

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A No. 1

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 28, 1998

CORPORATE OFFICE PROPERTIES TRUST

(Exact name of registrant as specified in its charter)

Maryland	0-20047	23-2947217
(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 2. Acquisition or Disposition of Assets.

On May 28, 1998, Corporate Office Properties Trust (the "Company") through Corporate Office Properties, L.P. (the "Operating Partnership"), acquired Fairfield Corporate Center, two multistory office buildings (the "Acquired Properties") located in Fairfield, NJ, from 695 Rt. 46 Realty LLC and 710 Rt. 46 Realty LLC, unrelated parties. The purchase price of the Acquired Properties aggregated approximately \$28.8 million including \$6.5 million of assumed debt (the "Assumed Debt"). The balance of the purchase price was paid in cash.

Life Investors Insurance Company of America is the lender on the Assumed Debt. The Assumed Debt bears interest at a fixed rate of 8.29% per annum and provides for monthly payments of principal and interest totaling \$56,402. This debt matures on May 1, 2007.

Concurrent with the acquisition, the Company closed on a \$100 million, two-year, senior revolving credit facility with Bankers Trust Company (the "Credit Facility"). The Credit Facility will be used to refinance existing indebtedness, fund acquisitions and new development projects, and for general working capital purposes, including capital expenditures and tenant improvements. The Credit Facility is recourse to the Company and the Operating Partnership and will be secured by, among other items, first mortgage liens on certain of the office properties owned by the Operating Partnership. The Credit Facility is a variable rate loan, bears interest at LIBOR plus 175 basis points and provides for monthly payments of interest only. A fee of 25 basis points per annum on the unused amount of the Credit Facility will be payable quarterly, in arrears. On May 28, 1998, the Company borrowed as the initial funding proceeds, approximately \$23.8 million. The Company used the loan proceeds primarily for the acquisition of the Acquired Properties, including costs associated with the acquisition.

The Acquired Properties, located on Rt. 46 in Fairfield, NJ, total approximately 262,000 square feet. As of June 1, 1998, the Acquired Properties were approximately 84% leased to 25 tenants. Major tenants include the United Health Care Services and Pearson Inc., under leases aggregating approximately 34,000 and 24,000 square feet, respectively, representing 13% and 9% of the Acquired Properties' aggregate square feet.

The following table sets forth a summary schedule of the lease expirations for the Acquired Properties, for leases in place as of June 1, 1998, assuming that none of the tenants exercise renewal options.

<TABLE>
<CAPTION>

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Expiring Leases	Percentage of Total Leased Square Feet	Total Rental Revenue of Expiring Leases (\$000) (1)	Total Rental Revenue of Expiring Leases per Rentable Square Foot (1)	Percentage of Total Rental Revenue Expiring (1)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
6/1/98 --	1	8,257	3.77%	\$ 134,095	\$ 16.24	3.44%
12/31/98 (2)						
1999	2	21,191	9.68	347,338	16.39	8.92
2000	3	6,208	2.83	110,373	17.63	2.83
2001	7	75,177	34.34	1,276,210	17.78	32.75
2002	4	10,932	5.00	203,007	16.98	5.21
2003	4	17,337	7.92	314,169	18.57	8.06
2004	2	27,034	12.34	478,879	17.71	12.29
2005	-	-	-	-	-	-
2006	-	-	-	-	-	-
2007	1	18,648	8.52	400,377	21.47	10.28
2008	1	34,163	15.60	632,016	18.50	16.22
2009 and thereafter	-	-	-	-	-	-
Total/Average	25	218,947	100.00%	\$ 3,896,464	\$17.80	100.00%
	--	-----	-----	-----	-----	-----
	--	-----	-----	-----	-----	-----

</TABLE>

- (1) Total Rental Revenue is the monthly contractual charge as of June 1, 1998 multiplied by 12 including any operating expense reimbursements.
(2) Excludes 43,053 vacant square feet as of June 1, 1998.

Item 5 Other Events.

See Item 2 above for a description of the Company's Credit Facility closed on May 28, 1998.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) Financial Statements of Businesses Acquired

The combined financial statements of the Acquired Properties are included herein. See pages F-15 through F-19.

(b) Pro Forma Financial Information

The pro forma condensed consolidating financial statements of the Company are included herein. See pages F-2 through F-14.

(c) Exhibits

<TABLE>
<CAPTION>

Exhibit Number	Description
<S>	<C>
10.6*	Purchase and Sale Agreement dated as of March 4, 1998 between 695 Rt. 46 Realty, LLC, 710 Rt. 46 Realty, LLC and COPT Acquisitions, Inc.
10.7*	Letter Amendment to Purchase and Sale

Agreement dated as of March 26, 1998 between
695 Rt. 46 Realty, LLC, 710 Rt. 46 Realty, LLC
and COPT Acquisitions, Inc.

