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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549  
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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 30, 1998

-----  
CORPORATE OFFICE PROPERTIES TRUST  
-----

(Exact name of registrant as specified in its charter)

|  |   |  |
|--|---|--|
| MARYLAND<br>-----<br>(State or other jurisdiction of<br>incorporation) | 0-20047<br>-----<br>(Commission<br>File Number) | 23-2947217<br>-----<br>(IRS Employer<br>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)  
-----  
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Item 7. Financial Statements and Exhibits

In a Current Report on Form 8-K filed with the Securities and Exchange Commission on November 16, 1998, Corporate Office Properties Trust (the "Company") reported its acquisition of six office buildings and two office/flex buildings located in Middlesex County, New Jersey (the "Centerpoint Properties"). 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 Businesses Acquired

The financial statements of the Centerpoint 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-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: January 14, 1999

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 January 1, 1997, 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

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865,566 non-voting Series A 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 from Constellation of an interest in a newly-constructed office property (the "Woodlands One Property") on October 22, 1998, 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 of an interest in an office property on October 13, 1998 (the "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 \$18,798,000.
- - 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 of six office buildings and two office/flex buildings on October 30, 1998, (the "Centerpoint Properties") for: (a) the payment of \$700,000 in cash; and (b) the utilization of loan proceeds from the Revolving Credit Facility of \$31,000,000.
- - The acquisition of interests in entities which own two office properties currently under construction from Constellation (the "Constellation Construction Properties") on November 13, 1998, 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 effect of the acquisition of one additional office property from Constellation on December 30, 1998, which will be included in a future filing. Also excluded is the effect of one retail property under contract to be acquired from Constellation, which was not consummated as of January 14, 1999.

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, the Constellation Service Companies and the Centerpoint Properties. 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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<TABLE>  
<CAPTION>

|   | Historical Consolidated (A) | Riverwood Property (B) | Woodlands One Property (C) | TIAA Loan (D)    | Retirement of Debt (E) |
|---|-----------------------------|------------------------|----------------------------|------------------|------------------------|
| <S>   | <C>                         | <C>                    | <C>                        | <C>              | <C>                    |
| <b>ASSETS</b>                                     |                             |                        |                            |                  |                        |
| 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              | -                      |
| <b>Total assets</b>                               | <b>\$ 447,984</b>           | <b>\$ 20,356</b>       | <b>\$ 16,784</b>           | <b>\$ 76,200</b> | <b>\$ (75,214)</b>     |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |                             |                        |                            |                  |                        |
| <b>Liabilities</b>                                |                             |                        |                            |                  |                        |
| Mortgage loans payable                            | \$ 205,338                  | \$ 18,798              | \$ 9,533                   | \$ 76,200        | \$ (75,214)            |
| Other liabilities                                 | 9,659                       | -                      | -                          | -                | -                      |
| <b>Total liabilities</b>                          | <b>214,997</b>              | <b>18,798</b>          | <b>9,533</b>               | <b>76,200</b>    | <b>(75,214)</b>        |
| <b>Minority interests</b>                         |                             |                        |                            |                  |                        |
| Preferred Units                                   | 52,500                      | -                      | -                          | -                | -                      |
| Common Units                                      | 23,186                      | 1,558                  | -                          | -                | -                      |
| <b>Total minority interests</b>                   | <b>75,686</b>               | <b>1,558</b>           | <b>-</b>                   | <b>-</b>         | <b>-</b>               |
| <b>Shareholders' equity</b>                       |                             |                        |                            |                  |                        |
| 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)                     | -                      | -                          | -                | -                      |
| <b>Total shareholders' equity</b>                 | <b>157,301</b>              | <b>-</b>               | <b>7,251</b>               | <b>-</b>         | <b>-</b>               |
| <b>Total liabilities and shareholders' equity</b> | <b>\$ 447,984</b>           | <b>\$ 20,356</b>       | <b>\$ 16,784</b>           | <b>\$ 76,200</b> | <b>\$ (75,214)</b>     |

