UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

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 NO. 33-98136

CHELSEA GCA REALTY PARTNERSHIP, L.P.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	22-3258100
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

103 EISENHOWER PARKWAY, ROSELAND, NEW JERSEY 07068
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES - ZIP CODE)

(973) 228-6111
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT: NONE

Securities registered pursuant to Section 12 (g) of the Act: None

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 X No __

Indicate by check mark if the disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [x]

There are no outstanding shares of Common Stock or voting securities.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the definitive Proxy Statement of Chelsea GCA Realty, Inc. relating to its 2000 Annual Meeting of Shareholders are incorporated by reference into Part III as set forth herein.

PART I

ITEM 1. BUSINESS

THE OPERATING PARTNERSHIP

Chelsea GCA Realty Partnership, L.P., a Delaware limited partnership (the "Operating Partnership"or "OP"), is 82.6% owned and managed by its sole general partner, Chelsea GCA Realty, Inc. ("Chelsea GCA" or the "Company"), a self-administered and self-managed real estate investment trust ("REIT"). The Operating Partnership owns, develops, redevelops, leases, markets and manages upscale and fashion-oriented manufacturers' outlet centers. At the end of 1999, the OP owned and operated 19 centers (the "Properties") with approximately 5.2 million square feet of gross leasable area ("GLA") in 11 states. At December 31, 1999, the Company had approximately 424,000 square feet of wholly-owned new GLA under construction, comprising the 232,000 square foot first phase of Allen Premium Outlets (Allen, Texas - located on US Highway 75 approximately 30 miles north of Dallas), the 104,000 square-foot third phase of Leesburg Corner and expansions totaling 88,000 square feet at two centers; these openings and expansions are part of a total of approximately 550,000 square feet of wholly-owned new space scheduled for completion in 2000. Additionally, construction is underway on Orlando Premium Outlets ("OPO"), a 430,000 square-foot upscale outlet center located on Interstate 4 midway between Walt Disney World/EPCOT and Sea World in Orlando, Florida and phase one of Gotemba Premium Outlets ("GPO") a 220,000 square foot center located in Gotemba, outside of Tokyo, Japan. OPO is a joint venture project between the Company and Simon Property Group, Inc. ("Simon") and is scheduled to open as a single phase in mid-2000. GPO is a joint venture project 40% owned by the Company and 30% each by Mitsubishi Estate Co., Ltd. and Nissho Iwai Corporation, and is scheduled to open mid-2000. The Company's existing portfolio includes properties in or near New York City, Los Angeles, San Francisco, Sacramento, Boston, Portland (Oregon), Atlanta, Washington DC, Cleveland, Honolulu, Napa Valley, Palm Springs and the Monterey Peninsula.

The Operating Partnership's executive offices are located at 103 Eisenhower Parkway, Roseland, New Jersey 07068 (telephone 973-228-6111).

RECENT DEVELOPMENTS

Between January 1, 1999 and December 31, 1999, the OP added 340,000 square feet of GLA to its portfolio as a result of four expansions.

A summary of expansion activity from January 1, 1999 through December 31, 1999 is contained below:

PROPERTY	OPENING DATE(S)	GLA (SQ. FT.)	NUMBER OF STORES	CERTAIN TENANTS
As of January 1, 1999		4,876,000	1,282	
Expansions:				
Wrentham Village	5/99	120,000	35	Banana Republic, Guess, Eddie Bauer, Zales
North Georgia	9-12/99	103,000	26	Banana Republic, Lego, Nike, Zales
Leesburg Corner	11/99	55,000	15	Adidas, Bose, Cole-Haan, Movado, Williams-Sonoma
Camarillo Premium Outlets	11/99	45,000	9	Banana Republic, Coach, Polo Ralph Lauren, Tommy Hilfiger
Other (net)		17,000	(3)	
Total expansions		340,000	82	
As of December 31, 1999		5,216,000	1,364	

The most recent newly developed or expanded centers are discussed below:

WRENTHAM VILLAGE PREMIUM OUTLETS, WRENTHAM, MASSACHUSETTS. Wrentham Village Premium Outlets, a 473,000 square foot center containing 125 stores, opened in three phases in October 1997, May 1998 and May 1999. The center is located near the junction of Interstates 95 and 495 between Boston and Providence. The populations within a 30-mile, 60-mile and 100-mile radius are approximately 3.9 million, 6.9 million and 10.3 million, respectively. Average household income within a 30-mile radius is approximately $52,000.

NORTH GEORGIA PREMIUM OUTLETS, DAWSONVILLE, GEORGIA. North Georgia Premium Outlets, a 537,000 square foot center containing 135 stores, opened in four phases, in May 1996, May 1997, October 1998 and September 1999. The center is located 40 miles north of Atlanta on Georgia State Highway 400 bordering Lake Lanier, at the gateway to the North Georgia mountains. The populations within a 30-mile, 60-mile and 100-mile radius are approximately 700,000, 3.6 million and 5.8 million, respectively. Average household income within a 30-mile radius is approximately $55,000.

LEESBURG CORNER PREMIUM OUTLETS, LEESBURG, VIRGINIA. Leesburg Corner Premium Outlets, a 325,000 square foot center containing 73 stores, opened in two phases, in October 1998 and November 1999. The center is located 35 miles northwest of Washington, DC at the intersection of Routes 7 and 15. The populations within a 30-mile, 60-mile and 100-mile radius are approximately 2.4 million, 7.1 million and 9.8 million, respectively. Average household income within a 30-mile radius is approximately $78,000.

CAMARILLO PREMIUM OUTLETS, CAMARILLO, CALIFORNIA. Camarillo Premium Outlets, a 454,000 square foot center containing 124 stores, opened in eight phases, from March 1995 through November 1999. The center is located 48 miles north of Los Angeles, about 55 miles south of Santa Barbara on Highway 101. The populations within a 30-mile, 60-mile and 100-mile radius are approximately 1.1 million, 8.3 million and 14.6 million, respectively. Average household income within a 30-mile radius is approximately $66,000.

The OP has started construction on approximately 424,000 square feet of wholly-owned new GLA scheduled for completion in 2000, including the 232,000 square-foot first phase of Allen Premium Outlets, the 104,000 square-foot third phase of Leesburg Corner and expansions totaling 88,000 square feet at two centers. In addition construction is well underway on two joint venture projects, Orlando Premium Outlets, a 430,000 square-foot center located in Orlando, Florida and the 220,000 square-foot first phase of Gotemba Premium Outlets, located outside Tokyo, Japan. These projects, and others, are in various stages of development and there can be no assurance they will be completed or opened, or that there will not be delays in opening or completion.

STRATEGIC ALLIANCE AND JOINT VENTURES

In June 1999, the OP signed a definitive agreement with Mitsubishi Estate Co., Ltd. and Nissho Iwai Corporation to jointly develop, own and operate premium outlet centers in Japan. The joint venture, known as Chelsea Japan Co., Ltd. ("Chelsea Japan") is developing its initial project in the city of Gotemba. In conjunction with the agreement, the OP contributed $1.7 million in equity. In addition, an equity investee of the OP entered into a 4 billion yen (US $40 million) line of credit guaranteed by the Company and OP to fund its share of construction costs. At December 31, 1999, no amounts were outstanding under the loan. In December 1999, construction began on the 220,000 square-foot first phase of Gotemba Premium Outlets with opening scheduled for mid-2000. Gotemba is located on the Tomei Expressway, approximately 60 miles west of Tokyo and midway between Mt. Fuji and the Hakone resort area. Subject to governmental and other approvals, Chelsea Japan also expects to announce during the next quarter a project outside Osaka, the second-largest city in Japan, to open in late 2000.

In May 1997, the OP announced the formation of a strategic alliance with Simon to develop and acquire high-end outlet centers with GLA of 500,000 square feet or more in the United States. The OP and Simon are co-managing general partners,

each with 50% ownership of the joint venture and any entities formed with respect to specific projects; the OP will have primary responsibility for the day-to-day activities of each project. In conjunction with the alliance, on June 16, 1997, the OP completed the sale of 1.4 million shares of common stock to Simon for an aggregate price of $50 million. Proceeds from the sale were used to repay borrowings under the Credit Facilities. Simon is one of the largest publicly traded real estate companies in North America as measured by market capitalization, and at February 2000 owned, had an interest in and/or managed approximately 184 million square feet of retail and mixed-use properties in 36 states.

The OP announced in October 1998 that it sold its interest in and terminated the development of Houston Premium Outlets, a joint venture project with Simon. Under the terms of the agreement, the OP will receive non-compete payments totaling $21.4 million from The Mills Corporation; $3.0 million was received at closing, and four annual installments of $4.6 million are to be received on each January 2, through 2002. The OP has also been reimbursed for its share of land costs, development costs and fees related to the project.

Construction is underway on Orlando Premium Outlets ("OPO"), a 430,000 square-foot upscale outlet center located on Interstate 4 midway between Walt Disney World/EPCOT and Sea World in Orlando, Florida. OPO is a joint venture project between the OP and Simon and is scheduled to open as a single phase in mid-2000. In February 1999, the joint venture entered into a $82.5 million construction loan agreement that is expected to fund approximately 75% of the project costs. The loan is 50% guaranteed by each of the OP and Simon and as of December 31, 1999, $20.8 million was outstanding.

ORGANIZATION OF THE OPERATING PARTNERSHIP

The Operating Partnership was formed through the merger in 1993 of The Chelsea Group ("Chelsea") and Ginsburg Craig Associates ("GCA"), two leading outlet center development companies, providing for greater access to the public and private capital markets. Virtually all of the Properties are held by and all of its business activities conducted through the Operating Partnership. The Company (which owned 82.6% in the Operating Partnership as of December 31, 1999) is the sole general partner of the Operating Partnership and has full and complete control over the management of the Operating Partnership and each of the Properties, excluding joint ventures.

THE MANUFACTURERS' OUTLET BUSINESS

Manufacturers' outlets are manufacturer-operated retail stores that sell primarily first-quality, branded goods at significant discounts from regular department and specialty store prices. Manufacturers' outlet centers offer numerous advantages to both consumer and manufacturer: by eliminating the third party retailer, manufacturers are often able to charge customers lower prices for brand name and designer merchandise; manufacturers benefit by being able to sell first quality in-season, as well as out-of-season, overstocked or discontinued merchandise without compromising their relationships with department stores or hampering the manufacturers' brand name. In addition, outlet stores enable manufacturers to optimize the size of production runs while maintaining control of their distribution channels.

BUSINESS OF THE OPERATING PARTNERSHIP

The OP believes its strong tenant relationships, high-quality property portfolio and managerial expertise give it significant advantages in the manufacturers' outlet business.

STRONG TENANT RELATIONSHIPS. The OP maintains strong tenant relationships with high-fashion, upscale manufacturers that have a selective presence in the outlet industry, such as Armani, Brooks Brothers, Cole Haan, Donna Karan, Gap/Banana Republic, Gucci, Jones New York, Nautica, Polo Ralph Lauren, Tommy Hilfiger and Versace, as well as with national brand-name manufacturers such as Adidas, Carter's, Nike, Phillips-Van Heusen (Bass, Izod, Gant, Van Heusen), Timberland and Sara Lee (Champion, Hanes, Coach Leather). The OP believes that its ability to draw from both groups is an important factor in providing broad customer appeal and higher tenant sales.

HIGH QUALITY PROPERTY PORTFOLIO. The Properties generated weighted average reported tenant sales during 1999 of $377 per square foot, the highest in the industry. As a result, the OP has been successful in attracting some of the world's most sought-after brand-name designers, manufacturers and retailers and each year has added new names to the outlet business and its centers. The OP believes that the quality of its centers gives it significant advantages in attracting customers and negotiating multi-lease transactions with tenants.

MANAGEMENT EXPERTISE. The OP believes it has a competitive advantage in the manufacturers' outlet business as a result of its experience in the business, long-standing relationships with tenants and expertise in the development and operation of manufacturers' outlet centers. Management developed a number of the earliest and most successful outlet centers in the industry, including Liberty Village (one of the first manufacturers' outlet centers in the U.S.) in 1981, Woodbury Common in 1985, and Desert Hills and Aurora Farms in 1990. Since the IPO, the OP has added significantly to its senior management in the areas of development, leasing and property management without increasing general and administrative expenses as a percentage of total revenues; additionally, the OP intends to continue to invest in systems and controls to support the planning, coordination and monitoring of its activities.

GROWTH STRATEGY

The OP seeks growth through increasing rents in its existing centers; developing new centers and expanding existing centers; and acquiring and re-developing centers.

INCREASING RENTS AT EXISTING CENTERS. The OP's leasing strategy includes aggressively marketing available space and maintaining a high level of occupancy; providing for inflation-based contractual rent increases or periodic

fixed contractual rent increases in substantially all leases; renewing leases at higher base rents per square foot; re-tenanting space occupied by underperforming tenants; and continuing to sign leases that provide for percentage rents.

DEVELOPING NEW CENTERS AND EXPANDING EXISTING CENTERS. The OP believes that there continue to be significant opportunities to develop manufacturers' outlet centers across the United States. The OP intends to undertake such development selectively, and believes that it will have a competitive advantage in doing so as a result of its development expertise, tenant relationships and access to capital. The OP expects that the development of new centers and the expansion of existing centers will continue to be a substantial part of its growth strategy. The OP believes that its development experience and strong tenant relationships enable it to determine site viability on a timely and cost-effective basis. However, there can be no assurance that any development or expansion projects will be commenced or completed as scheduled.

ACQUIRING AND REDEVELOPING CENTERS. The OP intends to selectively acquire individual properties and portfolios of properties that meet its strategic investment criteria as suitable opportunities arise. The OP believes that its extensive experience in the outlet center business, access to capital markets, familiarity with real estate markets and advanced management systems will allow it to evaluate and execute acquisitions competitively. Furthermore, management believes that the OP will be able to enhance the operation of acquired properties as a result of its (i) strong tenant relationships with both national and upscale fashion retailers; and (ii) development, marketing and management expertise as a full-service real estate organization. Additionally, the OP may be able to acquire properties on a tax-advantaged basis through the issuance of Operating Partnership units. However, there can be no assurance that any acquisitions will be consummated or, if consummated, will result in an advantageous return on investment for the OP.

INTERNATIONAL DEVELOPMENT. The OP intends to develop, own and operate premium outlet centers in Japan through its joint venture OP, Chelsea Japan Co., Ltd. Chelsea Japan is currently developing its first outlet center in Gotemba, located outside Tokyo, and is seeking governmental approval on another site outside Osaka, Japan. The OP believes that there are significant opportunities to develop manufacturers' outlet centers in Japan and intends to pursue these opportunities as viable sites are identified.

The OP has minority interests ranging from 5 to 15% in several outlet centers and outlet development projects in Europe. Two outlet centers, Bicester Village outside of London, England and La Roca Company Stores outside of Barcelona, Spain, are currently open and operated by Value Retail PLC and its affiliates. Three new European projects and expansions of the two existing centers are in various stages of development and are expected to open within the next two years. The OP's total investment in Europe as of February 2000 is approximately $4.5 million. The OP has also agreed to provide up to $22 million in limited debt service guarantees under a standby facility for loans arranged by Value Retail PLC to construct outlet centers in Europe. The term of the standby facility is three years and guarantees shall not be outstanding for longer than five years after project completion. As of February 2000, the OP has provided limited debt service guarantees of approximately $20 million for three projects.

OPERATING STRATEGY

The OP's primary business objective is to enhance the value of its properties and operations by increasing cash flow. The OP plans to achieve these objectives through continuing efforts to improve tenant sales and profitability, and to enhance the opportunity for higher base and percentage rents.

LEASING. The OP pursues an active leasing strategy through long-standing relationships with a broad range of tenants including manufacturers of men's, women's and children's ready-to-wear, lifestyle apparel, footwear, accessories, tableware, housewares, linens and domestic goods. Key tenants are placed in strategic locations to draw customers into each center and to encourage shopping at more than one store. The OP continually monitors tenant mix, store size, store location and sales performance, and works with tenants to improve each center through re-sizing, re-location and joint promotion.

MARKET AND SITE SELECTION. To ensure a sound long-term customer base, the OP generally seeks to develop sites near densely-populated, high-income metropolitan areas, and/or at or near major tourist destinations. While these areas typically impose numerous restrictions on development and require compliance with complex entitlement and regulatory processes, the OP believes that these areas provide the most attractive long-term demographic characteristics.

The OP generally seeks to develop sites that can support at least 400,000 square feet of GLA and that offer the long-term opportunity to dominate their respective markets through a critical mass of tenants.

MARKETING. The OP pursues an active, property-specific marketing strategy using a variety of media including newspapers, television, radio, billboards, regional magazines, guide books and direct mailings. The centers are marketed to tour groups, conventions and corporations; additionally, each property participates in joint destination marketing efforts with other area attractions and accommodations. Virtually all consumer marketing expenses incurred by the OP are reimbursable by tenants.

PROPERTY DESIGN AND MANAGEMENT. The OP believes that effective property design and management are significant factors in the success of its properties and works continually to maintain or enhance each center's physical plant, original architectural theme and high level of on-site services. Each property is designed to be compatible with its environment and is maintained to high standards of aesthetics, ambiance and cleanliness in order to promote longer visits and repeat visits by shoppers. Of the OP's 388 full-time and 99 part-time employees, 286 full-time and 97 part-time employees are involved in on-site maintenance, security, administration and marketing. Centers are generally managed by an on-site property manager with oversight from a regional operations

director.

FINANCING

The OP seeks to maintain a strong, flexible financial position by: (i) maintaining a conservative level of leverage, (ii) extending and sequencing debt maturity dates, (iii) managing floating interest rate exposure and (iv) maintaining liquidity. Management believes these strategies will enable the OP to access a broad array of capital sources, including bank or institutional borrowings, secured and unsecured debt and equity offerings.

On September 3, 1999, the OP completed a private sale of $65 million of Series B Cumulative Redeemable Preferred Units ("Preferred Units") to an institutional investor. The private placement took the form of 1.3 million Preferred Units at a stated value of $50 each. The Preferred Units may be called at par on or after September 3, 2004, have no stated maturity or mandatory redemption and pay a cumulative quarterly dividend at an annualized rate of 9.0%. The Preferred Units are exchangeable into Series B Cumulative Redeemable Preferred Stock of the Company after ten years. Proceeds from the sale were used to paydown borrowings under the Senior Credit Facility.

In November 1998, the OP obtained a $60 million term loan that expires April 2000 and bears interest at a rate of London Interbank Offered Rate (LIBOR) plus 1.40% (7.53% at December 31, 1999). Proceeds from the loan were used to pay down borrowings under the Senior Credit Facility. The OP is currently exploring several refinancing alternatives including an extension or payoff of this loan.

On March 30, 1998, the OP replaced its two unsecured bank revolving lines of credit, totaling $150 million (the "Credit Facilities"), with a $160 million senior unsecured bank line of credit (the "Senior Credit Facility"). The Senior Credit Facility expires on March 30, 2002 and the OP has an annual right to request a one-year extension of the Senior Credit Facility which may be granted at the option of the lenders. The OP has requested and expects approval to extend the Facility until March 30, 2003. The Facility bears interest on the outstanding balance, payable monthly, at a rate of LIBOR plus 1.05% (7.24% at December 31, 1999) or the prime rate, at the OP's option. The LIBOR rate spread ranges from 0.85% to 1.25% depending on the OP's Senior Debt rating. A fee on the unused portion of the Senior Credit Facility is payable quarterly at rates ranging from 0.15% to 0.25% depending on the balance outstanding. At December 31, 1999, $94 million was available under the Senior Credit Facility.

Also on March 30, 1998, the OP entered into a $5 million term loan (the "Term Loan") which carries the same interest rate and maturity as the Senior Credit Facility. The Lender has credit committee approval to extend the Term Loan to March 30, 2003.

In October 1997, the OP completed a $125 million offering of 7.25% unsecured term notes due October 2007 (the "7.25% Notes"). The 7.25% Notes were priced to yield 7.29% to investors. Net proceeds from the offering were used to repay substantially all borrowings under the OP's Credit Facilities, redeem $40 million of Reset Notes and for general corporate purposes.

In October 1997, the Company issued 1.0 million shares of non-voting 8.375% Series A Cumulative Redeemable Preferred Stock (the "Preferred Stock"), par value $0.01 per share, with a liquidation preference of $50.00 per share. The Preferred Stock has no stated maturity and is not convertible into any other securities of the OP. The Preferred Stock is redeemable on or after October 15, 2027 at the OP's option. Net proceeds from the offering were used to repay borrowings under the OP's Credit Facilities.

In January 1996, the OP completed a $100 million offering of 7.75% unsecured term notes due January 2001 (the "7.75% Notes"), which are guaranteed by the OP. The five-year non-callable 7.75% Notes were priced to yield 7.85% to investors.

COMPETITION

The Properties compete for retail consumer spending on the basis of the diverse mix of retail merchandising and value oriented pricing. Manufacturers' outlet centers have established a niche capitalizing on consumers' desire for value-priced goods. The Properties compete for customer spending with other outlet locations, traditional shopping malls, off-price retailers, and other retail distribution channels. The OP believes that the Properties generally are the leading manufacturers' outlet centers in each market. The OP carefully considers the degree of existing and planned competition in each proposed market before deciding to build a new center.

ENVIRONMENTAL MATTERS

The OP is not aware of any environmental liabilities relating to the Properties that would have a material impact on the OP's financial position and results of operations.

PERSONNEL

As of December 31, 1999, the OP had 388 full-time and 99 part-time employees. None of the employees are subject to any collective bargaining agreements, and the OP believes it has good relations with its employees.

ITEM 2. PROPERTIES

The Properties are upscale, fashion-oriented manufacturers' outlet centers located near large metropolitan areas, including New York City, Los Angeles, San Francisco, Boston, Washington DC, Atlanta, Sacramento, Portland (Oregon), and Cleveland, or at or near tourists destinations, including Honolulu, Napa Valley, Palm Springs and the Monterey Peninsula. The Properties were 99% leased as of December 31, 1999 and contained approximately 1,400 stores with approximately 450 different tenants. During 1999 and 1998, the Properties generated weighted average tenant sales of $377 and $360 per square foot, respectively. As of December 31, 1999, the OP had 19 operating outlet centers. Of the 19 operating centers, 18 are owned 100% in fee; and one, American Tin Cannery Premium

Outlets, is held under a long-term lease. The OP manages all of its Properties.

Approximately 34% and 35% of the OP's revenues for the years ended December 31, 1999 and 1998, respectively, were derived from the OP's two centers with the highest revenues, Woodbury Common Premium Outlets and Desert Hills Premium Outlets. The loss of either center or a material decrease in revenues from either center for any reason might have a material adverse effect on the OP. In addition, approximately 30% and 34% of the OP's revenues for the years ended December 31, 1999 and 1998, respectively, were derived from the OP's centers in California, including Desert Hills.

The OP does not consider any single store lease to be material; no individual tenant, combining all of its store concepts, accounts for more than 5% of the OP's gross revenues or total GLA; and only two tenants occupy more than 4% of the OP's total GLA. As a result, and considering the OP's past success in re-leasing available space, the OP believes the loss of any individual tenant would not have a significant effect on future operations.

Set forth in the table below is certain property information as of December 31,1999:

NAME/LOCATION	YEAR OPENED	GLA (SQ. FT.)	NO. OF STORES	CERTAIN TENANTS
Woodbury Common Central Valley, NY (New York City metro area)	1985	841,000	213	Brooks Brothers, Calvin Klein, Coach Leather, Gap, Gucci, Last Call Neiman Marcus, Polo Ralph Lauren
North Georgia Dawsonville, GA (Atlanta metro area)	1996	537,000	135	Brooks Brothers, Donna Karan, Gap, Nautica, Off 5th-Saks Fifth Avenue, Williams-Sonoma
Desert Hills Cabazon, CA (Palm Springs-Los Angeles area)	1990	475,000	120	Burberry, Coach Leather, Giorgio Armani, Gucci, Nautica, Polo Ralph Lauren, Tommy Hilfiger
Wrentham Village Wrentham, MA (Boston/Providence metro area)	1997	473,000	125	Brooks Brothers, Calvin Klein, Donna Karan, Gap, Polo Jeans Co., Sony, Versace
Camarillo Premium Outlets Camarillo, CA (Los Angeles metro area)	1995	454,000	124	Ann Taylor, Barneys New York, Bose, Cole-Haan, Donna Karan, Jones NY, Off 5th-Saks Fifth Avenue
Leesburg Corner Leesburg, VA (Washington DC area)	1998	325,000	73	Banana Republic, Brooks Brothers, Gap, Donna Karan, Off 5th-Saks Fifth Avenue
Aurora Premium Outlets Aurora, OH (Cleveland metro area)	1987	297,000	69	Ann Taylor, Bose, Brooks Brothers, Carters, Liz Claiborne, Nautica, Off 5th-Saks Fifth Avenue
Clinton Crossing Clinton, CT (I-95/NY-New England corridor)	1996	272,000	67	Coach Leather, Crate & Barrel, Donna Karan, Gap, Off 5th-Saks Fifth Avenue, Polo Ralph Lauren
Folsom Premium Outlets Folsom, CA (Sacramento metro area)	1990	246,000	68	Bass, Donna Karan, Gap, Liz Claiborne, Nike, Off 5th-Saks Fifth Avenue
Waikele Premium Outlets (1) Waipahu, HI (Honolulu area)	1997	214,000	52	Barneys New York, Bose, Donna Karan, Guess, Polo Jeans Co., Off 5th-Saks Fifth Avenue
Petaluma Village Petaluma, CA (San Francisco metro area)	1994	196,000	51	Ann Taylor, Bose, Brooks Brothers, Donna Karan, Off 5th-Saks Fifth Avenue
Napa Premium Outlets Napa, CA (Napa Valley)	1994	171,000	48	Cole-Haan, Dansk, Ellen Tracy, Esprit, J. Crew, Nautica, Timberland, TSE Cashmere
Columbia Gorge Troutdale, OR (Portland metro area)	1991	164,000	44	Adidas, Carter's, Gap, Harry & David, Mikasa
Liberty Village Flemington, NJ (New York-Phila. metro area)	1981	157,000	56	Calvin Klein, Donna Karan, Ellen Tracy, Polo Ralph Lauren, Tommy Hilfiger
American Tin Cannery Pacific Grove, CA (Monterey Peninsula)	1987	135,000	48	Anne Klein, Bass, Carole Little, Nine West, Reebok, Totes
Santa Fe Premium Outlets Santa Fe, NM	1993	125,000	40	Brooks Brothers, Coach Leather, Donna Karan, Liz Claiborne, Nine West
Patriot Plaza Williamsburg, VA (Norfolk-Richmond area)	1986	76,000	11	Lenox, Polo Ralph Lauren, WestPoint Stevens
Mammoth Premium Outlets Mammoth Lakes, CA (Yosemite National Park)	1990	35,000	11	Bass, Polo Ralph Lauren
St. Helena Premium Outlets St. Helena, CA (Napa Valley)	1992	23,000	9	Brooks Brothers, Coach Leather, Donna Karan, Joan & David
Total		5,216,000	1,364	

(1) Acquired in March 1997

The OP rents approximately 27,000 square feet of office space in its

headquarters facility in Roseland, New Jersey and approximately 4,000 square feet of office space for its west coast regional development office in Newport Beach, California.

ITEM 3. LEGAL PROCEEDINGS

The OP is not presently involved in any material litigation other than routine litigation arising in the ordinary course of business and that is either expected to be covered by liability insurance or to have no material impact on the OP's financial position and results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SECURITY MATTERS

None.

ITEM 6: SELECTED FINANCIAL DATA

CHELSEA GCA REALTY PARTNERSHIP, L.P.

(IN THOUSANDS EXCEPT PER UNIT, AND NUMBER OF CENTERS)

	YEAR ENDED DECEMBER 31,				
OPERATING DATA:	1999	1998	1997	1996	1995
Rental revenue	$114,485	$99,976	$81,531	$63,792	$51,361
Total revenues	162,926	139,315	113,417	91,356	72,515
Loss on writedown of assets	694	15,713	-	-	-
Total expenses	115,370	113,879	78,262	59,996	41,814
Income before minority interest and extraordinary item	47,556	25,436	35,155	31,360	29,650
Minority interest	-	-	(127)	(257)	(285)
Income before extraordinary item	47,556	25,436	35,028	31,103	29,365
Extraordinary item - loss on retirement of debt	-	(345)	(252)	(902)	-
Net income	47,556	25,091	34,776	30,201	29,365
Preferred distribution	(6,137)	(4,188)	(907)	-	-
Net income to common unitholders	$41,419	$20,903	$33,869	$30,201	$29,365
Net income per common unit:					
General partner (including $0.02 and $0.01 net loss per unit from extraordinary item in 1998 and 1997, respectively)	$2.17	$1.11	$1.88	$1.77	$1.75
Limited partner (including $0.02 and $0.01 net loss per unit from extraordinary item in 1998 and 1997, respectively)	$2.16	$1.09	$1.87	$1.76	$1.75
OWNERSHIP INTEREST:					
General partner	15,742	15,440	14,605	11,802	11,188
Limited partners	3,389	3,431	3,435	5,316	5,601
Weighted average units outstanding	19,131	18,871	18,040	17,118	16,789
BALANCE SHEET DATA:					
Rental properties before accumulated depreciation	$848,813	$792,726	$708,933	$512,354	$415,983
Total assets	806,055	773,352	688,029	502,212	408,053
Total liabilities	426,198	450,410	342,106	240,878	141,577
Minority interest	-	-	-	5,698	5,441
Partners' capital	379,857	322,942	345,923	255,636	261,035
Distributions declared per common unit	$2.88	$2.76	$2.58	$2.355	$2.135
OTHER DATA:					
Funds from operations to common unitholders (1)	$79,980	$67,994	$57,417	$48,616	$41,870
Cash flows from:					
Operating activities	$87,590	$78,731	$56,594	$53,510	$36,797
Investing activities	(77,578)	(119,807)	(199,250)	(99,568)	(82,393)
Financing activities	(10,781)	36,169	143,308	55,957	40,474
GLA at end of period	5,216	4,876	4,308	3,610	2,934
Weighted average GLA (2)	4,995	4,614	3,935	3,255	2,680
Centers at end of the period	19	19	20	18	16
New centers opened	-	1	1	2	1
Centers expanded	4	7	5	5	7
Center sold	1	-	-	-	1
Centers held for sale	1	2	-	-	-
Center acquired	-	-	1	-	-

NOTES TO SELECTED FINANCIAL DATA:

(1) Management considers funds from operations ("FFO") an appropriate measure of performance for an equity real estate investment trust. FFO does not represent net income or cash flow from operations as defined by generally accepted accounting principles and should not be considered an alternative to net income as an indicator of operating performance or to cash from operations, and is not necessarily indicative of cash flow available to fund cash needs. See Management's Discussion and Analysis for definition of FFO.

(2) GLA weighted by months in operation.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in connection with the financial statements and notes thereto appearing elsewhere in this annual report.

Certain comparisons between periods have been made on a percentage or weighted average per square foot basis. The latter technique adjusts for square footage changes at different times during the year.

GENERAL OVERVIEW

At December 31, 1999 and 1998, the OP operated 19 manufacturers' outlet centers, compared to 20 at the end of 1997. The OP's operating gross leasable area ("GLA") at December 31, 1999 was 5.2 million square feet compared to 4.9 million square feet and 4.3 million square feet at December 31, 1998 and 1997, respectively.

From January 1, 1997 to December 31, 1999, the OP grew by increasing rents at its operating centers, opening two new centers, acquiring one center and expanding nine centers. The 1.6 million square feet ("sf") of net GLA added is detailed as follows:

	SINCE JANUARY 1, 1997	1999	1998	1997
CHANGES IN GLA (SF IN 000'S):				
NEW CENTERS DEVELOPED:				
Leesburg Corner	270	-	270	-
Wrentham Village	227	-	-	227
TOTAL NEW CENTERS	497	-	270	227
CENTERS EXPANDED:				
Wrentham Village	246	120	126	-
North Georgia	245	103	31	111
Leesburg Corner	55	55	-	-
Camarillo Premium Outlets	175	45	45	85
Woodbury Common	268	-	268	-
Folsom Premium Outlets	34	-	19	15
Columbia Gorge	16	-	16	-
Desert Hills	42	-	6	36
Liberty Village	12	-	-	12
Other	-	17	(15)	(2)
TOTAL CENTERS EXPANDED	1,093	340	496	257
CENTERS HELD FOR SALE:				
Solvang Designer Outlets	(52)	-	(52)	-
Lawrence Riverfront	(146)	-	(146)	-
	(198)	-	(198)	-
CENTER ACQUIRED:				
Waikele Premium Outlets	214	-	-	214
NET GLA ADDED DURING THE PERIOD	1,606	340	568	698
OTHER DATA:				
GLA at end of period		5,216	4,876	4,308
Weighted average GLA (1)		4,995	4,614	3,935
Centers in operation at end of period		19	19	20
New centers opened		-	1	1
Centers expanded		4	7	5
Centers sold		1	-	-
Centers held for sale		1	2	-
Center acquired		-	-	1

NOTE: (1) Average GLA weighted by months in operation

The OP's centers produced weighted average reported tenant sales of approximately $377 per square foot in 1999 and $360 per square foot in 1998 and 1997.

Two of the OP's centers, Woodbury Common and Desert Hills, generated approximately 34%, 35% and 34% of the OP's total revenue for the years 1999, 1998 and 1997, respectively. In addition, approximately 30%, 34%, and 38% of the OP's revenues for the years ended December 31, 1999, 1998 and 1997, respectively, were derived from the OP's centers in California, including Desert Hills.

The OP does not consider any single store lease to be material; no individual tenant, combining all of its store concepts, accounts for more than 5% of the OP's gross revenues or total GLA; and only two tenants occupy more than 4% of the OP's total GLA. In view of these statistics and the OP's past success in re-leasing available space, the OP believes the loss of any individual tenant would not have a significant effect on future operations.

The discussion below is based upon operating income before minority interest and extraordinary item. The minority interest in net income varies from period to period as a result of changes in the OP's 50% investment in Solvang prior to June 30, 1997.

COMPARISON OF YEAR ENDED DECEMBER 31, 1999 TO YEAR ENDED DECEMBER 31, 1998

Operating income before interest, depreciation and amortization increased $18.6 million, or 19.8%, to $112.2 million in 1999 from $93.6 million in 1998. This increase was primarily the result of expansions and a new center opening during 1999 and 1998.

Base rentals increased $12.2 million, or 14.1%, to $98.8 million in 1999 from $86.6 million in 1998 due to expansions, a new center opening in 1998 and higher average rents. Base rental revenue per weighted average square foot increased to $19.79 in 1999 from $18.77 in 1998 as a result of higher rental rates on new leases and renewals.

Percentage rents increased $2.3 million, or 16.9%, to $15.7 million in 1999 from $13.4 million in 1998. The increase was primarily due to a new center opening in 1998, expansions of existing centers and increase in tenants contributing percentage rents.

Expense reimbursements, representing contractual recoveries from tenants of certain common area maintenance, operating, real estate tax, promotional and management expenses, increased $4.4 million, or 12.5%, to $39.7 million in 1999 from $35.3 million in 1998, due to the recovery of operating and maintenance costs from increased GLA. On a weighted average square foot basis, expense

reimbursements increased 3.9% to $7.96 in 1999 from $7.66 in 1998. The average recovery of reimbursable expenses was 90.8% in 1999 compared to 91.3% in 1998.

Other income increased $4.7 million to $8.7 million in 1999 from $4.0 million in 1998. The increase was primarily due to income from the agreement not to compete with the Mills Corporation in the Houston, Texas area.

Interest, in excess of amounts capitalized, increased $4.2 million to $24.2 million in 1999 from $20.0 million in 1998, due to higher debt balances from increased GLA in operation.

Operating and maintenance expenses increased $5.1 million, or 13.1%, to $43.8 million in 1999 from $38.7 million in 1998. The increase was primarily due to costs related to increased GLA. On a weighted average square foot basis, operating and maintenance expenses increased 4.4% to $8.76 in 1999 from $8.39 in 1998 as a result of increased real estate tax and promotion costs.

General and administrative expenses remained stable at $4.8 million during 1999 and 1998.

Depreciation and amortization expense increased $7.2 million to $39.7 million in 1999 from $32.5 million in 1998. The increase was due to depreciation of expansions and a new center opened in 1998.

The loss on writedown of assets of $0.7 million in 1999 and $15.7 million in 1998 was attributable to the re-valuation of two centers held for sale at their estimated fair values and the write-off of pre-development costs of an abandoned site.

Other expenses remained stable at $2.1 million during 1999 and 1998.

COMPARISON OF YEAR ENDED DECEMBER 31, 1998 TO YEAR ENDED DECEMBER 31, 1997

Operating income before interest, depreciation and amortization increased $18.2 million, or 24.2%, to $93.6 million in 1998 from $75.4 million in 1997. This increase was primarily the result of expansions and new center openings during 1997 and 1998.

Base rentals increased $15.9 million, or 22.5%, to $86.6 million in 1998 from $70.7 million in 1997 due to expansions, new center openings in 1997 and 1998, one acquired center and higher average rents. Base rental revenue per weighted average square foot increased to $18.77 in 1998 from $17.97 in 1997 as a result of higher rental rates on new leases and renewals.

Percentage rents increased $2.6 million, or 23.5%, to $13.4 million in 1998 from $10.8 million in 1997. The increase was primarily due to a new center opening in 1997, increased tenant sales and a higher number of tenants contributing percentage rents.

Expense reimbursements, representing contractual recoveries from tenants of certain common area maintenance, operating, real estate tax, promotional and management expenses, increased $6.3 million, or 21.9%, to $35.3 million in 1998 from $29.0 million in 1997, due to the recovery of operating and maintenance costs from increased GLA. On a weighted average square foot basis, expense reimbursements increased 4.1% to $7.66 in 1998 from $7.36 in 1997. The average recovery of reimbursable expenses was 91.3% in 1998 compared to 92.2% in 1997.