10.8*	Secured Promissory Note dated as of April 29, 1997 between 710 Rt. 46 Realty, LLC and Life Investors Insurance Company of America
10.9*	Mortgage and Security Agreement dated as of April 29, 1997 between 710 Rt. 46 Realty, LLC and Life Investors Insurance Company of America
10.10*	Senior Secured Revolving Credit Agreement dated as of May 28, 1998 between Corporate Office Properties, L.P., Corporate Office Properties Trust, Any Mortgaged Property Subsidiary and Bankers Trust Company

</TABLE>

Exhibits and Schedules have been omitted based on rule 601 (b) (2). Such exhibits and schedules are described in the agreements. The registrant hereby agrees to furnish to the Commission upon its request any or all such omitted exhibits or schedules.

* As previously filed with the Current Report on Form 8-K filed June 10, 1998.

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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: July 6, 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

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<TABLE>
<CAPTION>

<S>	<C>	<C>
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CORPORATE OFFICE PROPERTIES TRUST
PRO FORMA CONDENSED CONSOLIDATING FINANCIAL INFORMATION

The following sets forth the unaudited pro forma condensed consolidating balance sheet of Corporate Office Properties Trust and its consolidated affiliates, including Corporate Office Properties, L.P. (the "Operating Partnership") as of March 31, 1998, and the unaudited pro forma condensed consolidating statements of operations for the year ended December 31, 1997 and the three-month period ended March 31, 1998 of the Company (as defined below). Corporate Office Properties Trust and its consolidated affiliates, including the Operating Partnership, are collectively referred to herein as the "Company."

In October 1997, the Operating Partnership acquired partnership interests in a portfolio of ten properties (the "Initial Office Properties"), representing the Mid-Atlantic suburban office operations of The Shidler Group, subject to \$100 million of indebtedness (the "Term Credit Facility"). At that time, the Company became the sole general partner of the Operating Partnership, which was formed to acquire and hold the Initial Office Properties. In connection with the acquisition of the Initial Office Properties, the Company issued 600,000 of its common shares of beneficial interest ("Common Shares") and the Operating Partnership issued (or committed to issue) 3,181,818 common partnership units ("Partnership Units") and 2.1 million preferred partnership units ("Preferred Units").

The acquisition of the Initial Office Properties is reflected in the Company's historical consolidated balance sheet as of December 31, 1997, and is included in the pro forma condensed consolidating statements of operations as if it occurred on January 1, 1997.

The pro forma condensed consolidating financial information is presented as if the following transactions had been consummated on March 31, 1998 for balance sheet purposes, and at the beginning of the period presented for purposes of the statements of operations:

- o The completion of a public offering (the "Offering") in which the Company issued 7,500,000 Common Shares at \$10.50 per share and contributed all of the net proceeds to the Operating Partnership in exchange for 7,500,000 Partnership Units.
- o The acquisition of nine multistory office buildings and three office/flex buildings (the "Airport Square Properties"). As reported in the Company's Current Report on Form 8-K filed May 14, 1998 and as amended on Current Report on Form 8-K/A filed July 7, 1998, the Company closed on this acquisition on April 30, 1998 and the purchase price totaled approximately \$72 million.
- o The acquisition of two office properties (the "Fairfield Properties"). As reported in the Company's Current Report on Form 8-K filed June 10, 1998 and as amended on this Current Report on Form 8-K/A filed July 7, 1998, the Company closed on this acquisition on May 28, 1998 and the purchase price totaled \$28.8 million, including \$6.5 million of assumed debt with the balance paid in cash.
- o The closing of a \$100 million, two-year-senior revolving credit facility (the "Revolving Credit Facility") and the borrowing of \$23,750,000 under the Revolving Credit Facility to pay a portion of the consideration for the Fairfield Properties.

- o The acquisition by the Company from various parties (collectively, "Constellation") of interests in (i) 14 office and 2 retail properties (the "Constellation Properties"); (ii) a 75% ownership interest in a real estate management services entity; and (iii) certain equipment, furniture and other assets related to management operations ((ii) and (iii) collectively, the "Constellation Service Companies") in exchange for: (a) issuance by the Company of 969,900 non-voting Series A Convertible Preferred Shares of Beneficial Interest, \$0.01 par value, \$25.00 liquidation preference ("Preferred Shares") and 6,928,000 Common Shares; (b) the assumption of debt aggregating \$12,990,000; and (c) the payment of \$69,038,000 in cash. The foregoing is reported in the Company's Preliminary Proxy Statement filed on Schedule 14A on June 26, 1998 and is referred to herein as the "Transaction."
- o The borrowing of \$73,143,000 under the Revolving Credit Facility to pay for certain of the cash requirements of the Transaction.

- o The contribution by the Company of all the assets acquired in the Transaction to the Operating Partnership in exchange for Partnership Units and Preferred Units.

