

LEXINGTON CORPORATE PROPERTIES TRUST  
Form S-3ASR  
November 16, 2006

As filed with the Securities and Exchange Commission on November 16, 2006

Registration No. 333-\_\_\_\_\_

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM S-3**

**REGISTRATION STATEMENT**

**UNDER**

**THE SECURITIES ACT OF 1933**

**LEXINGTON CORPORATE PROPERTIES TRUST**

(Exact Name of Registrant as Specified in Its Charter)

**Maryland**

(State or Other Jurisdiction)

**13-3717318**

(I.R.S. Employer

of Incorporation or Organization)

Identification Number)

**One Penn Plaza, Suite 4015**

**New York, NY 10119-4015**

**(212) 692-7200**

(Address, Including Zip Code, and Telephone Number, Including Area Code,

of Registrant's Principal Executive Offices)

**T. Wilson Eglin**

**President and Chief Executive Officer**

**Lexington Corporate Properties Trust**

**One Penn Plaza, Suite 4015**

**New York, NY 10119-4015**

***With copies to:***

**Mark Schonberger, Esq.**

**Paul, Hastings, Janofsky & Walker LLP**

**75 East 55<sup>th</sup> Street**

**New York, NY 10022**

# Edgar Filing: LEXINGTON CORPORATE PROPERTIES TRUST - Form S-3ASR

(212) 692-7200

(212) 318-6000

(Name, Address, Including Zip Code, and Telephone

Number, Including Area Code, of Agent For Service)

Approximate date of commencement of proposed sale to the public:

From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. "

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ý

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier registration statement for the same offering. "

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ý

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413 (b) under the Securities Act, check the following box. "

## CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to Be Registered	Proposed Maximum	Proposed Maximum	Amount of Registration Fee (1)
		Offering Price Per Unit (1)	Aggregate Offering Price (1)	
Common shares of beneficial interest, par value \$.0001 per share	416,230 shares	\$20.81	\$8,661,746.30	\$926.81

(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended, based upon the average of the high and low reported sales prices for the registrant's common shares of beneficial interest, as reported on the New York Stock Exchange on November 9, 2006, which was within five business days prior to the filing of this registration statement.

---

## Prospectus

**416,230 Shares**

# LEXINGTON CORPORATE PROPERTIES TRUST

**Common Shares Of Beneficial Interest**

## Edgar Filing: LEXINGTON CORPORATE PROPERTIES TRUST - Form S-3ASR

We are Lexington Corporate Properties Trust, a self-managed and self-administered real estate investment trust, or REIT, that acquires, owns and manages a geographically diversified portfolio of net leased office, industrial and retail properties. Our executive offices are located at One Penn Plaza, Suite 4015, New York, New York 10119-4015, and our telephone number is (212) 692-7200.

This prospectus relates to and covers two separate offerings.

### **Issuance of Common Shares upon Redemption of OP Units**

We may issue up to 371,372 shares of beneficial interest classified as common stock, which we refer to as our common shares, in exchange for the redemption of an equal number of units of limited partnership, which we refer to as OP units, issued by one of our operating partnership subsidiaries, Lepercq Corporate Income Fund L.P., which we refer to as LCIF, and we may further issue up to 44,858 of our common shares in exchange for the redemption of an equal number of OP units of another one of our operating partnership subsidiaries, Net 3 Acquisition L.P., which we refer to as Net 3. We refer to OP units of LCIF as LCIF units and OP units of Net 3 as Net 3 units.

352,244 of the 371,372 LCIF units covered by this prospectus were issued on November 2, 2005, and were redeemable on November 2, 2006, and will continue to be redeemable on each May 2nd and November 2nd thereafter. The remaining 19,128 LCIF units covered by this prospectus were issued on August 1, 1995, were redeemable on November 2, 2004 and will continue to be redeemable on each November 2nd thereafter. The 44,858 Net 3 units covered by this prospectus were issued on November 28, 2001, and are redeemable on November 28, 2006 or any time thereafter, as more fully described in this prospectus.

### **Offering by Selling Shareholders**

Up to 1,428 of our common shares issuable upon redemption of an equal number of LCIF units by certain holders identified in this prospectus under **Selling Shareholders** may be offered and sold in one or more types of transactions described in this prospectus under **Plan of Distribution**. Up to 44,858 of our common shares issuable upon redemption of an equal number of Net 3 units by a certain holder identified in this prospectus under **Selling Shareholders** may be offered and sold in one or more types of transactions described in this prospectus under **Plan of Distribution**.

We have agreed to merge with Newkirk Realty Trust, Inc., which we refer to as Newkirk. The merger is subject to the satisfaction of a number of conditions. These conditions include, among others, approval of the merger by our shareholders and Newkirk's stockholders. Shareholder/stockholder meetings are presently scheduled to be held on November 20, 2006. See **Prospectus Summary Merger Agreement with Newkirk Realty Trust, Inc.**

We will not receive proceeds from any issuance of common shares in exchange for OP units but will acquire the OP units submitted for redemption. We are not being assisted by any underwriter in connection with any issuance of common shares in exchange for OP units.

We are registering the offerings covered by this prospectus in order to permit the recipient thereof to sell such shares generally without restriction, in the open market or otherwise. However, the registration of such

---

common shares does not necessarily mean that any of the OP units will be submitted for redemption or that any of the common shares to be issued upon such redemption will be offered or sold by the recipient thereof.

Our common shares trade on the New York Stock Exchange under the symbol **LXP**. On November 15, 2006, the last reported sale price of our common shares, as reported on the New York Stock Exchange, was \$21.50 per share.

**YOU SHOULD BE AWARE THAT AN INVESTMENT IN OUR COMMON SHARES INVOLVES VARIOUS RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE 3 OF THIS PROSPECTUS.**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**THE DATE OF THIS PROSPECTUS IS NOVEMBER 16, 2006.**

---

**TABLE OF CONTENTS**

CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING INFORMATION	ii
ABOUT THIS PROSPECTUS	ii
PROSPECTUS SUMMARY	1
RISK FACTORS	3
USE OF PROCEEDS	5
PLAN OF DISTRIBUTION	5
SELLING SHAREHOLDERS	7
DESCRIPTION OF OUR COMMON SHARES	8
CERTAIN PROVISIONS OF MARYLAND LAW AND OUR DECLARATION OF TRUST AND BYLAWS	10
DESCRIPTION OF LCIF UNITS	14
DESCRIPTION OF NET 3 UNITS	17
REDEMPTION OF OP UNITS	20
REGISTRATION RIGHTS	22
COMPARISON OF OWNERSHIP OF OP UNITS AND COMMON SHARES	22
FEDERAL INCOME TAX CONSIDERATIONS	33
EXPERTS	43
LEGAL MATTERS	44
WHERE YOU CAN FIND MORE INFORMATION	44
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE	44

## **CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING INFORMATION**

Certain information included or incorporated by reference in this prospectus and any applicable prospectus may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, ( Securities Act ) and Section 21E of the Securities Exchange Act of 1934, as amended, and as such may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words may, will, should, expect, anticipate, estimate, believe, intend, pro negative of these words or other similar words or terms. Factors which could have a material adverse effect on our operations and future prospects include, but are not limited to, changes in economic conditions generally and the real estate market specifically, adverse developments with respect to our tenants, legislative/regulatory changes including changes to laws governing the taxation of REITs, availability of debt and equity capital, interest rates, competition, supply and demand for properties in our current and proposed market areas, policies and guidelines applicable to REITs and the other factors described under the heading Risk Factors beginning on page 3 of this prospectus. These risks and uncertainties should be considered in evaluating any forward-looking statements contained or incorporated by reference in this prospectus.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed or incorporated by reference in this prospectus and any applicable prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

## **ABOUT THIS PROSPECTUS**

All references to the Company, we, our and us in this prospectus mean Lexington Corporate Properties Trust and all entities owned or controlled by us except where it is made clear that the term means only the parent company. The term you refers to a prospective investor.

## **PROSPECTUS SUMMARY**

The following summary highlights information included elsewhere in or incorporated by reference in this prospectus. It may not contain all of the information that is important to you. You should read the following summary together with the more detailed information included or incorporated by reference in this prospectus, including the risk factors regarding our business and our common shares being offered hereby.

### **Our Company**

We are a self-managed and self-administered real estate investment trust, commonly referred to as a REIT, formed under the laws of the State of Maryland. Our common shares, our beneficial interests classified as preferred stock, which we refer to as our preferred shares, of which we have two classes outstanding, our 8.05% Series B Cumulative Redeemable Series B Preferred Stock, or Series B Preferred Shares, and our 6.50%

## Edgar Filing: LEXINGTON CORPORATE PROPERTIES TRUST - Form S-3ASR

Series C Cumulative Convertible Preferred Stock, or Series C Preferred Shares, are traded on the New York Stock Exchange under the symbols LXP , LXP\_pb and LXP\_pc , respectively. Our primary business is the acquisition, ownership and management of a geographically diverse portfolio of net leased office, industrial and retail properties. Substantially all of our properties are subject to triple net leases, which are generally characterized as leases in which the tenant bears all or substantially all of the costs and cost increases for real estate taxes, utilities, insurance and ordinary repairs and maintenance. As of September 30, 2006, we had ownership interests in 191 properties, located in 39 states and The Netherlands and containing an aggregate of approximately 40.3 million net rentable square feet of space. As of September 30, 2006, 71 of these properties, containing approximately 15.8 million net rentable square feet of space, were held through non-consolidated joint ventures with third parties. Approximately 97.8% of the 40.3 million net rentable square feet was subject to a lease.

We elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, or the Code, commencing with our taxable year ended December 31, 1993. If we qualify for taxation as a REIT, we generally will not be subject to federal corporate income taxes on our net income that is currently distributed to shareholders.

We grow our portfolio through (i) strategic transactions with other real estate investment companies, (ii) acquisitions of individual properties and portfolios of properties from: (A) corporations and other entities in sale-leaseback transactions; (B) developers of newly-constructed properties built to suit the needs of a corporate tenant; and (C) sellers of properties subject to an existing lease, (iii) debt investments secured by real estate assets and (iv) the building and acquisition of new business lines and operating platforms.

We have diversified our portfolio by geographical location, tenant industry segment, lease term expiration and property type with the intention of providing steady internal growth with low volatility. We believe that this diversification should help insulate us from regional recession, industry specific downturns and price fluctuations by property type.

As part of our ongoing efforts, we expect to continue to (i) effect strategic transactions and portfolio and individual property acquisitions and dispositions, (ii) explore new business lines and operating platforms, (iii) expand existing properties, (iv) attract investment grade and other quality tenants, (v) extend lease maturities in advance of expiration and (vi) refinance outstanding indebtedness when advisable. Additionally, we expect to continue to enter into joint ventures with third-party investors as a means of creating additional growth and expanding the revenue realized from advisory and asset management activities.

Through a wholly-owned taxable REIT subsidiary, we act as the external advisor to Lexington Strategic Asset Corp., or LSAC, a specialty investment company of which we own a substantial majority of the fully diluted outstanding common stock. LSAC seeks to make investments in (i) general purpose real estate net leased to unrated or below investment grade credit tenants, (ii) net leased special purpose real estate located in the United States, such as medical buildings, theaters, hotels and auto dealerships, (iii) net leased properties located in the Americas outside of the United States with rent payments denominated in United States dollars which are typically leased to U.S. companies, (iv) specialized facilities in the United States supported by net leases or other contracts where a significant portion of the facility's value is in equipment or other improvements, such as power generation assets and cell phone towers, and (v) net leased equipment and major capital assets that are integral to the operations of LSAC's tenants and LSAC's real estate investments.

1

---

Our operating partnership structure enables us to acquire properties by issuing to sellers, as a form of consideration, limited partnership interests in any of our three operating partnership subsidiaries. We refer to these limited partnership interests as OP units. The OP units are redeemable, after certain dates, for our common shares. We believe that this structure facilitates our ability to raise capital and to acquire portfolio and individual properties by enabling us to structure transactions which may defer tax gains for a contributor of property while preserving our available cash for other purposes, including the payment of dividends and distributions.

### **Merger Agreement with Newkirk Realty Trust, Inc.**

On July 23, 2006, we entered into a definitive Agreement and Plan of Merger with Newkirk, as amended by Amendments No. 1 and 2 thereto, dated September 11 and October 13, 2006, respectively, which we refer to as the merger agreement. The merger agreement sets forth the terms and conditions upon which Newkirk will merge with and into us, with us as the surviving corporation. If the merger is consummated, each holder of Newkirk's common stock will be entitled to receive 0.80 of our common shares in exchange for each share of Newkirk's common stock, and each outstanding unit of limited partnership interest in Newkirk's operating partnership, or MLP Unit, will be converted into 0.80 MLP

## Edgar Filing: LEXINGTON CORPORATE PROPERTIES TRUST - Form S-3ASR

Units. MLP Units, which are currently redeemable at the option of the holder for cash based on the value of a share of Newkirk's common stock, or at Newkirk's option, for a share of Newkirk's common stock, will be redeemable at the option of the holder for cash based on the value of our common shares or, if we elect, on a one-for-one basis for our common shares, in each case after giving effect to the 0.80 for one reverse split of MLP Units. Upon effectiveness of the merger, the name of the surviving entity will be changed to Lexington Realty Trust. Together with Newkirk, we have filed with the SEC a joint proxy statement/prospectus, which we refer to as the Newkirk/Lexington joint proxy statement, in connection with obtaining the approval of our common shareholders as well as Newkirk's voting stockholders. If the merger agreement and related transactions, including the adoption of the Amended and Restated Declaration of Trust of Lexington Realty Trust and the issuance of our common shares under and as contemplated by the merger agreement, are approved by our shareholders, the Amended and Restated Declaration of Trust which is filed with the Newkirk/Lexington joint proxy statement will be our declaration of trust from the effective date of the merger until it is amended or supplemented in accordance with its terms and Maryland law. In connection with the merger, our board of trustees amended and restated our By-laws, which are filed with the Newkirk/Lexington joint proxy statement. The Amended and Restated By-laws will be our by-laws until amended in accordance with its terms and Maryland law. The Newkirk/Lexington joint proxy statement includes other detailed information on the merger as well as on Newkirk and is incorporated by reference herein. Shareholder and partner meetings are presently scheduled to be held on November 20, 2006.

The merger agreement has been approved by our board of trustees and a special committee of our board of trustees and the board of directors and a special committee of the board of directors of Newkirk. The merger is intended to qualify as a reorganization under Section 368(a) of the Code. The parties to the merger agreement have each made customary representations, warranties and covenants in the merger agreement, including, among others, covenants to conduct their businesses in the usual, regular and ordinary course during the interim period between the execution of the merger agreement and the consummation of the merger and not to engage in various kinds of transactions during such period. In addition, prior to the closing of the merger, it is anticipated that we will make a special one-time cash distribution of \$0.17 per share to our common shareholders and unitholders.

The merger agreement contains certain termination rights for both us and Newkirk and provides that in certain specified circumstances, a terminating party must pay the other party's expenses up to \$5.0 million in connection with the proposed transaction. In addition, the merger agreement provides that in certain specified circumstances (generally in the event a terminating party enters into an alternative transaction within six months of termination), a terminating party must also pay the other party a break-up fee of up to \$25.0 million (less expenses, if any, previously paid by the terminating party to the non-terminating party).

Newkirk's primary business is the acquisition, ownership, management and strategic disposition of single-tenant and net-leased assets. Newkirk currently has significant liquidity and actively seeks to acquire both conventional and opportunistic single tenant and net lease properties and related assets, including debt secured by these types of real estate assets. As of July 15, 2006, Newkirk's primary assets were its interests in 166 real properties, almost all of which were net leased to a single tenant and were located in 32 states and contained an aggregate of 16,816,667 square feet. Newkirk also held: (i) a 50% interest in 111 Debt Holdings LLC, a joint

---

venture formed to acquire and originate loans secured, directly and indirectly, by real estate assets; (ii) subordinated interests in a securitized pool of notes evidencing first mortgage indebtedness secured by certain of its properties as well as other properties; (iii) limited partnership interests in various partnerships that own commercial net leased properties; (iv) an interest in a management company that provides services to other real estate partnerships; (v) ground leases, remainder interests or the right to acquire remainder interests in various properties; and (vi) miscellaneous other assets.

Our principal executive offices are located at One Penn Plaza, Suite 4015, New York, New York 10119-4015, our telephone number is (212) 692-7200 and our Internet address is [www.lxp.com](http://www.lxp.com). **None of the information on our website that is not otherwise expressly set forth in or incorporated by reference in this prospectus is a part of this prospectus.**

### Securities That May Be Offered

This prospectus relates to and covers two separate offerings.

## Edgar Filing: LEXINGTON CORPORATE PROPERTIES TRUST - Form S-3ASR

We are registering the offerings covered by this prospectus in order to permit the holders thereof to sell such shares generally without restriction in the open market or otherwise, but the registration of such offerings does not necessarily mean that any of such OP units which may be redeemed in exchange for our common shares will be tendered for redemption or that any of such shares will be offered or sold by the holders thereof. We will not receive any proceeds from the issuance of our common shares or the resale of our common shares covered by this prospectus but will acquire the OP units submitted for redemption.

### *Issuance of Common Shares Upon Redemption of OP Units*

We may issue up to 371,372 of our common shares, if and to the extent that certain holders elect to tender up to an equal number of LCIF units for redemption, and we may further issue up to 44,858 of our common shares, if and to the extent that a certain holder elects to tender up to an equal number of Net 3 units for redemption. 352,244 of the 371,372 LCIF units covered by this prospectus were issued on November 2, 2005, and were redeemable on November 2, 2006, and will continue to be redeemable on each May 2nd and November 2nd thereafter. The remaining 19,128 LCIF units covered by this prospectus were issued on August 1, 1995, were redeemable on November 2, 2004, and will continue to be redeemable on each November 2nd thereafter. The 44,858 Net 3 units covered by this prospectus were issued on November 28, 2001, and are redeemable on November 28, 2006 or any time thereafter.

### *Offering by Selling Shareholders*

Up to 1,428 of our common shares issuable upon redemption of an equal number of LCIF units by certain holders identified in this prospectus under *Selling Shareholders* may be offered and sold in one or more types of transactions described in this prospectus under *Plan of Distribution*. Up to 44,858 of our common shares issuable upon redemption of an equal number of Net 3 units by a certain holder identified in this prospectus under *Selling Shareholders* may be offered and sold in one or more types of transactions described in this prospectus under *Plan of Distribution*.

## **RISK FACTORS**

Investing in our common shares involves various risks and uncertainties that could affect us and our business as well as the real estate industry generally. Please see the risk factors described in our Annual Report on Form 10-K/A for the year ended December 31, 2005, and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2006, which are incorporated by reference into this prospectus. Much of the business information as well as the financial and operational data contained in our risk factors is updated in our periodic reports and other documents, which are also incorporated by reference into this prospectus. Although we have tried to discuss key factors, additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect us or our business operations. New risks may emerge at any time and we cannot predict such risks or estimate the extent to which they may affect our financial performance. Before purchasing our

common shares, you should carefully consider the risks discussed in our Annual Report on Form 10-K/A for the year ended December 31, 2005, our Quarterly Report on Form 10-Q for the quarter ended September 30, 2006, the other information in this prospectus, as well as the documents incorporated by reference herein. Each of the risks described could result in a decrease in the value of our securities and your investment in our securities.

## **USE OF PROCEEDS**



## Edgar Filing: LEXINGTON CORPORATE PROPERTIES TRUST - Form S-3ASR

We will not receive any proceeds from the issuance of our common shares to the holders of OP units upon redemption of their units but will acquire the OP units submitted for redemption. Also, we will not receive any proceeds from the sale of any of our common shares by the selling shareholders. The selling shareholders will receive all proceeds from the sale of our common shares.

### PLAN OF DISTRIBUTION

This prospectus relates to and covers two separate offerings.

#### Issuance of Common Shares upon Redemption of OP Units

If, and to the extent that, holders of LCIF units or Net 3 units, as applicable, redeem their units and require us to assume the redemption obligations of LCIF or Net 3, as applicable, and pay for the redemption with our common shares, we may issue up to 371,372 shares of our common shares in exchange for the redemption of an equal number of LCIF units or up to 44,858 shares of our common shares in exchange for the redemption of an equal number of Net 3 units. Our common shares will be issued in exchange for LCIF units or Net 3 units, as applicable, upon the redemption of the units by their holders on a one-share-for-one-unit basis (subject to certain anti-dilution adjustments).

Under the LCIF partnership agreement, each holder of 352,244 of the LCIF units covered by this prospectus that were issued on November 2, 2005 and outstanding as of November 2, 2006 has the right to redeem its LCIF units on a one-for-one basis for our common shares, on November 2, 2006 and on each May 2nd and November 2nd thereafter. Under the LCIF partnership agreement, each holder of the remaining 19,128 of the LCIF units covered by this prospectus that were issued on August 1, 1995 and outstanding as of November 2, 2004 has the right to redeem its LCIF units on a one-for-one basis for our common shares, on November 2, 2004 and on each November 2nd thereafter. Under the Net 3 partnership agreement, each holder of the 44,858 Net 3 units covered by this prospectus that were issued on November 28, 2001 and outstanding as of November 28, 2006 has the right to redeem its Net 3 units on a one-for-one basis for our common shares, or, at our election, for cash, on November 28, 2006 or any time thereafter. These rights may be exercised at the election of that holder by giving written notice, subject to some limitations. The purchase price for each of the Net 3 units to be redeemed for cash will equal the fair market value of one share of our common shares, calculated as the average of the daily closing prices for the twenty consecutive trading days immediately preceding the date of determination or, if there is no reported sale or trade on the day in question, on the basis of the average of the closing bid and asked quotations regular way so reported, or if our common shares are not listed on the New York Stock Exchange, or NYSE, or on any national securities exchange, on the basis of the high bid and low asked quotations regular way on the day in question in the over-the-counter market as reported by the National Association of Securities Dealers Automated Quotation System, or, if not so quoted, as reported by the National Quotation Bureau, Incorporated, or a similar organization. The redemption of LCIF units or Net 3 units are subject to adjustments based on stock splits, below market issuances of common shares pursuant to rights, options or warrants to all holders of common shares and dividends of common shares.

No holder of the LCIF units or Net 3 units may exercise its redemption rights if we could not issue our common shares to the redeeming partner in satisfaction of the redemption (regardless of whether we would in fact do so instead of paying cash) because of the ownership limitations contained in our declaration of trust and by-laws, or if the redemption would cause us to violate the REIT requirements. The relevant provisions of our declaration of trust, subject to certain exceptions, provide that no holder may own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8% of our equity shares, defined as common shares or preferred shares. Relevant provisions of our declaration of trust further prohibit any person from beneficially or constructively owning our common shares that would result in us being closely held under Section 856(h) of the Code or otherwise cause us to fail to qualify as a REIT. In addition, no holder of LCIF units or Net 3 units, as applicable, may exercise the redemption right:

5

---

for fewer than 1,000 LCIF units or Net 3 units, as applicable, or, if the holder holds fewer than 1,000 LCIF units or Net 3 units, as applicable, all of such units held by the holder;  
in the case of LCIF, unless permitted by us, more than once each fiscal quarter;  
in the case of Net 3, unless permitted by us, from time to time, but not less than semi-annually; or  
if we determine that allowing such redemption may cause the operating partnership to be treated as a publicly traded partnership.

**Offering by Selling Shareholders**

Up to 1,428 of our common shares issuable upon redemption of an equal number of LCIF units by certain holders identified in this prospectus under **Selling Shareholders** may be offered and sold in one or more types of transactions. Up to 44,858 of our common shares issuable upon redemption of an equal number of Net 3 units by a certain holder identified in this prospectus under **Selling Shareholders** may be offered and sold in one or more types of transactions.

The recipient of the common shares covered by this prospectus, and any agents or broker dealers that participate with them in the distribution of such common shares, may be deemed **underwriters** within the meaning of the Securities Act and any commissions received by them on the resale of such common shares may be deemed to be underwriting commissions or discounts under the Securities Act.

6

**SELLING SHAREHOLDERS**

The selling shareholders will have received our common shares that they may offer for sale under this prospectus by redeeming the LCIF units or Net 3 units, as applicable, to which this prospectus relates. 352,244 of the 371,372 LCIF units covered by this prospectus were issued on November 2, 2005, and were redeemable on November 2, 2006, and will continue to be redeemable on each May 2nd and November 2nd thereafter. The remaining 19,128 LCIF units covered by this prospectus were issued on August 1, 1995, were redeemable on November 2, 2004, and will continue to be redeemable on each November 2nd thereafter. The 44,858 Net 3 units covered by this prospectus were issued on November 28, 2001, and are redeemable on November 28, 2006 or any time thereafter, as more fully described in this prospectus.

The following table sets forth the names of the selling shareholders, the total number of common shares beneficially owned by them as of September 30, 2006, the total number of common shares offered by the selling shareholders and the aggregate number and percentage of outstanding common shares that will be beneficially owned by the selling shareholders upon completion of the offering. The table assumes that LCIF units and/or Net 3 units held by selling shareholders have been redeemed for our common shares. In addition, since the selling shareholders may sell all, some or none of their common shares, the table assumes that the selling shareholders are offering, and will sell, all of the common shares to which this prospectus relates and that no other transactions with respect to our common shares occurs. On September 30, 2006, 53,099,996 common shares were outstanding.

Selling Shareholders	Common Shares Beneficially Owned	Common Shares Offered	Aggregate Number and Percentage of Outstanding Common Shares Owned Assuming the Sale of	
			All Common Shares Offered	
E. Robert Roskind <sup>(1)</sup>	2,400,193 <sup>(2)</sup>	1,428	2,398,765	4.39%
Barnes Properties, Inc. <sup>(3)</sup>	2,299 <sup>(4)</sup>	1,428	871	*
The LCP Group, L.P. <sup>(5)</sup>	821,534 <sup>(6)</sup>	44,858	776,676	1.5%

\* Indicates less than one percent (1%).

- (1) Mr. Roskind has served as our Chairman since October 1993 and was our Co-Chief Executive Officer from October 1993 to January 2003.
- (2) Consists of (i) 1,565,282 limited partnership units held by Mr. Roskind and entities controlled by Mr. Roskind (including Barnes Properties, Inc. and The LCP Group, L.P.) in LCIF, Lepercq Corporate Income Fund II L.P. and Net 3, each of which is one of our operating partnership subsidiaries, which are currently exchangeable, on a one-for-one basis, for our common shares, (ii) 651,087 common shares held directly by Mr. Roskind, (iii) 33,620 common shares owned of record by The LCP Group, L.P., which Mr. Roskind disclaims beneficial ownership of to the extent of his pecuniary interest therein, and (vi) 150,204 common shares held by The Roskind Family Foundation, Inc., over which Mr. Roskind shares voting and investment power, which Mr. Roskind disclaims beneficial

## Edgar Filing: LEXINGTON CORPORATE PROPERTIES TRUST - Form S-3ASR

- ownership of to the extent of his pecuniary interest therein.
- (3) Barnes Properties, Inc. is controlled by Mr. Roskind and all common shares owned by Barnes Properties, Inc. are reported as owned by Mr. Roskind.
  - (4) Consists of 2,299 LCIF units.
  - (5) The LCP Group, L.P. is controlled by Mr. Roskind and all common shares owned by The LCP Group, L.P. are reported as owned by Mr. Roskind.
  - (6) Consists of (i) 787,914 limited partnership units held directly by The LCP Group, L.P. in LCIF, Lepercq Corporate Income Fund II L.P. and Net 3, each of which is one of our operating partnership subsidiaries, which are currently exchangeable, on a one-for-one basis, for our common shares and (ii) 33,620 common shares held directly by The LCP Group, L.P.

7

---

### DESCRIPTION OF OUR COMMON SHARES

*The following summary of the material terms and provisions of our common shares does not purport to be complete and is subject to the detailed provisions of our declaration of trust and our by-laws, which were amended and restated by our board of trustees in connection with our proposed merger with Newkirk, each of which is incorporated by reference into this prospectus. You should carefully read each of these documents in order to fully understand the terms and provisions of our common shares. Our declaration of trust will be amended and restated from the effective date of the merger of Newkirk with and into us until they are amended or supplemented in accordance with their terms and Maryland law. For a complete description of our common shares from the effective time of the merger, we refer you to our Amended and Restated Declaration of Trust and Amended and Restated By-laws which are attached to the Newkirk/Lexington joint proxy statement which is incorporated by reference. For information on incorporation by reference and on how to obtain copies of these documents, see the sections entitled Where You Can Find More Information and Incorporation of Certain Documents by Reference elsewhere in this prospectus.*

#### General

##### Authorized Capital

Under our declaration of trust, we have authority to issue up to 340,000,000 shares of beneficial interest, par value \$0.0001 per share, of which 160,000,000 shares are classified as common shares, 170,000,000 shares are classified as excess shares and 10,000,000 shares are classified as preferred shares, of which 3,160,000 shares are designated as the 8.05% Series B Cumulative Redeemable Preferred Shares, or Series B Preferred Shares, and 3,100,000 shares are designated as the 6.50% Series C Cumulative Convertible Preferred Shares, or Series C Preferred Shares. Under our Amended and Restated Declaration of Trust, we will have authority to issue up to 1,000,000,000 shares of beneficial interest, consisting of 400,000,000 common shares, 500,000,000 excess shares and 100,000,000 preferred shares, of which 3,160,000 shares will be classified as Series B Preferred Shares, 3,100,000 shares will be classified as Series C Preferred Shares and one share will be classified as special voting preferred stock. Under Maryland law, our shareholders generally are not responsible for our debts or obligations as a result of their status as shareholders.

##### Power to Issue and Classify Our Shares

We may issue our capital shares from time to time in the discretion of our board of trustees to raise additional capital, acquire assets, including additional real properties, redeem or retire debt or for any other business purpose. In addition, the undesignated preferred shares may be issued in one or more additional classes with such designations, preferences and relative, participating, optional or other special rights including, without limitation, preferential dividend or voting rights, and rights upon liquidation, as will be fixed by our board of trustees. Our board of trustees is authorized to classify and reclassify any unissued capital shares by setting or changing, in any one or more respects, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications or terms or conditions of redemption of such shares. This authority includes, without limitation, subject to the provisions of our declaration of trust, authority to classify or reclassify any unissued shares into a class or classes of preferred shares, preference shares, special shares or other shares, and to divide and reclassify shares of any class into one or more series of that class.

In some circumstances, the issuance of preferred shares, or the exercise by our board of trustees of its right to classify or reclassify shares, could have the effect of deterring individuals or entities from making tender offers for our common shares or seeking to change incumbent

management.

### **Terms**

Subject to the preferential rights of any other shares or series of equity securities and to the provisions of our declaration of trust regarding excess shares, holders of our common shares are entitled to receive dividends on our common shares if, as and when authorized by our board of trustees and declared by us out of assets legally available therefor and to share ratably in those of our assets legally available for distribution to our shareholders in the event that we liquidate, dissolve or wind up, after payment of, or adequate provision for, all of our known debts and liabilities and the amount to which holders of any class of shares classified or reclassified or having a preference on distributions in liquidation, dissolution or winding up have a right.

8

---

Subject to the provisions of our declaration of trust regarding excess shares, each outstanding common share entitles the holder to one vote on all matters submitted to a vote of shareholders, including the election of trustees, and, except as otherwise required by law or except as otherwise provided in our declaration of trust with respect to any other class or series of shares, including our special voting preferred stock, if classified, the holders of our common shares will possess exclusive voting power. There is no cumulative voting in the election of trustees, which means that the holders of a majority of our outstanding common shares can elect all of the trustees then standing for election, and the holders of the remaining common shares will not be able to elect any trustees.

Holders of our common shares have no conversion, sinking fund or redemption rights, or preemptive rights to subscribe for any of our securities.

We furnish our shareholders with annual reports containing audited consolidated financial statements and an opinion thereon expressed by an independent public accounting firm.

Subject to the provisions of our declaration of trust regarding excess shares, all of our common shares will have equal dividend, distribution, liquidation and other rights and will have no preference, appraisal or exchange rights.

### **Merger, Amendment to Declaration of Trust, Termination**

Pursuant to the Maryland REIT law, a real estate investment trust generally cannot amend its declaration of trust or merge unless approved by the affirmative vote of shareholders holding at least two-thirds of the shares entitled to vote on the matter unless a lesser percentage (but not less than a majority of all of the votes to be cast on the matter) is set forth in our declaration of trust. Our declaration of trust provides that those actions, with the exception of certain amendments to our declaration of trust for which a higher vote requirement has been set, will be valid and effective if authorized by holders of a majority of the total number of shares of all classes outstanding and entitled to vote thereon. Certain amendments to preserve our REIT status may be made without shareholder approval. Subject to the provisions of any other class or series of shares, we may be terminated by the affirmative vote of the holders of not less than two-thirds of the votes entitled to be cast on the matter.

### **Advance Notice of Trustee Nominations and New Business**

Our by-laws provide that for any shareholder proposal to be presented in connection with an annual meeting of shareholders, including any proposal relating to the nomination of a trustee, the shareholders must have given timely notice thereof in writing to the secretary of our Company in accordance with the provisions of our by-laws.

### **Restrictions on Ownership**

For us to qualify as a REIT under the Code, not more than 50% in value of our outstanding capital shares may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year. To assist us in meeting this requirement, we may take certain actions to limit the beneficial ownership, directly or indirectly, by a single person of our outstanding equity securities. See Certain Provisions of Maryland Law and Our Declaration of Trust and Bylaws elsewhere in this prospectus.

**Transfer Agent**

The transfer agent and registrar for our common shares is Mellon Investor Services, LLC.

---

**CERTAIN PROVISIONS OF MARYLAND LAW AND OUR DECLARATION OF TRUST AND BYLAWS**

**Restrictions Relating To REIT Status**

For us to qualify as a REIT under the Code, among other things, not more than 50% in value of our outstanding capital shares may be owned, directly or indirectly, by five or fewer individuals (defined in the Code to include certain entities) during the last half of a taxable year, and such capital shares must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year (in each case, other than the first such year). Our declaration of trust, subject to certain exceptions, provides that no holder may own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8% of our equity shares, defined as common shares or preferred shares. We refer to this restriction as the Ownership Limit. Our board of trustees may waive the Ownership Limit if evidence satisfactory to our board of trustees and our tax counsel is presented that the changes in ownership will not then or in the future jeopardize our status as a REIT. Any transfer of equity shares or any security convertible into equity shares that would create a direct or indirect ownership of equity shares in excess of the Ownership Limit or that would result in our disqualification as a REIT, including any transfer that results in the equity shares being owned by fewer than 100 persons or results in us being closely held within the meaning of Section 856(h) of the Code, will be null and void, and the intended transferee will acquire no rights to such equity shares. The foregoing restrictions on transferability and ownership will not apply if our board of trustees determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

Equity shares owned, or deemed to be owned, or transferred to a shareholder in excess of the Ownership Limit, or that would result in our being closely held (within the meaning of Section 856(h) of the Code), will automatically be converted into shares of beneficial interest classified as excess stock, which we refer to as our excess shares, that will be transferred, by operation of law, to us as trustee of a trust for the exclusive benefit of the transferees to whom such capital shares may be ultimately transferred without violating the Ownership Limit. The excess shares are not entitled to be voted, be considered for purposes of any shareholder vote or the determination of a quorum for such vote and, except upon liquidation, entitled to participate in dividends or other distributions. Any dividend or distribution paid to a proposed transferee of excess shares prior to our discovery that equity shares have been transferred in violation of the provisions of our declaration of trust will be repaid to us upon demand. The excess shares are not treasury shares, but rather constitute a separate class of our issued and outstanding shares. The original transferee-shareholder may, at any time the excess shares are held by us in trust, transfer the interest in the trust representing the excess shares to any individual whose ownership of the equity shares exchanged into such excess shares would be permitted under our declaration of trust, at a price not in excess of the price paid by the original transferee-shareholder for the equity shares that were exchanged into excess shares, or, if the transferee-shareholder did not give value for such shares, a price not in excess of the market price (as determined in the manner set forth in our declaration of trust) on the date of the purported transfer. Immediately upon the transfer to the permitted transferee, the excess shares will automatically be exchanged for equity shares of the class from which they were converted. If the foregoing transfer restrictions are determined to be void or invalid by virtue of any legal decision, statute, rule or regulation, then the intended transferee of any excess shares may be deemed, at our option, to have acted as an agent on our behalf in acquiring the excess shares and to hold the excess shares on our behalf.

In addition to the foregoing transfer restrictions, we will have the right, for a period of 90 days, after the later of the day we receive written notice of a transfer or other event, or our board of trustees determines in good faith that a transfer or other event has occurred, resulting in excess shares, to purchase all or any portion of the excess shares from the original transferee-shareholder for the lesser of the price paid for the equity shares by the original transferee-shareholder or the market price (as determined in the manner set forth in our declaration of trust) of the equity shares on the date we exercise our option to purchase.

Each shareholder will be required, upon demand, to disclose to us in writing any information with respect to the direct, indirect and constructive ownership of capital shares as our board of trustees deems necessary to comply with the provisions of the Code applicable to REITs, to comply with the requirements of any taxing authority or governmental agency or to determine any such compliance.

## Edgar Filing: LEXINGTON CORPORATE PROPERTIES TRUST - Form S-3ASR

This Ownership Limit may have the effect of precluding an acquisition of control unless our board of trustees determines that maintenance of REIT status is no longer in our best interest.

10

---

### **Maryland Law**

*Business Combinations.* Under Maryland law, business combinations between a Maryland real estate investment trust and an interested shareholder or an affiliate of an interested shareholder are prohibited for five years after the most recent date on which the interested shareholder becomes an interested shareholder. These business combinations include a merger, consolidation, share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested shareholder is defined as:

any person who beneficially owns ten percent or more of the voting power of the trust's shares; or

an affiliate or associate of the trust who, at any time within the two-year period prior to the date in question, was the beneficial owner of ten percent or more of the voting power of the then outstanding voting shares of the trust.

A person is not an interested shareholder under the statute if the board of trustees approved in advance the transaction by which he otherwise would have become an interested shareholder. However, in approving a transaction, the board of trustees may provide that its approval is subject to compliance, at or after the time of approval, with any terms or conditions determined by the board.

After the five-year prohibition, any business combination between the Maryland real estate investment trust and an interested shareholder generally must be recommended by the board of trustees of the trust and approved by the affirmative vote of at least:

eighty percent of the votes entitled to be cast by holders of outstanding voting shares of the trust; and

two-thirds of the votes entitled to be cast by holders of voting shares of the trust other than shares held by the interested shareholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested shareholder.

These super-majority vote requirements do not apply if the trust's common shareholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested shareholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of trustees prior to the time that the interested shareholder becomes an interested shareholder.

In connection with its approval of our merger with Newkirk, our board of trustees has exempted, to a limited extent, certain holders of Newkirk stock and MLP Units who will be receiving common shares in the merger.

The business combination statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

*Control Share Acquisitions.* Maryland law provides that control shares of a Maryland real estate investment trust acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquiror, by officers or by trustees who are employees of the trust are excluded from shares entitled to vote on the matter. Control Shares are voting shares which, if aggregated with all other shares owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing trustees within one of the following ranges of voting power:

one-tenth or more but less than one-third,

one-third or more but less than a majority, or

---

a majority or more of all voting power.

Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained shareholder approval. A control share acquisition means the acquisition of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the board of trustees of the trust to call a special meeting of shareholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the trust may itself present the question at any shareholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the trust may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the trust to redeem control shares is subject to certain conditions and limitations. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or of any meeting of shareholders at which the voting rights of the shares are considered and not approved. If voting rights for control shares are approved at a shareholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other shareholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute does not apply (a) to shares acquired in a merger, consolidation or share exchange if the trust is a party to the transaction, or (b) to acquisitions approved or exempted by the declaration of trust or bylaws of the trust.

Our by-laws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of our shares. There can be no assurance that this provision will not be amended or eliminated at any time in the future.

#### **Unsolicited Takeover Provisions of Maryland Law**

Publicly-held Maryland statutory real estate investment trusts may elect to be governed by all or any part of Maryland law provisions relating to extraordinary actions and unsolicited takeovers. The election to be governed by one or more of these provisions can be made by a trust in its declaration of trust or by-laws ( charter documents ) or by resolution adopted by its board of trustees so long as the trust has at least three trustees who, at the time of electing to be subject to the provisions, are not: