

CORPORATE OFFICE PROPERTIES TRUST  
Form 8-K  
January 16, 2007

**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): **January 16, 2007 (January 9, 2007)**

**CORPORATE OFFICE PROPERTIES TRUST**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of incorporation)

**1-14023**  
(Commission  
File Number)

**23-2947217**  
(IRS Employer  
Identification Number)

**6711 Columbia Gateway Drive, Suite 300  
Columbia, Maryland 21046**

(Address of principal executive offices)

Edgar Filing: CORPORATE OFFICE PROPERTIES TRUST - Form 8-K

(443) 285-5400

(Registrant's telephone number, including area code)

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):

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

**Item 1.01 Entry into a Material Definitive Agreement.**

On January 9, 2007, Corporate Office Properties Trust (the Company), the General Partner of Corporate Office Properties, L.P. (the Operating Partnership), entered into the Twenty-Second Amendment (the Amendment) to the Second Amended and Restated Limited Partnership Agreement (as so amended, the Partnership Agreement) of the Operating Partnership. The Amendment, which is attached hereto as Exhibit 10.1, was entered into in connection with the issuance by the Operating Partnership to the Trust of 531,667 Series K Preferred Units of Partnership Interest and 3,161,000 Common Units of Partnership Interest on January 9, 2007 in connection with the issuance by the Trust to unrelated entities on such date of a like number of Series K Cumulative Redeemable Convertible Preferred Shares of beneficial interest (the Series K Preferred Shares) and common shares of beneficial interest (common shares), valued at an aggregate of \$181.5 million. This issuance of shares of beneficial interest, previously disclosed by the Company in its Current Report on Form 8-K filed with the Securities and Exchange Commission on December 27, 2006, was made in connection with the acquisition of the properties discussed below in Item 2.01. Other than to reflect the admission of such entities into the Operating Partnership, the Amendment contains no substantive terms.

**Item 2.01 Completion of Acquisition or Disposition of Assets.**

On January 9 and 10, 2007, the Company, primarily through affiliates of the Operating Partnership, completed a series of transactions with entities unrelated to the Company that resulted in the acquisition of 56 operating properties totaling 2.4 million square feet and land parcels totaling 187 acres (the Nottingham Portfolio) pursuant to (1) a Purchase Agreement and Agreement and Plan of Merger by and among the Company, the Operating Partnership, W&M Business Trust and Nottingham Village, Inc. (the NVI Merger Agreement) and (2) a Purchase and Sale Agreement of Ownership Interests by and between the Operating Partnership and Nottingham Properties, Inc. (the NPI Purchase Agreement). All of the acquired properties are located in Maryland, with 36 of the operating properties, totaling 1.6 million square feet, and land parcels totaling 175 acres, located in White Marsh, Maryland and the remaining properties and land parcels located in other regions in Northern Baltimore County and the Baltimore/Washington Corridor. The Company believes that the land parcels totaling 187 acres can support at least 2.0 million developable square feet. In the Company's Current Report on Form 8-K filed on December 27, 2006, the Company stated that the Nottingham Portfolio consisted of 55 operating properties. The Company has since recharacterized what it had previously considered one property as consisting of two properties, and therefore it now considers the Nottingham Portfolio to consist of 56 operating properties.

The Company acquired the Nottingham Portfolio for an aggregate cost of approximately \$363.9 million, including approximately \$1.4 million in transaction costs. The Company financed the acquisition by (1) issuing \$26.6 million in Series K Preferred Shares; (2) issuing \$154.9 million in common shares, at \$49.00 per share; (3) assuming existing mortgage loans totaling \$38.0 million, with an average interest rate of approximately 6.0%; (4) assuming an existing mortgage loan totaling \$10.3 million, which the Company repaid on January 11, 2007 using borrowings under the Company's Revolving Credit Facility; (5) assuming an existing unsecured loan totaling \$89.1 million, with a variable interest rate of LIBOR plus 1.15% to 1.55% depending on the borrower's leverage levels at different points in time; and (6) using borrowings under the Company's Revolving Credit Facility for the balance.

The Series K Preferred Shares are valued at, and carry a liquidation preference equal to, \$50.00 per share. The Series K Preferred Shares are nonvoting, redeemable for cash at \$50.00 per share at the Company's option on or after January 9, 2017, and are convertible, subject to certain conditions, into common shares on the basis of 0.8163 common shares for each preferred share, in accordance with the terms of the Articles Supplementary describing the Series K Preferred Shares, attached hereto as Exhibit 4.1. Holders of the Series K Preferred Shares will be entitled to cumulative dividends, payable quarterly (as and if declared by the Company's Board of

Edgar Filing: CORPORATE OFFICE PROPERTIES TRUST - Form 8-K

Trustees). Dividends will accrue from the date of issue at the annual rate of \$2.80 per share, which is equal to 5.6% of the \$50.00 per share liquidation preference.

The following schedule is a listing of the 56 operating properties included in the Nottingham Portfolio (the Nottingham Operating Properties ):

| Property                              | Rentable<br>Square<br>Feet |
|---------------------------------------|----------------------------|
| <b>Hanover, Maryland</b>              |                            |
| 7272 Park Circle                      | 59,397                     |
| <b>Subtotal Hanover, Maryland</b>     | <b>59,397</b>              |
| <b>Hunt Valley, Maryland</b>          |                            |
| 216 Schilling Circle                  | 36,003                     |
| 222 Schilling Circle                  | 28,003                     |
| 224 Schilling Circle                  | 27,268                     |
| <b>Subtotal Hunt Valley, Maryland</b> | <b>91,274</b>              |
| <b>Columbia, Maryland</b>             |                            |
| 7160 Riverwood Drive                  | 62,084                     |
| 9020 Mendenhall Court                 | 49,259                     |
| 7150 Riverwood Drive                  | 41,382                     |
| 9720 Patuxent Woods Drive             | 40,004                     |
| 9740 Patuxent Woods Drive             | 38,292                     |
| 9700 Patuxent Woods Drive             | 31,261                     |
| 9730 Patuxent Woods Drive             | 30,986                     |
| 7170 Riverwood Drive                  | 29,162                     |
| 10280 Old Columbia Road               | 16,796                     |
| 9710 Patuxent Woods Drive             | 15,229                     |
| 10270 Old Columbia Road               | 15,071                     |
| 10290 Old Columbia Road               | 10,890                     |
| <b>Subtotal Columbia, Maryland</b>    | <b>380,416</b>             |
| <b>White Marsh, Maryland</b>          |                            |
| 10001 Franklin Square Drive           | 216,000                    |
| 8140 Corporate Drive                  | 75,687                     |
| 8110 Corporate Drive                  | 75,687                     |
| 8031 Corporate Drive                  | 66,000                     |
| 7941-7949 Corporate Drive             | 57,600                     |
| 9910 Franklin Square Drive            | 56,271                     |
| 10552 Philadelphia Road               | 56,000                     |
| 8020 Corporate Drive                  | 51,600                     |
| 8094 Sandpiper Circle                 | 50,812                     |
| 4979 Mercantile Road                  | 50,498                     |
| 4940 Campbell Boulevard               | 49,813                     |
| 8098 Sandpiper Circle                 | 47,680                     |
| 4969 Mercantile Road                  | 47,574                     |
| 8114 Sandpiper Circle                 | 45,399                     |
| 5020 Campbell Boulevard               | 44,701                     |
| 9920 Franklin Square Drive            | 44,566                     |
| 8007 Corporate Drive                  | 43,197                     |
| 9930 Franklin Square Drive            | 39,750                     |
| 8010 Corporate Drive                  | 39,351                     |
| 8615 Ridgely s Choice Drive           | 37,797                     |
| 5325 Nottingham Ridge Road            | 37,322                     |
| 5355 Nottingham Ridge Road            | 36,981                     |



| <b>Property</b>                                  | <b>Rentable<br/>Square<br/>Feet</b> |
|--|-------------------------------------|
| 9900 Franklin Square Drive                       | 33,912                              |
| 5024 Campbell Boulevard                          | 33,791                              |
| 9940 Franklin Square Drive                       | 33,134                              |
| 5026 Campbell Boulevard                          | 30,868                              |
| 7939 Honeygo Boulevard - Professional Center I   | 28,081                              |
| 7939 Honeygo Boulevard - Professional Center III | 27,803                              |
| 5022 Campbell Boulevard                          | 27,507                              |
| 8019 Corporate Drive                             | 25,461                              |
| 8029 Corporate Drive                             | 25,000                              |
| 8023 Corporate Drive                             | 24,213                              |
| 7939 Honeygo Boulevard - Professional Center II  | 24,049                              |
| 8013 Corporate Drive                             | 23,891                              |
| 8015 Corporate Drive                             | 16,610                              |
| 8003 Corporate Drive                             | 18,327                              |
| <b>Subtotal White Marsh, Maryland</b>            | <b>1,642,933</b>                    |
| <b>Towson, Maryland</b>                          |                                     |
| 502 Washington Avenue                            | 91,188                              |
| 102 West Pennsylvania Avenue                     | 49,497                              |
| 100 West Pennsylvania Avenue                     | 18,451                              |
| 109-111 Allegheny Avenue                         | 18,431                              |
| <b>Subtotal Towson, Maryland</b>                 | <b>177,567</b>                      |
| <b>TOTAL</b>                                     | <b>2,351,587</b>                    |

As of January 1, 2007, the Nottingham Operating Properties were approximately 84.9% occupied. As of January 1, 2007, leases for approximately one-third of the occupied square feet in the Nottingham Operating Properties were scheduled to expire in 2007; the Company expects to renew a majority of the square feet scheduled to expire in 2007.

**Item 9.01 Financial Statements and Exhibits**

(a) Financial Statements of Businesses Acquired

The combined financial statements of the Nottingham Operating Properties will be filed by amendment to this Current Report on Form 8-K on or before March 28, 2007.

(b) Pro Forma Financial Information

The pro forma consolidated financial statements of the Company will be filed by amendment to this Current Report on Form 8-K on or before March 28, 2007.

(c) Shell Company Transactions

None

(d) Exhibits

Exhibit  
Number

**Exhibit Title**

- |      |   |
|------|---|
| 4.1  | Articles Supplementary relating to the Company's 5.60% Series K Cumulative Redeemable Convertible Preferred Shares of Beneficial Interest         |
| 10.1 | Twenty-Second Amendment to Second Amended and Restated Limited Partnership Agreement of Corporate Office Properties, L.P., dated January 9, 2007. |

**SIGNATURES**

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.

Date: January 16, 2007

CORPORATE OFFICE PROPERTIES TRUST

|        |                                       |
|--------|---------------------------------------|
| By:    | /s/ Randall M. Griffin                |
| Name:  | Randall M. Griffin                    |
| Title: | President and Chief Executive Officer |



**EXHIBIT INDEX**

| <b>Exhibit Number</b> | <b>Exhibit Title</b>  |
|-----------------------|---|
| 4.1                   | Articles Supplementary relating to the Company s 5.60% Series K Cumulative Redeemable Convertible Preferred Shares of Beneficial Interest         |
| 10.1                  | Twenty-Second Amendment to Second Amended and Restated Limited Partnership Agreement of Corporate Office Properties, L.P., dated January 9, 2007. |