

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): October 13, 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)

401 City Avenue, Suite 615
Bala Cynwyd, PA 19004
(Address of principal executive offices)

(610) 538-1800
(Registrant's telephone number, including area code)

Item 7. Financial Statements and Exhibits

In a Current Report on Form 8-K filed with the Securities and Exchange Commission on October 28, 1998, Corporate Office Properties Trust (the "Company") reported its acquisition of an office building located in Columbia, Maryland ("Riverwood"). The Company is filing this amendment to the Current Report on Form 8-K to include the financial statements identified in this Item 7.

(a) Financial Statements of Business Acquired

The financial statements of Riverwood 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-1 through F-14.

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: December 11, 1998

CORPORATE OFFICE PROPERTIES TRUST

By: /s/ Randall M. Griffin

Name: Randall M. Griffin
Title: President and
Chief Operating Officer

By: /s/ Roger A. Waesche, Jr.

Name: Roger A. Waesche, Jr.
Title: Senior Vice President - Finance

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CORPORATE OFFICE PROPERTIES TRUST
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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 September 30, 1998, and the unaudited pro forma condensed consolidating statements of operations for the year ended December 31, 1997 and the nine-month period ended September 30, 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 ("Common Units") and 2.1 million preferred partnership units ("Preferred Units" or "Preferred 1997 Units").

The acquisition of the Initial Office Properties is reflected in the Company's historical consolidated balance sheet as of September 30, 1998, 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 the earlier of the actual date of consummation or September 30, 1998 for balance sheet purposes, and at the beginning of the period presented for purposes of the statements of operations:

- - The consummation of a public offering (the "Offering") on April 27,

1998, 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 Common Units.

- - The acquisition of nine multistory office buildings and three office/flex buildings (the "Airport Square Properties") on April 30, 1998.
- - The acquisition of two office properties (the "Fairfield Properties") on May 28, 1998.
- - The closing of a \$100 million, two-year-senior revolving credit facility (the "Revolving Credit Facility") on May 28, 1998 and the borrowing of \$23,750,000 under the Revolving Credit Facility to pay a portion of the consideration for the Fairfield Properties.
- - The acquisition by the Company on September 28, 1998, from various parties (collectively, "Constellation") of interests in (i) 10 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") for: (a) issuance by the Company of 865,566 non-voting Series A

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Convertible Preferred Shares of Beneficial Interest, \$0.01 par value, \$25.00 liquidation preference ("Preferred Shares") and 6,182,634 Common Shares; (b) the assumption of debt aggregating \$58,085,000 (net of \$1,475,000 in debt repaid at settlement); (c) utilization of loan proceeds from the Revolving Credit Facility of \$2,100,000, and (d) the payment of \$2,485,000 in cash (including \$1,475,000 of debt repaid at settlement). The foregoing is referred to herein as the "Constellation Transaction."

- - The acquisition by the Company on October 22, 1998, from Constellation of an interest in a newly-constructed office property (the "Woodlands One Property") for: (a) issuance by the Company of 72,509 Preferred Shares and 517,923 Common Shares; (b) the assumption of debt aggregating \$9,533,000; and (c) the payment of \$1,144,000 in cash.
- - The acquisition by the Company on October 13, 1998, from an unrelated party of an interest in an office property ("Riverwood Property") for: (a) issuance by the Company of 148,381 Common Units; and (b) the utilization of loan proceeds from the Revolving Credit Facility of \$18,842,000.
- - The closing of an \$85,000,000, ten-year nonrecourse loan (the "TIAA Loan") on October 22, 1998 and the borrowing of \$76,200,000 under this loan.
- - The contribution by the Company of all the assets acquired in the Constellation Transaction, including the Woodlands One Property, to the Operating Partnership in exchange for 6,700,557 Common Units and 938,075 preferred partnership units ("Preferred Units" or "Preferred 1998 Units").
- - The acquisition by the Company on November 13, 1998, from Constellation interests in entities which own two office properties currently under construction (the "Constellation Construction Properties") for: (a) the assumption of debt aggregating \$2,000,000; and (b) the utilization of loan proceeds from the Revolving Credit Facility of \$5,200,000.

The accompanying pro forma condensed consolidating financial information does not include the effects of the acquisition of one office and one retail property (one of which is newly constructed and one of which is under construction) as the Company has not consummated these acquisitions as of December 11, 1998.