Other income increased $1.1 million to $4.0 million in 1998 from $2.9 million in 1997. The increase was due to income from the agreement not to compete with the Mills Corporation in the Houston, Texas area and a $0.3 million increase in outparcel income during 1998.

Interest, in excess of amounts capitalized, increased $4.6 million to $20.0 million in 1998 from $15.4 million in 1997, due to higher debt balances from increased GLA in operation.

Operating and maintenance expenses increased $7.3 million, or 23.2%, to $38.7 million in 1998 from $31.4 million in 1997. The increase was primarily due to costs related to increased GLA. On a weighted average square foot basis, operating and maintenance expenses increased 5.0% to $8.39 in 1998 from $7.99 in 1997 as a result of increased real estate tax and promotion costs.

Depreciation and amortization expense increased $7.5 million to $32.5 million in 1998 from $25.0 million in 1997. The increase was due to depreciation of expansions and new centers opened in 1997 and 1998.

General and administrative expenses increased $1.0 million to $4.8 million in 1998 from $3.8 million in 1997. On a weighted average square foot basis, general and administrative expenses increased 8.2% to $1.05 in 1998 from $0.97 in 1997 primarily due to increased personnel, overhead costs and accrual for deferred compensation.

The loss on writedown of assets of $15.7 million in 1998 was attributable to the re-valuation of two centers held for sale at their estimated fair values and the write-off of pre-development costs of an abandoned site.

Other expenses decreased $0.4 million to $2.2 million in 1998 from $2.6 million in 1997. The decrease was primarily due to recoveries of bad debts previously written off.

LIQUIDITY AND CAPITAL RESOURCES

The OP believes it has adequate financial resources to fund operating expenses, distributions, and planned development and construction activities. Operating cash flow in 1999 of $87.6 million is expected to increase with a full year of operations of the 340,000 square feet of GLA added during 1999 and scheduled openings of approximately 853,000 square feet in 2000, which includes the OP's 50% ownership share in Orlando Premium Outlets and 40% ownership share in Gotemba Premium Outlets. The OP has adequate funding sources to complete and open all of its current development projects through the use of available cash

of $8.9 million; construction loans for the Orlando and Allen projects; a yen denominated line of credit for the OP's share of projects in Japan; and approximately $90 million available under its Senior Credit Facility. Chelsea also has the ability to access the public markets through its $175 million debt shelf registration and if current market conditions become favorable through its $200 million equity shelf registration.

Operating cash flow is expected to provide sufficient funds for distributions. In addition, the OP anticipates retaining sufficient operating cash to fund re-tenanting and lease renewal tenant improvement costs, as well as capital expenditures to maintain the quality of its centers.

Common distributions declared and recorded in 1999 were $55.2 million or $2.88 per unit. The OP's 1999 distribution payout ratio as a percentage of net income before minority interest, loss on writedown of assets and depreciation and amortization, exclusive of amortization of deferred financing costs, ("FFO") was 69%. The Senior Credit Facility limits aggregate dividends and distributions to the lesser of (i) 90% of FFO on an annual basis or (ii) 100% of FFO for any two consecutive quarters.

On September 3, 1999, the OP completed a private sale of $65 million of Series B Cumulative Redeemable Preferred Units ("Preferred Units") to an institutional investor. The private placement took the form of 1.3 million Preferred Units at a stated value of $50 each. The Preferred Units may be called at par on or after September 3, 2004, have no stated maturity or mandatory redemption and pay a cumulative quarterly dividend at an annualized rate of 9.0%. The Preferred Units are not convertible to any other securities of the OP or Company. Proceeds from the sale were used to pay down borrowings under the Senior Credit Facility.

On March 30, 1998, the OP replaced its two unsecured bank revolving lines of credit, totaling $150 million (the "Credit Facilities"), with a new $160 million senior unsecured bank line of credit (the "Senior Credit Facility"). The Senior Credit Facility expires on March 30, 2001 and the OP has an annual right to request a one-year extension of the Senior Credit Facility which may be granted at the option of the lenders. The OP has requested and expects approval to extend the Facility until March 30, 2003. The Facility bears interest on the outstanding balance, payable monthly, at a rate equal to the London Interbank Offered Rate ("LIBOR") plus 1.05% (7.24% at December 31, 1999) or the prime rate, at the OP's option. The LIBOR spread ranges from 0.85% to 1.25% depending on the Operating Partnership's Senior Debt rating. A fee on the unused portion of the Senior Credit Facility is payable quarterly at rates ranging from 0.15% to 0.25% depending on the balance outstanding.

In November 1998, the OP obtained a $60 million term loan which expires April 2000 and bears interest on the outstanding balance at a rate equal to LIBOR plus 1.40% (7.53% at December 31, 1999). Proceeds from the loan were used to pay down borrowings under the Senior Credit Facility. The OP is currently exploring several refinancing alternatives including extension and payoff of this loan.

The OP is in the process of planning development for 2000 and beyond. At December 31, 1999, approximately 424,000 square feet of the OP's planned 2000 development was under construction, including of the 232,000 square foot first phase of Allen Premium Outlets (Allen, Texas - located on US Highway 75 approximately 30 miles north of Dallas), the 104,000 square foot third phase of Leesburg Corner and expansions totaling 88,000 square feet at two other centers. These projects are under development and there can be no assurance that they will be completed or opened, or that there will not be delays in opening or completion. Excluding separately financed joint venture projects, the OP anticipates 2000 development and construction costs of $40 million to $50 million. Funding is currently expected from borrowings under the Senior Credit Facility, additional debt offerings, and/or equity offerings, except Allen Premium Outlets. In February 2000, an affiliate of the OP entered into a $40 million construction loan agreement that is expected to fund approximately 75% of the costs of the Allen project. The loan is guaranteed by the OP.

Construction is also underway on Orlando Premium Outlets ("OPO"), a 430,000 square-foot upscale outlet center located on Interstate 4 midway between Walt Disney World/EPCOT and Sea World in Orlando, Florida. OPO is a joint venture project between the OP and Simon and is scheduled to open as a single phase in mid-2000. In February 1999, the joint venture entered into a $82.5 million construction loan agreement that is expected to fund approximately 75% of the costs of the project. The loan is 50% guaranteed by each of the OP and Simon and as of December 31, 1999, $20.8 million was outstanding.

In June 1999, the OP signed a definitive agreement with Mitsubishi Estate Co., Ltd. and Nissho Iwai Corporation to jointly develop, own and operate premium outlet centers in Japan. The joint venture, known as Chelsea Japan Co., Ltd. ("Chelsea Japan") intends to develop its initial project in the city of Gotemba. In conjunction with the agreement, the OP contributed $1.7 million in equity. In addition, an equity investee of the OP entered into a 4 billion yen (US $40 million) line of credit guaranteed by the Company and OP to fund its share of construction costs. At December 31, 1999, no amounts were outstanding under the loan. In December 1999, construction began on the 220,000 square-foot first phase of Gotemba Premium Outlets with opening scheduled for mid- 2000. Gotemba is located on the Tomei Expressway, approximately 60 miles west of Tokyo and midway between Mt. Fuji and the Hakone resort area. Subject to governmental and other approvals, Chelsea Japan also expects to announce a project outside Osaka, the second-largest city in Japan, to open in late 2000.

The OP has minority interests ranging from 5 to 15% in several outlet centers and outlet development projects in Europe. Two outlet centers, Bicester Village outside of London, England and La Roca Company Stores outside of Barcelona, Spain, are currently open and operated by Value Retail PLC and its affiliates. Three new European projects and expansions of the two existing centers are in various stages of development and are expected to open within the next two years. The OP's total investment in Europe as of February 2000 is approximately $4.5 million. The OP has also agreed to provide up to $22 million in limited debt service guarantees under a standby facility for loans arranged by Value Retail PLC to construct outlet centers in Europe. The term of the standby facility is three years and guarantees shall not be outstanding for longer than

five years after project completion. As of February 2000, the OP has provided limited debt service guaranties of approximately $20 million for three projects.

The OP announced in October 1998 that it sold its interest in and terminated the development of Houston Premium Outlets, a joint venture project with Simon. Under the terms of the agreement, the OP will receive non-compete payments totaling $21.4 million from The Mills Corporation; $3.0 million was received at closing, and four annual installments of $4.6 million will be received on each January 2, 1999 through 2002. The OP has also been reimbursed for its share of land costs, development costs and fees related to the project.

To achieve planned growth and favorable returns in both the short and long-term, the OP's financing strategy is to maintain a strong, flexible financial position by: (i) maintaining a conservative level of leverage; (ii) extending and sequencing debt maturity dates; (iii) managing exposure to floating interest rates; and (iv) maintaining liquidity. Management believes these strategies will enable the OP to access a broad array of capital sources, including bank or institutional borrowings and secured and unsecured debt and equity offerings, subject to market conditions.

Net cash provided by operating activities was $87.6 million and $78.7 million for the years ended December 31, 1999 and 1998, respectively. The increase was primarily due to the growth of the OP's GLA to 5.2 million square feet in 1999 from 4.9 million square feet in 1998 and receipt of payment on a non-compete receivable. Net cash used in investing activities decreased $42.2 million for the year ended December 31, 1999 compared to the corresponding 1998 period, as a result of decreased construction activity, proceeds from sale of a center and receipt of payment on a note receivable. For the year ended December 31, 1999, net cash provided by financing activities decreased by $47.0 million primarily due to higher borrowings during 1998 offset in part by the sale of preferred units in September 1999. Proceeds from the sale were used to repay borrowings under the OP's Senior Credit Facility.

Net cash provided by operating activities was $78.7 million and $56.6 million for the years ended December 31, 1998 and 1997, respectively. The increase was primarily due to the growth of the OP's GLA to 4.9 million square feet in 1998 from 4.3 million square feet in 1997. Net cash used in investing activities decreased $79.4 million for the year ended December 31, 1998 compared to the corresponding 1997 period, primarily as a result of the Waikele Factory Outlets acquisition in March 1997. For the year ended December 31, 1998, net cash provided by financing activities decreased by $107.1 million primarily due to borrowings for the Waikele Factory Outlets acquisition and excess capital raised for development during 1997.

YEAR 2000 COMPLIANCE

In prior years, the OP discussed the nature and progress of its plans to become Year 2000 ready. In late 1999, the OP completed its remediation and testing of systems. As a result of those planning and implementation efforts, the OP experienced no significant disruptions in mission-critical information technology and non-information technology systems and believes those systems successfully responded to the Year 2000 date change. The OP expensed less than $100,000 during 1999 in connection with remediating its systems. The OP is not aware of any material problems resulting from Year 2000 issues, either with its internal systems, or the products and services of third parties. The OP will continue to monitor its mission critical computer applications and those of its suppliers and vendors throughout the year 2000 to ensure that any latent Year 2000 matters that may arise are addressed promptly.

FUNDS FROM OPERATIONS

Management believes that funds from operations ("FFO") should be considered in conjunction with net income, as presented in the statements of income included elsewhere herein, to facilitate a clearer understanding of the operating results of the Company. Management considers FFO an appropriate measure of performance for an equity real estate investment trust. FFO, as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), is net income applicable to common shareholders (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from debt restructuring and sales or writedowns of property, exclusive of outparcel sales, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO on the same basis. FFO does not represent net income or cash flow from operations as defined by generally accepted accounting principles and should not be considered an alternative to net income as an indicator of operating performance or to cash from operations, and is not necessarily indicative of cash flow available to fund cash needs.

	YEAR ENDED DECEMBER 31, 1999	1998
Income to common unitholders before extraordinary item.....	$41,419	$21,248
Add:		
Depreciation and amortization.....	39,716	32,486
Loss on writedown of assets.....	694	15,713
Amortization of deferred financing costs and depreciation of non-rental real estate assets.....	(1,849)	(1,453)
FFO.....	$79,980	$67,994
Average units outstanding.....	19,131	18,871
Distributions declared per unit.....	$2.88	$2.76

ECONOMIC CONDITIONS

Substantially all leases contain provisions, including escalations of base rents and percentage rentals calculated on gross sales, to mitigate the impact of inflation. Inflationary increases in common area maintenance and real estate tax expenses are substantially all reimbursed by tenants.

Virtually all tenants have met their lease obligations and the OP continues to attract and retain quality tenants. The OP intends to reduce operating and leasing risks by continually improving its tenant mix, rental rates and lease terms, and by pursuing contracts with creditworthy upscale and national brand-name tenants.

ITEM 7-A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The OP is exposed to changes in interest rates primarily from its floating rate debt arrangements. Under its current policies, the OP does not use interest rate derivative instruments to manage exposure to interest rate changes. A hypothetical 100 basis point adverse move (increase) in interest rates along the entire rate curve would adversely affect the OP's annual interest cost by approximately $1.3 million annually.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and financial information of the OP for the years ended December 31, 1999, 1998 and 1997 and the Report of the Independent Auditors thereon are included elsewhere herein. Reference is made to the financial statements and schedules in Item 14.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEMS 10, 11, 12 AND 13.

The Operating Partnership does not have any directors, executive officers or stock authorized, issued or outstanding. If the information was required it would be identical to the information contained in Items 10, 11, 12 and 13 of the Company's Form 10-K, that will appear in the Company's Proxy Statement furnished to shareholders in connection with the Company's 2000 Annual Meeting. Such information is incorporated by reference in this Form 10-K.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1 and 2. The response to this portion of Item 14 is submitted as a separate section of this report.

3. Exhibits

3.1 Articles of Incorporation of the Company, as amended, including Articles Supplementary relating to 8 3/8% Series A Cumulative Redeemable Preferred Stock and Articles Supplementary relating to 9% Series B Cumulative Redeemable Preferred Stock.

3.2 By-laws of the Company. Incorporated by reference to Exhibit 3.2 to Registration Statement filed by the Company on Form S-11 under the Securities Act of 1933 (file No. 33-67870) (S-11).

3.3 Agreement of Limited Partnership for the Operating Partnership. Incorporated by reference to Exhibit 3.3 to S-11.

3.4 Amendments No. 1 and No. 2 to Partnership Agreement dated March 31, 1997 and October 7, 1997. Incorporated by reference to Exhibit 3.4 to Form 10K for the year ended December 31, 1997.

3.5 Amendment No. 3 to Partnership Agreement dated September 3, 1999.

4.1 Form of Indenture among the Company, Chelsea GCA Realty Partnership, L.P., and State Street Bank and Trust Company, as Trustee. Incorporated by reference to Exhibit 4.4 to Registration Statement filed by the Company on Form S-3 under the Securities Act of 1933 (File No. 33-98136).

10.1 Registration Rights Agreement among the Company and recipients of Units. Incorporated by reference to Exhibit 4.1 to S-11.

10.2 Term Loan Agreement dated November 3, 1998 among Chelsea GCA Realty Partnership, L.P., BankBoston, N.A., individually and as an agent, and other Lending Institutions listed therein. Incorporated by reference to Exhibit 10.2 to Form 10K for the year ended December 31, 1998 ("1998 10K").

10.3 Credit Agreement dated March 30, 1998 among Chelsea GCA Realty Partnership, L.P., BankBoston, N.A, individually and as an agent, and other Lending Institutions listed therein. Incorporated by reference to Exhibit 10.3 to 1998 10K.

10.4 Agreement dated October 23, 1998, among Chelsea GCA Realty Partnership, L.P., Chelsea GCA Realty, Inc., Simon Property Group, L.P., the Mills Corporation and related parties. Incorporated by reference to Exhibit 10.4 to 1998 10K.

10.5 Limited Liability Company Agreement of Simon/Chelsea Development Co., L.L.C. dated May 16, 1997 between Simon DeBartolo Group, L.P. and Chelsea GCA Realty Partnership, L.P. Incorporated by reference to Exhibit 10.3 to Form 10K for the year ended December 31, 1997.

10.6 Subscription Agreement dated as of March 31, 1997 by and among Chelsea GCA Realty Partnership, L.P., WCC Associates and KM Halawa Partners. Incorporated by reference to Exhibit 1 to current report on Form 8-K reporting on an event which occurred March 31, 1997.

10.7 Stock Subscription Agreement dated May 16, 1997 between Chelsea GCA Realty, Inc. and Simon DeBartolo Group, L.P. Incorporated by reference to Exhibit 10.5 to Form 10K for the year ended December 31, 1997.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K (CONTINUED)

10.8 Contribution Agreement by and among an institutional investor and Chelsea GCA Realty Partnership, L.P. and Chelsea GCA Realty, Inc. dated September 3, 1999.

23.1 Consent of Ernst & Young LLP.

(b) Reports on Form 8-K.
None

(c) Exhibits
See (a) 3

(d) Financial Statement Schedules - The response to this portion of Item 14 is submitted as a separate schedule of this report.

ITEM 8, ITEM 14(A)(1) AND (2) AND ITEM 14(D)

(A)1. FINANCIAL STATEMENTS

(A)2 AND (D) FINANCIAL STATEMENT SCHEDULE

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and notes thereto.

REPORT OF INDEPENDENT AUDITORS

TO THE OWNERS
CHELSEA GCA REALTY PARTNERSHIP, L.P.

We have audited the accompanying consolidated balance sheets of Chelsea GCA Realty Partnership, L.P. as of December 31, 1999 and 1998, and the related consolidated statements of income, partners' capital and cash flows for each of the three years in the period ended December 31, 1999. Our audits also included the financial statement schedule listed in the Index as Item 14(a). These financial statements and schedule are the responsibility of the management of Chelsea GCA Realty, Partnership, L.P. Our responsibility is to express an opinion on the financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Chelsea GCA Realty Partnership, L.P. as of December 31, 1999 and 1998, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

ERNST & YOUNG LLP

NEW YORK, NEW YORK
FEBRUARY 2, 2000

CHELSEA GCA REALTY PARTNERSHIP, L.P.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	DECEMBER 31, 1999	1998
ASSETS		
Rental properties:		
Land	$ 118,494	$ 109,318
Depreciable property	730,319	683,408
Total rental property	848,813	792,726
Accumulated depreciation	(138,221)	(102,851)
Rental properties, net	710,592	689,875
Cash and equivalents	8,862	9,631
Notes receivable-related parties	2,213	4,500
Deferred costs, net	14,290	17,766
Properties held for sale	3,388	8,733
Other assets	66,710	42,847
TOTAL ASSETS	$ 806,055	$ 773,352
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Unsecured bank debt	$ 131,035	$ 151,035
7.75% Unsecured Notes due 2001	99,905	99,824
7.25% Unsecured Notes due 2007	124,744	124,712
Construction payables	9,277	12,927
Accounts payable and accrued expenses	27,127	19,769
Obligation under capital lease	3,233	9,612
Accrued distribution payable	3,813	3,274
Other liabilities	27,064	29,257
TOTAL LIABILITIES	426,198	450,410
Commitments and contingencies		
Partners' capital:		
General partner units outstanding, 15,932 in 1999 and 15,608 in 1998	277,296	280,391
Limited partners units outstanding, 3,357 in 1999 and 3,429 in 1998	39,246	42,551
Preferred partners units outstanding, 1,300 in 1999	63,315	-
Total partners' capital	379,857	322,942
TOTAL LIABILITIES AND PARTNERS' CAPITAL	$ 806,055	$ 773,352

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

CHELSEA GCA REALTY PARTNERSHIP, L.P.
CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER UNIT DATA)

	YEAR ENDED DECEMBER 31, 1999	1998	1997
REVENUES:			
Base rental	$98,838	$86,592	$70,693
Percentage rentals	15,647	13,384	10,838
Expense reimbursements	39,748	35,342	28,981
Other income	8,693	3,997	2,905
TOTAL REVENUES	162,926	139,315	113,417
EXPENSES:			
Interest	24,208	19,978	15,447
Operating and maintenance	43,771	38,704	31,423
Depreciation and amortization	39,716	32,486	24,995
General and administrative	4,853	4,849	3,815
Loss on writedown of assets	694	15,713	-
Other	2,128	2,149	2,582
TOTAL EXPENSES	115,370	113,879	78,262
Income before minority interest and extraordinary item	47,556	25,436	35,155
Minority interest	-	-	(127)
Income before extraordinary item	47,556	25,436	35,028
Extraordinary item-loss on early extinguishment of debt	-	(345)	(252)
Net income	47,556	25,091	34,776
Preferred unit requirement	(6,137)	(4,188)	(907)
NET INCOME TO COMMON UNITHOLDERS	$41,419	$20,903	$33,869
NET INCOME TO COMMON UNITHOLDERS:			
General partner	$34,093	$17,162	$27,449
Limited partners	7,326	3,741	6,420
TOTAL	$41,419	$20,903	$33,869
NET INCOME PER COMMON UNIT:			
General partner (including $0.02 and $0.01 net loss per unit from extraordinary item in 1998 and 1997, respectively)	$2.17	$1.11	$1.88
Limited partners (including $0.02 and $0.01 net loss per unit from extraordinary item in 1998 and 1997, respectively)	$2.16	$1.09	$1.87
WEIGHTED AVERAGE UNITS OUTSTANDING:			
General partner	15,742	15,440	14,605
Limited partners	3,389	3,431	3,435
TOTAL	19,131	18,871	18,040

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

CHELSEA GCA REALTY PARTNERSHIP, L.P.
CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(IN THOUSANDS)

	GENERAL PARTNER'S CAPITAL	LIMITED PARTNERS' CAPITAL	PREFERRED PARTNER'S CAPITAL	TOTAL PARTNER'S CAPITAL
Balance December 31, 1996	$185,340	$70,296	$ -	$255,636
Contributions	103,357	389	-	103,746
Net income	28,356	6,420	-	34,776
Common distributions	(38,475)	(8,853)	-	(47,328)
Preferred distribution	(907)	-	-	(907)
Transfer of a limited partners' interest	19,999	(19,999)	-	-
Balance December 31, 1997	297,670	48,253	-	345,923
Contributions	8,266	-	-	8,266
Net income	21,350	3,741	-	25,091
Common distributions	(42,707)	(9,407)	-	(52,114)
Preferred distribution	(4,188)	-	-	(4,188)
Transfer of a limited partners' interest	-	(36)	-	(36)
BALANCE DECEMBER 31, 1998	280,391	42,551	-	322,942
CONTRIBUTIONS (NET OF COSTS)	7,335	-	63,315	70,650
NET INCOME	38,281	9,275	-	47,556
COMMON DISTRIBUTIONS	(45,426)	(9,728)	-	(55,154)
PREFERRED DISTRIBUTION	(4,188)	(1,949)	-	(6,137)
TRANSFER OF A LIMITED PARTNERS' INTEREST	903	(903)	-	-
BALANCE DECEMBER 31, 1999	$277,296	$39,246	$63,315	$379,857

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

CHELSEA GCA REALTY PARTNERSHIP, L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$47,556	$25,091	$34,776
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	39,716	32,486	24,995
Minority interest in net income	-	-	127
Loss on writedown of assets	694	15,713	-
Proceeds from non-compete receivable	4,600	-	-
Amortization of non-compete revenue	(5,136)	-	-
Extraordinary loss on early extinguishment of debt	-	345	252
Additions to deferred lease costs	(2,771)	(3,178)	(6,629)
Other operating activities	511	522	319
Changes in assets and liabilities:			
Straight-line rent receivable	(1,554)	(1,900)	(1,523)
Other assets	(3,076)	1,094	287
Accounts payable and accrued expenses	7,050	8,558	3,990
Net cash provided by operating activities	87,590	78,731	56,594
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to rental properties	(62,119)	(116,339)	(195,058)
Additions to deferred development costs	(753)	(3,468)	(2,237)
Proceeds from sale of center	4,483	-	-
Loans to related parties	(2,213)	-	-
Payments from related parties	4,500	-	-
Additions to investments in joint ventures	(21,476)	-	-
Other investing activities	-	-	(1,955)
Net cash used in investing activities	(77,578)	(119,807)	(199,250)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from sale of preferred units	63,315	-	-
Net proceeds from sale of common units	7,335	8,287	54,951
Net proceeds from sale of preferred stock	-	-	48,406
Distributions	(60,752)	(56,366)	(48,791)
Debt proceeds	49,000	154,000	261,710
Repayments of debt	(69,000)	(68,000)	(172,000)
Additions to deferred financing costs	(679)	(1,695)	(855)
Other financing activities	-	(57)	(113)
Net cash (used in) provided by financing activities	(10,781)	36,169	143,308
Net (decrease) increase in cash and cash equivalents	(769)	(4,907)	652
Cash and cash equivalents, beginning of period	9,631	14,538	13,886
Cash and cash equivalents, end of period	$8,862	$9,631	$14,538

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND BASIS OF PRESENTATION

ORGANIZATION

Chelsea GCA Realty Partnership, L.P. (the "Operating Partnership" or "OP"), which commenced operations on November 2, 1993, is engaged in the development, ownership, acquisition and operation of manufacturers' outlet centers. As of December 31, 1999, the Operating Partnership operated 19 manufacturers' outlet centers in 11 states. The sole general partner in the Operating Partnership, Chelsea GCA Realty, Inc. (the "Company") is a self-administered and self-managed Real Estate Investment Trust.

BASIS OF PRESENTATION

The financial statements contain the accounts of the Operating Partnership and its majority owned subsidiaries. All significant intercompany transactions and accounts have been eliminated in consolidation. The OP accounts for its non-controlling investments under the equity method. Such investments are included in other assets in the financial statements.

Disclosure about fair value of financial instruments is based on pertinent information available to management as of December 31, 1999 and 1998 using available market information and appropriate valuation methodologies. Although management is not aware of any factors that would significantly affect the reasonable fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

RENTAL PROPERTIES

Rental properties are presented at cost net of accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. The OP uses 25-40 year estimated lives for buildings, and 15 and 5-7 year estimated lives for improvements and equipment, respectively. Expenditures for ordinary maintenance and repairs are charged to operations as incurred, while significant renovations and enhancements that improve and/or extend the useful life of an asset are capitalized and depreciated over the estimated useful life. Statement of Financial Accounting Standards No. 121 ("SFAS No. 121"), Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, requires that the OP review real estate assets for impairment wherever events or changes in circumstances indicate that the carrying value of assets to be held and used may not be recoverable. Impaired assets are reported at the lower of cost or fair value. Assets to be disposed of are reported at the lower of cost or fair value less cost to sell.

Gains and losses from sales of real estate are recorded when title is conveyed to the buyer, subject to the buyer's financial commitment being sufficient to provide economic substance to the sale.

CASH AND EQUIVALENTS

All demand and money market accounts and certificates of deposit with original terms of three months or less from the date of purchase are considered cash equivalents. At December 31, 1999 and 1998 cash equivalents consisted of repurchase agreements which were held by one financial institution, commercial paper and U.S. Government agency securities which matured in January of the following year. The carrying amount of such investments approximated fair value.

DEVELOPMENT COSTS

Development costs, including interest, taxes, insurance and other costs incurred in developing new properties, are capitalized. Upon completion of construction, development costs are amortized on a straight-line basis over the useful lives of the respective assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

CAPITALIZED INTEREST

Interest, including the amortization of deferred financing costs for borrowings used to fund development and construction, is capitalized as construction in progress and allocated to individual property costs.

FOREIGN CURRENCY TRANSLATION

The OP conforms to the requirements of the Statement of Financial Accounting Standards No. 52 (SFAS 52) entitled "Foreign Currency Translation." Accordingly, assets and liabilities of foreign equity investees are translated at prevailing year-end rates of exchange. Gains and losses related to foreign currency were not material for the three year period ending December 31, 1999.

RENTAL EXPENSE

Rental expense is recognized on a straight-line basis over the initial term of the lease.

DEFERRED LEASE COSTS

Deferred lease costs consist of fees and direct costs incurred to initiate and renew operating leases, and are amortized on a straight-line basis over the initial lease term or renewal period as appropriate.

DEFERRED FINANCING COSTS

Deferred financing costs are amortized as interest costs on a straight-line basis over the terms of the respective agreements. Unamortized deferred financing costs are expensed when the associated debt is retired before maturity.

REVENUE RECOGNITION

Leases with tenants are accounted for as operating leases. Minimum rental income is recognized on a straight-line basis over the lease term. Due and unpaid rents are included in other assets in the accompanying balance sheet. Certain lease agreements contain provisions for rents which are calculated on a percentage of sales and recorded on the accrual basis. Contingent rents are not recognized until the required thresholds are exceeded. Virtually all lease agreements contain provisions for reimbursement of real estate taxes, insurance, advertising and common area maintenance costs.

BAD DEBT EXPENSE

Bad debt expense included in other expense totaled $0.8 million, $0.6 million and $0.8 million for the years ended December 31, 1999, 1998 and 1997, respectively. The allowance for doubtful accounts included in other assets totaled $1.0 million and $1.1 million at December 31, 1999 and 1998, respectively.

INCOME TAXES

No provision has been made for income taxes in the accompanying consolidated financial statements since such taxes, if any, are the responsibility of the individual partners.

NET INCOME PER PARTNERSHIP UNIT

Net income per partnership unit is determined by allocating net income to the general partner (including the general partner's preferred unit allocation) and the limited partners based on their weighted average partnership units outstanding during the respective periods presented.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

CONCENTRATION OF OPERATING PARTNERSHIP'S REVENUE AND CREDIT RISK

Approximately 34%, 35% and 34% of the Company's revenues for the years ended December 31, 1999, 1998 and 1997, respectively, were derived from the Company's two centers with the highest revenues, Woodbury Common and Desert Hills. The loss of either center or a material decrease in revenues from either center for any reason may have a material adverse effect on the Company. In addition, approximately 30%, 34% and 38% of the Company's revenues for the years ended December 31, 1999, 1998 and 1997, respectively, were derived from the Company's centers in California, which includes Desert Hills.

Management of the OP performs ongoing credit evaluations of its tenants and requires certain tenants to provide security deposits. Although the Company's tenants operate principally in the retail industry, there is no dependence upon any single tenant.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

MINORITY INTEREST

Through June 30, 1997, the Operating Partnership was the sole general partner and had a 50% interest in Solvang Designer Outlets ("Solvang"), a limited partnership. Accordingly, the accounts of Solvang were included in the consolidated financial statements of the Operating Partnership. On June 30, 1997, the Operating Partnership acquired the remaining 50% interest in Solvang. Solvang is not material to the operations or financial position.

SEGMENT INFORMATION

Effective January 1, 1998, the OP adopted the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information ("Statement 131"). Statement 131 superseded FASB Statement No. 14, Financial Reporting for Segments of a Business Enterprise. Statement 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports. Statement 131 also establishes standards for related disclosures about products and services, geographic areas, and major customers. The adoption of Statement 131 did not affect results of operations, financial position or disclosure of segment information as the OP is engaged in the development, ownership, acquisition and operation of manufacturers' outlet centers and has one reportable segment, retail real estate. The OP evaluates real estate performance and allocates resources based on net operating income and weighted average sales per square foot. The primary sources of revenue are generated from tenant base rents, percentage rents and reimbursement revenue. Operating expenses primarily consist of common area maintenance, real estate taxes and promotional expenses. The retail real estate business segment meets the quantitative threshold for determining reportable segments. The OP's investment in foreign operations is not material to the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board issued Statement No. 133, Accounting for Derivative Instruments and Hedging Activities (as amended by FASB Statement No. 137), which is required to be adopted in years beginning after June 15, 2000. Statement 133 permits early adoption as of the beginning of any fiscal quarter after its issuance. The OP expects to adopt the new Statement effective January 1, 2001. The Statement will require the OP to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If a derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset against the change in fair value of the hedged asset, liability, or firm commitment through earnings, or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. The OP does not anticipate that the adoption of the Statement will have a significant effect on its results of operations or financial position.

3. RENTAL PROPERTIES

The following summarizes the carrying values of rental properties as of December 31 (in thousands):

	1999	1998
Land and improvements	$266,441	$245,814
Buildings and improvements	552,240	512,080
Construction-in-process	19,288	25,534
Equipment and furniture	10,844	9,298
Total rental property	848,813	792,726
Accumulated depreciation and amortization	(138,221)	(102,851)
Total rental property, net	$710,592	$689,875

Interest costs capitalized as part of buildings and improvements were $3.1 million, $5.2 million and $4.8 million for the years ended December 31, 1999, 1998 and 1997, respectively.

Commitments for land, new construction, development, and acquisitions, excluding separately financed joint venture activity, totaled approximately $6.2 million at December 31, 1999.

Depreciation expense (including amortization of the capital lease) amounted to $35.6 million, $29.2 million and $22.3 million for the years ended December 31, 1999, 1998 and 1997, respectively.

4. WAIKELE ACQUISITION

Pursuant to a Subscription Agreement dated as of March 31, 1997, the OP acquired Waikele Factory Outlets, a manufacturers' outlet shopping center located in Hawaii. The consideration paid by the OP consisted of the assumption of $70.7 million of indebtedness outstanding with respect to the property (which indebtedness was repaid in full by the OP immediately after the closing) and the issuance of special partnership units in the Operating Partnership, having a fair market value of $0.5 million. Immediately after the closing, the OP paid a special cash distribution of $5.0 million on the special units. The cash used by the OP in the transaction was obtained through borrowings under the OP's Credit Facilities.

4. WAIKELE ACQUISITION (CONTINUED)

The following condensed pro forma (unaudited) information assumes the acquisition had occurred on January 1, 1997:

	1997
Total revenue	$115,802
Income to common unitholders before extraordinary items	34,718
Net income to common unitholders:	
General partner	27,933
Limited partners	6,533
Total	34,466
Net income per unit:	
General partner (including $0.01 net loss per unit from extraordinary item in 1997)	$1.91
Limited partners (including $0.01 net loss per unit from extraordinary item in 1997)	$1.89

5. DEFERRED COSTS

The following summarizes the carrying amounts for deferred costs as of December 31 (in thousands):

	1999	1998
Lease costs	$19,838	$17,601
Financing costs	11,557	10,879
Development costs	967	3,675
Other	1,172	1,172
Total deferred costs	33,534	33,327
Accumulated amortization	(19,244)	(15,561)
Total deferred costs, net	$14,290	$17,766

6. PROPERTIES HELD FOR SALE

As of December 31, 1999, properties held for sale represented the fair value, less estimated costs to sell, of Solvang Designer Outlets ("Solvang"). As of December 31, 1998, Lawrence Riverfront Plaza was also included in properties held for sale; the property was sold on March 26, 1999.

During the second quarter of 1998, the OP accepted an offer to purchase Solvang, a 51,000 square foot center in Solvang, California, for a net selling price of $5.6 million. The center had a book value of $10.5 million, resulting in a writedown of $4.9 million in the second quarter of 1998. During the fourth quarter of 1998, the initial purchase offer was withdrawn and the OP received another offer for a net selling price of $4.0 million, requiring a further writedown of $1.6 million. In January 2000, the center was sold for a net selling price of $3.3 million resulting in an additional writedown of $0.7 million recognized in the fourth quarter of 1999. For the years ended December 31, 1999 and 1998, Solvang accounted for less than 1% of the OP's revenues and net operating income.

Management decided to sell these two properties during 1998 as part of the OP's long-term objective of devoting resources to and focusing on productive properties. Management determined that the time and effort necessary to support these two underperforming centers was not worth the economic benefit to the OP. Management also concluded that these centers would be more useful as office and/or residential space, which are outside the OP's area of expertise.

7. NON-COMPETE AGREEMENT

In October 1998, the OP signed a definitive agreement to terminate the development of Houston Premium Outlets, a joint venture project with Simon Property Group, Inc. ("Simon"). Under the terms of the agreement, the OP withdrew from the Houston development partnership and agreed to certain restrictions on competing in the Houston market through 2002. The OP will receive non-compete payments totaling $21.4 million from The Mills Corporation; $3.0 million was received at closing, the first of four annual installments of $4.6 million was received in January 1999 and the remaining installments are to be received on each January 2, through 2002. The OP has also been reimbursed for its share of land costs, development costs and fees related to the project. The revenue is being recognized on a straight-line basis over the term of the non-compete agreement and the OP recognized income of $5.1 million and $0.9 million during the years ended December 31, 1999 and 1998, respectively. Such amounts are included in other income.

8. DEBT

On March 30, 1998, the OP replaced its two unsecured bank revolving lines of credit, totaling $150 million (the "Credit Facilities"), with a $160 million senior unsecured bank line of credit (the "Senior Credit Facility"). The Senior Credit Facility expires on March 30, 2001 and the OP has an annual right to request a one-year extension of the Senior Credit Facility which may be granted

at the option of the lenders. The OP has requested and expects approval to extend the Facility until March 30, 2003. The Facility bears interest on the outstanding balance, payable monthly, at a rate equal to the London Interbank Offered Rate ("LIBOR") plus 1.05% (7.24% at December 31, 1999) or the prime rate, at the OP's option. The LIBOR rate spread ranges from 0.85% to 1.25% depending on the OP's Senior Debt rating. A fee on the unused portion of the Senior Credit Facility is payable quarterly at rates ranging from 0.15% to 0.25% depending on the balance outstanding. At December 31, 1999, $94 million was available under the Senior Credit Facility.

Also on March 30, 1998, the OP entered into a $5 million term loan (the "Term Loan") which carries the same interest rate and maturity as the Senior Credit Facility. The Lender has credit committee approval to extend the Term Loan to March 30, 2003.

In November 1998, the OP obtained a $60 million term loan that expires April 2000 and bears interest on the outstanding balance at a rate equal to LIBOR plus 1.40% (7.53% at December 31, 1999). Proceeds from the loan were used to pay down borrowings under the Senior Credit Facility. The OP is currently exploring several alternatives regarding refinancing or payoff of this loan.

In January 1996, the OP completed a $100 million public debt offering of 7.75% unsecured term notes due January 2001 (the "7.75% Notes"), which are guaranteed by the OP. The five-year non-callable 7.75% Notes were priced to yield 7.85% to investors. At December 31, 1999, in the opinion of management, the 7.75% Notes approximated fair value.

In October 1997, the OP's completed a $125 million public debt offering of 7.25% unsecured term notes due October 2007 (the "7.25% Notes"). The 7.25% Notes were priced to yield 7.29% to investors, 120 basis points over the 10-year U.S. Treasury rate. At December 31, 1999, in the opinion of management, the fair value of the 7.25% Notes was approximately $113 million.

