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LEXINGTON CORPORATE PROPERTIES TRUST
Form 8-K
March 03, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) February 25, 2005

Lexington Corporate Properties Trust

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of Incorporation)

1-12386

13-3717318

(Commission File Number)

(IRS Employer Identification No.)

One Penn Plaza, Suite 4015
New York, New York

10119-4015

(Address of Principal Executive Offices)

(Zip Code)

(212) 692-7200

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 1.01. Entry into a Material Definitive Agreement.

Potential Portfolio Acquisition

Purchase and Sale Agreement

On February 25, 2005, Lexington Corporate Properties Trust (the "Trust") entered into a Purchase and Sale Agreement (the "Purchase and Sale Agreement") to purchase a portfolio of twenty seven (27) properties (the "Properties") from affiliates of Wells Real Estate Investment Trust, Inc. (the "Sellers"). None of the Sellers are affiliated with the Trust. The portfolio consists of twenty four (24) office properties, two (2) industrial properties and one (1) office/research and development properties. None of the Properties is currently encumbered by mortgage or similar financing. The total purchase price is approximately \$786.0 million.

In connection with the execution of the Purchase and Sale Agreement, the Trust paid a deposit of \$40.5 million to the Sellers, which will be applied to the purchase price. Under the Purchase and Sale Agreement, the Trust is required to pay certain closing costs including attorneys' fees, title insurance premiums for "extended" coverage and all endorsements as to all owner's title insurance policies issued to the Trust, title insurance premiums for mortgage title insurance policies, other recording fees, and all other costs and expenses incurred by the Trust in connection with the closing and consummating the transaction. The Trust and the Sellers are each required to pay 50% of the costs of all surveys and real estate transfer taxes, although the Trust's obligation for transfer taxes is subject to a maximum obligation of approximately \$0.9 million.

Under the Purchase and Sale Agreement, the closing of the transaction will occur no earlier than March 25, 2005. Each of the Trust and the Sellers has the right to extend the closing date until no later than April 29, 2005, by giving written notice to the other party on or before March 22, 2005. The agreement is subject to a number of closing conditions, all of which must be satisfied for the closing to occur.

The Purchase and Sale Agreement contains customary representations and warranties and customary indemnification provisions.

The Purchase and Sale Agreement provides the Trust with the right of specific performance. Alternatively, if the Sellers willfully default on their obligations under the Purchase and Sale Agreement, the Trust is entitled to a refund of its deposit and liquidated damages of up to \$10 million. If the Trust breaches its obligation to close, the Sellers have the right to keep the initial deposit.

The Trust may assign its rights to purchase the properties to its subsidiaries and affiliates including, without limitation, certain joint venture programs. The Trust has received preliminary

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commitments from its existing joint venture partners to purchase six (6) of the properties, with an aggregate purchase price of \$296.1 million, in its existing joint venture programs.

Financing Arrangements

To finance the acquisition, the Trust received a loan commitment from JP Morgan Chase Bank, N.A., for \$558.3 million of non-recourse first mortgage loans (the "Loans"), secured by individual first mortgages on each of the Properties and on five other properties which the Trust presently owns free and clear. \$540.7 million of the Loans will bear interest at a weighted average fixed rate of 5.20% and the balance will bear interest at a floating rate. The Loans will mature in six to ten years with a weighted average maturity of approximately eight years, three months. The Loans are subject to final documentation and standard closing conditions.

The balance of the purchase price is expected to be funded from equity commitments from existing joint venture partners (\$73.6 million) and cash balances (\$154.1 million).

Properties

Property Location	Tenants or Guarantors	Est. 1st Yr. NOI (\$000)	Lease Exps.	Square Footag
Office				
275 South Valencia Ave. Los Angeles, CA(1)	Bank of America	\$ 7,574	06/12	637,
6303 Barfield Road & 859 Mount Vernon Hwy. Atlanta, GA(2)	Internet Security Systems, Inc.	5,398	05/13	289,
8900 Freeport Pkwy. Dallas, TX(1)	Nissan North America, Inc.	4,427	03/13	268,
601 & 701 Experian Pkwy. Dallas, TX	TRW Inc./Experian Information Solutions, Inc.	3,579	10/10	292,
110, 120, & 130 E. Shore Dr. Richmond, VA(1), (3)	Capital One Services, Inc.	2,800	03/10 05/06 02/10	68, 77, 79,
2050 Roanoke Road Ft. Worth, TX(1)	Chrysler Financial Company LLC	2,390	12/11	130,
27404 Drake Road Farmington Hills, MI	Dana Corporation	2,331	10/21	112,
1311 Broadfield Blvd. Houston, TX	Transocean, Inc. Newpark Resources, Inc.	2,233	03/11 08/09	103, 52,
810-820 Gears Road Houston, TX	IKON Office Solutions, Inc.	2,211	01/13	157,
200 Lucent Lane	Lucent Technologies, Inc.	1,996	09/11	120,

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Raleigh, NC(1)

Property Location	Tenants or Guarantors	Est. 1st Yr. NOI (\$000)	Lease Exps.	Square Footag
8555 South River Pkwy. Tempe, AZ	ASM Lithography Holding NV	1,939	06/13	95,
10475 Crosspoint Blvd. Fishers, IN	John Wiley & Sons, Inc. Robert Half International United Student Aid Fund	1,825	10/09 04/05 07/05	123, 2, 14,
3201 Quail Springs Pkwy. Oklahoma City, OK	AT&T Wireless Services, Inc. Jordan Associates, Inc.	1,656	08/10 12/08	103, 25,
16676 Northcase Dr. Houston, TX	Kerr-McGee Corporation	1,545	07/14	101,
6200 Northwest Pkwy. San Antonio, TX	PacifiCare Health Systems, Inc.	1,528	11/10	142,
2550 Interstate Dr. Harrisburg, PA	AT&T Wireless Services, Inc.	1,412	11/08	81,
15501 North Dial Blvd. Phoenix, AZ	The Dial Corporation	1,388	08/08	129,
2310 Village Square Pkwy. Jacksonville, FL	AmeriCredit Corporation	1,330	06/11	85,
4848 129th East Ave. Tulsa, OK	Metris Companies, Inc.	1,307	01/10	101,
4000 Johns Creek Pkwy. Atlanta, GA	Kraft Foods North America, Inc. PerkinElmer Instruments LLC	1,214	01/12 11/16	73, 13,
2800 Waterford Lake Dr. Richmond, VA	Alstom Power, Inc.	1,175	10/14	99,
3940 South Teller St. Lakewood, CO	Travelers Express Company, Inc.	1,091	03/12	68,
5757 Decatur Blvd. Indianapolis, IN	Allstate Insurance Company Holladay Property Services Midwest Inc.	1,075	08/12 09/06	84, 5,
12600 Gateway Blvd. Ft. Meyers, FL	Gartner, Inc.	981	01/13	62,

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Subtotal - Office \$ 54,405 3,802,

Industrial

3820 Micro Drive Ingram Micro Inc. \$ 2,035 09/11 701,
 Memphis, TN

Office/R & D

6938 Elm Valley Dr. Dana Corporation 1,843 10/21 150,
 Kalamazoo, MI

Property Location Tenants or Guarantors Est. 1st Yr. Lease Square
 NOI (\$000) Exps. Footag

Warehouse/Office

3600 Army Post Rd. Electronic Data Systems 2,605 04/12 405,
 Des Moines, IA(1) Corp.

Grand Total \$ 60,888 5,059,

- 1 Received preliminary commitment from one of our joint venture partners to purchase in an existing joint venture program.
- 2 Three buildings - buildings one and two were constructed in 2001, and building three was constructed in 2003.
- 3 Three buildings.

Item 2.02. Results of Operations and Financial Conditions.

Earnings Press Release

On March 1, 2005, the Trust issued a press release announcing its financial results for the year ended December 31, 2004 (the "Earnings Press Release"). A copy of the Earnings Press Release is furnished herewith as Exhibit 99.1.

The information furnished pursuant to this "Item 2.02 Results of Operations and Financial Condition," including Exhibit 99.1, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that

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section and shall not be deemed to be incorporated by reference into any filing of the Trust under the Securities Act of 1933, as amended (the "Act"), or the Exchange Act, regardless of any general incorporation language in such filing.

Item 7.01. Regulation FD Disclosure.

Potential Acquisition Press Release

On February 28, 2005, the Trust issued a press release (the "Potential Acquisition Press Release") announcing the execution of the Purchase and Sale Agreement. A copy of the Potential Acquisition Press Release is furnished herewith as Exhibit 99.2.

The information furnished pursuant to this "Item 7.01 Regulation FD Disclosure," including Exhibit 99.2, shall not be deemed to be "filed" for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that section and shall not be deemed to be incorporated by reference into any filing of the Trust under the Act or the Exchange Act, regardless of any general incorporation language in such filing.

Supplemental Information

On March 1, 2005, the Trust made available supplemental information (the "Supplemental Reporting Package") concerning its operations and portfolio as of December 31, 2004. A copy of the Supplemental Reporting Package is furnished herewith as Exhibit 99.3.

The information furnished pursuant to this "Item 7.01 Regulation FD Disclosure," including Exhibit 99.3, shall not be deemed to be "filed" for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that section and shall not be deemed to be incorporated by reference into any filing of the Trust under the Act or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(a) Not applicable

(b) Not applicable

(c) Exhibits

- 99.1 Earnings Press Release issued March 1, 2005.
- 99.2 Potential Acquisition Press Release issued February 28, 2005.
- 99.3 Supplemental Reporting Package for the year ended December 31, 2004.

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

Lexington Corporate Properties Trust

Date: March 3, 2005

By: /s/ T. Wilson Eglin

T. Wilson Eglin
Chief Executive Officer

Exhibit Index

Exhibit Number	Description
99.1	Press Release issued February 28, 2005.
99.2	Potential Acquisition Press Release issued February 28, 2005.
99.3	Supplemental Reporting Package for the year ended December 31, 2004.