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 Riverwood Property, the Constellation Properties and the Constellation Service Companies. In management's opinion, all adjustments necessary to reflect the effects of the consummated 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 September 30, 1998, nor does it purport to represent the future financial position and the results of operations of the Company.

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(Dollars in thousands, except per share data)

<TABLE>
<CAPTION>

<S>	Historical Consolidated (A)	Riverwood Property (B)	Woodlands One Property (C)	TIAA Loan (D)	Retirement of Debt (E)
<C>	<C>	<C>	<C>	<C>	<C>
Assets					
Net investments in real estate	\$ 434,833	\$ 20,356	\$ 17,928	\$ -	\$ -
Cash and cash equivalents	1,906	-	(1,144)	75,555	(75,214)
Investment in unconsolidated subsidiary, net	2,313	-	-	-	-
Other assets	8,932	-	-	645	-
Total assets	\$ 447,984	\$ 20,356	\$ 16,784	\$ 76,200	\$ (75,214)
Liabilities and shareholders' equity					
Liabilities					
Mortgage loans payable	\$ 205,338	\$ 18,798	\$ 9,533	\$ 76,200	\$ (75,214)
Other liabilities	9,659	-	-	-	-
Total liabilities	214,997	18,798	9,533	76,200	(75,214)
Minority interests					
Preferred Units	52,500	-	-	-	-
Common Units	23,186	1,558	-	-	-
Total minority interests	75,686	1,558	-	-	-
Shareholders' equity					
Preferred shares of beneficial interest	9	-	1	-	-
Common shares of beneficial interest	160	-	5	-	-
Additional paid in capital	163,918	-	7,245	-	-
Accumulated deficit	(6,786)	-	-	-	-
Total shareholders' equity	157,301	-	7,251	-	-
Total liabilities and shareholders' equity	\$ 447,984	\$ 20,356	\$ 16,784	\$ 76,200	\$ (75,214)

</TABLE>

<TABLE>
<CAPTION>

<S>	Constellation Construction Properties (F)	Pro Forma Adjustments (G)	Pro Forma Consolidated (C)
<C>	<C>	<C>	<C>
Assets			
Net investments in real estate	\$ 7,200	\$ -	\$ 480,317
Cash and cash equivalents	-	-	1,103
Investment in unconsolidated subsidiary, net	-	-	2,313
Other assets	-	-	9,577
Total assets	\$ 7,200	\$ -	\$ 493,310
Liabilities and shareholders' equity			
Liabilities			
Mortgage loans payable	\$ 7,200	\$ -	\$ 241,855
Other liabilities	-	-	9,659
Total liabilities	7,200	-	251,514
Minority interests			
Preferred Units	-	-	52,500
Common Units	-	(12)	24,732
Total minority interests	-	(12)	77,232
Shareholders' equity			
Preferred shares of beneficial interest	-	-	10
Common shares of beneficial interest	-	-	165
Additional paid in capital	-	12	171,175
Accumulated deficit	-	-	(6,786)

Total shareholders' equity	----- -	----- 12	----- 164,564
Total liabilities and shareholder equity	----- \$ 7,200	----- \$ -	----- \$ 493,310

</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 Year Ended December 31, 1997
(Unaudited)
(Dollars in thousands, except per share data)

<TABLE>
<CAPTION>

	Historical Consolidated (A) <C>	Initial Office, Airport Square and Fairfield Properties (B) <C>	Constellation Transaction, including Woodlands One Property and Constellation Construction Properties (C) <C>	Riverwood Property (D) <C>
Revenues:				
Base rents	\$ 6,122	\$ 23,129	\$ 14,756	\$ 1,912
Tenant reimbursements and other	496	2,815	2,308	702
Total revenues	6,618	25,944	17,064	2,614
Expenses:				
Property operating	728	8,029	5,986	676
General and administrative	533	299	526	-
Interest expense	2,855	7,388	-	-
Depreciation and amortization	1,331	2,580	-	-
Termination of Advisory Agreement	1,353	-	-	-
Total expenses	6,800	18,296	6,512	676
Equity in income (loss) of management company	-	-	(80)	-
Income (loss) before minority interests	(182)	7,648	10,472	1,938
Minority interests				
Preferred Units	(720)	-	-	-
Common Units	(65)	-	-	-
Net income (loss)	(967)	7,648	10,472	1,938
Preferred share distributions	-	-	-	-
Net income (loss) available to Common Shareholders	\$ (967)	\$ 7,648	\$ 10,472	\$ 1,938
Net income (loss) per share: Basic and diluted	\$ (0.60)			
Weighted average number of shares-Basic and diluted	1,600,807			