Interest paid, excluding amounts capitalized, was $24.1 million, $19.8 million and $14.1 million for the years ended December 31, 1999, 1998 and 1997, respectively.

9. PREFERRED UNITS

On September 3, 1999, the OP completed a private sale of $65 million of Series B Cumulative Redeemable Preferred Units ("Preferred Units") to an institutional investor. The private placement took the form of 1.3 million Preferred Units at a stated value of $50 each. The Preferred Units may be called at par on or after September 3, 2004, have no stated maturity or mandatory redemption and pay a cumulative quarterly dividend at an annualized rate of 9.0%. The Preferred Units are exchangeable into Series B Cumulative Redeemable Preferred Stock of the Company after ten years. The proceeds from the sale were used to pay down borrowings under the Senior Credit Facility.

10. PREFERRED STOCK

In October 1997, the Company issued 1.0 million shares of nonvoting 8.375% Series A Cumulative Redeemable Preferred Stock (the "Preferred Stock"), par value $0.01 per share, having a liquidation preference of $50.00 per share. The Preferred Stock has no stated maturity and is not convertible into any other securities of the Company. The Preferred Stock is redeemable on or after October 15, 2027 at the Company's option. Net proceeds from the offering were used to repay borrowings under the Company's Credit Facilities.

11. LEASE AGREEMENTS

The OP is the lessor and sub-lessor of retail stores under operating leases with term expiration dates ranging from 2000 to 2018. Most leases are renewable for five years after expiration of the initial term at the lessee's option. Future minimum lease receipts under non-cancelable operating leases as of December 31, 1999, exclusive of renewal option periods, were as follows (in thousands):

2000.....	$99,382
2001.....	92,716
2002.....	81,106
2003.....	64,251
2004.....	45,936
Thereafter.....	89,907
	$473,298

In 1987, a Predecessor partnership entered into a lease agreement for property in California. Land was estimated to be approximately 37% of the fair market value of the property. The portion of the lease attributed to land is classified as an operating lease and the remainder as a capital lease. The initial lease term is 25 years with two options of 5 and 4 1/2 years, respectively. The lease provides for additional rent based on specific levels of income generated by the property. No additional rental payments were incurred during 1999, 1998 or 1997. The OP has the option to cancel the lease upon six months written notice and six months advance payment of the then fixed monthly rent. If the lease is canceled, the building and leasehold improvements revert to the lessor. In August 1999, the OP amended its capital lease resulting in a writedown of the asset and obligation of $2.7 million and $6.0 million, respectively. The difference of $3.3 million will be recognized on a straight-line basis over the remaining term of the amended lease which ends December 2004.

11. LEASE AGREEMENTS (CONTINUED)

OPERATING LEASES

Future minimum rental payments under operating leases for land and administrative offices as of December 31, 1999 were as follows (in thousands):

2000	$1,021
2001	1,121
2002	1,068
2003	1,058
2004	1,058
Thereafter	529
	$5,855

Rental expense amounted to $0.9 million for the year ended December 31, 1999 and $1.0 million for the years ended December 31, 1998 and 1997.

CAPITAL LEASE

A leased property included in rental properties at December 31 consists of the following (in thousands):

	1999	1998
Building	$6,796	$8,621
Less accumulated amortization	(4,830)	(3,937)
Leased property, net	$1,966	$4,684

Future minimum payments under the capitalized building lease, including the present value of net minimum lease payments as of December 31, 1999 are as follows (in thousands):

2000	$819
2001	819
2002	819
2003	819
2004	819
Total minimum lease payments	4,095
Amount representing interest	(862)
Present value of net minimum capital lease payments.	$3,233

12. COMMITMENTS AND CONTINGENCIES

The OP has agreed under a standby facility to provide up to $22 million in limited debt service guarantees for loans provided to Value Retail PLC, an affiliate, to construct outlet centers in Europe. The term of the standby facility is three years and guarantees shall not be outstanding for longer than five years after project completion. As of December 31, 1999, the OP has provided guarantees of approximately $20 million for three projects.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

In June 1999, the OP signed a definitive agreement with Mitsubishi Estate Co., Ltd. and Nissho Iwai Corporation to jointly develop, own and operate premium outlet centers in Japan. The joint venture, known as Chelsea Japan Co., Ltd. ("Chelsea Japan") intends to develop its initial project in the city of Gotemba, approximately 60 miles west of Tokyo. Groundbreaking for the 220,000 square-foot first phase took place in November 1999, with opening scheduled for mid-2000. In conjunction with the agreement, the OP contributed $1.7 million in equity. In addition, an equity investee of the OP entered into a 4 billion yen (US $40 million) line of credit guaranteed by the OP and OP to fund its share of construction costs. At December 31, 1999, no amounts were outstanding under the loan.

Construction is underway on Orlando Premium Outlets ("OPO"), a 430,000 square foot 50/50 joint venture project between the OP and Simon. OPO is located on Interstate 4, midway between Walt Disney World/EPCOT and Sea World in Orlando, Florida and is scheduled to open mid-2000. In February 1999, the joint venture entered into a $82.5 million construction loan agreement that is expected to fund approximately 75% of the costs of the project. The loan is 50% guaranteed by each of the OP and Simon and as of December 31, 1999, $20.8 million was outstanding.

The OP is not presently involved in any material litigation nor, to its knowledge, is any material litigation threatened against the OP or its properties, other than routine litigation arising in the ordinary course of business. Management believes the costs, if any, incurred by the OP related to any of this litigation will not materially affect the financial position, operating results or liquidity of the OP.

13. RELATED PARTY INFORMATION

During the second quarter of 1999, the OP established a $6 million secured loan facility for the benefit of certain unitholders. At December 31, 1999, loans made to two unitholders totaled $2.2 million. Each unitholder issued a note that is secured by OP units, bears interest at a rate of LIBOR plus 200 basis points per annum, payable quarterly, and is due June 2004. The carrying amount of such loans approximated fair value at December 31, 1999.

In September 1995, the OP transferred property with a book value of $4.8 million to its former President (a current unitholder) in exchange for a $4.0 million note secured by units in the Operating Partnership (the "Secured Note") and an $0.8 million unsecured note receivable (the "Unsecured Note"). In January 1999, the OP received $4.5 million as payment in full for the two notes. The remaining $0.3 million write-off was recognized in December 1998.

On June 30, 1997 the OP forgave a $3.3 million related party note and paid $2.4 million in cash to acquire the remaining 50% interest in Solvang. The OP also collected $0.8 million in accrued interest on the note.

The OP had space leased to related parties of approximately 56,000 square feet during the years ended December 31, 1999 and 1998 and 61,000 square feet during the year ended December 31, 1997. Rental income from those tenants, including reimbursement for taxes, common area maintenance and advertising, totaled $1.8 million during the years ended December 31, 1999 and 1998 and $1.5 million during the year ended December 31, 1997.

At December 31, 1999 the OP had a receivable from an equity investee of $4.0 million that is included in other assets. In January 2000 the OP received payment of $3.0 million on this receivable.

The OP had a consulting agreement with one of its directors from August 1998 through December 31, 1999. The agreement called for monthly payments of $10,000.

Certain Directors and unitholders guarantee OP obligations under leases for one of the properties. The OP has indemnified these parties from and against any liability which they may incur pursuant to these guarantees.

14. EMPLOYEE STOCK PURCHASE PLAN

The Company's Board of Directors and shareholders approved an Employee Stock Purchase Plan (the "Purchase Plan"), effective July 1, 1998. The Purchase Plan covers an aggregate of 500,000 shares of common stock. Eligible employees have been in the employ of the OP or a participating subsidiary for five months or more and customarily work more than 20 hours per week. The Purchase Plan excludes employees who are "highly compensated employees" or own 5% or more of the voting power of the Company's stock. Eligible employees will purchase shares through automatic payroll deductions up to a maximum of 10% of weekly base pay. The Purchase Plan will be implemented by consecutive three-month offerings (each an "Option Period"). The price at which shares may be purchased shall be the lower of (a) 85% of the fair market value of the stock on the first day of the Option Period or (b) 85% of the fair market value of the stock on the last day of the Option Period. As of December 31, 1999, 48 employees were enrolled in the Purchase Plan and $1,300 expense has been incurred and is included in the financial statements. The Purchase Plan will terminate after five years unless terminated earlier by the Company's Board of Directors.

15. 401(K) PLAN

The OP maintains a defined contribution 401(k) savings plan (the "Plan"), which was established to allow eligible employees to make tax-deferred contributions through voluntary payroll withholdings. All employees of the OP are eligible to participate in the Plan after completing one year of service and attaining age

21. Employees who elect to enroll in the Plan may elect to have from 1% to 15% of their pre-tax gross pay contributed to their account each pay period. As of January 1, 1998 the Plan was amended to include an employer discretionary matching contribution in an amount not to exceed 100% of each participant's first 6% of yearly compensation to the Plan. Matching contributions of approximately $97,000 in 1999 and $150,000 in 1998 are included in the OP's general and administrative expense.

16. EXTRAORDINARY ITEM

Deferred financing costs of $0.3 million for the years ended December 31, 1998 and 1997, were expensed as a result of early debt extinguishments, and are reflected in the accompanying financial statements as an extraordinary item.

17. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following summary represents the results of operations, expressed in thousands except per share amounts, for each quarter during 1999 and 1998:

	MARCH 31	JUNE 30	SEPTEMBER 30	DECEMBER 31
1999				
Base rental revenue	$24,555	$24,580	$24,687	$25,016
Total revenues	36,963	38,880	40,384	46,699
Income before extraordinary item to common unitholders	9,001	9,336	10,359	12,723
Net income to common unitholders	9,001	9,336	10,359	12,723
Income before extraordinary item per weighted average partnership unit	$0.47	$0.49	$0.54	$0.66
Net income per weighted average partnership unit	$0.47	$0.49	$0.54	$0.66
1998				
Base rental revenue	$19,266	$20,815	$22,561	$23,950
Total revenues	28,506	32,068	34,921	43,820
Income before extraordinary item to common unitholders	6,952	2,582	9,902	1,812
Net income to common unitholders	6,952	2,582	9,902	1,467
Income before extraordinary item per weighted average partnership unit	$0.37	$0.14	$0.52	$0.10
Net income per weighted average partnership unit	$0.37	$0.14	$0.52	$0.08

18. NON-CASH FINANCING AND INVESTING ACTIVITIES

In December 1999, 1998 and 1997, the OP declared distributions per unit of $0.72, $0.69 and $0.69 for each year, respectively. The limited partners' distributions were paid in January of each subsequent year.

In June 1997, the OP forgave a $3.3 million related party note receivable as partial consideration to acquire the remaining 50% interest in Solvang.

Other assets and other liabilities each include $6.2 million and $6.6 million in 1999 and 1998, respectively, related to a deferred unit incentive program with certain key officers to be paid in 2002. Also included is $12.0 million in 1999 and $16.6 million in 1998 related to the present value of future payments to be received from The Mills Corporation under the Houston non-compete agreement.

During 1997, the Operating Partnership issued units with an aggregate fair market value of $0.5 million to acquire properties.

During 1997, 1.4 million Operating Partnership units were converted to common shares.

CHELSEA GCA REALTY PARTNERSHIP, L.P.
SCHEDULE III-CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 1999 (IN THOUSANDS)

DESCRIPTION OUTLET CENTER NAME	ENCUM-BRANCES	INITIAL COST TO COMPANY		COST CAPITALIZED (DISPOSED OF) SUBSEQUENT TO ACQUISITION (IMPROVEMENTS)		STEP-UP RELATED TO ACQUISITION OF PARTNERSHIP INTEREST (1)		GROSS AMOUNT CARRIED AT CLOSE OF PERIOD DECEMBER 31, 1999			ACCUMU-LATED DEPRE-CIATION	DATE OF CONSTR-UCTION	LIFE USED TO COMPUTE DEPREC-IATION IN LATEST INCOME STATE-MENT
		LAND	BUILDINGS, FIXTURES AND EQUIP-MENT	LAND	BUILDINGS, FIXTURES AND EQUIP-MENT	LAND	BUILDINGS, FIXTURES AND EQUIP-MENT	LAND	BUILDINGS, FIXTURES AND EQUIP-MENT	TOTAL			
Woodbury Common, NY	$ -	$4,448	$16,073	$4,967	$121,983	$ -	$ -	$9,415	$138,056	$147,471	$30,207	`85,`93, `95,`98	30
Waikele, HI	-	22,800	54,357	-	715	-	-	22,800	55,072	77,872	5,041	`98	40
Wrentham, MA	-	157	2,817	3,563	63,485	-	-	3,720	66,302	70,022	6,368	`95-`99	40
Desert Hills, CA	-	975	-	2,376	60,499	830	4,936	4,181	65,435	69,616	18,489	`90, 94-`95, '97-`98	40
Leesburg, VA	-	6,296	-	(656)	58,875	-	-	5,640	58,875	64,515	3,186	`96-`99	40
Camarillo, CA	-	4,000	-	5,253	54,403	-	-	9,253	54,403	63,656	7,756	`94-`99	40
North Georgia, GA	-	2,960	34,726	(123)	20,408	-	-	2,837	55,134	57,971	8,345	`95-`99	40
Clinton, CT	-	4,124	43,656	-	686	-	-	4,124	44,342	48,466	8,644	`95-'96	40
Folsom, CA	-	4,169	10,465	2,692	21,280	-	-	6,861	31,745	38,606	7,303	`90,`92, `93,`96-`97	40
Petaluma Village, CA	-	3,735	-	2,934	30,260	-	-	6,669	30,260	36,929	6,528	`93,`95-`96	40
Liberty Village, NJ	-	345	405	1,111	19,390	11,015	2,195	12,471	21,990	34,461	5,122	`81,`97-`98	30
Napa, CA	-	3,456	2,113	7,908	18,172	-	-	11,364	20,285	31,649	4,485	`62,`93,`95	40
Aurora, OH	-	637	6,884	879	19,411	-	-	1,516	26,295	27,811	5,495	`90,`93, `94, `95	40
Columbia Gorge, OR	-	934	-	428	13,471	497	2,647	1,859	16,118	17,977	4,237	`91, `94	40
Santa Fe, NM	-	74	-	1,300	11,920	491	1,772	1,865	13,692	15,557	2,657	`93, `98	40
American Tin Cannery, CA	3,233	-	8,621	-	4,890	-	-	-	13,511	13,511	7,953	`87, `98	25

Allen, TX	-	8,938	2,068	-	-	-	-	8,938	2,068	11,006	-	`99	-
Patriot Plaza, VA	-	789	1,854	976	4,264	-	-	1,765	6,118	7,883	2,070	`86, `93, `95	40
Mammoth Lakes, CA	-	1,180	530	-	2,408	994	1,430	2,174	4,368	6,542	1,505	`78	40
Corporate Offices, NJ, CA	-	-	60	-	4,035	-	-	-	4,095	4,095	2,288	-	5
St. Helena, CA	-	1,029	1,522	(25)	555	38	78	1,042	2,155	3,197	542	`83	40
Orlando, FL	-	100	23	(100)	(23)	-	-	-	-	-	-	-	-
	$3,233	$71,146	$186,174	$33,483	$531,087	$13,865	$13,058	$118,494	$730,319	$848,813	$138,221		

The aggregate cost of the land, building, fixtures and equipment for federal tax purposes was approximately $849 million at December 31, 1999.

(1) As part of the formation transaction assets acquired for cash have been accounted for as a purchase.

The step-up represents the amount of the purchase price that exceeds the net book value of the assets acquired.

CHELSEA GCA REALTY PARTNERSHIP, L.P.
SCHEDULE III-CONSOLIDATED REAL ESTATE
AND ACCUMULATED DEPRECIATION (CONTINUED)
(IN THOUSANDS)

THE CHANGES IN TOTAL REAL ESTATE:

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Balance, beginning of period.....	$792,726	$708,933	$512,354
Additions.....	59,334	114,342	196,941
Dispositions and other.....	(3,247)	(30,549)	(362)
Balance, end of period.....	$848,813	$792,726	$708,933

THE CHANGES IN ACCUMULATED DEPRECIATION:

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Balance, beginning of period.....	$102,851	$80,244	$58,054
Additions.....	35,619	29,176	22,314
Dispositions and other.....	(249)	(6,569)	(124)
Balance, end of period.....	$138,221	$102,851	$80,244

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 on the 9th of March 2000.

CHELSEA GCA REALTY PARTNERSHIP, L.P.

By: /s/ DAVID C. BLOOM
David C. Bloom, Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
/s/ DAVID C. BLOOM David C. Bloom	Chairman of the Board and Chief Executive Officer	MARCH 9, 2000
/s/ WILLIAM D. BLOOM William D. Bloom	Vice Chairman	MARCH 9, 2000
/s/ LESLIE T. CHAO Leslie T. Chao	President	MARCH 9, 2000
/s/ MICHAEL J. CLARKE Michael J. Clarke	Chief Financial Officer	MARCH 9, 2000
/s/ BRENDAN T. BYRNE Brendan T. Byrne	Director	MARCH 9, 2000
/s/ ROBERT FROMMER Robert Frommer	Director	MARCH 9, 2000
/s/ BARRY M. GINSBURG	Director	MARCH 9, 2000

- ---------- Barry M. Ginsburg		
	Director	MARCH __, 2000
- ---------- Philip D. Kaltenbacher		
/s/ REUBEN S. LEIBOWITZ	Director	MARCH 9, 2000
- ---------- Reuben S. Leibowitz		

Exhibit 3.1

ARTICLES OF AMENDMENT
AND
RESTATEMENT OF ARTICLES OF INCORPORATION
OF
CHELSEA GCA REALTY, INC.

Chelsea GCA Realty, Inc., a Maryland corporation, having its principal office in Maryland in Baltimore, Maryland, and having The Corporation Trust, Incorporated, a Maryland corporation, as its resident agent located at 32 South Street, Baltimore, Maryland, hereby certifies to the State Department of Assessment and Taxation of Maryland, that:

FIRST: The Articles of Incorporation of the Corporation, filed with the State Department of Assessment and Taxation of Maryland on August 24, 1993, are hereby amended and restated in full as follows:

ARTICLE I

NAME

The name of the Corporation shall be Chelsea GCA Realty, Inc. (the "Corporation").

ARTICLE II

PRINCIPAL OFFICE, REGISTERED OFFICE AND AGENT

The address of the Corporation's principal office in Maryland is c/o The Corporation Trust, Incorporated, 32 South Street, Baltimore, Maryland 21202. The address of the Corporation's principal office and registered office in the State of Maryland is 32 South Street, Baltimore, Maryland 21202. The name of its registered agent at that office is The Corporation Trust, Incorporated, a Maryland corporation.

ARTICLE III

PURPOSES

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Maryland as now or hereafter in force.

ARTICLE IV

CAPITAL STOCK

A. The total number of shares of all classes of capital stock that the Corporation shall have authority to issue is 70 million shares, consisting of 50 million shares of Common Stock with a par value of $.01 per share (the "Common Stock"), amounting in the aggregate to par value of $500,000, 15 million Excess Shares with a par value of $.01 per share (the "Excess Shares"), amounting in the aggregate to par value of $150,000, and 5 million shares of Preferred Stock with a par value of $.01 per share (the "Preferred Stock"), amounting in the aggregate to par value of $50,000.

B. COMMON STOCK

1. DIVIDEND RIGHTS. Subject to the preferential dividend rights of the Preferred Stock, if any, as may be determined by the Board of Directors of the Corporation pursuant to paragraph D of this Article IV, the holders of shares of the Common Stock shall be entitled to receive such dividends as may be declared by the Board of Directors of the Corporation. Upon the declaration of dividends hereunder, the holders of Common Stock shall be entitled to share in all such dividends, pro rata, in accordance with the relative number of shares of Common Stock held by each such stockholder.

2. RIGHTS UPON LIQUIDATION. Subject to the preferential rights of the Preferred Stock, if any, as may be determined by the Board of Directors of the Corporation pursuant to paragraph D of this Article IV, in the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation, each holder of shares of the Common Stock shall be entitled to receive, ratably with each other holder of Common Equity Stock (as defined below), that portion of the assets of the Corporation available for distribution to its stockholders as the number of shares of the Common Stock held by such holder bears to the total number of shares of Common Equity Stock then outstanding.

3. VOTING RIGHTS. Each holder of shares of the Common Stock shall be entitled to vote on all matters (on which a holder of Common Stock shall be entitled to vote), and shall be entitled to one vote for each share of the Common Stock held by such holder.

4. RESTRICTIONS ON OWNERSHIP AND TRANSFER TO PRESERVE TAX BENEFIT; EXCHANGE FOR EXCESS SHARES.

(a) DEFINITIONS

For the purposes of this Article IV, the following terms shall have the following meanings:

"Beneficial Ownership" shall mean ownership of Common Stock or Excess Shares by a Person who would be treated as an owner of such shares of Common Stock or Excess Shares either directly or constructively through the application of Section 544 of the Code, as modified by Section 856(h)(l)(B) of the Code. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings.

"Beneficiary" shall mean the beneficiary of the Trust as determined pursuant to subparagraph C(6) of this Article IV.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Common Equity Stock" shall mean stock that is either Common Stock or Excess Shares.

"Constructive Ownership" shall mean ownership of Common Stock or Excess Shares by a Person who would be treated as an owner of such shares of Common Stock or Excess Shares either directly or constructively through the application of Section 318 of the Code, as modified by Section 856(d)(5) of the Code. The terms "Constructive Owner," "Constructively Owns" and "Constructively Owned" shall have the correlative meanings.

"Existing Holder" shall mean (i) Charles E. Bloom, David C. Bloom and William D. Bloom and (ii) any Person (other than another Existing Holder) to whom an Existing Holder transfers Beneficial Ownership of Common Equity Stock causing such transferee to Beneficially Own Common Equity Stock in excess of the Ownership Limit.

"Existing Holder Limit" (i) for any Existing Holder who is an Existing Holder by virtue of clause (i) of the definition thereof, shall mean, initially, the percentage of Common Stock Beneficially Owned by such Person immediately after the Initial Public Offering, and after any adjustment pursuant to subparagraph B(4)(i) of this Article IV, shall mean such percentage of the outstanding Common Equity Stock as so adjusted; and (ii) for any Existing Holder who becomes an Existing Holder by virtue of clause (ii) of the definition thereof, shall mean, initially, the percentage of the outstanding Common Equity Stock Beneficially Owned by such Existing Holder at the time that such Existing Holder becomes an Existing Holder, and after any adjustment pursuant to subparagraph B(4)(i) of this Article IV, shall mean such percentage of the outstanding Common Equity Stock as so adjusted; provided, however, that the Existing Holding Limits for all Existing Holders when combined shall not exceed 21% of the Corporation's Common Stock. For purposes of determining the Existing Holder Limit, the amount of Common Stock outstanding at the time of the determination shall be deemed to include the maximum number of shares that Existing Holders may beneficially own with respect to options and rights to convert Units into Common Stock pursuant to Section 8.6 of the Partnership Agreement and shall not include shares that may be Beneficially Owned solely by other persons upon exercise of options or rights to convert into Common Stock. From the date of the Initial Public Offering and prior to the Restriction Termination Date, the Secretary of the Corporation shall maintain and, upon request, make available to each Existing Holder, a schedule which sets forth the then current Existing Holder Limits for each Existing Holder.

"Initial Public Offering" shall mean the sale of shares of Common Stock in an underwritten public offering pursuant to the Corporation's first effective registration statement for such Common Stock filed under the Securities Act of 1933, as amended.

"IRS" shall mean the United States Internal Revenue Service.

"IRS Ruling" shall mean a ruling by the IRS, in form and substance satisfactory to the Board of Directors in their sole discretion, evidenced by a resolution passed by the Board of Directors and filed with the Secretary of the Corporation, that the issuance by the Corporation of Excess Shares and the immediate conversion of such Excess Shares into Common Stock will not cause the Corporation to fail to satisfy the organizational and operational requirements that must be met to qualify for treatment as a REIT.

"Market Price" shall mean the last reported sales price reported on the New York Stock Exchange of Common Stock on the trading day immediately preceding the relevant date, or if the Common Stock is not then traded on the New York Stock Exchange, the last reported sales price of the Common Stock on the trading day immediately preceding the relevant date as reported on any exchange or quotation system over which the Common Stock may be traded, or if the Common Stock is not then traded over any exchange or quotation system, then the market price of the Common Stock on the relevant date as determined in good faith by the Board of Directors of the Corporation.

"Ownership Limit" shall initially mean 7% of the outstanding Common Equity Stock of the Corporation, and after any adjustment as set forth in subparagraph B(4)(i) of this Article IV, shall mean such

greater percentage.

"Partner" shall mean any Person owning Units.

"Partnership" shall mean Chelsea GCA Realty Partnership, L.P., a Delaware limited partnership.

"Partnership Agreement" shall mean the Agreement of Limited Partnership of the Partnership, of which the Corporation is the sole general partner, as such agreement may be amended from time to time.

"Person" shall mean an individual, corporation, partnership, estate, trust, 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 Securities Exchange Act of 1934, as amended; but does not include (i) Warburg, Pincus Capital Company, L.P., and WP/Chelsea Inc., and (ii) an underwriter which participates in a public offering of the Common Stock provided that the ownership of Common Stock by such underwriter would not result in the Corporation failing to qualify as a REIT.

"Purported Beneficial Transferee" shall mean, with respect to any purported Transfer which results in Excess Shares, the purported beneficial transferee or owner for whom the Purported Record Transferee would have acquired or owned shares of Common Stock, if such Transfer had been valid under subparagraph B(4)(b) of this Article IV.

"Purported Record Transferee" shall mean, with respect to any purported Transfer which results in Excess Shares, the record holder of the Common Equity Stock if such Transfer had been valid under subparagraph B(4)(b) of this Article IV.

"REIT" shall mean a Real Estate Investment Trust under Section 856 of the Code.

"Restriction Termination Date" shall mean the first day after the date of the Initial Public Offering on which the Board of Directors of the Corporation determines that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT.

"Transfer" shall mean any sale, transfer, gift, assignment, devise or other disposition of Common Equity Stock (including (i) the granting of any option or entering into any agreement for the sale, transfer or other disposition of Common Equity Stock or (ii) the sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for Common Equity Stock), whether voluntary or involuntary, whether of record or beneficially or Beneficially or Constructively (including but not limited to transfers of interests in other entities which result in changes in Beneficial or Constructive Ownership of Common Equity Stock), and whether by operation of law or otherwise.

"Trust" shall mean the trust created pursuant to subparagraph C(1) of this Article IV.

"Trustee" shall mean the Corporation as trustee for the Trust, and any successor trustee appointed by the Corporation.

"Units" shall mean the units into which partnership interests of the Partnership are divided, and as the same may be adjusted, as provided in the Partnership Agreement.

"Warburg, Pincus Capital Company, L.P." shall mean Warburg, Pincus Capital Company, L.P., a Delaware limited partnership.

"WP/Chelsea Inc." shall mean WP Chelsea Inc., a New York corporation.

(b) RESTRICTION ON OWNERSHIP AND TRANSFERS.

(i) Except as provided in subparagraph B(4)(k) of this Article IV, from the date of the Initial Public Offering and prior to the Restriction Termination Date, no Person (other than an Existing Holder) shall Beneficially Own shares of Common Stock in excess of the Ownership Limit, and no Existing Holder shall Beneficially Own shares of Common Stock in excess of the Existing Holder Limit for such Existing Holder.

(ii) Except as provided in subparagraph B(4)(k) of this Article IV, from the date of the Initial Public Offering and prior to the Restriction Termination Date, any Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the New York Stock Exchange ("NYSE")), that, if effective, would result in any Person (other than an Existing Holder) Beneficially Owning Common Stock in excess of the Ownership Limit shall be void AB INITIO as to the Transfer of such shares of Common Stock which would be otherwise Beneficially Owned by such Person in excess of the Ownership Limit; and the intended transferee shall acquire no rights in such shares of Common Stock.

(iii) Except as provided in subparagraph B(4)(k) of this Article IV, from the date of the Initial Public Offering and prior to the Restriction Termination Date, any Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE) that, if effective, would result in any Existing Holder Beneficially Owning Common Stock in excess of the

applicable Existing Holder Limit shall be void AB INITIO as to the Transfer of such shares of Common Stock which would be otherwise Beneficially Owned by such Existing Holder in excess of the applicable Existing Holder Limit; and such Existing Holder shall acquire no rights in such shares of Common Stock.

(iv) Except as provided in subparagraph B(4)(k) of this Article IV, from the date of the Initial Public Offering and prior to the Restriction Termination Date, any Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE) that, if effective, would result in the Common Stock being beneficially owned by less than 100 Persons (determined without reference to any rules of attribution) shall be void AB INITIO as to the Transfer of such shares of Common Stock which would be otherwise beneficially owned by the transferee; and the intended transferee shall acquire no rights in such shares of Common Stock.

(v) Notwithstanding any other provisions contained in this Article IV, from the date of the Initial Public Offering and prior to the Restriction Termination Date, any Transfer (whether or nor such transfer is the result of a transaction entered into through the facilities of the NYSE) or other event that, if effective, would result in the Corporation being "closely held" within the meaning of Section 856(h) of the Code, or would otherwise result in the Corporation failing to qualify as a REIT (including, but not limited to, a Transfer or other event that would result in the Corporation owning (directly or Constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by the Corporation from such tenant would cause the Corporation to fail to satisfy any of the gross income requirements of Section 856(c) of the Code), shall be void AB INITIO as to the Transfer of the shares of Common Stock which would cause the Corporation to be "closely held" within the meaning of Section 856(h) of the Code or would otherwise result in the Corporation failing to qualify as a REIT; and the intended transferee or owner or Constructive or Beneficial Owner shall acquire or retain no rights in such shares of Common Stock.

(c) EXCHANGE FOR EXCESS SHARES. This subparagraph (B)(4)(c) shall take effect only upon the occurrence of the IRS Ruling. If, notwithstanding the other provisions contained in this Article IV, at any time after the date of the Initial Public Offering and prior to the Restriction Termination Date, there is a purported Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE), change in the capital structure of the Corporation, or other event such that one or more of the restrictions on ownership and transfers described in subparagraph B(4)(b) above, has been violated then the shares of Common Stock being Transferred (or in the case of an event other than a Transfer, the shares owned or Constructively Owned or Beneficially Owned) which would cause one or more of the restrictions on ownership or transfer to be violated (rounded up to the nearest whole share) shall be automatically converted into an equal number of Excess Shares in lieu of any other action to be taken with respect to such shares in accordance with subparagraph B(4)(b) above (without limitation of any action taken in accordance with subparagraph B(4)(d) below). Such conversion shall be effective as of the close of business on the business day prior to the date of the Transfer.

(d) REMEDIES FOR BREACH. If the Board of Directors or its designees shall at any time determine in good faith that a Transfer or other event has taken place in violation of subparagraph B(4)(b) of this Article IV or that a Person intends to acquire or has attempted to acquire beneficial ownership (determined without reference to any rules of attribution), Beneficial Ownership or Constructive Ownership of any shares of the Corporation in violation of subparagraph B(4)(b) of this Article IV, the Board of Directors or its designees shall take such action as it deems advisable to refuse to give effect or to prevent such Transfer, including, but not limited to, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer; provided, however, that any Transfers (or, if the IRS ruling has not occurred, attempted Transfers (or, in the case of events other than a Transfer, ownership or Constructive Ownership or Beneficial Ownership)) in violation of subparagraph B(4)(b) of this Article IV (1) if the IRS Ruling has not yet occurred, shall be void AB INITIO, or (2) if the IRS Ruling has occurred, shall automatically result in the conversion described in subparagraph B(4)(c), irrespective of any action (or non-action) by the Board of Directors.

(e) NOTICE OF RESTRICTED TRANSFER. Any Person who acquires or attempts to acquire shares in violation of subparagraph B(4)(b) of this Article IV, or any Person who is a transferee such that Excess Shares result under subparagraph B(4)(c) of this Article IV, shall immediately give written notice to the Corporation of such event and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer or attempted Transfer on the Corporation's status as a REIT.

(f) OWNERS REQUIRED TO PROVIDE INFORMATION. From the date of the Initial Public Offering and prior to the Restriction Termination Date each Person who is a beneficial owner or Beneficial Owner or Constructive Owner of Common Stock and each Person (including the stockholder of record) who is holding Common Stock for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information that the Corporation may request, in good faith, in order to determine the Corporation's status as a REIT.

(g) REMEDIES NOT LIMITED. Nothing contained in this Article IV shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its stockholders by preservation of the Corporation's status as a REIT.

(h) AMBIGUITY. In the case of an ambiguity in the application of any of the provisions of subparagraph B(4) of this Article IV, including any definition contained in subparagraph B(4)(a), the Board of Directors shall have the power to determine the application of the provisions of this subparagraph

B(4) with respect to any situation based on the facts known to it.

(i) MODIFICATION OF OWNERSHIP LIMIT OR EXISTING HOLDER LIMIT. Subject to the limitations provided in subparagraph B(4)(j), the Board of Directors may from time to time increase the Ownership Limit or the Existing Holder Limit and shall file Articles Supplementary with the State Department of Assessment and Taxation of Maryland to evidence such increase.

(j) LIMITATIONS ON MODIFICATIONS.

(i) From the date of the Initial Public Offering and prior to the Restriction Termination Date, neither the Ownership Limit nor any Existing Holder Limit may be increased (nor may any additional Existing Holder Limit be created) if, after giving effect to such increase (or creation), five Persons who are Beneficial Owners of Common Stock (including all of the then Existing Holders) could (taking into account the Ownership Limit and the Existing Holder Limit) Beneficially Own, in the aggregate, more than 49% of the outstanding Common Equity Stock.

(ii) Prior to the modification of any Existing Holder Limit or Ownership Limit pursuant to subparagraph B(4)(i) of this Article IV, the Board of Directors of the Corporation may require such opinions of counsel, affidavits, undertakings or agreements as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT.

(iii) No Existing Holder Limit shall be reduced to a percentage which is less than the Ownership Limit.

(iv) The Ownership Limit may not be increased to a percentage which is greater than 9.9%.

(k) EXCEPTIONS.

(i) The Board of Directors, in its sole discretion, may exempt a Person from the Ownership Limit or the Existing Holder Limit, as the case may be, if such Person is not an individual for purposes of Section 542(a)(2) of the Code and the Board of Directors obtains such representations and undertakings from such Person as are reasonably necessary to ascertain that no individual's Beneficial Ownership of such shares of Common Stock will violate the Ownership Limit or the applicable Existing Holder Limit, as the case may be, and agrees that if the IRS Ruling has been obtained any violation of such representations or undertaking (or other action which is contrary to the restrictions contained in this subparagraph B(4) of this Article IV) or attempted violation will result in such shares of Common Stock being exchanged for Excess Shares in accordance with subparagraph B(4)(c) of this Article IV.

(ii) Prior to granting any exception pursuant to subparagraph B(4)(k)(i) of this Article IV, the Board of Directors may require a ruling from the IRS, or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors in it sole discretion, as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT.

5. LEGEND. Each certificate for shares of Common Stock shall bear legends substantially to the effect of the following:

"The Corporation is authorized to issue three classes of capital stock which are designated as Common Stock, Excess Shares and Preferred Stock. The Board of Directors is authorized to determine the preferences, limitations and relative rights of the Preferred Stock before the issuance of any Preferred Stock. The Corporation will furnish, without charge, to any stockholder making a written request therefor, a copy of the Corporation's charter and a written statement of the designations, relative rights, preferences and limitations applicable to each such class of stock. Requests for the Corporation's charter and such written statement may be directed to Chelsea GCA Realty, Inc., 103 Eisenhower Parkway, Roseland, New Jersey 07068, Attention: Secretary.

The shares of Common Stock represented by this certificate are subject to restrictions on ownership and Transfer for the purpose of the Corporation's maintenance of its status as a Real Estate Investment Trust under the Code. No Person may Beneficially Own shares of Common Stock in excess of 7% (or such greater percentage as may be determined by the Board of Directors of the Corporation) of the outstanding Common Equity Stock of the Corporation (unless such Person is an Existing Holder) with certain exceptions set forth in the Corporation's charter. Any Person who attempts to Beneficially Own shares of Common Stock in excess of the above limitations must immediately notify the Corporation. All capitalized terms in this legend have the meanings defined in the Corporation's charter. Transfers in violation of the restrictions described above may be void AB INITIO.

In addition, upon the occurrence of certain events, if the restrictions on ownership are violated, the shares of Common Stock represented hereby may be automatically exchanged for Excess Shares which will be held in trust by the Corporation. The Corporation has an option to acquire Excess Shares under certain circumstances. The Corporation will furnish to the holder hereof upon request and without charge a complete written statement of the terms and conditions of the Excess Shares. Requests for such statement may be directed to Chelsea GCA Realty, Inc., 103 Eisenhower Parkway, Roseland, New Jersey 07068, Attention: Secretary."

6. SEVERABILITY. If any provision of this Article IV or any application of any such provision is determined to be invalid by any Federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and other applications of such provisions shall be affected only to the extent necessary to comply with the determination of

such court.

C. EXCESS SHARES.

1. OWNERSHIP IN TRUST. Upon any purported Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE) that results in Excess Shares pursuant to subparagraph B(4)(c) of this Article IV, such Excess Shares shall be deemed to have been transferred to the Corporation, as Trustee of a Trust for the exclusive benefit of such Beneficiary or Beneficiaries to whom an interest in such Excess Shares may later be transferred pursuant to subparagraph C(6). Excess Shares so held in trust shall be issued and outstanding stock of the Corporation. The Purported Record Transferee shall have no rights in such Excess Shares except the right to designate a transferee of such Excess Shares upon the terms specified in subparagraph C(6) of this Article IV. The Purported Beneficial Transferee shall have no rights in such Excess Shares except as provided in subparagraph C(6).

2. SEPARATE CLASS. Excess Shares shall be a separate class of issued and outstanding stock of the Corporation. The rights, privileges and other attributes of Excess Shares shall be as provided in paragraphs C(3), C(4), C(5) and C(6) of this Article IV.

3. DIVIDEND RIGHTS. Excess Shares shall not be entitled to any dividends. Any dividend or distribution paid prior to the discovery by the Corporation that the shares of Common Stock have been converted into Excess Shares shall be repaid to the Corporation upon demand and shall not be held for the benefit of any Beneficiary of the Trust.

