

BioMed Realty Trust Inc  
Form 8-K/A  
July 13, 2005

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**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K/A**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **May 31, 2005**

**BioMed Realty Trust, Inc.**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or Other Jurisdiction of  
Incorporation)

**1-32261**  
(Commission File No.)

**20-1142292**  
(I.R.S. Employer  
Identification No.)

**17140 Bernardo Center Drive, Suite 222  
San Diego, California 92128**

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(858) 485-9840**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## Edgar Filing: BioMed Realty Trust Inc - Form 8-K/A

This Current Report on Form 8-K/A amends the report on Form 8-K of BioMed Realty Trust, Inc. ( BioMed ), dated June 3, 2005, to provide certain financial information required by Items 9.01(a) and (b) in connection with the acquisition, through the Company s operating partnership subsidiary, BioMed Realty, L.P. (the Operating Partnership ), of (1) a portfolio of eight properties including one parking structure in Cambridge, Massachusetts, and an additional property in Lebanon, New Hampshire (collectively, the Lyme Portfolio ) from The Lyme Timber Company, an affiliate of Lyme Properties and (2) eight additional properties (other than the Lyme Portfolio) acquired by BioMed since December 31, 2004.

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EXHIBIT 23.1

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**Item 8.01 Other Events.**

BioMed acquired eight properties, in addition to the Lyme Portfolio, from December 31, 2004 through May 31, 2005. BioMed is including the financial statements of a majority of these properties in this Current Report on Form 8-K/A to satisfy the requirements of Rule 3-14 of Regulation S-X of the Securities and Exchange Commission that relate to the acquisition of one or more properties which in the aggregate are significant to the registrant. None of the properties described below are individually significant according to Rule 3-14. Because changes will likely occur in occupancy, rents and expenses experienced by BioMed and the acquired properties, the historical financial statements and pro forma financial data presented should not be considered as a projection of future results.

On March 1, 2005, BioMed, through the Operating Partnership, invested approximately \$5.1 million in a majority owned joint venture that purchased a building located on Waples Street in San Diego, California, and anticipates expanding and improving the building to reposition it as laboratory space. BioMed has entered into an agreement with its joint venture partner, which will be responsible for construction, leasing and management of the property.

On March 16, 2005, BioMed, through the Operating Partnership, completed the acquisition of the third building on its Bridgeview property in Hayward, California for cash consideration of approximately \$16.2 million. The purchase price was funded with borrowings under BioMed's then existing revolving credit facility.

On March 17, 2005, BioMed, through the Operating Partnership, completed the acquisition of a building located on Graphics Drive in Ewing, New Jersey for cash consideration of approximately \$7.7 million. The purchase price was funded with borrowings under BioMed's then existing revolving credit facility and cash on hand.

On April 5, 2005, BioMed, through the Operating Partnership, completed the acquisition of Fresh Pond Research Park located in Cambridge, Massachusetts for cash consideration of approximately \$20.7 million. The purchase price was funded with borrowings under BioMed's then existing revolving credit facility.

On April 5, 2005, BioMed, through the Operating Partnership, completed the acquisition of a property on Coolidge Avenue located in the Boston area in Watertown, Massachusetts for cash consideration of approximately \$10.8 million. The purchase price was funded with borrowings under BioMed's then existing revolving credit facility.

On April 5, 2005, BioMed, through the Operating Partnership, completed the acquisition of a property located on Phoenixville Pike in Malvern, Pennsylvania for cash consideration of approximately \$13.0 million. The purchase price was funded with borrowings under BioMed's then existing revolving credit facility and cash on hand.

On April 21, 2005, BioMed, through the Operating Partnership, completed the acquisition of a property located on Nancy Ridge Drive in San Diego for cash consideration of approximately \$5.8 million and the assumption of approximately \$7.0 million in debt. The cash portion of the purchase price was funded with borrowings under BioMed's then existing revolving credit facility.