</TABLE>

<TABLE>
<CAPTION>

<S> Pro Forma Adjustments <C> Pro Forma Consolidated <C>

Revenues:		
Base rents	\$ -	\$ 45,919
Tenant reimbursements and other	201 (E)	6,522
	-----	-----
Total revenues	201	52,441
	-----	-----
Expenses:		
Property operating	-	15,419
General and administrative	-	1,358
Interest expense	7,950 (F)	18,193
Depreciation and amortization	6,246 (G)	10,157
Termination of Advisory Agreement	(1,353) (H)	-
	-----	-----
Total expenses	12,843	45,127
	-----	-----
Equity in income (loss) of management company	-	(80)
	-----	-----
Income (loss) before minority interests	(12,642)	7,234
Minority interests		
Preferred Units	(2,692) (I)	(3,412)
Common Units	(272) (I)	(337)
	-----	-----
Net income (loss)	(15,606)	3,485
Preferred share distributions	(1,290) (I)	(1,290)
	-----	-----
Net income (loss) available to Common Shareholders	\$ (16,896)	\$ 2,195
	-----	-----
Net income (loss) per share: Basic and diluted		\$ 0.13

Weighted average number of shares-Basic and diluted		16,466,640

</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 Nine Month Period Ended September 30, 1998
(Unaudited)
(Dollars in thousands, except per share data)

	Historical Consolidated (A) <C>	Initial Office, Airport Square and Fairfield Properties (B) <C>	Constellation Transaction, including Woodlands One Property and Constellation Construction Properties (C) <C>	Riverwood Property (D) <C>
<S>				
Revenues:				
Base rents	\$ 20,539	\$ 4,984	\$ 11,706	\$
1,451				
Tenant reimbursements and other	2,640	220	1,535	536
	-----	-----	-----	-----
--				
Total revenues	23,179	5,204	13,241	
1,987	-----	-----	-----	-----
--				
Expenses:				
Property operating	5,001	1,545	5,228	
506				
General and administrative	1,055	46	-	
-				
Interest expense	7,424	-	-	
-				
Depreciation and amortization	4,038	-	-	
-				
Reformation costs	637	-	-	
-				

--				
506	Total expenses	18,155	1,591	5,228
--				
	Equity in income (loss) of management company	17	-	(293)
--				
	Income (loss) before minority interests	5,041	3,613	7,720
	Minority interests			
	Preferred Units	(2,559)	-	-
	Common Units	(713)	-	-
--				
	Net income (loss)	1,769	3,613	7,720
1,481				
	Preferred share distributions	(10)	-	-
--				
	Net income (loss) available to Common Shareholders	\$ 1,759	\$ 3,613	\$ 7,720
--				
--				
	Net income (loss) per share: Basic and diluted	\$ 0.26		
	Weighted average number of shares: Basic	6,651,533		
	Weighted average number of shares: Diluted	6,737,907		

</TABLE>

<TABLE>
<CAPTION>

<S>	Pro Forma Adjustments <C>	Pro Forma Consolidated <C>
Revenues:		
Base rents	\$ -	\$ 38,680
Tenant reimbursements and other	150 (E)	5,081
Total revenues	150	43,761
Expenses:		
Property operating	-	12,280
General and administrative	-	1,101
Interest expense	6,205 (F)	13,629
Depreciation and amortization	3,619 (G)	7,657
Reformation costs	(637) (H)	-
Total expenses	9,187	34,667
Equity in income (loss) of management company	-	(276)
Income (loss) before minority interests	(9,037)	8,818
Minority interests		
Preferred Units	- (I)	(2,559)
Common Units	(59) (I)	(772)
Net income (loss)	(9,096)	5,487
Preferred share distributions	(957) (I)	(967)
Net income (loss) available to Common Shareholders	\$ (10,053)	\$ 4,520
Net income (loss) per share: Basic and diluted		\$ 0.27