The accompanying pro forma condensed consolidating financial information does not include the effects of the acquisition of two retail properties (the "Development Properties") in connection with the Transaction, as the Company's obligation to complete such acquisitions is contingent on the occurrence of certain events.

This pro forma condensed consolidating financial information should be read in conjunction with the historical financial statements of the Company and those of the Initial Office Properties, the Airport Square Properties, the Fairfield Properties, the Constellation Properties and the Constellation Service Companies. In management's opinion, all adjustments necessary to reflect the effects of the foregoing transactions have been made. This pro forma condensed consolidating financial information is unaudited and is not necessarily indicative of what the actual financial position would have been at March 31, 1998, nor does it purport to represent the future financial position and the results of operations of the Company.

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Corporate Office Properties Trust
Pro Forma Condensed Consolidating Balance Sheet

As of March 31, 1998
(Unaudited)

(Dollars in thousands, except per share data)

<TABLE>
<CAPTION>

	Company Historical (A)	Offering, Airport Square and Fairfield Properties (B)	Pro Forma Adjustments (C)	Pro Forma Consolidated
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Assets				
Net investments in real estate	\$ 187,730	\$ 102,073	\$ 180,047 (D)	\$ 469,850
Cash and cash equivalents	2,346	386	--	2,732
Deferred costs, net	793	505	--	1,298
Investment in management company	--	--	2,500 (D)	2,500
Other assets	1,787	--	--	1,787
	-----	-----	-----	-----
Total assets	\$ 192,656	\$ 102,964	\$ 182,547	\$ 478,167
	-----	-----	-----	-----
Liabilities and shareholders' equity				
Liabilities				
Mortgage loans payable	\$ 114,301	\$ 30,215	\$ 86,133 (E)	\$ 230,649
Other liabilities	2,893	--	--	2,893
	-----	-----	-----	-----
Total liabilities	117,194	30,215	86,133	233,542
	-----	-----	-----	-----
Minority interests				
Preferred Units	52,500	--	--	52,500
Partnership Units	12,111	--	--	12,111
	-----	-----	-----	-----
Total minority interests	64,611	--	--	64,611
	-----	-----	-----	-----
Shareholders' equity				
Preferred shares of beneficial interest	--	--	10 (F)	10
Common shares of beneficial interest	23	75	69 (G)	167
Additional paid in capital	16,647	72,674	96,335 (H)	185,656
Accumulated deficit	(5,819)	--	--	(5,819)
	-----	-----	-----	-----
Total shareholders' equity	10,851	72,749	96,414	180,014
	-----	-----	-----	-----
Total liabilities and shareholders' equity	\$ 192,656	\$ 102,964	\$ 182,547	\$ 478,167
	-----	-----	-----	-----

</TABLE>

See accompanying notes and management's assumptions to pro forma financial statements

Corporate Office Properties Trust
Pro Forma Condensed Consolidating Statement of Operations

For the Year Ended December 31, 1997
(Unaudited)

(Dollars in thousands, except per share data)

<TABLE>
<CAPTION>

Forma	Company Historical	Offering, Initial Office, Airport Square and Fairfield	Pro Forma	Pro
	(A)	Properties (B)	Adjustments (C)	
Consolidated	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Revenues:				
44,007 Base rents	\$ 6,122	\$ 23,129	\$ 14,756 (D)	\$
5,324 Tenant reimbursements	434	2,795	2,095 (D)	
295 Other	62	20	213 (D)	
	-----	-----	-----	-----
49,626 Total revenues	6,618	25,944	17,064	
	-----	-----	-----	-----
Expenses:				
14,743 Property operating	728	8,029	5,986 (D)	
1,358 General and administrative	533	299	526 (D)	
17,226 Interest expense	2,855	8,194	6,177 (D)	
9,907 Depreciation and amortization	1,331	5,059	3,517 (D)	
-- Termination of Advisory Agreement	1,353	--	(1,353) (E)	
	-----	-----	-----	-----
43,234 Total expenses	6,800	21,581	14,853	
	-----	-----	-----	-----
Equity in income of management company	--	--	55 (D)	
55	-----	-----	-----	-----
Income (loss) before minority interests	(182)	4,363	2,266	
6,447				
Minority interests				
(3,412) Preferred Units	(720)	--	(2,692) (F)	
(196) Partnership Units	(65)	--	(131) (F)	
	-----	-----	-----	-----
Net income (loss)	(967)	4,363	(557)	
2,839				
Preferred share distributions	--	--	(1,334) (F)	
(1,334)	-----	-----	-----	-----
Net income (loss) available to Common Shareholders	\$ (967)	\$ 4,363	\$ (1,891)	\$
1,505	-----	-----	-----	-----
	-----	-----	-----	-----
Net income (loss) per share: Basic and diluted	\$ (0.60)			\$
0.09	-----	-----	-----	-----
	-----	-----	-----	-----