On May 27, 2005, BioMed, through the Operating Partnership, completed the acquisition of a property located at Dumbarton Circle in Fremont, California for cash consideration of approximately \$6.2 million. The purchase price was funded with borrowings under BioMed's then existing revolving credit facility.

**Item 9.01 Financial Statements and Exhibits.**

(a) Financial Statements of Businesses Acquired Under Rule 3-14 of Regulation S-X.

Lyme Portfolio:

Independent Auditors Report

Combined Statements of Revenues and Certain Expenses for the three months ended March 31, 2005 (unaudited) and year ended December 31, 2004

Notes to Combined Statements of Revenues and Certain Expenses

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Bridgeview II:

Independent Auditors Report

Statements of Revenues and Certain Expenses for the period from January 1, 2005 through March 15, 2005 (unaudited) and year ended December 31, 2004

Notes to Statements of Revenues and Certain Expenses

Nancy Ridge:

Independent Auditors Report

Statements of Revenues and Certain Expenses for the three months ended March 31, 2005 (unaudited) and year ended December 31, 2004

Notes to Statements of Revenues and Certain Expenses

Graphics Drive:

Independent Auditors Report

Statements of Revenues and Certain Expenses for period from January 1, 2005 through March 16, 2005 (unaudited) and year ended December 31, 2004

Notes to Statements of Revenues and Certain Expenses

Phoenixville:

Independent Auditors Report

Statements of Revenues and Certain Expenses for the three months ended March 31, 2005 (unaudited) and year ended December 31, 2004

Notes to Statements of Revenues and Certain Expenses

(b) Unaudited Pro Forma Consolidated Financial Statements.

Pro Forma Consolidated Balance Sheet as of March 31, 2005

Pro Forma Consolidated Statement of Income for the three months ended March 31, 2005

Pro Forma Consolidated Statement of Income for the year ended December 31, 2004

Notes to Pro Forma Consolidated Balance Sheet and Statements of Income

(c) The following exhibits are filed herewith:

**Exhibit**

**Number**

**Description of Exhibit**

10.1	Secured Term Loan Agreement, dated as of May 31, 2005, by and among BioMed Realty, L.P., KeyBank National Association, as Administrative Agent, and certain lenders party thereto.(1)
10.2	Form of Secured Term Loan Note.(1)
10.3	Unsecured Credit Agreement, dated as of May 31, 2005, by and among BioMed Realty, L.P., KeyBank National Association, as Administrative Agent, and certain lenders party thereto.(1)
10.4	Form of Line Note under Unsecured Credit Agreement.(1)
10.5	Form of Term Note under Unsecured Credit Agreement.(1)
10.6	Assumption, Consent and Loan Modification Agreement, dated as of May 31, 2005, by and among KS Parcel D, LLC, The Lyme Timber Company, BioMed Realty Trust, Inc., BMR 500 Kendall Street LLC and The Variable Annuity Life Insurance Company.(1)
10.7	Promissory Note, dated as of November 21, 2003, to The Variable Annuity Life Insurance Company.(1)
10.8	Mortgage, Security Agreement, Fixture Filing, Financing Statement and Assignment of Leases and Rents, dated as of November 21, 2003, in favor of The Variable Annuity Life Insurance Company.(1)