Weighted average number of shares: Basic	16,470,962

Weighted average number of shares: Diluted	16,557,336

</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 September 30, 1998, the Company's portfolio included 43 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 Riverwood Property, the Constellation Properties and the Constellation Service Companies. In management's opinion, all adjustments necessary to reflect the effects of the Offering, the acquisitions of the Initial Office Properties, the Airport Square Properties, the Fairfield Properties, the Riverwood Property, the Constellation Properties, the Constellation Service Companies, the Woodlands One Properties, the Constellation Construction Properties and the closing of the TIAA Loan and utilization of the proceeds thereof 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 September 30, 1998.
- (B) Reflects the contribution of the Riverwood Property from an unrelated party in exchange for: (i) issuance of 148,381 Common Units at a value of \$10.50 per unit (\$1,558) and; (ii) the utilization of loan proceeds from the Revolving Credit Facility of \$18,798, including payment of \$348 of costs associated with the acquisition.
- (C) Reflects the acquisition of the Woodlands One Property from Constellation in exchange for: (i) issuance of 72,509 Preferred Shares at a value equal to a liquidation preference of \$25.00 per share (\$1,813); (ii) issuance of 517,923 Common Shares at a value of \$10.50 per share (\$5,438); (iii) assumption of debt aggregating \$9,533; and (iv) utilization of cash reserves of \$1,144, including payment of \$328 of costs associated with the acquisition.
- (D) Reflects the proceeds of the first disbursement under the TIAA Loan, net of associated costs of \$645.
- (E) Reflects the application of the net proceeds of the TIAA Loan where debt was retired of: (i) \$27,181 assumed in connection with the Constellation Transaction; (ii) \$9,533 assumed in connection with the Woodlands One Property and (iii) \$38,500 of the balance of the Revolving Credit Facility.

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- (F) Reflects the acquisition of the Constellation Construction Properties from Constellation in exchange for: (a) the assumption of debt aggregating \$2,000; and (b) the utilization of loan proceeds from the Revolving Credit Facility of \$5,200.
- (G) Reflects the adjustment to minority interests as a result of the transactions in connection with the Constellation Transaction, the Woodlands One Property and the Riverwood Property. After the closings, the Company holds a total of 14,800,557 Common Units or an 84.4% interest in the Operating Partnership.

<TABLE>
<CAPTION>

	Company	Operating Partnership		Consolidated
<S>	<C>	<C>	<C>	<C>
Minority interests				
Common Units	\$ -	\$ 24,732	15.6%	\$ 24,732
Shareholders' equity (1)				
Common Shares	7,303	133,809	84.4%	141,112
	\$ 7,303	\$ 158,541	100.0%	\$ 165,844

</TABLE>

(1) Excluding \$23,452 related to the Company's Preferred Shares

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 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>

	Initial Office Properties through 10/13/97	Airport Square Properties Through 12/31/97	Fairfield Properties through 12/31/97	Combined
<S>	<C>	<C>	<C>	<C>
Revenues				
Base rents	\$ 12,216	\$ 8,524	\$ 2,389	\$ 23,129
Tenant reimbursements and other	1,282	295	1,238	2,815
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	-	-	7,388
Depreciation and amortization	2,580	-	-	2,580
Total expenses	12,873	3,408	2,015	18,296
Income (loss) before minority interests	\$ 625	\$ 5,411	\$ 1,612	\$ 7,648

</TABLE>

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For the Nine Month Period Ended September 30, 1998

<TABLE>

<CAPTION>

	Initial Office Properties Historical	Airport Square Properties Historical through 4/29/98	Fairfield Properties Historical through 5/27/98	Combined
<S>	<C>	<C>	<C>	<C>
Revenues				
Base rents	\$ -	\$ 3,371	\$ 1,613	\$ 4,984
Tenant reimbursements and other	-	90	130	220
Total revenues	-	3,461	1,743	5,204
Expenses				
Property operating	-	1,073	472	1,545
General and administrative	-	8	38	46
Interest expense	-	-	-	-
Depreciation and amortization	-	-	-	-
Total expenses	-	1,081	510	1,591

Income (loss) before minority interests	\$ -	\$ 2,380	\$ 1,233	\$ 3,613
	-----	-----	-----	-----
	-----	-----	-----	-----

</TABLE>

(C) Reflects the effects of the adjusted combined historical operations of the Constellation Properties and the Constellation Service Companies which were acquired on September 28, 1998. Historical operations for the Woodlands One Property and the Constellation Construction Properties are not reflected as those properties were not operational as of September 30, 1998.

For the Year ended December 31, 1997

<TABLE>
<CAPTION>

	Constellation Properties Historical <C>	Constellation Service Companies Historical <C>	Pro Forma Constellation Adjustments <C>	Combined <C>
<S> Revenues				
Base rents	\$ 14,756	\$ -	\$ -	\$ 14,756
Tenant reimbursements and other	2,308	11,226	(11,226) (i)	2,308
	-----	-----	-----	-----
Total revenues	17,064	11,226	(11,226)	17,064
	-----	-----	-----	-----
<S> Expenses				
Property operating	5,986	-	-	5,986
General and administrative	526	10,242	(10,242) (ii)	526
Interest expense	-	18	(18) (iii)	-
Depreciation and amortization	-	225	(225) (iv)	-
	-----	-----	-----	-----
Total expenses	6,512	10,485	(10,485)	6,512
	-----	-----	-----	-----
Equity in income (loss) of management company	-	-	(80) (v)	(80)
	-----	-----	-----	-----
Income (loss) before income taxes and minority interests	\$ 10,552	\$ 741	\$ (821)	\$ 10,472
	-----	-----	-----	-----
	-----	-----	-----	-----

</TABLE>

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For the Nine Month Period Ended September 30, 1998

<TABLE>
<CAPTION>

	Constellation Properties Historical through 9/27/98 <C>	Constellation Service Companies Historical through 9/27/98 <C>	Pro Forma Constellation Adjustments <C>	Combined <C>
<S> Revenues				
Base rents	\$ 11,706	\$ -	\$ -	\$ 11,706
Tenant reimbursements and other	1,535	9,111	(9,111) (i)	1,535
	-----	-----	-----	-----
Total revenues	13,241	9,111	(9,111)	13,241
	-----	-----	-----	-----
<S> Expenses				
Property operating	5,228	-	-	5,228
General and administrative	-	8,765	(8,765) (ii)	-
Interest expense	-	10	(10) (iii)	-
Depreciation and amortization	-	235	(235) (iv)	-
	-----	-----	-----	-----
Total expenses	5,228	9,010	(9,010)	5,228
	-----	-----	-----	-----
Equity in income (loss) of management company	-	-	(293) (v)	(293)
	-----	-----	-----	-----
Income (loss) before income taxes and minority interests	\$ 8,013	\$ 101	\$ (394)	\$ 7,720
	-----	-----	-----	-----
	-----	-----	-----	-----

</TABLE>

<TABLE>
<CAPTION>

	For the Year Ended December 31, 1997 ----	For the Nine Month Period Ended September 30, 1998 ----
<S>	<C>	<C>
(i) Reflects the reclassification of Constellation Service Companies' historical revenue to equity in income of management company.	\$ (11,226) ----- -----	\$ (9,111) ----- -----
(ii) Reflects the reclassification of Constellation Service Companies' historical operating expenses to equity in income of management company.	\$ (10,242) ----- -----	\$ (8,765) ----- -----
(iii) Reflects the reclassification of Constellation Service Companies' historical interest expense to equity in income of management company	\$ (18) ----- -----	\$ (10) ----- -----
(iv) Reflects the reclassification of Constellation Service Companies' historical depreciation and amortization to equity in income of management company	\$ (225) ----- -----	\$ (235) ----- -----

</TABLE>

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<TABLE>
<CAPTION>

	For the Year Ended December 31, 1997 ----	For nine period Month Period Ended September 30, 1998 ----
<S>	<C>	<C>
(v) Reflects the net change in equity in income of management company as follows:		
- Reclassification of Constellation Service Companies' historical income and expenses	\$ 741	\$ 101
- 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)	(3,084)
- 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	2,997
- Addition of net overhead costs not included in historical costs and expected to have a continuing impact on the Company	(122)	(255)
- Addition of interest expense on indebtedness issued by an affiliate of the management company to the Company at a rate of 10.0% per annum	(201)	(150)
- Depreciation expense on personal property of \$583 over a 5-year useful life	(116)	(87)
- Adjustment to Constellation Service Companies' historical depreciation and amortization	122	131
- To reflect income tax (expense) benefit at an assumed rate of 40%	19	176
- To reflect minority interest in management company	(116)	(82)
- To reflect adjustment for purchase price of management company to pro forma net income over 20 years	(53)	(40)
	\$ (80) ----- -----	\$ (293) ----- -----

</TABLE>

(D) Reflects the effects of the historical operations of the Riverwood Property which was acquired on October 13, 1998.

(E) Reflects interest income on the Company's \$2,005 note receivable from an affiliate of the management company at a rate of 10.0% per

(F) Represents net additional pro forma interest expense, as a result of borrowings under the Term Credit Facility, the Revolving Credit Facility, the debt assumed in connection with the Fairfield Properties, the debt assumed in connection with the Constellation Transaction and the TIAA Loan.

<TABLE>
<CAPTION>

Adjustment to interest expense, net of related historical amounts, as a result of: -----	For the Year Ended December 31, 1997 ----	For the Nine Month Period Ended September 30, 1998 -----
<S>	<C>	<C>
Term Credit Facility, which debt bears interest at 7.5% per annum.	\$ (1,511)	\$ -
Revolving Credit Facility, based upon a pro forma balance of \$12,200, which debt bears interest at LIBOR plus 175 basis points, assuming a LIBOR rate of 5.75% per annum.	914	84
Revolving Credit Facility based upon a pro forma unused balance of \$87,800, which unused balance is subject to a fee of 25 basis points per annum.	221	99
Debt assumed in connection with the acquisition of the Fairfield Properties which debt bears interest at a rate of 8.29% per annum.	536	219
Debt assumed in connection with the Constellation Transaction, based upon a pro forma aggregate balance of \$30,904, which debt bears interest at average effective rate of 7.70% per annum.	2,380	1,745
Debt assumed in connection with the acquisition of the Constellation Construction Properties, which debt bears interest at a rate of 8.00% per annum. TIAA Loan, based upon a pro forma balance of \$76,200, which debt bears interest at 6.89% per annum.	160	120
	5,250	3,938
	-----	-----
	\$ 7,950	\$ 6,205
	-----	-----

</TABLE>

(G) Pro forma depreciation expense is reflected assuming an 80% building and 20% land allocation of the purchase price and capitalized costs over a useful life of 40 years. Pro forma amortization expense is reflected assuming pro forma deferred financing fees are amortized over the life of the related loan.

<TABLE>
<CAPTION>

Adjustment to depreciation and amortization expense, net of related historical amounts, as a result of: -----	For the Year Ended December 31, 1997 ----	For the Nine Month Period Ended September 30, 1998 -----
<S>	<C>	<C>
Depreciation expense:		
Initial Office Properties	\$ 548	\$ -
Airport Square Properties	1,452	462
Fairfield Properties	588	245
Constellation Transaction, including Woodlands One		

Property	3,293	2,469
Riverwood Property	408	306
Amortization of deferred financing fees related to:		
Term Credit Facility in connection with Initial Office Properties	(323)	-
Revolving Credit Facility	209	87
Assumed debt in connection with Fairfield Properties	10	3
TIAA Loan	61	47
	-----	-----
	\$ 6,246	\$ 3,619
	-----	-----

</TABLE>

- (H) 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 nine-month period ended September 30, 1998, respectively, have been excluded since such costs are not expected to have a continuing impact on the Company.
- (I) Reflects the effects of contribution of the net assets received from the Offering, the Constellation Transaction, including the Woodlands One Property, and the Riverwood Property to the Operating Partnership in exchange for (i) 7,500,000 Common Units as a result of the Offering; (ii) 938,075 Preferred 1998 Units and 6,700,557 Common Units as a result of the Constellation Transaction, including the Woodlands One Property; and (iii) 148,381 Common Units as a result of the Riverwood Property.

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

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<TABLE>
<CAPTION>

	Company	Others	Total
	-----	-----	-----
<S>	<C>	<C>	<C>
Common Units - pre closing	600,000	2,581,818	3,181,818
Offering	7,500,000	-	7,500,000
Constellation Transaction, including Woodlands One Property	6,700,557	-	6,700,557
Riverwood Property	-	148,381	148,381
	-----	-----	-----
Common Units - post closing	14,800,557	2,730,199	17,530,756
	-----	-----	-----
Percentage ownership	84.4%	15.6%	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% (Preferred 1997 Units) or 5.5% (Preferred 1998 Units) of their investment on a pari passu basis with remaining income, if any, or loss allocated between the Company (84.4%) and the remaining partners (15.6%). 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>