</TABLE>

<TABLE>  
<CAPTION>

|   | Constellation Construction Properties (F) | Centerpoint Properties (G) | Pro Forma Adjustments (H) | Pro Forma Consolidated |
|---|---|----------------------------|---------------------------|------------------------|
| <S>   | <C>                                       | <C>                        | <C>                       | <C>                    |
| <b>ASSETS</b>                                     |   |                            |                           |                        |
| Net investments in real estate                    | \$ 7,200                                  | \$ 31,700                  | \$ -                      | \$ 512,017             |
| Cash and cash equivalents                         | -   | (700)                      | -                         | 403                    |
| Investment in unconsolidated subsidiary, net      | -   | -                          | -                         | 2,313                  |
| Other assets                                      | -   | -                          | -                         | 9,577                  |
| <b>Total assets</b>                               | <b>\$ 7,200</b>                           | <b>\$ 31,000</b>           | <b>\$ -</b>               | <b>\$ 524,310</b>      |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |   |                            |                           |                        |
| <b>Liabilities</b>                                |   |                            |                           |                        |
| Mortgage loans payable                            | \$ 7,200                                  | \$ 31,000                  | \$ -                      | \$ 272,855             |
| Other liabilities                                 | -   | -                          | -                         | 9,659                  |
| <b>Total liabilities</b>                          | <b>7,200</b>                              | <b>31,000</b>              | <b>-</b>                  | <b>282,514</b>         |
| <b>Minority interests</b>                         |   |                            |                           |                        |
| Preferred Units                                   | -   | -                          | -                         | 52,500                 |
| Common Units                                      | -   | -                          | (12)                      | 24,732                 |
| <b>Total minority interests</b>                   | <b>-</b>                                  | <b>-</b>                   | <b>(12)</b>               | <b>77,232</b>          |
| <b>Shareholders' equity</b>                       |   |                            |                           |                        |
| Preferred shares of beneficial interest           | -   | -                          | -                         | 10                     |
| Common shares of beneficial interest              | -   | -                          | -                         | 165                    |
| Additional paid in capital                        | -   | -                          | 12                        | 171,175                |
| Accumulated deficit                               | -   | -                          | -                         | (6,786)                |
| <b>Total shareholders' equity</b>                 | <b>-</b>                                  | <b>-</b>                   | <b>12</b>                 | <b>164,564</b>         |
| <b>Total liabilities and shareholders' equity</b> | <b>\$ 7,200</b>                           | <b>\$ 31,000</b>           | <b>\$ -</b>               | <b>\$ 524,310</b>      |

</TABLE>

See accompanying notes and management's assumptions to pro forma

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>  
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|   | Historical<br>Consolidated (A) | Initial Office,<br>Airport Square<br>and Fairfield<br>Properties (B) | Constellation<br>Transaction,<br>including<br>Woodlands One<br>Property and<br>Constellation<br>Construction<br>Properties (C) | Riverwood<br>Property (D) |
|---|--------------------------------|--|--|---------------------------|
| <S>   | <C>                            | <C>  | <C>  | <C>                       |
| <b>REVENUES:</b>                                    |                                |  |  |                           |
| 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                     |
| <b>EXPENSES:</b>                                    |                                |  |  |                           |
| 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>

|   | Centerpoint<br>Properties (E) | Pro Forma<br>Adjustments | Pro Forma<br>Consolidated |
|---|-------------------------------|--------------------------|---------------------------|
| <S>   | <C>                           | <C>                      | <C>                       |
| <b>REVENUES:</b>                              |                               |                          |                           |
| Base rents                                    | \$ 3,897                      | \$ -                     | \$ 49,816                 |
| Tenant reimbursements and other               | 624                           | 201 (F)                  | 7,146                     |
| Total revenues                                | 4,521                         | 201                      | 56,962                    |
| <b>EXPENSES:</b>                              |                               |                          |                           |
| Property operating                            | 1,310                         | -                        | 16,729                    |
| General and administrative                    | -                             | -                        | 1,358                     |
| Interest expense                              | -                             | 10,197 (G)               | 20,440                    |
| Depreciation and amortization                 | -                             | 6,880 (H)                | 10,791                    |
| Termination of Advisory Agreement             | -                             | (1,353) (I)              | -                         |
| Total expenses                                | 1,310                         | 15,724                   | 49,318                    |
| Equity in income (loss) of management company | -                             | -                        | (80)                      |
| Income (loss) before minority interests       | 3,211                         | (15,523)                 | 7,564                     |
| Minority interests                            |                               |                          |                           |
| Preferred Units                               | -                             | (2,692) (J)              | (3,412)                   |
| Common Units                                  | -                             | (324) (J)                | (389)                     |

