

#### NOTE 7: ISSUANCES OF COMMON STOCK

In February 2002, we sold 418,970 shares of our common stock. The shares were issued at a price of \$39.46 per share, resulting in aggregate proceeds of approximately \$16.1 million (after deducting underwriting discounts and other offering costs).

In July 2002, we sold 2,000,000 shares of our common stock. The shares were issued at a price of \$41.07 per share, resulting in aggregate proceeds of approximately \$81.4 million (after deducting underwriting discounts and other offering costs).

#### NOTE 8: NON-CASH TRANSACTIONS

In connection with the acquisition of a property in Lexington, Massachusetts in 2003, we assumed a secured note payable. The following table summarizes this transaction (in thousands):

	2003
Aggregate purchase price	\$ 6,900
Secured note payable assumed	3,384
Cash paid for the property	\$ 3,516

In connection with the sale of a property in Cambridge, Massachusetts in August 2003, the buyer assumed a secured note payable totaling \$17.3 million.

In 2003 and 2002, we incurred \$3,354,000 and \$3,993,000, respectively, in non-cash stock compensation expense.

#### NOTE 9: PREFERRED STOCK AND EXCESS STOCK

##### *Series A Cumulative Redeemable Preferred Stock*

There are 1,543,500 shares of our 9.50% Series A cumulative redeemable preferred stock outstanding. The shares were issued in 1999 at a price of \$25.00 per share. We pay dividends quarterly in arrears at an annual rate of \$2.375 per share. Our Series A preferred stock has no stated maturity, is not subject to any sinking fund or mandatory redemption and is not redeemable prior to June 11, 2004, except in order to preserve our status as a REIT. Investors in our Series A preferred stock generally have no voting rights. On or after June 11, 2004, we may, at our option, redeem our Series A preferred stock, in whole or in part, at any time with proceeds from the sale of equity securities at a redemption price of \$25.00 per share, plus accrued and unpaid dividends.

##### *Series B Cumulative Redeemable Preferred Stock*

In January 2002, we completed a public offering of 2,300,000 shares of our 9.10% Series B cumulative redeemable preferred stock (including the shares issued upon exercise of the underwriters' over-allotment option). The shares were issued at a price of \$25.00 per share, resulting in aggregate proceeds of approximately \$55.1 million, net of underwriters' discounts and other offering costs. The dividends on our Series B preferred stock are cumulative and accrue from the date of original issuance. We pay dividends quarterly in arrears at an annual rate of \$2.275 per share. Our Series B preferred stock has no stated maturity, is not subject to any sinking fund or mandatory redemption and is not redeemable prior to January 22, 2007, except in order to preserve our status as a REIT. Investors in our Series B preferred stock generally have no voting rights. On or after January 22, 2007, we may, at our option, redeem our Series B preferred stock, in whole or in part, at any time with proceeds from the sale of equity securities at a redemption price of \$25.00 per share, plus accrued and unpaid dividends.

##### *Preferred Stock and Excess Stock Authorizations*

Our charter authorizes the issuance of up to 100,000,000 shares of preferred stock, of which 3,843,500 shares were issued and outstanding as of December 31, 2003. In addition, 200,000,000 shares of "excess stock" (as defined) are authorized, none of which were issued and outstanding at December 31, 2003.

##### *Redemption of Preferred Stock*

Emerging Issues Task Force ("EITF") Topic D-42, "The Effect on the Calculation of Earnings Per Share for the Redemption or Induced Conversion of Preferred Stock", provides, among other things, that any excess of (1) the fair value of the consideration transferred to the holders of preferred stock redeemed over (2) the carrying amount of the preferred stock, should be subtracted from net earnings to determine net income available to common stockholders in the calculation of earnings per share. The cost to issue our preferred