 Weighted average number of shares
 16,699,083

 1,600,807

</TABLE>

See accompanying notes and management's assumptions to pro forma financial statements

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Corporate Office Properties Trust
 Pro Forma Condensed Consolidating Statement of Operations

For the Three Month Period Ended March 31, 1998
 (Unaudited)

(Dollars in thousands, except per share data)

<TABLE>
 <CAPTION>

Forma	Historical Consolidated	Offering, Airport Square and Fairfield Properties (B)	Pro Forma Adjustments (C)	Pro
	(A)			
Consolidated	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Revenues:				
12,109 Base rents	\$ 4,919	\$ 3,496	\$ 3,694 (D)	\$
1,121 Tenant reimbursements	553	142	426 (D)	
139 Other	53	4	82 (D)	
	-----	-----	-----	-----
13,369 Total revenues	5,525	3,642	4,202	
	-----	-----	-----	-----
Expenses:				
3,460 Property operating	899	1,088	1,473 (D)	
465 General and administrative	299	29	137 (D)	
4,281 Interest expense	2,159	579	1,543 (D)	
2,484 Depreciation and amortization	1,041	564	879 (D)	
-- Reformation costs	637	--	(637) (E)	
	-----	-----	-----	-----
10,690 Total expenses	5,035	2,260	3,395	
	-----	-----	-----	-----
Equity in income of management company (159)	--	--	(159) (D)	
	-----	-----	-----	-----
Income (loss) before minority interests 2,520	490	1,382	648	
Minority interests				
(853) Preferred Units	(853)	--	-- (F)	
(180) Partnership Units	(136)	--	(44) (F)	
	-----	-----	-----	-----

Net income (loss)	(499)	1,382	604	
1,487				
Preferred share distributions	--	--	(333) (F)	
(333)				
-----	-----	-----	-----	-----
Net income (loss) available to Common Shareholders	\$ (499)	\$ 1,382	\$ 271	\$
1,154				
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
Net income (loss) per share: Basic and diluted	\$ (0.22)			\$
0.07				
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
Weighted average number of shares	2,268,333			
16,699,083				
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----

</TABLE>

See accompanying notes and management's assumptions to pro forma financial statements

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CORPORATE OFFICE PROPERTIES TRUST

NOTES AND MANAGEMENT'S ASSUMPTIONS TO PRO FORMA CONDENSED CONSOLIDATING

FINANCIAL INFORMATION

(Dollars in thousands, except share and per share amounts)

1. Basis of Presentation:

Corporate Office Properties Trust (the "Company") is a self-administered Maryland real estate investment trust. As of March 31, 1998, the Company's portfolio included 17 commercial real estate properties leased for office and retail purposes.

These pro forma condensed consolidating financial statements should be read in conjunction with the historical financial statements and notes thereto of the Company, the Initial Office Properties, the Airport Square Properties, the Fairfield Properties, the Constellation Properties and the Constellation Service Companies. In management's opinion, all adjustments necessary to reflect the effects of the Offering and the acquisitions of the Initial Office Properties, the Airport Square Properties, the Fairfield Properties, the Constellation Properties and the Constellation Service Companies by the Company have been made.

2. Adjustments to Pro Forma Condensed Consolidating Balance Sheet:

(A) Reflects the historical consolidated balance sheet of the Company as of March 31, 1998.

(B) Reflects the effects of the Offering and the acquisitions of the Airport Square Properties and the Fairfield Properties.

<TABLE>
<CAPTION>

	Offering(i)	Airport Square Properties (ii)	Fairfield Properties(iii)	Combined
<S>	<C>	<C>	<C>	<C>
Assets				
Net investments in real estate	\$ --	\$ 72,668	\$ 29,405	\$102,073
Cash and cash equivalents	72,749	(72,668)	305	386
Deferred costs, net	--	--	505	505
	-----	-----	-----	-----
Total assets	\$ 72,749	\$ --	\$ 30,215	\$102,964
	-----	-----	-----	-----

Liabilities and shareholders' equity	-----	-----	-----	-----
Liabilities				
Mortgage loans payable	\$ --	\$ --	\$ 30,215	\$ 30,215
	-----	-----	-----	-----
Total liabilities	--	--	30,215	30,215
	-----	-----	-----	-----
Shareholders' equity				
Common shares of beneficial interest	75	--	--	75
Additional paid in capital	72,674	--	--	72,674
	-----	-----	-----	-----
Total shareholders' equity	72,749	--	--	72,749
	-----	-----	-----	-----
Total liabilities and				
shareholders' equity	\$ 72,749	\$ --	\$ 30,215	\$102,964
	-----	-----	-----	-----
	-----	-----	-----	-----

