

FUNDS FROM OPERATIONS
(dollars in thousands, except per share amounts)

	<u>Three Months Ended 6/30/10</u>	<u>Three Months Ended 6/30/09</u>	<u>Six Months Ended 6/30/10</u>	<u>Six Months Ended 6/30/09</u>
Net income available to common stockholders	\$ 24,985	\$ 26,497	\$ 49,127	\$ 50,518
Depreciation and amortization:				
Continuing operations	23,524	22,782	46,755	45,529
Discontinued operations	21	219	81	464
Depreciation of furniture, fixtures & equipment	(76)	(79)	(154)	(160)
Gain on sales of investment properties:				
Continuing operations	(468)	--	(468)	--
Discontinued operations	<u>(1,195)</u>	<u>(2,239)</u>	<u>(1,898)</u>	<u>(2,436)</u>
Funds from operations available to common stockholders	<u>\$ 46,791</u>	<u>\$ 47,180</u>	<u>\$ 93,443</u>	<u>\$ 93,915</u>
FFO per common share, basic and diluted	\$ 0.45	\$ 0.46	\$ 0.90	\$ 0.91
Dividends paid to common stockholders	\$ 44,910	\$ 44,464	\$ 89,674	\$ 88,826
FFO in excess of dividends paid to common stockholders	\$ 1,881	\$ 2,716	\$ 3,769	\$ 5,089
Weighted average number of common shares used for computation per share:				
Basic	103,612,454	103,446,949	103,653,250	103,475,185
Diluted	103,765,828	103,450,457	103,778,609	103,479,897

We define FFO, a non-GAAP measure, consistent with the National Association of Real Estate Investment Trust's definition, as net income available to common stockholders, plus depreciation and amortization of real estate assets reduced by gains on sales of investment properties and extraordinary items.

ADJUSTED FUNDS FROM OPERATIONS (AFFO)
(dollars in thousands, except per share amounts)

Most companies in our industry use a similar measurement, but they may use the term "CAD" (for Cash Available for Distribution) or "FAD" (for Funds Available for Distribution). AFFO further adjusts FFO by adding back non-cash items that reduce net income in accordance with GAAP, and deducting such items as capitalized expenditures and straight-line rent revenue.

	<u>Three Months Ended 6/30/10</u>	<u>Three Months Ended 6/30/09</u>	<u>Six Months Ended 6/30/10</u>	<u>Six Months Ended 6/30/09</u>
Net income available to common stockholders	\$ 24,985	\$ 26,497	\$ 49,127	\$ 50,518
Cumulative adjustments to calculate FFO ⁽¹⁾	<u>21,806</u>	<u>20,683</u>	<u>44,316</u>	<u>43,397</u>
FFO available to common stockholders	46,791	47,180	93,443	93,915
Amortization of share-based compensation	1,715	1,342	3,476	2,739
Amortization of deferred note financing costs ⁽²⁾	343	341	683	681
Provisions for impairment	53	--	87	311
Capitalized leasing costs and commissions	(343)	(204)	(636)	(610)
Capitalized building improvements	(324)	(400)	(966)	(840)
Straight-line rent revenue ⁽³⁾	<u>(505)</u>	<u>(316)</u>	<u>(743)</u>	<u>(577)</u>
Total AFFO available to common stockholders	<u>\$ 47,730</u>	<u>\$ 47,943</u>	<u>\$ 95,344</u>	<u>\$ 95,619</u>
AFFO per common share, basic and diluted	\$ 0.46	\$ 0.46	\$ 0.92	\$ 0.92
Dividends paid to common stockholders	\$ 44,910	\$ 44,464	\$ 89,674	\$ 88,826
AFFO in excess of distributions paid to common stockholders	\$ 2,820	\$ 3,479	\$ 5,670	\$ 6,793

⁽¹⁾ See FFO calculation above for reconciling items.

⁽²⁾ Amortization of deferred note financing costs includes the amortization of costs incurred and capitalized when our notes were issued in January 1999, March 2003, November 2003, March 2005, September 2005, September 2006, September 2007 and June 2010. These costs are being amortized over the lives of these notes. No costs associated with our credit facility agreements or annual fees paid to credit rating agencies have been included.

⁽³⁾ A negative amount indicates that our straight-line rent revenue was greater than our actual cash rent collected.