

Meritage Properties and GoldenTree InSite Partners Purchase Office Building in North Bethesda's Rock Spring Park

New York, N.Y., November 14, 2006 - Meritage Properties and GoldenTree InSite Partners announced today that they have formed a partnership to acquire an office building in North Bethesda's Rock Spring Park, one of the premier office parks in Southern Maryland. Financial details of the transaction were not disclosed. The seller was AEW on behalf of an institutional client.

The building is located at 10401 Fernwood Road and contains 235,000 square feet of office space, two-thirds of which are leased to the National Institutes of Health. 10401 Fernwood offers direct access to Interstate 270 and the Beltway and is also benefiting from a park-wide renovation currently underway that includes an expansive water feature, new parking garage and renovated landscaping.

Lincoln Property Company will handle the property's leasing and management. The property currently has a full floor with 57,000 square feet of contiguous office space available for lease, offering prospective tenants the unique opportunity to lease the entire floor, or to subdivide the space into units as small as 10,000 square feet.

"We really like the North Bethesda story," said Andy Nathan, Principal of Meritage Properties. "The submarket benefits from a superior amenities base, excellent access to DC and Montgomery County and proximity to all 3 area airports. As downtown DC rents soar, we believe 10401 Fernwood provides tenants with an unparalleled value and location."

Added Rob Vahradian, Managing Director of GoldenTree InSite Partners, "We are excited to partner with Meritage Properties. They are a very strong office investor and operator with a good nose for value. My partner, Tom Shapiro, and Meritage's Principal, Andy Nathan, were partners together at Tishman Speyer for 17 years. The National Institutes of Health is obviously a great credit anchoring the building and we like the fact that NIH has adopted Rock Spring Park as its northern campus."

ABOUT MERITAGE PROPERTIES

Meritage/Oppenheimer Real Estate Value Partners I LP and Meritage/Oppenheimer Real Estate Value Partners II LP are real estate funds formed in 2004 and 2006, respectively, to conduct all investment activities on behalf of Meritage Properties (www.meritageprop.com). The Funds' focus is the acquisition, ownership, improvement and repositioning of a portfolio of properties located primarily in the northeast corridor, from Boston to Washington, DC. Meritage Properties performs all asset management services for properties owned by MVP and its affiliates, including 10401 Fernwood Road. Over the past three years, Meritage Properties affiliates have acquired interests in sixteen properties throughout the Northeast valued at more than \$380 million.

ABOUT GOLDENTREE INSITE PARTNERS

GoldenTree InSite Partners is an international real estate investment firm headquartered in New York City. The firm was formed in March 2005 as a joint venture between founding partners Tom Shapiro, Joshua Pristaw, Robert Vahradian and Patrick Goulding, and GoldenTree Asset Management. GoldenTree InSite Partners pursues value-added real estate opportunities through direct equity investment and mezzanine lending activities. To date, the firm has committed capital to residential, retail, industrial, office, hotel and mixed-use projects. GoldenTree Asset Management, with offices in New York, London and Los Angeles, manages a variety of absolute return strategies, which invest in bank debt, high yield bonds, distressed debt, middle market loans, equities and real estate. GoldenTree manages approximately \$7 billion of which \$5.3 billion are absolute return assets.

ABOUT AEW CAPITAL MANAGEMENT, L.P.

Founded in 1981, AEW Capital Management, L.P. (AEW) provides real estate investment management services to investors worldwide. Currently, AEW and its affiliates manage over \$34 billion of gross real estate assets and securities on behalf of many of the world's leading institutional and private investors. The firm actively manages portfolios in both the public and private property markets and across the risk/return spectrum. Headquartered in Boston, AEW also has offices in Los Angeles, London and Singapore, as well as affiliate offices in Paris and nine other European cities. To learn more about AEW, please visit www.aew.com.