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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): December 30, 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 January 14, 1999, Corporate Office Properties Trust (the "Company") reported its acquisition of a newly-constructed office building located in Anne Arundel County, Maryland ("NBP 135") and its acquisition of three office buildings (the "Gateway Properties") and a contiguous parcel of developed land (the "Gateway Land") located in Columbia, Maryland. 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 Gateway Properties are included herein. See pages F-17 through F-21. Financial information is not available for NBP135 since this building was newly constructed and as a result has no operating history.

(b) Pro Forma Financial Information

The pro forma condensed consolidating financial statements of the Company are included herein. See pages F-1 through F-16.

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: February 3, 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  
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 building (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, the borrowing of \$76,200,000 under this loan on October 22, 1998, and the borrowing of \$8,800,000 under this loan on December 30, 1998.
- - 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 acquisition by the Company from Constellation of a newly-constructed office building ("NBP 135") (NBP 135, the Woodlands One Property and the Constellation Construction Properties are collectively referred to herein as the "Additional Constellation Properties") on December 30, 1998, for: (a) issuance by the Company of 46,233 Preferred Shares and 330,236 Common Shares; (b) the assumption of debt aggregating \$7,125,000; and (c) the payment of \$652,000 in cash.
- - The acquisition of three office buildings (the "Gateway Properties") and a contiguous parcel of developed land (the "Gateway Land") (collectively,

the "Gateway Acquisitions") on December 31, 1998, using loan proceeds from the Revolving Credit Facility of \$19,100,000.

- - The contribution by the Company of all the assets acquired in the Constellation Transaction, including the Woodlands One Property and NBP 135, to the Operating Partnership in exchange for 7,030,793 Common Units and 984,308 preferred partnership units ("Preferred Units" or "Preferred 1998 Units").

The accompanying pro forma condensed consolidating financial information does not include the effect of one retail property under contract to be acquired from Constellation, which was not consummated as of February 3, 1999.

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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, the Centerpoint Properties and the Gateway 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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CORPORATE OFFICE PROPERTIES TRUST  
PRO FORMA CONDENSED CONSOLIDATING BALANCE SHEET  
AS OF SEPTEMBER 30, 1998  
(UNAUDITED)  
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>  
<CAPTION>

	Historical Consolidated (A)	Riverwood Property (B)	Additional Constellation Properties (C)	TIAA Loan (D)	Retirement of Debt (E)
<S>	<C>	<C>	<C>	<C>	<C>
ASSETS					
Net investments in real estate	\$ 434,833	\$ 20,356	\$ 37,528	\$ --	\$ --
Cash and cash equivalents	1,906	--	(1,796)	84,355	(82,339)
Investment in unconsolidated Subsidiary, net	2,313	--	--	--	--
Other assets	8,932	--	--	645	--
Total assets	\$ 447,984	\$ 20,356	\$ 35,732	\$ 85,000	\$ (82,339)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities					
Mortgage loans payable	\$ 205,338	\$ 18,798	\$ 23,858	\$ 85,000	\$ (82,339)
Other liabilities	9,659	--	--	--	--
Total liabilities	214,997	18,798	23,858	85,000	(82,339)
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	--	2	--	--
Common shares of beneficial interest	160	--	8	--	--
Additional paid in capital	163,918	--	11,864	--	--
Accumulated deficit	(6,786)	--	--	--	--
Total shareholders' equity	157,301	--	11,874	--	--
Total liabilities and shareholders' equity	\$ 447,984	\$ 20,356	\$ 35,732	\$ 85,000	\$ (82,339)