|   |          |             |            |
|---|----------|-------------|------------|
| Net income (loss)                                   | 3,211    | (18,539)    | 3,763      |
| Preferred share distributions                       | -        | (1,290) (J) | (1,290)    |
| Net income (loss) available to Common Shareholders  | \$ 3,211 | \$ (19,829) | \$ 2,473   |
| Net income (loss) per share: Basic and diluted      |          |             | \$ 0.15    |
| Weighted average number of shares-Basic and diluted |          |             | 16,466,640 |

</TABLE>

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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 NINE MONTH PERIOD ENDED SEPTEMBER 30, 1998  
(UNAUDITED)  
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>  
<CAPTION>

| (D)  | Historical<br>Consolidated (A) | Initial Office,<br>Airport Square<br>and Fairfield<br>Properties (B) | Constellation<br>Transaction,<br>including Woodlands<br>One Property and<br>Constellation<br>Construction<br>Properties (C) | Riverwood<br>Property |
|--|--------------------------------|--|---|-----------------------|
| <S>  | <C>                            | <C>  | <C>   | <C>                   |
| <b>REVENUES:</b>                                   |                                |  |   |                       |
| 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  |                                |  |   |                       |
| <b>EXPENSES:</b>                                   |                                |  |   |                       |
| 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                            | -  | -   |                       |
| -  |                                |  |   |                       |
| Total expenses                                     | 18,155                         | 1,591  | 5,228   |                       |
| 506  |                                |  |   |                       |
| Equity in income (loss) of management company      | 17                             | -  | (293)   | -                     |
| --   |                                |  |   |                       |
| Income (loss) before minority interests            | 5,041                          | 3,613  | 7,720   | 1,481                 |
| 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  | \$ 1,481              |
| --   |                                |  |   |                       |

|  |           |
|--|-----------|
| --   |           |
| Net income per share:                      |           |
| Basic                                      | \$ 0.26   |
|  | -----     |
|  | -----     |
| Diluted                                    | \$ 0.26   |
|  | -----     |
|  | -----     |
| Weighted average number of shares: Basic   | 6,651,533 |
|  | -----     |
|  | -----     |
| Weighted average number of shares: Diluted | 6,737,907 |
|  | -----     |
|  | -----     |