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- 10.9 Lease, dated as of August 28, 2000, by and between Kendall Square, LLC and Genzyme Corporation.(1)
- 10.10 First Amendment to Lease, dated as of August 1, 2003, by and between Kendall Square, LLC and Genzyme Corporation.(1)
- 10.11 Lease, dated as of January 18, 2001, by and between Kendall Square, LLC and Vertex Pharmaceuticals Incorporated.(1)
- 10.12 First Amendment to Lease, dated as of May 9, 2002, by and between Kendall Square, LLC and Vertex Pharmaceuticals Incorporated.(1)
- 10.13 Second Amendment to Lease, dated as of September 16, 2003, by and between KS Parcel A, LLC, as successor to Kendall Square, LLC, and Vertex Pharmaceuticals Incorporated.(1)
- 10.14 Third Amendment to Lease, dated as of December 22, 2003, by and between KS Parcel A, LLC, as successor to Kendall Square, LLC, and Vertex Pharmaceuticals Incorporated.(1)
- 10.15 Fourth Amendment to Lease, dated as of September 30, 2004, by and between KS Parcel A, LLC, as successor to Kendall Square, LLC, and Vertex Pharmaceuticals Incorporated.(1)
- 10.16 Fifth Amendment to Lease, dated as of April 15, 2005, by and between KS Parcel A, LLC, as successor to Kendall Square, LLC, and Vertex Pharmaceuticals Incorporated.(1)
- 10.17 Lease, dated as of September 17, 1999, by and between Trustees of Fort Washington Realty Trust and Vertex Pharmaceuticals Incorporated.(1)
- 10.18 Lease, dated March 3, 1995, by and between Fort Washington Limited Partnership and Vertex Pharmaceuticals Incorporated.(1)
- 10.19 First Amendment to Lease, dated as of December 1996, by and between David E. Clem and David M. Roby, as Trustees of Fort Washington Realty Trust, and Vertex Pharmaceuticals Incorporated.(1)
- 10.20 Second Amendment to Lease, dated as of June 13, 1997, by and between David E. Clem and David M. Roby, as Trustees of Fort Washington Realty Trust, and Vertex Pharmaceuticals Incorporated.(1)
- 10.21 Third Amendment to Lease, dated as of October 1, 1998, by and between David E. Clem and David M. Roby, as Trustees of Fort Washington Realty Trust, and Vertex Pharmaceuticals Incorporated.(1)
- 10.22 Fourth Amendment to Lease, dated as of February 22, 2000, by and between David E. Clem and David M. Roby, as Trustees of Fort Washington Realty Trust, and Vertex Pharmaceuticals Incorporated.(1)
- 10.23 Fifth Amendment to Lease, dated as of May 1, 1999, by and between David E. Clem and David M. Roby, as Trustees of Fort Washington Realty Trust, and Vertex Pharmaceuticals Incorporated.(1)
- 10.24 Sixth Amendment to Lease, dated as of April 6, 2005, by and between David E. Clem and David M. Roby, as Trustees of Fort Washington Realty Trust, and Vertex Pharmaceuticals Incorporated.(1)
- 23.1 Consent of KPMG LLP, independent auditors.(2)
- 99.1 Press release issued by BioMed Realty Trust, Inc. on June 1, 2005.(1)

(1) Previously filed.

(2) Filed herewith.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 12, 2005

BIOMED REALTY TRUST, INC.

By: /s/ GARY A. KREITZER

Name: Gary A. Kreitzer

Title: Executive Vice President

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**INDEPENDENT AUDITORS REPORT**

The Board of Directors  
BioMed Realty Trust, Inc.:

We have audited the accompanying combined statement of revenues and certain expenses of the Lyme Portfolio (the Portfolio) for the year ended December 31, 2004. This statement is the responsibility of the management of BioMed Realty Trust, Inc. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Portfolio's internal control over financial reporting. Accordingly, we express no such opinion. 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 audit provides a reasonable basis for our opinion.

The accompanying combined statement of revenues and certain expenses were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in note 1 to the combined statement of revenues and certain expenses. It is not intended to be a complete presentation of the Lyme Portfolio's revenues and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenues and certain expenses, as described in note 1, of the Lyme Portfolio for the year ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

San Diego, California  
June 3, 2005

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**LYME PORTFOLIO**  
**COMBINED STATEMENTS OF REVENUES AND CERTAIN EXPENSES**  
(In thousands)

	<b>Three Months Ended March 31, 2005</b>	<b>Year Ended December 31, 2004</b>
	<b>(Unaudited)</b>	
<b>Revenues:</b>		
Rental	\$ 11,273	\$ 44,123
Tenant recoveries	3,140	9,198
Other	318	1,378
<b>Total revenues</b>	<b>14,731</b>	<b>54,699</b>
<b>Certain expenses:</b>		
Rental operations	1,758	4,683
Real estate taxes	1,529	5,344
Other expenses	22	86
<b>Total certain expenses</b>	<b>3,309</b>	<b>10,113</b>
<b>Income from operations</b>	<b>11,422</b>	<b>44,586</b>
Interest expense	(2,203)	(8,711)
<b>Revenues in excess of certain expenses</b>	<b>\$ 9,219</b>	<b>\$ 35,875</b>

See accompanying notes to statements of revenues and certain expenses.

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**LYME PORTFOLIO**  
**NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN EXPENSES**  
**Three Months Ended March 31, 2005 (unaudited) and Year Ended December 31, 2004**  
**(Tabular amounts in thousands)**

**(1) Basis of Presentation**

The accompanying combined statements of revenues and certain expenses relate to the operations of a portfolio of eight properties including one parking structure in Cambridge, Massachusetts, and an additional property in Lebanon, New Hampshire (collectively, the Portfolio). The nine properties are leased to 6 tenants. Four of the properties tenants lease parking spaces in the parking structure.

The Portfolio was owned by the Lyme Timber Company (Lyme) and certain of its affiliates. On April 15, 2005, BioMed Realty Trust, Inc., (the Company) through its operating partnership subsidiary, BioMed Realty, L.P., (the Operating Partnership) entered into a definitive purchase and sale agreement with Lyme to purchase the Properties for approximately \$524.0 million plus closing costs. The Operating Partnership completed the transaction on May 31, 2005.

The accompanying combined statements of revenues and certain expenses have been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and, accordingly, are not representative of the actual results of operations of the Portfolio for the three months ended March 31, 2005 (unaudited) or for the year ended December 31, 2004 due to the exclusion of the following revenues and expenses, which may not be comparable to the proposed future operations of the Portfolio:

Depreciation and amortization

Other costs not directly related to the proposed future operations of the Portfolio

Prior to the acquisition, the Portfolio was partially managed by third-party management companies. Following the acquisition, the Portfolio will be managed by third-party managers under new management contracts. In accordance with the rules and regulations of the Securities and Exchange Commission, the third party management fee revenues and expenses are included in the statements of revenues and certain expenses.

**(2) Summary of Significant Accounting Policies and Practices**

**(a) Revenue Recognition**

Rental revenue is recognized on a straight-line basis over the term of the respective leases.

**(b) Use of Estimates**

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenues and certain expenses during the reporting periods to prepare the combined statements of revenues and certain expenses in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

**(c) Unaudited Interim Combined Statement**

The combined statement of revenues and certain expenses for the three months ended March 31, 2005 is unaudited. In the opinion of management, the statement reflects all adjustments necessary for a fair presentation of the results of the interim period. All such adjustments are of a normal recurring nature.

**(3) Rental Revenue**

The Portfolio leases laboratory and office space under various lease agreements with their tenants. All leases are accounted for as operating leases. The leases include provisions under which the properties are

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**Table of Contents****LYME PORTFOLIO****NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN EXPENSES (Continued)**

reimbursed for common area expenses, real estate taxes and insurance. Revenue related to these reimbursed costs is recognized in the period the applicable costs are incurred and billed to tenants pursuant to the lease agreements. Certain leases contain renewal options at various times and rental rates.

Minimum rents to be received from tenants under operating leases, which terms range from 4 to 13 years, in effect at December 31, 2004, are as follows:

**Year**

2005	\$	45,067
2006		42,692
2007		42,692
2008		42,692
2009		41,197
Thereafter		288,260
	\$	502,600

**(4) Certain Expenses**

Certain expenses include only those costs expected to be comparable to the proposed future operations of the Portfolio. Repairs and maintenance expense are charged to operations as incurred. Costs such as depreciation, amortization, management fees, interest expense related to mortgage debt not assumed and professional fees are excluded from the statements of revenues and certain expenses.