</TABLE>

<TABLE>  
<CAPTION>

	Centerpoint Properties (F)	Gateway Acquisitions (G)	Pro Forma Adjustments (H)	Pro Forma Consolidated
<S>	<C>	<C>	<C>	<C>
ASSETS				
Net investments in real estate	\$ 31,700	\$ 19,100	\$ --	\$ 543,517
Cash and cash equivalents	(700)	--	--	1,426
Investment in unconsolidated Subsidiary, net	--	--	--	2,313
Other assets	--	--	--	9,577
Total assets	\$ 31,000	\$ 19,100	\$ --	\$ 556,833
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Mortgage loans payable	\$ 31,000	\$ 19,100	\$ --	\$ 300,755
Other liabilities	--	--	--	9,659
Total liabilities	31,000	19,100	--	310,414
Minority interests				
Preferred Units	--	--	--	52,500
Common Units	--	--	43	24,787
Total minority interests	--	--	43	77,287
Shareholders' equity				
Preferred shares of beneficial interest	--	--	--	11
Common shares of beneficial interest	--	--	--	168
Additional paid in capital	--	--	(43)	175,739
Accumulated deficit	--	--	--	(6,786)
Total shareholders' equity	--	--	(43)	169,132
Total liabilities and shareholders' equity	\$ 31,000	\$ 19,100	\$ --	\$ 556,833

</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)	Initial Office, Airport Square and Fairfield Properties (B)	Constellation Transaction and Additional Constellation Properties (C)	Riverwood Property (D)
<S>	<C>	<C>	<C>	<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>  
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<S>	Centerpoint Properties (E) <C>	Gateway Acquisitions (F) <C>	Pro Forma Adjustments <C>	Pro Forma Consolidated <C>
REVENUES:				
Base rents	\$ 3,897	\$ 2,173	\$ --	\$ 51,989
Tenant reimbursements and other	624	501	201 (G)	7,647
-				
Total revenues	4,521	2,674	201	59,636
-				
EXPENSES:				
Property operating	1,310	918	--	17,647
General and administrative	--	--	--	1,358
Interest expense	--	--	10,844 (H)	21,087
Depreciation and amortization	--	--	7,475 (I)	11,386
Termination of Advisory Agreement	--	--	(1,353) (J)	--
-				
Total expenses	1,310	918	16,966	51,478
-				
Equity in income (loss) of management company (80)	--	--	--	--
-				
Income (loss) before minority interests	3,211	1,756	(16,765)	8,078
Minority interests				
Preferred Units (3,412)	--	--	(2,692) (K)	
Common Units (450)	--	--	(385) (K)	
-				
Net income (loss)	3,211	1,756	(19,842)	4,216
Preferred share distributions	--	--	(1,353) (K)	(1,353)
-				
Net income (loss) available to Common Shareholders	\$ 3,211	\$ 1,756	\$ (21,195)	\$ 2,863
-				
-				
Net income (loss) per share:				
Basic and diluted				\$ 0.17
-				
-				
Weighted average number of shares--				
Basic and diluted				16,796,876

</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)

<TABLE>  
<CAPTION>

	Historical Consolidated (A)	Initial Office, Airport Square and Fairfield Properties (B)	Constellation Transaction and Additional Constellation Properties (C)	Riverwood Property (D)
<S>	<C>	<C>	<C>	<C>
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	--	--	--
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 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>

	Centerpoint Properties (E)	Gateway Acquisitions (F)	Pro Forma Adjustments	Pro Forma Consolidated
<S>	<C>	<C>	<C>	<C>
REVENUES:				
Base rents	\$ 2,873	\$ 1,779	\$ --	\$ 43,332

Tenant reimbursements and other	551	410	150 (G)	6,042
	-----	-----	-----	-----
Total revenues	3,424	2,189	150	49,374
	-----	-----	-----	-----
EXPENSES:				
Property operating	1,038	672	--	13,990
General and administrative	--	--	--	1,101
Interest expense	--	--	8,266 (H)	15,690
Depreciation and amortization	--	--	4,540 (I)	8,578
Reformation costs	--	--	(637) (J)	--
	-----	-----	-----	-----
Total expenses	1,038	672	12,169	39,359
	-----	-----	-----	-----
Equity in income (loss) of management company	--	--	--	(276)
	-----	-----	-----	-----
Income (loss) before minority interests	2,386	1,517	(12,019)	9,739
Minority interests				
Preferred Units	--	--	-- (K)	(2,559)
Common Units	--	--	(179) (K)	(892)
	-----	-----	-----	-----
Net income (loss)	2,386	1,517	(12,198)	6,288
	-----	-----	-----	-----
Preferred share distributions	--	--	(1,005) (K)	(1,015)
	-----	-----	-----	-----
Net income (loss) available to Common Shareholders	\$ 2,386	\$ 1,517	\$ (13,203)	\$ 5,273
	-----	-----	-----	-----
Net income per share:				
Basic and diluted				\$ 0.31
				-----
Weighted average number of shares:				
Basic				16,801,198
				-----
Weighted average number of shares:				
Diluted				16,887,572
				-----