</TABLE>

<TABLE>  
<CAPTION>

|  | Centerpoint<br>Properties (E) | Pro Forma<br>Adjustments | Pro Forma<br>Consolidated |
|--|-------------------------------|--------------------------|---------------------------|
| <S>  | <C>                           | <C>                      | <C>                       |
| REVENUES:  |                               |                          |                           |
| Base rents   | \$ 2,873                      | \$ -                     | \$ 41,553                 |
| Tenant reimbursements and other                    | 551                           | 150 (F)                  | 5,632                     |
|  | -----                         | -----                    | -----                     |
| Total revenues                                     | 3,424                         | 150                      | 47,185                    |
|  | -----                         | -----                    | -----                     |
| EXPENSES:  |                               |                          |                           |
| Property operating                                 | 1,038                         | -                        | 13,318                    |
| General and administrative                         | -                             | -                        | 1,101                     |
| Interest expense                                   | -                             | 7,892 (G)                | 15,316                    |
| Depreciation and amortization                      | -                             | 4,095 (H)                | 8,133                     |
| Reformation costs                                  | -                             | (637) (I)                | -                         |
|  | -----                         | -----                    | -----                     |
| Total expenses                                     | 1,038                         | 11,350                   | 37,868                    |
|  | -----                         | -----                    | -----                     |
| Equity in income (loss) of management company      | -                             | -                        | (276)                     |
|  | -----                         | -----                    | -----                     |
| Income (loss) before minority interests            | 2,386                         | (11,200)                 | 9,041                     |
|  | -----                         | -----                    | -----                     |
| Minority interests                                 |                               |                          |                           |
| Preferred Units                                    | -                             | - (J)                    | (2,559)                   |
| Common Units                                       | -                             | (95) (J)                 | (808)                     |
|  | -----                         | -----                    | -----                     |
| Net income (loss)                                  | 2,386                         | (11,295)                 | 5,674                     |
|  | -----                         | -----                    | -----                     |
| Preferred share distributions                      | -                             | (957) (J)                | (967)                     |
|  | -----                         | -----                    | -----                     |
| Net income (loss) available to Common Shareholders | \$ 2,386                      | \$ (12,252)              | \$ 4,707                  |
|  | -----                         | -----                    | -----                     |
|  | -----                         | -----                    | -----                     |
| Net income per share:                              |                               |                          |                           |
| Basic  |                               |                          | \$ 0.29                   |
|  |                               |                          | -----                     |
|  |                               |                          | -----                     |
| Diluted  |                               |                          | \$ 0.28                   |
|  |                               |                          | -----                     |
|  |                               |                          | -----                     |
| 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, the Constellation Service Companies and the Centerpoint Properties. 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 Property, the Constellation Construction Properties, the Centerpoint 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 acquisition of the Centerpoint Properties in exchange for: (a) the utilization of loan proceeds from the Revolving Credit Facility of \$31,000; and (b) the utilization of cash reserves of \$700.
- (H) 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<br>Properties<br>through<br>10/13/97 | Airport Square<br>Properties<br>Through<br>12/31/97 | Fairfield<br>Properties<br>through<br>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 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<br>Properties<br>Historical<br><C> | Airport Square<br>Properties<br>Historical<br>through 4/29/98<br><C> | Fairfield<br>Properties<br>Historical<br>through<br>5/27/98<br><C> | Combined<br><C> |
|----------------------------------|---|--|--|-----------------|
| <S>                              |   |  |  |                 |
| 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 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 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<br>Properties<br>Historical<br><C> | Constellation<br>Service<br>Companies<br>Historical<br><C> | Pro Forma<br>Constellation<br>Adjustments<br><C> | Combined<br><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          |
| 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<br>Properties<br>Historical<br>through<br>9/27/98 | Constellation<br>Service<br>Companies<br>Historical<br>through<br>9/27/98 | Pro Forma<br>Constellation<br>Adjustments |       | Combined  |
|--|---|---|---|-------|-----------|
| <S>  | <C>   | <C>   | <C>                                       |       | <C>       |
| 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    |
| 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<br>ENDED<br>DECEMBER 31,<br>1997 | FOR THE NINE<br>MONTH PERIOD<br>ENDED<br>SEPTEMBER 30,<br>1998 |
|---|---|--|
| <S>   | <C>   | <C>  |
| (i) Reflects the reclassification of Constellation Service Companies' historical revenue to equity in income (loss) of management company.                        | \$ (11,226)                                   | \$ (9,111)   |
| (ii) Reflects the reclassification of Constellation Service Companies' historical operating expenses to equity in income (loss) of management company.            | \$ (10,242)                                   | \$ (8,765)   |
| (iii) Reflects the reclassification of Constellation Service Companies' historical interest expense to equity in income (loss) of management company.             | \$ (18)                                       | \$ (10)  |
| (iv) Reflects the reclassification of Constellation Service Companies' historical depreciation and amortization to equity in income (loss) of management company. | \$ (225)                                      | \$ (235)   |

</TABLE>

<TABLE>  
<CAPTION>

|   | FOR THE YEAR<br>ENDED<br>DECEMBER 31,<br>1997 | FOR THE NINE<br>MONTH PERIOD<br>ENDED<br>SEPTEMBER 30,<br>1998 |
|---|---|--|
|   | -----<br><C>                                  | -----<br><C>   |
| (v) Reflects the net change in equity in income (loss) 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 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)   |
|   | -----<br>\$ (80)                              | -----<br>\$ (293)  |
|   | -----   | -----  |

</TABLE>

- (D) Reflects the effects of the historical operations of the Riverwood Property acquired on October 13, 1998.
- (E) Reflects the effects of the historical operations of the Centerpoint Properties acquired on October 30, 1998.