4. RIGHTS UPON LIQUIDATION. Subject to the preferential rights of the Preferred Stock, if any, as may be determined by the Board of Directors of the Corporation pursuant to paragraph D of this Article IV, in the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of the Corporation, each holder of Excess Shares shall be entitled to receive, ratably with each other holder of Common Equity Stock, that portion of the assets of the Corporation available for distribution to its stockholders as the number of Excess Shares held by such holder bears to the total number of shares of Common Equity Stock then outstanding. The Corporation, as holder of the Excess Shares in trust, or if the Corporation shall have been dissolved, any trustee appointed by the Corporation prior to its dissolution, shall distribute ratably to the Beneficiaries of the Trust, when determined (or if not determined, or only partially determined, ratably to the other holders of Common Stock and Beneficiaries of the Trust who have been determined), any such assets received in respect of the Excess Shares in any liquidation, dissolution or winding up of, or any distribution of the assets of the Corporation.

5. VOTING RIGHTS. The holders of Excess Shares shall not be entitled to vote on any matters (except as required by law); PROVIDED, HOWEVER, that no corporate action authorized by the stockholders prior to the discovery that shares of Common Stock have been converted into Excess Shares shall be void or voidable as a result of the inclusion of the vote of holders of Excess Shares in approving a corporate action or in determining the presence of a quorum.

6. RESTRICTIONS ON TRANSFER; DESIGNATION OF BENEFICIARY.

(a) Excess Shares shall not be transferable. The Purported Record Transferee may freely designate a Beneficiary of an interest in the Trust (representing the number of Excess Shares held by the Trust attributable to a purported Transfer that resulted in the Excess Shares), if (i) Excess Shares held in the Trust would not be Excess Shares in the hands of such Beneficiary and (ii) the Purported Beneficial Transferee does not receive a price for designating such Beneficiary that reflects a price per share for such Excess Shares that exceeds (x) the price per share such Purported Beneficial Transferee paid for the Common Stock in the purported Transfer that resulted in the Excess Shares, or (y) if the Transfer or other event that resulted in the Excess Shares was not a transaction in which the Purported Beneficial Transferee gave value for such Excess Shares, a price per share equal to the Market Price on the date of the purported Transfer or other event that resulted in the Excess Shares. Upon such transfer of an interest in the Trust, the corresponding Excess Shares in the Trust shall be automatically exchanged for an equal number of shares of Common Stock and such shares of Common Stock shall be transferred of record to the transferee of the interest in the Trust if such Common Stock would not be Excess Shares in the hands of such transferee. Prior to any transfer of any interest in the Trust, the Purported Record Transferee must give advance notice to the Corporation of the intended transfer and the Corporation must have waived in writing its purchase rights under subparagraph C(7) of this Article IV.

(b) Notwithstanding the foregoing, if a Purported Beneficial Transferee receives a price for designating a Beneficiary of an interest in the Trust that exceeds the amounts allowable under subparagraph C(6)(a) of this Article IV, such Purported Beneficial Transferee shall pay, or cause such Beneficiary to pay, such excess to the Corporation and such payment shall be the only remedy for breach of such requirement.

7. PURCHASE RIGHT IN EXCESS SHARES. Excess Shares shall be deemed to have been offered for sale to the Corporation, or its designee, at a price per share equal to the lesser of (i) the price per share in the transaction that created such Excess Shares (or, if the Transfer or other event that resulted in the Excess Shares was not a transaction in which the Purported Beneficial Transferee gave value for such Excess Shares, a price per share equal to the Market Price on the date of the purported Transfer or other event that resulted in the Excess Shares) and (ii) the Market Price on the date the Corporation, or its designee, accepts such offer. The Corporation shall have the right to accept such offer for a period of ninety days after the later of (i) the date of the Transfer which resulted in such Excess Shares and (ii) the date the Board of Directors determines in good faith that a Transfer resulted in Excess Shares has occurred, if the Corporation does not receive a notice of such Transfer pursuant to subparagraph B(4)(e) of this Article IV. The Corporation may appoint a special trustee of the trust established under subparagraph C(1) for the purpose of consummating the purchase of the Excess Shares by the Corporation and such

payment shall be the only remedy for breach of such requirement.

D. PREFERRED STOCK. The Board of Directors of the Corporation, by resolution, is hereby expressly vested with authority to provide for the issuance of the shares of Preferred Stock in one or more classes or one or more series, with such voting powers, full or limited, or no voting powers, and with such designations, preferences and relative, participating, optional and other special rights, and qualifications, limitations or restrictions thereof, if any, as shall be stated and expressed in the resolution or resolutions providing for such issue adopted by the Board of Directors. Except as otherwise provided by law, the holders of the Preferred Stock of the Corporation shall only have such voting rights as are provided for or expressed in the resolutions of the Board of Directors relating to such Preferred Stock adopted pursuant to the authority contained in the Articles of Incorporation. Before issuance of any such shares of Preferred Stock, the Corporation shall file Articles Supplementary with the State Department of Assessment and Taxation of Maryland in accordance with the provision of Section 2-208 of the Maryland General Corporation Law.

E. RESERVATION OF SHARES. Pursuant to the obligations of the Corporation under the Partnership Agreement to issue shares of Common Stock in exchange for Units, the Board of Directors is hereby required to reserve a sufficient number of authorized but unissued shares of Common Stock to permit the Corporation to issue shares of Common Stock in exchange for Units that may be exchanged for shares of Common Stock pursuant to the Partnership Agreement.

F. NYSE SETTLEMENT. Nothing in this Article IV shall preclude the settlement of any transaction entered into through the facilities of the NYSE.

G. PREEMPTIVE RIGHTS. No holder of shares of capital stock of the Corporation shall, as such holder, have any preemptive or other right to purchase or subscribe for any shares of Common Stock, Excess Shares or any class of capital stock of the Corporation which the Corporation may issue or sell.

H. CONTROL SHARES. Pursuant to Section 3-702(b) of the General Corporation Law of Maryland (the "Act"), the terms of Subtitle 7 of Title 3 of the Act shall be inapplicable to any acquisition of a Control Share (as defined in the Act) that is not prohibited by the terms of Article IV.

I. BUSINESS COMBINATIONS. Pursuant to Section 3-603(e)(1)(iii) of the General Corporation Law of Maryland, the terms of Section 3-602 of such law shall be inapplicable to the Corporation.

ARTICLE V

BOARD OF DIRECTORS

A. MANAGEMENT. The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors.

B. NUMBER. The number of directors which will constitute the entire Board of Directors shall be fixed by, or in the manner provided in, the By-laws but shall in no event be less than three.

C. CLASSIFICATION. The directors shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as shall be provided in the By-laws of the Corporation, one class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1994, another class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1995, and another class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1996, with each class to hold office until its successors are elected and qualified. At each annual meeting of the stockholders of the Corporation, the date of which shall be fixed by or pursuant to the By-laws of the Corporation, the successors of the class of directors whose terms expire at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. No election of directors need be by written ballot. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

D. VACANCIES. Newly created directorships resulting from any increase in the number of directors may be filled by the Board of Directors, or as otherwise provided in the By-laws, and any vacancies on the Board of Directors resulting from death, resignation, removal or other cause shall only be filled by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, or as otherwise provided in the By-laws. Any director elected in accordance with the preceding sentence shall hold office until the next annual meeting of the Corporation, at which time a successor shall be elected to fill the remaining term of the position filled by such director.

E. REMOVAL. Any director may be removed from office only for cause and only by the affirmative vote of the holders of a majority of the combined voting power of the then outstanding shares entitled to vote in the election of directors. For purposes of this subparagraph E of Article V "cause" shall mean the wilful and continuous failure of a director to substantially perform such director's duties to the Corporation (other than any such failure resulting from temporary incapacity due to physical or mental illness) or the willful engaging by a director in gross misconduct materially and demonstrably injurious to the Corporation.

F. BY-LAWS. The power to adopt, alter and/or repeal the By-laws of the Corporation is vested exclusively in the Board of Directors.

G. POWERS. The enumeration and definition of particular powers of the Board of Directors included in the foregoing shall in no way be limited or restricted by reference to or inference from the terms of any other clause of this or any other Article of the charter of the Corporation, or construed as or deemed by inference or otherwise in any manner to exclude or limit the powers conferred upon the Board of Directors under the General Corporation Law of

Maryland as now or hereafter in force.

ARTICLE VI

LIABILITY

The liability of the directors and officers of the Corporation to the Corporation and its stockholders for money damages is hereby limited to the fullest extent permitted by Section 5-349 of the Courts and Judicial Proceedings Code of Maryland (or its successor) as such provisions may be amended from time to time.

ARTICLE VII

INDEMNIFICATION

The Corporation shall indemnify (A) its directors and officers, whether serving the Corporation or at its request any other entity, to the full extent required or permitted by the General Laws of the State of Maryland now or hereafter in force, including the advance of expenses under the procedures and to the full extent permitted by law and (B) other employees and agents to such extent as shall be authorized by the Board of Directors or the Corporation's By-Laws and be permitted by law. The foregoing rights of indemnification shall not be exclusive of any other rights to which those seeking indemnification may be entitled. The Board of Directors may take such action as is necessary to carry out these indemnification provisions and is expressly empowered to adopt, approve and amend from time to time such by-laws, resolutions or contracts implementing such provisions or such further indemnification arrangements as may be permitted by law. No amendment of the charter of the Corporation shall limit or eliminate the right to indemnification provided hereunder with respect to acts or omissions occurring prior to such amendment or repeal.

ARTICLE VIII

EXISTENCE

The Corporation is to have perpetual existence.

SECOND: The total number of shares of stock heretofore authorized is 1,000 shares of Common Stock of the par value of $.01 per share and of the aggregate par value of $10. The capital stock of the Corporation heretofore authorized is not divided into classes.

The total number of shares of all classes of stock as increased is 70 million shares, divided into 50 million shares of Common Stock of the par value of $.01 per share, and of the aggregate par value of $500,000, 15 million Excess Shares of the par value of $.01 per share, and of the aggregate par value of $150,000, and 5 million shares of Preferred Stock of the par value of $.01 per share, and of the aggregate par value of $50,000.

A description as amended of each class with the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of each class of stock, is set forth in Article FIRST hereof.

THIRD: The number of directors of the Corporation is six. The names of the directors are set forth below:

Charles E. Bloom
David C. Bloom
Steven L. Craig
Barry M. Ginsburg
Reuben S. Leibowitz
John D. Santoleri

The Board of Directors of the Corporation by a unanimous consent in writing in lieu of a meeting under ss. 2-408 of the Maryland General Corporation Law, dated October 20, 1993, adopted a resolution which set forth the foregoing amendment to the charter, declaring that the said amendment and restatement of the charter was advisable and directing that it be submitted for action thereon by the stockholders by a unanimous consent in writing in lieu of a meeting under ss. 2-505 of the Maryland General Corporation law.

FOURTH: Notice of a meeting of stockholders to take action on the amendment and restatement of the charter was waived by all stockholders of the Corporation.

FIFTH: The amendment and restatement of the charter of the Corporation as hereinabove set forth was approved by the unanimous consent in writing of the stockholders on October 20, 1993.

IN WITNESS WHEREOF, Chelsea GCA Realty, Inc. has caused these presents to be signed in its name and on its behalf by its President and attested by its Secretary on October 20, 1993.

CHELSEA GCA REALTY, INC.

By:/S/ STEVEN L. CRAIG
Steven L. Craig
President

Attest:/S/ DENISE M. ELMER
Denise M. Elmer
Secretary

I, Steven L. Craig, President of Chelsea GCA Realty, Inc., hereby acknowledge the foregoing Articles of Amendment and Restatement of Articles of Incorporation of Chelsea GCA Realty, Inc. to be the act of Chelsea GCA Realty, Inc., and to the best of my knowledge, information and belief, these matters and facts are true in all material respects, and my statement is made under penalties for perjury.

/S/ STEVEN L. CRAIG
Steven L. Craig
President of Chelsea GCA
Realty, Inc.

ARTICLES OF AMENDMENT
OF ARTICLES OF INCORPORATION
OF
CHELSEA GCA REALTY, INC.

Chelsea GCA Realty, Inc., a Maryland corporation, having its principal office in Maryland in Baltimore, Maryland, and having The Corporation Trust, Incorporated, a Maryland corporation, as its resident agent located at 32 South Street, Baltimore, Maryland, hereby certifies to the State Department of Assessment and Taxation of Maryland, that:

FIRST: Article IV of The Articles of Incorporation of the Corporation, filed with the State Department of Assessment and Taxation of Maryland on August 24, 1993, is hereby amended to read as follows:

ARTICLE IV

CAPITAL STOCK

A. The total number of shares of all classes of capital stock that the Corporation shall have authority to issue is 55 million shares, consisting of 50 million shares of Common Stock with a par value of $.01 per share (the "Common Stock"), amounting in the aggregate to par value of $500,000, and 5 million shares of Preferred Stock with a par value of $.01 per share (the "Preferred Stock"), amounting in the aggregate to par value of $50,000.

B. COMMON STOCK

1. DIVIDEND RIGHTS. Subject to the preferential dividend rights of the Preferred Stock, if any, as may be determined by the Board of Directors of the Corporation pursuant to paragraph C of this Article IV, Holders (as defined below) shall be entitled to receive such dividends as may be declared by the Board of Directors of the Corporation. Upon the declaration of dividends hereunder, Holders shall be entitled to share in all such dividends, pro rata, in accordance with the relative number of shares of Common Stock held by each such Holder.

2. RIGHTS UPON LIQUIDATION. Subject to the preferential rights of the Preferred Stock, if any, as may be determined by the Board of Directors of the Corporation pursuant to paragraph C of this Article IV, in the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation, each Holder shall be entitled to receive, ratably with each other Holder, that portion of the assets of the Corporation available for distribution to its stockholders as the number of shares of the Common Stock held by such Holder bears to the total number of shares of Common Stock then outstanding.

3. VOTING RIGHTS. Each Holder shall be entitled to vote on all matters (on which a holder of Common Stock shall be entitled to vote), and shall be entitled to one vote for each share of the Common Stock held by such Holder.

4. RESTRICTIONS ON OWNERSHIP AND TRANSFER TO PRESERVE TAX BENEFIT.

(a) DEFINITIONS

For the purposes of this Article IV, the following terms shall have the following meanings:

"Beneficial Ownership" shall mean ownership of Common Stock by a Person who would be treated as an owner of such shares of Common Stock either directly or constructively through the application of Section 544 of the Code, as modified by Section 856(h) of the Code. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings.

"Charitable Trust" shall mean the trust created pursuant to subparagraph B(4)(c)(i) of this Article IV.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Constructive Ownership" shall mean ownership of Common Stock by a Person who would be treated as an owner of such shares of Common Stock either directly or constructively through the application of Section 318 of the Code, as modified by Section 856(d)(5) of the Code. The terms "Constructive Owner," "Constructively Owns" and "Constructively Owned" shall have the correlative meanings.

"Existing Holder" shall mean (i) Charles E. Bloom, David C. Bloom and William D. Bloom and (ii) any Person (other than another Existing Holder) to whom an Existing Holder transfers Beneficial Ownership of Common Stock causing such transferee to Beneficially Own Common Stock in excess of the Ownership Limit.

"Existing Holder Limit" (i) for any Existing Holder who is an Existing Holder by virtue of clause (i) of the definition thereof, shall mean, initially, the percentage of Common Stock Beneficially Owned by such Person immediately after the Initial Public Offering, and after any adjustment pursuant to subparagraph B(4)(i) of this Article IV, shall mean such percentage of the outstanding Common Stock as so adjusted; and (ii) for any Existing Holder who becomes an Existing Holder by virtue of clause (ii) of the definition thereof, shall mean, initially, the percentage of the outstanding Common Stock Beneficially Owned by such Existing Holder at the time that such Existing Holder becomes an Existing Holder, and after any adjustment

pursuant to subparagraph B(4)(i) of this Article IV, shall mean such percentage of the outstanding Common Stock as so adjusted; provided, however, that the Existing Holding Limits for all Existing Holders when combined shall not exceed 21% of the Corporation's Common Stock. For purposes of determining the Existing Holder Limit, the amount of Common Stock outstanding at the time of the determination shall be deemed to include the maximum number of shares that Existing Holders may beneficially own with respect to options and rights to convert Units into Common Stock pursuant to Section 8.6 of the Partnership Agreement and shall not include shares that may be Beneficially Owned solely by other persons upon exercise of options or rights to convert into Common Stock. From the date of the Initial Public Offering and prior to the Restriction Termination Date, the Secretary of the Corporation shall maintain and, upon request, make available to each Existing Holder, a schedule which sets forth the then current Existing Holder Limits for each Existing Holder.

"Holder" shall mean the record holder of shares of Common Stock, or in the case of shares held by a Purported Record Transferee, the Charitable Trust.

"Initial Public Offering" shall mean the sale of shares of Common Stock in an underwritten public offering pursuant to the Corporation's first effective registration statement for such Common Stock filed under the Securities Act of 1933, as amended.

"IRS" shall mean the United States Internal Revenue Service.

"Market Price" shall mean the last reported sales price reported on the New York Stock Exchange of Common Stock on the trading day immediately preceding the relevant date, or if the Common Stock is not then traded on the New York Stock Exchange, the last reported sales price of the Common Stock on the trading day immediately preceding the relevant date as reported on any exchange or quotation system over which the Common Stock may be traded, or if the Common Stock is not then traded over any exchange or quotation system, then the market price of the Common Stock on the relevant date as determined in good faith by the Board of Directors of the Corporation.

"Ownership Limit" shall initially mean 7% of the outstanding Common Stock of the Corporation, and after any adjustment as set forth in subparagraph B(4)(i) of this Article IV, shall mean such greater percentage.

"Partner" shall mean any Person owning Units.

"Partnership" shall mean Chelsea GCA Realty Partnership, L.P., a Delaware limited partnership.

"Partnership Agreement" shall mean the Agreement of Limited Partnership of the Partnership, of which the Corporation is the sole general partner, as such agreement may be amended from time to time.

"Person" shall mean an individual, corporation, partnership, estate, trust, 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 Securities Exchange Act of 1934, as amended; but does not include (i) Warburg, Pincus Capital Company, L.P., and WP/Chelsea Inc., and (ii) an underwriter which participates in a public offering of the Common Stock provided that the ownership of Common Stock by such underwriter would not result in the Corporation failing to qualify as a REIT.

"Purported Transferee" shall mean, with respect to any purported Transfer which results in a violation of subparagraph B(4)(b) of this Article IV, the purported beneficial transferee or owner for whom the Purported Record Transferee would have acquired or owned shares of Common Stock, if such Transfer had been valid under such subparagraph.

"Purported Record Transferee" shall mean, with respect to any purported Transfer which results in a violation of subparagraph B(4)(b) of this Article IV, the record holder of the Common Stock if such Transfer had been valid under such subparagraph.

"REIT" shall mean a Real Estate Investment Trust under Section 856 of the Code.

"Restriction Termination Date" shall mean the first day after the date of the Initial Public Offering on which the Board of Directors of the Corporation determines that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT.

"Transfer" shall mean any sale, transfer, gift, assignment, devise or other disposition of Common Stock (including (i) the granting of any option or entering into any agreement for the sale, transfer or other disposition of Common Stock or (ii) the sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for Common Stock), whether voluntary or involuntary, whether of record or beneficially or Beneficially or Constructively (including but not limited to transfers of interests in other entities which result in changes in Beneficial or Constructive Ownership of Common Stock), and whether by operation of law or otherwise.

"Trustee" shall mean the Corporation as trustee for the Charitable Trust, and any successor trustee appointed by the Corporation.

"Units" shall mean the units into which partnership interests of the Partnership are divided, and as the same may be adjusted, as provided in the Partnership Agreement.

"Warburg, Pincus Capital Company, L.P." shall mean Warburg, Pincus Capital Company, L.P., a Delaware limited partnership.

"WP/Chelsea Inc." shall mean WP Chelsea Inc., a New York corporation.

(b) RESTRICTION ON OWNERSHIP AND TRANSFERS.

(i) Except as provided in subparagraph B(4)(k) of this Article IV, from the date of the Initial Public Offering and prior to the Restriction Termination Date, no Person (other than an Existing Holder) shall Beneficially Own shares of Common Stock in excess of the Ownership Limit, and no Existing Holder shall Beneficially Own shares of Common Stock in excess of the Existing Holder Limit for such Existing Holder.

(ii) Except as provided in subparagraph B(4)(k) of this Article IV, from the date of the Initial Public Offering and prior to the Restriction Termination Date, any Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the New York Stock Exchange ("NYSE")), that, if effective, would result in any Person (other than an Existing Holder) Beneficially Owning Common Stock in excess of the Ownership Limit shall be void AB INITIO as to the Transfer of such shares of Common Stock which would be otherwise Beneficially Owned by such Person in excess of the Ownership Limit; and the Purported Transferee shall acquire no rights in such shares of Common Stock.

(iii) Except as provided in subparagraph B(4)(k) of this Article IV, from the date of the Initial Public Offering and prior to the Restriction Termination Date, any Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE) that, if effective, would result in any Existing Holder Beneficially Owning Common Stock in excess of the applicable Existing Holder Limit shall be void AB INITIO as to the Transfer of such shares of Common Stock which would be otherwise Beneficially Owned by such Existing Holder in excess of the applicable Existing Holder Limit; and such Existing Holder shall acquire no rights in such shares of Common Stock.

(iv) Except as provided in subparagraph B(4)(k) of this Article IV, from the date of the Initial Public Offering and prior to the Restriction Termination Date, any Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE) that, if effective, would result in the Common Stock being beneficially owned by less than 100 Persons (determined without reference to any rules of attribution) shall be void AB INITIO as to the Transfer of such shares of Common Stock which would be otherwise beneficially owned by the transferee; and the intended transferee shall acquire no rights in such shares of Common Stock.

(v) Notwithstanding any other provisions contained in this Article IV, from the date of the Initial Public Offering and prior to the Restriction Termination Date, any Transfer (whether or nor such transfer is the result of a transaction entered into through the facilities of the NYSE) or other event that, if effective, would result in the Corporation being "closely held" within the meaning of Section 856(h) of the Code, or would otherwise result in the Corporation failing to qualify as a REIT (including, but not limited to, a Transfer or other event that would result in the Corporation owning (directly or Constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by the Corporation from such tenant would cause the Corporation to fail to satisfy any of the gross income requirements of Section 856(c) of the Code), shall be void AB INITIO as to the Transfer of the shares of Common Stock which would cause the Corporation to be "closely held" within the meaning of Section 856(h) of the Code or would otherwise result in the Corporation failing to qualify as a REIT; and the intended transferee or owner or Constructive or Beneficial Owner shall acquire or retain no rights in such shares of Common Stock.

(c) EFFECT OF TRANSFER IN VIOLATION OF SUBPARAGRAPH (B)(4)(B).

(i) If, notwithstanding the other provisions contained in this Article IV, at any time after the date of the Initial Public Offering and prior to the Restriction Termination Date, there is a purported Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE), change in the capital structure of the Corporation, or other event such that one or more of the restrictions on ownership and transfers described in subparagraph B(4)(b) above has been violated, then the shares of Common Stock being Transferred (or in the case of an event other than a Transfer, the shares owned or Constructively Owned or Beneficially Owned) which would cause one or more of the restrictions on ownership or transfer to be violated (rounded up to the nearest whole share) (the "Trust Shares"), shall automatically be transferred to the Corporation, as Trustee of a trust (the "Charitable Trust") for the exclusive benefit of (The American Cancer Society) (the "Designated Charity"), an organization described in Section 170(b)(1)(A) and 170(c) of the Code. The Purported Transferee shall have no rights in such Trust Shares.

(ii) The Corporation, as Trustee of the Charitable Trust, may transfer the shares held in such trust to a Person whose ownership of the shares will not result in a violation of the ownership

restrictions (a "Permitted Transferee"). If such a transfer is made, the interest of the Designated Charity will terminate and proceeds of the sale will be payable to the Purported Transferee and to the Designated Charity. The Purported Transferee will receive the lesser of (1) the price paid by the Purported Transferee for the shares or, if the Purported Transferee did not give value for the shares, the Market Price of the shares on the day of the event causing the shares to be held in trust, and (2) the price per share received by the Corporation, as Trustee, from the sale or other disposition of the shares held in trust. The Designated Charity will receive any proceeds in excess of the amount payable to the Purported Transferee. The Purported Transferee will not be entitled to designate a Permitted Transferee.

(iii) All stock held in the Charitable Trust will be deemed to have been offered for sale to the Corporation or its designee for a 90-day period, at the lesser of the price paid for that stock by the Purported Transferee and the Market Price on the date that the Corporation accepts the offer. This period will commence on the date of the violative transfer, if the Purported Transferee gives notice to the Corporation of the transfer, or the date that the Board of Directors of the Corporation determines that a violative transfer occurred, if no such notice is provided.

(iv) Any dividend or distribution paid prior to the discovery by the Corporation that shares of Common Stock have been transferred in violation of subparagraph B(4)(b) of this Article IV, shall be repaid to the Corporation upon demand and shall be held in trust for the Designated Charity. Any dividend or distribution declared but unpaid shall be rescinded as void AB INITIO with respect to such shares of stock.

(v) Subject to the preferential rights of the Preferred Stock, if any, as may be determined by the Board of Directors of the Corporation pursuant to paragraph C of this Article IV, in the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation, the Designated Charity shall be entitled to receive, ratably with each other holder of Common Stock, that portion of the assets of the Corporation available for distribution to its stockholders as the number of Trust Shares bears to the total number of shares of Common Stock then outstanding (including the Trust Shares). The Corporation, as Trustee, or if the Corporation shall have been dissolved, any trustee appointed by the Corporation prior to its dissolution, shall distribute to the Designated Charity, when determined (or if not determined, or only partially determined, ratably to the other holders of Common Stock who have been determined and the Designated Charity), any such assets received in respect of the Trust Shares in any liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation.

(vi) The Purported Transferee will not be entitled to vote any Common Stock it attempts to acquire, and any stockholder vote will be rescinded if a Purported Transferee votes and the stockholder vote would have been decided differently if such Purported Transferee's vote was not counted.

(d) REMEDIES FOR BREACH. If the Board of Directors or its designees shall at any time determine in good faith that a Transfer or other event has taken place in violation of subparagraph B(4)(b) of this Article IV or that a Person intends to acquire or has attempted to acquire beneficial ownership (determined without reference to any rules of attribution), Beneficial Ownership or Constructive Ownership of any shares of the Corporation in violation of subparagraph B(4)(b) of this Article IV, the Corporation shall inform the Purported Transferee of its obligations pursuant to this Article IV, including such Purported Transferee's obligations to pay over to the Charitable Trust any and all dividends received with respect to the Trust Shares. In addition, the Board of Directors or its designees shall take such action as it deems advisable to refuse to give effect or to prevent such Transfer, including, but not limited to, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer and to recover any dividend erroneously paid and declaring any votes erroneously cast to be retroactively invalid; provided, however, that any Transfers (or, in the case of events other than a Transfer, ownership or Constructive Ownership or Beneficial Ownership) in violation of subparagraph B(4)(b) of this Article IV shall automatically result in a transfer to the Charitable Trust as described in subparagraph B(4)(c), irrespective of any action (or non-action) by the Board of Directors.

(e) NOTICE OF RESTRICTED TRANSFER. Any Person who acquires or attempts to acquire shares in violation of subparagraph B(4)(b) of this Article IV, or any Person who is a Purported Transferee, shall immediately give written notice to the Corporation of such event and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer or attempted Transfer on the Corporation's status as a REIT.

(f) OWNERS REQUIRED TO PROVIDE INFORMATION. From the date of the Initial Public Offering and prior to the Restriction Termination Date each Person who is a beneficial owner or Beneficial Owner or Constructive Owner of Common Stock and each Person (including the stockholder of record) who is holding Common Stock for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information that the Corporation may request, in good faith, in order to determine the Corporation's status as a REIT.

(g) REMEDIES NOT LIMITED. Nothing contained in this Article IV shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its stockholders by preservation of the Corporation's status as a REIT.

(h) AMBIGUITY. In the case of an ambiguity in the application of any

of the provisions of subparagraph B(4) of this Article IV, including any definition contained in subparagraph B(4)(a), the Board of Directors shall have the power to determine the application of the provisions of this subparagraph B(4) with respect to any situation based on the facts known to it.

(i) MODIFICATION OF OWNERSHIP LIMIT OR EXISTING HOLDER LIMIT. Subject to the limitations provided in subparagraph B(4)(j), the Board of Directors may from time to time increase the Ownership Limit or the Existing Holder Limit and shall file Articles Supplementary with the State Department of Assessment and Taxation of Maryland to evidence such increase.

(j) LIMITATIONS ON MODIFICATIONS.

(i) From the date of the Initial Public Offering and prior to the Restriction Termination Date, neither the Ownership Limit nor any Existing Holder Limit may be increased (nor may any additional Existing Holder Limit be created) if, after giving effect to such increase (or creation), five Persons who are Beneficial Owners of Common Stock (including all of the then Existing Holders) could (taking into account the Ownership Limit and the Existing Holder Limit) Beneficially Own, in the aggregate, more than 49% of the outstanding Common Stock.

(ii) Prior to the modification of any Existing Holder Limit or Ownership Limit pursuant to subparagraph B(4)(i) of this Article IV, the Board of Directors of the Corporation may require such opinions of counsel, affidavits, undertakings or agreements as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT.

(iii) No Existing Holder Limit shall be reduced to a percentage which is less than the Ownership Limit.

(iv) The Ownership Limit may not be increased to a percentage which is greater than 9.9%.

(k) EXCEPTIONS.

(i) The Board of Directors, in its sole discretion, may exempt a Person from the Ownership Limit or the Existing Holder Limit, as the case may be, if such Person is not an individual for purposes of Section 542(a)(2) of the Code and the Board of Directors obtains such representations and undertakings from such Person as are reasonably necessary to ascertain that no individual's Beneficial Ownership of such shares of Common Stock will violate the Ownership Limit or the applicable Existing Holder Limit, as the case may be, and agrees that any violation of such representations or undertaking (or other action which is contrary to the restrictions contained in this subparagraph B(4) of this Article IV) or attempted violation will result in such shares of Common Stock automatically being transferred to the Charitable Trust.

(ii) Prior to granting any exception pursuant to subparagraph B(4)(k)(i) of this Article IV, the Board of Directors may require a ruling from the IRS, or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors in its sole discretion, as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT.

5. LEGEND. Each certificate for shares of Common Stock shall bear legends substantially to the effect of the following:

"The Corporation is authorized to issue two classes of capital stock which are designated as Common Stock and Preferred Stock. The Board of Directors is authorized to determine the preferences, limitations and relative rights of the Preferred Stock before the issuance of any Preferred Stock. The Corporation will furnish, without charge, to any stockholder making a written request therefor, a copy of the Corporation's charter and a written statement of the designations, relative rights, preferences and limitations applicable to each such class of stock. Requests for the Corporation's charter and such written statement may be directed to Chelsea GCA Realty, Inc., 103 Eisenhower Parkway, Roseland, New Jersey 07068, Attention: Secretary.

The shares of Common Stock represented by this certificate are subject to restrictions on ownership and Transfer for the purpose of the Corporation's maintenance of its status as a Real Estate Investment Trust under the Code. No Person may Beneficially Own shares of Common Stock in excess of 7% (or such greater percentage as may be determined by the Board of Directors of the Corporation) of the outstanding Common Stock of the Corporation (unless such Person is an Existing Holder) with certain exceptions set forth in the Corporation's charter. Any Person who attempts to Beneficially Own shares of Common Stock in excess of the above limitations must immediately notify the Corporation. All capitalized terms in this legend have the meanings defined in the Corporation's charter. Transfers in violation of the restrictions described above may be void AB INITIO.

In addition, upon the occurrence of certain events, if the restrictions on ownership are violated, the shares of Common Stock represented hereby may be automatically exchanged for Trust Shares which will be held in trust by the Corporation. The Corporation has an option to acquire Trust Shares under certain circumstances. The Corporation will furnish to the holder hereof upon request and without charge a complete written statement of the terms and conditions of the Trust Shares. Requests for such statement may be directed to Chelsea GCA Realty, Inc., 103 Eisenhower Parkway, Roseland, New Jersey 07068, Attention: Secretary."

6. SEVERABILITY. If any provision of this Article IV or any application of any such provision is determined to be invalid by any Federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and other applications of such provisions shall

be affected only to the extent necessary to comply with the determination of such court.

C. PREFERRED STOCK. The Board of Directors of the Corporation, by resolution, is hereby expressly vested with authority to provide for the issuance of the shares of Preferred Stock in one or more classes or one or more series, with such voting powers, full or limited, or no voting powers, and with such designations, preferences and relative, participating, optional and other special rights, and qualifications, limitations or restrictions thereof, if any, as shall be stated and expressed in the resolution or resolutions providing for such issue adopted by the Board of Directors. Except as otherwise provided by law, the holders of the Preferred Stock of the Corporation shall only have such voting rights as are provided for or expressed in the resolutions of the Board of Directors relating to such Preferred Stock adopted pursuant to the authority contained in the Articles of Incorporation. Before issuance of any such shares of Preferred Stock, the Corporation shall file Articles Supplementary with the State Department of Assessment and Taxation of Maryland in accordance with the provision of Section 2-208 of the Maryland General Corporation Law.

D. RESERVATION OF SHARES. Pursuant to the obligations of the Corporation under the Partnership Agreement to issue shares of Common Stock in exchange for Units, the Board of Directors is hereby required to reserve a sufficient number of authorized but unissued shares of Common Stock to permit the Corporation to issue shares of Common Stock in exchange for Units that may be exchanged for shares of Common Stock pursuant to the Partnership Agreement.

E. NYSE SETTLEMENT. Nothing in this Article IV shall preclude the settlement of any transaction entered into through the facilities of the NYSE.

F. PREEMPTIVE RIGHTS. No holder of shares of capital stock of the Corporation shall, as such holder, have any preemptive or other right to purchase or subscribe for any shares of Common Stock or any class of capital stock of the Corporation which the Corporation may issue or sell.

G. CONTROL SHARES. Pursuant to Section 3-702(b) of the General Corporation Law of Maryland (the "Act"), the terms of Subtitle 7 of Title 3 of the Act shall be inapplicable to any acquisition of a Control Share (as defined in the Act) that is not prohibited by the terms of Article IV.

H. BUSINESS COMBINATIONS. Pursuant to Section 3-603(e)(1)(iii) of the General Corporation Law of Maryland, the terms of Section 3-602 of such law shall be inapplicable to the Corporation.

SECOND: The amendment of the charter of the Corporation as hereinabove set forth was approved by the stockholders of the Corporation on June 13, 1996.

IN WITNESS WHEREOF, Chelsea GCA Realty, Inc. has caused these presents to be signed in its name and on its behalf by its President and attested by its Secretary on June 13, 1996.

CHELSEA GCA REALTY, INC.

By:/s/ David C. Bloom
David C. Bloom
President

Attest: /s/ Denise M. Elmer
Denise M. Elmer
Secretary

I, David C. Bloom, President of Chelsea GCA Realty, Inc., hereby acknowledge the foregoing Articles of Amendment of Articles of Incorporation of Chelsea GCA Realty, Inc. to be the act of Chelsea GCA Realty, Inc., and to the best of my knowledge, information and belief, these matters and facts are true in all material respects, and my statement is made under penalties for perjury.

David C. Bloom
President of Chelsea GCA
Realty, Inc.

ARTICLES SUPPLEMENTARY TO ARTICLES OF INCORPORATION
OF CHELSEA GCA REALTY, INC.

Chelsea GCA Realty, Inc., a Maryland corporation having its principal office in Baltimore, Maryland (hereinafter called the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland, as follows:

FIRST: Pursuant to authority expressly vested in the Board of Directors of the Corporation by Article IV of the Amended and Restated Articles of Incorporation of the Corporation, as amended, the Board of Directors has duly divided and classified 1,000,000 unissued shares of the Preferred Stock of the Corporation into a series designated "8 3/8% Series A Cumulative Redeemable Preferred Stock" and has provided for the issuance of such series.

SECOND: A description of the 8 3/8% Series A Cumulative Redeemable Preferred Stock, including the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, and terms and conditions of redemption as set or changed by the Board of Directors of the Corporation is as follows:

(i) TITLE. The Series of Preferred Stock is hereby designated as the "8 3/8% Series A Cumulative Redeemable Preferred Stock (the "Series A Preferred Shares").

(ii) NUMBER. The maximum number of authorized shares of the Series A Preferred Shares shall be 1,000,000.

(iii) RELATIVE SENIORITY. In respect of rights to receive dividends and to participate in distributions of payments in the event of any liquidation, dissolution or winding up of the Corporation, the Series A Preferred Shares shall rank senior to the Common Stock and any other class or series of shares of the Corporation which, by their terms rank junior to the Series A Preferred Shares (collectively, "Junior Shares") and on a parity with all other shares of Preferred Stock of the Corporation which are not by their terms Junior Shares.

(iv) DIVIDENDS.

(A) The holders of the then outstanding Series A Preferred Shares shall be entitled to receive, when and as declared by the Board of Directors out of any funds legally available therefor, cumulative dividends at the rate of $4.1875 per share per year, payable in arrears in equal amounts of $1.046875 per share quarterly in cash on the 15th day of each January, April, July and October or, if not a Business Day (as hereinafter defined), the next succeeding Business Day (each such day being hereafter called a "Quarterly Dividend Date" and each period ending on the calendar day preceding a Quarterly Dividend Date being hereinafter called a "Dividend Period"). Dividends shall accumulate from the date of original issue, with the first dividends to be paid on January 15, 1998. Dividends shall be payable to holders of record as they appear in the share records of the Corporation at the close of business on the applicable record date (a "Record Date"), which shall be the 1st day of the calendar month in which the applicable Quarterly Dividend Date falls on or such other date designated by the Board of Directors of the Corporation for the payment of dividends that is not more than 30 nor less than 10 days prior to such Quarterly Dividend Date. The amount of any dividend payable for any Dividend Period shorter than a full Dividend Period shall be computed on the basis of a 360-day year of twelve 30-day months.