</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, the Centerpoint Properties and the Gateway 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 Additional Constellation Properties, the Centerpoint Properties, the Gateway Properties and the closings of the Revolving Credit Facility and 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.

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- (C) Reflects the effects of the combined acquisition of the Additional Constellation Properties as of September 30, 1998.

<TABLE>  
<CAPTION>

<S>	Woodlands One Properties (i) <C>	Constellation Construction Properties (ii) <C>	NBP 135 (iii) <C>	Additional Constellation Properties Combined <C>
<b>ASSETS</b>				
Net investments in real estate	\$ 17,928	\$ 7,200	\$ 12,400	\$ 37,528
Cash and cash equivalents	(1,144)	--	(652)	(1,796)
	-----	-----	-----	-----
Total assets	\$ 16,784	\$ 7,200	\$ 11,748	\$ 35,732
	-----	-----	-----	-----
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Liabilities</b>				
Mortgage loans payable	\$ 9,533	\$ 7,200	\$ 7,125	\$ 23,858
Other liabilities	--	--	--	--
	-----	-----	-----	-----
Total liabilities	9,533	7,200	7,125	23,858
	-----	-----	-----	-----
<b>Shareholders' equity</b>				
Preferred shares of beneficial interest	1	--	1	2
Common shares of beneficial interest	5	--	3	8
Additional paid in capital	7,245	--	4,619	11,864
Accumulated deficit	--	--	--	--
	-----	-----	-----	-----
Total shareholders' equity	7,251	--	4,623	11,874
	-----	-----	-----	-----
Total liabilities and shareholders' equity	\$ 16,784	\$ 7,200	\$ 11,748	\$ 35,732
	-----	-----	-----	-----

</TABLE>

- (i) Reflects the acquisition of the Woodlands One Property from Constellation in exchange for: (a) issuance of 72,509 Preferred Shares at a value equal to a liquidation preference of \$25.00 per share (\$1,813); (b) issuance of 517,923 Common Shares at a value of \$10.50 per share (\$5,438); (c) assumption of debt aggregating \$9,533; and (d) utilization of cash reserves of \$1,144, including payment of \$328 of costs associated with the acquisition.
- (ii) 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.
- (iii) Reflects the acquisition of NBP 135 from Constellation in exchange for: (a) issuance of 46,233 Preferred Shares at a value equal to a liquidation preference of \$25.00 per share (\$1,156); (b) issuance of 330,236 Common Shares at a value of \$10.50 per share (\$3,467); (c) assumption of debt aggregating \$7,125; and (d) utilization of cash reserves of \$652, including payment of \$250 of costs associated with the acquisition.
- (D) Reflects the proceeds of the two disbursements under the TIAA Loan aggregating \$85,000, 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; (iii) \$38,500 of the balance of the Revolving Credit Facility; and (iv) \$7,125 assumed in connection with NBP 135.

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- (F) 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.

- (G) Reflects the acquisition of the Gateway Acquisitions from an unrelated party in exchange for the utilization of loan proceeds from the Revolving Credit Facility of \$19,100, including payment of \$250 of costs associated with the acquisition.
- (H) Reflects the adjustment to minority interests as a result of the transactions in connection with the Constellation Transaction, the Woodlands One Property, the Riverwood Property and NBP 135. After the closings, the Company holds a total of 15,130,793 Common Units or an 84.7% interest in the Operating Partnership.