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- (F) 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 annum.
- (G) 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>

|  | FOR THE YEAR<br>ENDED<br>DECEMBER 31,<br>1997 | FOR THE NINE<br>MONTH PERIOD<br>ENDED<br>SEPTEMBER 30,<br>1998 |
|--|---|--|
|  | -----<br><C>                                  | -----<br><C>   |
| ADJUSTMENT TO INTEREST EXPENSE, NET OF RELATED HISTORICAL AMOUNTS, AS A RESULT OF:   |   |  |
| Term Credit Facility, which debt bears interest at 7.5% per annum.   | \$ (1,511)                                    | \$ -   |
| Revolving Credit Facility, based upon a pro forma balance of \$43,200, which debt bears interest at LIBOR plus 175 basis points, assuming a LIBOR rate of 5.75% per annum. | 3,240   | 1,829  |
| Revolving Credit Facility based upon a pro forma unused balance of \$56,800, which unused balance is subject to a fee of 25 basis points per annum.                        | 142   | 41   |

|  |                  |                 |
|--|------------------|-----------------|
| 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.  | 160              | 120             |
| TIAA Loan based upon a pro forma balance of \$76,200, which debt bears interest at 6.89% per annum.  | 5,250            | 3,938           |
|  | <u>\$ 10,197</u> | <u>\$ 7,892</u> |

</TABLE>

F-12

- (H) 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>

|   | FOR THE YEAR<br>ENDED<br>DECEMBER 31,<br>1997 | FOR THE NINE<br>MONTH PERIOD<br>ENDED<br>SEPTEMBER 30,<br>1998 |
|---|---|--|
| ADJUSTMENT TO DEPRECIATION AND<br>AMORTIZATION EXPENSE, NET OF RELATED<br>HISTORICAL AMOUNTS, AS A RESULT OF: |   |  |
| -----   | -----   | -----  |
| <S>   | <C>   | <C>  |
| DEPRECIATION EXPENSE:   |   |  |
| Initial Office Properties   | \$ 548  | \$ -   |
| Airport Square Properties   | 1,452   | 462  |
| Fairfield Properties  | 588   | 245  |
| Constellation Transaction, including Woodlands<br>One Property  | 3,293   | 2,469  |
| Riverwood Property  | 408   | 306  |
| Centerpoint Properties  | 634   | 476  |
| AMORTIZATION OF DEFERRED FINANCING FEES RELATED TO:   |   |  |
| Term Credit Facility in connection with Initial<br>Office Properties  | (323)   | -  |
| Revolving Credit Facility   | 209   | 87   |
| Assumed debt in connection with Fairfield<br>Properties   | 10  | 3  |
| TIAA Loan   | 61  | 47   |
|   | <u>\$ 6,880</u>                               | <u>\$ 4,095</u>  |
|   | -----   | -----  |

</TABLE>

- (I) 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.
- (J) 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.

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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):

<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,<br>including Woodlands One<br>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<br>ENDED<br>DECEMBER 31,<br>1997 | FOR THE NINE<br>MONTH PERIOD<br>ENDED<br>SEPTEMBER 30,<br>1998 |
|--|---|--|
|  | -----   | -----  |
| <S>  | <C>   | <C>  |
| Income before minority interests   | \$ 7,564                                      | \$ 9,041   |
| Less: income from the retail properties directly<br>owned by the Company | (368)   | (333)  |
|  | -----   | -----  |
| Income before minority interest  |   |  |
| - Operating Partnership  | 7,196   | 8,708  |
| 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                               | 2,494   | 5,182  |
| Less: Pro forma minority share   |   |  |
| - Common Units (15.6%)   | (389)   | (808)  |
|  | -----   | -----  |
| Remaining Operating Partnership allocation<br>(84.4%)                    | 2,105   | 4,374  |
| Add back: income from retail properties directly<br>owned by the Company | 368   | 333  |
|  | -----   | -----  |
| Net income allocated to Common Shareholders                              | \$ 2,473                                      | \$ 4,707   |
|  | -----   | -----  |

</TABLE>

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REPORT OF INDEPENDENT ACCOUNTANTS

January 6, 1999

To Corporate Office Properties Trust:

We have audited the accompanying combined statement of revenue and certain expenses of the Centerpoint Properties (the "Properties") as described in Note 1 for the year ended December 31, 1997. This historical statement is the responsibility of the Properties' management. Our responsibility is to express an opinion on this historical 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 historical statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the historical statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the historical statement. 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 historical statement referred to above presents fairly, in all material respects, the combined revenues and certain expenses described in Note 2, of the Centerpoint Properties for the year ended December 31, 1997, in conformity with generally accepted accounting principles.

PricewaterhouseCoopers LLP

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CENTERPOINT PROPERTIES  
COMBINED STATEMENT OF REVENUE AND CERTAIN EXPENSES  
for the year ended December 31, 1997  
-----

<TABLE>  
<CAPTION>

| <u>&lt;S&gt;</u>                      | <u>&lt;C&gt;</u> |
|---------------------------------------|------------------|
| Revenue:                              |                  |
| Base rents                            | \$3,897,554      |
| Tenant reimbursements                 | 617,107          |
| Miscellaneous income                  | 6,709            |
|                                       | -----            |
| Total revenue                         | 4,521,370        |
|                                       | -----            |
| Certain expenses:                     |                  |
| Property operating                    | 1,159,043        |
| Repairs and maintenance               | 151,341          |
|                                       | -----            |
| Total certain expenses                | 1,310,384        |
|                                       | -----            |
| Revenue in excess of certain expenses | \$3,210,986      |
|                                       | -----            |

</TABLE>

See accompanying notes to this financial statement.

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CENTERPOINT PROPERTIES  
NOTES TO COMBINED STATEMENT OF REVENUE  
AND CERTAIN EXPENSES  
for the year ended December 31, 1997  
-----

1. BUSINESS:

The accompanying combined statement of revenue and certain expenses relates to the operation of Centerpoint Properties (the "Properties"), consisting of the revenues and certain expenses of six office buildings and two office/flex buildings located in Middlesex County, New Jersey. The Properties are located at Exit 8A of the New Jersey Turnpike, adjacent to Princeton, New Jersey, and total approximately 270,000 square feet.

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, 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 Properties 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 Properties' rental revenue included rental income from one major tenant that comprised 29% of total combined rental revenue.

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CENTERPOINT PROPERTIES  
NOTES TO COMBINED STATEMENT OF REVENUE  
AND CERTAIN EXPENSES  
for the year ended December 31, 1997  
-----

3. RENTALS:

The Properties have entered into non-cancelable tenant leases, with expiration dates ranging from 1998 to 2003, that provide for the tenants to share in the operating and real estate taxes on a prorata basis, as defined in the leases. Future minimum rentals to be received under these tenant leases are as follows (in thousands):

| <TABLE><br><S> |            | <C>      |
|----------------|------------|----------|
|                | 1998       | \$ 3,626 |
|                | 1999       | 3,175    |
|                | 2000       | 2,583    |
|                | 2001       | 1,938    |
|                | 2002       | 1,385    |
|                | Thereafter | 20       |
|                |            | -----    |
|                |            | \$12,727 |
|                |            | -----    |

</TABLE>

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CENTERPOINT PROPERTIES  
COMBINED STATEMENT OF REVENUE AND CERTAIN EXPENSES  
for the nine months September 30, 1998  
-----  
(unaudited)

| <TABLE><br><CAPTION>                  |                        | <C>                           |
|---------------------------------------|------------------------|-------------------------------|
| <S>                                   |                        |                               |
| Revenue:                              |                        |                               |
| Base rents                            |                        | \$2,872,774                   |
| Tenant reimbursements                 |                        | 528,919                       |
| Miscellaneous income                  |                        | 21,898                        |
|                                       | Total revenue          | -----<br>3,423,591<br>-----   |
| Certain expenses:                     |                        |                               |
| Property operating                    |                        | 908,283                       |
| Repairs and maintenance               |                        | 129,386                       |
|                                       | Total certain expenses | -----<br>1,037,669<br>-----   |
| Revenue in excess of certain expenses |                        | \$2,385,922<br>-----<br>----- |

</TABLE>

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