

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

FORM 8-K

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 14, 1998

CORPORATE OFFICE PROPERTIES TRUST

(Exact name of registrant as specified in its charter)

Maryland	0-20047	23-247217
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

One Logan Square, Suite 1105
Philadelphia, PA 19103

(Address of principal executive offices) (Zip Code)

(215) 567 -1800

(Registrant's telephone number, including area code)

Item 5. Other Events

On May 14, 1998, Corporate Office Properties Trust ("the Company") through affiliates of Corporate Office Properties, L. P. (the "Operating Partnership") entered into a series of agreements with Constellation Real Estate Group, Inc., a wholly owned indirect subsidiary of Constellation Enterprises, Inc., and its affiliates (collectively, "Constellation") to acquire real estate properties and service businesses (collectively, the "Constellation Contribution"). The major components of the agreements provide that the Company will receive (i) sixteen operating office or retail properties, (ii) options to purchase three properties under development, as well as options and rights of first refusal on 92 acres of land, (iii) certain assets of Constellation's real estate management subsidiary, including its 75% interest in Constellation Realty Management, LLC, a real estate management firm. In exchange, the Company, through the Operating Partnership, will remit approximately \$200 million in the form of (i) \$104 million of cash and/or assumption of debt, (ii) \$72 million of common shares (including 6.88 million common shares at \$10.50 per share) and (iii) \$24 million of convertible preferred shares. Upon consummation of the Constellation Contribution and assuming no other changes in the capital structure, Constellation will have a 41% interest in the Common Shares of Company as of the closing date. The Constellation Contribution is subject to several conditions including shareholders' approval.

Item 7. Financial Statements and Exhibits

Exhibit Number	Description
99.1	Press release dated May 15, 1998

SIGNATURES

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

Dated: May 14, 1998

CORPORATE OFFICE PROPERTIES TRUST

By: /s/ Clay W. Hamlin, III

Name: Clay W. Hamlin, III
Title: President and

Chief Executive Officer

By: /s/ Thomas D. Cassel

Name: Thomas D. Cassel
Title: Vice President Finance

Corporate Office Properties Trust
One Logan Square, Suite 1105
Philadelphia, Pennsylvania 19103

AT THE COMPANY

AT THE FINANCIAL RELATIONS BOARD

Clay W. Hamlin, III, For General Info: Paula Schwartz (212) 661-8030
President & CEO For Analyst Info: Stephanie Carrington (212) 661-8030
(215) 567-1800 For Media Info: Claudine Cornelis (212) 661-8030

AT CONSTELLATION ENTERPRISES:

Larry Lichtenauer
(410) 719-3081

FOR IMMEDIATE RELEASE

May 15, 1998

CORPORATE OFFICE PROPERTIES TRUST AND CONSTELLATION

REAL ESTATE GROUP, INC. ANNOUNCE MERGER AGREEMENT

Corporate Office Properties' Portfolio To Grow By 59% -- Making The Company
One Of The Largest Commercial Real Estate Operators In The Mid-Atlantic Region

Philadelphia, PA, May 15, 1998 -- Corporate Office Properties Trust (NYSE:OFC),
the Philadelphia-based real estate investment trust, and Constellation Real
Estate Group, Inc. (CREG), a full-service real estate owner and developer based
in Columbia, Maryland, today announced the signing of a definitive merger
agreement. CREG is part of Constellation Enterprises, Inc., which is a
wholly-owned subsidiary of Baltimore Gas & Electric Company (NYSE:BGE).

The consideration to be received by Constellation has a value in excess of \$200
million. The combination, which is subject to Corporate Office Properties'
shareholder approval, is expected to close in the beginning of the third
quarter. Upon completion, Corporate Office Properties' portfolio will increase
by 59% to 45 properties primarily located in Pennsylvania, New Jersey, Maryland
and suburban Washington, D.C. -- totaling 4.3 million square feet of leaseable
space.

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The transaction will expand Corporate Office Properties' organization by 35
professionals and support staff. Randall M. Griffin, 53, currently President of
CREG, will assume the role of President and Chief Operating Officer reporting to
Clay W. Hamlin, III, Corporate Office Properties' Chief Executive Officer. Roger
A. Waesche, Jr., 44, currently Senior Vice President of CREG, will become Senior
Vice President-Finance of Corporate Office Properties Trust.