"Business Day" shall mean any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close.

(B) The amount of any dividends accumulated on any Series A Preferred Shares at any Quarterly Dividend Date shall be the amount of any unpaid dividends accumulated thereon to but excluding such Quarterly Dividend Date and the amount of dividends accumulated on any shares of Series A Preferred Shares at any date other than a Quarterly Dividend Date shall be equal to the sum of the amount of any unpaid dividends accumulated thereon to but excluding the last preceding Quarterly Dividend Date, plus an amount calculated on the basis of the annual dividend rate of $4.1875 per share for the period after such last preceding Quarterly Dividend Date to and including the date as of which the calculation is made based on a 360-day year of twelve 30-day months. Dividends on the Series A Preferred Shares will accumulate whether or not the Corporation has earnings, whether or not there are funds legally available for the payment of such dividends and whether or not such dividends are authorized or declared.

(C) Except as otherwise expressly provided herein, the Series A Preferred Shares will not be entitled to any dividends in excess of full cumulative dividends as described above and shall not be entitled to participate in the earnings or assets of the Corporation, and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series A Preferred Shares which may be in arrears.

(D) Any dividend payment made on the Series A Preferred Shares shall first be credited against the earliest accumulated but unpaid dividend due with respect to such shares which remains payable.

(E) If, for any taxable year, the Corporation elects to designate as "capital gain dividends" (as defined in and permitted pursuant to Section 857 of the Internal Revenue Code of 1986, as amended (the "Code")), any portion (the "Capital Gains Amount") of the dividends paid or made available for the year to holders of all classes of shares (the "Total Dividends"), then the portion of the Capital Gains Amount that shall be allocated to the holders of the Series A Preferred Shares shall equal (i) the Capital Gains Amount multiplied by (ii) a fraction that is equal to (a) the total dividends paid or made available to the holders of the Series A Preferred Shares for the year over (b) the Total Dividends.

(F) No dividends on the Series A Preferred Shares shall be authorized by the Board of Directors of the Corporation or be paid or set apart for payment by the Corporation at such time as the terms and provisions of any agreement of the Corporation, including any agreement relating to its indebtedness, prohibits such authorization, payment or setting apart for payment or provides that such authorization, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such authorization or payment shall be restricted or prohibited by law.

(G) No dividends will be declared or paid or set apart for payment on any capital stock of the Corporation ranking, as to dividends, on a parity with or junior to the Series A Preferred Shares for any period unless full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment therefor set apart for such payment on the Series A Preferred Shares for all past Dividend Periods and the then current Dividend Period. When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series A Preferred Shares and the shares of any other series of Preferred Stock ranking on a parity as to dividends with the Series A Preferred Shares, all dividends declared on the Series A Preferred Shares and any other series of Preferred Stock ranking on a parity as to dividends with the Series A Preferred Shares shall be declared pro rata so that the amount of dividends declared per Series A Preferred Share and such other series of Preferred Stock shall in all cases bear to each other the same ratio that accumulated dividends per Series A Preferred Share and such other series of Preferred Stock bear to each other.

(H) Except as provided in subparagraph G, unless full cumulative dividends on the Series A Preferred Shares have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment therefor set apart for such payment on the Series A Preferred Shares for all past Dividend Periods and the then current Dividend Period, no dividends (other than in Junior Shares) shall be declared or paid or set aside for payment nor shall any other distribution be declared or made upon the Junior Shares or any other capital stock of the Corporation ranking on a parity with the Series A Preferred Shares as to dividends or upon liquidation, nor shall any Junior Shares or any other capital stock of the Corporation ranking on a parity with the Series A Preferred Shares as to dividends or upon liquidation be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid or made available for a sinking fund for the redemption of such shares) by the Corporation (except by conversion into or exchange for other Junior Shares).

(v) LIQUIDATION RIGHTS.

(A) Upon the voluntary or involuntary dissolution, liquidation or winding up of the Corporation (a "liquidation"), the holders of the Series A Preferred Shares then outstanding shall be entitled to receive in cash or property (at its fair market value determined by the Corporation's Board of Directors) and to be paid out of the assets of the Corporation legally available for distribution to its shareholders, before any payment or distribution shall be made on any Junior Shares, the amount of $50.00 per share, plus accumulated and unpaid dividends, if any, thereon to and including the date of liquidation.

(B) After the payment to the holders of the Series A Preferred Shares of the full liquidation amounts provided for in paragraph (A), the holders of the Series A Preferred Shares, as such, shall have no right or claim to any of the remaining assets of the Corporation.

(C) If, upon any voluntary or involuntary dissolution, liquidation, or winding up of the Corporation, the amounts payable with respect to the preference distributions on the Series A Preferred Shares and the shares of each other series of Preferred Stock of the Corporation ranking, as to liquidation rights, on a parity with the Series A Preferred Shares are not paid in full, the holders of the Series A Preferred Shares and any other shares of Preferred Stock of the Corporation ranking, as to liquidation rights, on a parity with the Series A Preferred Shares shall share ratably in any such distribution of assets of the Corporation in proportion to the full respective preference amounts to which they would otherwise be respectively entitled.

(D) Neither the sale, lease, transfer or conveyance of all or substantially all of the property or business of the Corporation, nor the merger or consolidation of the Corporation into or with any other entity or the merger or consolidation of any other entity into or with the Corporation, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this paragraph (v).

(vi) REDEMPTION.

(A) OPTIONAL REDEMPTION. On and after October 15, 2027, the Corporation may, at its option (subject to the provisions of this paragraph (vi)), redeem at any time all or, from time to time, part of the Series A Preferred Shares at a price per share (the "Redemption Price"), payable in cash, of $50.00 per share, together with all accumulated and unpaid dividends, if any, to and including the date fixed for redemption (the "Redemption Date"), without interest, to the extent the Corporation has funds legally available therefor. The Series A Preferred Shares have no stated maturity and will not be subject to any sinking fund or mandatory redemption provisions, except as provided for in paragraph (ix) below.

(B) PROCEDURES FOR REDEMPTION.

(1) Notice of redemption will be given by publication in a newspaper of general circulation in The City of New York, such publication to be made once a week for two successive weeks commencing not less than 30 nor more than 60 days prior to the Redemption Date. Notice of any redemption furnished by the Corporation will also be mailed by the registrar, postage prepaid, not less than 30 nor more than 60 days prior to the Redemption Date, addressed to each holder of record of the Series A Preferred Shares to be redeemed at the address set forth in the share transfer records of the registrar. No failure to give such notice or any defect therein or in the mailing thereof shall affect the validity

of the proceedings for the redemption of any Series A Preferred Shares except as to the holder to whom the Corporation has failed to give notice or except as to the holder to whom notice was defective. In addition to any information required by law or by the applicable rules of any exchange upon which Series A Preferred Shares may be listed or admitted to trading, such notice shall state: (a) the Redemption Date; (b) the Redemption Price; (c) the number of Series A Preferred Shares to be redeemed; (d) the place or places where certificates for the Series A Preferred Shares to be redeemed are to be surrendered for payment of the Redemption Price; and (e) that dividends on the Series A Preferred Shares to be redeemed will cease to accumulate on the Redemption Date.

(2) If notice has been mailed in accordance with paragraph (vi)(B)(1) above and provided that on or before the Redemption Date specified in such notice all funds necessary for such redemption shall have been irrevocably set aside by the Corporation, separate and apart from its other funds, in trust for the pro rata benefit of the holders of the Series A Preferred Shares so called for redemption, so as to be, and to continue to be available therefor, then, from and after the Redemption Date, dividends on the Series A Preferred Shares so called for redemption shall cease to accumulate, and said shares shall no longer be deemed to be outstanding and shall not have the status of Series A Preferred Shares and all rights of the holders thereof as shareholders of the Corporation (except the right to receive the Redemption Price) shall cease. Upon surrender, in accordance with such notice, of the certificates for any Series A Preferred Shares so redeemed (properly endorsed or assigned for transfer, if the Corporation shall so require and the notice shall so state), such Series A Preferred Shares shall be redeemed by the Corporation at the Redemption Price. In case fewer than all the Series A Preferred Shares represented by any such certificate are redeemed, a new certificate or certificates shall be issued representing the unredeemed Series A Preferred Shares without cost to the holder thereof.

(3) Any funds deposited with a bank or trust company for the purpose of redeeming Series A Preferred Shares shall be irrevocable except that:

(a) the Corporation shall be entitled to receive from such bank or trust company the interest or other earnings, if any, earned on any money so deposited in trust, and the holders of any Series A Preferred Shares redeemed shall have no claim to such interest or other earnings; and

(b) any balance of monies so deposited by the Corporation and unclaimed by the holders of the Series A Preferred Shares entitled thereto at the expiration of two years from the applicable Redemption Date shall be repaid, together with any interest or other earnings earned thereon, to the Corporation, and after any such repayment, the holders of the Series A Preferred Shares entitled to the funds so repaid to the Corporation shall look only to the Corporation for payment without interest or other earnings.

(4) No Series A Preferred Shares may be redeemed except from proceeds from the sale of other capital stock of the Corporation (consisting of common stock, preferred stock, depositary shares, interests, participations or other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable for equity securities) or options to purchase any of the foregoing) and not from any other source.

(5) Unless full accumulated dividends on all Series A Preferred Shares shall have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment on the Series A Preferred Shares for all past Dividend Periods and the then current Dividend Period, no Series A Preferred Shares shall be redeemed, purchased or otherwise acquired directly or indirectly on the Series A Preferred Shares; provided, however, that the foregoing shall not prevent the redemption, purchase or acquisition of Series A Preferred Shares to preserve the Corporation's REIT status or the purchase or acquisition of Series A Preferred Shares pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding Series A Preferred Shares.

(6) If the Redemption Date is after a Record Date and before the related Quarterly Dividend Date, the dividend payable on such Quarterly Dividend Date shall be paid to the holder in whose name the Series A Preferred Shares to be redeemed are registered at the close of business on such Record Date notwithstanding the redemption thereof between such Record Date and the related Quarterly Dividend Date or the Corporation's default in the payment of the dividend due. Except as provided in this paragraph (vi), the Corporation will make no payment or allowance for unpaid dividends, whether or not in arrears, on Series A Preferred Shares to be redeemed.

(7) In case of redemption of less than all Series A Preferred Shares at the time outstanding, the Series A Preferred Shares to be redeemed shall be selected pro rata from the holders of record of such Series A Preferred Shares in proportion to the number of Series A Preferred Shares held by such holders (with adjustments to avoid redemption of fractional shares) or by any other equitable method determined by the Corporation.

(vii) VOTING RIGHTS. Except as required by law, and as set forth below, the holders of the Series A Preferred Shares shall not be entitled to vote at any meeting of the shareholders for election of Directors or for any other purpose or otherwise to participate in any action taken by the Corporation or the shareholders thereof, or to receive notice of any meeting of shareholders.

(A) Whenever dividends on any Series A Preferred Shares shall be in arrears for six or more quarterly periods, whether or not such quarterly periods are consecutive, the holders of such Series A Preferred Shares (voting separately as a class with all other series of Preferred Stock of the Corporation upon which like voting rights have been conferred and are exercisable) will be entitled to vote for the election of two additional Directors of the Corporation at a special meeting called by the holders of record of at least ten percent (10%) of the Series A Preferred Shares (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders) or at the next annual meeting of

shareholders, and at each subsequent annual meeting until all dividends accumulated on such Series A Preferred Shares for the past Dividend Periods and the then current Dividend Period shall have been fully paid or declared and a sum sufficient for the payment thereof set aside for payment. In such case, the entire Board of Directors of the Corporation will be increased by two Directors.

(B) So long as any Series A Preferred Shares remain outstanding, the Corporation will not, without the affirmative vote or consent of the holders of at least two-thirds of the Series A Preferred Shares outstanding at the time, given in person or by proxy, either in writing or at a meeting (voting separately as a class), (i) authorize or create, or increase the authorized or issued amount of, any class or series of shares of capital stock ranking senior to the Series A Preferred Shares with respect to the payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation or reclassify any authorized capital stock of the Corporation into such capital stock, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such capital stock; or (ii) amend, alter or repeal the provisions of the Corporation's Articles of Incorporation, including these Articles Supplementary, whether by merger, consolidation or otherwise (an "Event"), so as to materially and adversely affect any right, preference, privilege or voting power of the Series A Preferred Shares or the holders thereof; provided, however, with respect to the occurrence of any of the Events set forth in (ii) above, so long as the Series A Preferred Shares remain outstanding with the terms thereof materially unchanged, taking into account that upon the occurrence of an Event, the Corporation may not be the surviving entity, the occurrence of any such Event shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting power of holders of Series A Preferred Shares; and provided, further, that (x) any increase in the amount of the authorized Preferred Stock or the creation or issuance of any other series of Preferred Stock, or (y) any increase in the amount of authorized Series A Preferred Shares, in each case ranking on a parity with or junior to the Series A Preferred Shares with respect to payment of dividends and the distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote or consent would otherwise be required shall be effected, all outstanding Series A Preferred Shares shall have been redeemed or called for redemption and sufficient funds shall have been deposited in trust to effect such redemption.

(C) On each matter submitted to a vote of the holders of Series A Preferred Shares in accordance with this paragraph (vii), or as otherwise required by law, each Series A Preferred Share shall be entitled to one vote. With respect to each Series A Preferred Share, the holder thereof may designate a proxy, with each such proxy having the right to vote on behalf of the holder.

(viii) CONVERSION. The Series A Preferred Shares are not convertible into or exchangeable for any other property or securities of the Corporation.

(ix) RESTRICTIONS ON OWNERSHIP.

(A) Definitions. The following terms shall have the following meanings:

(1) "Beneficial Ownership" shall mean ownership of the Series A Preferred Shares by a Person who would be treated as an owner of such Series A Preferred Shares either directly or constructively through the application of Section 544 of the Code, as modified by Section 856(h) of the Code. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings.

(2) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(3) "Constructive Ownership" shall mean ownership of Series A Preferred Shares by a Person who would be treated as an owner of such Series A Preferred Shares either directly or constructively through the application of Section 318 of the Code, as modified by Section 856(d)(5) of the Code. The terms "Constructive Owner," "Constructively Owns" and "Constructively Owned" shall have the correlative meanings.

(4) "Initial Placement" shall mean the sale of Series A Preferred Shares pursuant to the Corporation's Offering Memorandum dated October 7, 1997.

(5) "Ownership Limit" shall initially mean 7% of the outstanding Series A Preferred Shares of the Corporation.

(6) "Person" shall mean an individual, corporation, partnership, estate, trust, 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 Securities Exchange Act of 1934, as amended; but does not include an underwriter which participates in a public offering of the Series A Preferred Shares provided that the ownership of Series A Preferred Shares by such underwriter would not result in the Corporation failing to qualify as a REIT.

(7) "REIT" shall mean a Real Estate Investment Trust under Section 856 of the Code.

(8) "Restriction Termination Date" shall mean the first day after the date of the Initial Placement on which the Board of Directors of the Corporation determines that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT.

(9) "Transfer" shall mean any sale, transfer, gift, assignment, devise or other disposition of Series A Preferred Shares or the right to vote or

receive dividends on Series A Preferred Shares (including (A) the granting of any option or entering into any agreement for the sale, transfer or other disposition of Series A Preferred Shares or the right to vote or receive dividends on Series A Preferred Shares or (B) the sale, transfer, assignment or other disposition or grant of any securities or rights convertible into or exchangeable for Series A Preferred Shares, or the right to vote or receive dividends on Series A Preferred Shares), whether voluntary or involuntary, whether of record or Beneficially or Constructively (including transfers of interests in other entities which result in changes in Beneficial or Constructive Ownership of Series A Preferred Shares), and whether by operation of law or otherwise.

(B) Restrictions.

(1) During the period commencing on the date of the Initial Placement and prior to the Restriction Termination Date: (a) no Person shall Beneficially Own any Series A Preferred Shares in excess of the Ownership Limit; (b) no Person shall Beneficially Own any shares of Series A Preferred Shares if, as a result of such Beneficial Ownership, the Series A Preferred Shares and Common Stock of the Corporation would be Beneficially Owned by less than 100 Persons (determined without reference to the rules of attribution under Section 544 of the Code); and (c) no Person shall Beneficially Own any shares if, as a result of such Beneficial Ownership, the Corporation would be "closely held" within the meaning of Section 856(h) of the Code or would otherwise result in the Corporation failing to qualify as a REIT..

(2) Any Transfer that would result in a violation of the restrictions in subparagraph (ix)(B)(1) shall be void ab initio as to the Transfer of such Series A Preferred Shares that would cause the violation of the applicable restriction in subparagraph (ix)(B)(1), and the intended transferee shall acquire no rights in such Series A Preferred Shares.

(C) Remedies for Breach.

(1) If the Board of Directors or a committee thereof shall at any time determine in good faith that a Transfer or other event has taken place in violation of subparagraph (ix)(B)(1) or that a Person intends to acquire or has attempted to acquire Beneficial Ownership of any shares of the Corporation that will result in violation of subparagraph (ix)(B)(1) (whether or not such violation is intended and determined without reference to any rules of attribution), the Corporation shall inform the Purported Transferee of its obligations hereunder, including such Purported Transferee's obligations to pay over to the Charitable Trust any and all dividends received with result to the Trust Shares. In addition, the Board of Directors or a committee thereof shall take such action as it or they deem advisable to refuse to give effect to or to prevent such Transfer, including, but not limited to, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer and to receive any dividend erroneously paid and declaring any votes erroneously cast to be retroactively invalid; provided, however, that any Transfers (or, in the case of events other than a Transfer, ownership or Constructive Ownership or Beneficial Ownership) in violation of subparagraph (ix)(B)(1) shall automatically result in a transfer to the Charitable Trust as described in subparagraph (C)(2), irrespective of any action (or non-action) by the Board of Directors or committee.

(2) If, notwithstanding the other provisions contained in subparagraph (ix)(B)(1), at any time after the date of the Initial Placement and prior to the Restriction Termination Date, there is a purported Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE), change in the capital structure of the Corporation, or other event such that one or more of the restrictions on ownership and transfers described in subparagraph (ix)(B)(1) above has been violated, then the Series A Preferred Shares being Transferred (or in the case of an event other than a Transfer, the shares owned or Constructively Owned or Beneficially Owned) (the Person making such Transfer being the "Purported Transferee") which would cause one or more of the restrictions on ownership or transfer to be violated (rounded up to the nearest whole share) (the "Trust Shares"), shall automatically be transferred to the Corporation, as Trustee of a trust (the "Charitable Trust") for the exclusive benefit of The American Cancer Society (the "Designated Charity"), an organization described in Section 170(b)(1)(A) and 170(c) of the Code. The Purported Transferee shall have no rights in such Trust Shares.

(3) The Corporation, as Trustee of the Charitable Trust, may transfer the shares held in such trust to a Person whose ownership of the shares will not result in a violation of the ownership restrictions (a "Permitted Transferee"). If such a transfer is made, the interest of the Designated Charity will terminate and proceeds of the sale will be payable to the Purported Transferee and to the Designated Charity. The Purported Transferee will receive the lesser of (1) the price paid by the Purported Transferee for the shares or, if the Purported Transferee did not give value for the shares, the market price of the shares as determined by the Board of Directors on the day of the event causing the shares to be held in trust, and (2) the price per share received by the Corporation, as Trustee, from the sale or other disposition of the shares held in trust. The Designated Charity will receive any proceeds in excess of the amount payable to the Purported Transferee. The Purported Transferee will not be entitled to designate a Permitted Transferee.

(4) All stock held in the Charitable Trust will be deemed to have been offered for sale to the Corporation or its designee for a 90-day period, at the lesser of the price paid for that stock by the Purported Transferee and the market price on the date that the Corporation accepts the offer. This period will commence on the date of the violative transfer, if the Purported Transferee gives notice to the Corporation of the transfer, or the date that the Board of Directors of the Corporation determines that a violative transfer occurred, if no such notice is provided.

(5) Any dividend or distribution paid prior to the discovery by the Corporation that Series A Preferred Shares have been transferred in violation of subparagraph (ix)(B)(1) shall be repaid to the Corporation upon demand and shall be held in trust for the Designated Charity. Any dividend or distribution

declared but unpaid shall be rescinded as void ab initio with respect to such shares of stock.

(6) Subject to the preferential rights of the Series A Preferred Shares, in the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation, the Designated Charity shall be entitled to receive, ratably with each other holder of Series A Preferred Shares, that portion of the assets of the Corporation available for distribution to its stockholders as the number of Trust Shares bears to the total number of shares of Series A Preferred Shares then outstanding (including the Trust Shares). The Corporation, as Trustee, or if the Corporation shall have been dissolved, any trustee appointed by the Corporation prior to its dissolution, shall distribute to the Designated Charity, when determined (or if not determined, or only partially determined, ratably to the other holders of Series A Preferred Shares who have been determined and the Designated Charity), any such assets received in respect of the Trust Shares in any liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation.

(7) The Purported Transferee will not be entitled to vote any Series A Preferred Shares it attempts to acquire, and any stockholder vote will be rescinded if a Purported Transferee votes and the stockholder vote would have been decided differently if such Purported Transferee's vote was not counted.

(D) Notice of Restricted Transfer. Any Person who acquires or attempts to acquire shares in violation of subparagraph (ix)(B)(1) or any Person who is a Purported Transferee shall immediately give written notice to the Corporation of such event and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer or attempted Transfer on the Corporation's status as a REIT.

(E) Owners Required To Provide Information. From the date of the Initial Placement and prior to the Restriction Termination Date each Person who is a Beneficial Owner or Constructive Owner of Series A Preferred Shares and each Person (including the shareholder of record) who is holding Series A Preferred Shares for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information as the Corporation may request, in good faith, in order to determine the Corporation's status as a REIT.

(F) Remedies Not Limited. Except as provided in subparagraph (ix)(M), nothing contained in this paragraph (ix) shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its shareholders in preserving the Corporation's status as a REIT.

(G) Ambiguity. In the case of an ambiguity in the application of any of the provisions of this paragraph (ix), including any definition contained in subparagraph (ix)(A), the Board of Directors shall have the power to determine the application of the provisions of this paragraph (ix) with respect to any situation based on the facts known to it.

(H) Modification of Ownership Limit. Subject to the limitations provided in subparagraph (ix)(I), the Board of Directors may from time to time increase the Ownership Limit and shall file Articles Supplementary with the State Department of Assessments and Taxation of Maryland to evidence such increase.

(I) Limitations on Modifications.

(1) The Ownership Limit may not be increased if, after giving effect to such increase, five Persons who are Beneficial Owners (including ownership of Common Stock for purposes of this subparagraph (ix)(I)(1)), Beneficially Own in the aggregate, more than 49.0% in value of the outstanding shares of stock of the Corporation.

(2) Prior to the modification of the Ownership Limit pursuant to subparagraph (ix)(H), the Board of Directors of the Corporation may require such opinions of counsel, affidavits, undertakings or agreements as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT.

(J) Legend. Each certificate for Series A Preferred Shares shall bear a legend referring to the restrictions described above.

(K) Termination of REIT Status. The Board of Directors shall take no action to terminate the Corporation's status as a REIT or to amend the provisions of this subparagraph (ix) until such time as (A) the Board of Directors adopts a resolution recommending that the Corporation terminate its status as a REIT or amend this subparagraph (ix), as the case may be, (B) the Board of Directors presents the resolution at an annual or special meeting of the shareholders and (C) such resolution is approved by holders of a majority of the issued and outstanding Series A Preferred Shares.

(L) Severability. If any provision of this paragraph (ix) or any application of any such provision is determined to be invalid by any Federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and other applications of such provision shall be affected only to the extent necessary to comply with the determination of such court.

(M) NYSE Settlement. Nothing in these Articles Supplementary shall preclude the settlement of any transaction with respect to the Series A Preferred Shares of the Corporation entered into through the facilities of the New York Stock Exchange.

(N) Exceptions. (i) The Board of Directors, in its sole discretion, may exempt a Person from the Ownership Limit if such Person is not an individual for purposes of Section 542(a)(2) of the Code and the Board of Directors obtains such representations and undertakings from such Person as are reasonably necessary to ascertain that no individual's Beneficial Ownership of such Series

A Preferred Shares will violate the Ownership Limit, and agrees that any violation of such representations or undertaking (or other action which is contrary to the restrictions contained in this paragraph (ix)) or attempted violation will result in such Series A Preferred Shares automatically being transferred to the Charitable Trust.

(ii) Prior to granting any exception pursuant to subparagraph N, the Board of Directors may require a ruling from the IRS, or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors in its sole discretion, as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT.

THIRD: These Articles Supplementary were adopted on October 7, 1997 without shareholder approval, as such approval was not required.

FOURTH: These Articles Supplementary were duly adopted by the Board of Directors.

IN WITNESS WHEREOF, Chelsea GCA Realty, Inc. has caused these Articles Supplementary to be executed and attested by its duly authorized officers this 13th day of October, 1997.

CHELSEA GCA REALTY, INC.

By:_____
Leslie T. Chao
President

Attest:

By: _____
Denise M. Elmer
Secretary

I Leslie T. Chao, President of Chelsea GCA Realty, Inc., hereby acknowledge the foregoing Articles Supplementary of Chelsea GCA Realty, Inc. to be the act of Chelsea GCA Realty, Inc., and to the best knowledge, information and belief, these matters and facts are true in all material respects, and my statement is made, under the penalties for perjury.

Leslie T. Chao
President

CHELSEA GCA REALTY, INC.

ARTICLES SUPPLEMENTARY

1,300,000 SHARES

9% SERIES B CUMULATIVE REDEEMABLE PREFERRED STOCK

Chelsea GCA Realty, Inc., a Maryland corporation (the "COMPANY"), hereby certifies to the State Department of Assessments and Taxation of Maryland (the "DEPARTMENT") that:

FIRST: Pursuant to Article IV of the Articles of Amendment and Restatement of Articles of Incorporation of the Company heretofore filed with the Department, as amended (the "CHARTER"), 5,000,000 shares of preferred stock, par value $0.01 per share ("PREFERRED STOCK"), have been authorized as a separate class of stock.

SECOND: Pursuant to the authority vested in the Board of Directors of the Company (the "BOARD OF DIRECTORS") pursuant to Article IV of the Charter and by Section 2-208(a) of the Maryland General Corporation Law (the "MGCL"), the Board of Directors by resolutions duly adopted on August 31, 1999 designated and authorized the issuance of a maximum of 1,300,000 shares of 9% Series B Cumulative Redeemable Preferred Stock, set all of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such series of Preferred Stock, and designated the same as the "9% Series B Cumulative Redeemable Preferred Stock."

THIRD: The 9% Series B Cumulative Redeemable Preferred Stock of the Company created by the resolutions duly adopted by the Board of Directors of the Company and referred to in Article Second of these Articles Supplementary shall have the following designation, number of shares, preferences and other rights, voting powers, restrictions and limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions:

Section 1. DESIGNATION AND NUMBER. A series of Preferred Stock designated as "9% Series B Cumulative Redeemable Preferred Stock" (the "SERIES B PREFERRED SHARES") is hereby established. The number of authorized shares of Series B Preferred Shares shall be 1,300,000.

SECTION 2. RANK. The Series B Preferred Shares will, with respect to distributions and rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Company, rank senior to all classes or series of Common Stock (as defined in the Charter) and to all classes or series of equity securities of the Company now or hereafter authorized, issued or outstanding, other than (x) the Company's 8-3/8% Series A Cumulative Redeemable Preferred Stock (the "SERIES A PREFERRED SHARES") and (y) any other class or series of equity securities of the Company expressly designated as ranking on a parity with or senior to the Series B Preferred Shares as to distributions and rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Company. For purposes of these Articles Supplementary, the term "PARITY SHARES" shall refer to any class or series of equity securities of the Company now or hereafter authorized, issued or outstanding expressly designated by the Company to rank on a parity with Series B Preferred Shares with respect to distributions and rights upon voluntary or involuntary liquidation, winding-up or dissolution of the Company, including, without limitation, the Series A Preferred Shares,

SECTION 3. DISTRIBUTIONS.

(a) PAYMENT OF DISTRIBUTIONS. Subject to the rights of holders of Parity Shares as to the payment of distributions, holders of Series B Preferred Shares will be entitled to receive, when, as and if declared by the Board of Directors, out of funds legally available for the payment of distributions, cumulative preferential cash distributions at the rate per annum of 9% of the $50.00 liquidation preference per Series B Preferred Share; PROVIDED, HOWEVER, that in addition to the foregoing, each holder of Series B Preferred Shares shall, as of the date of its issuance, be entitled to receive, when, as and if declared by the Board of Directors, out of funds legally available for the payment of distributions, a preferential cash distribution in an amount equal to any accrued and unpaid quarterly distributions attributable to the applicable Series B Preferred Partnership Unit (as defined in the Agreement of Limited Partnership of Chelsea GCA Realty Partnership, L.P., as amended through the date hereof (the "PARTNERSHIP AGREEMENT")), whether or not declared, up to the date such Series B Preferred Partnership Unit was validly exchanged into such Series B Preferred Share in accordance with the provisions of the Partnership Agreement. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable (i) quarterly in arrears for the three-month periods ending on the day immediately preceding the first of each of March, June, September and December of each year, commencing on December 1, 1999, and (ii) in the event of a redemption of Series B Preferred Shares, on the exchange date or redemption date, as applicable (each a "SERIES B PREFERRED SHARE DISTRIBUTION PAYMENT DATE"). The amount of the distribution payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and, for any period shorter than a full quarterly period for which distributions are computed, the amount of the distribution payable will be computed based on the ratio of the actual number of days elapsed in such period to ninety (90) days. If any date on which distributions are to be made on the Series B Preferred Shares is not a Business Day, then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on the Series B Preferred Shares will be made to the holders of record of the Series B Preferred Shares on the relevant record dates, which will be fifteen (15) days prior to the relevant Series B Preferred Share Distribution Payment Date (the "SERIES B PREFERRED SHARE DISTRIBUTION RECORD DATE").

The term "BUSINESS DAY" shall mean each day, other than a Saturday or Sunday, which is not a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close.

(b) DISTRIBUTIONS CUMULATIVE. Distributions on the Series B Preferred Shares will accrue whether or not declared, whether or not the terms and provisions of any agreement of the Company at any time, including any agreement relating to its indebtedness, prohibit the current authorization, payment or setting aside for payment of distributions, whether or not the Company has earnings, whether or not there are funds legally available for the payment of such distributions and whether or not such distributions are authorized. Accrued but unpaid distributions on the Series B Preferred Shares will accumulate as of the Series B Preferred Share Distribution Payment Date on which they first become payable. Accumulated and unpaid distributions will not bear interest.

(c) PRIORITY AS TO DISTRIBUTIONS. (i) So long as any Series B Preferred Shares are outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to any class or series of Common Stock or any class or series of other stock of the Company ranking junior as to the payment of distributions or rights upon voluntary or involuntary dissolution, liquidation or winding-up of the Company to the Series B Preferred Shares (collectively, "JUNIOR SHARES"), nor shall any cash or other property be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Series B Preferred Shares, any Parity Shares or any Junior Shares, unless, in each case, all distributions accumulated on all Series B Preferred Shares and all classes and series of outstanding Parity Shares have been paid in full. The foregoing sentence will not prohibit (A) distributions payable solely in Junior Shares, (B) the exchange or conversion of Junior Shares or Parity Shares into Junior Shares, or (C) transfers to the Company of such Series B Preferred Shares, Parity Shares or Junior Shares pursuant to Section 7(c) of these Articles Supplementary.

(ii) So long as distributions have not been paid in full (or a sum sufficient for such full payment is not irrevocably deposited in trust for payment) upon the Series B Preferred Shares, all distributions authorized and declared on the Series B Preferred Shares and all classes or series of outstanding Parity Shares shall be authorized and declared so that the amount of distributions authorized and declared per Series B Preferred Shares and such other classes or series of Parity Shares shall in all cases bear to each other the same ratio that accrued distributions per Series B Preferred Shares and such other classes or series of Parity Shares (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such classes or series of Parity Shares do not have cumulative distribution rights) bear to each other.

(d) NO FURTHER RIGHTS. Holders of the Series B Preferred Shares shall not be entitled to any distributions, whether payable in cash, other property or otherwise, in excess of the full cumulative distributions described herein.

(e) NO QUARTERLY DISTRIBUTIONS. No quarterly distributions on the Series B Preferred Shares shall be authorized by the Board of Directors or be paid or set apart for payment by the Company at such time as the terms and provisions of any agreement of the Company, including any agreement relating to its indebtedness, prohibits such authorization, payment or setting apart for payment or provides that such authorization, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such authorization or payment shall be restricted or prohibited by law.

SECTION 4. LIQUIDATION PROCEEDS.

(a) DISTRIBUTIONS. Upon the voluntary or involuntary dissolution, liquidation or winding-up of the Company, the holders of the Series B Preferred Shares then outstanding, shall be entitled to receive in cash or property (at its fair market value determined by the Board of Directors) and to be paid out of the assets of the Company available for distribution to its stockholders, before any payment or distribution shall be made on any Junior Shares, a liquidation preference of $50.00 per Series B Preferred Share, plus accumulated and unpaid quarterly distributions, if any, thereon to and including the date of liquidation.

(b) NOTICE. Written notice of any such voluntary or involuntary liquidation, dissolution or winding-up of the Company, stating the payment date or dates when, and the place or places where, the amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage pre-paid, not less than 30 days and not more than 60 days prior to the payment date stated therein, to each record holder of the Series B Preferred Shares at the respective addresses of such holders as the same shall appear on the transfer records of the Company.

(c) NO FURTHER RIGHTS. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series B Preferred Shares will have no right or claim to any of the remaining assets of the Company.

(d) CONSOLIDATION, MERGER OR CERTAIN OTHER TRANSACTIONS. Neither the sale, lease or conveyance of all or substantially all of the property or business of the Company, nor the merger or consolidation of the Company into or with any other entity or the merger or consolidation of any other entity into or with the Company, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes hereof.

(e) PRO RATA DISTRIBUTION. If, upon any voluntary or involuntary dissolution, liquidation or winding up of the Company, the amounts payable with respect to the preferred distributions on the Series B Preferred Shares and the Parity Shares are not paid in full, the holders of the Series B Preferred Shares and any other Parity Shares shall share ratably in any such distribution of assets of the Company in proportion to the full respective preference amounts to which they would otherwise be respectively entitled.

SECTION 5. OPTIONAL REDEMPTION.

(a) RIGHT OF OPTIONAL REDEMPTION. The Series B Preferred Shares may not be redeemed prior to September 3, 2004. On or after such date, the Company shall have the right to redeem the Series B Preferred Shares, in whole or in part, at any time or from time to time, upon not less than 30 days nor more than 60 days written notice, at a redemption price, payable in cash, equal to the liquidation preference of $50.00 per Series B Preferred Share plus all accumulated and unpaid distributions, if any (the "SERIES B REDEMPTION PRICE"). If fewer than all of the outstanding Series B Preferred Shares are to be redeemed, the Series B Preferred Shares to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional units).

(b) LIMITATION ON REDEMPTION. (i) The Series B Redemption Price (other than the portion thereof consisting of accumulated but unpaid distributions) will be payable solely out of the sale proceeds of capital stock of the Company and from no other source. For purposes of the preceding sentence, "CAPITAL STOCK" means any equity securities (including Common Stock and Preferred Stock (as such terms are defined in the Charter)), shares, depository shares, participation or other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable for equity securities) or options to purchase any of the foregoing.

(ii) The Company may not redeem fewer than all of the outstanding Series B Preferred Shares unless all accumulated and unpaid distributions have been paid on all Series B Preferred Shares for all quarterly distribution periods terminating on or prior to the date of redemption.

(c) PROCEDURES FOR REDEMPTION. (i) Notice of redemption will be mailed by the Company, by certified mail, postage prepaid, not less than 30 days nor more than 60 days prior to the redemption date, addressed to the respective holders of record of the Series B Preferred Shares at their respective addresses as they appear on the records of the Company. No failure to give or defect in such notice shall affect the validity of the proceedings for the redemption of any Series B Preferred Shares except as to the holder to whom such notice was defective or not given. In addition to any information required by law, each such notice shall state: (a) the redemption date, (b) the Series B Redemption Price, (c) the aggregate number of Series B Preferred Shares to be redeemed and if fewer than all of the outstanding Series B Preferred Shares are to be redeemed, the number of Series B Preferred Shares to be redeemed held by such holder, which number shall equal such holder's pro rata share (based on the percentage of the aggregate number of outstanding Series B Preferred Shares that the total number of Series B Preferred Shares held by such holder represents) of the aggregate number of Series B Preferred Shares to be redeemed, (d) the place or places where such Series B Preferred Shares are to be surrendered for payment of the Series B Redemption Price, (e) that distributions on the Series B Preferred Shares to be redeemed will cease to accumulate on such redemption date and (f) that payment of the Series B Redemption Price will be made upon presentation and surrender of such Series B Preferred Shares.

(ii) If the Company gives a notice of redemption in respect of Series B Preferred Shares (which notice will be irrevocable) then, by 12:00 noon, New York City time, on the redemption date, the Company will deposit irrevocably in trust for the benefit of the holders of the Series B Preferred Shares being redeemed funds sufficient to pay the applicable Series B Redemption Price and will give irrevocable instructions and authority to pay such Series B Redemption Price to the holders of the Series B Preferred Shares upon surrender of the Series B Preferred Shares by such holders at the place designated in the notice of redemption. If the Series B Preferred Shares are evidenced by a certificate and if fewer than all Series B Preferred Shares evidenced by any certificate are being redeemed, a new certificate shall be issued upon surrender of the certificate evidencing all Series B Preferred Shares, evidencing the unredeemed Series B Preferred Shares without cost to the holder thereof. On and after the date of redemption, distributions will cease to accumulate on the Series B Preferred Shares or portions thereof called for redemption, unless the Company defaults in the payment thereof. If any date fixed for redemption of Series B Preferred Shares is not a Business Day, then payment of the Series B Redemption Price payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day falls in the next calendar year, such payment will be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date fixed for redemption. If payment of the Series B Redemption Price is improperly withheld or refused and not paid by the Company, distributions on such Series B Preferred Shares will continue to accumulate from the original redemption date to the date of payment, in which case the actual payment date will be considered the date fixed for redemption for purposes of calculating the applicable Series B Redemption Price.