</TABLE>

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- (i) Reflects the proceeds of the Offering of \$78,750 based upon an offering of 7,500,000 Common Shares at an offering price of \$10.50 per share, net of underwriting discounts and offering expenses of approximately \$6,001.
- (ii) Reflects the Company's acquisition of the Airport Square Properties based upon the purchase price of \$71,479 plus closing costs of \$1,189 paid in cash.
- (iii) Reflects the Company's acquisition of the Fairfield Properties based upon the purchase price of \$28,800 plus closing costs of \$605 paid through the Company's assumption of debt of \$6,465 and initial funding proceeds of \$23,750 from the Revolving Credit Facility, net of loan fees totaling \$505 in connection with the Revolving Credit Facility and the debt assumed.
- (C) The accompanying pro forma condensed consolidating financial information does not include the effects of the acquisition of the Development Properties (estimated purchase price of \$25,594), as the Company's obligation to complete such acquisitions is contingent on the occurrence of certain events.
- (D) Reflects the contribution of the Constellation Properties and Constellation Service Companies in exchange for: (i) issuance of 969,900 Preferred Shares at a value equal to a liquidation preference of \$25.00 per share (\$24,248); (ii) issuance of 6,928,000 Common Shares at a value of \$10.50 per share (\$72,744); (iii) assumption of debt aggregating \$12,990; and (iv) utilization of loan proceeds from the Revolving Credit Facility of \$72,565, including payment of \$3,527 of costs associated with the acquisition. The total contribution is recorded as follows:

<TABLE>

<S>	<C>
o Net investments in real estate	\$ 180,047
o Investment in management company	2,500

Total investments from Transaction	\$ 182,547

</TABLE>

The Company will be acquiring from Constellation an interest in the Constellation Service Companies for \$2,500 which the Company will contribute to a newly formed company in exchange for indebtedness and stock. As this investment will be accounted for under the equity method of accounting, the pro forma adjustments reflect the income (loss) from this investment as equity in income of management company.

- (E) Reflects the net increase in mortgage loans payable as follows:

<TABLE>

<S>	<C>
o Net proceeds from the Revolving Credit Facility in connection with the Transaction	\$ 73,143
o Assumption of mortgages in connection with the	

Transaction	12,990
Net increase in mortgage loans payable	\$ 86,133

</TABLE>

(F) Reflects the issuance of 969,900 Preferred Shares,

<TABLE>

<S>	<C>
\$0.01 par value	\$ 10

</TABLE>

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(G) Reflects the issuance of 6,928,000 Common Shares,

<TABLE>

<S>	<C>
\$0.01 par value	\$ 69

</TABLE>

(H) Reflects increase in additional paid in capital as follows:

<TABLE>

<S>	<C>
o Issuance of 969,900 Preferred Shares, excess of \$25.00 over par	\$ 24,238
o Issuance of 6,928,000 Common Shares, excess of \$10.50 over par	72,675
o Less: costs in connection with the Transaction	(578)
Net increase in additional paid in capital	\$ 96,335

</TABLE>

3. Adjustments to Pro Forma Condensed Consolidating Statements of Operations:

(A) Reflects the historical consolidated operations of the Company.

(B) Reflects the effects of the combined adjusted historical operations of the Initial Office Properties, the Airport Square Properties and the Fairfield Properties which were acquired on October 14, 1997, April 30, 1998 and May 28, 1998, respectively.

For the Year Ended December 31, 1997

<TABLE>

<CAPTION>

Combined	Initial Office Properties through 10/13/97	Airport Square Properties through 12/31/97	Fairfield Properties through 12/31/97	Pro Forma Adjustments
<S>	<C>	<C>	<C>	<C>
<C>				
Revenues				
Base rents	\$12,216	\$ 8,524	\$ 2,389	\$ --
\$23,129				
Tenant reimbursements	1,282	275	1,238	--
2,795				
Other	--	20	--	--
20				
Total revenues	13,498	8,819	3,627	--
25,944				
Expenses				
Property operating	2,731	3,367	1,931	--

8,029				
General and administrative	174	41	84	--
299				
Interest expense	7,388	--	--	806(i)
8,194				
Depreciation and amortization	2,580	--	--	2,479(ii)
5,059				
-----	-----	-----	-----	-----
Total expenses	12,873	3,408	2,015	3,285
21,581	-----	-----	-----	-----
-----	-----	-----	-----	-----
Income (loss) before minority interests	\$ 625	\$ 5,411	\$ 1,612	\$(3,285)
\$ 4,363	-----	-----	-----	-----
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----

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For the Three-Month Period Ended March 31, 1998

