executive or by the Employer under either 1 or 2 below, the Executive shall be entitled to a Termination Payment equal to the sum of: (w) three (3) times the rate of annualized Base Salary then payable to the Executive, plus (x) three (3) times the average of the three (3) most recent annual Performance Bonuses that the Executive received (or, if less, the average of the annual Performance Bonuses that the Executive has theretofore received). Such Termination Payment shall be payable in accordance with Section 4(b)(iii) of the Agreement. The Employer shall also continue for the Executive the Post-Termination Perquisites and Benefits for the same period and to the same extent as provided in paragraph (b) of this Section 4; provided, however, that notwithstanding the vesting schedule otherwise applicable, immediately following a Change in Control (whether or not the Executive’s employment is terminated), the Executive shall be fully vested in all of Executive’s options and restricted shares outstanding under any Stock Plan or similar program to the extent such options or restricted shares are subject to a time-based vesting schedule (any accelerated vesting of Executive’s options and restricted stock under any Stock Plan or similar program that is subject to performance-based vesting shall occur in accordance with the terms of the applicable Stock Plan, program or award agreement), and shall be allowed a period of eighteen (18) months following the termination of employment of the Executive for the Executive’s exercise of such options. The following shall constitute termination under this paragraph:”

7. Section 4(g)(ii)2 of the Agreement is hereby amended by (a) replacing the phrase “Approval by the stockholders of COPT or the Employer of” with “The consummation of”, and (b) deleting the phrase “a complete or substantial liquidation or dissolution, or an agreement for” within part (2) thereof. As amended and restated, such section shall read as follows:

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“ 2. The consummation of: (1) a merger or consolidation of COPT or the Employer, if the stockholders of COPT or the Employer 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 COPT or the Employer outstanding immediately before such merger or consolidation; or (2) the sale or other disposition of all or substantially all of the assets of COPT or the Employer.

8. Section 4(g)(ii) of the Agreement is hereby amended by adding the following as a new subsection 3 thereto:

“ 3. Approval by the stockholders of COPT or the Employer of a complete or substantial liquidation or dissolution of COPT or the Employer.”

9. The Agreement is hereby amended by deleting Section 11(h) of the Agreement and inserting the following as a new Section 12 to the Agreement:

“12. SECTION 409A.

(a) 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 (as applicable) until the date that is the earlier of (x) the Executive’s death or (y) the later of (A) six months and one day after the Executive’s separation from service, or (B) the 18th month anniversary of the date of this Amendment. 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.

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(b) 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.

(c) 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 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).

(d) 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.

(e) The Employer and COPT make 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.”

10. All other provisions of the Agreement shall remain in full force and effect according to their respective terms, and nothing contained herein shall be deemed a waiver of any right or abrogation of any obligation otherwise existing under the Agreement except to the extent specifically provided for herein.

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11. The validity, interpretation, construction and performance of this Amendment shall be governed by the laws of the State of Maryland.

12. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

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

“Employer”
Corporate Office Properties L.P., a
Maryland limited liability corporation

“Executive”

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

/s/ Stephen E. Riffiee
Stephen E. Riffiee

Corporate Office Properties Trust, a Maryland business trust

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

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**AMENDMENT
TO
EMPLOYMENT AGREEMENT**

This Amendment to Employment Agreement ("Amendment") is made and entered into as of September 16, 2010, by and between CORPORATE OFFICE PROPERTIES, L.P. (the "Employer"), CORPORATE OFFICE PROPERTIES TRUST ("COPT") and WAYNE H. LINGAFELTER (the "Executive").

WHEREAS, the Employer, COPT and the Executive are parties to an Employment Agreement, dated as of December 31, 2008 (the "Agreement"); and

WHEREAS, the parties hereto desire to amend the Agreement pursuant to Section 11(b) of the Agreement; and

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Section 4(b)(ii) of the Agreement is hereby amended by (a) adding the following immediately prior to the period at the end thereof "to the extent such options or restricted shares are subject to a time-based vesting schedule" and (b) adding the following sentence to the end thereof:

"Any accelerated vesting of the Executive's options and restricted stock 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."

As amended and restated, such section shall read as follows:

" (ii) Notwithstanding the vesting schedule otherwise applicable, in the event of a termination governed by this paragraph (b) of Section 4, the Executive shall be fully vested in all of the Executive's options and restricted shares under any Stock Plan or similar program to the extent such options or restricted shares are subject to a time-based vesting schedule. Any accelerated vesting of the Executive's options and restricted stock 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."