(d) STATUS OF REDEEMED STOCK. Any Series B Preferred Stock that shall at any time have been redeemed shall, after such redemption, have the status of authorized but unissued Preferred Stock, without designation as to class or series until such shares are once more designated as part of a particular class or series by the Board of Directors.

Section 6. VOTING RIGHTS.

(a) GENERAL. Holders of the Series B Preferred Shares will not have any voting rights, except as set forth below:

(b) RIGHT TO ELECT DIRECTORS. If the sum of (i) the number of quarterly dividends (whether or not consecutive) payable on Series B Preferred Shares that are in arrears and (ii) the number of unpaid quarterly distributions attributable to the applicable Series B Preferred Partnership Units for which such Series B Preferred Shares were exchanged and for which the holder of such shares is hereunder entitled to distributions equals or exceeds six (a "PREFERRED DISTRIBUTION DEFAULT"), the number of directors then constituting the Board of Directors will be automatically increased by two (2), and the holders of the Series B Preferred Shares, voting together as a single class with the holders of any other class or series of Parity Shares upon which like voting

rights have been conferred and are exercisable (the Series B Preferred Shares and any such other class or series, the "VOTING PREFERRED STOCK"), will have the right to elect at any annual meeting of stockholders or a properly called special meeting of the holders of record of at least 20% of Voting Preferred Stock two (2) additional directors who are nominees of any holder of Voting Preferred Stock to serve on the Board of Directors (each such director, a "PREFERRED STOCK DIRECTOR"), which rights shall continue until all such accrued by unpaid distributions have been authorized and paid or irrevocably set aside in trust for payment. At any such special meeting, all of the holders of the Voting Preferred Stock, by a plurality vote, voting together as a single class without regard to series, will be entitled to elect two (2) directors on the basis of one vote per $50.00 of liquidation preference to which such Voting Preferred Stock are entitled by their terms (excluding amounts in respect of accumulated and unpaid dividends) and not cumulatively. At such time as all such accrued but unpaid distributions have been authorized and paid or irrevocably set aside in trust for payment, the right of the holders of the Voting Preferred Stock to elect such additional two (2) directors shall cease (but subject to revesting in the event of each and every Preferred Distribution Default), and the terms of office of all persons elected as directors by the holders of the Voting Preferred Stock shall forthwith terminate and the number of the Board of Directors shall automatically be reduced accordingly. At any time after the voting power described in this Section 6(b) shall have been so vested in the holders of shares of Voting Preferred Stock and prior to the termination of such voting power, the Secretary of the Company may, and upon the written request of at least 20% of the Series B Preferred Shares (addressed to the Secretary at the principal office of the Company) shall, call a special meeting of the holders of the Voting Preferred Stock for the election of the two (2) directors to be elected by them as herein provided; such call to be made by notice similar to that provided in the Bylaws of the Company for a special meeting of the stockholders or as required by law. If any such special meeting required to be called as provided in the immediately preceding sentence shall not be called by the Secretary within twenty (20) days after receipt of any such request, then the holders of at least 20% of shares of Voting Preferred Stock may call such meeting, upon the notice above provided, and for that purpose shall have access to the stock books of the Company. The directors elected at any such special meeting shall serve until the next annual meeting of the stockholders or special meeting held in lieu thereof and until their respective successors are duly elected and qualified, if such directorship shall not have previously terminated as above provided. Any Preferred Stock Director may be removed at any time with or without cause by the vote of, and shall not be removed otherwise than by a vote of, the holders of record of two-thirds of the outstanding the Voting Preferred Shares when they have the voting rights set forth in this Section 6(b) (voting together as a single class with all other series of Parity Shares upon which like voting rights have been conferred and are exercisable). So long as a Preferred Distribution Default shall continue, any vacancy in the office of a Preferred Stock Director may be filled by written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding Voting Preferred Shares when they have the voting rights set forth in this Section 6(b) (voting together as a single class with all other series of Parity Shares upon which like voting rights have been conferred and are exercisable).

(c) CERTAIN OTHER VOTING RIGHTS. So long as any Series B Preferred Shares and Series B Preferred Units remain outstanding, the Company shall not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding Series B Preferred Shares and Series B Preferred Units (together, as applicable, voting as a single class) (i) authorize or create, or increase the authorized or issued amount of, any class or series of stock ranking senior to the Series B Preferred Shares with respect to payment of distributions or rights upon liquidation, dissolution or winding-up of the Company or reclassify any stock of the Company into any such senior stock, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such senior stock, (ii) authorize or create, or increase the authorized or issued amount of any Parity Shares or reclassify any stock of the Company into any such Parity Shares or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such Parity Shares, but only to the extent such Parity Shares are issued to an affiliate of the Company (any such authorization, issuance or reclassification an "AFFILIATE PARITY PLACEMENT"), except that the Company may effect any Affiliate Parity Placement to the extent such placement is upon terms no more favorable to such affiliate of the Company than those that the Company, in the good faith determination of the disinterested members of its Board of Directors, would be willing to offer to an unrelated party in an arm's length transaction, or (iii) either consolidate, merge into or with, or convey, transfer or lease its assets substantially as an entirety to, any Company or other entity or amend, alter or repeal the provisions of the Charter (including, without limitation, these Articles Supplementary) or Bylaws, whether by merger, consolidation or otherwise, in each case in a manner that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the Series B Preferred Shares or the holders thereof; PROVIDED, HOWEVER, that with respect to the occurrence of any event set forth in (iii) above, so long as (A) the Company is the surviving entity and the Series B Preferred Shares remain outstanding (or exchangeable for Series B Preferred Units) with the terms thereof unchanged, or (B) the resulting, surviving or transferee entity qualifies as a real estate investment trust and is organized under the laws of any state and substitutes, for the Series B Preferred Shares, other interests in such entity having substantially the same terms and rights as the Series B Preferred Shares, including with respect to distributions, voting rights and rights upon liquidation, dissolution or winding-up, then the occurrence of any such event shall not be deemed to materially and adversely affect such rights, privileges or voting powers of the holders of the Series B Preferred Shares; and PROVIDED FURTHER that any increase in the amount of Preferred Stock or the creation or issuance of any other class or series of Preferred Stock, in each case ranking either (y) junior to the Series B Preferred Shares with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up or (z) on a parity with the Series B Preferred Shares with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding up to the extent such Preferred Stock is not issued to an affiliate of the Company, shall not be deemed to materially and adversely affect such rights, preferences, privileges

or voting powers.

The foregoing voting provision will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, (A) all outstanding Series B Preferred Units shall have either been exchanged, redeemed or called for redemption and sufficient funds shall have been deposited in trust to effect such redemption and (B) all outstanding Series B Preferred Shares shall have been redeemed or called for redemption and sufficient funds shall have been deposited in trust to effect such redemption.

(d) ONE VOTE PER SHARE. On each matter submitted to a vote of the holders of Series B Preferred Shares, or as otherwise required by law, each Series B Preferred Share shall be entitled to one vote. With respect to each Series B Preferred Share, the holder thereof may designate a proxy, with each such proxy having the right to vote on behalf of the holder.

SECTION 7. RESTRICTIONS ON OWNERSHIP. (a) DEFINITIONS. The following terms shall have the following meanings:

(i) "BENEFICIAL OWNERSHIP" shall mean ownership of the Series B Preferred Shares by a Person who would be treated as an owner of such Series B Preferred Shares either directly or constructively through the application of Section 544 of the Code, as modified by Section 856(h) of the Code. The terms "Beneficial Owner," "Beneficially Owns," "Beneficially Owning" and "Beneficially Owned" shall have the correlative meanings.

(ii) "CODE" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(iii) "CONSTRUCTIVE OWNERSHIP" shall mean ownership of Series B Preferred Shares by a Person who would be treated as an owner of such Series B Preferred Shares either directly or constructively through the application of Section 318 of the Code, as modified by Section 856(d)(5) of the Code. The terms "Constructive Owner," "Constructively Owns," "Constructively Owning" and "Constructively Owned" shall have the correlative meanings.

(iv) "OWNERSHIP LIMIT" shall initially mean 7.0% of the outstanding Series B Preferred Shares of the Company.

(v) "PERSON" shall mean an individual, corporation, partnership, estate, trust, 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 Securities Exchange Act of 1934, as amended; but does not include an underwriter which participates in a public offering of the Series B Preferred Shares provided that the ownership of Series B Preferred Shares by such underwriter would not result in the Company failing to qualify as a REIT.

(vi) "REIT" shall mean a Real Estate Investment Trust under Section 856 of the Code.

(vii) "RESTRICTION TERMINATION DATE" shall mean the first day on which the Board of Directors of the Company determines that it is no longer in the best interests of the Company to attempt to, or continue to, qualify as a REIT.

(viii) "TRANSFER" shall mean any sale, transfer, gift, assignment, devise or other disposition of Series B Preferred Shares or the right to vote or receive distributions on Series B Preferred Shares (including (A) the granting of any option or entering into any agreement for the sale, transfer or other disposition of Series B Preferred Shares or the right to vote or receive distributions on Series B Preferred Shares or (B) the sale, transfer, assignment or other disposition or grant of any securities or rights convertible into or exchangeable for Series B Preferred Shares, or the right to vote or receive dividends on Series B Preferred Shares), whether voluntary or involuntary, whether of record or Beneficially or Constructively (including transfers of interests in other entities which result in changes in Beneficial or Constructive Ownership of Series B Preferred Shares), and whether by operation of law or otherwise.

(b) RESTRICTIONS. (i) During the period prior to the Restriction Termination Date: (A) no Person shall Beneficially Own any Series B Preferred Shares in excess of the Ownership Limit; (B) no Person shall Beneficially Own any Series B Preferred Shares if, as a result of such Beneficial Ownership, the Series B Preferred Shares and Common Stock of the Company would be Beneficially Owned by less than 100 Persons (determined without reference to the rules of attribution under Section 544 of the Code); (C) no Person shall Beneficially Own any shares if, as a result of such Beneficial Ownership, the Company would be "closely held" within the meaning of Section 856(h) of the Code; and (D) no Person shall Constructively Own any shares if, as a result of such Constructive Ownership, the Company would fail to qualify as a REIT.

(ii) Any Transfer that would result in a violation of the restrictions in Section 7(b)(i) shall be void ab initio as to the Transfer of such Series B Preferred Shares that would cause the violation of the applicable restriction in Section 7(b)(i), and the intended transferee shall acquire no rights in such Series B Preferred Shares.

(c) REMEDIES FOR BREACH. (i) If the Board of Directors or a committee thereof shall at any time determine in good faith that a Transfer or other event has taken place in violation of Section 7(b)(i) or that a Person intends to acquire or has attempted to acquire Beneficial Ownership or Constructive Ownership of any shares of the Company that will result in violation of Section 7(b)(i) (whether or not such violation is intended and detemined without reference to any rules of attribution), the Company shall inform the Purported Transferee (as defined below) of its obligations hereunder, including such Purported Transferee's obligations to pay over to the Charitable Trust (as defined below) any and all distributions received with respect to the Trust

Shares (as defined below). In addition, the Board of Directors or a committee thereof shall take such action as it or they deem advisable to refuse to give effect to or to prevent such Transfer, including, but not limited to, refusing to give effect to such Transfer on the books of the Company or instituting proceedings to enjoin such Transfer and to receive any dividend erroneously paid and declaring any votes erroneously cast to be retroactively invalid; PROVIDED, HOWEVER, that any Transfers (or, in the case of events other than a Transfer, ownership or Constructive Ownership or Beneficial Ownership) in violation of Section 7(b)(i) shall automatically result in a transfer to the Charitable Trust as described in Section 7(c)(ii), irrespective of any action (or non-action) by the Board of Directors or committee.

(ii) If, notwithstanding the other provisions contained in Section 7(b)(i), at any time prior to the Restriction Termination Date, there is a purported Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE), change in the capital structure of the Company, or other event such that one or more of the restrictions on ownership and transfers described in Section 7(b)(i) above has been violated, then the Series B Preferred Shares being Transferred (or in the case of an event other than a Transfer, the shares owned or Constructively Owned or Beneficially Owned) (the Person making such Transfer being the "PURPORTED TRANSFEREE") which would cause one or more of the restrictions on ownership or transfer to be violated (rounded up to the nearest whole share) (the "TRUST SHARES"), shall automatically be transferred to the Company, as Trustee of a trust (the "CHARITABLE TRUST") for the exclusive benefit of The American Cancer Society (the "DESIGNATED CHARITY"), an organization described in Section 170(b)(1) (A) and 170(c) of the Code. The Purported Transferee shall have no rights in such Trust Shares.

(iii) The Company, as Trustee of the Charitable Trust, may transfer the shares held in such trust to a Person whose ownership of the shares will not result in a violation of the ownership restrictions (a "PERMITTED TRANSFEREE"). If such a transfer is made, the interest to the Designated Charity will terminate and proceeds of the sale will be payable to the Purported Transferee and, as described in the penultimate sentence of this Section 7(c)(iii), to the Designated Charity. The Purported Transferee will receive the lesser of (A) the price paid by the Purported Transferee for the shares or, if the Purported Transferee did not give value for the shares, the market price of the shares as determined by the Board of Directors on the day of the event causing the shares to held in trust, and (B) the price per share received by the Company, as Trustee, from the sale or other disposition of the shares held in trust. The Designated Charity will receive any proceeds in excess of the amount payable to the Purported Transferee. The Purported Transferee will not be entitled to designate a Permitted Transferee.

(iv) All stock held in the Charitable Trust will be deemed to have been offered for sale to the Company or its designee for a 90-day period, at the lesser of the price paid for that stock by the Purported Transferee and the market price on the date that the Company accepts the offer. This period will commence on the date of the violative transfer, if the Purported Transferee gives notice to the Company of the transfer, or the date that the Board of Directors of the Company determines that a violative transfer occurred, if no such notice is provided.

(v) Any dividend or distribution paid prior to the discovery by the Company that Series B Preferred Shares have been transferred in violation of Section 7(b)(i) shall be repaid to the Company upon demand and shall be held in trust for the Designated Charity. Any dividend or distribution declared but unpaid shall be rescinded as void ab initio with respect to such shares of stock.

(vi) Subject to the preferential rights of the Series B Preferred Shares, in the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Company, the Designated Charity shall be entitled to receive, ratably with each other holder of Series B Preferred Shares, that portion of the assets of the Company available for distribution to its stockholders as the number of Trust Shares bears to the total number of Series B Preferred Shares then outstanding (including the Trust Shares). The Company, as Trustee, or if the Company shall have been dissolved, any trustee appointed by the Company prior to its dissolution, shall distribute to the Designated Charity, when determined (or if not determined, or only partially determined, ratably to the other holders of Series B Preferred Shares who have been determined and the Designated Charity), any such assets received in respect of the Trust Shares in any liquidation, dissolution or winding up of, or any distribution of the assets of, the Company.

(vii) The Purported Transferee will not be entitled to vote any Series B Preferred Shares it attempts to acquire, and any stockholder vote will be rescinded if a Purported Transferee votes and the stockholder vote would have been decided differently if such Purported Transferee's vote was not counted.

(d) NOTICE OF RESTRICTED TRANSFER. Any Person who acquires or attempts to acquire shares in violation of Section 7(b)(i) or any Person who is a Purported Transferee shall immediately give written notice to the Company of such event and shall provide to the Company such other information as the Company may request in order to determine the effect, if any, of such Transfer or attempted Transfer on the Company's status as a REIT.

(e) OWNERS REQUIRED TO PROVIDE INFORMATION. Prior to the Restriction Termination Date, each Person who is a Beneficial Owner or Constructive Owner of Series B Preferred Shares and each Person (including the stockholder of record) who is holding Series B Preferred Shares for a Beneficial Owner or Constructive Owner shall provide to the Company such information as the Company may request, in good faith, in order to determine the Company's status as a REIT.

(f) REMEDIES NOT LIMITED. Except as provided in Section 7(m), nothing contained in this Section 7 shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to protect the Company and the interests of its stockholders in preserving the Company's status as a REIT.

(g) AMBIGUITY. In the case of an ambiguity in the application of any of the provisions of this Section 7, including any definition contained in Section 7(a), the Board of Directors shall have the power to determine the application of the provisions of this Section 7 with respect to any situation based on the facts known to it.

(h) MODIFICATION OF OWNERSHIP LIMIT. Subject to the limitations provided in Section 7(i), the Board of Directors may from time to time increase the Ownership Limit and shall file Articles Supplementary with the State Department of Assessments and Taxation of Maryland to evidence such increase.

(i) LIMITATIONS ON MODIFICATIONS.

(i) The Ownership Limit may not be increased if, after giving effect to such increase, five (5) Persons who are Beneficial Owners (including ownership of Common Stock for purposes of this Section 7(i)(i)), Beneficially Own in the aggregate, more than 49.0% in value of the outstanding shares of stock of the Company.

(ii) Prior to the modification of the Ownership Limit pursuant to Section 7(h), the Board of Directors of the Company may require such opinions of counsel, affidavits, undertakings or agreements as it may deem necessary or advisable in order to determine or ensure the Company's status as a REIT.

(j) LEGEND. Each certificate for Series B Preferred Shares shall bear a legend referring to the restrictions described above.

(k) TERMINATION OF REIT STATUS. The Board of Directors shall take no action to terminate the Company's status as a REIT or to amend the provisions of this Section 7 until such time as (i) the Board of Directors adopts a resolution recommending that the Company terminate its status as a REIT or amend this Section 7, as the case may be, (ii) the Board of Directors presents the resolution at an annual or special meeting of the stockholders and (iii) such resolution is approved by holders of a majority of the issued and outstanding Series B Preferred Shares.

(l) SEVERABILITY. If any provision of this Section 7 or any application of any such provision is determined to be invalid by any Federal or State court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and other applications of such provision shall be affected only to the extent necessary to comply with the determination of such court.

(m) NYSE SETTLEMENT. Nothing in these Articles Supplementary shall preclude the settlement of any transaction with respect to the Series B Preferred Shares of the Company entered into through the facilities of the New York Stock Exchange.

(n) EXCEPTIONS. (i) The Board of Directors, in its sole discretion, may exempt a Person from the Ownership Limit if the Board of Directors obtains such representations and undertakings from such Person as are, in the sole discretion of the Company, reasonably necessary to ascertain that the Series B Preferred Shares Beneficially Owned by any "individual" (as used for the purposes of Section 542(a)(2) of the Code as modified by Section 856(h)(3) of the Code) will not result in such individual's Beneficially Owning more than 7.0% of the value of the outstanding stock of the Company, and agrees that any violation of such representations or undertaking (or other action which is contrary to the restrictions contained in this Section 7) or attempted violation will result in such Series B Preferred Shares automatically being transferred to the Charitable Trust.

(ii) Prior to granting any exception pursuant to Section 7(n), the Board of Directors may require a ruling from the IRS, or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors in its sole discretion, as it may deem necessary or advisable in order to determine or ensure the Company's status as a REIT.

Section 8. NO CONVERSION RIGHTS. The holders of the Series B Preferred Shares shall not have any rights to convert such Series B Preferred Shares into any other class of capital stock of the Company or any other interest in the Company.

SECTION 9. NO SINKING FUND. No sinking fund shall be established for the retirement or redemption of the Series B Preferred Shares.

FOURTH: The Series B Preferred Shares have been classified and designated by the Board of Directors under the authority contained in the Charter.

FIFTH: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

SIXTH: The undersigned President of the Company acknowledges these Articles Supplementary to be the corporate act of the Company and, as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of her knowledge, information and belief, these matters and facts are true in all respects and that this statement is made under the penalties for perjury.

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IN WITNESS WHEREOF, Chelsea GCA Realty, Inc. has caused these Articles Supplementary to be executed and attested by its duly authorized officers this 3rd day of September 1999.

CHELSEA GCA REALTY, INC.

By:

Leslie T. Chao
President

Attest:

By:

Denise M. Elmer
Secretary

I, Leslie T. Chao, President of Chelsea GCA Realty, Inc., hereby acknowledge the foregoing Articles Supplementary of Chelsea GCA Realty, Inc. to be the act of Chelsea GCA Realty, Inc., and to the best knowledge, information and belief, these matters and facts are true in all material respects, and my statement is made, under the penalties for perjury.

Leslie T. Chao
President

Exhibit 3.5

THIRD AMENDMENT
TO
AGREEMENT OF LIMITED PARTNERSHIP
OF
CHELSEA GCA REALTY PARTNERSHIP, L.P.

THIS THIRD AMENDMENT TO AGREEMENT OF LIMITED PARTNERSHIP (THIS "AMENDMENT"), dated as of September 3, 1999, is entered into by CHELSEA GCA REALTY, INC., a Maryland corporation, as general partner (the "GENERAL PARTNER") of CHELSEA GCA REALTY PARTNERSHIP, L.P. (the "Partnership"), for itself and on behalf of the existing limited partners of the Partnership, and TMCT II, LLC, a Delaware limited liability company ("LLC").

WHEREAS, Section 4.5 of the Agreement of Limited Partnership of the Partnership (as amended to date, the "PARTNERSHIP AGREEMENT") authorizes the General Partner to cause the Partnership to issue additional Partnership Units in one or more classes or series, with such designations, preferences and relative, participating, optional or other special rights, powers and duties as shall be determined by the General Partner, subject to the provisions of such section; and

WHEREAS, pursuant to the authority granted to the General Partner pursuant to Sections 4.5 and 14.1(B) of the Partnership Agreement, the General Partner desires to amend the Partnership Agreement (i) to establish a new class of Partnership Units, the 9.00% Series B Cumulative Redeemable Preferred Partnership Units (the "Series B Preferred Partnership Units"), and to set forth the designations, rights, powers, preferences and duties of such Series B Preferred Partnership Units, (ii) to issue the Series B Preferred Partnership Units to LLC and admit LLC as Additional Limited Partner and (iii) to make certain other changes to the Partnership Agreement.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the General Partner hereby amends the Partnership Agreement as follows:

Section 1. AMENDMENTS TO CERTAIN SECTIONS OF THE PARTNERSHIP AGREEMENT.

The following sections of the Partnership Agreement shall be amended as set forth below:

(a) A new subsection C shall be added to the end of Section 14.1 of the Partnership Agreement as follows:

"C. Notwithstanding any other provisions of this Agreement, this Agreement shall not be amended, and no action may be taken by the General Partner, without the Consent of each Partner adversely affected if such amendment or action would (i) convert a Limited Partner's interest in the Partnership into a general partner's interest (except as the result of the General Partner acquiring such interest), (ii) modify the limited liability of a Limited Partner, (iii) alter rights of the Partner to receive distributions pursuant to Article 5, Section 13.2, Section 7.1.A(3) or the allocations specified in Article 6 (except as permitted pursuant to Section 4.51 or 7.3.C(3)), (iv) cause the termination of the Partnership prior to the time set forth in Sections 2.5 or 13.1, (v) alter the redemption or exchange rights as set forth in the documents establishing such rights, or (vi) amend this Section 14.1 (as amended hereby). Further, no amendment may alter the restrictions on the General Partner's authority set forth elsewhere in this Partnership Agreement without the Consent specified in such section. Any such amendment or action consented to by any Limited Partner shall be effective as to that Limited Partner, notwithstanding the absence of such consent by any other Limited Partner."

(b) Section 4.5.F of the Partnership Agreement is amended by adding the following sentence after the first sentence thereof:

"The Partnership also may from time to time issue to any Person additional Partnership Units or other Partnership Interests in such classes and having such designations, preferences and relative rights (including preferences and rights senior to the existing Limited Partnership Interests, to the extent not otherwise prohibited by the instruments creating such existing Limited Partnership Interests) as shall be determined by the General Partner in accordance with the Act and governing law."

(c) Section 8.4 of the Partnership Agreement is amended by deleting the last sentence thereof and replacing it with the following:

"Except as otherwise expressly provided in this Agreement (as the same may be amended from time to time in accordance with its provisions), no Limited Partner or Assignee shall have priority over any other Limited Partner or Assignee either as to the return of Capital Contributions or as to profits, losses, distributions or credits."

Section 2. AMENDMENT TO TAX PROVISIONS.

(a) Section 6.2 of the Partnership Agreement is hereby deleted in its entirety and the following new Section 6.2 is inserted in its place:

"Section 6.2 Allocations of Net Income and Net Loss

For purposes of maintaining the Capital Accounts and in determining the rights of the Partners among themselves, the Partnership's items of income, gain, loss and deduction shall be allocated among the Partners in each taxable year (or portion thereof) as provided herein below.

A. Net Income. After giving effect to the special allocations set forth in Section 6.3, Net Income shall be allocated in the following manner and order of priority:

(1) First, to the General Partner until the cumulative allocations of Net income under this Section 6.2.A.(1) equal the cumulative Net Losses allocated to the general Partner under Section 6.2.B.(4) hereof;

(2) Second, to the General Partner and the Holders of Series B Preferred Partnership Units until the cumulative allocations of Net Income under this Section 6.2.A.(2) equal the cumulative allocations of Net Loss to the General Partner and the Holders of Series B Preferred Partnership Units under Section 6.2.B.(3) hereof (such allocations of Net Income to be in proportion to the cumulative allocation of Net Loss under Section 6.2.B.(3);

(3) Third, to those Partners who have received allocations of Net Loss under Section 6.2.B.(2) hereof until the cumulative allocations of Net Income under this Section 6.2.A.(3) equal such cumulative allocations of Net Loss (such allocation of Net Income to be in proportion to the cumulative allocations of Net Loss under such section to each such Partner);

(4) Fourth, to the Partners until the cumulative allocations of Net Income under this Section 6.2.A.(4) equal the cumulative allocations of Net Loss to such Partners under Section 6.2.B.(1) hereof (such allocation of Net Income to be in proportion to the cumulative allocations of net Loss under such section to each such Partner); and

(5) Fifth, any remaining Net Income shall be allocated to the Partners who hold Common Partnership Units in proportion to their respective Percentage Interests as Holders of Common Partnership Units.

B. Net Losses. After giving effect to the special allocations set forth in Section 6.3, Net Losses shall be allocated to the Partners as follows:

(1) To the Partners who hold Common Partnership Units in accordance with their respective Percentage Interests as holders of Common Partnership Units, except as otherwise provided in this Section 6.2.B.

(2) To the extent that an allocation of Net Loss under Section 6.2.B.(1) would cause a Partner to have an Adjusted Capital Account Deficit at the end of such taxable year (or increase any existing Adjusted Capital Account Deficit of such Partner), such Net Loss shall instead be allocated to those Partners (other than holders of Series B Preferred Partnership Units), if any, for whom such allocation of Net Loss would not cause or increase an Adjusted Capital Account Deficit. Solely for purposes of this Section 6.2.B.(2), the Adjusted Capital Account Deficit, in the case of the General Partner, shall be determined without regard to the amount credited to the General Partner's Capital Account for the aggregate Liquidation Preference Amount attributable to the General Partner's Preferred Partnership Units. The Net Loss allocated under this Section 6.2.B.(2) shall be allocated among the Partners who may receive such allocation in proportion to and to the extent of the respective amounts of Net Loss that could be allocated to such Partners without causing such Partners to have an Adjusted Capital Account Deficit.

(3) Any remaining Net Loss shall be allocated to the General Partner and the holders of Series B Preferred Partnership Units to the extent that such allocation of Net Loss would not cause or increase an Adjusted Capital Account Deficit of the General Partner or the Holders of the Series B Preferred Partnership Units, in proportion to each party's aggregate Capital Contribution with respect to its Preferred Partnership Units.

(4) Any remaining Net Loss shall be allocated to the General Partner."

(b) Section 6.3(C) of the Partnership Agreement is hereby deleted in its entirety and the following new Section 6.3(C) is inserted in its place:

"(C) Priority Allocation With Respect To Preferred Partnership Units. After taking into account the special allocation provisions of Section 6.3(A), all or a portion of the remaining items of Partnership gross income or gain for the Partnership Year, if any, shall be specially allocated to the General Partner and the Holders of Series B Preferred Partnership Units in proportion and up to the amounts equal to the excess, if any, of the cumulative distributions received by the General Partner and the Holders of Series B Preferred Partnership Units, respectively, pursuant to Section 5.1(i) hereof for the current Partnership Year and all prior Partnership Years (other than any distributions that are treated as being in satisfaction of the Liquidation Preference Amount for any Preferred Partnership Units) over the cumulative allocations of Partnership gross income and gain to the General Partner and the Holders of Series B Preferred Partnership Units, respectively, under this Section 6.3(c) for all prior Partnership Years."

Section 3. SERIES B CERTIFICATE OF DESIGNATIONS.

The Partnership Agreement is hereby amended by the adoption of the Series B Preferred Partnership Unit Certificate of Designations attached hereto as Attachment 1 setting forth the designations, rights, powers, duties and preferences of the Series B Preferred Partnership Units.

Section 4. ADMISSION OF NEW LIMITED PARTNER.

(a) The Partnership Agreement is hereby amended by adding to the current Exhibit A attached to the Partnership Agreement the names of the Series B Limited Partners.

(b) Pursuant to and in accordance with Sections 4.5(D) and 12.2 of the

Partnership Agreement, the General Partner hereby consents to the admission of LLC as an Additional Limited Partner and, subject only to the contribution by The Times Mirror Company to the Partnership of the Contribution Amount, General Partner does hereby admit LLC as an Additional Limited Partner and the Partnership hereby issues to LLC 1,300,000 Series B Preferred Partnership Units. LLC hereby adopts, accepts, ratifies, confirms and agrees to be bound by the terms of the Partnership Agreement applicable to it as a Limited Partner, as amended by the provisions hereof (including Attachment 1).

Section 5. MISCELLANEOUS.

(a) Except as amended by the provisions hereof, the Partnership Agreement shall remain in full force and effect in accordance with its terms and is hereby ratified, confirmed and approved by the undersigned for all purposes and in all respects.

(b) This Amendment shall be binding upon and shall inure to the benefit of the parties hereto, their respective legal representatives, successors and permitted assigns.

(c) This Amendment may be executed in counterparts, all of which taken together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or same counterpart.

(d) Capitalized terms used but not otherwise defined in this Amendment shall have the meanings ascribed in the Partnership Agreement or, if not defined therein, the meanings ascribed to them in the Contribution Agreement by and among The Times Mirror Company, TMCT II, LLC, Chelsea GCA Realty Partnership, L.P. and Chelsea GCA Realty, Inc., dated as of September 3, 1999.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to the Partnership Agreement to be executed as of the day and year first above written.

CHELSEA GCA REALTY
PARTNERSHIP, L.P.

By: Chelsea GCA Realty, Inc.
General Partner

By:

LIMITED PARTNERS

WOODBURY FAMILY ASSOCIATES, L.P.

By:

David C. Bloom

David C. Bloom

Leslie T. Chao

Barry M. Ginsburg

William D. Bloom

TMCT II, LLC

By: The Times Mirror Company,
its Managing Member

By:

Name:
Title:

ATTACHMENT I TO THIRD AMENDMENT OF
AGREEMENT OF LIMITED PARTNERSHIP
OF
CHELSEA GCA REALTY PARTNERSHIP, L.P.

Section 1. DESIGNATION AND NUMBER. A series of Partnership Units in the Partnership designated as 9.00% Series B Cumulative Redeemable Preferred Partnership Units (the "Series B PREFERRED PARTNERSHIP UNITS") is hereby established. The number of Series B Preferred Partnership Units shall be 1,300,000.

Section 2. DISTRIBUTIONS.

A. PAYMENT OF DISTRIBUTIONS. Subject to the rights of holders of Parity Preferred Partnership Units as to the payment of distributions, holders of

Series B Preferred Partnership Units will be entitled to receive, when, as and if declared by the Partnership acting through the General Partner, out of Available Cash, cumulative preferential cash distributions at the rate per annum of 9.00% of the original Capital Contribution per Series B Preferred Partnership Unit. Such distributions shall be cumulative, shall accrue from the original date of issuance and will be payable (i) quarterly in arrears for the three-month periods ending on the last day of February, May, August and November, such dividends to be payable for the quarter just ended on the lst day of each of March, June, September and December of each year, commencing on December 1, 1999, and (ii) in the event of (a) an exchange of Series B Preferred Partnership Units for Series B Preferred Shares, or (b) a redemption of Series B Preferred Partnership Units, on the exchange date or redemption date, as applicable (each A "SERIES B PREFERRED PARTNERSHIP UNIT DISTRIBUTION PAYMENT DATE"). The amount of the distribution payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and, for any period shorter than a full quarterly period for which distributions are computed, the amount of the distribution payable will be computed based on the ratio of the actual number of days elapsed in such period to ninety (90) days. If any date on which distributions are to be made on the Series B Preferred Partnership Units is not a Business Day, then payment of the distribution to be made on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. Distributions on the Series B Preferred Partnership Units will be made to the holders of record of the Series B Preferred Partnership Units on the relevant record dates, which will be fifteen (15) days prior to the relevant Series B Preferred Partnership Unit Distribution Payment Date (the "SERIES B PREFERRED PARTNERSHIP UNIT PARTNERSHIP RECORD DATE").

B. DISTRIBUTIONS CUMULATIVE. Distributions on the Series B Preferred Partnership Units will accrue whether or not declared, whether or not the terms and provisions of any agreement of the Partnership at any time, including any agreement relating to its indebtedness, prohibit the current authorization, payment or setting aside for payment of distributions, whether or not the Partnership has earnings, whether or not there are funds legally available for the payment of such distributions and whether or not such distributions are authorized. Accrued but unpaid distributions on the Series B Preferred Partnership Units will accumulate as of the Series B Preferred Partnership Unit Distribution Payment Date on which they first become payable. Accumulated and unpaid distributions will not bear interest.

C. PRIORITY AS TO DISTRIBUTIONS. (i) So long as any Series B Preferred Partnership Units are outstanding, no distribution of cash or other property shall be authorized, declared, paid or set apart for payment on or with respect to Junior Units, nor shall any cash or other property (other than capital stock of the General Partner which corresponds in ranking to the Partnership Interests being acquired) be set aside for or applied to the purchase, redemption or other acquisition for consideration of any Series B Preferred Partnership Units, any Parity Preferred Partnership Units or any Junior Units, unless, in each case, all distributions accumulated on all Series B Preferred Partnership Units and all classes and series of outstanding Parity Preferred Partnership Units have been paid in full. The foregoing sentence will not prohibit (a) distributions payable solely in Junior Units, (b) the exchange or conversion of Junior Units or Parity Preferred Partnership Units into Partnership Interests of the Partnership ranking junior to the Series B Preferred Partnership Units as to distributions and rights upon involuntary or voluntary liquidation, dissolution or winding up of the Partnership, or (c) the redemption of Partnership Interests corresponding to Series B Preferred Shares, Parity Preferred Stock or Junior Stock to be purchased by the General Partner pursuant to the Charter with respect to the General Partner's common stock and comparable Charter provisions with respect to other classes or series of capital stock of the General Partner to preserve the General Partner's status as a real estate investment trust, provided that such redemption shall be upon the same terms as the corresponding purchase pursuant to Article IV of the Charter or such other comparable provisions.

(ii) So long as distributions have not been paid in full (or a sum sufficient for such full payment is not irrevocably deposited in trust for payment) upon the Series B Preferred Partnership Units, all distributions authorized and declared on the Series B Preferred Partnership Units and all classes or series of outstanding Parity Preferred Partnership Units shall be authorized and declared so that the amount of distributions authorized and declared per Series B Preferred Partnership Unit and such other classes or series of Parity Preferred Partnership Units shall in all cases bear to each other the same ratio that accrued distributions per Series B Preferred Partnership Unit and such other classes or series of Parity Preferred Partnership Units (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such classes or series of Parity Preferred Partnership Units do not have cumulative distribution rights) bear to each other.

D. NO FURTHER RIGHTS. Holders of the Series B Preferred Partnership Units shall not be entitled to any distributions, whether payable in cash, other property or otherwise, in excess of the full cumulative distributions described herein.

E. NO QUARTERLY DISTRIBUTIONS. No quarterly distributions on the Series B Preferred Partnership Units shall be authorized by the General Partner or be paid or set apart for payment by the Partnership at such time as the terms and provisions of any agreement of the General Partner or the Partnership, including any agreement relating to its indebtedness, prohibits such authorization, payment or setting apart for payment or provides that such authorization, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such authorization or payment shall be restricted or prohibited by law.

Section 3. LIQUIDATION PROCEEDS.

A. DISTRIBUTIONS. Upon the voluntary or involuntary dissolution, liquidation or

winding up of the Partnership (a "liquidation"), the holders of the Series B Preferred Partnership Units then outstanding, shall be entitled to receive in cash or property (at its fair market value determined by the General Partner) and to be paid out of the assets of the Partnership available for distribution to its partners, before any payment or distribution shall be made on any Junior Partnership Units, the amount of its Capital Contribution per Series B Preferred Partnership Unit, plus accumulated and unpaid quarterly distributions, if any, thereon to and including the date of liquidation.

B. NOTICE. Written notice of any such voluntary or involuntary liquidation, dissolution or winding-up of the Partnership, stating the payment date or dates when, and the place or places where, the amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage pre-paid, not less than 30 days and not more that 60 days prior to the payment date stated therein, to each record holder of the Series B Preferred Partnership Units at the respective addresses of such holders as the same shall appear on the transfer records of the Partnership.

C. NO FURTHER RIGHTS. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series B Preferred Partnership Units will have no right or claim to any of the remaining assets of the Partnership.

D. CONSOLIDATION, MERGER OR CERTAIN OTHER TRANSACTIONS. Neither the sale, lease or conveyance of all or substantially all of the property or business of the Partnership, nor the merger or consolidation of the Partnership into or with any other entity or the merger or consolidation of any other entity into or with the Partnership, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes hereof.

E. PRO RATA DISTRIBUTION. IF, upon any voluntary or involuntary dissolution, liquidation or winding up of the Partnership, the amounts payable with respect to the preferred distributions on the Series B Preferred Partnership Units and the Preferred Partnership Units of the Partnership ranking, as to any liquidation rights, on a parity with the Series B Preferred Partnership Units are not paid in full, the holders of the Series B Preferred Partnership Units and any other Preferred Partnership Units ranking, as to liquidation rights, on a parity with the Series B Preferred Partnership Units shall share ratably in any such distribution of assets of the Partnership in proportion to the full respective preference amounts to which they would otherwise be respectively entitled.

Section 4. OPTIONAL REDEMPTION.

A. RIGHT OF OPTIONAL REDEMPTION. The Series B Preferred Partnership Units may not be redeemed prior to the September 3, 2004. On or after such date, the Partnership shall have the right to redeem the Series B Preferred Partnership Units of any holder thereof, in whole or in part, at any time or from time to time, upon not less then 30 days nor more than 60 days written notice, at a redemption price, payable in cash, equal to the Capital Contribution for the Series B Preferred Partnership Units plus all accumulated and unpaid distributions, if any (the "SERIES B REDEMPTION PRICE"). If fewer than all of the outstanding Series B Preferred Partnership Units are to be redeemed, the Series B Preferred Partnership Units to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional units).

B. LIMITATION ON REDEMPTION.

(i) The Series B Redemption Price of the Series B Preferred Partnership Units (other than the portion thereof consisting of accumulated but unpaid distributions) will be payable solely out of the sale proceeds of capital stock of the General Partner, which will be contributed by the General Partner to the Partnership as an additional capital contribution, or out of the sale of limited partner interests in the Partnership, and from no other source. For purposes of the preceding sentence, "capital stock" means any equity securities (including Common Stock and Preferred Stock (as such terms are defined in the Charter)), shares, depository shares, participation or other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable for equity securities) or options to purchase any of the foregoing.

(ii) The Partnership may not redeem fewer than all of the outstanding Series B Preferred Partnership Units unless all accumulated and unpaid distributions have been paid on all Series B Preferred Partnership Units for all quarterly distribution periods terminating on or prior to the date of redemption.

C. PROCEDURES FOR REDEMPTION.

(i) Notice of redemption will be mailed by the Partnership, by certified mail, postage prepaid, not less than 30 days nor more than 60 days prior to the redemption date, addressed to the respective holders of record of the Series B Preferred Partnership Units at their respective addresses as they appear on the records of the Partnership. No failure to give or defect in such notice shall affect the validity of the proceedings for the redemption of any Series B Preferred Partnership Units except as to the holder to whom such notice was defective or not given. In addition to any information required by law, each such notice shall state: (a) the redemption date, (b) the Series B Redemption Price, (c) the aggregate number of Series B Preferred Partnership Units to be redeemed and if fewer than all of the outstanding Series B Preferred Partnership Units are to be redeemed, the number of Series B Preferred Partnership Units to be redeemed held by such holder, which number shall equal such holder's pro rata share (based on the percentage of the aggregate number of outstanding Series B Preferred Partnership Units that the total number of Series B Preferred Partnership Units held by such holder represents) of the aggregate number of Series B Preferred Partnership Units to be redeemed, (d) the place or places where such Series B Preferred Partnership Units are to be surrendered for payment of the Series B Redemption Price, (e) that distributions on the Series B Preferred Partnership Units to be redeemed will cease to accumulate on such redemption date and (f) that payment of the Series B Redemption Price will be

made upon presentation and surrender of such Series B Preferred Partnership Units.

(ii) If the Partnership gives a notice of redemption in respect of Series B Preferred Partnership Units (which notice will be irrevocable) then, by 12:00 noon, New York City time, on the redemption date, the Partnership will deposit irrevocably in trust for the benefit of the holders of the Series B Preferred Partnership Units being redeemed funds sufficient to pay the applicable Series B Redemption Price and will give irrevocable instructions and authority to pay such Series B Redemption Price to the holders of the Series B Preferred Partnership Units upon surrender of the Series B Preferred Partnership Units by such holders at the place designated in the notice of redemption. If the Series B Preferred Partnership Units are evidenced by a certificate and if fewer than all Series B Preferred Partnership Units evidenced by any certificate are being redeemed, a new certificate shall be issued upon surrender of the certificate evidencing all Series B Preferred Partnership Units, evidencing the unredeemed Series B Preferred Partnership Units without cost to the holder thereof. On and after the date of redemption, distributions will cease to accumulate on the Series B Preferred Partnership Units or portions thereof called for redemption, unless the Partnership defaults in the payment thereof. If any date fixed for redemption of Series B Preferred Partnership Units is not a Business Day, then payment of the Series B Redemption Price payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day falls in the next calendar year, such payment will be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date fixed for redemption. If payment of the Series B Redemption Price is improperly withheld or refused and not paid by the Partnership, distributions on such Series B Preferred Partnership Units will continue to accumulate from the original redemption date to the date of payment, in which case the actual payment date will be considered the date fixed for redemption for purposes of calculating the applicable Series B Redemption Price.

Section 5. VOTING RIGHTS.

A. General. Holders of the Series B Preferred Partnership Units will not have any voting rights or right to consent to any matter requiring the consent or approval of the Limited Partners, except as set forth below and in Section 14.1.C of the Partnership Agreement.

B. CERTAIN VOTING RIGHTS. So long as any Series B Preferred Partnership Units remain outstanding, the Partnership shall not, without the affirmative vote or consent of the holders of at least two-thirds of the Series B Preferred Partnership Units outstanding at the time (i) authorize or create, or increase the authorized or issued amount of, any class or series of Partnership Interests ranking senior to the Series B Preferred Partnership Units with respect to payment of distributions or rights upon liquidation, dissolution or winding-up or reclassify any Partnership Interests of the Partnership into any such senior Partnership Interest, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such senior Partnership Interests, (ii) authorize or create, or increase the authorized or issued amount of any Parity Preferred Units or reclassify any Partnership Interest of the Partnership into any such Partnership Interest or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such Partnership Interests, but only to the extent such Parity Preferred Units are issued to an affiliate of the Partnership, other than (a) issuances to the General Partner to the extent the issuance of such interests was to allow the General Partner to issue corresponding preferred stock to persons who are not affiliates of the Partnership or (b) issuances to affiliates other than the General Partner upon terms no more favorable to such affiliates than those that the General Partner, in the good faith determination of the disinterested members of its Board of Directors, would be willing to offer to an unrelated party in an arm's length transaction (each of (a) and (b) an "Affiliate Parity Placement"), or (iii) either consolidate, merge into or with, or convey, transfer or lease its assets substantially as an entirety to, any corporation or other entity or amend, alter or repeal the provisions of the Partnership Agreement (including, without limitation, this Amendment), whether by merger, consolidation or otherwise, in each case in a manner that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the Series B Preferred Partnership Units or the holders thereof; provided, however, that with respect to the occurrence of any event set forth in (iii) above, so long as (a) the Partnership is the surviving entity and the Series B Preferred Partnership Units remain outstanding with the terms thereof unchanged, or (b) the resulting, surviving or transferee entity is a partnership, limited liability company or other pass-through entity organized under the laws of any state and substitutes, for the Series B Preferred Partnership Units, other interests in such entity having substantially the same terms and rights as the Series B Preferred Partnership Units, including with respect to distributions, voting rights and rights upon liquidation, dissolution or winding-up, then the occurrence of any such event shall not be deemed to materially and adversely affect such rights, privileges or voting powers of the holders of the Series B Preferred Partnership Units; and provided further that any increase in the amount of Partnership Interests or the creation or issuance of any other class or series of Partnership Interests, in each case ranking either (a) junior to the Series B Preferred Partnership Units with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up or (b) on a parity with the Series B Preferred Partnership Units with respect to payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up to the extent such Partnership Interests are not issued to an affiliate of the Partnership, other than in an Affiliate Parity Placement, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

In addition to the foregoing, the Partnership will not (x) enter into any contract, mortgage, loan or other agreement that prohibits or restricts, or has the effect of prohibiting or restricting, the ability of a Preferred Limited Partner to exercise its rights set forth herein to effect in full an exchange or redemption pursuant to Section 7, except with the written consent of such Preferred Limited Partner; or (y) amend, alter, or repeal or waive Sections 7.5 and 11.6.E(x) of the Partnership Agreement without the affirmative vote of at

least two-thirds of the Series B Preferred Partnership Units outstanding at the time.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding Series B Preferred Partnership Units shall have been redeemed or called for redemption and sufficient funds shall have been deposited in trust to effect such redemption.

C. ONE VOTE PER UNIT/NO GENERAL VOTING RIGHTS. On each matter submitted to a vote of the holders of Series B Preferred Partnership Units in accordance with this paragraph or paragraph 7.C, or as otherwise required by law, each Series B Preferred Partnership Unit shall be entitled to one vote. With respect to each Series B Preferred Partnership Unit, the holder thereof may designate a proxy, with each such proxy having the right to vote on behalf of the holder.

Notwithstanding anything to the contrary in this Amendment, in no event shall the General Partner or any of its Affiliates have any voting, consent or approval rights in respect of any Series B Preferred Partnership Units it or they may hold, and any percentage or portion of outstanding Series B Preferred Partnership Units that may be required hereunder for any vote, consent or approval of holders thereof shall be determined as if all Series B Preferred Partnership Units then held by the General Partner or any of its Affiliates were not outstanding.

Section 6. TRANSFER RESTRICTIONS.

The Series B Preferred Partnership Units shall not be subject to the provisions of Sections 11.1 (B), 11.3(A), 11.3(B), 11.6(D) and 11.6(E) of the Partnership Agreement. If such transfer would result in more than four (4) partners holding all outstanding Series B Preferred Partnership Units within the meaning of Treasury Regulation Section 1.7704- 1 (h), no transfer of the Series B Preferred Partnership Units is permitted without the consent of the General Partner, which consent may be given or withheld in its sole and absolute discretion; provided, however, that the General Partner's consent may not be unreasonably withheld if (a) such transfer would not result in more than ten (10) partners holding all outstanding Series B Preferred Partnership Units within the meaning of such Treasury Regulation Sections and (b) the General Partner is relying on a provision other than Treasury Regulation Section 1.7704-1(h) to avoid classification of Operating Partnership as a PTP. In addition, no transfer may be made to any person if such transfer would cause the exchange of the Series B Preferred Partnership Units for Series B Preferred Shares, as provided herein, to be required to be registered under the Securities Act, or any state securities laws. Notwithstanding anything in Sections 11.4, 11.5 and 12.2 of the Partnership Agreement to the contrary, the admission of any transferee of Series B Preferred Partnership Units as a Limited Partner shall be in the General Partner's reasonable (not sole and absolute) discretion.

Section 7. EXCHANGE RIGHTS.

A. RIGHT TO EXCHANGE.

(i) The Series B Preferred Partnership Units will be exchangeable in whole but not in part unless expressly otherwise provided herein, at anytime on or after September 3, 2009 at the option of holders of more than 50% of all outstanding Series B Preferred Partnership Units for authorized but previously unissued Series B Preferred Shares at an exchange rate of one Series B Preferred Share from the General Partner for one Series B Preferred Partnership Unit, subject to adjustment as described below (the "SERIES B EXCHANGE PRICE"), PROVIDED that the Series B Preferred Partnership Units will become exchangeable at any time, in whole but not in part, unless expressly otherwise provided herein, at the option of holders of more than 50% of all outstanding Series B Preferred Partnership Units for Series B Preferred Shares, if:

(y) at any time full distributions shall not have been timely made on any Series B Preferred Partnership Unit with respect to six (6) prior quarterly distribution periods, whether or not consecutive, provided, however, that a distribution in respect of Series B Preferred Partnership Units shall be considered timely made if made within two (2) Business Days after the Series B Preferred Partnership Unit Distribution Payment Date if at the time of such late payment there shall not be any prior quarterly distribution periods in respect of which full distributions were not timely made, OR

(z) upon receipt by a holder or holders of Series B Preferred Partnership Units of (1) notice from the General Partner that the General Partner or a Subsidiary of the General Partner has become aware of facts that will or likely will cause the Partnership to become a PTP and (2) an opinion rendered by an outside nationally recognized independent counsel familiar with such matters addressed to a holder or holders of Series B Preferred Partnership Units, that the Partnership is or likely is, or upon the occurrence of a defined event in the immediate future will be or likely will be, a PTP.

In addition, the Series B Preferred Partnership Units may be exchanged for Series B Preferred Shares, in whole but not in part unless expressly otherwise provided herein, at the option of holders of more than 50% of all outstanding Series B Preferred Partnership Units prior to September 3, 2009 and after September 2, 2002 if such holders of Series B Preferred Partnership Units shall deliver to the General Partner either (i) a private ruling letter addressed to such holder of Series B Preferred Partnership Units or (ii) an opinion of independent counsel reasonably acceptable to the General Partner based on the enactment of temporary or final Treasury Regulations since the date of Closing or the publication of a Revenue Ruling since the date of Closing, in either case to the effect that an exchange of the Series B Preferred Partnership Units at such earlier time would not cause the Series B Preferred Partnership Units to be considered "stock and securities" within the meaning of Section 351(e) of the Code for purposes of determining whether the holder of such Series B Preferred Partnership Units is an "investment company" under Section 721(b) of the Code if an exchange is permitted at such earlier date.

Furthermore, the Series B Preferred Partnership Units, if LLC so determines, may be exchanged in whole but not in part (regardless of whether held by LLC) for Series B Preferred Shares (but only if the exchange in whole may be accomplished consistently with the ownership limitations set forth under the Series B Articles Supplementary (as defined herein) (taking into account exceptions thereto)), if (1) LLC concludes based on results or projected results that there exists (in the reasonable judgment of LLC) an imminent and substantial risk that the LLC's interest in the Partnership represents or will represent more than 18.0% of the total profits of or capital interests in the Partnership for a taxable year, (2) LLC delivers to the General Partner an opinion of nationally recognized independent counsel, reasonably acceptable to the General Partner to the effect that there is a substantial risk that its interest in the Partnership does not or will not satisfy the 18.0% limit and (3) the General Partner agrees with the conclusions referred to in clauses (1) and (2) of this sentence, such agreement not to be unreasonably withheld.

(ii) Notwithstanding anything to the contrary set forth in Section 7.A(i), if a Series B Exchange Notice (as defined herein) has been delivered to the General Partner, then the General Partner may, at its option, within ten (10) Business Days after receipt of the Series B Exchange Notice, elect to cause the Partnership to redeem all or a portion of the outstanding Series B Preferred Partnership Units for cash in an amount equal to the original Capital Contribution per Series B Preferred Partnership Unit and all accrued and unpaid distributions thereon to the date of redemption. If the General Partner elects to redeem fewer than all of the outstanding Series B Preferred Partnership Units, the number of Series B Preferred Partnership Units held by each holder to be redeemed shall equal such holder's pro rata share (based on the percentage of the aggregate number of outstanding Series B Preferred Partnership Units that the total number of Series B Preferred Partnership Units held by such holder represents) of the aggregate number of Series B Preferred Partnership Units being redeemed.

(iii) In the event an exchange of all Series B Preferred Partnership Units pursuant to Section 7.A would violate the provisions on ownership limitation of the General Partner set forth in Section 7 of Article Third of the Articles Supplementary to the Charter with respect to Series B Preferred Shares (the "SERIES B ARTICLES SUPPLEMENT "), each holder of Series B Preferred Partnership Units shall be entitled to exchange, pursuant to the provisions of Section 7.B below, a number of Series B Preferred Partnership Units which would comply with the provisions on the ownership limitation of the General Partner set forth in such Section 7 of Article Third of the Series B Articles Supplementary, with respect to such holder, and any Series B Preferred Partnership Units not so exchanged (THE "SERIES B EXCESS UNITS") shall be redeemed by the Partnership for cash in an amount equal to the original Capital Contribution per Series B Excess Unit, plus any accrued and unpaid distributions thereon to the date of redemption subject to any restriction thereon contained in any debt instrument or agreement of the Partnership.

In the event an exchange would result in Series B Excess Units, as a condition to such exchange, each holder of such units agrees to provide such representations and covenants reasonably requested by the General Partner relating to (i) the widely held nature of the interests in such holder, sufficient to assure the General Partner that the holder's ownership of stock of the General Partner (without regard to the limits described above) will not result in the Beneficial Ownership by any "individual" (as used for the purposes of Section 542(a)(2) of the Code as modified by Section 856(h)(3) of the Code) in excess of 7.0% of the value of the outstanding stock of the General Partner to the extent the holder can reasonably make such representation; and (ii) the holder's ownership of tenants of the Partnership and its affiliates.

To the extent the General Partner would not be able to pay the cash set forth above in exchange for the Series B Excess Units, and to the extent consistent with the Charter, the General Partner agrees that it will grant to the holders of the Series B Preferred Partnership Units exceptions to the Ownership Limits set forth in the Series B Articles Supplementary sufficient to allow such holders to exchange all of their Series B Preferred Partnership Units for Series B Preferred Shares, provided such holders furnish to the General Partner representations acceptable to the General Partner in its sole and absolute discretion which assure the General Partner that such exceptions will not jeopardize the General Partner's tax status as a REIT for purposes of federal and applicable state law.

Notwithstanding any provision of this Agreement to the contrary, no Series B Limited Partner shall be entitled to effect an exchange of Series B Preferred Partnership Units for Series B Preferred Shares to the extent that ownership or right to acquire such shares would cause the Partner or any other Person or, in the opinion of counsel selected by the General Partner, may cause the Partner or any other Person, to violate the restrictions on ownership and transfer of Series B Preferred Shares set forth in the Charter. To the extent any such attempted exchange for Series B Preferred Shares would be in violation of the previous sentence, it shall be void ab initio and such Series B Limited Partner shall not acquire any rights or economic interest in the Series B Preferred Shares otherwise issuable upon such exchange.

(iv) The redemption of Series B Preferred Partnership Units described in Section 7.A(ii) and (iii) shall be subject to the provisions of Section 4.B(i) and Section 4.C(ii).

B. PROCEDURE FOR EXCHANGE AND/OR REDEMPTION OF SERIES B PREFERRED PARTNERSHIP UNITS.

(i) Any exchange shall be exercised pursuant to a notice of exchange (the "SERIES B EXCHANGE NOTICE") delivered to the General Partner by the holders of more than 50% of the outstanding Series B Preferred Partnership Units by certified mail postage prepaid. The General Partner may effect any exchange of Series B Preferred Partnership Units, or exercise its option to redeem any portion of the Series B Preferred Partnership Units for cash pursuant to Section 7.A(ii) or redeem Series B Excess Units pursuant to Section 7.A(iii), by delivering to each holder of record of Series B Preferred Partnership Units,

within ten (10) Business Days following receipt of the Series B Exchange Notice,

(a) if the General Partner elects to exchange any of the Series B Preferred Partnership Units then outstanding, (1) certificates representing the Series B Preferred Shares being issued in exchange for the Series B Preferred Partnership Units of such holder being exchanged and (2) a written notice (a "SERIES B REDEMPTION NOTICE") stating (A) the redemption date, which may be the date of such Redemption Notice, (B) the redemption price, (C) the place or places where the Series B Preferred Partnership Units are to be surrendered and (D) that distributions on the Series B Preferred Partnership Units will cease to accrue on such redemption date, or

(b) if the General Partner elects to cause the Partnership to redeem all of the Series B Preferred Partnership Units then outstanding in exchange for cash, a Series B Redemption Notice. Series B Preferred Partnership Units shall be deemed canceled (and any corresponding Partnership Interest represented thereby deemed terminated) simultaneously with the delivery of shares of Series B Preferred Shares (with respect to Series B Preferred Partnership Units exchanged) or simultaneously with the redemption date (with respect to Series B Preferred Partnership Units redeemed).

Holders of Series B Preferred Partnership Units shall deliver any canceled certificates representing Series B Preferred Partnership Units which have been exchanged or redeemed to the office of General Partner (which currently is located at 103 Eisenhower Parkway, Roseland, NJ 07068) within ten (10) Business Days after the exchange or redemption with respect thereto. Notwithstanding anything to the contrary contained herein, any and all Series B Preferred Partnership Units to be exchanged for REIT Series B Preferred Stock pursuant to this Section 7 shall be so exchanged in a single transaction at one time. As a condition to exchange, the General Partner may require the holders of Series B Preferred Partnership Units to make such representations as may be reasonably necessary for the General Partner to establish that the issuance of Series B Preferred Shares pursuant to the exchange shall not be required to be registered under the Securities Act or any state securities laws. Any Series B Preferred Shares issued pursuant to this Section 7 shall be delivered as shares which are duly authorized, validly issued, fully paid and nonassessable, free of any pledge, lien, encumbrance or restriction other than those provided in the Charter, the By-Laws of the General Partner, the Securities Act and relevant state securities or blue sky laws.

The certificates representing the Series B Preferred Shares issued upon exchange of the Series B Preferred Partnership Units shall contain the following legend:

> THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR (B) IF THE CORPORATION HAS BEEN FURNISHED WITH A SATISFACTORY OPINION OF COUNSEL FOR THE HOLDER OF THE SHARES REPRESENTED HEREBY, OR OTHER EVIDENCE SATISFACTORY TO THE CORPORATION, THAT SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION IS EXEMPT FROM THE PROVISIONS OF SECTION 5 OF THE ACT AND THE RULES AND REGULATIONS THEREUNDER.

(ii) In the event of an exchange of Series B Preferred Partnership Units for Series B Preferred Shares, an amount equal to the accrued and unpaid distributions to the date of exchange on any Series B Preferred Partnership Units tendered for exchange shall (i) accrue on the Series B Preferred Shares into which such Series B Preferred Partnership Units are exchanged, and (ii) continue to accrue on such Series B Preferred Partnership Units, which shall remain outstanding following such exchange, with the General Partner as the holder of such Series B Preferred Partnership Units. Notwithstanding anything to the contrary set forth herein, in no event shall a holder of a Series B Preferred Partnership Unit that was validly exchanged for Series B Preferred Shares pursuant to this section (other than the General Partner now holding such Series B Preferred Partnership Unit), receive a distribution out of Available Cash of the Partnership, if such holder, after exchange, is entitled to receive a distribution out of Available Cash with respect to the Series B Preferred Shares for which such Series B Preferred Partnership Unit was exchanged or redeemed. Further, for purposes of the foregoing, in the event of an exchange of Series B Preferred Partnership Units for Series B Preferred Shares, if the accrued and unpaid distributions per Series B Preferred Partnership Unit is not the same for all Series B Preferred Partnership Units, the accrued and unpaid distributions per Series B Preferred Partnership Unit for all Series B Preferred Partnership Units shall be equal to the greatest amount of such accrued and unpaid distributions per Series B Preferred Partnership Unit on any such unit.

(iii) Fractional Series B Preferred Shares are not to be issued upon exchange but, in lieu thereof, the General Partner will pay a cash adjustment based upon the fair market value of the Series B Preferred Shares on the day prior to the exchange date as determined in good faith by the Board of Directors of the General Partner.

C. ADJUSTMENT OF SERIES B EXCHANGE PRICE. In case the General Partner shall be a party to any transaction (including, without limitation, a merger, consolidation, statutory share exchange, tender offer for all or substantially all of the General Partner's capital stock or sale of all or substantially all of the General Partner's assets), in each case as a result of which the Series B Preferred Shares will be converted into the right to receive shares of capital stock, other securities or other property (including cash or any combination thereof), each Series B Preferred Unit will thereafter be exchangeable into the kind and amount of shares of capital stock and other securities and property receivable (including cash or any combination thereof) upon the consummation of such transaction by a holder of that number of Series B Preferred Shares or fraction thereof into which one Series B Preferred Unit was exchangeable immediately prior to such transaction. The General Partner may not become a party to any such transaction, whether or not any Series B Preferred Shares are then outstanding: (i) which does not preserve the existence of the Series B

Preferred Shares with their current rights, preferences and privileges, or (ii) if the terms thereof are inconsistent with the foregoing. In addition, so long as a Series B Limited Partner or any of its permitted successors or assigns, hold any Series B Preferred Partnership Units, as the case may be, the General Partner shall not, without the affirmative vote or consent of the holders of at least two-thirds of the Series B Preferred Partnership Units outstanding at the time: (a) designate or create, or increase the authorized or issued amount of, any class or series of shares ranking senior to the Series B Preferred Shares with respect to the payment of distributions or rights upon liquidation, dissolution or winding-up or reclassify any authorized shares of the General Partner into any such shares, or create, authorize or issue any obligations or securities convertible into or evidencing the right to purchase any such shares; (b) designate or create, or increase the authorized or issued amount of, any Parity Preferred Shares or reclassify any authorized shares of the General Partner into any such shares, or create, authorize or issue any obligations or security convertible into or evidencing the right to purchase any such shares, but only to the extent that such Parity Preferred Shares are issued to an Affiliate of the General Partner (other than in an Affiliate Parity Placement); (c) amend, alter or repeal the provisions of the Charter or bylaws of the General Partner, whether by merger, consolidation or otherwise, that would materially and adversely affect the powers, special rights, preferences, privileges or voting power of the Series B Preferred Shares or the holders thereof; provided, however, that with respect to the occurrence of any event set forth in (c) above, so long as (1) the Partnership is the surviving entity and the Series B Preferred Partnership Units remain outstanding with the terms thereof unchanged, or (2) the resulting, surviving or transferee entity is a partnership, limited liability company or other pass-through entity organized under the laws of any state and substitutes, for the Series B Preferred Partnership Units, other interests in such entity having substantially the same terms and rights as the Series B Preferred Partnership Units, including with respect to distributions, voting rights and rights upon liquidation, dissolution or winding-up, then the occurrence of any such event shall not be deemed to materially and adversely affect such rights, privileges or voting powers of the holders of the Series B Preferred Partnership Units; PROVIDED, FURTHER, that any increase in the amount of authorized Preferred Shares or the creation or issuance of any other series or class of Preferred Shares, or any increase in the amount of authorized shares of each class or series, in each case ranking either (3) junior to the Series B Preferred Shares with respect to the payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up, or (4) on a parity with the Series B Preferred Shares with respect to the payment of distributions and the distribution of assets upon liquidation, dissolution or winding-up to the extent such Preferred Shares are not issued to an Affiliate of the Company (other than in an Affiliate Parity Placement), shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding Series B Preferred Partnership Units shall have been redeemed or called for redemption and sufficient funds shall have been deposited in trust to effect such redemption.

Section 8. NO CONVERSION RIGHTS.

The holders of the Series B Preferred Partnership Units shall not have any rights to convert such Partnership Units into any other class of Partnership Interests or any interest in the Partnership.

Section 9. NO SINKING FUND.

No sinking fund shall be established for the retirement or redemption of the Series B Preferred Partnership Units.

Section 10. REPORTS.

In addition to the reports required pursuant to Section 9.3 of the Partnership Agreement, so long as any Series B Preferred Partnership Units are outstanding, the General Partner shall cause to be mailed to each Series B Limited Partner:

A. As soon as available, but in no event later than ten Business Days following the date on which the General Partner files its annual report in respect of a fiscal year on Form 10-K, with the Commission (or, in the event that the Partnership is required under rules and regulations promulgated by the Commission to file with the Commission a Form 1O-K separate from General Partner's Form 1O-K, ten Business Days after the filing of such report by the Partnership with the Commission), a complete copy of the Partnership's financial statements for such fiscal year including a balance sheet, income statement and cash flow statement for such fiscal year prepared in accordance with GAAP (except with respect to footnotes); and

B. As soon as available, but in no event later than ten Business Days following the date on which the General Partner files its quarterly report in respect of a fiscal quarter on Form 1O-Q, with the Commission (or, in the event the Partnership is required under rules and regulations promulgated by the Commission to file with the Commission a Form 1O-Q separate from the General Partner's Form 10-Q, ten Business Days after the filing of such report by the Partnership with the Commission), a complete copy of the Partnership's unaudited quarterly financial statements for such fiscal quarter including a balance sheet, income statement and cash flow statement for such fiscal quarter prepared in accordance with GAAP (except with respect to footnotes).

C. Not later than April 15 of each taxable year, a final Form K-1 for the prior taxable year.

Section 11. DEFINITIONS.

"JUNIOR STOCK" means any class or series of capital stock of the General Partner ranking junior as to the payment of distributions or rights upon voluntary or involuntary liquidation, winding up or dissolution of the General

Partner to the REIT Series B Preferred Shares.

"JUNIOR UNITS" means any class or series of Partnership Interest of the Partnership ranking junior as to the payment of distributions or rights upon voluntary or involuntary liquidation, winding up or dissolution of the Partnership to the Series B Preferred Partnership Units. Without limiting the generality of the foregoing Junior Units shall include the Common Partnership Units and the Special Units.

"LLC" means TMCT II, LLC, a Delaware limited liability company.

"PARITY PREFERRED STOCK" means any class or series of Preferred Shares now or hereafter authorized, issued or outstanding expressly designated by the General Partner to rank on a parity with Series B Preferred Shares with respect to distributions or rights upon voluntary or involuntary liquidation, winding up or dissolution of the General Partner in accordance with the Series B Articles Supplementary, including the Series A Preferred Stock.

"PARITY PREFERRED PARTNERSHIP UNIT" means any class or series of Partnership Interests of the Partnership now or hereafter authorized, issued or outstanding expressly designated by the Partnership to rank on a parity with Series B Preferred Partnership Units with respect to distributions or rights upon voluntary or involuntary liquidation, winding up and dissolution of the Partnership, including the Series A Preferred Partnership Units.

"PARTNERSHIP INTEREST" means an ownership interest in the Partnership of either a Limited Partner or the General Partner and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. There may be one or more classes or series of Partnership Interests as provided in Section 4.5 of the Partnership Agreement. A Partnership Interest may be expressed as a number of Partnership Units. Unless otherwise expressly provided for by the General Partner at the time of the original issuance of any Partnership Interests, all Partnership Interests (whether of a Limited Partner or a General Partner) shall be of the same class or series. The Partnership Interests represented by the Common Units, the Special Units, the Series A Preferred Partnership Units and the Series B Preferred Partnership Units are the only Partnership Interests outstanding on the date hereof and are separate classes of Partnership Interest for all purposes of this Agreement.

"PREFERRED LIMITED PARTNER" means any Person holding a Preferred Partnership Unit, and named as a Preferred Limited Partner in Exhibit A attached to the Partnership Agreement, as such Exhibit may be amended from time to time, or any Substitute Limited Partner or Additional Limited Partner, in such Person's capacity as a Preferred Limited Partner in the Partnership.

"PREFERRED SHARE" means a share of the General Partner's preferred stock, par value $.01 per share, with such rights, priorities and preferences as shall be designated by the Board of Directors in accordance with the Charter.

"REIT" means a real estate investment trust under Sections 856 through 860 of the Code.

"SERIES B LIMITED PARTNER" means any Person holding Series B Preferred Partnership Units and named as a Series B Limited Partner in Exhibit A attached to the Partnership Agreement, as such Exhibit may be amended from time to time, or any Substitute Limited Partner, in such Person's capacity as a Series B Limited Partner in the Partnership.

"SERIES B PREFERRED SHARE" means a share of 9.00% Series B Cumulative Redeemable Preferred Stock, par value $.01 per share, liquidation preference $50.00 per share, of the General Partner.

"SERIES B PREFERRED PARTNERSHIP UNITS" means the Partnership's 9.00% Series B Cumulative Redeemable Preferred Partnership Units, with the rights, priorities and preferences set forth herein.

Exhibit 10.8

CONTRIBUTION AGREEMENT

By and Among

THE TIMES MIRROR COMPANY
and
TMCT 11, LLC

and

CHELSEA GCA REALTY PARTNERSHIP, L.P.
and
CHELSEA GCA REALTY, INC.

Dated: As of September 3, 1999

CONTRIBUTION AGREEMENT

Contribution Agreement (this "AGREEMENT") made as of the 3rd day of September, 1999 (the "AGREEMENT DATE"), by and among The Times Mirror Company, a Delaware corporation (the "CONTRIBUTOR 9'), TMCT II, LLC, a Delaware limited liability company ("LLC"), Chelsea GCA Realty Partnership, L.P., a Delaware limited partnership (the "OPERATING PARTNERSHIP") and Chelsea GCA Realty, Inc., a Maryland corporation (the "COMPANY").

WITNESSETH:

WHEREAS, Contributor desires to contribute to Operating Partnership cash in return for Preferred Units in Operating Partnership on the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS. For purposes of this Agreement, the following terms shall have the meanings set forth below:

"AFFILIATE" means with respect to any Person, any other Person controlled by, controlling or under common control with such Person. For purposes hereof, "control" shall include the power to direct the actions of a Person, regardless of whether the same shall involve an ownership interest in such Person.

"AGREEMENT" has the meaning set forth in the initial paragraph hereof.

"AGREEMENT DATE" has the meaning set forth in the initial paragraph hereof.

"AGREEMENT OF LIMITED PARTNERSHIP" means the Agreement of Limited Partnership of Operating Partnership, dated as of October 14, 1993, in the form attached hereto as EXHIBIT A-1, as amended by Amendment No. 1, dated as of March 31, 1997, in the form attached hereto as EXHIBIT A-2, Amendment No. 2, dated as of October 7, 1997, in the form attached hereto as EXHIBIT A-3, Amendment No. 3, dated as of the date hereof, in the form attached hereto as EXHIBIT A-4, and as further amended from time to time after the date hereof.

"ARTICLES SUPPLEMENTARY" means the Articles Supplementary of the Company governing the Preferred Shares, substantially in the form attached hereto as EXHIBIT B.

"BENEFIT PLAN" has the meaning set forth in PARAGRAPH 7(f).

"BROKER" has the meaning set forth in PARAGRAPH 10.

"BYLAWS" means the Bylaws of the Company, as amended from time to time.

"CHARTER" means the Articles of Incorporation of the Company, as amended and restated from time to time, including as supplemented by the Articles Supplementary.

"CLOSING." has the meaning set forth in PARAGRAPH 6(a).

"CODE" means the Internal Revenue Code of 1986, as amended.

"COMMISSION" has the meaning set forth in PARAGRAPH 4(f)(i).

"COMPANY" has the meaning set forth in the initial paragraph hereof

"CONTRIBUTION AMOUNT" means $65,000,000.

"CONTRIBUTOR" has the meaning set forth in the initial paragraph hereof.

"CONTRIBUTOR'S AND LLC'S CLOSING DOCUMENTS" has the meaning set forth in PARAGRAPH 6(c).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

"EXCHANGE DATE" means, with respect to any Preferred Unit, the date on which the exchange of such Preferred Unit for a Preferred Share shall occur in accordance with the Agreement of Limited Partnership.

"FORM 10-K" has the meaning set forth in PARAGRAPH 4(f)(i).

"FORM 10-Q" has the meaning set forth in PARAGRAPH 4(f)(ii).

"GAAP" means generally accepted accounting principles consistently applied.

"GOVERNING DOCUMENTS" means, with respect to (i) a limited partnership, such limited partnership's certificate of limited partnership and the agreement of limited partnership, and any amendments or modifications of any of the foregoing; (ii) a corporation, such corporation's articles or certificate of incorporation, by-laws and any applicable authorizing resolutions, and any amendments or modifications of any of the foregoing; (iii) a limited liability company, such limited liability company's articles or certificate of organization, by-laws and operating agreement or agreement of limited liability company, and any amendments or modifications of any of the foregoing; and (iv) a trust, such trust's declaration of trust and bylaws and any amendments or modifications of any of the foregoing.

"I.R.S." means the United States Internal Revenue Service.

"LLC" has the meaning set forth in the initial paragraph hereof.

"OPERATING PARTNERSHIP" has the meaning set forth in the initial paragraph hereof.

"OPERATING PARTNERSHIP'S CLOSING DOCUMENTS" has the meaning set forth in PARAGRAPH 6(b).

"OWNERSHIP LIMIT" has the meaning set forth in PARAGRAPH 4(l).

"PARITY PREFERRED SHARES" has the meaning ascribed to such term in the Articles Supplementary.

"PARTNER" has the meaning ascribed to such term in the Agreement of Limited Partnership.

"PERSON" means a natural person, partnership (whether general or limited), trust, estate, association, corporation, limited liability company, unincorporated organization, custodian, nominee or any other individual or entity in its own or representative capacity.

"PREFERRED DIVIDEND DEFAULT" has the meaning set forth in the Articles Supplementary.

"PREFERRED UNITS" means the 9.00% Series B Cumulative Redeemable Preferred Units as such term is defined in the Agreement of Limited Partnership.

"PREFERRED SHARES" means the 9.00% Series B Cumulative Redeemable Preferred Stock of the Company more fully described in the Articles Supplementary.

"PTP" means a "publicly traded partnership" within the meaning of Section 7704 of the Code.

"REGISTRATION RIGHTS AGREEMENT" has the meaning set forth in PARAGRAPH 6(b)(iv) hereof.

"REIT" has the meaning set forth in PARAGRAPH 8(g) hereof.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

"SEC REPORTS" has the meaning set forth in Paragraph 8(o) hereof.

"SUBSIDIARY" means with respect to any Person, any corporation, partnership, limited liability company, joint venture or other entity (a) of which a majority of (i) voting power of the voting equity securities or (ii) the outstanding equity interests, is owned, directly or indirectly, by such Person, or (b) of which such Person is a general partner or managing member.

"US$" means United States dollars, lawful money of the United States of America.

2. CONTRIBUTION OF CASH. Subject to the terms and provisions of this Agreement, Contributor hereby agrees to contribute to Operating Partnership the Contribution Amount on the date of the Closing in consideration for 1,300,000 Preferred Units in Operating Partnership to be issued to the LLC, unless, prior to the Closing, Contributor designates otherwise. Subject to the terms and provisions of this Agreement, Operating Partnership hereby agrees to accept the Contribution Amount and to issue to LLC (or such other party as Contributor may designate prior to the Closing) Preferred Units in exchange therefor on the date of the Closing.