<TABLE>
<CAPTION>

Combined	Initial Office Properties Historical	Airport Square Properties Historical through 3/31/98	Fairfield Properties Historical through 3/31/98	Pro Forma Adjustments
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
<C>				
Revenues				
Base rents	\$ --	\$ 2,528	\$ 968	\$ --
\$ 3,496				
Tenant reimbursements	--	64	78	--
142				
Other	--	4	--	--
4	-----	-----	-----	-----
-----	-----	-----	-----	-----
Total revenues	--	2,596	1,046	--
3,642	-----	-----	-----	-----
-----	-----	-----	-----	-----
Expenses				
Property operating	--	805	283	--
1,088				
General and administrative	--	6	23	--
29				
Interest expense	--	--	--	579(i)
579				
Depreciation and amortization	--	--	--	564(ii)
564	-----	-----	-----	-----
-----	-----	-----	-----	-----
Total expenses	--	811	306	1,143
2,260	-----	-----	-----	-----
-----	-----	-----	-----	-----
Income (loss) before minority interests	\$ --	\$ 1,785	\$ 740	\$(1,143)
\$ 1,382	-----	-----	-----	-----
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----

(i) Reflects the net increase in interest expense resulting from:

<TABLE>

<CAPTION>

	For the Year Ended December 31, 1997 -----	For the Three Month Period Ended March 31, 1998 -----
<S>	<C>	<C>
o The Term Credit Facility, for the period January 1, 1997 through October 13, 1997, the date on which the loan originated, which debt bears interest at 7.5% per annum, net of historical interest expense of the Initial Office Properties	\$ (1,511)	\$ --
o The debt assumed in connection with the acquisition of the Fairfield Properties which debt bears interest at 8.29% per annum	536	134
o The borrowing on the Revolving Credit Facility of \$23,750 in connection with the acquisition of the Fairfield Properties (which debt bears interest at LIBOR plus 175 basis points) assuming a LIBOR rate of 5.75%	1,781 -----	445 -----
	\$ 806 ----- -----	\$ 579 ----- -----

</TABLE>

(ii) Reflects the net increase in depreciation and amortization expense resulting from:

<TABLE>
<CAPTION>

	For the Year Ended December 31, 1997 -----	For the Three Month Period Ended March 31, 1998 -----
<S>	<C>	<C>
o Depreciation of buildings acquired over a 40-year useful life	\$ 2,588	\$ 511

</TABLE>

F-10

<TABLE>
<CAPTION>

	For the Year Ended December 31, 1997 -----	For the Three Month Period Ended March 31, 1998 -----
<S>	<C>	<C>
o Reduction in amortization of deferred financing fees related to loans held by previous owners of the Initial Office Properties (\$515), net of amortization of deferred financing debt related to Term Credit Facility held by the Company on Initial Office Properties (\$192)	(323)	-
o Amortization of deferred financing fees related to debt assumed in connection with the Fairfield Properties	10	2
o Amortization of deferred financing fees related to the Revolving Credit Facility	204 -----	51 -----
	\$ 2,479 ----- -----	\$ 564 ----- -----

</TABLE>

(C) Consistent with the pro forma condensed consolidating balance sheet, the pro forma statements of operations do not reflect the operations of the Development Properties.

(D) Reflects the effects of the combined adjusted historical operations of the Constellation Properties and Constellation Service Companies.

For the Year ended December 31, 1997

<TABLE>
<CAPTION>

	Constellation Properties Historical	Constellation Service Companies Historical	Pro Forma Constellation Adjustments	Combined
<S>	<C>	<C>	<C>	<C>
Revenues				
Base rents	\$ 14,756	\$ --	\$ --	\$ 14,756
Tenant reimbursements	2,095	--	--	2,095
Other	213	11,226	(11,226) (i)	213
Total revenues	17,064	11,226	(11,226)	17,064
Expenses				
Property operating	5,986	--	--	5,986
General and administrative	526	10,242	(10,242) (ii)	526
Interest expense	--	18	6,159 (iii)	6,177
Depreciation and amortization	--	225	3,292 (iv)	3,517
Total expenses	6,512	10,485	(791)	16,206
Equity in income of management company	--	--	55 (v)	55
Income before income taxes and minority interests	\$ 10,552	\$ 741	\$ (10,380)	\$ 913

</TABLE>

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For the Three-Month Period Ended March 31, 1998

<TABLE>
<CAPTION>

	Constellation Properties Historical	Constellation Service Companies Historical	Pro Forma Constellation Adjustments	Combined
<S>	<C>	<C>	<C>	<C>
Revenues				
Base rents	\$ 3,694	\$ --	\$ --	\$ 3,694
Tenant reimbursements	426	--	--	426
Other	82	3,717	(3,717) (i)	82
Total revenues	4,202	3,717	(3,717)	4,202
Expenses				
Property operating	1,473	--	--	1,473
General and administrative	137	3,685	(3,685) (ii)	137
Interest expense	--	3	1,540 (iii)	1,543
Depreciation and amortization	--	67	812 (iv)	879
Total expenses	1,610	3,755	(1,333)	4,032
Equity in income of management company	--	--	(159) (v)	(159)
Income (loss) before income taxes and minority interests	\$ 2,592	\$ (38)	\$ (2,543)	\$ 11