	For the Year Ended December 31,	For the Nine Month Period Ended September 30,
	-----	-----
	1997	1998
	----	----
<S>	<C>	<C>
Income before minority interests	\$ 7,234	\$ 8,818
Less: income from the retail properties directly owned by the Company	(368)	(333)
	-----	-----
Income before minority interest		
- Operating Partnership	6,866	8,485
Less: Preferred 1997 Unitholders		
- \$52,500 @ 6.5%	(3,412)	(2,559)
Less: Preferred 1998 Unitholders/Shareholders		

- \$23,452 @ 5.5%	(1,290)	(967)
Remaining Operating Partnership allocation	2,164	4,959
Less: Pro forma minority share - Common Units (15.6%)	(337)	(772)
Remaining Operating Partnership allocation (84.4%)	1,827	4,187
Add back: income from retail properties directly owned by the Company	368	333
Net income allocated to Common Shareholders	\$ 2,195	\$ 4,520

</TABLE>

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REPORT OF INDEPENDENT ACCOUNTANTS

November 17, 1998

To Corporate Office Properties Trust:

We have audited the accompanying statement of revenue and certain expenses of the Riverwood Acquisition Property (the "Property") as described in Note 1 for the year ended December 31, 1997. This financial statement is the responsibility of the Property's 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 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 Property's revenues and expenses.

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

PricewaterhouseCoopers LLP

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RIVERWOOD ACQUISITION PROPERTY
STATEMENT OF REVENUE AND CERTAIN EXPENSES
for the year ended December 31, 1997

<TABLE>

<S>	<C>
Revenue:	
Base rents	\$1,911,702
Tenant reimbursements	695,085
Interest income	5,103

Miscellaneous income	2,899

Total revenue	2,614,789

Certain expenses:	
Property operating	212,364
Repairs and maintenance	463,838
General and administrative	160

Total certain expenses	676,362

Revenue in excess of certain expenses	\$1,938,427

</TABLE>

See accompanying notes to this financial statement.

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RIVERWOOD ACQUISITION PROPERTY
STATEMENT OF REVENUE AND CERTAIN EXPENSES
for the year ended December 31, 1997

1. Business:

The accompanying statement of revenue and certain expenses relates to the operation of Riverwood Acquisition Property (the "Property"), consisting of the revenues and certain expenses of a building known as Parcel A in the Rivers Corporate Park, 7200 Riverwood Drive, Columbia, Maryland 21046, being a separately divided parcel of approximately twenty acres located in Howard County, Maryland, which contains a single story one hundred and sixty thousand square foot building.

2. Summary of Significant Accounting Policies:

Basis of Presentation:

The accompanying 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 Property for the period presented nor indicative of future operations as certain expenses, primarily depreciation, amortization, interest expense and ground rent, which may not be comparable to the expenses expected to be incurred by Corporate Office Properties Trust in future operations of the Property, have been excluded.

Revenue and Expense Recognition:

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

Use of Estimates:

The preparation of this financial statement 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.

Major Tenant:

During 1997, the United States Government was the sole tenant of the Riverwood property under a cancelable monthly lease agreement. See also Note 3.

Continued

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3. Rentals:

The Property entered into a non-cancellable tenant lease with the United States Government on January 1, 1998 that provides for the tenant to share in the operating and real estate taxes on a pro rata basis, as defined in the lease, with an expiration date of December 31, 2002. Future minimum rentals to be received under this tenant lease are as follows:

<TABLE>

<S>	<C>
1998	\$ 1,915,946
1999	1,963,200
2000	2,012,800
2001	2,062,400
2002	2,113,600

	\$10,067,946

</TABLE>

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RIVERWOOD ACQUISITION PROPERTY
STATEMENT OF REVENUE AND CERTAIN EXPENSES
for the nine months September 30, 1998

(unaudited)

<TABLE>

<S>	<C>
Revenue:	
Base rents	\$1,450,750
Tenant reimbursements	527,868
Interest income	8,172

Total revenue	1,986,790

Certain expenses:	
Property operating	157,229
Repairs and maintenance	347,374
General and administrative	150
Bad debts	1,333

Total certain expenses	506,086

Revenue in excess of certain expenses	\$1,480,704

</TABLE>

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