3. CONDITIONS TO CLOSING.

(a) CONDITIONS TO OPERATING PARTNERSHIP'S AND COMPANY'S OBLIGATIONS. Operating Partnership's and Company's obligations under this Agreement to accept the Contribution Amount, provide Contributor with Preferred Units and otherwise consummate the transactions contemplated herein are subject to the satisfaction (or waiver in writing by Operating Partnership and the Company) of the following conditions on or before the Closing:

(i) NO INJUNCTION. No temporary restraining order or preliminary or permanent injunction of any court or administrative agency of competent jurisdiction prohibiting the consummation of the transactions contemplated herein shall be in effect.

(ii) ACCURACY OF REPRESENTATIONS AND WARRANTIES. The representations and warranties of Contributor and LLC contained in this Agreement

shall be true and correct in all material respects on the date of the Closing with the same effect as though made on the date of the Closing.

(iii) PERFORMANCE OF AGREEMENT. The Contributor and LLC shall have performed, in all material respects, all of its respective covenants, agreements and obligations required by this Agreement to be performed or complied with by it prior to or at the Closing, including, without limitation, delivery of the Contribution Amount.

(iv) DELIVERY OF CLOSING DOCUMENTS. Operating Partnership and Company shall have received the Contributor's and LLC's Closing Documents.

In the event that for any reason any of the conditions set forth in this PARAGRAPH 3(a) or elsewhere in this Agreement are not satisfied or waived by Operating Partnership and Company at or prior to the Closing, at Operating Partnership's or Company's option, this Agreement shall be terminated and Operating Partnership, Company, LLC and Contributor shall be released from their obligations under this Agreement and none of Operating Partnership, Company, LLC or Contributor shall have any further liability hereunder.

(b) CONDITIONS TO CONTRIBUTOR'S AND LLC'S OBLIGATIONS. Contributor's obligations under this Agreement to deliver the Contribution Amount and otherwise consummate the transactions contemplated herein are subject to the satisfaction (or waiver in writing by Contributor) of the following conditions on or before the Closing:

(i) NO INJUNCTION. No temporary restraining order or preliminary or permanent injunction of any court or administrative agency of competent jurisdiction prohibiting the consummation of the transactions contemplated herein shall be in effect.

(ii) ACCURACY OF REPRESENTATIONS AND WARRANTIES. The representations and warranties of Operating Partnership and Company contained in this Agreement shall be true and correct in all material respects on the date of the Closing with the same effect as though made on the date of the Closing.

(iii) PERFORMANCE OF AGREEMENT. Operating Partnership and Company shall have performed, in all material respects, all of their respective covenants, agreements and obligations required by this Agreement to be performed or complied with by each of them prior to or at the Closing.

(iv) DELIVERY OF CLOSING DOCUMENTS. Contributor and LLC shall have received the Operating Partnership's Closing Documents.

(v) FUNDING OF LLC EXCHANGE FUND. The LLC Exchange Fund shall have been funded by its members prior to or at the Closing.

In the event that for any reason any of the conditions set forth in this PARAGRAPH 3(b) or elsewhere in this Agreement are not satisfied or waived by Contributor and LLC at or prior to the Closing, at Contributor's option, this Agreement shall be terminated and Contributor, LLC, Operating Partnership and Company shall be released from their obligations under this Agreement and none of Contributor, LLC, Operating Partnership or Company shall have any further liability hereunder.

4. COVENANTS. The covenants set forth in this PARAGRAPH 4 shall survive the Closing.

(a) On the Exchange Date, Company shall issue Preferred Shares in Company in a number equal to the number of Preferred Shares into which the Preferred Units are exchangeable pursuant to the terms of the Agreement of Limited Partnership. Upon consummation of such exchange in accordance with the terms of the Agreement of Limited Partnership, and issuance in accordance with the Charter, the Preferred Shares shall be validly issued, fully paid and non-assessable pursuant to the Articles Supplementary.

(b) Operating Partnership covenants to notify holders of Preferred Units promptly in the event Company or any Subsidiary of Company anticipates or realizes either that (i) on or prior to the second anniversary of the Closing, the fair market value of its assets determined in accordance with Code ss. 856(c)(5)(A), constituting "stock and securities" within the meaning of Section 351(e)(1) of the Code will equal 10% or more of the value of the Operating Partnership's total assets; (ii) on or prior to the second anniversary of the Closing, there is a material increase in such percentage of Operating Partnership's assets constituting "stock and securities" if immediately preceding such material increase the percentage of Operating Partnership's assets constituting "stock and securities" within the meaning of SECTION 351 (E)(1) of the code equaled 10% or more of the operating partnership's total assets; (iii) the Preferred Units will represent more than 18% of the total capital interest in the Operating Partnership; or (iv) the interest of the Preferred Units in profits will represent more than 18% of the profits of the Operating Partnership.

(c) Company agrees that it will notify holders of Preferred Units promptly in the event it becomes aware of any facts that will or likely will cause Operating Partnership to become a PTP.

(d) Through December 31, 2000, Operating Partnership: (i) shall take all actions reasonably available to it under the Agreement of Limited Partnership as presently in effect to avoid treatment as a PTP; and (ii) shall not issue, or enter into binding agreements to issue, any Operating Partnership units to the extent such issuance would cause it to fail to satisfy the private placement safe harbor of Treasury Regulation Section 1.7704-1(h) immediately after such issuance (taking into account any person treated as a partner under Treasury Regulation Section 1.7704-1(h)(3) and substituting "80" for "100").

(e) For each taxable year, Company will promptly provide notice to the holders of the Preferred Units in the event Company or any Subsidiary of Company anticipates or realizes that less than 90% of the gross income of Operating Partnership for such taxable year will or likely will constitute "qualifying income" within the meaning of Section 7704(d) of the Code.

(f) Operating Partnership covenants that it shall deliver to holders of Preferred Units the following:

(i) as soon as available, but in no event later than five business days following the date on which Company files its annual report in respect of a fiscal year on Form 10-K, or such other applicable FORM ("FORM 10-K"), with the Securities and Exchange Commission (the "COMMISSION") (or, in the event that Operating Partnership is required under rules and regulations promulgated by the Commission to file with the Commission a Form 10-K separate from Company's Form 1O-K, five business days after the filing of such report by Operating Partnership with the Commission), a complete copy of Operating Partnership's audited financial statements for such fiscal year, including a balance sheet, income statement and cash flow statement for such fiscal year prepared and audited by an independent certified public accountant in accordance with GAAP;

(ii) as soon as available, but in no event later than five business days following the date on which Company files its quarterly report in respect of a fiscal quarter on Form 1O-Q, or such other applicable FORM ("FORM 1O-Q"), with the Commission (or, in the event the Operating Partnership is required under rules and regulations promulgated by the Commission to file with the Commission a Form 1O-Q separate from Company's Form 1O-Q, five business days after the filing of such report by Operating Partnership with the Commission), a complete copy of Operating Partnership's unaudited quarterly financial statements for such fiscal quarter including a balance sheet, income statement and cash flow statement for such fiscal quarter prepared in accordance with GAAP; and

(iii) on a quarterly basis, (as soon as possible, but in no event later than sixty (60) days following the end of each fiscal quarter of Operating Partnership and one hundred fifteen (115) days following the end of each fiscal year of Operating Partnership) a reasonable good faith written estimate of, together with reasonable supporting information of, (1) the percentage of the Operating Partnership's capital interest represented by the Preferred Units, (2) the percentage of the Operating Partnership's total profits represented by the interest of the Preferred Units in profits, (3) the percentage of the value of the Operating Partnership's assets which consist of "stock or securities" within the meaning of Section 351(e)(1) of the Code (provided that the Operating Partnership shall not be required to deliver the information required by this subparagraph 4(f)(iii)(3) after the second anniversary of the Closing), and (4) the percentage of gross income of the Operating Partnership represented by "qualifying income" within the meaning of Section 7704(d) of the Code.

(g) Provided that all other conditions to Operating Partnership's and Company's obligations set forth in this Agreement have been satisfied or properly waived, Operating Partnership covenants that

(i) it shall record LLC (or such other party as Contributor may designate prior to the Closing) as the holder of the Preferred Units on its books and records and shall admit such record holder as a limited partner to Operating Partnership on the Closing Date; and

(ii) if the Preferred Units were not issued originally to LLC, it shall permit, and the General Partner of the Operating Partnership hereby approves, the transfer of the Preferred Units to the LLC, in accordance with the Agreement of Limited Partnership, and, upon such transfer, shall record the LLC as the holder of the Preferred Units on its books and records and shall admit the LLC as a limited partner to Operating Partnership, provided that the LLC makes the representations and warranties set forth in PARAGRAPHS 7(c), 7(d), 7(e), 7(f), 7(g), 7(h), 7(i), 7(j), 7(k) AND 7(l) hereof with respect to its acquisition of the Preferred Units.

(h) Operating Partnership shall not issue any Preferred Units to any Person other than Contributor or LLC, and Company shall not issue any Preferred Shares to any Person other than a holder of Preferred Units upon exchange of such Preferred Units.

(i) Upon request of Contributor, LLC or any of their respective permitted transferees, each of the Operating Partnership and the Company agrees, upon the reasonable request of Contributor or LLC made not more than twice in any 12-month period, to deliver a certificate to Contributor, LLC or any of their respective permittted transferees bringing down the representations and warranties made by the Operating Partnership and the Company in PARAGRAPHS 8(d), 8(e), 8(f), 8(g) and 8(n) hereof, as to a date or dates requested by Contributor, LLC or any of their respective permitted transferees if and to the extent, after due inquiry, the Operating Partnership and the Company can make such representations and warranties as of such date or dates.

(j) Operating Partnership will treat the Preferred Units as equity for U.S. federal income tax purposes, unless and until such treatment is challenged by the I.R.S. and a final determination within the meaning of Section 1313(a) of the Code requires otherwise.

(k) After any exchange of Series B Preferred Units pursuant to Section 7 of Attachment 1 to the Third Amendment of the Agreement of Limited Partnership, the Company shall at all times ensure that the number of members of the Company's Board of Directors permitted pursuant to the Charter, the Bylaws and the Maryland Corporations Code, as amended, is sufficient to allow the Board of Directors to increase by two the number of members of the Board of Directors, without stockholder approval, in order to permit the holders of Preferred Shares (and shares on parity therewith) to elect two additional directors upon the occurrence of a Preferred Dividend Default in accordance with the provisions of the Articles Supplementary.

(l) The Company shall not modify, rescind or revoke the waiver by the Board of Directors of the "OWNERSHIP LIMIT" (set forth in Article Third, Section 7 of the Articles Supplementary) pursuant to resolutions of the Board of Directors dated August 31, 1999, with respect to the Contributor's or LLC's ownership of the Preferred Shares. The Company agrees not to withhold a corresponding waiver of such Ownership Limit in favor of any transferee of Contributor or LLC (or any subsequent transferee) if such transferee provides to the Company representations to the effect of Sections 7(k) and 7(l) hereof. The Company further agrees not to withhold such corresponding waiver of such Ownership Limit in favor of any transferee of Contributor or LLC (or subsequent transferee) if such transferee provides to the Company reasonable representations and undertakings, which in the sole discretion of the Company, are appropriate to establish that the ownership by such transferee will not adversely affect the Company's status as a REIT.

(m) The Company and Operating Partnership agree that in the event the Company amends its Charter so as to increase the number of shares of preferred stock that the Company is authorized to issue, the Company shall, upon the written request of the holders of a majority in interest of the Preferred Units and the Preferred Shares (counted together as a single class for the purposes of this paragraph), take such actions as are reasonably necessary (i) to reduce the $50 per Preferred Unit and $50 per Preferred Share liquidation preference to $25 per Preferred Unit and $25 per Preferred Share, (ii) to provide an appropriate and proportional increase in the number of Preferred Units and Preferred Shares issued and outstanding and (iii) to take all other steps reasonably necessary or appropriate to give effect to the foregoing adjustment and to preserve the economic value of the Preferred Units and the Preferred Shares.

5. TRANSACTION COSTS. Except as otherwise specifically set forth herein, each of the parties hereto shall bear its own costs and expenses with respect to the transaction contemplated hereby.

6. CLOSING.

(a) The closing of the transactions contemplated by this Agreement shall be consummated on September 3, 1999 or on such other date as the parties may mutually agree (the "CLOSING").

(b) At the Closing, Operating Partnership and Company shall deliver to Contributor and LLC the following documents and the following other items (the documents and other items described in this PARAGRAPH 6(b) being collectively referred to herein as the "OPERATING PARTNERSHIP'S CLOSING DOCUMENTS"):

(i) This Agreement duly executed and delivered by Operating Partnership and Company;

(ii) The Third Amendment to the Agreement of Limited Partnership, in the form attached hereto as EXHIBIT A-4, duly executed and delivered by all Persons necessary to make such amendment binding on and enforceable against all Partners in Operating Partnership;

(iii) The Articles Supplementary of the Company, in the form set forth on EXHIBIT B, duly approved, executed and delivered by the Company in a form suitable for filing in the State Department of Assessments and Taxation of Maryland, which filing shall occur no later than September 7, 1999;

(iv) The Registration Rights Agreement, substantially in the form set forth on EXHIBIT C, duly executed and delivered by Company;

(v) A Certificate of the Secretary of Company substantially in the form set forth on EXHIBIT D, together with completed exhibits attached thereto, executed by the secretary of the Company and dated as of the date of the Closing;

(vi) Cross-Receipts, substantially in the form set forth on EXHIBIT E;

(vii) An opinion Of counsel to Company and Operating Partnership substantially in the form set forth on EXHIBIT F;

(viii) Those other closing documents required to be executed by either Operating Partnership or Company or as may be otherwise necessary or appropriate to consummate the transactions contemplated hereby.

(c) At the Closing, Contributor and LLC shall deliver to Operating Partnership and Company the following documents and the following other items (the documents and other items described in this PARAGRAPH 6(C) being collectively referred to herein as the "CONTRIBUTOR'S AND LLC'S CLOSING DOCUMENTS"):

(i) Counterparts of documents listed in PARAGRAPH 6(B)(i), (ii), (iv), and (vi), duly executed and delivered by Contributor and LLC; and

(ii) Those other closing documents required to be executed by it or as may be otherwise necessary or appropriate to consummate the transactions contemplated hereby.

7. REPRESENTATIONS AND WARRANTIES OF CONTRIBUTOR AND LLC. EACH of Contributor and LLC makes the following representations and warranties as to itself to Operating Partnership and Company, all of which (except as otherwise designated) are true and correct in all material respects on the Agreement Date and shall be true and correct in all material respects as of the date of the Closing:

(a) It is duly organized and validly existing under the laws of the state of its organization and has been duly authorized by all necessary and appropriate action to enter into this Agreement and to consummate the transactions contemplated herein. The individuals executing this Agreement on its behalf have been duly authorized by all necessary and appropriate action on its behalf. This Agreement is its valid and binding obligation, enforceable against it in accordance with its terms, except insofar as enforceability may be affected by bankruptcy, insolvency or similar laws affecting creditor's rights generally and the availability of any particular equitable remedy.

(b) Neither the execution nor the delivery of this Agreement nor the consummation of the transactions contemplated hereby nor fulfillment of or compliance with the terms and conditions hereof (a) conflict with or will result in a breach of any of the terms, conditions or provisions of (i) its Governing Documents or (ii) any agreement, order, judgment, decree, arbitration award, statute, regulation or instrument to which it is a party or by which it or its assets are bound, or (b) constitutes or will constitute a breach, violation or default under any of the foregoing. No consent or approval, authorization, order, regulation or qualification of any governmental entity or any other Person is required for its execution and delivery of this Agreement and its consummation of the transactions contemplated hereby.

(c) It acknowledges that the Preferred Units have not been and will not be registered or qualified under the Securities Act or any state securities laws and are offered in reliance upon an exemption from registration under the Securities Act and similar state law exemptions. The Preferred Units to be received by LLC (or Contributor's alternate designee), and any Preferred Shares acquired in exchange therefor shall be held by LLC (or Contributor's alternate designee) for investment purposes only for its own account, and not with a view to or for sale in connection with any distribution of the Preferred Units or such Preferred Shares in violation of the Securities Act, and it acknowledges that the Preferred Units and Preferred Shares cannot be sold or otherwise disposed of by the holders thereof unless they are subsequently registered under the Securities Act or pursuant to an exemption therefrom; and the Preferred Units may not be sold, assigned or otherwise transferred except in compliance with the Agreement of Limited Partnership. It hereby acknowledges receipt of a copy of the Agreement of Limited Partnership, as amended to the date hereof, and represents that it has reviewed same and understands the provisions thereof which have a bearing on the representations made in this PARAGRAPH 7(c).

(d) It has no contract, understanding, agreement or arrangement with any Person or entity to sell, transfer or grant a participation to such Person or entity or any other Person or entity, with respect to any or all of the Preferred Units it may receive in accordance with the provisions hereof or any Preferred Shares to be acquired in exchange therefor, other than the transfer of Preferred Units to LLC if the Preferred Units are not originally issued to LLC.

(e) It is an "accredited investor" within the meaning of Regulation D under the Securities Act and has knowledge and experience in financial and business matters such that it is capable of evaluating the merits and risks of receiving and owning the Preferred Units, and it is able to bear the economic risk of such ownership and understands that an investment in Preferred Units involves substantial risks.

(f) No part of the funds to be used by Contributor to purchase the Preferred Units constitutes "plan assets", as defined in Department of Labor Regulation Section 2510.3-101 (29 C.F.R. 2510.3-101), of any "employee benefit plan", as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or individual retirement account or plan which is subject to Section 4975 of the Code (collectively, a "BENEFIT PLAN"') or of any account or entity whose underlying assets constitute "plan assets" of a Benefit Plan by reason of the Benefit Plan's investment in the account or entity.

(g) In making this investment, it is relying upon the advice of its own personal, legal and tax advisors with respect to the tax and other aspects of an investment in Operating Partnership.

(h) There has been made available to it and its advisors the opportunity to ask questions of, and receive answers from, Operating Partnership and Company concerning the terms and conditions of the investment in the Preferred Units, and to obtain Company's SEC Reports on Form 1O-K for the year ended December 31, 1998 and on Form 1O-Q for the quarters ended March 31, 1999 and June 30, 1999, filed with the Securities and Exchange Commission, the Agreement of Limited Partnership, and any additional information, to the extent that any of them possess such information, or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information given to it, or to otherwise make an informed investment decision, and that it has had an opportunity to consult with counsel and other advisors about the investment in the Preferred Units, and that all material documents, records and books pertaining to such investment have, on request, been made available to it and its advisors. It has reviewed the SEC Reports referenced above, and any other documents filed by Company since December 31, 1998 in accordance with the requirements of the Exchange Act of, including any business plans or strategies of Company or of Operating Partnership set forth therein.

(i) Neither it nor any of its advisors is aware of or has engaged in any form of general solicitation or advertising with respect to sales of the Preferred Units, including (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio; and (ii) any seminar or meeting whose attendees were invited by any general solicitation or general advertising.

(j) A principal purpose of using Contributor or LLC to invest in the Operating Partnership was not to permit the Operating Partnership to satisfy the 100 partner limitation set forth in Treasury Regulations ss. 1.7704-1(h)(1)(ii).

(k) If the Preferred Shares were issued instead of or in exchange for the Preferred Units, no "individual" who Beneficially Owns an interest in the Contributor or LLC would Beneficially Own, by reason of its ownership interest in the Contributor or LLC or otherwise, more than 7.0% of the value of the outstanding stock of the Company. For this purpose, "individual" has the meaning provided in Section 542(a)(2) of the Code as modified by Section 856(h)(3) of the Code and "Beneficially Owns" means direct, indirect or constructive ownership through the application of Section 544 of the Code, as modified by Section 856(h) of the Code.

(l) If the Preferred Shares were issued instead of or in exchange for the Preferred Units, none of the Contributor, LLC or any Person that Constructively Owns Preferred Shares would own stock of the Company that would cause the Company to fail to satisfy any of the gross income requirements of Section 856 of the Code. For this purpose, "Constructively Owns" means direct, indirect or constructive ownership through the application of Section 318 of the Code, as modified by Section 856(d)(5) of the Code.

It hereby expressly permits Stroock & Stroock & Lavan LLP, as counsel to Company and Operating Partnership, to rely upon the representations and warranties set forth above as if such representations and warranties were made by it directly to Stroock & Stroock & Lavan LLP.

8. REPRESENTATIONS AND WARRANTIES OF OPERATING PARTNERSHIP AND COMPANY. Operating Partnership and Company make the following representations and warranties to Contributor and LLC, all of which (except as otherwise designated) are true and correct in all material respects on the Agreement Date and shall be true and correct in all material respects as of the date of the Closing:

(a) Operating Partnership is duly organized and validly existing under the laws of the state of its organization and is duly registered and qualified to do business in each jurisdiction where such registration or qualification is material to the transactions contemplated hereby or to the conduct of its business and has been duly authorized by all necessary and appropriate action to enter into this Agreement, the Registration Rights Agreement and the Agreement of Limited Partnership, to issue, sell and deliver the Preferred Units in accordance with the Agreement of Limited Partnership and to consummate the transactions contemplated herein, and the individuals executing this Agreement on behalf of Operating Partnership have been duly authorized by all necessary and appropriate action on behalf of Operating Partnership. This Agreement is a valid and binding obligation of Operating Partnership, enforceable against Operating Partnership in accordance with its terms, except insofar as enforceability may be affected by bankruptcy, insolvency or similar laws affecting creditor's rights generally and the availability of any particular equitable remedy.

(b) Company is duly organized and validly existing under the laws of the state of its organization and is duly registered and qualified to do business in each jurisdiction where such registration or qualification is material to the transactions contemplated herein or to the conduct of its business and has been duly authorized by all necessary and appropriate action to enter into this Agreement, the Agreement of Limited Partnership and the Registration Rights Agreement, to issue and deliver, upon exchange of the Preferred Units in accordance with the Agreement of Limited Partnership, the Preferred Shares and to consummate the transactions contemplated herein, and the individuals executing this Agreement on behalf of Company have been duly authorized by all necessary and appropriate action on behalf of Company. This Agreement is a valid and binding obligation of Company, enforceable against Company in accordance with its terms, except insofar as enforceability may be affected by bankruptcy, insolvency or similar laws affecting creditor's rights generally and the availability of any particular equitable remedy. Notwithstanding anything to the contrary in this Agreement, Company shall not be obligated to issue Preferred Shares in violation of the provisions on stock ownership limitations set forth in the Charter or the Agreement of Limited Partnership.

(c) Neither the execution nor the delivery of this Agreement nor the consummation of the transactions contemplated hereby nor fulfillment of or compliance with the terms and conditions hereof (a) conflict with or will result in a breach of any of the terms, conditions or provisions of (i) the Governing Documents of Company or Operating Partnership or any of its general partners or (ii) any agreement, order, judgment, decree, arbitration award, statute, regulation or instrument to which Company or Operating Partnership is a party or by which it or its assets are bound, or (b) constitutes or will constitute a breach, violation or default under any of the foregoing. The Company and the Operating Partnership have obtained all necessary consents, approvals, authorizations, orders, registrations and qualifications of any governmental entity or any other Person required for the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by Operating Partnership or Company.

(d) Immediately following the issuance of the Preferred Units pursuant to this Agreement, (i) less than 8% of the value, which shall be the fair market value of such assets as determined in accordance with Code ss. 856(c)(5)(A), of the Operating Partnership's assets will consist of "stock and securities" within the meaning of Section 351(e)(1) of the Code, and Operating Partnership has no present plan to increase the amount of its assets constituting "stock and securities" to a percentage equal to or greater than 10%, (ii) the Preferred Units will represent less than 13% of the capital interest in the Operating Partnership and Operating Partnership has no present plan to take any action that would cause the Preferred Units to represent more than 13% of the capital interest in the Operating Partnership, and (iii) the interest of the Preferred Units in profits will represent less than 13% of the profits of the Operating Partnership and the Operating Partnership has no present plan to take any action that would cause the interest of the Preferred Units in profits to represent

more than 13% of the profits of the Operating Partnership. For the purposes of this representation, Excluded Cash shall not be treated as "stock and securities" within the meaning of Section 351(e)(1) of the Code. Excluded Cash means the portion of the amount of cash received by the Operating Partnership pursuant to this transaction from Contributor that will be used by the Operating Partnership to repay outstanding indebtedness within fifteen (15) days of Closing.

(e) Operating Partnership is and has been since its organization treated as a partnership for federal income tax purposes and has no present plan or intention to take any action to be treated other than as a partnership. Operating Partnership has not been and is not presently a PTP.

(f) Neither the Company nor any Subsidiary of Company has any present plan or intention, and neither the Company nor any Subsidiary of Company has any actual knowledge of any present plan or intention of any Partner in Operating Partnership, to take any action or actions that would or likely would result in Operating Partnership becoming a PTP in the foreseeable future. Neither Company nor any Subsidiary of Company has actual knowledge of facts that reasonably would cause it to expect that Operating Partnership would or likely would become a PTP in the foreseeable future.

(g) The Company has properly elected to be taxed as a real estate investment trust ("REIT") under and in accordance with Sections 856 to 860 of the Code, has qualified for taxation as a REIT for all taxable years ending on or prior to December 31, 1998 and has no present plan or intention or knowledge of facts that likely would cause it to fail to qualify for taxation as a REIT in the foreseeable future.

(h) The Preferred Units have been duly authorized and upon contribution of the Contribution Amount to the Operating Partnership will be validly issued, fully paid and, to the extent permitted by the Revised Uniform Limited Partnership Act of the State of Delaware, non-assessable. Attached hereto as part of Exhibit D is a true and complete copy of the Agreement of Limited Partnership. The Agreement of Limited Partnership has not been amended, superseded or revoked and is in full force and effect on the date hereof.

(i) The Preferred Shares issuable upon exchange of the Preferred Units in accordance with the Agreement of Limited Partnership have been duly and validly reserved for issuance, and upon issuance in accordance with this Agreement, the Agreement of Limited Partnership and the Charter, shall be duly and validly issued, fully paid and non-assessable.

(j) Neither the issuance, sale or delivery of the Preferred Units nor, upon exchange, the issuance and delivery of the Preferred Shares, is subject to any preemptive right of any Partner of Operating Partnership arising under applicable law or the Agreement of Limited Partnership or any stockholder of Company arising under applicable law or the Charter or Bylaws of Company, or to any contractual right of first refusal or other right in favor of any Person, except such rights as have been effectively waived by the holder thereof in connection with this transaction. With the exception of the Charter and the Agreement of Limited Partnership, there are no agreements or understandings in effect restricting the voting rights, the distribution rights or any other rights or privileges of the holders of the Preferred Units, or upon exchange, the Preferred Shares.

(k) There is no action, suit, proceeding or investigation pending or, to Operating Partnership's and Company's knowledge, currently threatened against Operating Partnership or Company or any Subsidiary of either that questions the validity of this Agreement or the right of Operating Partnership or Company to enter into this Agreement, to consummate the transactions contemplated herein, or that would reasonably be expected to, either individually or in the aggregate, have a material adverse affect on the business, capitalization, operations, properties or condition (financial or otherwise) of Operating Partnership or Company or any Subsidiary of either, or result in any change in the current equity ownership of Operating Partnership or Company or any Subsidiary of either, nor is Company or Operating Partnership aware that there is any basis for the foregoing.

(l) Neither Operating Partnership nor Company nor any Subsidiary of either is in conflict with, or in default or violation of, (i) any law, rule, regulation, order, judgment or decree applicable to it or by which any of its properties or assets is bound or affected, or (ii) any note, bond, mortgage, indenture or obligation to which it is a party or by which Operating Partnership or Company or any Subsidiary of either or any property or asset of Company or Operating Partnership or any Subsidiary of either is bound or affected, except for any such conflicts, defaults or violations that would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on the business, operations, properties or condition (financial or otherwise) of Operating Partnership or Company or any Subsidiary of either.

(m) Operating Partnership and Company hereby consent to any pledge and release of such pledge of the Preferred Units and to any pledge and release of such pledge of any Preferred Shares into which such Preferred Units are exchanged, to secure the obligations of Contributor or LLC, so long as the pledge and exercise of remedies thereunder shall be subject in all respects to the provisions of the Agreement of Limited Partnership.

(n) For all taxable years ending on or prior to December 31, 1998, 90% or more of Operating Partnership's gross income constituted "qualifying income" within the meaning of Code Section 7704(d). Neither the Company nor the Operating Partnership has taken or has any present plan or intention to take any action that will result in 90% or more of the Operating Partnership's gross income not constituting "qualifying income" within the meaning of Code Section 7704(d) for taxable years ending after December 31, 1998.

(o) All effective registration statements, reports, proxy statements or information statements filed by either of the Company and Operating Partnership with the Commission since December 31, 1998 (collectively, THE "SEC REPORTS"), when they became effective or were filed with the Commission, as they

case may be, conformed in all material respects to the requirements of the Securities Act, or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(p) The Company, Operating Partnership and their respective Affiliates have good and marketable title to all real property and good and marketable title to all personal property identified in the SEC Reports as being owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the SEC Reports or such as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company, the Operating Partnership and their respective Affiliates; and all real property and buildings held under lease by the Company, the Operating Partnership and their respective Affiliates are held by them under valid, subsisting and enforceable leases, with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company, the Operating Partnership and their respective Affiliates.

(q) As of December 31, 1998, the entire authorized capital stock of the Company consists of 5,000,000 shares of preferred stock, of which 1,000,000 shares were issued and outstanding, and 50,000,000 shares of common stock, of which 15,607,760 shares were issued and outstanding. Since December 31, 1998, there has been no material change in the authorized, issued or outstanding shares of capital stock of the Company and no shares have been redeemed or converted into treasury shares, except as follows: (i) 123,683 shares have been issued pursuant to the Company's Dividend Reinvestment Plan; (ii) Partnership Units have been converted into 66,500 shares; options to purchase 2,300 shares have been exercised; and 1,030 shares have been issued pursuant to the Employee Stock Purchase Plan. Except as described in the Company's annual report on Form 10-K for the year ended December 31, 1998, as of the date thereof there were no outstanding or authorized options, warrants, rights, contracts, rights to subscribe, conversion rights or other agreements or commitments to which the Company is a party or which were binding upon the Company providing for the issuance or acquisition of any of the Company's capital stock. Except as set forth above, no options, warrants, rights, contracts, rights to subscribe, conversion rights or other such agreements or commitments have been issued since December 31, 1998. Except as described in the Company's annual report on Form 10-K for the year ended December 31, 1998, there are no outstanding or authorized stock appreciation, phantom stock or similar rights with respect to the Company. Except for the Company's 8 3/8% Series A Cumulative Redeemable Preferred Stock, no securities of the Company are pari passu or senior in right to the Series B Preferred Shares as to payment of dividends and liquidation preference. Neither the Company nor the Operating Partnership has issued any Series B Preferred Units or Series B Preferred Shares to any Person.

Operating Partnership and Company hereby expressly permit Gibson, Dunn & Crutcher LLP, as counsel to Contributor and LLC, Latham & Watkins, special counsel to certain members of the LLC, and Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to a special committee of the Board of Directors of Contributor, to rely upon the representations and warranties set forth in this PARAGRAPH 8 as if such representations and warranties were made by Operating Partnership and Company directly to Gibson, Dunn & Crutcher LLP, Latham & Watkins and Skadden, Arps, Slate, Meagher & Flom LLP.

9. SURVIVAL OF REPRESENTATIONS AND WARRANTIES. THE representations and warranties set forth in PARAGRAPHS 7 AND 8 shall survive the Closing.

10. BROKERS. Each party represents and warrants to the other that it has dealt with no broker, finder or other person (collectively, "BROKE") with respect to this Agreement or the transactions contemplated hereby and that no Broker is entitled to a commission as a result of this transaction, except for Goldman, Sachs & Co. and Merrill Lynch & Co., whose commissions will be paid by Operating Partnership and/or the Company. Each of (a) Operating Partnership and Company, severally and not jointly, on the one hand, and (b) Contributor on the other hand, agree to indemnify and hold harmless the other party against any loss, liability, damage, expense or claim incurred by reason of any brokerage commission or finder's fee alleged to be payable because of any act, omission or statement of the indemnifying party. Such indemnity obligation shall be deemed to include the payment of reasonable attorney's fees and court costs incurred in defending any such claim. The provisions of this PARAGRAPH 10 shall survive the Closing.

11. COMPLETE AGREEMENT. This Agreement (including the agreements attached as exhibits hereto) represents the entire agreement between Contributor, LLC, Operating Partnership and Company covering everything agreed upon or understood in this transaction and all other prior agreements, written or oral, including any prior subscription agreements or letters, are merged into this Agreement. There are no oral promises, conditions, representations, understandings, interpretations or terms of any kind as conditions or inducements to the execution hereof in effect between the parties. No change or addition shall be made to this Agreement except by a written agreement executed by Contributor, LLC, Operating Partnership and Company.

12. AUTHORIZED SIGNATORIES. The Persons executing this Agreement for and on behalf of Contributor, LLC, Operating Partnership and Company each represent that they have the requisite authority to bind the entities on whose behalf they are signing.

13. 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.

14. MISCELLANEOUS.

(a) GOVERNING LAW. This Agreement shall be interpreted and enforced

according to the laws of the State of Delaware.

(b) HEADINGS; SECTIONS. All headings and sections of this Agreement are inserted for convenience only and do not form part of this Agreement or limit, expand or otherwise alter the meaning of any provisions hereof.

(c) COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Facsimile signatures shall be deemed effective execution of this Agreement and may be relied upon as such by the other party. In the event facsimile signatures are delivered, originals of such signatures shall be delivered to the other party within three (3) business days after execution.

(d) NO BENEFIT FOR THIRD Parties. Except as set forth in the last paragraph of Sections 7 and 8 hereof, the provisions of this Agreement are intended to be for the sole benefit of the parties hereto and their respective successors and permitted assigns, which shall be entitled to rely upon all representations, warranties and agreements of Company and Operating Partnership hereunder, as if made to it, and upon all of Operating Partnership's Closing Documents, as if addressed to it. In addition, the legal opinions delivered pursuant to Section 6(b)(vii) hereof shall be addressed and delivered to LLC in addition to being addressed and delivered to Contributor. None of the provisions of this Agreement are intended to be, nor shall they be construed to be, for the benefit of any third party.

(e) RIGHTS AND OBLIGATIONS. The rights and obligations of Contributor, LLC, Operating Partnership and Company shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns in accordance with the provisions of Article II of the Agreement of Limited Partnership and Amendment No. 3 thereto in the form attached hereto as Exhibit A-4.

(f) LIMITATION OF LIABILITY. The liability of Contributor and LLC hereunder shall be limited to the Contribution Amount.

15. NOTICES. All notices and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if personally delivered, delivered by nationally recognized overnight courier with proof of delivery thereof, sent by United States registered or certified mail (postage prepaid, return receipt requested) addressed as hereinafter provided or via telephonic facsimile transmission with proof of delivery in the form of a telecopier's transmission confirmation report. Notice shall be sent and deemed given when (a) if personally delivered or via nationally recognized overnight courier, then upon receipt by the receiving party, or (b) if mailed, then three (3) days after being postmarked, or (c) if sent via telephonic facsimile transmission, then at the time set forth in the telecopier's transmission confirmation report.

Any party listed below may change its address hereunder by notice to the other party listed below. Until further notice, notice and other communications hereunder shall be addressed to the parties listed below as follows:

If to Contributor:	The Times Mirror Company 220 West First Street, 6th Floor Los Angeles, CA 90012 Attn: William E. Niese Fax: 213-237-7696
With a copy to:	Gibson, Dunn & Crutcher LLP 333 South Grand Avenue Los Angeles, CA 90071-3197 Attn: Peter F. Ziegler, Esq. Fax: 213-229-6595
If to LLC:	TMCT II, LLC c/o The Times Mirror Company, its Managing Member 220 West First Street, 6th Floor Los Angeles, CA 90012 Attn: William E. Niese Fax: 213-237-7696
With a copy to:	Gibson, Dunn & Crutcher LLP 333 South Grand Avenue Los Angeles, CA 90071-3197 Attn: Peter F. Ziegler, Esq. Fax: 213-229-6595
If to Operating Partnership or Company:	103 Eisenhower Parkway Roseland, NJ 07068 Attention: President
With a copy to:	Martin H. Neidell, Esq. Stroock & Stroock & Lavan LLP 180 Maiden Lane New York, NY 10038-4982

16. PRESS RELEASES. Each of Contributor and LLC, on the one hand, and Operating Partnership and Company, on the other hand, agrees that such parties will not issue any press release, advertisement or other public communication with respect to this Agreement or transaction contemplated therein without the prior consent of the other party hereto if such press release names or otherwise identifies such other parties hereto (except to the extent such communication is required by applicable law or by the New York Stock Exchange Rules). No prior consent of the other parties hereto shall be required with respect to any press release, advertisement or other public communication issued by Contributor and LLC, on the one hand, and Operating Partnership and Company, on the other hand,

which does not name or otherwise identify the other parties hereto.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day first written above.

CONTRIBUTOR:

THE TIMES MIRROR COMPANY

By: ----------

Name: ----------

Title: ----------

LLC:

TMCT II, LLC

By: The Times Mirror Company,
Its Managing Member

By: ----------

Name: ----------

Title: ----------

COMPANY

CHELSEA GCA REALTY, INC., a Maryland corporation

By: ----------

Name: ----------

Title: ----------

OPERATING PARTNERSHIP

CHELSEA GCA REALTY PARTNERSHIP, L.P., a Delaware limited partnership

By: CHELSEA GCA REALTY, INC., its
General Partner

By: ----------

Name: ----------

Title: ----------

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement Form S-3 (No. 333-36487) of Chelsea GCA Realty, Inc. and Chelsea GCA Realty Partnership, L.P. and in the related Prospectus of our report dated February 2, 2000, with respect to the consolidated financial statements and schedule of Chelsea GCA Realty Partnership, L.P. included in this Annual Report (Form 10-K) for the year ended December 31, 1999.

Ernst & Young LLP

New York, New York
March 9, 2000

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DEC-31-1999
JAN-01-1999
DEC-31-1999
8,862
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848,813
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224,649
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379,857
806,055
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24,208
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47,556
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47,556
2.17
2.17