</TABLE>

<TABLE>
<CAPTION>

Three

For the
For the Year
Month Period

		Ended December 31, 1997	Ended March 31, 1998
<S>		<C>	<C>
(i)	Reflects the reclassification of Constellation Service Companies' historical revenue to equity in income of management company.	\$ (11,226) -----	\$ (3,717) -----
(ii)	Reflects the reclassification of Constellation Service Companies' historical operating expenses to equity in income of management company.	\$ (10,242) -----	\$ (3,685) -----
(iii)	Reflects the net changes in interest expense as follows:		
	o The borrowing on the Revolving Credit Facility of \$73,143 in connection with the Transaction (which debt bears interest at LIBOR plus 175 basis points) assuming a LIBOR rate of 5.75%, net of interest on \$4,217 in debt associated with properties under construction	\$ 5,168	\$ 1,291
	o The fee of 25 basis points per annum on the unused portion of the Revolving Credit Facility of \$3,107	8	2
	o The debt of \$9,581 assumed in connection with the acquisition of the Constellation Properties which debt bears interest at a fixed rate of 7.5% per annum	720	180
	o The debt of \$3,409 assumed in connection with the acquisition of the Constellation Properties which debt bears interest at a fixed rate of 8.25% per annum	281	70
	o Reclassification of Constellation Service Companies' historical interest expense to equity in income of management company	(18) -----	(3) -----
		\$6,159 -----	\$1,540 -----

</TABLE>

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<TABLE>
<CAPTION>

		For the Year Ended December 31, 1997	For the Month Period Ended March 31, 1998
Three			
-			
<S>		<C>	<C>
(iv)	Reflects the net change in depreciation and amortization expense as follows:		
	o Depreciation of buildings acquired from Constellation over a 40-year useful life	\$ 3,517	\$ 879
	o Reclassification of Constellation Service Companies' historical depreciation and amortization to equity in income of management company	(225) -----	(67) -----
		\$ 3,292 -----	\$ 812 -----
(v)	Reflects the net change in equity in income of management company as follows:		
	o Reclassification of Constellation Service Companies' historical income and expenses	\$ 741	(\$ 38)
	o Elimination of construction contract revenue earned by Constellation Service Companies in connection with operations that are not expected to have a continuing impact on the		

	Company	(4,122)	(1,889)
	o Elimination of construction contract costs incurred by Constellation Service Companies in connection with operations that are not expected to have a continuing impact on the Company	3,768	1,852
	o Addition of net overhead costs not included in historical costs and expected to have a continuing impact on the Company	(122)	(177)
	o Depreciation expense on personal property of \$405 over a 5-year useful life	(81)	(20)
	o Adjustment to Constellation Service Companies' historical depreciation and amortization	122	42
	o To reflect income tax (expense) benefit at an assumed rate of 40%	(42)	111
	o To reflect minority interest in management company	(124)	(19)
	o To reflect adjustment for purchase price of management company to pro forma net income over 20 years	(85)	(21)
-		-----	-----
(159)		\$ 55	\$
-		-----	-----
-		-----	-----

</TABLE>

(E) Costs relating to termination of the advisory agreement and the reformation of the Company aggregating \$1,353 and \$637 for the year ended December 31, 1997 and the three-month period ended March 31, 1998, respectively, have been excluded since such costs are not expected to have a continuing impact on the Company.

(F) Reflects the effects of contribution of the net assets received from the Offering and the Transaction to the Operating Partnership in exchange for 7,500,000 Partnership Units as a result of the Offering and for 969,900 Preferred Units and 6,928,000 Partnership Units as a result of the Transaction.

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The following table presents the calculation of the post closing percentage ownership of Partnership Units in the Operating Partnership (i.e. not including Preferred Units):

<TABLE>
<CAPTION>

	Company	Others	Total
	-----	-----	-----
<S>	<C>	<C>	<C>
Partnership Units - pre closing	600,000	2,581,818	3,181,818
Offering	7,500,000	-	7,500,000
Transaction	6,928,000	-	6,928,000
	-----	-----	-----
Partnership Units - post closing	15,028,000	2,581,818	17,609,818
	-----	-----	-----
Percentage ownership	85.3%	14.7%	100.0%
	-----	-----	-----

</TABLE>

Minority interest in income (loss) has been reflected, on a pro forma basis, in accordance with the Operating Partnership Agreement. The holders of Preferred Units are allocated income up to 6.5% or 5.5% of their investment on a pari passu basis with remaining income, if any, or loss allocated between the Company (85.3%) and the remaining partners (14.7%). The adjustments to record the income (loss) effect of the minority interest share of income (loss) in the pro forma statements of operations were computed as follows:

<TABLE>
<CAPTION>

Three		For the Year Ended December 31, 1997	For the Month Period Ended March 31, 1998
-			
<S>		<C>	<C>
2,520	Income before minority interests	\$ 6,447	\$
	Less: income from the retail properties directly owned by the Company	(368)	
(104)			
---	Income before minority interest		
	- Operating Partnership	6,079	
2,416	Preferred Unitholders		
	- \$52,500 @ 6.5%	3,412	
853	Preferred Unitholders/Shareholders		
	- \$24,248 @ 5.5%	1,334	
333			
--	Remaining Operating Partnership allocation	1,333	
1,230			
--			
--	Pro forma minority share		
	- Partnership Units (14.7%)	196	
180			
--			
--	Remaining Operating Partnership allocation (85.3%)	1,137	1,050
	Add back: income from retail properties directly owned by the Company	368	
104			
--			
	Net income allocated to Common Shareholders	\$ 1,505	\$
1,154			
--			
--			

</TABLE>

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Coopers & Lybrand L.L.P.

Coopers
&Lybrand

a professional services firm

Report of Independent Accountants

To Corporate Office Properties Trust:

We have audited the accompanying combined statement of revenue and certain expenses of the Wagman Acquisition Properties (the "Properties") as described in Note 1 for the year ended December 31, 1997. This financial statement is the responsibility of the Properties' management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting

the amounts and disclosures in the financial statement. 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 revenue 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 2, and is not intended to be a complete presentation of the Properties' revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined revenues and certain expenses as described in Note 2, of the Properties for the year ended December 31, 1997 in conformity with generally accepted accounting principles.

/s/Coopers & Lybrand L.L.P.

2400 Eleven Penn Center
Philadelphia, Pennsylvania
March 18, 1998

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WAGMAN ACQUISITION PROPERTIES

Combined Statement of Revenue and Certain Expenses for the year ended December 31, 1997

<TABLE>	
<CAPTION>	
Revenue:	
<S>	
Base rents	<C> \$ 2,388,864
Tenant reimbursements	1,237,901

Total revenue	3,626,765
Certain expenses:	
Property operating	517,975
Maintenance	1,165,408
Real estate taxes	247,908
General and administrative	84,056

Total certain expenses	2,015,347

Revenue in excess of certain expenses	\$ 1,611,418

</TABLE>	

See accompanying notes to this financial statement.

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WAGMAN ACQUISITION PROPERTIES

Notes to Combined Statements of Revenue and Certain Expenses

1. Business:

The accompanying combined statement of revenue and certain expenses relates to the operations of Wagman Acquisition Properties (the "Properties"), consisting of the revenues and certain expenses of 710 and 695 Rt. 46 buildings, office buildings located in Fairfield, New Jersey (the "Properties").

2. Summary of Significant Accounting Policies:

Basis of Presentation:

The accompanying combined statement of revenue and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission. The statement is not representative of the actual operations of the Properties for the period presented nor indicative of future operations as certain expenses, primarily depreciation, amortization and interest expense, which may not be comparable to the expenses expected to be incurred by

Corporate Office Properties Trust in future operations of the Properties, have been excluded.

Revenue and Expense Recognition:

Revenue is recognized on a straight-line basis over the terms of the related leases. Expenses are recognized in the period in which they are incurred.

Use of Estimates:

The preparation of the combined statement of revenue and certain expenses in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

3. Rentals:

The Properties have entered into tenant leases that provide for tenants to share in the operating and real estate taxes on a pro rata basis, as defined in the leases, with expiration dates ranging from 1998 to 2003. Future minimum rentals to be received under tenant leases in effect at December 31, 1997 are as follows:

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Notes to Combined Statements of Revenue and Certain Expenses, Continued

3. Rentals, continued:

<TABLE>		<C>	
<S>		<C>	
	1998	\$	3,563,508
	1999		3,285,466
	2000		2,890,270
	2001		2,143,450
	2002		1,118,083
	2003 and thereafter		191,148

	Total	\$	13,191,925

</TABLE>			

At December 31, 1997, there are two leases that comprise 29% of base rent revenue.

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WAGMAN ACQUISITION PROPERTIES

Combined Statement of Revenue and Certain Expenses
for the three months ended March 31, 1998
(Unaudited)

<TABLE>		<C>	
<CAPTION>		<C>	
Revenue:			
<S>		<C>	
	Base rents	\$	968,535
	Tenant reimbursements		77,904

	Total revenue		1,046,439
Certain expenses:			
	Property operating		185,486
	Maintenance		35,847
	Real estate taxes		62,102
	General and administrative		23,213

	Total certain expenses		306,648

	Revenue in excess of certain expenses	\$	739,791

</TABLE>			

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