<TABLE>  
<CAPTION>

	COMPANY	OPERATING PARTNERSHIP		CONSOLIDATED
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Minority interests				
Common Units	\$ --	\$ 24,787	15.3%	\$ 24,787
Shareholders' equity (1)				
Common Shares	7,303	137,221	84.7%	144,524
	-----	-----	-----	-----
	\$ 7,303	\$ 162,008	100.0%	\$ 169,311
	-----	-----	-----	-----

</TABLE>

(1) Excluding \$24,608 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>
<b>REVENUES</b>				
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
	-----	-----	-----	-----
<b>EXPENSES</b>				
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	Airport Square Properties	Fairfield Properties Historical
--	----------------	---------------------------	---------------------------------

<S>	Properties Historical <C>	Historical through 4/29/98 <C>	through 5/27/98 <C>	Combined <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 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 Additional Constellation Properties are not reflected as those properties were not operational as of September 30, 1998.

FOR THE YEAR ENDED DECEMBER 31, 1997

<TABLE>  
<CAPTION>

<S>	Constellation Properties Historical <C>	Constellation Service Companies Historical <C>	Pro Forma Constellation Adjustments <C>	Combined <C>
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>

<S>	Constellation Properties Historical through 9/27/98 <C>	Constellation Service Companies Historical Through 9/27/98 <C>	Pro Forma Constellation Adjustments <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 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 (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 NINE
FOR THE YEAR	MONTH PERIOD
ENDED	ENDED
DECEMBER 31,	SEPTEMBER 30,

	1997	1998
	-----	-----
<S>	<C>	<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)
	-----	-----
	\$ (80)	\$ (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.
- (F) Reflects the effects of the historical operations of the Gateway Acquisitions acquired on December 31, 1998.
- (G) 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.

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- (H) 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, including the Additional Constellation Properties, and the TIAA Loan.

<TABLE>  
<CAPTION>

	FOR THE YEAR ENDED DECEMBER 31, 1997	FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 1998
	-----	-----
<S>	<C>	<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 \$62,300, bearing interest at LIBOR plus 175 basis points, assuming a LIBOR rate of 4.97219% per annum, net of capitalized interest on Constellation Construction Properties and Gateway Land.	3,721	2,188
Revolving Credit Facility based upon a pro forma unused balance of \$37,700, which unused balance		

is subject to a fee of 25 basis points per annum.	94	7
Debt assumed in connection with the acquisition of the Fairfield Properties, which debt bears interest at a rate of 8.29% per annum. Such debt is amortized in accordance with the loan terms.	530	207
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 7.39% per annum, assuming a LIBOR rate of 4.97219% per annum and a Prime rate of 7.75% per annum. Such debt is amortized in accordance with each loan's respective terms.	2,254	1,575
Debt assumed in connection with the acquisition of the Constellation Construction Properties, bearing interest at a rate of 8.00%, all of which is capitalized to construction costs, and providing for no principal amortization.	--	--
TIAA Loan based upon a pro forma balance of \$85,000, amortized in accordance with the loan terms, and which debt bears interest at 6.89% per annum.	5,756	4,289
	-----	-----
	\$ 10,844	\$ 8,266
	-----	-----

</TABLE>

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- (I) 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 ----- <C>	FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 1998 ----- <C>
<S>		
DEPRECIATION EXPENSE:		
Initial Office Properties	\$ 548	\$ --
Airport Square Properties	1,452	462
Fairfield Properties	588	245
Constellation Transaction, including the Additional Constellation Properties	3,541	2,654
Riverwood Property	408	306
Centerpoint Properties	634	476
Gateway Acquisition Properties	347	260
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
	-----	-----
	\$ 7,475	\$ 4,540
	-----	-----

</TABLE>

- (J) 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.

- (K) Reflects the effects of contribution of the net assets received from the Offering, the Constellation Transaction, including the Additional

Constellation Properties, and the Riverwood Property to the Operating Partnership in exchange for (i) 7,500,000 Common Units as a result of the Offering; (ii) 984,308 Preferred 1998 Units and 7,030,793 Common Units as a result of the Constellation Transaction, including the Additional Constellation Properties; (iii) 148,381 Common Units as a result of the Riverwood Property; and (iv) one Common Unit as a result of the Gateway Acquisitions.