2. Section 4(b)(iii) of the Agreement is hereby amended by deleting such subsection in its entirety and substituting therefor the following:

" (iii) Any cash payment to the Executive under this Section 4(b) will be made monthly over twelve (12) months. Solely for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the 'Code'), each installment payment is considered a separate payment."

3. Section 4(e) of the Agreement is hereby amended by (a) adding the following immediately prior to the period at the end of the last sentence thereof "to the extent such options or restricted shares are subject to a time-based vesting schedule" and (b) adding the following sentence to the end thereof:

"Any accelerated vesting of the Executive's options and restricted stock 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."

As amended and restated, such section shall read as follows:

"(e) TERMINATION UPON DEATH. In the event payments are due and owing under this Agreement at the death of the Executive, such payments shall be made to such beneficiary, designee or fiduciary as Executive may have designated in writing, or failing such designation, to the executor or administrator of his estate, in full settlement and satisfaction of all claims and demands on behalf of the Executive. Any cash payments shall be made no later than two and one-half months following the close of the calendar year in which the Executive's death occurs. Such payments shall be in addition to any other death benefits of the Employer made available for the benefit of the Executive, and in full settlement and satisfaction of all payments provided for in this Agreement. Notwithstanding the vesting schedule otherwise applicable in the event of a termination governed by this subparagraph (e) of Section 4, all options and restricted shares granted to the Executive under any Stock Plan or similar program shall be fully vested to the extent such options or restricted shares are subject to a time-based vesting schedule. Any accelerated vesting of the Executive's options and restricted stock 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."

4. Section 4(f) of the Agreement is hereby amended by (a) adding the following immediately prior to the period at the end of the last sentence thereof "to the extent such options or restricted shares are subject to a time-based vesting schedule" and (b) adding the following sentence to the end thereof:

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"Any accelerated vesting of the Executive's options and restricted stock 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."

As amended and restated, such section shall read as follows:

"(f) TERMINATION UPON DISABILITY. 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 (d) of Section 11 hereof, except that the arbitrator appointed by the American Arbitration Association shall be a duly licensed doctor. The Executive shall be entitled to the compensation and benefits provided for under this Agreement during any period of incapacitation occurring during the term of this Agreement, and occurring prior to the establishment of the Executive's 'disability' during which the Executive is unable to work due to a physical or mental infirmity. Notwithstanding anything contained in this Agreement to the contrary, until the date specified in a notice of termination relating to the Executive's disability, the Executive shall be entitled to return to his position with the Employer as set forth in this Agreement, in which event no disability of the Executive, will be deemed to have occurred. Notwithstanding the vesting schedule otherwise applicable, in the event of a termination governed by this subparagraph (f) of Section 4, the Executive shall be fully vested in all of the Executive's options and restricted shares under any Stock Plan or similar program to the extent such options or restricted shares are subject to a time-based vesting schedule. Any accelerated vesting of the Executive's options and restricted stock 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."

5. Section 4(g)(i) of the Agreement is hereby amended by inserting the following as the second sentence of such Section:

"Such Termination Payment shall be payable in accordance with Section 4(b)(iii) of the Agreement."

6. Section 4(g)(i) of the Agreement is hereby further amended by inserting the following within the proviso within the second sentence thereof after the phrase “under any Stock Plan or similar program” and immediately before the phrase “and shall be allowed”:

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“to the extent such options or restricted shares are subject to a time-based vesting schedule (any accelerated vesting of Executive’s options and restricted stock under any Stock Plan or similar program that is subject to performance-based vesting shall occur in accordance with the terms of the applicable Stock Plan, program or award agreement),”

As amended and restated, such Section 4(g)(i) shall read as follows:

“ (i) In the event of a Change in Control (as defined below) and the termination of the Executive’s employment by Executive or by the Employer under either 1 or 2 below, the Executive shall be entitled to a Termination Payment equal to the sum of: (w) three (3) times the rate of annualized Base Salary then payable to the Executive, plus (x) three (3) times the average of the three (3) most recent annual Performance Bonuses that the Executive received (or, if less, the average of the annual Performance Bonuses that the Executive has theretofore received). Such Termination Payment shall be payable in accordance with Section 4(b)(iii) of the Agreement. The Employer shall also continue for the Executive the Post-Termination Perquisites and Benefits for the same period and to the same extent as provided in paragraph (b) of this Section 4; provided, however, that notwithstanding the vesting schedule otherwise applicable, immediately following a Change in Control (whether or not the Executive’s employment is terminated), the Executive shall be fully vested in all of Executive’s options and restricted shares outstanding under any Stock Plan or similar program to the extent such options or restricted shares are subject to a time-based vesting schedule (any accelerated vesting of Executive’s options and restricted stock under any Stock Plan or similar program that is subject to performance-based vesting shall occur in accordance with the terms of the applicable Stock Plan, program or award agreement), and shall be allowed a period of eighteen (18) months following the termination of employment of the Executive for the Executive’s exercise of such options. The following shall constitute termination under this paragraph:”

7. Section 4(g)(ii)2 of the Agreement is hereby amended by (a) replacing the phrase “Approval by the stockholders of COPT or the Employer of” with “The consummation of”, and (b) deleting the phrase “a complete or substantial liquidation or dissolution, or an agreement for” within part (2) thereof. As amended and restated, such section shall read as follows:

“ 2. The consummation of (1) a merger or consolidation of COPT or the Employer, if the stockholders of COPT or the Employer immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or

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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 COPT or the Employer outstanding immediately before such merger or consolidation; or (2) the sale or other disposition of all or substantially all of the assets of COPT or the Employer.

8. Section 4(g)(ii) of the Agreement is hereby amended by adding the following as a new subsection 3 thereto:

“ 3. Approval by the stockholders of COPT or the Employer of a complete or substantial liquidation or dissolution of COPT or the Employer.”

9. The Agreement is hereby amended by deleting Section 11(h) of the Agreement and inserting the following as a new Section 12 to the Agreement:

“12. SECTION 409A.

(a) 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 (as applicable) until the date that is the earlier of (x) the Executive’s death or (y) the later of (A) six months and one day after the Executive’s separation from service, or (B) the 18th month anniversary of the date of this Amendment. 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.

(b) 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

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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.

(c) 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 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).

(d) 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.

(e) The Employer and COPT make 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.”

10. All other provisions of the Agreement shall remain in full force and effect according to their respective terms, and nothing contained herein shall be deemed a waiver of any right or abrogation of any obligation otherwise existing under the Agreement except to the extent specifically provided for herein.

11. The validity, interpretation, construction and performance of this Amendment shall be governed by the laws of the State of Maryland.

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12. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

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

“Employer”
Corporate Office Properties L.P., a
Maryland limited liability corporation

“Executive”

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

/s/ Wayne H. Lingafelter
Wayne H. Lingafelter

Corporate Office Properties Trust, a Maryland business trust

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

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CORPORATE OFFICE PROPERTIES TRUST

CERTIFICATIONS REQUIRED BY
RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934CERTIFICATIONS

I, Randall M. Griffin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Corporate Office Properties Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2010/s/ Randall M. Griffin
Randall M. Griffin
Chief Executive Officer

CORPORATE OFFICE PROPERTIES TRUST

CERTIFICATIONS REQUIRED BY
RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934CERTIFICATIONS

I, Stephen E. Riffée, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Corporate Office Properties Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2010/s/ Stephen E. Riffée
Stephen E. Riffée
Chief Financial Officer

CORPORATE OFFICE PROPERTIES TRUST

CERTIFICATIONS REQUIRED BY
RULE 13a-14(b) UNDER THE SECURITIES EXCHANGE ACT OF 1934

In connection with the Quarterly Report on Form 10-Q of Corporate Office Properties Trust (the "Company") for the quarterly period ended September 30, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Randall M. Griffin, Chief Executive Officer of the Company, certify that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Randall M. Griffin
Randall M. Griffin
Chief Executive Officer

Date: October 29, 2010

CORPORATE OFFICE PROPERTIES TRUST

CERTIFICATIONS REQUIRED BY
RULE 13a-14(b) UNDER THE SECURITIES EXCHANGE ACT OF 1934

In connection with the Quarterly Report on Form 10-Q of Corporate Office Properties Trust (the "Company") for the quarterly period ended September 30, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen E. Riffie, Chief Financial Officer of the Company, certify that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Stephen E. Riffie
Stephen E. Riffie
Chief Financial Officer

Date: October 29, 2010