In connection with the acquisition of the Portfolio, the Operating Partnership assumed three separate mortgage notes amounting to \$126.4 million as of December 31, 2004. Each mortgage note is secured by one of the properties in the Portfolio. The mortgages bear interest at fixed rates ranging from 6.38% to 7.34%. Each mortgage requires monthly payments of principal and interest and mature on various dates through October 1, 2018.

Minimum annual principal payments at December 31, 2004 under the terms of the mortgage notes are as follows:

**Year**

2005	\$	2,898
2006		3,104
2007		3,324
2008		20,053
2009		2,595
Thereafter		94,939
	\$	126,913

In addition, the Operating Partnership will assume one construction loan amounting to \$5.4 million as of December 31, 2004. Prior to the Operating Partnership's acquisition of the Portfolio, the construction loan was replaced by a \$6.0 million mortgage bearing interest at a fixed rate of 5.50% which matures on January 1, 2025.

**(5) Concentration of Credit Risk**

For the year ended December 31, 2004, two tenants accounted for approximately 52.8% and 34.4% of revenues. The other four tenants accounted for approximately 12.8% of revenues.



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**INDEPENDENT AUDITORS REPORT**

The Board of Directors  
BioMed Realty Trust, Inc.:

We have audited the accompanying statement of revenues and certain expenses of Bridgeview II (the Property) for the year ended December 31, 2004. This statement is the responsibility of the management of BioMed Realty Trust, Inc. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property's internal control over financial reporting. Accordingly, we express no such opinion. 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 audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in note 1 to the statement of revenues and certain expenses. It is not intended to be a complete presentation of Bridgeview II's revenues and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenues and certain expenses, as described in note 1, of Bridgeview II for the year ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

San Diego, California  
June 3, 2005

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**BRIDGEVIEW II**  
**STATEMENTS OF REVENUES AND CERTAIN EXPENSES**  
(In thousands)

	<b>Period from January 1, 2005 through March 15, 2005</b>	<b>Year Ended December 31, 2004</b>
<b>(Unaudited)</b>		
<b>Revenues:</b>		
Rental	\$ 271	\$ 1,292
Tenant reimbursements	34	164
Total revenues	305	1,456
<b>Certain expenses:</b>		
Operating expenses	11	53
Real estate taxes	25	118
Total certain expenses	36	171
Revenues in excess of certain expenses	\$ 269	\$ 1,285

See accompanying notes to statements of revenues and certain expenses.



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**BRIDGEVIEW II**  
**NOTES TO STATEMENTS OF REVENUES AND CERTAIN EXPENSES**  
**Period from January 1, 2005 through March 15, 2005 (unaudited)**  
**and Year Ended December 31, 2004**  
**(Tabular amounts in thousands)**

**(1) Basis of Presentation**

The accompanying statements of revenues and certain expenses relate to the operations of the property known as Bridgeview II (the Property). The Property consists of one building located at 24590 Clawiter Road, Hayward, CA and is 100% leased by one tenant.

On March 16, 2005, BioMed Realty Trust, Inc., a Maryland corporation (the Company), through its operating partnership subsidiary, BioMed Realty, L.P. (the Operating Partnership), completed the acquisition of the Property from F&S Hayward II, LLC (F&S Hayward). The total purchase price was approximately \$16.2 million. The Operating Partnership funded the purchase price with proceeds from the Company's unsecured revolving credit facility.