Operationally, acquisitions and capital markets functions will be managed out of
the REIT's Philadelphia office. Real estate operations, development and property
management functions will be operated out of Constellation's Columbia, Maryland
offices.

As part of the agreement, Corporate Office Properties will also acquire CREG's
75% ownership of Constellation Realty Management, LLC (CRM), Baltimore's largest
commercial property/asset management organization. CRM provides property and
asset management services to major institutional real estate investors and
provides corporate facility services to major owner occupied corporate
properties. With a staff of 59, CRM currently manages a 251-building, 15.7
million square foot portfolio with offices in the Baltimore, Northern Virginia
and Philadelphia areas.

Highlights:

- Under terms of the agreement, Corporate Office Properties will pay \$200
million: \$104 million in either cash or debt assumption; and \$96 million in
securities comprised of 6.88 million shares in Common Stock and \$24 million
of Convertible Preferred Stock.
- CREG will contribute 16 properties totaling 1.6 million square feet of
office and retail space, increasing Corporate Office Properties' portfolio
by 59%, from 2.7 million to 4.3 million square feet.

- Corporate Office Properties will receive options and first rights of refusal to acquire 92 acres of entitled land at any time over the next two to five years. The acreage, contiguous to the CREG office properties, will permit approximately two million square feet of office development to be built.
- BGE, through Constellation Enterprises, Inc., will become Corporate Office Properties' single largest investor, with a 41% common stock ownership interest.
- Upon completion of the combination, BGE will gain two seats on Corporate Office Properties' nine member board, which will be held by Edward A. Crooke, 59, Chairman of Constellation Enterprises, Inc., and Vice Chairman of BGE; and Steven D. Kesler, 46, President of Constellation Investments, Inc.

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CREG properties comprise over 1.6 million square feet and include eight Class A office buildings in the northern Baltimore/Washington corridor, three Class A office buildings in the Washington, D.C. suburbs, one waterfront office building in downtown Baltimore and four retail projects. Two of the office projects and two of the retail projects are under construction and are 89% preleased, with all four scheduled for completion this year. The operating CREG portfolio is currently 93% leased.

While Corporate Office Properties' focus is to become a major player in the suburban office market nationally, it is currently focusing on the Baltimore/Washington region, as evidenced by its recent \$72 million acquisition of the 815,389 square foot, 12-building suburban office portfolio located in Airport Square near the Baltimore/Washington International Airport.

"This is our first entity transaction," stated Clay W. Hamlin, III, Chief Executive Officer of Corporate Office Properties. "We are joining forces with a quality organization with quality people and a quality portfolio. CREG has large acquisition and development pipelines, and the combined organizations have years of proven value creation experience. This transaction, like our recent Airport Square acquisition, demonstrates our ability to use our capital efficiently and to acquire quality portfolios in desirable suburban submarkets at prices significantly below replacement cost," he added.

"The decision to combine the CREG assets, together with its people and expertise with Corporate Office Properties is a win-win situation for BGE, Constellation and Corporate Office Properties," explained Ed Crooke, Chairman of Constellation Enterprises, Inc. and Vice Chairman of BGE. "BGE will receive good value for its properties, cash to reduce debt, a highly liquid investment and the opportunity to realize significant future returns from a company having high-growth potential. Corporate Office Properties gains a perfect opportunity to accelerate its growth combining with CREG, which has a talented team in place. In reaching this agreement, the interests of all parties and their shareholders are extremely well-served," he added.

Corporate Office Properties Trust is a self-administered real estate investment trust focused on the acquisition, ownership and operation of suburban office properties located in high-growth submarkets.

To receive OFC's latest news release and other corporate documents via FAX at no cost, dial 1-800-PRO-INFO. Use company's symbol, OFC.

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This press release contains forward-looking information about the Company. A number of factors could cause the Company's actual results to differ materially from those anticipated, including changes in the general economic climate, the supply of and demand for office properties in the Company's markets, potential environmental liabilities, interest rate levels, the availability of financing, slippage in development or lease-up schedules, tenant credit risks and higher-than expected costs. For further information on these and other factors that could impact the Company and statements contained herein, references should be made to the Company's filings with the Securities and Exchange Commission.