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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, including the Additional Constellation Properties	7,030,793	--	7,030,793
Riverwood Property	--	148,381	148,381
Gateway Acquisitions	--	1	1
	-----	-----	-----
Common Units - post closing	15,130,793	2,730,200	17,860,993
	-----	-----	-----
Percentage ownership	84.7%	15.3%	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 (84.7%) and the remaining partners (15.3%). 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, 1997	FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 1998
	-----	-----
<S>	<C>	<C>
Income before minority interests	\$ 8,078	\$ 9,739
Less: income from the retail properties directly owned by the Company	(368)	(333)
	-----	-----
Income before minority interest - Operating Partnership	7,710	9,406
Less: Preferred 1997 Unitholders - \$52,500 @ 6.5%	(3,412)	(2,559)
Less: Preferred 1998 Unitholders/Shareholders - \$24,608 @ 5.5%	(1,353)	(1,015)
	-----	-----
Remaining Operating Partnership allocation	2,945	5,832
Less: Pro forma minority share - Common Units (15.3%)	(450)	(892)
	-----	-----
Remaining Operating Partnership allocation (84.7%)	2,495	4,940
Add back: income from retail properties directly owned by the Company	368	333
	-----	-----
Net income allocated to Common Shareholders	\$ 2,863	\$ 5,273
	-----	-----

</TABLE>

REPORT OF INDEPENDENT ACCOUNTANTS

-----

January 18, 1999

To Corporate Office Properties Trust:

We have audited the accompanying combined statement of revenue and certain expenses of the Gateway 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 as described in Note 2 of the Gateway Properties for the year ended December 31, 1997, in conformity with generally accepted accounting principles.

/s/ PricewaterhouseCoopers LLP

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

-----

<TABLE> <S>	<C>
Revenue:	
Base rents	\$2,173,396
Tenant reimbursements	453,673
Miscellaneous income	23,616
Interest income	23,732
	-----
Total revenue	2,674,417
	-----
Certain expenses:	
Property operating	596,305
Repairs and maintenance	321,552
	-----
Total certain expenses	917,857
	-----
Revenue in excess of certain expenses	\$1,756,560
	-----
	-----

</TABLE>

GATEWAY PROPERTIES  
 NOTES TO COMBINED STATEMENT OF REVENUE AND CERTAIN EXPENSES

-----

1. BUSINESS:

The accompanying combined statement of revenue and certain expenses relates to the operation of Gateway Properties (the "Properties"), consisting of the revenues and certain expenses of three buildings located at 6716, 6740 and 6760 Alexander Graham Bell Drive, which contains 149,394 total 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 historical 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 three major tenants that comprised approximately 55% of total combined rental revenue.

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GATEWAY PROPERTIES

NOTES TO COMBINED STATEMENT OF REVENUE AND CERTAIN EXPENSES, Continued

-----

3. RENTALS:

The Properties have entered into non-cancelable tenant leases, with expiration dates ranging from 1998 to 2002, 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:

<TABLE>

<S>	<C>
1998	\$1,855,092
1999	1,278,288
2000	868,748
2001	559,305
2002	615,252
	-----
	\$5,176,685
	-----
	-----

</TABLE>

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GATEWAY PROPERTIES

COMBINED STATEMENT OF REVENUE AND CERTAIN EXPENSES for the nine month period ended September 30, 1998

-----  
(unaudited)

<TABLE>	<C>
<S>	
Revenue:	
Base rents	\$1,779,381
Tenant reimbursements	370,106
Miscellaneous income	24,117
Interest income	15,476
	-----
Total revenue	2,189,080
	-----
Certain expenses:	
Property operating	442,947
Repairs and maintenance	229,094
	-----
Total certain expenses	672,041
	-----
Revenue in excess of certain expenses	\$1,517,039
	-----
	-----
</TABLE>	