The accompanying statements of revenues and certain expenses have been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and, accordingly, are not representative of the actual results of operations of the Property for the period from January 1, 2005 through March 15, 2005 (unaudited) and for the year ended December 31, 2004 due to the exclusion of the following revenues and expenses, which may not be comparable to the proposed future operations of the Property:

Management fee revenues received from tenants

Depreciation and amortization

Other costs not directly related to the proposed future operations of the Property, including third-party management fees

**(2) Summary of Significant Accounting Policies and Practices**

**(a) Revenue Recognition**

Rental revenue is recognized on a straight-line basis over the term of the respective leases.

**(b) Use of Estimates**

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenues and certain expenses during the reporting period to prepare the statements of revenues and certain expenses in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

**(c) Unaudited Interim Statement**

The statement of revenues and certain expenses for the period from January 1, 2005 through March 15, 2005 is unaudited. In the opinion of management, the statement reflects all adjustments necessary for a fair presentation of the results of the interim period. All such adjustments are of a normal recurring nature.

**(3) Rental Revenue**

The Property leases laboratory and office space under a lease agreement with its tenant. The lease is accounted for as an operating lease. The lease includes provisions under which the Property is reimbursed for common area expenses, real estate taxes and insurance. Revenue related to these reimbursed costs is

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recognized in the period the applicable costs are incurred and billed to the tenant pursuant to their lease agreement. The lease contains renewal options at various times and rental rates.

Minimum rents to be received under the terms of the non-cancelable operating lease agreement, excluding expense reimbursements, in effect at December 31, 2004, are as follows:

**Year**

2005	\$ 1,064
2006	1,107
2007	1,151
2008	1,197
2009	1,245
Thereafter	11,203
	\$ 16,967

**(4) Certain Expenses**

Certain expenses include only those costs expected to be comparable to the proposed future operations of the Property. Repairs and maintenance expense are charged to operations as incurred. Costs such as depreciation, amortization, management fees and professional fees are excluded from the statements of revenues and certain expenses.

**(5) Concentration of Credit Risk**

For the year ended December 31, 2004, one tenant accounted for 100% of revenues.

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**INDEPENDENT AUDITORS REPORT**

The Board of Directors  
BioMed Realty Trust, Inc.:

We have audited the accompanying statement of revenues and certain expenses of Nancy Ridge (the Property) for the year ended December 31, 2004. This statement is the responsibility of the management of BioMed Realty Trust, Inc. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property's internal control over financial reporting. Accordingly, we express no such opinion. 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 audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in note 1 to the statement of revenues and certain expenses. It is not intended to be a complete presentation of Nancy Ridge's revenues and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenues and certain expenses, as described in note 1, of Nancy Ridge for the year ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

San Diego, California  
June 3, 2005

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**NANCY RIDGE**  
**STATEMENTS OF REVENUES AND CERTAIN EXPENSES**  
(In thousands)

	<b>Three Months Ended March 31, 2005</b>	<b>Year Ended December 31, 2004</b>
<b>(Unaudited)</b>		
<b>Revenues:</b>		
Rental	\$ 355	\$ 1,419
Tenant reimbursements	35	112
Other income	16	
<b>Total revenues</b>	<b>406</b>	<b>1,531</b>
<b>Expenses:</b>		
Operating expenses	20	49
Real estate taxes	15	60
<b>Total certain expenses</b>	<b>35</b>	<b>109</b>
Income from operations	371	1,422
Interest expense	(130)	(513)
<b>Revenues in excess of certain expenses</b>	<b>\$ 241</b>	<b>\$ 909</b>

See accompanying notes to statements of revenues and certain expenses.

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**NANCY RIDGE**  
**NOTES TO STATEMENTS OF REVENUES AND CERTAIN EXPENSES**  
**Three Months Ended March 31, 2005 (unaudited) and Year Ended December 31, 2004**  
**(Tabular amounts in thousands)**

**(1) Basis of Presentation**

The accompanying statements of revenues and certain expenses relate to the operations of the property known as Nancy Ridge (the Property). The Property consists of one building located at 6828 Nancy Ridge Drive, San Diego, CA and is fully leased by two tenants.

On April 21, 2005, BioMed Realty Trust, Inc., a Maryland corporation (the Company), through its operating partnership subsidiary, BioMed Realty, L.P. (the Operating Partnership), completed the acquisition of the Property from 6828 Nancy Ridge, LLC. The total purchase price was approximately \$12.8 million. The Operating Partnership funded the purchase price with the assumption of \$7.0 million in debt and \$5.8 million in cash. The cash portion of the purchase price was funded with borrowings under the Company's unsecured revolving credit facility.

The accompanying statements of revenues and certain expenses have been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and, accordingly, are not representative of the actual results of operations of the Property for the three months ended March 31, 2005 (unaudited) or for the year ended December 31, 2004 due to the exclusion of the following revenues and expenses, which may not be comparable to the proposed future operations of the Property:

Management fee revenues received from tenants

Depreciation and amortization

Other costs not directly related to the proposed future operations of the Property, including third-party management fees

**(2) Summary of Significant Accounting Policies and Practices**

**(a) Revenue Recognition**

Rental revenue is recognized on a straight-line basis over the term of the respective leases.

**(b) Use of Estimates**

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenues and certain expenses during the reporting periods to prepare the statements of revenues and certain expenses in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

**(c) Unaudited Interim Statement**

The statement of revenues and certain expenses for the three-months ended March 31, 2005 is unaudited. In the opinion of management, the statement reflects all adjustments necessary for a fair presentation of the results of the interim period. All such adjustments are of a normal recurring nature.

**(3) Rental Revenue**

The Property leases laboratory and office space under lease agreements with its tenants. The leases are accounted for as operating leases. The leases include provisions under which the Property is reimbursed for common area expenses, real estate taxes and insurance. Revenue related to these reimbursed costs is recognized in the period the applicable costs are incurred and billed to tenants pursuant to the lease agreements. Certain leases contain renewal options at various times and rental rates.

**Table of Contents****NANCY RIDGE****NOTES TO STATEMENTS OF REVENUES AND CERTAIN EXPENSES (Continued)**

Minimum rents to be received under the terms of the non-cancelable operating lease agreements, excluding expense reimbursements, in effect at December 31, 2004, are as follows:

<b>Year</b>	
2005	\$ 1,355
2006	1,399
2007	1,444
2008	1,490
2009	1,538
Thereafter	3,933
	\$ 11,159

**(4) Certain Expenses**

Certain expenses include only those costs expected to be comparable to the proposed future operations of the Property. Repairs and maintenance expense are charged to operations as incurred. Costs such as depreciation, amortization, management fees and professional fees are excluded from the statements of revenues and certain expenses.

In connection with the acquisition of the Property, the Company will assume the \$7.0 million of mortgage debt outstanding as of December 31, 2004 secured by the Property. The mortgage debt bears interest at a fixed interest rate of 7.15%, requires monthly payments of principal and interest and matures on September 1, 2012. As of December 31, 2004, annual principal payments due on the mortgage debt were as follows:

<b>Year</b>	
2005	\$ 75
2006	80
2007	86
2008	91
2009	100
Thereafter	6,595
	\$ 7,027

**(5) Concentration of Credit Risk**

For the year ended December 31, 2004, two tenants accounted for 100% of revenues.

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**INDEPENDENT AUDITORS REPORT**

The Board of Directors  
BioMed Realty Trust, Inc.:

We have audited the accompanying statement of revenues and certain expenses of Graphics Drive (the Property) for the year ended December 31, 2004. This statement is the responsibility of the management of BioMed Realty Trust, Inc. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property's internal control over financial reporting. Accordingly, we express no such opinion. 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 audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in note 1 to the statement of revenues and certain expenses. It is not intended to be a complete presentation of Graphics Drive's revenues and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenue and certain expenses, as described in note 1, of Graphics Drive for the year ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP