

LEXINGTON REALTY TRUST  
Form S-4/A  
January 30, 2014

**As filed with the Securities and Exchange Commission on January 30, 2014**

**Registration Statement No. 333-192283**

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Amendment No. 2**

**to**

**FORM S-4**

**REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

**LEXINGTON REALTY TRUST**

(Exact name of registrant as specified in its charter)

<b>Maryland</b>	<b>6784</b>	<b>13-371318</b>
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

**See Table of Additional Registrant Guarantor**

**One Penn Plaza, Suite 4015**

**New York, NY 10019**

**(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**

**One Penn Plaza, Suite 4015**

**New York, NY 10119-4015**

**(212) 692-7200**

(Name, address, including zip code, and telephone number, including area code, of agent for service):

*Copies to:*

**Scott R. Saks, Esq.**

**Paul Hastings LLP**

**75 East 55th Street**

**New York, NY 10022**

**(212) 318-6000**

(Name, address, including zip code, and telephone number, including area code, of agent for service):

**Approximate date of commencement of proposed exchange offer:**

**As soon as practicable after this Registration Statement is declared effective.**

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If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Non-accelerated filer "

Large accelerated filer  Accelerated filer " (Do not check if smaller reporting company) Smaller reporting company "

If applicable, place an "X" in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit(1)	Proposed maximum aggregate offering price	Amount of registration fee
4.25% Senior Notes due 2023	\$250,000,000	100	% \$ 250,000,000	(1) \$ 32,200 (2)
Guarantees of 4.25% Senior Notes due 2023		(3)	(3)	(3) (3)

(1) Estimated solely for the purposes of calculating the registration fee in accordance with Rule 457(f)(2) under the Securities Act of 1933, as amended.

(2) Calculated based on the book value of the securities to be received by the Registrant in exchange in accordance with Rule 457(f)(2).

(3) In accordance with Rule 457(n), no separate fee is payable with respect to the guarantees of the securities being registered. Fee previously paid.

**The Registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this**

registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date, as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

**TABLE OF ADDITIONAL REGISTRANT GUARANTOR**

Exact Name of Registrant Guarantor as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number	Address, including Zip Code and Telephone Number, including Area Code, of Registrant's Principal Executive Offices
Lepercq Corporate Income Fund L.P.	Delaware	6784	13-3779859	One Penn Plaza, Suite 4015, New York, NY 10119 (212) 692-7200

**Explanatory Note**

This Amendment No. 2 to Form S-4 has been filed by Lexington Realty Trust and Lepercq Corporate Income Fund L.P to reflect Lepercq Corporate Income Fund L.P. as an additional registrant on the EDGAR filing.

**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus preliminary is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED January 30, 2014**

**PROSPECTUS**

**LEXINGTON REALTY TRUST**

**OFFER TO EXCHANGE**

**\$250,000,000 aggregate principal amount of its**

**4.25% Senior Notes due 2023**

**which have been registered under the Securities Act of 1933, as amended,**

**for any and all of its outstanding 4.25% Senior Notes due 2023**

**Guaranteed by**

**Lepercq Corporate Income Fund L.P.**

- **The exchange offer expires at 5:00 p.m., New York City time, on , 2014, unless extended.**

We will exchange all outstanding 4.25% Senior Notes due 2023, or private notes, that are validly tendered and not validly withdrawn for an equal principal amount of a new series of notes which are registered under the Securities Act of 1933, as amended, or the Securities Act. We refer to this new series of notes as the “exchange notes.”

The exchange offer is not subject to any conditions other than that it does not violate applicable law or any applicable interpretation of the staff of the Securities and Exchange Commission, which we refer to as the Commission.

- You may withdraw tenders of outstanding private notes at any time before the exchange offer expires.
  - The exchange of notes will not be a taxable event for U.S. federal income tax purposes.
    - We will not receive any proceeds from the exchange offer.

The terms of the exchange notes are substantially identical to the outstanding private notes, except for transfer restrictions and registration rights relating to the outstanding private notes.

The outstanding private notes are, and the exchange notes will be, fully and unconditionally guaranteed by Lepercq Corporate Income Fund L.P., which is a borrower under our principal credit agreement.

- Each guarantee of the exchange notes will be an unsecured and unsubordinated obligation of such guarantor.

You may tender outstanding private notes only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

- Our affiliates may not participate in the exchange offer.

No public market exists for the outstanding private notes. We do not intend to list the exchange notes on any securities exchange and, therefore, no active public market is anticipated for the exchange notes.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal delivered with this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933, as amended. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding private notes where such outstanding private notes were acquired by such broker-dealer as a result of market-making activities or other trading activities.

**INVESTING IN THESE SECURITIES INVOLVES CERTAIN RISKS. SEE THE "RISK FACTORS" SECTION BEGINNING ON PAGE 9 OF THIS PROSPECTUS.**

**BEFORE BUYING OUR SECURITIES, YOU SHOULD READ AND CONSIDER THE RISK FACTORS INCLUDED IN OUR PERIODIC REPORTS, IN THE PROSPECTUS SUPPLEMENTS OR ANY OFFERING MATERIAL RELATING TO ANY SPECIFIC OFFERING, AND IN OTHER INFORMATION THAT WE FILE WITH THE SECURITIES AND EXCHANGE COMMISSION WHICH IS INCORPORATED BY REFERENCE IN THIS PROSPECTUS. SEE "WHERE YOU CAN FIND MORE INFORMATION."**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE EXCHANGE NOTES OR THE GUARANTEES THEREON OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

The date of this prospectus is \_\_\_\_\_, 2014.





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**You should only rely on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide information different from that contained or incorporated by reference in this prospectus. When you make a decision about whether to participate in the exchange offer, you should not rely upon any information other than the information contained or incorporated by reference in this prospectus. The delivery of this prospectus does not mean that information contained or incorporated by reference in this prospectus is correct after the date of this prospectus. This prospectus is not an offer to sell or solicitation of an offer to buy exchange notes in any circumstances under which the offer or solicitation is unlawful.**

**This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus, and such information is available without charge to holders of the exchange notes upon written or oral request to Investor Relations, Lexington Realty Trust, One Penn Plaza, Suite 4015, New York, New York 10119-4015 (telephone: (212) 692-7200). To obtain timely delivery, holders of exchange notes must request the information no later than five business days prior to the expiration of the exchange offer contemplated by this prospectus, or , 2014.**

**Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer will acknowledge by participating in this exchange offer, as a condition to participating in this exchange offer, that**

**it will deliver a prospectus in connection with any resale of such exchange notes. By so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933, as amended. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding private notes where such outstanding private notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, starting on the expiration date of the exchange offer and ending on the close of business one year after such expiration date, subject to extension in limited circumstances, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."**

All references to the "Company," "we," "our" and "us" in this prospectus means Lexington Realty Trust, and its consolidated subsidiaries, including Lepercq Corporate Income Fund L.P. and its consolidated subsidiaries, except as otherwise provided or where it is made clear that the term means only Lexington Realty Trust. All references to "the operating partnerships" in this prospectus mean Lepercq Corporate Income Fund L.P. and Lepercq Corporate Income Fund II L.P. All references to "LCIF" in this prospectus mean Lepercq Corporate Income Fund L.P. All references to "LCIF II" in this prospectus mean Lepercq Corporate Income Fund II L.P. On December 30, 2013, LCIF II merged with and into LCIF, with LCIF as the surviving entity. As a result, all references to LCIF with respect to periods after the merger include LCIF II as a predecessor entity. When we use the term "LXP," we are referring to Lexington Realty Trust by itself and not including any of its subsidiaries. References to "common shares" or similar references refer to the shares of beneficial interest classified as common stock, par value \$0.0001 per share, of LXP and references to "OP units" or similar references refer to the limited partnership units of LCIF and/or LCIF II, as applicable. The terms "you" or "your" refer to a prospective investor.

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**CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING INFORMATION**

This prospectus and the information and documents incorporated herein by reference include “forward-looking statements”, and as such may involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expected 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 “believes,” “expects,” “intends,” “anticipates,” “estimates,” “projects,” “may,” “plans,” “predicts,” “will,” “w” or the 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;
- impairments in the value of our real estate investments;
- failure to consummate the transactions described in this prospectus or the failure of any transactions to perform to our expectations;
- legislative/regulatory/accounting changes, including changes to laws governing and policies and guidelines applicable to the taxation of real estate investment trusts, or REITs;
  - any material legal proceedings;
  - availability of debt and equity capital;
  - increases in real estate construction costs;
    - competition;
  - changes in interest rates;
- supply and demand for properties in our current and proposed market areas;
  - a downgrade in our credit ratings; and

• the other factors described and referenced under the heading “Risk factors” beginning on page 9 of this prospectus and other risk factors described in our other reports filed with the Commission from time to time.

These risks and uncertainties should be considered in evaluating any forward-looking statements contained or incorporated by reference in this prospectus. We caution you that any forward-looking statement reflects only our belief at the time the statement is made. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee our future results, levels of activity, performance or achievements. Except as required by law, we undertake no obligation to update any of the forward-looking statements to reflect events or developments after the date of this prospectus.

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**PROSPECTUS SUMMARY**

*This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus. Because this is a summary, it does not contain all of the information that is important to you. For a more complete understanding of the exchange offer and the exchange notes, you should read carefully this entire prospectus and the documents incorporated by reference in this prospectus, as provided in “Where you can find more information” beginning on page 59 of this prospectus, especially the risk factors set forth in (i) LXP’s most recent Annual Report on Form 10-K, filed with the Commission, on February 25, 2013, which we refer to as LXP’s Annual Report, (ii) the information in any documents we filed with the Commission subsequent to LXP’s Annual Report or that we file in the future that are incorporated by reference herein as provided in “Where you can find more information” and (iii) the information under the caption “Risk factors” beginning on page 9 of this prospectus. Unless otherwise indicated, all financial and property information in this prospectus is presented as of and for the nine months ended September 30, 2013.*

**Explanatory Note**

This prospectus includes combined disclosure for Lexington Realty Trust and Lepercq Corporate Income Fund L.P. Information with respect to LXP is incorporated by reference in this prospectus. See “Where you can find more information” beginning on page 59 of this prospectus.

On December 30, 2013, LCIF II merged with and into LCIF, with LCIF as the surviving entity. The merger was done to streamline the reporting obligations of LCIF and LCIF II into one entity on a going-forward basis. Except as otherwise indicated, all information with respect to LCIF and LCIF II in this prospectus is presented as of September 30, 2013, which is prior to the merger. Information subsequent to the merger assumes that all limited partners in LCIF II received OP units in LCIF as consideration in the merger.

**Our Company**

LXP is a REIT that owns a diversified portfolio of equity and debt investments in single-tenant commercial properties and land. A majority of these properties and all land interests are subject to net or similar leases, where the tenant bears all or substantially all of the costs, including cost increases, for real estate taxes, utilities, insurance and ordinary repairs. We also provide investment advisory and asset management services to investors in the single-tenant area.

As of September 30, 2013, we had equity ownership interests in approximately 215 consolidated real estate properties, located in 41 states and encompassing 40.6 million square feet, 98.1% of which was leased. Included in these properties are (1) 31 properties in which LCIF had an equity ownership interest in, located in 22 states and encompassing 4.9 million square feet, 96.1% of which was leased, and (2) nine properties in which LCIF II had an equity ownership interest in, located in seven states and encompassing 2.9 million square feet, 100.0% of which was leased. The properties in which we have an equity interest are leased to tenants in various industries, including finance/insurance, technology, service, automotive and energy.

LCIF was formed as a limited partnership on March 14, 1986 under the laws of the state of Delaware to invest in existing real estate properties net leased to corporations or other entities. LCIF II was formed as a limited partnership on January 27, 1987 under the laws of the state of Delaware to invest in existing real estate properties net leased to corporations or other entities. On December 30, 2013, LCIF II was merged with and into LCIF, with LCIF as the surviving entity.

The purpose of each of LCIF and LCIF II includes the conduct of any business that may be conducted lawfully by a limited partnership organized under the Delaware Revised Uniform Limited Partnership Act, or the Delaware Act, except that the partnership agreement of each of LCIF and LCIF II requires business to be conducted in such a manner that will permit LXP to continue to be classified as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, or the Code, unless LXP ceases to qualify as a REIT for reasons other than the conduct of the business of LCIF or LCIF II, as applicable.

LXP is the sole equity owner of Lex GP-1 Trust, or Lex GP, a Delaware statutory trust, which is the general partner of LCIF and holds, as of December 31, 2013, approximately 0.4% of the outstanding OP units in LCIF. LXP is also the sole equity owner of Lex LP-1 Trust, or Lex LP, a Delaware statutory trust, which holds, as of December 31, 2013, approximately, 94.3% of the outstanding OP units in LCIF. The remaining OP units in LCIF are beneficially owned by E. Robert Roskind, Chairman of LXP, and certain non-affiliated investors. As the sole equity owner of the general partner of LCIF, LXP has the ability to control all of the day-to-day operations of LCIF subject to the terms of the LCIF partnership agreement.

The business of LCIF is substantially the same as the business of LXP and includes investment in single-tenant assets; except that LCIF is dependent on LXP for management of its operations and future investments. LCIF does not have any employees, executive officers or a board of directors. LXP also invests in assets and conducts business directly and through other subsidiaries. LXP allocates investments to itself and its other subsidiaries or to LCIF as it deems appropriate and in accordance with certain obligations under the LCIF partnership agreement, with respect to allocations of nonrecourse liabilities.

Neither LXP nor Lex GP receives any compensation for Lex GP's services as general partner of LCIF. Lex GP and Lex LP, however, as partners in LCIF, have the same right to allocations and distributions as other partners of LCIF. In addition, LCIF reimburses Lex GP and LXP for all expenses incurred by them related to the ownership and

operation of, or for the benefit of, LCIF. In the event that certain expenses are incurred for the benefit of LCIF and other entities (including LXP and its other subsidiaries), such expenses are allocated to LCIF in proportion to gross revenues. LXP has guaranteed the obligations of LCIF in connection with the redemption of OP units pursuant to the LCIF partnership agreement.

Further information with respect to LCIF and LCIF II is set forth in this prospectus.

The principal executive offices for LCIF are located at One Penn Plaza, Suite 4015, New York, New York 10119-4015; our telephone number is (212) 692-7200.

## THE EXCHANGE OFFER

**The exchange offer** We are offering to exchange the 4.25% Senior Notes due 2023 offered by this prospectus, referred to as the exchange notes, for the outstanding 4.25% Senior Notes due 2023, referred to as the private notes, that are properly tendered and accepted. You may tender outstanding private notes only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. We will issue the exchange notes on or promptly after the exchange offer expires. As of the date of this prospectus, \$250,000,000 aggregate principal amount of private notes is outstanding.

**Expiration date** The exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2014 (the 21st business day following commencement of the exchange offer), unless extended, in which case the expiration date will mean the latest date and time to which we extend the exchange offer.

**Conditions to the exchange offer** The exchange offer is not subject to any condition other than that it not violate applicable law or any applicable interpretation of the staff of the Commission. The exchange offer is not conditioned upon any minimum principal amount of private notes being tendered for exchange.

**Procedures for tendering private notes** We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement with respect to the private notes, which we refer to as the registration rights agreement, and the applicable requirements of the Securities Act, the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the rules and regulations of the Commission.

If you wish to tender your private notes for the exchange notes pursuant to the exchange offer, you must complete and sign a letter of transmittal in accordance with the instructions contained in the letter and forward it by mail, facsimile or hand delivery, together with any other documents required by the letter of transmittal, to the exchange agent (as defined below), either with the private notes to be tendered or in compliance with the specified procedures for guaranteed delivery of notes. Certain brokers, dealers, commercial banks, trust companies and other nominees may also effect tenders by book-entry transfer. Holders of private notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee are urged to contact such person promptly if they wish to tender private notes pursuant to the exchange offer. See "The Exchange Offer-Procedures for Tendering."

Letters of transmittal and certificates representing private notes should not be sent to us. Such documents should only be sent to the exchange agent. Questions regarding how to tender private notes and requests for information should be directed to the exchange agent. See "The Exchange

Offer-Exchange Agent." You do not have any appraisal or dissenters' rights under the indenture in connection with the exchange offer.

**Acceptance of the private notes and delivery of the exchange notes**

Subject to the satisfaction or waiver of the conditions to the exchange offer, we will accept for exchange any and all private notes which are validly tendered in the exchange offer and not withdrawn before 5:00 p.m., New York City time, on the expiration date.

**Withdrawal rights**

You may withdraw the tender of your private notes at any time before 5:00 p.m., New York City time, on the expiration date, by complying with the procedures for withdrawal described in this prospectus under the heading "The Exchange Offer-Withdrawal of Tenders."

**U.S. federal tax considerations**

The exchange of notes will not be a taxable event for U.S. federal income tax purposes. For a discussion of material federal tax considerations relating to the exchange notes and the exchange offer, see "U.S. federal income tax considerations."

**Exchange agent**

U.S. Bank National Association, the registrar and paying agent for the notes under the indenture governing the notes, is serving as the exchange agent for the exchange offer.

**Consequences of failure to exchange**

If you do not exchange your private notes for the exchange notes, you will continue to be subject to the restrictions on transfer provided in the private notes and in the indenture governing the private notes. In general, the private notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently plan to register the resale of the private notes under the Securities Act.

**Registration rights agreement**

You are entitled to exchange your private notes for the exchange notes with substantially identical terms. This exchange offer satisfies this right. After the exchange offer is completed, you will no longer be entitled to any exchange or registration rights with respect to your private notes.

For a more detailed description of the exchange offer, see "The Exchange Offer."



## THE EXCHANGE NOTES

*The following summary contains basic information about the exchange notes and is not intended to be complete. It does not contain all the information that may be important to you. For a more complete understanding of the exchange notes, please refer to the section entitled "Description of notes."*

*The form and terms of the exchange notes are the same as the form and terms of the private notes, except that the exchange notes will be registered under the Securities Act and, therefore, the exchange notes will not be subject to the transfer restrictions, registration rights and provisions providing for an increase in the interest rate applicable to the private notes. The exchange notes will evidence the same debt as the private notes, and both the private notes and the exchange notes are governed by the same indenture and will vote as a single class on all matters. We refer to the private notes and the exchange notes together in this prospectus as the "notes." Unless the context otherwise requires, when we refer to the private notes, we also refer to the guarantees associated with the private notes, and when we refer to the exchange notes, we also refer to the guarantees associated with the exchange notes.*

*The following summary of the exchange notes is provided solely for your convenience. This summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus. For a more detailed description of the exchange notes, see "Description of notes."*

**Issuer of exchange notes** Lexington Realty Trust

**Guarantors** Lepercq Corporate Income Fund L.P. In addition, any future subsidiaries of LXP that are borrowers or guarantors under its then principal credit agreement are required to guarantee the exchange notes. We refer to these subsidiaries as the subsidiary guarantors. Each guarantee of the exchange notes will be an unsecured and unsubordinated obligation of such subsidiary guarantor.

**Amount offered** Up to \$250,000,000 aggregate principal amount.

**Ranking of exchange notes** The exchange notes and the guarantees will be LXP's and the subsidiary guarantors' general unsecured and unsubordinated obligations and will:

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rank equally in right of payment with all of LXP's and the subsidiary guarantors' existing and future unsecured and unsubordinated indebtedness;

be effectively subordinated in right of payment to all of LXP's and the subsidiary guarantors' existing and future secured indebtedness (to the extent of the value of the collateral securing such indebtedness); and

be structurally subordinated in right of payment to all existing and future liabilities and other indebtedness, whether secured or unsecured, and preferred stock of our subsidiaries that are not subsidiary guarantors, or the non-guarantor subsidiaries.

As of September 30, 2013, LXP and the subsidiary guarantors had no secured indebtedness and \$0.8 billion of unsecured and unsubordinated indebtedness outstanding, and the non-guarantor subsidiaries had approximately \$1.0 billion of secured indebtedness outstanding and no unsecured indebtedness.

<b>Interest</b>	The exchange notes will bear interest at a rate of 4.25% per year. Interest will be payable semi-annually in arrears on June 15 and December 15 of each year, beginning June 15, 2014.
<b>Maturity</b>	The exchange notes will mature on June 15, 2023 unless previously redeemed by LXP at its option prior to such date.
<b>LXP's redemption rights</b>	LXP may redeem the exchange notes at its option and in its sole discretion, at any time in whole or from time to time in part, at the applicable redemption price specified herein. If the exchange notes are redeemed on or after March 15, 2023, the redemption price will be equal to 100% of the principal amount of the exchange notes being redeemed plus accrued and unpaid interest thereon to, but not including, the redemption date. See "Description of notes-LXP's redemption rights."
<b>Sinking fund</b>	None.
<b>Certain covenants</b>	<p>The indenture governing the exchange notes contains certain covenants that, among other things, limit LXP's and each subsidiary guarantor's ability to:</p> <p>consummate a merger, consolidation or sale of all or substantially all of its assets; and</p> <p>incur secured and unsecured indebtedness.</p> <p>These covenants are subject to a number of important exceptions and qualifications. See "Description of notes."</p>



**Use of Proceeds**

The exchange offer satisfies an obligation under the registration rights agreement. We will not receive any cash proceeds from the exchange offer. The net proceeds from the sale of the private notes after deducting discounts and offering expenses, were approximately \$244.9 million. We used the net proceeds from the sale of the private notes to pay amounts outstanding under our unsecured revolving credit facility, and the remainder for general corporate purposes, including, without limitation, unspecified acquisitions.

**Trading**

The exchange notes are a new issue of securities with no established trading market. LXP does not intend to apply for listing of the exchange notes on any securities exchange or for quotation of the exchange notes on any automated dealer quotation system.

**Book-entry form**

The exchange notes will be issued in the form of one or more fully-registered global notes in book-entry form, which will be deposited with, or on behalf of, The Depository Trust Company, commonly known as DTC, in New York, New York. Beneficial interests in the global certificate representing the exchange notes will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants and such interests may not be exchanged for certificated notes, except in limited circumstances.

**Additional notes**

LXP may, without the consent of holders of the exchange notes, increase the principal amount of the exchange notes by issuing additional exchange notes in the future on the same terms and conditions, except for any difference in the issue date, the issue price, the date from which interest accrues on such exchange notes, and, if applicable, the first interest payment date, with the same CUSIP number as the exchange notes offered hereby.

**Risk factors**

See “Risk factors” included in this prospectus and in LXP’s Annual Report, as updated by LXP’s subsequent filings under the Exchange Act, as well as other information included in this prospectus, for a discussion of factors you should carefully consider before deciding to invest in the exchange notes.

**Trustee and paying agent**

U.S. Bank National Association is the trustee and paying agent under the indenture relating to the exchange notes.

**Governing law**

The indenture is, and the exchange notes and the guarantees endorsed on the exchange notes will be, governed by the laws of the State of New York.



## SUMMARY HISTORICAL FINANCIAL DATA

The following tables set forth summary historical consolidated summary financial data for LCIF and LCIF II and their respective subsidiaries as of, and for each of the years ended December 31, 2012, 2011, 2010, 2009 and 2008 and for the nine months ended September 30, 2013 and 2012. The results of operations for the nine month periods are not necessarily indicative of the results that may be expected for a full year. The summary historical financial data is qualified in its entirety by reference to, and should be read in conjunction with, the “Risk factors” section included elsewhere in this prospectus, each of LCIF’s and LCIF II’s consolidated financial statements and notes thereto included elsewhere in this prospectus, and the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section included elsewhere in this prospectus for additional information. Summary historical consolidated financial data for LXP is available in the documents incorporated by reference into this prospectus. The consolidated ratio of earnings to combined fixed charges and preferred dividends for LXP was less than 1.0, with a deficit of \$25.5 million, \$64.9 million, \$49.3 million, \$12.0 million and \$1.6 million, for the years ended December 31, 2012, 2011, 2010, 2009 and 2008, respectively, and \$10.1 million and \$14.0 million, for the nine months ended September 30, 2013 and 2012, respectively.

The consolidated balance sheet information as of December 31, 2012 and 2011 and the consolidated statement of operations information and the consolidated statement of cash flows information for the years ended 2012, 2011 and 2010 has been derived from LCIF and LCIF II’s historical consolidated financial statements which have been audited by KPMG LLP, an independent registered public accounting firm. The consolidated balance sheet information as of December 31, 2010, 2009 and 2008 and the consolidated statement of operations information and the consolidated statements of cash flows information for the years ended December 31, 2009 and 2008 have been derived from unaudited historical consolidated financial statements not included in this prospectus. The consolidated balance sheet information, the consolidated statement of operations information and the consolidated statement of cash flows information for the nine months ended September 30, 2013 and 2012 have been derived from the unaudited historical consolidated financial statements of LCIF and LCIF II, which are included elsewhere in this prospectus and include all adjustments of a normal and recurring nature that management considers necessary for a fair presentation of such information. LCIF’s and LCIF II’s consolidated results of operations and financial condition as of and for the nine months ended September 30, 2013 do not purport to be indicative of its financial condition or results of operations as of or for the year ending December 31, 2013.

**Lepercq Corporate Income Fund L.P.**

(in thousands, except per unit data and ratios)	Nine Months ended September 30, (unaudited)		Years ended December 31,				
	2013	2012	2012	2011	2010	2009 (unaudited)	2008 (unaudited)
Total gross revenues	\$40,862	\$38,908	\$51,371	\$51,452	\$54,078	\$53,670	\$52,398
Expenses applicable to revenues	(23,842)	(22,886)	(30,342)	(30,842)	(31,359)	(30,991)	(30,046)
Interest and amortization expense	(6,299)	(8,965)	(11,598)	(13,143)	(15,499)	(16,960)	(16,611)
Income from continuing operations	8,076	5,480	7,535	6,332	6,176	3,583	3,017
Total discontinued operations	5,639	119	212	(2,791)	10,864	(22,479)	32,192
Net income (loss)	13,715	5,599	7,747	3,541	17,040	(18,896)	35,209
Income from continuing operations per unit	0.22	0.18	0.24	0.21	0.21	0.12	0.10
Income (loss) from discontinued operations per unit	0.16	0.01	0.01	(0.09)	0.36	(0.75)	1.07
Net income (loss) per unit	0.38	0.19	0.25	0.12	0.57	(0.63)	1.17
Cash distributions per weighted-average unit (rounded)	0.69	0.67	0.90	0.81	0.77	0.54	1.37
Net cash provided by operating activities	23,739	22,209	30,427	29,983	30,877	34,198	34,364
Net cash provided by (used in) investing activities	20,143	(2,501)	(58,732)	16,594	(653)	25,790	34,585
Net cash provided by (used in) financing activities	(40,900)	(21,886)	27,180	(45,957)	(31,688)	(58,650)	(80,963)
Ratio of earnings to fixed charges	2.29	1.61	1.65	1.48	1.40	1.21	1.18

(in thousands)	As of September 30, (unaudited)		As of December 31,				
	2013	2012	2012	2011	2010 (unaudited)	2009 (unaudited)	2008 (unaudited)
Real estate assets, net, including real estate - intangible assets	\$ 402,186	N/A	\$ 448,953	\$ 412,579	\$ 453,318	\$ 504,708	\$ 562,603
Loans receivable, net	33,439	N/A	34,266	38,234	36,253	36,972	41,039
Total assets	472,369	N/A	511,465	478,511	520,361	569,475	643,867
Mortgages and notes payable, including discontinued operations	94,644	N/A	155,675	202,884	243,301	270,931	288,369

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Co-borrower debt	53,453	N/A	39,385	10,013	10,687	41,770	41,756
Partners' capital	303,524	N/A	138,895	166,188	186,385	161,326	196,341

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**Lepercq Corporate Income Fund II L.P.**

(in thousands, except per unit data and ratios)	Nine Months ended September 30, (unaudited)		Years ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
						(unaudited)	(unaudited)
Total gross revenues	\$ 10,506	\$10,673	\$14,246	\$11,392	\$7,885	\$ 8,185	\$ 11,251
Expenses applicable to revenues	(4,842 )	(4,840 )	(6,446 )	(5,406 )	(4,257 )	(4,172 )	(5,810 )
Interest and amortization expense	(1,656 )	(2,726 )	(3,286 )	(2,970 )	(3,259 )	(3,496 )	(5,531 )
Income (loss) from continuing operations	3,940	3,741	5,106	8,149	6,539	(284 )	(1,372 )
Total discontinued operations	125	(1,764 )	(2,111 )	(6,894 )	1,393	2,082	7,898
Net income (loss)	4,065	1,977	2,995	1,255	7,932	1,798	6,526
Income from continuing operations per unit	0.32	0.62	0.68	1.35	1.09	(0.05 )	(0.23 )
Income (loss) from discontinued operations per unit	0.01	(0.29 )	(0.28 )	(1.14 )	0.23	0.35	1.31
Net income per unit	0.33	0.33	0.40	0.21	1.32	0.30	1.08
Cash distributions per weighted-average unit (rounded)	0.61	0.72	0.90	0.89	0.84	0.60	1.42
Net cash provided by operating activities	6,961	4,849	7,293	13,693	17,468	5,575	5,554
Net cash provided by (used in) investing activities	1,094	1,667	2,202	(23,110)	(53,720)	34,582	8,872
Net cash provided by (used in) financing activities	(6,263 )	(17,460)	(20,196)	10,325	41,855	(25,867 )	(28,350 )
Ratio of earnings to fixed charges (1)	3.39	2.38	2.56	3.07	3.01	N/A	N/A

(1) N/A - Ratio is below 1.0, deficit of \$282 and \$1,316 exists at December 31, 2009 and 2008, respectively.

(in thousands)	As of September 30, (unaudited)		As of December 31,				
	2013	2012	2012	2011	2010	2009	2008
					(unaudited)	(unaudited)	(unaudited)

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Real estate assets, net, including real estate - intangible assets	\$ 103,339	N/A	\$ 118,200	\$ 129,518	\$ 108,378	\$ 103,863	\$ 142,356
Loans receivable, net	21,636	N/A	21,942	21,515	36,743	—	—
Total assets	143,917	N/A	164,232	186,603	174,421	123,837	160,751
Mortgages and notes	31,350	N/A	48,989	87,300	73,517	71,272	117,037
Co-borrower debt	15,336	N/A	11,601	3,438	2,194	8,092	8,733
Partners' capital	92,964	N/A	77,649	33,859	39,189	30,435	31,617

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**SELECTED UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL AND OTHER DATA**

The following table shows pro forma information about LCIF's financial condition and results of operations, including per unit data, after giving effect to the consummation of the merger of LCIF II with and into LCIF on December 30, 2013, with LCIF as the surviving entity. The table sets forth the information as if the merger had become effective on September 30, 2013, with respect to the balance sheet information, and as of January 1, 2012, with respect to the income statement information. The merger will be accounted for as a business combination between entities under common control using LCIF II's historical cost basis.

The information is based on, and should be read together with, the historical financial statements, including the notes thereto, of each of LCIF and LCIF II and the more detailed unaudited pro forma financial information, including the notes thereto, appearing elsewhere in this prospectus. See "Index To Financial Statements."

The unaudited pro forma information does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had the operating partnerships been combined during these periods.

	Pro Forma Combined (Unaudited, dollars in thousands)	
	Year ended	Nine months ended
	December 31, 2012	September 30, 2013
Total gross revenues	\$65,617	\$ 51,368
Expenses applicable to revenue	(36,788)	(28,684)
Interest and amortization expense	(14,884)	(7,955)
Income from continuing operations	12,641	12,016
Income from continuing operations per unit	0.33	0.25
Real estate assets, net, including real estate intangible assets	N/A	505,525
Loans receivable, net	N/A	55,075
Total assets	N/A	616,286
Mortgages and notes payable	N/A	125,994
Co-borrower debt	N/A	68,789
Partners' capital	N/A	396,488



## RISK FACTORS

*You should carefully consider the risks described below and the risk factors set forth in the documents incorporated by reference herein before making a decision to exchange your private notes for the exchange notes in the exchange offer. If any of the events described in the risk factors below or in the documents incorporated by reference herein occur, our business, financial condition, operating results and prospects could be materially adversely affected, which in turn could adversely affect our ability to repay the notes. The risk factors set forth below and in the documents incorporated by reference herein are generally applicable to the private notes as well as the exchange notes. These risks are not the only ones we face. Additional risks not presently known to us or that are currently deemed immaterial could also materially and adversely affect our financial condition, results of operations, business and prospects. The trading price of the notes, if any, could decline due to any of these risks, and you may lose all or part of your investment. This prospectus and the documents incorporated herein by reference herein also contain forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us and described below and in the documents incorporated herein by reference.*

### **Risks related to this exchange offer and the exchange notes**

***Our substantial indebtedness could adversely affect our financial condition and LXP's and the subsidiary guarantors' ability to fulfill their obligations under the notes and otherwise adversely impact our business and growth prospects.***

We have a substantial amount of debt. As of September 30, 2013, our total consolidated indebtedness was approximately \$1.8 billion, consisting of \$1.0 billion of mortgages and notes payable, \$67.0 million outstanding on our unsecured revolving credit facility, \$250.0 million of private notes, \$319.0 million of term loans, \$29.0 million of the 6.00% Convertible Notes due 2030, and \$129.1 million of the Trust Preferred Securities. In addition, as of September 30, 2013, \$511.4 million were available for us to borrow under our principal credit agreement, subject to covenant compliance.

Our substantial indebtedness could have important consequences to you. For example, it could:

- make it more difficult for LXP and the subsidiary guarantors to satisfy their obligations with respect to the exchange notes and other indebtedness;
- increase our vulnerability to adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to the payment of interest on and principal of our indebtedness, thereby reducing the availability of cash to fund working capital, capital expenditures

and other general corporate purposes;

• limit our ability to borrow money or sell stock to fund our development projects, working capital, capital expenditures, general corporate purposes or acquisitions;

- restrict us from making strategic acquisitions or exploiting business opportunities;
- place us at a disadvantage compared to competitors that have less debt; and
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate.

In addition, the agreements that govern our current indebtedness contain, and the agreements that may govern any future indebtedness that we may incur may contain, financial and other restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default that, if not cured or waived, could result in the acceleration of our debt.

***The effective subordination of the exchange notes and the guarantees may reduce amounts available for payment of the exchange notes and the guarantees.***

Both the exchange notes and the guarantees are unsecured. The holders of any secured debt of LXP and its subsidiary guarantors may foreclose on the assets securing such debt, reducing the cash flow from the foreclosed property available for payment of unsecured debt, including the exchange notes and the guarantees. The holders of any secured debt of LXP and its subsidiary guarantors also would have priority over unsecured creditors in the event of their bankruptcy, liquidation or similar proceeding. As of September 30, 2013, LXP and the subsidiary guarantors had no secured indebtedness and \$0.8 billion of unsecured and unsubordinated indebtedness outstanding.

***Not all of LXP's subsidiaries are guarantors, assets of non-guarantor subsidiaries may not be available to make payments on the exchange notes and the subsidiary guarantees may be released in the future if certain events occur.***

On September 30, 2013, all of the subsidiary guarantors that initially guaranteed the private notes, except for LCIF and LCIF II, were released from their obligations under our principal credit agreement, which, in turn, allowed for the release of such subsidiary guarantors from their obligations under the guaranty of the private notes. As a result of this and the merger of LCIF II with and into LCIF on December 30, 2013, only LCIF remains as a subsidiary guarantor of the private notes and will become a guarantor of the exchange notes.

In addition to LCIF, any other existing or future subsidiaries of LXP that are borrowers or guarantors under our then principal credit agreement will provide guarantees of the exchange notes. Accordingly, LXP's existing and future subsidiaries that do not guarantee the obligations under our principal credit agreement will similarly not be guarantors of the exchange notes. Payments on the exchange notes are only required to be made by LXP and the subsidiary guarantors. As a result, no payments are required to be made from assets of the non-guarantor subsidiaries unless those assets are transferred, by dividend or otherwise, to LXP or any of the subsidiary guarantors.



In the event of a bankruptcy, liquidation or reorganization of any of the non-guarantor subsidiaries, holders of non-guarantor subsidiary debt, including trade creditors, will generally be entitled to payment of their claims from the assets of non-guarantor subsidiaries before any assets are made available for distribution to LXP or any of the subsidiary guarantors.

In addition, any subsidiary guarantor, including LCIF, will be deemed released if such subsidiary guarantor's obligations as a borrower or guarantor under our principal credit agreement terminate pursuant to the terms of our principal credit agreement or if our principal credit agreement is amended to remove certain or all of the subsidiary guarantors as borrowers or guarantors. To the extent the exchange notes are no longer guaranteed by any of our subsidiaries in the future, the exchange notes will be LXP's obligations exclusively. All of our assets are held through our operating partnerships and our other subsidiaries. Consequently, our cash flow and our ability to meet our debt service obligations depends in large part upon the cash flow of our subsidiaries and the payment of funds by our subsidiaries to us in the form of distributions or otherwise.

As of September 30, 2013, LXP and its subsidiaries had approximately \$2.5 billion of unpledged assets, which consisted of undepreciated real estate and loans receivable.

***We may not be able to generate sufficient cash flow to meet our debt service obligations.***

Our ability to make payments on and to refinance our indebtedness, including the ability of LXP and the subsidiary guarantors to make payments on and refinance the exchange notes, and to fund our operations, working capital and capital expenditures, depends on our ability to generate cash in the future. To a certain extent, our cash flow is subject to general economic, industry, financial, competitive, operating, legislative, regulatory and other factors, many of which are beyond our control.

We cannot assure you that our business will generate sufficient cash flow from operations or that future sources of cash will be available to us in an amount sufficient to enable us to pay amounts due on our indebtedness, including the exchange notes, or to fund our other liquidity needs.

Additionally, if we incur additional indebtedness in connection with future acquisitions or development projects or for any other purpose, our debt service obligations could increase.

We may need to refinance all or a portion of our indebtedness, including the exchange notes, on or before maturity. Our ability to refinance our indebtedness or obtain additional financing will depend on, among other things:



- our financial condition and market conditions at the time; and
- restrictions in the agreements governing our indebtedness.

As a result, we may not be able to refinance any of our indebtedness, including the exchange notes, on commercially reasonable terms, or at all. If we do not generate sufficient cash flow from operations, and additional borrowings or refinancings or proceeds of asset sales or other sources of cash are not available to us, we may not have sufficient cash to enable us to meet all of our obligations, including payments on the exchange notes. Accordingly, if we cannot service our indebtedness, we may have to take actions such as seeking additional equity, or delaying strategic acquisitions and alliances or capital expenditures, any of which could have a material adverse effect on our operations. We cannot assure you that we will be able to effect any of these actions on commercially reasonable terms, or at all.

***Despite our substantial indebtedness, we may still incur significantly more debt, which could exacerbate any or all of the risks related to our indebtedness, including LXP's and the subsidiary guarantors' inability to pay the principal of or interest on the exchange notes.***

Although the agreements governing our unsecured indebtedness and the indenture governing the notes limit our ability to incur additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and, under certain circumstances, debt incurred in compliance with these restrictions could be substantial. To the extent that we incur additional indebtedness or other such obligations, we may face additional risks associated with our indebtedness, including LXP's and the subsidiary guarantors' possible inability to pay the principal of or interest on the exchange notes.

***There is currently no trading market for the exchange notes, and an active public trading market for the exchange notes may not develop or, if it develops, may not be maintained or be public. The failure of an active liquid trading market for the exchange notes to develop or be maintained is likely to adversely affect the market price and liquidity of the exchange notes.***

The exchange notes are a new issue of securities with no established trading market. LXP does not intend to apply for listing of the exchange notes on any securities exchange or for quotation of the exchange notes on any automated dealer quotation system.

Accordingly, an active trading market may not develop for the exchange notes and, even if one develops, may not be maintained. If an active trading market for the exchange notes does not develop or is not maintained, the market price and liquidity of the exchange notes is likely to be adversely affected, and holders may not be able to sell their exchange notes at desired times and prices or at all. If any of the exchange notes are traded after their purchase, they may trade at a discount from their purchase price.



The liquidity of the trading market, if any, and future trading prices of the exchange notes will depend on many factors, including, among other things, prevailing interest rates, the financial condition, results of operations, business, prospects and credit quality of us, and other comparable entities, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in any of these factors, some of which are beyond our control. In addition, market volatility or events or developments in the credit markets could materially and adversely affect the market value of the exchange notes, regardless of our financial condition, results of operations, business, prospects or credit quality.

***The indenture governing the exchange notes, the principal credit agreement governing our \$400.0 million unsecured revolving credit facility and our \$250.0 million unsecured term loan and the term loan agreement governing our \$255.0 million unsecured term loan contain restrictive covenants that limit our operating flexibility.***

The indenture governing the exchange notes contains financial and operating covenants that, among other things, restrict our ability to take specific actions, even if we believe them to be in our best interest, including restrictions on our ability to:

- consummate a merger, consolidation or sale of all or substantially all of our assets; and
  - incur additional secured and unsecured indebtedness.

In addition, the principal credit agreement and term loan agreement require us to meet specified financial and operating covenants. These covenants may restrict our ability to expand or fully pursue our business strategies. Our ability to comply with these and other provisions of the indenture governing the exchange notes, the principal credit agreement and the term loan agreement may be affected by changes in our operating and financial performance, changes in general business and economic conditions, adverse regulatory developments or other events adversely impacting us. The breach of any of these covenants could result in a default under our indebtedness, which could cause those and other obligations to become due and payable. If any of our indebtedness is accelerated, we may not be able to repay it.

***Federal and state statutes allow courts, under specific circumstances, to void guarantees and require holders of the exchange notes to return payments received from LXP or the subsidiary guarantors.***

Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the debt evidenced by its guarantee:

- issued the guarantee to delay, hinder or defraud present or future creditors; or
  - received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee, and:
    - was insolvent or rendered insolvent by reason of such incurrence;
- was engaged or about to engage in a business or transaction for which the guarantor's remaining unencumbered assets constituted unreasonably small capital to carry on its business; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay the debts as they mature.

In addition, any payment by that guarantor pursuant to its guarantee could be voided and required to be returned to the guarantor, or to a fund for the benefit of the creditors of the guarantor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if, at the time it incurred the debt:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

We cannot be sure as to the standards that a court would use to determine whether or not the subsidiary guarantors were solvent at the relevant time, or, regardless of the standard that the court uses, that the issuance of the guarantees of the exchange notes would not be voided or any guarantee of the exchange notes would not be subordinated to that subsidiary guarantor's other debt.

If a case were to occur, any guarantee of the exchange notes incurred by one or more of the subsidiary guarantors could also be subject to the claim that, since the guarantee was incurred for LXP's benefit, and only indirectly for the benefit of the subsidiary guarantor, the obligations of the applicable subsidiary guarantor were incurred for less than fair consideration.

A court could thus void the obligations under the guarantees or subordinate the guarantees to the applicable guarantor's other debt or take other action detrimental to holders of the exchange notes.

***An increase in interest rates could result in a decrease in the relative value of the exchange notes.***

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you acquire exchange notes and market interest rates increase, the market value of your exchange notes may decline. We cannot predict the future level of market interest rates.

***A downgrade in LXP's credit ratings could materially adversely affect our business and financial condition.***

In June 2013, we received a senior unsecured debt rating of Baa2 with a stable outlook from Moody's Investor Services, Inc. and a senior unsecured debt rating of BBB- with a stable outlook from Standard & Poor's Rating Services. We plan to manage our operations to maintain these credit ratings with a capital structure consistent with or better than our current profile, but there can be no assurance that we will be able to maintain the current credit ratings. Any downgrades in terms of ratings or outlook by any of the noted rating agencies could have a material adverse impact on our cost and availability of capital, which could in turn have a material adverse impact on our financial condition, results of operations and liquidity and the trading price of the exchange notes.

***LXP may choose to redeem the exchange notes when prevailing interest rates are relatively low.***

The exchange notes are redeemable at LXP's option and LXP may choose to redeem some or all of the exchange notes from time to time, especially when prevailing interest rates are lower than the rate borne by the exchange notes. If prevailing rates are lower at the time of redemption, you would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the exchange notes being redeemed. See "Description of notes-LXP's redemption rights."

***If you fail to exchange your private notes, they will continue to be restricted securities and may become less liquid.***

Because we anticipate that most holders of private notes will elect to exchange their private notes, we expect that the liquidity of the market for any private notes remaining after the completion of the exchange offer may be substantially limited. Any private note tendered and exchanged in the exchange offer will reduce the aggregate principal amount of the private notes outstanding. Following the exchange offer, if you did not validly tender your private notes you generally will not have any further registration rights and your private notes will continue to be subject to transfer restrictions. Private notes which you do not tender or we do not accept will, following the exchange offer, continue to be restricted securities. You may not offer or sell any private notes you own following the exchange offer except

pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the liquidity of the market for any private notes could be adversely affected.

***You may not receive exchange notes in the exchange offer if the procedures for the exchange offer are not followed.***

We will issue the exchange notes in exchange for your private notes only if you tender the private notes and deliver a properly completed and duly executed letter of transmittal or, in the case of book-entry delivery, an agent's message, which binds holders of the private notes to the terms of the letter of transmittal and consent, and other required documents before expiration of the exchange offer. You should allow sufficient time to ensure timely delivery of the necessary documents. Neither the exchange agent nor we are under any duty to give notification of defects or irregularities with respect to the tenders of private notes for exchange. If you are the beneficial owner of private notes that are registered in the name of your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender in the exchange offer, you should promptly contact the person in whose name your private notes are registered and instruct that person to tender on your behalf.

***We may repurchase any private notes that are not tendered in the exchange offer on terms that are more favorable to the holders of the private notes than the terms of the exchange offer.***

Although we do not currently intend to do so, we may, to the extent permitted by applicable law, purchase private notes in the open market, in privately negotiated transactions, through subsequent tender or exchange offers or otherwise. Any other purchases may be made on the same terms or on terms that are more or less favorable to holders than the terms of this exchange offer. We reserve the right to repurchase any private notes not tendered. If we decide to repurchase private notes on terms that are more favorable than the terms of the exchange offer, those holders who decide not to participate in the exchange offer could be better off than those that participated in the exchange offer.

## THE EXCHANGE OFFER

### Purpose of the Exchange Offer

On June 10, 2013, LXP issued \$250.0 million of the private notes to Wells Fargo Securities, LLC, J.P. Morgan Securities LLC, Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, BB&T Capital Markets, a division of BB&T Securities, LLC, KeyBanc Capital Markets Inc., Capital One Southcoast, Inc., Fifth Third Securities, Inc., PNC Capital Markets LLC, RBS Securities Inc., Regions Securities LLC, TD Securities (USA) LLC and U.S. Bancorp Investments, Inc., the initial purchasers, pursuant to a purchase agreement. The initial purchasers subsequently sold the private notes to “qualified institutional buyers,” as defined in Rule 144A under the Securities Act, in reliance on Rule 144A, and to certain non-U.S. persons located outside the United States, in reliance on Regulation S under the Securities Act. As a condition to the sale of the private notes, we entered into a registration rights agreement with the initial purchasers on June 10, 2013. The registration rights agreement provides that:

- (1) LXP and the subsidiary guarantors must use their commercially reasonable efforts to cause an exchange offer registration statement relating to an offer to exchange the private notes for an issue of Commission-registered exchange notes with terms identical to the private notes (except that the exchange notes will not be subject to restrictions on transfer or to an increase in annual interest exchange rate as described below or be entitled to registration rights under the registration rights agreement) to become effective within 240 days after the closing date of the offering of the private notes; and
- (2) unless the exchange offer would not be permitted by applicable law or Commission policy or applicable interpretations of the staff of the Commission, LXP will:
  - (a) commence the exchange offer promptly after the exchange offer registration statement is declared effective by the Commission and keep the exchange offer open for at least 20 business days (or longer, if required by applicable securities laws); and
  - (b) use all commercially reasonable efforts to complete the exchange offer on or prior to 60 days (or longer, if required by applicable securities laws) after the date on which the exchange offer registration statement is declared effective by the Commission; and
  - (3) if obligated to file the shelf registration statement, LXP and the subsidiary guarantors will use all commercially reasonable efforts to file a shelf registration statement with the Commission on or prior to 30 days after such filing obligation arises, to cause the shelf registration statement to be declared effective by the Commission on or prior to 90 days after such filing obligation arises and to keep the shelf registration statement continuously effective for a period of one year after the effective date of the shelf registration statement.

Upon the effectiveness of the exchange offer registration statement, we will offer the exchange notes in exchange for the private notes. The registration rights agreement is listed as an exhibit to the registration statement of which this prospectus is part. The description of the registration rights agreement does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the actual provisions and terms of the registration rights agreement, which are incorporated herein by reference.

### **Resale of the Exchange Notes**

Under existing interpretations by the staff of the Commission contained in no-action letters to third parties, the exchange notes will generally be freely transferable by holders (other than by any holder that is an affiliate (as defined in Rule 405 of the Securities Act) of us) after the exchange offer without further registration under the Securities Act, except that participating broker-dealers (as defined below) will be required to deliver a prospectus in connection with any resale or other transfer of the exchange notes as described below.

If you wish to exchange your private notes for exchange notes in the exchange offer, you will be required to make certain representations. If you are not able to make these representations, you will not be entitled to participate in the exchange offer or to exchange your private notes for exchange notes.

Any broker-dealer who holds private notes acquired for its own account as a result of market-making activities or other trading activities (a participating broker-dealer) who exchanges those private notes for exchange notes in the exchange offer must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of those exchange notes. We understand that the staff of the Commission has taken the position that participating broker-dealers may fulfill their prospectus delivery requirements with respect to exchange notes, other than a resale of an unsold allotment from the initial offering of the private notes, with the prospectus contained in the exchange offer registration statement. Under the registration rights agreement, for a period of one year following the expiration date of the exchange offer, participating broker-dealers will be entitled to use the prospectus contained in the exchange offer registration statement in connection with the resale of the exchange notes (and we will agree to keep the exchange offer registration statement continuously effective and the related prospectus current during such period).

### **Terms of the Exchange Offer**

Upon the terms and subject to the conditions described in this prospectus and in the accompanying letter of transmittal, which together constitute the exchange offer, we will accept any and all private notes validly tendered and not withdrawn before the expiration date. We will issue \$2,000 principal amount of exchange notes in exchange for each \$2,000 principal amount of outstanding private notes surrendered pursuant to the exchange offer. You may tender private notes only in integral multiples of \$1,000 in excess thereof.



The form and terms of the exchange notes are the same as the form and terms of the private notes except that:

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the exchange notes will be registered with the Commission and thus will not be subject to restrictions on transfer or bear legends restricting their transfer; and

the exchange notes will not provide for the payment of additional interest as described below or be entitled to registration rights under the registration rights agreement.

The exchange notes will evidence the same debt as the private notes and will be issued under the same indenture, so the exchange notes and the private notes will be treated as a single class of debt securities under the indenture.

As of the date of this prospectus, \$250.0 million in aggregate principal amount of the private notes are outstanding and registered in the name of Cede & Co., as nominee for DTC. Only registered holders of the private notes, or their legal representative or attorney-in-fact, as reflected on the records of the trustee under the indenture, may participate in the exchange offer. We will not set a fixed record date for determining registered holders of the private notes entitled to participate in the exchange offer.

You do not have any appraisal or dissenters' rights under the indenture in connection with the exchange offer. We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement and the applicable requirements of the Securities Act, the Exchange Act and the rules and regulations of the Commission.

We will be deemed to have accepted validly tendered private notes when, as and if we have given written notice of acceptance to the exchange agent. The exchange agent will act as your agent for the purposes of receiving the exchange notes from us.

If you tender private notes in the exchange offer you will not be required to pay brokerage commissions or fees with respect to the exchange of private notes pursuant to the exchange offer. We will pay all charges and expenses, other than the applicable taxes described below, in connection with the exchange offer.

### **Expiration Date; Extensions; Amendments**

The term "expiration date" will mean 5:00 p.m., New York City time on , 2014 (the 21st business day following commencement of the exchange offer), unless we extend the exchange offer, in which case the term expiration date will mean the latest date and time to which we extend the exchange offer.

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To extend the exchange offer, we will notify the exchange agent and each registered holder of any extension in writing by a press release or other public announcement before 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. The notice of extension will disclose the aggregate principal amount of the private notes that have been tendered as of the date of such notice.

We reserve the right, in our discretion:

- to delay accepting any private notes due to an extension of the exchange offer; or
- if any conditions listed below under "-Conditions" are not satisfied, to terminate the exchange offer,

in each case by written notice of the delay, extension or termination to the exchange agent and by press release or other public announcement.

We will follow any delay in acceptance, extension or termination as promptly as practicable by written notice to the registered holders by a press release or other public announcement. If we amend the exchange offer in a manner we determine constitutes a material change, we will promptly disclose the amendment in a prospectus supplement that we will distribute to the registered holders. We will also extend the exchange offer for a period of five to ten business days, depending upon the significance of the amendment and the manner of disclosure, if the exchange offer would otherwise expire during the five to ten business day period.

### **Interest on the Exchange notes**

The exchange notes will bear interest at the same rate and on the same terms as the private notes. Consequently, the exchange notes will bear interest at a rate equal to 4.25% per year (calculated using a 360-day year). Interest will be payable on the exchange notes semi-annually on each June 15 and December 15, beginning June 15, 2014.

Interest on the exchange notes will accrue from the last interest payment date on which interest was paid on the private notes or, if no interest has been paid on the private notes, from the date of initial issuance of the private notes. We will deem the right to receive any interest accrued but unpaid on the private notes waived by you if we accept your private notes for exchange.

### **Procedures for Tendering**

***Valid Tender***

Except as described below, a tendering holder must, prior to the expiration date, transmit to the exchange agent, at the address listed under the heading "–Exchange Agent":

- a properly completed and duly executed letter of transmittal, including all other documents required by the letter of transmittal; or
- if the private notes are tendered in accordance with the book-entry procedures listed below, an agent's message.

In addition, a tendering holder must:

- deliver certificates, if any, for the private notes to the exchange agent at or before the expiration date; or
- deliver a timely confirmation of book-entry transfer of the private notes into the exchange agent's account at DTC, the book-entry transfer facility, along with the letter of transmittal or an agent's message; or
- comply with the guaranteed delivery procedures described below.

The term "agent's message" means a message, transmitted by DTC to and received by the exchange agent and forming a part of a book-entry confirmation, that states that DTC has received an express acknowledgment that the tendering holder agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against this holder.

If the letter of transmittal is signed by a person other than the registered holder of private notes, the letter of transmittal must be accompanied by a written instrument of transfer or exchange in satisfactory form duly executed by the registered holder with the signature guaranteed by an eligible institution. The private notes must be endorsed or accompanied by appropriate powers of attorney. In either case, the private notes must be signed exactly as the name of any registered holder appears on the private notes.

If the letter of transmittal or any private notes or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, these persons should so indicate when signing. Unless waived by us, proper evidence satisfactory to us of their authority to so act must be submitted.

By tendering private notes pursuant to the exchange offer, each holder will represent to us that, among other things:

• the exchange notes to be acquired in connection with the exchange offer are being acquired in the ordinary course of business of the holder and any beneficial owner;

• the holder does not have an arrangement or understanding with any person to participate in the distribution of such exchange notes;

• the holder is not an affiliate of the issuer of the exchange notes; and

• the holder is not engaged in and does not intend to engage in a distribution of the exchange notes.

The method of delivery of private notes, letters of transmittal and all other required documents is at your election and risk. If the delivery is by mail, we recommend that you use registered mail, properly insured, with return receipt requested. In all cases, you should allow sufficient time to assure timely delivery. You should not send letters of transmittal or private notes to us.

If you are a beneficial owner whose private notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and wish to tender, you should promptly instruct the registered holder to tender on your behalf. Any registered holder that is a participant in DTC's book-entry transfer facility system may make book-entry delivery of the private notes by causing DTC to transfer the private notes into the exchange agent's account, including by means of DTC's Automated Tender Offer Program.

### *Signature Guarantees*

Signatures on a letter of transmittal or a notice of withdrawal must be guaranteed, unless the private notes surrendered for exchange are tendered:

by a registered holder of the private notes who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal; or

- for the account of an "eligible institution."

If signatures on a letter of transmittal or a notice of withdrawal are required to be guaranteed, the guarantees must be by an "eligible institution." An "eligible institution" is an "eligible guarantor institution" meeting the requirements of the registrar for the notes, which requirements include membership or participation in the Security Transfer Agent Medallion Program, or STAMP, or such other "signature guarantee program" as may be determined by the registrar for the notes in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act.

### *Book-Entry Transfer*

The exchange agent will make a request to establish an account for the private notes at DTC for purposes of the exchange offer within two business days after the date of this prospectus. Any financial institution that is a participant in DTC's systems must make book-entry delivery of private notes by causing DTC to transfer those private notes into the exchange agent's account at DTC in accordance with DTC's procedure for transfer. The participant should transmit its acceptance to DTC at or prior to the expiration date or comply with the guaranteed delivery procedures described below. DTC will verify this acceptance, execute a book-entry transfer of the tendered private notes into the exchange agent's account at DTC and then send to the exchange agent confirmation of this book-entry transfer. The

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confirmation of this book-entry transfer will include an agent's message confirming that DTC has received an express acknowledgment from this participant that this participant has received and agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against this participant.

Delivery of exchange notes issued in the exchange offer may be effected through book-entry transfer at DTC. However, the letter of transmittal or facsimile of it or an agent's message, with any required signature guarantees and any other required documents, must:

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be transmitted to and received by the exchange agent at the address listed under "–Exchange Agent" at or prior to the expiration date; or

- comply with the guaranteed delivery procedures described below.

Delivery of documents to DTC in accordance with DTC's procedures does not constitute delivery to the exchange agent.

### ***Guaranteed Delivery***

If a registered holder of private notes desires to tender the private notes, and the private notes are not immediately available, or time will not permit the holder's private notes or other required documents to reach the exchange agent before the expiration date, or the procedure for book-entry transfer described above cannot be completed on a timely basis, a tender may nonetheless be made if:

- the tender is made through an eligible institution;

prior to the expiration date, the exchange agent received from an eligible institution a properly completed and duly executed notice of guaranteed delivery, substantially in the form provided by us, by facsimile transmission, mail or hand delivery:

1. stating the name and address of the holder of private notes and the amount of private notes tendered;
2. stating that the tender is being made; and
3. guaranteeing that within three New York Stock Exchange, or NYSE, trading days after the expiration date, the certificates for all physically tendered private notes, in proper form for transfer, or a book-entry confirmation, as the case may be, and a properly completed and duly executed letter of transmittal, or an agent's message, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and

the certificates for all physically tendered private notes, in proper form for transfer, or a book-entry confirmation, as the case may be, and a properly completed and duly executed letter of transmittal, or any agent's message, and all other documents required by the letter of transmittal, are received by the exchange agent within three NYSE trading days after the expiration date.

### ***Determination of Validity***

We will determine in our sole discretion all questions as to the validity, form and eligibility of private notes tendered for exchange. This discretion extends to the determination of all questions concerning the time of receipt, acceptance and withdrawal of tendered private notes. These determinations will be final and binding. We reserve the absolute right to reject any and all private notes not properly tendered or any private notes our acceptance of which would, in



the opinion of our counsel, be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to any particular private note either before or after the expiration date, including the right to waive the ineligibility of any tendering holder. Our interpretation of the terms and conditions of the exchange offer as to any particular private note either before or after the expiration date, including the letter of transmittal and the instructions to the letter of transmittal, shall be final and binding on all parties. Unless waived, you must cure any defects or irregularities with respect to tenders of private notes prior to the expiration date or within the time we determine. Although we intend to notify you of defects or irregularities with respect to tenders of private notes, neither we, the exchange agent nor any other person will incur any liability for failure to give you that notification. Unless waived, we will not deem tenders of private notes to have been made until and unless you cure the defects or irregularities prior to the expiration date or within the time we determine.

### ***Other Rights***

While we have no present plan to acquire any private notes that are not tendered in the exchange offer or to file a registration statement to permit resales of any private notes that are not tendered in the exchange offer, we reserve the right in our sole discretion to purchase or make offers for any private notes that remain outstanding after the expiration date.

### **Acceptance of Private Notes for Exchange; Issuance of Exchange Notes**

Upon the terms and subject to the conditions of the exchange offer, we will accept, promptly after the expiration date, all private notes properly tendered. We will issue the exchange notes promptly after acceptance of the private notes. For purposes of the exchange offer, we will be deemed to have accepted properly tendered private notes for exchange when, as and if we have given oral or written notice to the exchange agent, with prompt written confirmation of any oral notice.

In all cases, issuance of exchange notes for private notes will be made only after timely receipt by the exchange agent of:

- certificates for the private notes, or a timely book-entry confirmation of the private notes, into the exchange agent's account at the book-entry transfer facility;
  - a properly completed and duly executed letter of transmittal or an agent's message; and
- all other required documents.

For each private note accepted for exchange, the holder of the private note will receive an exchange note having a principal amount equal to that of the surrendered private note.

**Return of Notes**

Unaccepted or non-exchanged private notes will be returned without expense to the tendering holder of the private notes. In the case of private notes tendered by book-entry transfer in accordance with the book-entry procedures described above, the non-exchanged private notes will be credited to an account maintained with DTC as promptly as practicable after the expiration or termination of the exchange offer.

## Withdrawal of Tenders

Except as otherwise provided in this prospectus, you may withdraw tenders of private notes at any time before 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, the exchange agent must receive a written notice of withdrawal at the address or, in the case of eligible institutions, at the facsimile number, indicated under "-Exchange Agent" before the expiration date. Any notice of withdrawal must:

- specify the name of the person, referred to as the depositor, having tendered the private notes to be withdrawn; identify the private notes to be withdrawn, including the certificate number or numbers and principal amount of the private notes;
- contain a statement that the holder is withdrawing its election to have the private notes exchanged; be signed by the holder in the same manner as the original signature on the letter of transmittal by which the private notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer to have the trustee with respect to the private notes register the transfer of the private notes in the name of the person withdrawing the tender; and
- specify the name in which the private notes are registered, if different from that of the depositor.

If certificates for private notes have been delivered or otherwise identified to the exchange agent, then, prior to the release of these certificates the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and a signed notice of withdrawal with signatures guaranteed by an eligible institution, unless this holder is an eligible institution. If private notes have been tendered in accordance with the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn private notes.

We will determine in our sole discretion all questions as to the validity, form and eligibility of the notices, and our determination will be final and binding on all parties. We will not deem any properly withdrawn private notes to have been validly tendered for purposes of the exchange offer, and we will not issue exchange notes with respect to those private notes, unless you validly retender the withdrawn private notes. You may retender properly withdrawn private notes by following the procedures described above under "-Procedures for Tendering" at any time before 5:00 p.m., New York City time, on the expiration date.

## Conditions

Notwithstanding any other term of the exchange offer, we will not be required to accept for exchange, or exchange the exchange notes for, any private notes, and may terminate the exchange offer as provided in this prospectus before the expiration of the exchange offer, if the exchange offer violates applicable law or an applicable interpretation of the staff of the Commission.

### **Termination of Rights**

All of your rights under the registration rights agreement will terminate upon consummation of the exchange offer, except with respect to our continuing obligations:

- to indemnify you and parties related to you against liabilities, including liabilities under the Securities Act; and
- to provide, upon your request, the information required by Rule 144A(d)(4) under the Securities Act to permit resales of the notes pursuant to Rule 144A.

### **Shelf Registration**

If:

- (1) LXP determines that an exchange offer is not available or may not be completed because it would violate any applicable law or applicable interpretations of the Commission;
- (2) an exchange offer is not for any other reason completed within 300 days after the closing of the offering of the private notes; or
- (3) any initial purchaser notifies LXP that the notes held by it are not eligible to be exchanged for the exchange notes in the exchange offer;

then LXP and the subsidiary guarantors will use their commercially reasonable efforts to cause to be filed with the Commission as soon as reasonably practicable but in no event more than 30 days after such determination, date or notice, as the case may be, a shelf registration statement, and will use commercially reasonable efforts to have such shelf registration statement declared effective by the Commission no later than 90 days after such determination date or notice.

If:

(1) the exchange offer registration statement is not declared effective within 240 days after the closing of the offering of the private notes;

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(2) the exchange offer is not consummated within 300 days after the closing of the offering of the private notes;

LXP is obligated to file a shelf registration statement and the shelf registration statement is not filed with the Commission within 30 days of the triggering of such obligation or is not declared effective within 90 days after the triggering of such obligation; or

the shelf registration statement, if required, is declared effective but thereafter (and before the expiration of the period referred to in Rule 144) ceases to be effective or useable in connection with resales of the notes for more than 60 days within any 12-month period or if LXP, through its omission, fails to name as a selling securityholder any holder that had complied timely with its obligations to be named in the shelf registration statement (each such event referred to in clauses (1) through (4) above, a registration default).

then LXP will pay additional interest to each holder of notes from and including the date on which any such registration default shall occur to but excluding the date on which all registration defaults have been cured or cease to exist.

With respect to the first 90-day period during which a registration default is continuing, additional interest will be paid at a rate equal to 0.25% per annum of the principal amount of notes outstanding. If all registration defaults are not cured or cease to exist prior to the end of such 90-day period, then, from and including the first day after such 90-day period, the rate at which additional interest is payable will increase by an additional 0.25% per annum. However, the maximum rate of additional interest will in no event exceed 0.50% per annum. Additional interest will accrue and be payable to but excluding the date on which all registration defaults have been cured or cease to exist.

Additional interest will be computed on the basis of a 360-day year comprised of twelve 30-day months and will be paid to the holders of the notes in the same manner and times as interest is otherwise payable on the notes. From and including the date on which all registration defaults have been cured or otherwise ceased to exist, additional interest will cease to accrue unless and until a subsequent registration default occurs. Additional interest will not be payable on any private notes or exchange notes other than notes.

Holders of the notes will be required to make certain representations to LXP (as described in the registration rights agreement) in order to participate in the exchange offer. In order to include notes in the shelf registration statement, if filed, and receive additional interest relating to a registration default with respect to the shelf registration statement, a holder will be required to provide certain information to LXP and to be named as a selling security holder in the shelf registration statement and the related prospectus, and will be subject to certain civil liability provisions under the Securities Act in connection with sales under the shelf registration statement. By including notes in the shelf registration statement, if any, a holder will be deemed to have agreed to indemnify us against certain losses arising out of information furnished by such holder in writing for inclusion in any shelf registration statement.

If a shelf registration statement becomes effective under the Securities Act then, during any 365-day period thereafter LXP may, by notice to holders of notes registered pursuant to the shelf registration statement, suspend the availability of the shelf registration statement and the use of the related prospectus for up to two periods not to exceed a total of 60 days during any such 365-day period if:

- such action is required by applicable law; or

the happening of any event or the discovery of any fact makes any statement made in the shelf registration statement or the related prospectus untrue in any material respect or constitutes an omission to state a material fact in the shelf registration statement or related prospectus.

Each holder of notes will be required to discontinue disposition of those notes pursuant to the shelf registration statement upon receipt from us of notice of any events described in the preceding sentence but will not be entitled to receive additional interest unless such suspension exceeds the number of days or periods specified above. If we effect the exchange offer, we will also be permitted to require any broker-dealers to discontinue disposition of exchange notes pursuant to this prospectus on the same terms and conditions described in this paragraph. If we suspend the use of the shelf registration statement or this prospectus during the period we are otherwise required to keep such registration statement effective, then the period that LXP and the subsidiary guarantors are required to keep the shelf registration statement effective or during which the exchange offer registration statement must remain effective and participating broker-dealers are entitled to use such prospectus, as the case may be, will be extended by a number of days equal to the period of any such suspension.

## **Exchange Agent**

We have appointed U.S. Bank National Association as exchange agent for the exchange offer. All executed letters of transmittal and any other required documents should be directed to the exchange agent at the address or facsimile number set forth below. You should direct questions and requests for assistance and requests for additional copies of this prospectus or of the letter of transmittal and requests for notices of guaranteed delivery to the exchange agent addressed as follows:

U.S. Bank National Association

100 Wall Street, 16th Floor

New York, NY 10005

Facsimile: (212) 514-6841

Attention: William G. Keenan, Vice President

Reference: Lexington Realty Trust

4.25% Senior Notes due 2023

## **Fees and Expenses**

We will bear the expenses of soliciting tenders. We have not retained any dealer manager in connection with the exchange offer and will not make any payments to brokers, dealers or others soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses.

We will pay the cash expenses incurred in connection with the exchange offer. These expenses include registration fees, fees and expenses of the exchange agent and the trustee, accounting and legal fees and printing costs, among others.

We will pay all transfer taxes, if any, applicable to the exchange of notes pursuant to the exchange offer. If, however, a transfer tax is imposed for any reason other than the exchange of the private notes pursuant to the exchange offer, including the registration of any tendered private notes that may be transferred in connection with the exchange offer,



then you must pay the amount of the transfer taxes. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to you.

### **Consequence of Failures to Exchange**

Participation in the exchange offer is voluntary. We urge you to consult your financial and tax advisors in making your decisions on what action to take. Private notes that are not exchanged for exchange notes pursuant to the exchange offer will remain restricted securities. Accordingly, those private notes may be resold only:

• to a person whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A;

- in a transaction meeting the requirements of Rule 144 under the Securities Act;

• outside the United States to a foreign person in a transaction meeting the requirements of Rule 903 or 904 of Regulation S under the Securities Act;

• in accordance with another exemption from the registration requirements of the Securities Act and based upon an opinion of counsel if we so request;

• to us; or

- pursuant to an effective registration statement.

In each case, the private notes may be resold only in accordance with any applicable securities laws of any state of the United States or any other applicable jurisdiction.

### **Accounting Treatment**

The exchange notes will be recorded at the same carrying value as the private notes, as reflected in our accounting records on the date of the exchange offer. Accordingly, no gain or loss for accounting purposes will be recognized.

**USE OF PROCEEDS**

The exchange offer satisfies an obligation under the registration rights agreement. We will not receive any cash proceeds from the exchange offer.

The net proceeds from the sale of the private notes, after deducting discounts and offering expenses, were approximately \$244.9 million. We used the net proceeds from the sale of the private notes to pay amounts outstanding under our unsecured revolving credit facility, and the remainder for general corporate purposes, including, without limitation, unspecified acquisitions.

**RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED DIVIDENDS**

The following table sets forth the ratios of earnings to combined fixed charges and preferred dividends of LXP, LCIF and LCIF II for each of the last five fiscal years and for the nine months ended September 30, 2013 and 2012. The ratios of earnings to combined fixed charges and preferred dividends were computed by dividing earnings by fixed charges and preferred dividends. For these purposes, “earnings” consist of income (loss) before provision for income taxes, noncontrolling interest, equity in earnings (losses) of non-consolidated entities, gain on acquisition and discontinued operations, plus fixed charges (excluding capitalized interest) and cash received from joint ventures. “Fixed charges” consist of interest expense, including capitalized interest and the amortization expense on debt issuance costs. This information is given on a historical basis.

**Lexington Realty Trust:**

	<b>Nine months ended September 30, (unaudited)</b>		<b>For the years ended December 31,</b>				
	<b>2013</b>	<b>2012</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Ratio of earnings to combined fixed charges and preferred dividends (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Deficiency (dollars in thousands)	\$10,076	\$13,982	\$25,454	\$64,877	\$49,287	\$12,049	\$1,562

**LCIF:**

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	Nine months ended September 30, (unaudited)		For the years ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
Ratio of earnings to combined fixed charges and preferred dividends	2.29	1.61	1.65	1.48	1.40	1.21	1.18

**LCIF II:**

	Nine months ended September 30, (unaudited)		For the years ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
Ratio of earnings to combined fixed charges and preferred dividends (1)	3.39	2.38	2.56	3.07	3.01	N/A	N/A
Deficiency (dollars in thousands)	N/A	N/A	N/A	N/A	N/A	\$ 282	\$ 1,316

(1) N/A - Ratio is below 1.0.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*The following discussion relates to the consolidated financial statements of each of LCIF and LCIF II and their respective subsidiaries, and should be read in conjunction with such financial statements and notes thereto appearing elsewhere in this prospectus. Management's Discussion and Analysis of Financial Condition and Results of Operations for LXP is available in the documents incorporated by reference into this prospectus.*

*In this discussion, we have included statements that may constitute "forward-looking statements." Forward-looking statements are not historical facts but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside our control. These statements may relate to future plans and objectives, among other things. By identifying these statements for you in this manner, we are alerting you to the possibility that actual results may differ, possibly materially, from the anticipated results indicated in these forward-looking statements. Important factors that could cause actual results to differ, possibly materially, from those indicated in the forward-looking statements include, among others, those discussed in "Risk factors" and "Cautionary statements concerning forward-looking statements" sections included elsewhere in this prospectus.*

### **Explanatory Note**

On December 30, 2013, LCIF II merged with and into LCIF, with LCIF as the surviving entity. The merger was done to streamline the reporting obligations of LCIF and LCIF II into one entity on a going-forward basis. Except as otherwise indicated, all information with respect to LCIF and LCIF II in this prospectus is presented as of September 30, 2013, which is prior to the merger. Information subsequent to the merger assumes that all limited partners in LCIF II received OP units in LCIF as consideration in the merger.

### **Overview**

*General.* LCIF was formed as a limited partnership on March 14, 1986 under the laws of the state of Delaware to invest in existing real estate properties net-leased to corporations or other entities. LCIF II was formed as a limited partnership on January 27, 1987 under the laws of the state of Delaware to invest in existing real estate properties net-leased to corporations or other entities. On December 30, 2013, LCIF II merged with and into LCIF, with LCIF as the surviving entity.

The purpose of LCIF includes the conduct of any business that may be conducted lawfully by a limited partnership organized under the Delaware Act, except that the LCIF partnership agreement of LCIF requires business to be conducted in such a manner that will permit LXP to continue to be classified as a REIT under Sections 856 through 860 of the Code, unless LXP ceases to qualify as a REIT for reasons other than the conduct of the business of LCIF.

LXP is the sole equity owner of Lex GP-1 Trust, a Delaware statutory trust, which is the general partner of LCIF and holds, as of December 31, 2013, approximately 0.4% of the outstanding OP units in LCIF. LXP is also the sole equity owner of Lex LP-1 Trust, a Delaware statutory trust, which holds, as of December 31, 2013, approximately 94.3% of the outstanding OP units in LCIF. The remaining OP units in LCIF are beneficially owned by E. Robert Roskind, Chairman of LXP, and certain non-affiliated investors. As the sole equity owner of the general partner of LCIF, LXP has the ability to control all of the day-to-day operations of LCIF, subject to the terms of the LCIF partnership agreement.

The business of LCIF is substantially the same as the business of LXP and includes investment in single-tenant assets; except that LCIF is dependent on LXP for management of its operations and future investments. LCIF does not have any employees, executive officers or a board of directors. LXP also invests in assets and conducts business directly and through other subsidiaries. LXP allocates investments to itself and its other subsidiaries or to LCIF as it deems appropriate and in accordance with certain obligations under the LCIF partnership agreement, with respect to allocations of nonrecourse liabilities.

LCIF's revenues and cash flows are generated predominantly from property rent receipts. As a result, growth in revenues and cash flows is directly correlated to LCIF's ability to (1) acquire income producing real estate assets and (2) re-lease properties that are vacant, or may become vacant, at favorable rental rates.

The business and management structure of LCIF II was substantially similar to the business and management structure of LCIF.

*Critical Accounting Policies.* The accompanying consolidated financial statements of each of LCIF and LCIF II have been prepared in accordance with United States generally accepted accounting principles, or GAAP, which require management of each of LCIF and LCIF II to make estimates that affect the amounts of revenues, expenses, assets and liabilities reported and related disclosures of contingent assets and liabilities. A summary of each of LCIF's and LCIF II's significant accounting policies, as applicable, which are important to the portrayal of its financial condition and results of operations, is set forth in note 2 to the 2012 Consolidated Financial Statements of each of LCIF and LCIF II, which are exhibits hereto and incorporated herein.

The following is a summary of the critical accounting policies of LCIF and LCIF II, which require some of the most difficult, subjective and complex judgments.

Basis of Presentation and Consolidation. The consolidated financial statements of each of LCIF and LCIF II are prepared on the accrual basis of accounting. The financial statements reflect the accounts of each of LCIF and LCIF II and the accounts of their respective consolidated subsidiaries. Each of LCIF and LCIF II consolidate its wholly-owned subsidiaries, partnerships and joint ventures, if any, which it controls through (1) voting rights or similar rights or (2) by means other than voting rights if it is the primary beneficiary of a variable interest entity, which we refer to as a VIE. Entities which it does not control and entities which are VIEs in which it is not the primary beneficiary are generally accounted for by the equity method. Significant judgments and assumptions are made by Lex GP, as the general partner, to determine whether an entity is a VIE such as those regarding an entity's equity at risk, the entity's equity holders' obligations to absorb anticipated losses and other factors. In addition, the determination of the primary beneficiary of a VIE requires judgment to determine the party that has (1) power over the significant activities of the VIE and (2) an obligation to absorb losses or the right to receive benefits that could be potentially significant to the VIE.

Judgments and Estimates. The management of each of LCIF and LCIF II has made a number of estimates and assumptions relating to the reporting of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses to prepare the consolidated financial statements of each of LCIF and LCIF II in conformity with GAAP. These estimates and assumptions are based on our management's best estimates and judgment. Our management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. The current economic environment has increased the degree of uncertainty inherent in these estimates and assumptions. The management of each of LCIF and LCIF II adjusts such estimates when facts and circumstances dictate. The most significant estimates made include the recoverability of accounts receivable, allocation of property purchase price to tangible and intangible assets acquired and liabilities assumed, the determination of VIEs and entities that should be consolidated, the determination of impairment of long-lived assets and loans receivable and the valuation and the useful lives of long-lived assets.

Purchase Accounting and Acquisition of Real Estate. The fair value of the real estate acquired, which includes the impact of fair value adjustments for assumed mortgage debt related to property acquisitions, is allocated to the acquired tangible assets, consisting of land, building and improvements and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases, other value of in-place leases and value of tenant relationships, based in each case on their fair values.

The fair value of the tangible assets of an acquired property (which includes land, building and improvements and fixtures and equipment) is determined by valuing the property as if it were vacant. The "as-if-vacant" value is then allocated to land and building and improvements based on our management's determination of relative fair values of these assets. Factors considered by our management in performing these analyses include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases. In estimating carrying costs, the management of each of LCIF and LCIF II includes real estate taxes, insurance and other operating expenses and estimates of lost rental revenue during the expected lease-up periods based on current market demand. The management of each of LCIF and LCIF II also estimates costs to execute similar leases including leasing commissions.

In allocating the fair value of the identified intangible assets and liabilities of an acquired property, above-market and below-market lease values are recorded based on the difference between the current in-place lease rent and management's estimate of current market rents. Below-market lease intangibles are recorded as part of deferred revenue and amortized into rental revenue over the non-cancelable periods and bargain renewal periods of the respective leases. Above-market leases are recorded as part of intangible assets and amortized as a direct charge against rental revenue over the non-cancelable portion of the respective leases.

The aggregate value of other acquired intangible assets, consisting of in-place leases and tenant relationship values, is measured by the excess of (1) the purchase price paid for a property over (2) the estimated fair value of the property as if vacant, determined as set forth above. This aggregate value is allocated between in-place lease values and tenant relationship values based on management's evaluation of the specific characteristics of each tenant's lease. The value of in-place leases is amortized to expense over the remaining non-cancelable periods and any bargain renewal periods

of the respective leases. The value of tenant relationships is amortized to expense over the applicable lease term plus expected renewal periods.

Revenue Recognition. Each of LCIF and LCIF II recognizes lease revenue on a straight-line basis over the term of the lease unless another systematic and rational basis is more representative of the time pattern in which the use benefit is derived from the leased property. Renewal options in leases with rental terms that are lower than those in the primary term are excluded from the calculation of straight line rent if the renewals are not reasonably assured. In those instances in which either LCIF or LCIF II funds tenant improvements and the improvements are deemed to be owned by LCIF or LCIF II, as applicable, revenue recognition will commence when the improvements are substantially completed and possession or control of the space is turned over to the tenant. When the management of each of LCIF and LCIF II determines that the tenant allowances are lease incentives, LCIF or LCIF II, as applicable, commences revenue recognition when possession or control of the space is turned over to the tenant for tenant work to begin. The lease incentive is recorded as a deferred expense and amortized as a reduction of revenue on a straight-line basis over the respective lease term. Determining if a tenant allowance is a lease incentive requires significant judgment. Each of LCIF and LCIF II recognizes lease termination payments as a component of rental revenue in the period received, provided that there are no further obligations under the lease; otherwise the lease termination payment is amortized on a straight-line basis over the remaining obligation period. All above-market lease assets, below-market lease liabilities and deferred rent assets or liabilities for terminated leases are charged against or credited to rental revenue in the period the lease is terminated. All other capitalized lease costs and lease intangibles are accelerated via amortization expense to the date of termination.

Gains on sales of real estate are recognized based on the specific timing of the sale as measured against various criteria related to the terms of the transactions and any continuing involvement associated with the properties. If the sales criteria are not met, the gain is deferred and the finance, installment or cost recovery method, as appropriate, is applied until the sales criteria are met. To the extent either LCIF or LCIF II sells a property and retains a partial ownership interest in the property, LCIF or LCIF II, as applicable, recognizes gain to the extent of the third-party ownership interest.



Accounts Receivable. The management of each of LCIF and LCIF II continuously monitors collections from the tenants of LCIF and LCIF II and would make a provision for estimated losses based upon historical experience and any specific tenant collection issues that it has identified.

Impairment of Real Estate. The management of LCIF and LCIF II evaluates the carrying value of all tangible and intangible real estate assets for possible impairment when an event or change in circumstance has occurred that indicates its carrying value may not be recoverable. The evaluation includes estimating and reviewing anticipated future undiscounted cash flows to be derived from the asset. If such cash flows are less than the asset's carrying value, an impairment charge is recognized to the extent by which the asset's carrying value exceeds the estimated fair value. Estimating future cash flows is highly subjective and such estimates could differ materially from actual results.

Loans Receivable. The management of LCIF and LCIF II evaluates the collectability of both interest and principal of any loans receivable and, if circumstances warrant, to determine whether the loan is impaired. A loan is considered to be impaired, when based on current information and events, it is probable that the holder will be unable to collect all amounts due according to the existing contractual terms. Significant judgments are required in determining whether impairment has occurred. When a loan is considered to be impaired, the amount of the loss accrual is calculated by comparing the recorded investment to the value determined by discounting the expected future cash flows at the loan's effective interest rate, the loan's observable current market price or the fair value of the underlying collateral. Interest on impaired loans is recognized on a cash basis.

Acquisition, Development and Construction Arrangements. The management of LCIF and LCIF II evaluates loans receivable where LCIF or LCIF II participates in residual profits through loan provisions or other contracts to ascertain whether LCIF or LCIF II has the same risks and rewards as an owner or a joint venture partner. Where management concludes that such arrangements are more appropriately treated as an investment in real estate, such loan receivable is reflected as an equity investment in real estate under construction in the Consolidated Balance Sheets. In these cases, no interest income is recorded on the loan receivable and capitalized interest is recorded during the construction period. In arrangements where LCIF or LCIF II engages a developer to construct a property or provide funds to a tenant to develop a property, the funds provided to the developer/tenant and internal costs of interest and real estate taxes, if applicable, are capitalized during the construction period.

The accounting for these critical accounting policies and implementation of accounting guidance issued in the future involves the making of estimates based on current facts, circumstances and assumptions which could change in a manner that would materially affect management's future estimates with respect to such matters. Accordingly, future reported financial conditions and results could differ materially from financial conditions and results reported based on management's current estimates.

## **Liquidity**

*General.* As controlled subsidiaries of LXP, each of LCIF and LCIF II relies on LXP's principal sources of liquidity, which historically have been (1) undistributed cash flows generated from our investments, (2) the public and private equity and debt markets, including issuances of OP units to LXP, (3) property specific debt, (4) corporate level borrowings, (5) commitments from co-investment partners and (6) proceeds from the sales of investments.

*Cash Flows.* We believe that cash flows from operations of each of LCIF and LCIF II will continue to provide adequate capital to fund its operating and administrative expenses, regular debt service obligations and all distribution payments in accordance with partnership agreement requirements in both the short-term and long-term. However, without a capital event, which would most likely involve LXP, neither LCIF nor LCIF II has the ability to fund balloon payments on maturing mortgages or acquire new investments.

Cash flows from operations as reported in the Consolidated Statements of Cash Flows totaled (1) \$23.7 million and \$22.2 million for the nine months ended September 30, 2013 and 2012, respectively, and \$30.4 million, \$30.0 million and \$30.9 million for 2012, 2011 and 2010, respectively, for LCIF and (2) \$7.0 million and \$4.8 million for the nine months ended September 30, 2013 and 2012, respectively, and \$7.3 million, \$13.7 million and \$17.5 million for 2012, 2011 and 2010, respectively, for LCIF II. The underlying drivers that impact working capital and therefore cash flows from operations are the timing of (1) the collection of rents and tenant reimbursements and loan interest payments from borrowers, and (2) the payment of interest on mortgage debt and operating and general and administrative costs. We believe the net-lease structure of the leases encumbering a majority of the properties in which LCIF and LCIF II have an interest mitigates the risks of the timing of cash flows from operations since the payment and timing of operating costs related to the properties are generally borne directly by the tenant. Collection and timing of tenant rents is closely monitored by management as part of our cash management program. Cash flows from operations are also impacted by the level of acquisition volume and sales of properties.

Net cash provided by (used in) investing activities totaled (1) \$20.1 million and \$(2.5) million for the nine months ended September 30, 2013 and 2012, respectively, and \$(58.7) million, \$16.6 million and \$(0.7) million in 2012, 2011 and 2010, respectively, for LCIF and (2) \$1.1 million and \$1.7 million for the nine months ended September 30, 2013 and 2012, respectively, and \$2.2 million, \$(23.1) million and \$(53.7) million for 2012, 2011 and 2010, respectively, for LCIF II. Cash provided by investing activities related primarily to proceeds from the sale of properties, collection of loans receivable, distributions from non-consolidated entities in excess of accumulated earnings and changes in escrow deposits and restricted cash. Cash used in investing activities related primarily to investments in real estate properties, co-investment programs and loans receivable, and an increase in deferred leasing costs, deposits and restricted cash. Therefore, the fluctuation in investing activities relates primarily to the timing of investments and dispositions.

Net cash provided by (used in) financing activities totaled (1) \$(40.9) million and \$(21.9) million for the nine months ended September 30, 2013 and 2012, respectively, and \$27.2 million, \$(46.0) million and \$(31.7) million in 2012, 2011 and 2010, respectively, for LCIF and (2) \$(6.3) million and \$(17.5) million for the nine months ended September 30, 2013 and 2012, respectively, and \$(20.2) million, \$10.3 million and \$41.9 million in 2012, 2011 and 2010, respectively, for LCIF II. Cash provided by financing activities was primarily attributable to net proceeds from non-recourse mortgages and related party advances, net, offset by distribution payments, related party payments, net

and debt payments and repurchases.

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*OP units.* Substantially all outstanding OP units are redeemable by the holder of the OP unit at certain times unit for approximately 1.13 common shares of LXP per one OP unit or, at Lex GP's election, with respect to certain OP units, cash. Substantially all outstanding OP units require the applicable operating partnership to pay quarterly distributions to the holders of such OP units equal to the dividends paid to LXP common shareholders on an as redeemed basis and the remaining OP units have stated distributions in accordance with their respective partnership agreement. To the extent that LXP's dividend per share is less than a stated distribution per unit per the applicable partnership agreement, the stated distributions per unit are reduced by the percentage reduction in our dividend. LXP, LCIF and LCIF II are parties to funding agreements under which each party may be required to fund distributions made on account of OP units or dividends made on account of LXP common shares. No OP units have a liquidation preference.

As of December 31, 2012 and September 30, 2013, (1) LCIF had a total of approximately 2.6 million and 2.4 million OP units respectively outstanding other than OP units held by us (approximately 0.8 million are held by related parties), and (2) LCIF II had a total of approximately 1.2 million OP units outstanding other than OP units held by us (approximately 0.7 million are held by related parties).

As a result of the general deterioration in real estate values which commenced in 2008, few sellers of real estate have been seeking OP units as a form of consideration. Therefore, the number of OP units not owned, directly or indirectly, by LXP that will be outstanding in the future may decrease as such OP units are redeemed for our common shares.

*Property Specific Debt.* As of December 31, 2012 and September 30, 2013, (1) LCIF had \$155.7 million and \$94.6 million, respectively, of consolidated property specific debt outstanding and (2) LCIF II had \$49.0 million and \$31.4 million, respectively, of consolidated property specific debt outstanding. As of December 31, 2012, (1) LCIF had \$28.7 million and \$24.7 million of related balloon payments maturing in 2013 and 2014, respectively, and (2) LCIF II had no balloon payments maturing in 2013 and 2014. As of September 30, 2013, neither LCIF nor LCIF II had any balloon payments due on debt maturing in 2013 and 2014. If a mortgage is unable to be refinanced upon maturity, LCIF and LCIF II will be dependent on LXP's liquidity resources to satisfy such mortgage to avoid transferring the underlying property to the lender or selling the underlying property to a third party.

The mortgages encumbering the properties in which LCIF and LCIF II have an interest are generally non-recourse to LCIF or LCIF II, as applicable, such that the title of the property may be transferred in satisfaction of the mortgage obligation. During 2012, LCIF II conveyed its interest in a vacant office property in Clive, Iowa in satisfaction of a \$5.3 million non-recourse secured mortgage loan. During the nine months ended September 30, 2013, LCIF and LCIF II each conveyed properties in Southington, Connecticut and Farmington Hills, Michigan, respectively, in satisfaction of the respective \$12.3 million and \$17.5 million non-recourse secured mortgage loans. There are significant risks associated with conveying properties to lenders through foreclosure which are described in "Risk Factors" included elsewhere or incorporated by reference in this prospectus.

The current economic environment has impacted each of LCIF's and LCIF II's ability to obtain property specific debt on favorable terms in many cases. In 2008, property specific mortgage lending nearly ceased. Since then, the number of lenders and available loan proceeds have diminished significantly. In addition, the required loan to value ratios have decreased and the covenants, including required reserve amounts, have increased. Accordingly, LCIF and LCIF II may not be able to find favorable financing to refinance existing mortgages upon maturity.

For the year ending December 31, 2011, LCIF II obtained a \$15.0 million non-recourse mortgage loan with an interest rate of 4.71% and a maturity date of June 2016.

*Corporate Borrowings.* LCIF and LCIF II, together with LXP, are borrowers under LXP's corporate borrowing facilities. Outstanding indebtedness is recorded on the books of the applicable borrower requesting and receiving the proceeds of such indebtedness. However, LCIF and LCIF II do not have the independent ability without LXP to obtain funds from such borrowing facilities.

*Co-investment Programs and Joint Ventures.* LXP believes that entering into co-investment programs and joint ventures with institutional investors and other real estate companies is a good way to access private capital while mitigating its risks in certain assets and increasing its return on equity to the extent it earns management or other fees. However, due to LXP's REIT status, LCIF and LCIF II are prohibited from earning management fees because they are not taxable REIT subsidiaries. As a result, LXP's investments in co-investment programs and joint ventures are generally outside of LCIF and LCIF II.

*Capital Recycling.* Part of LXP's strategy to effectively manage its balance sheet involves pursuing and executing well on property dispositions and recycling of capital. LCIF disposed of its interests in two properties and a retail store and parking garage during the nine months ended September 30, 2013, one via conveyance to its lender, and four properties in 2011, for a gross disposition price of \$43.3 million and \$31.2 million, respectively. LCIF II disposed of its interests in one property during the nine months ended September 30, 2013 and one property during 2012 to their respective lenders in satisfaction of the \$17.5 million and \$5.3 million, respective non-recourse mortgage loans. The net proceeds received from dispositions were primarily used to retire indebtedness encumbering such properties and make new investments.

*Liquidity Needs.* Each of LCIF's and LCIF II's principal liquidity needs are the contractual obligations set forth below under "Contractual Obligations" and the payment of distributions to the holders of OP units, each as applicable.

If either LCIF or LCIF II is unable to satisfy its liquidity needs with cash flow from operations, it intends to use borrowings and, with respect to distributions to the holders of OP units, the funding agreements described above. If such borrowings are unavailable, it or one of its subsidiaries may default on its obligations or lose its assets in foreclosure or through bankruptcy proceedings.

## **Capital Resources**

*General.* Due to the net-lease structure of a majority of LCIF's and LCIF II's investments, each of LCIF and LCIF II historically have not incurred significant expenditures in the ordinary course of business to maintain the properties in which it has an interest. However, particularly since 2008, as leases have expired, each of LCIF and LCIF II have incurred costs in extending the existing tenant leases, re-tenanting the properties with a single-tenant, or converting the property to multi-tenant use. The amounts of these expenditures can vary significantly depending on tenant negotiations, market conditions and rental rates.

*Single-Tenant Properties.* We do not anticipate significant capital expenditures at the single-tenant properties in which LCIF or LCIF II have an interest since these properties are generally subject to net or similar leases where the tenants at these properties bear all or substantially all of the cost of property operations, maintenance and repairs. However, at certain properties subject to net-leases, LCIF or LCIF II is responsible for replacement and/or repair of certain capital items, which may or may not be reimbursed. At certain single-tenant properties that are not subject to a net-lease, LCIF or LCIF II has a level of property operating expense responsibility, which may or may not be reimbursed.

*Multi-Tenant Properties.* Primarily as a result of non-renewals at single-tenant net-lease properties, LCIF or LCIF II may have interests in multi-tenant properties. While tenants are generally responsible for increases over base year expenses, the landlord would be generally responsible for the base-year expenses and capital expenditures at these properties.

*Vacant Properties.* To the extent there is a vacancy in a property, LCIF or LCIF II would be obligated for all operating expenses, including real estate taxes and insurance. If a property is vacant for an extended period of time, LCIF or LCIF II may incur substantial capital expenditure costs to re-tenant the property.

*Property Expansions.* Under certain leases, tenants have the right to expand the facility located on a property in which LCIF or LCIF II has an interest. In the past, these expansions have generally been funded, and in the future we expect these expansions to generally be funded, with, either additional secured borrowings, the repayment of which was, and will be, funded out of rental increases under the leases covering the expanded properties, borrowings under LXP's unsecured revolving credit facility or capital contributions from LXP.

*Ground Leases.* The tenants of properties in which LCIF or LCIF II has an interest generally pay the rental obligations on ground leases either directly to the fee holder or to the landlord as increased rent. However, LCIF or LCIF II is responsible for these payments under certain leases and at vacant properties.

*Environmental Matters.* Based upon management's ongoing review of the properties in which LCIF and LCIF II have an interest, management is not aware of any environmental condition with respect to any of these properties, which would be reasonably likely to have a material adverse effect on LCIF or LCIF II. There can be no assurance, however, that (1) the discovery of environmental conditions, which were previously unknown, (2) changes in law, (3) the conduct of tenants or (4) activities relating to properties in the vicinity of the properties in which LCIF or LCIF II has an interest, will not expose LCIF or LCIF II to material liability in the future. Changes in laws increasing the potential liability for environmental conditions existing on properties or increasing the restrictions on discharges or other conditions may result in significant unanticipated expenditures or may otherwise adversely affect the operations of the tenants of properties in which LCIF or LCIF II has an interest.

## **Results of Operations**

### LCIF

*Nine months ended September 30, 2013 compared with nine months ended September 30, 2012.* The increase in total gross revenues in 2013 of \$2.0 million is primarily attributable to an increase in rental revenue. The increase in rental revenue was primarily due to new property acquisition revenue of \$3.6 million, offset by a reduction of \$0.6 million due to lease extensions entered into at rents below previous rental amounts and \$0.9 million related to an increase in vacancy at one property.

Depreciation and amortization increased \$1.0 million primarily due to the acquisition of the Phoenix, Arizona property in December 2012.

The decrease in interest and amortization expense of \$2.7 million was primarily due to retirement of debt.

Non-operating income decreased \$0.4 million primarily due to the satisfaction of notes receivable resulting in less interest earned.

The decrease in litigation reserve of \$0.9 million relates to our litigation with Deutsche Bank Securities, Inc., which was settled in 2012.

The increase in debt satisfaction charges, net, of \$1.6 million was primarily due to defeasance costs and write-off of deferred financing costs relating to the satisfaction of secured nonrecourse mortgage debt in 2013.

Discontinued operations represent properties sold or held for sale. The increase in total income from discontinued operations of \$5.5 million is primarily due to an increase in debt satisfaction gains, net, of \$4.4 million, a \$0.7 million increase in income from discontinued operations and an increase in gains on sales of properties of \$7.2 million, offset in part by an increase in impairment charges of \$6.8 million.

The increase in net income of \$8.1 million was primarily due to the items discussed above.

*Year ended December 31, 2012 compared with December 31, 2011.* Total gross revenues remained relatively flat in 2012 compared to 2011. LCIF acquired one property in December 2012 which did not have a significant impact on 2012 gross revenues.

The decrease in interest and amortization expense of \$1.5 million was primarily due to the retirement of debt.

Depreciation and amortization decreased \$1.2 million primarily due to assets becoming fully amortized in 2012.

The increase in property operating expense of \$0.7 million was primarily due to an increase in ground rent expense at certain properties.

The litigation reserve of \$0.9 million in 2012 relates to a litigation that has been settled with a payment by us of \$0.9 million.



Discontinued operations represent properties sold or held for sale. The increase in net income from discontinued operations of \$3.0 million was primarily due to a decrease in impairment charges of \$4.1 million, offset by a decrease in gains on sales of properties of \$1.2 million.

The increase in net income of \$4.2 million was primarily due to the items discussed above.

*Year ended December 31, 2011 compared with December 31, 2010.* Of the decrease in total gross revenues in 2011 of \$2.6 million, \$2.2 million is attributable to a decrease in rental revenue and \$0.4 million is due to a decrease in tenant reimbursements. The decrease in rental revenue was primarily due to lease rollover and new leases entered into at lease rates lower than the previous amounts.

The decrease in interest and amortization expense of \$2.4 million is primarily due to the decrease in indebtedness.

The decrease in property operating expense of \$0.7 million is primarily due to a decrease in the operating expenses at certain properties and certain tenants taking direct responsibility for payments of operating costs in which our property owner subsidiaries have an interest.

Discontinued operations represents properties sold or held for sale. The total discontinued operations loss increased \$13.7 million due to an increase in impairment charges of \$3.4 million and a decrease in gains on sales of properties of \$10.7 million, offset by a decrease in debt satisfaction charges, net, of \$0.4 million.

Net income decreased \$13.5 million primarily due to the items discussed above.

## LCIF II

*Nine months ended September 30, 2013 compared with nine months ended September 30, 2012.* Total gross revenues remained relatively flat in 2013 primarily due to limited portfolio activity.

Depreciation and amortization decreased \$0.3 million primarily due to assets being fully depreciated in prior periods.



The increase in property operating expenses of \$0.3 million was primarily due to an increase in real estate taxes at one property.

The decrease in interest and amortization expense of \$1.1 million was primarily due to retirement of debt.

Non-operating income decreased \$0.8 million primarily due to less interest earned and reduced interest income earned on a note receivable secured by an office property in Schaumburg, Illinois, which was in default and LCIF II ceased recognizing interest income commencing April 1, 2012. LCIF II foreclosed on the property subsequent to September 30, 2013.

Discontinued operations represent properties sold or held for sale. The increase in total income from discontinued operations of \$1.9 million is primarily due to an increase in gains on sales of properties of \$3.2 million plus a \$1.4 million reduction in loss from discontinued operations, offset in part by an increase in debt satisfaction charges of \$2.7 million.

The increase in net income of \$2.1 million was primarily due to the items discussed above.

*Year ended December 31, 2012 compared with December 31, 2011.* The increase in total gross revenues in 2012 of \$2.9 million was primarily attributable to an increase in rental revenue of \$2.6 million and an increase in tenant reimbursements of \$0.3 million. The increase in rental revenue was primarily due to (1) 2011 property acquisitions of \$2.2 million and (2) \$0.3 million from a decrease in vacancy at our Hebron, Ohio property.

The increase in interest and amortization expense of \$0.3 million was primarily due to the financing of a property, offset by the retirement of debt.

Depreciation and amortization increased \$0.8 million primarily due to the acquisition of real estate properties in 2011, offset by assets becoming fully amortized.

Non-operating income decreased \$4.5 million primarily due to the satisfaction of notes receivable resulting in less interest earned and reduced interest income earned on a note receivable, which was in default, secured by an office property in Schaumburg, Illinois.

Discontinued operations represent properties sold or held for sale. The decrease in net loss from discontinued operations of \$4.8 million was primarily due to a decrease in impairment charges of \$9.8 million, an increase in gains on sales of properties of \$1.1 million, offset in part by an increase in debt satisfaction charges of \$1.4 million and a \$4.8 million increase in loss from discontinued operations.

The increase in net income of \$1.7 million was primarily due to the items discussed above.

*Year ended December 31, 2011 compared with December 31, 2010.* The increase in total gross revenues in 2011 of \$3.5 million is attributable to an increase in rental revenue of \$3.5 million primarily due to the acquisition of properties in 2011.

The decrease in interest and amortization expense of \$0.3 million is primarily due to the decrease in indebtedness.

Depreciation and amortization increased by \$1.0 million primarily due to the acquisition of real estate properties.

The increase in general and administrative expense of \$0.4 million is primarily due to an increase in the allocation of professional fees and payroll costs by LXP.

Non-operating income decreased \$0.7 million which is primarily due to the satisfaction of loans receivable.

Discontinued operations represents properties sold or held for sale. The total discontinued operations loss increased \$8.3 million due to an increase in impairment charges of \$9.8 million, offset by an increase in the income from discontinued operations of \$1.6 million.

Net income decreased \$6.7 million primarily due to the items discussed above.

The increase in net income in future periods will be closely tied to the level of acquisitions made by us and leasing activity. Without acquisitions and favorable leasing activity, the sources of growth in net income are limited to index-adjusted rents (such as the consumer price index), reduced interest expense on amortizing mortgages and debt refinancings and by controlling other variable overhead costs. However, there are many factors beyond management's control that could offset these items including, without limitation, increased interest rates, decreased occupancy rates, tenant monetary defaults, delayed acquisitions and the other risks described in our periodic reports filed with the Commission.

### Off-Balance Sheet Arrangements

LCIF and LCIF II are borrowers or guarantors of corporate borrowing facilities and debt securities of LXP. In addition, each of LCIF and LCIF II, from time to time, guarantee certain tenant improvement allowances and lease commissions on behalf of subsidiaries when required by the related tenant or lender. However, neither LCIF nor LCIF II believes these guarantees, as applicable, are material to it as the obligations under and risks associated with such guarantees are priced into the rent under the lease or the value of the property.

### Contractual Obligations

The following summarizes LCIF's and LCIF II's principal contractual obligations as of December 31, 2012 (\$000's):

	2013	2014	2015	2016	2017	2018 and Thereafter	Total
<b>LCIF<sup>(1)</sup>:</b>							
Notes payable <sup>(2)</sup>	\$34,075	\$29,000	\$29,762	\$1,136	\$9,785	\$51,917	\$155,675
Interest payable - fixed rate	8,173	6,062	4,707	3,797	3,487	5,463	31,689
Operating lease obligations <sup>(3)</sup>	672	672	672	672	664	8,353	11,705
Co-borrower debt <sup>(4)</sup>	-	-	-	-	-	39,385	39,385
	\$42,920	\$35,734	\$35,141	\$5,605	\$13,936	\$105,118	\$238,454
<b>LCIF II<sup>(1)</sup>:</b>							
Notes payable <sup>(2)</sup>	\$198	\$286	\$9,321	\$15,342	\$368	\$23,474	\$48,989
Interest payable - fixed rate	2,940	2,923	2,448	2,031	1,652	14,948	26,942
Co-borrower debt <sup>(4)</sup>	-	-	-	-	-	11,601	11,601
	\$3,138	\$3,209	\$11,769	\$17,373	\$2,020	\$50,023	\$87,532

(1) Excludes related party advances, which are due upon demand.

(2) Includes balloon payments.

Includes ground lease payments. Amounts disclosed do not include rents that adjust to fair market value. In addition

(3) certain ground lease payments due under bond leases allow for a right of offset between the lease obligation and the debt service and accordingly are not included.

(4) LCIF and LCIF II are co-borrowers with Lexington under a revolving credit facility and term loans.

## QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

### Explanatory Note

On December 30, 2013, LCIF II merged with and into LCIF, with LCIF as the surviving entity. The merger was done to streamline the reporting obligations of LCIF and LCIF II into one entity on a going-forward basis. Except as otherwise indicated, all information with respect to LCIF and LCIF II in this prospectus is presented as of September 30, 2013, which is prior to the merger. Information subsequent to the merger assumes that all limited partners in LCIF II received OP units in LCIF as consideration in the merger.

### General

Quantitative and qualitative disclosures about market risk for LXP are contained in the documents incorporated by reference into this prospectus. Each of LCIF's and LCIF II's exposure to market risk relates primarily to its fixed rate debt and, to the extent it relies on LXP for liquidity, LXP's variable rate debt.

As of December 31, 2012, December 31, 2011 and September 30, 2013, (1) LCIF's consolidated fixed-rate debt was \$195.1 million, \$212.9 million, and \$148.1 million, respectively, which represented 100.0% of total long-term indebtedness, and (2) LCIF II's consolidated fixed-rate debt was \$60.6 million, \$90.7 million, and \$46.7 million, respectively, which represented 100.0% of total long-term indebtedness. LCIF and LCIF II had no consolidated variable rate indebtedness as of December 31, 2012, December 31, 2011 and September 30, 2013.

For certain of LCIF and LCIF II's financial instruments, fair values are not readily available since there are no active trading markets as characterized by current exchanges between willing parties. Accordingly, we derive or estimate fair values using various valuation techniques, such as computing the present value of estimated future cash flows using discount rates commensurate with the risks involved. However, the determination of estimated cash flows may be subjective and imprecise. Changes in assumptions or estimation methodologies can have a material effect on these estimated fair values. The following fair value was determined using the interest rates that we believe LCIF and LCIF II's outstanding fixed-rate debt would warrant as of September 30, 2013 and are indicative of the interest rate environment as of September 30, 2013, and do not take into consideration the effects of subsequent interest rate fluctuations. Accordingly, we estimate that the fair value of LCIF's and LCIF II's fixed-rate debt was \$149.0 million and \$46.6 million, respectively, as of September 30, 2013.

LCIF's interest rate risk objectives are to limit the impact of interest rate fluctuations on cash flows and to lower overall borrowing costs. To achieve these objectives, LCIF manages exposure to fluctuations in market interest rates through the use of fixed rate debt instruments.



## **BUSINESS AND PROPERTIES**

### **Explanatory Note**

On December 30, 2013, LCIF II merged with and into LCIF, with LCIF as the surviving entity. The merger was done to streamline the reporting obligations of LCIF and LCIF II into one entity on a going-forward basis. Except as otherwise indicated, all information with respect to LCIF and LCIF II in this prospectus is presented as of September 30, 2013, which is prior to the merger. Information subsequent to the merger assumes that all limited partners in LCIF II received OP units in LCIF as consideration in the merger.

### **General**

Disclosure of the business and properties of LXP is set forth in the documents incorporated by reference in this prospectus. Together, LCIF and LCIF II are the entities through which LXP, a self-managed and self-administered REIT formed under the laws of the state of Maryland, and the sole equity owner of their sole general partner, Lex GP, conducts a significant portion of its operations.

### **History**

LCIF was formed as a limited partnership on March 14, 1986 under the laws of the state of Delaware to invest in existing real estate properties net leased to corporations or other entities. LCIF commenced an offering to the public of OP units in July 1986, which was completed in March 1987. As of September 30, 2013, 2,446,948 OP units remain outstanding (not including 45,025,524 OP units issued by LCIF and held by us).

LCIF II was formed as a limited partnership on January 27, 1987 under the laws of the state of Delaware to invest in existing real estate properties net leased to corporations or other entities. LCIF II commenced an offering to the public of OP units in December 1987, which was completed in November 1988. As of September 30, 2013, 1,199,824.5 OP units remain outstanding (not including 12,376,393.5 OP units issued by LCIF II and held by us).

In October 1993, Lexington Corporate Properties Trust, Inc. (the predecessor to Lexington Realty Trust) was formed upon the roll-up of LCIF and LCIF II. In the roll-up transaction, LCIF and LCIF II became the operating partnership subsidiaries for Lexington Corporate Properties Trust, Inc. Lexington Corporate Properties Trust, Inc. changed its

name to Lexington Corporate Properties Trust and ultimately to Lexington Realty Trust.

On December 30, 2013, LCIF II merged with and into LCIF, with LCIF as the surviving entity. Unaudited pro forma condensed consolidated financial information for LCIF reflecting the merger of LCIF II with and into LCIF are included in this prospectus beginning on page F-60. The Fifth Amended and Restated Limited Partnership Agreement of LCIF was amended and restated with the Sixth Amended and Restated Limited Partnership Agreement.

### **Current Economic Uncertainty and Capital Market Volatility**

The business of LCIF continues to be impacted in a number of ways by the continued uncertainty in the overall economy and volatility in the capital markets. We encourage you to read “Risk Factors” included elsewhere in this prospectus for a discussion of certain risks LCIF is facing and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this prospectus for a detailed discussion of the trends we believe are impacting LCIF’s business.

### **Objectives and Strategy**

Under and subject to the terms of the LCIF partnership agreement, LXP has the ability to control all of the day-to-day operations of LCIF. The business of LCIF is substantially the same as the business of LXP and includes investment in single-tenant assets; except that LCIF is dependent on LXP for management of its operations and future investments. LCIF has no employees, executive officers or a board of directors. LXP also invests in assets and conducts business directly and through other subsidiaries. LXP allocates investments to itself and its other subsidiaries or to LCIF as it deems appropriate and in accordance with certain obligations under the LCIF partnership agreement, with respect to allocations of nonrecourse liabilities.

LCIF generally acquires assets (1) that will be leveraged at or following acquisition, which supports the obligation of LCIF to allocate nonrecourse liabilities to its limited partners, and (2) as part of a tax-deferred exchange with the seller of the asset who is issued OP units as a form of consideration, although such tax deferred exchanges have not been utilized in recent years.

The assets which LCIF seeks are generally subject to net or similar leases, which allow LCIF, to distribute cash to holders of OP units without requiring cash contributions for operating expenses. However, cash distributions are reduced to the extent LCIF is obligated for operating and capital expenses, without reimbursement. To avoid such reductions, LCIF may borrow funds from LXP.

## **Competition**

As an operating partnership subsidiary of LXP, LCIF competes with numerous commercial developers, real estate companies, financial institutions, such as banks and insurance companies, and other investors with greater financial or other resources when seeking properties for acquisition and tenants.

## **Environmental Matters**

Under various federal, state and local environmental laws, statutes, ordinances, rules and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances at, on, in or under such property as well as certain other potential costs relating to hazardous or toxic substances. These liabilities may include government fines and penalties and damages for injuries to persons and adjacent property. Such laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence or disposal of such substances. Although generally the tenants of the properties in which we have an interest are primarily responsible for any environmental damage and claims related to the leased premises, in the event of the bankruptcy or inability of a tenant of such premises to satisfy any obligations with respect to such environmental liability, a property owner subsidiary may be required to satisfy such obligations. In addition, as the owner of such properties, a property owner subsidiary may be held directly liable for any such damages or claims irrespective of the provisions of any lease.

From time to time, in connection with the conduct of our business and generally upon acquisition of a property and prior to surrender by a tenant, the property owner subsidiary authorizes the preparation of a Phase I and, when recommended, a Phase II environmental report with respect to its properties. Based upon management's ongoing review of the properties in which LCIF has an interest, management is not aware of any environmental condition with respect to any of these properties, which would be reasonably likely to have a material adverse effect on LCIF. There can be no assurance, however, that (1) the discovery of environmental conditions, which were previously unknown, (2) changes in law, (3) the conduct of tenants or (4) activities relating to properties in the vicinity of the properties in which LCIF has an interest, will not expose LCIF to material liability in the future. Changes in laws increasing the potential liability for environmental conditions existing on properties or increasing the restrictions on discharges or other conditions may result in significant unanticipated expenditures or may otherwise adversely affect the operations of the tenants of properties in which LCIF has an interest.

## **Other**

*Employees.* LCIF does not have any employees. All necessary personnel are provided by LXP through Lex GP.

*Industry Segments.* LCIF operates in primarily one industry segment, single-tenant real estate assets.

*Web Site.* LCIF does not have a web site.

LCIF can be contacted through LXP's Investor Relations Department at Lexington Realty Trust, One Penn Plaza, Suite 4015, New York, New York 10119-4015, Attn: Investor Relations, by telephone: (212) 692-7200, or by e-mail: [ir@lxp.com](mailto:ir@lxp.com).

*Principal Executive Offices.* The principal executive offices for LCIF are located at One Penn Plaza, Suite 4015, New York, New York 10119-4015; our telephone number is (212) 692-7200.

## **Properties**

*General.* As of September 30, 2013, we had equity ownership interests in approximately 215 consolidated real estate properties, located in 41 states and encompassing 40.6 million square feet, 98.1% of which was leased. Included in these properties are 31 properties in which LCIF had an equity ownership interest in, located in 22 states and encompassing 4.9 million square feet, 96.1% of which was leased, and nine properties in which LCIF II had an equity ownership interest in, located in seven states and encompassing 2.9 million square feet, 100.0% of which was leased. The properties in which we have an equity interest are leased to tenants in various industries, including finance/insurance, technology, service, automotive and energy.

Due to the net-lease structure of a majority of LCIF's investments, each of LCIF and LCIF II historically have not incurred significant expenditures in the ordinary course of business to maintain the properties in which it has an interest. However, particularly since 2008, as leases have expired, each of LCIF and LCIF II have incurred costs in extending the existing tenant leases, re-tenanting the properties with a single-tenant, or converting the property to multi-tenant use. The amounts of these expenditures can vary significantly depending on tenant negotiations, market conditions and rental rates.

*Single-Tenant Properties.* We do not anticipate significant capital expenditures at the single-tenant properties in which LCIF has an interest since these properties are generally subject to net or similar leases where the tenants at these properties bear all or substantially all of the cost of property operations, maintenance and repairs. However, at certain properties subject to net-leases, LCIF is responsible for replacement and/or repair of certain capital items, which may or may not be reimbursed. At certain single-tenant properties that are not subject to a net-lease, LCIF has a level of property operating expense responsibility, which may or may not be reimbursed.

*Multi-Tenant Properties.* Primarily as a result of non-renewals at single-tenant net-lease properties, LCIF may have interests in multi-tenant properties. While tenants are generally responsible for increases over base year expenses, the landlord would be generally responsible for the base-year expenses and capital expenditures at these properties.

*Vacant Properties.* To the extent there is a vacancy in a property, LCIF would be obligated for all operating expenses, including real estate taxes and insurance. If a property is vacant for an extended period of time, LCIF may incur substantial capital expenditure costs to re-tenant the property.

*Property Expansions.* Under certain leases, tenants have the right to expand the facility located on a property in which LCIF has an interest. In the past, these expansions have generally been funded, and in the future we expect these expansions to generally be funded, with, either additional secured borrowings, the repayment of which was, and will be, funded out of rental increases under the leases covering the expanded properties, borrowings under LXP's unsecured revolving credit facility or capital contributions from LXP.

*Ground Leases.* The tenants of properties in which LCIF has an interest generally pay the rental obligations on ground leases either directly to the fee holder or to the landlord as increased rent. However, LCIF is responsible for these payments under certain leases and at vacant properties.

*Leverage.* As of December 31, 2012 and September 30, 2013, (1) LCIF had \$195.1 million and \$148.1 million, respectively, of consolidated debt outstanding, including co-borrower debt and (2) LCIF II had \$60.6 million and \$46.7 million, respectively, of consolidated debt outstanding, including co-borrower debt. As of December 31, 2012, (1) LCIF had \$28.7 million and \$24.7 million of related balloon payments maturing in 2013 and 2014, respectively, and (2) LCIF II had no balloon payments maturing in 2013 and 2014. As of September 30, 2013, neither LCIF nor LCIF II had any balloon payments maturing in 2013 or 2014.

*Property Charts.* The following tables list LCIF's and LCIF II's properties by type, their locations, the primary tenant/guarantor, the net rentable square feet, the expiration of the primary lease term and percent leased, as applicable, as of September 30, 2013.

## LCIF CONSOLIDATED PORTFOLIO

## PROPERTY CHART

As of September 30, 2013

Property Location	City	State	Primary Tenant (Guarantor)	Property Type	Net Rentable Square Feet	Current Lease Term Expiration	Percent Leased
2415 U.S. Hwy 78 East	Moody	AL	CEVA Logistics U.S., Inc. (CEVA Holdings, B.V. / PostNL N.V.)	Industrial	595,346	12/31/2017	100 %
2211 South 47th St.	Phoenix	AZ	Avnet, Inc.	Office	176,402	2/28/2023	100 %
3030 North 3rd Street	Phoenix	AZ	CopperPoint Mutual Insurance Company	Office	252,400	12/31/2029	100 %
26210 & 26220 Enterprise Court	Lake Forest	CA	Apria Healthcare, Inc. (Apria Healthcare Group, Inc.)	Office	100,012	1/31/2022	100 %
2706 Media Center Dr.	Los Angeles	CA	Sony Electronics Inc.	Office	83,252	8/31/2015	24 %
9201 E. Dry Creek Rd	Centennial	CO	The Shaw Group, Inc.	Office	128,500	9/30/2017	100 %
1315 West Century Dr.	Louisville	CO	Global Healthcare Exchange, Inc. (Global Healthcare Exchange, LLC)	Office	106,877	4/30/2017	100 %
100 Barnes Rd.	Wallingford	CT	3M Company	Office	44,400	6/30/2018	100 %
5600 Broken Sound Blvd.	Boca Raton	FL	Canon Solutions America, Inc. (Océ -USA Holding, Inc.)	Office	143,290	2/14/2020	100 %
4200 Northcorp Pkwy.	Palm Beach Gardens	FL	Multi-tenanted	Office	95,065	Various	36 %
4400 Northcorp Pkwy.	Palm Beach Gardens	FL	Office Suites Plus Properties, Inc.	Office	18,400	4/30/2014	100 %
1042 Fort St. Mall/King St.	Honolulu	HI	Multi-tenanted	Office	77,459	Various	77 %
7500 Chavenelle Rd.	Dubuque	IA	The McGraw-Hill Companies, Inc.	Industrial	330,988	6/30/2017	100 %
5200 Metcalf Ave.	Overland Park	KS	Swiss Re American Holding Corporation / Westport Insurance Corporation	Office	320,198	12/22/2018	100 %
2300 Litton Ln.	Hebron	KY	Multi-tenanted	Office	80,440	Various	100 %
33 Commercial St.	Foxboro	MA	Invensys Systems, Inc. (Siebe, Inc.)	Office	164,689	6/30/2015	100 %
1601 Pratt Ave.	Marshall	MI	Autocam Corporation	Industrial	58,707	12/31/2023	100 %

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26555 Northwestern Hwy.	Southfield	MI	Federal-Mogul Corporation	Office	187,163	1/31/2015	100 %
7670 Hacks Cross Rd.	Olive Branch	MS	MAHLE Clevite, Inc. (MAHLE Industries, Incorporated)	Industrial	268,104	2/28/2016	100 %
250 Swathmore Ave.	High Point	NC	Steelcase Inc.	Industrial	244,851	9/30/2017	100 %
6910 South Memorial Hwy.	Tulsa	OK	Toys "R" Us, Inc. / Toys "R" Us-Delaware, Inc.	Retail	43,123	5/31/2016	100 %
12535 Southeast 82nd Ave.	Clackamas	OR	Toys "R" Us-Delaware, Inc. / Toys "R" Us, Inc. / TRU 2005 RE I, LLC	Retail	42,842	5/31/2016	100 %
250 Rittenhouse Cir.	Bristol	PA	Northtec LLC (The Estée Lauder Companies Inc.)	Industrial	241,977	11/30/2026	100 %
2210 Enterprise Dr.	Florence	SC	Multi-tenanted	Office	176,557	Various	70 %
3476 Stateview Blvd.	Fort Mill	SC	Wells Fargo Bank, N.A.	Office	169,083	5/31/2024	100 %
3480 Stateview Blvd.	Fort Mill	SC	Wells Fargo Bank, N.A.	Office	169,218	5/31/2024	100 %
477 Distribution Pkw.	Collierville	TN	Federal Express Corporation / FedEx Techconnect, Inc.	Industrial	126,213	5/31/2021	100 %
4001 International Pkw.	Carrollton	TX	Motel 6 Operating, LP (Accor S.A.)	Office	138,443	7/31/2015	100 %
2050 Roanoke Rd.	Westlake	TX	TD Auto Finance LLC	Office	130,290	12/31/2016	100 %
13651 McLearen Rd.	Herndon	VA	United States of America	Office	159,644	5/30/2018	100 %
18601 Alderwood Mall Blvd.	Lynnwood	WA	Toys "R" Us-Delaware, Inc. / Toys "R" Us, Inc. /TRU 2005 RE I, LLC	Retail	43,105	5/31/2016	100 %
			Consolidated Portfolio Total		4,917,038		96.1 %



**LCIF II CONSOLIDATED PORTFOLIO****PROPERTY CHART**

As of September 30, 2013

Property Location	City	State	Primary Tenant (Guarantor)	Property Type	Net Rentable Square Feet	Current Lease Term Expiration	Percent Leased
3102 Queen Palm Dr.	Tampa	FL	Time Customer Service, Inc. (Time Incorporated)	Industrial	229,605	6/30/2020	100 %
4455 American Way	Baton Rouge	LA	New Cingular Wireless PCS, LLC	Office	70,100	10/31/2017	100 %
459 Wingo Rd.	Byhalia	MS	Asics America Corporation (Asics Corporation)	Industrial	513,734	3/31/2026	100 %
671 Washburn Switch Rd.	Shelby	NC	Clearwater Paper Corporation	Industrial	673,518	5/31/2031	100 %
191 Arrowhead Dr.	Hebron	OH	Owens Corning Insulating Systems, LLC	Industrial	250,410	5/31/2014	100 %
200 Arrowhead Dr.	Hebron	OH	Owens Corning Insulating Systems, LLC	Industrial	400,522	5/31/2014	100 %
1460 Tobias Gadsen Blvd.	Charleston	SC	Hagemeyer North America, Inc.	Office	50,076	7/8/2020	100 %
400 East Stone Ave.	Greenville	SC	Canal Insurance Company	Office	128,041	12/31/2029	100 %
19500 Bulverde Rd.	San Antonio	TX	Elsevier STM Inc. (Reed Elsevier Inc.)	Industrial	559,258	3/31/2016	100 %
Consolidated Portfolio Total					2,875,264		100 %

## MANAGEMENT AND EXECUTIVE COMPENSATION

### Explanatory Note

On December 30, 2013, LCIF II merged with and into LCIF, with LCIF as the surviving entity. The merger was done to streamline the reporting obligations of LCIF and LCIF II into one entity on a going-forward basis. Except as otherwise indicated, all information with respect to LCIF and LCIF II in this prospectus is presented as of September 30, 2013, which is prior to the merger. Information subsequent to the merger assumes that all limited partners in LCIF II received OP units in LCIF as consideration in the merger.

### General

Information with respect to management and executive compensation for LXP is contained in the documents incorporated by reference into this prospectus. LCIF does not have any employees, executive officers or a board of directors.

Neither LXP nor Lex GP receives any compensation for Lex GP's services as general partner of LCIF. Lex GP and Lex LP, however, as partners in LCIF, have the same right to allocations and distributions as other partners of LCIF. In addition, LCIF reimburses Lex GP and LXP for all expenses incurred by them related to the ownership and operation of, or for the benefit of, LCIF. In the event that certain expenses are incurred for the benefit of LCIF and other entities (including LXP and its other subsidiaries), such expenses are allocated by LXP, as sole equity owner of Lex GP, the general partner of LCIF, to LCIF in proportion to gross revenues. LXP has guaranteed the obligations of LCIF in connection with the redemption of OP units pursuant to the LCIF partnership agreement.

During the year ended December 31, 2012, (1) cash distributions of \$26.0 million and reimbursements of \$3.5 million were earned by us or made to us by LCIF and (2) cash distributions of \$5.9 and reimbursements of \$1.1 million were earned by us or made to us by LCIF II.

## **DESCRIPTION OF THE PARTNERSHIP AGREEMENT OF LEPERCQ CORPORATE INCOME FUND L.P.**

*We have summarized the material terms and provisions of the Sixth Amended and Restated Agreement of Limited Partnership of LCIF, which we refer to as the LCIF partnership agreement. This summary is not complete and is subject to change, and is qualified in its entirety by reference to the actual provisions and terms of, the LCIF partnership agreement itself, a form of which has previously been filed with the Commission by LXP, which we incorporate herein by reference.*

### **Explanatory Note**

On December 30, 2013, LCIF II merged with and into LCIF, with LCIF as the surviving entity. The merger was done to streamline the reporting obligations of LCIF and LCIF II into one entity on a going-forward basis. Except as otherwise indicated, all information with respect to LCIF and LCIF II in this prospectus is presented as of September 30, 2013, which is prior to the merger. Information subsequent to the merger assumes that all limited partners in LCIF II received OP units in LCIF as consideration in the merger.

### **General**

LXP is the sole equity owner of Lex GP-1 Trust, a Delaware statutory trust, which is the general partner of LCIF and holds, as of December 31, 2013, approximately 0.4% of the outstanding OP units in LCIF. LXP is also the sole equity owner of Lex LP-1 Trust, a Delaware statutory trust, which holds, as of December 31, 2013, approximately 94.3% of the outstanding OP units in LCIF.

### **Issuance of OP Units**

LXP's operating partnership structure enables LXP to acquire property by issuing equity partnership units, including OP units, to a direct or indirect property owner as a form of consideration. Each of the OP units (other than OP units held directly or indirectly by LXP) which have been issued as of the date of this prospectus are generally redeemable, at the option of the holders thereof, on a one for approximately 1.13 common share basis (subject to certain anti-dilution adjustments) at various times, or, at LXP's option, for cash in certain instances. All OP units entitle the holder thereof to distributions. As a result, our cash available for distribution to common shareholders is reduced by the amount of the distributions payable by the terms of such OP units, and the number of common shares that will be

outstanding in the future is expected to increase, from time to time, as such OP units are redeemed for common shares. Lex GP has the right to redeem the OP units held by all, but not less than all, of the LCIF unitholders (other than those LCIF unitholders identified as the “Special Limited Partners” in the LCIF partnership agreement) under certain circumstances, including but not limited to a merger, sale of assets, consolidation, share issuance, share redemption or other similar transaction by LXP or LCIF, which would result in a change of beneficial ownership in LXP or LCIF, by 50% or more.

LCIF unitholders hold OP units and all LCIF unitholders are entitled to share in the profits and losses of LCIF.

Each LCIF unitholder has the right to which a limited partner is entitled under the LCIF partnership agreement and the Delaware Act. The OP units have not been registered pursuant to the federal or state securities laws and are not listed on any exchange or quoted on any national market system.

As of December 31, 2013, there are approximately 3.6 million OP units outstanding that are not held by us, all which are currently redeemable for an aggregate of 4.1 million common shares. As of December 31, 2013, of the total OP units, 1.5 million OP units are beneficially owned by E. Robert Roskind, the chairman of LXP’s Board of Trustees.

### **Purposes, Business and Management**

The purpose of LCIF includes the conduct of any business that may be conducted lawfully by a limited partnership organized under the Delaware Act, except that the LCIF partnership agreement requires the business of LCIF to be conducted in such a manner that will permit LXP to continue to be classified as a REIT under Sections 856 through 860 of the Code, unless LXP ceases to qualify as a REIT for reasons other than the conduct of the business of LCIF. Subject to the foregoing limitation, LCIF may enter into partnerships, joint ventures or similar arrangements and may own interests in any other entity.

LXP, as sole equity owner of Lex GP, which is the sole general partner of LCIF, has exclusive power and authority to conduct the business of LCIF, subject to the consent of the limited partners in certain limited circumstances discussed below. No limited partner may take part in the operation, management or control of the business of LCIF by virtue of being a unitholder of LCIF.

### **Ability to Engage in Other Businesses; Conflicts of Interest**

Lex GP may not, without the consent of the holders of a majority of the OP units held by the Special Limited Partners, engage in any business other than to act as general partner of LCIF and to hold and own OP units. The holders of a

majority of the OP units held by the Special Limited Partners have consented to Lex GP's acting as general partner of one of our other subsidiaries. Neither LXP nor other persons (including LXP's officers, trustees, employees, agents and other affiliates) are prohibited under the LCIF partnership agreement from engaging in other business activities or are required to present any business opportunities to LCIF. Mr. Roskind, the chairman of LXP, beneficially owns a majority of the OP units held by the Special Limited Partners.

### **Distributions; Allocations of Income and Loss**

Generally, LCIF unitholders are allocated and distributed amounts with respect to their OP units which approximate the amount of distributions made with respect to the same number of our common shares, as determined in the manner provided in the applicable partnership agreement and subject to certain restrictions and exceptions for certain limited partners. Remaining amounts available for distribution are generally allocated to Lex GP and Lex LP.

### **Borrowing by LCIF**

Lex GP has full power and authority to cause LCIF to borrow money and to assume and guarantee debt.

### **Reimbursement of Expenses; Transactions with the General Partner and its Affiliates**

Neither LXP nor Lex GP receives any compensation for Lex GP's services as general partner of LCIF. Lex GP and Lex LP, however, as partners in LCIF, have the same right to allocations and distributions as other partners of LCIF. In addition, LCIF reimburses Lex GP and LXP for all expenses incurred by them related to the ownership and operation of, or for the benefit of, LCIF. In the event that certain expenses are incurred for the benefit of LCIF and other entities (including LXP and its other subsidiaries), such expenses are allocated by LXP, as sole equity owner of Lex GP, the general partner of LCIF, to LCIF in proportion to gross revenues. LXP has guaranteed the obligations of LCIF in connection with the redemption of OP units pursuant to the LCIF partnership agreement.

LXP and its affiliates may engage in any transactions with LCIF subject to the fiduciary duties established under applicable law.

### **Funding Agreement**

LXP and LCIF entered into a funding agreement. Pursuant to the funding agreement, the parties agreed, that, if LCIF does not have sufficient cash available to make a quarterly distribution to its limited partners in an amount equal to whichever is applicable of (i) a specified distribution set forth in the LCIF partnership agreement or (ii) the cash dividend payable with respect to whole or fractional common shares into which LCIF's OP units would be converted if they were redeemed for our common shares in accordance with the LCIF partnership agreement, LXP will fund the shortfall. Payments under the funding agreement will be made in the form of loans to LCIF and will bear interest at

prevailing rates as determined by us in our discretion but no less than the applicable federal rate.

### **Liability of General Partner and Limited Partners**

Lex GP, as the general partner of LCIF, is ultimately liable for all general recourse obligations of LCIF, to the extent not paid by LCIF. Lex GP is not liable for the nonrecourse obligations of LCIF. The limited partners of LCIF are not required to make additional capital contributions to LCIF. Assuming that a limited partner does not take part in the control of the business of LCIF, in its capacity as a limited partner thereof and otherwise acts in conformity with the provisions of the LCIF partnership agreement, the liability of the limited partner for obligations of LCIF under the LCIF partnership agreement and the Delaware Act is generally limited, subject to certain limited exceptions, to the loss of the limited partner's investment in LCIF. LCIF will operate in a manner the general partner deems reasonable, necessary and appropriate to preserve the limited liability of the limited partners.

### **Exculpation and Indemnification of the General Partner**

Generally, Lex GP, as general partner of LCIF (and LXP as the sole equity owner of Lex GP) will incur no liability to LCIF or any limited partner for losses sustained or liabilities incurred as a result of errors in judgment or of any act or omission if LXP carried out our duties in good faith. In addition, neither Lex GP nor LXP are responsible for any misconduct or negligence on the part of their agents, provided such agents were appointed in good faith. Lex GP and LXP may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisors, and any action it takes or omits to take in reliance upon the opinion of such persons, as to matters that Lex GP and LXP reasonably believe to be within their professional or expert competence, shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

The LCIF partnership agreement also provides that LCIF will indemnify Lex GP and LXP, their respective directors, trustees and officers, and such other persons as Lex GP and LXP may from time to time designate to the fullest extent permitted under the Delaware Act.

## **Sales of Assets**

Under the LCIF partnership agreement, Lex GP generally has the exclusive authority to determine whether, when and on what terms the assets of LCIF will be sold. LCIF, however, may be prohibited under the LCIF partnership agreement and certain contractual agreements from selling certain assets, except in certain limited circumstances. Lex GP may not consent to a sale of all or substantially all of the assets of LCIF, or a merger of LCIF with another entity, without the consent of a majority in interest of the Special Limited Partners. The consent of a majority in interest of the Special Limited Partners was obtained for the merger of LCIF II with and into LCIF on December 30, 2013.

Lex GP has the right to redeem the OP units held by all, but not less than all, of the LCIF unitholders (other than the Special Limited Partners) under certain circumstances, including but not limited to a merger, sale of assets, consolidation, share issuance, share redemption or other similar transaction by LXP or LCIF which would result in a change of beneficial ownership in us or LCIF, by 50% or more.

## **Removal of the General Partner; Restrictions on Transfer by the General Partner or LXP**

The LCIF partnership agreement provides that the limited partners may not remove Lex GP as general partner of LCIF. Lex GP may not transfer any of its interests as the general partner of LCIF, and Lex LP may not transfer any of its interests as a limited partner in LCIF, except to each other, as applicable, or to LXP or another one of LXP's wholly-owned subsidiaries.

## **Restrictions on Transfer of OP Units by LCIF Unitholders**

LCIF unitholders may not transfer their OP units without the consent of Lex GP, which may be withheld in its sole and absolute discretion, provided that LCIF unitholders may transfer all or a portion of their OP units to (i) immediate family members, (ii) certain 501(c)(3) organizations, (iii) a partner in such LCIF unitholder, as applicable, in a distribution to all of its partners or (iv) a lender as security for a loan to be made or guaranteed by such LCIF unitholder, as applicable. However, a LCIF unitholder may assign the economic rights associated with its OP units, without the consent of Lex GP, but such assignee will not be (i) admitted to LCIF as a substituted limited partner or (ii) entitled to the same rights as a substituted limited partner. In addition, LCIF unitholders may dispose of their OP units by exercising their rights to have their OP units redeemed for common shares. See “– Issuance of OP Units” above.

## **Issuance of Additional Limited Partnership Interests**



Lex GP is authorized, in its sole and absolute discretion and without the consent of the limited partners, to cause LCIF to issue additional OP units to any limited partners or any other persons for such consideration and on such terms and conditions as Lex GP deems appropriate. In addition, Lex GP may cause LCIF to issue additional partnership interests in different series or classes, which may be senior to the OP units.

### **Meetings; Voting**

The LCIF partnership agreement provides that limited partners may not take part in the operation, management or control of LCIF's business. The LCIF partnership agreement does not provide for annual meetings of the limited partners, and LCIF does not anticipate calling such meetings.

### **Amendment of the Partnership Agreement**

The LCIF partnership agreement may be amended with the consent of Lex GP, Lex LP and a majority in interest of the applicable Special Limited Partners. Notwithstanding the foregoing, Lex GP has the power, without the consent of limited partners, to amend the LCIF partnership agreement in certain limited circumstances.

### **Dissolution, Winding Up and Termination**

LCIF will continue indefinitely, unless sooner dissolved and terminated. LCIF will be dissolved, and its affairs wound up upon the occurrence of the earliest of: (1) the withdrawal of Lex GP as general partner (except in certain limited circumstances); (2) the sale of all or substantially all of its assets and properties; or (3) the entry of a decree of judicial dissolution of it pursuant to the provisions of the Delaware Act. Upon dissolution, Lex GP, as general partner, or any person elected as liquidator by a majority in interest of the limited partners, will proceed to liquidate the assets of LCIF and apply the proceeds therefrom in the order of priority set forth in the LCIF partnership agreement.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

### **Explanatory Note**

On December 30, 2013, LCIF II merged with and into LCIF, with LCIF as the surviving entity. The merger was done to streamline the reporting obligations of LCIF and LCIF II into one entity on a going-forward basis. Except as otherwise indicated, all information with respect to LCIF and LCIF II in this prospectus is presented as of September 30, 2013, which is prior to the merger. Information subsequent to the merger assumes that all limited partners in LCIF II received OP units in LCIF as consideration in the merger.

### **Certain Relationships and Related Transactions**

LXP is the sole equity owner of Lex GP which is the general partner of LCIF and holds, as of December 31, 2013, approximately 0.4% of the outstanding OP units in LCIF. LXP is also the sole equity owner of Lex LP which holds, as of December 31, 2013, approximately 94.3% of the outstanding OP units in LCIF. The remaining OP units in LCIF are beneficially owned by E. Robert Roskind, Chairman of LXP, and certain non-affiliated investors. As the sole equity owner of the general partner of LCIF and pursuant to the LCIF partnership agreement, LXP has the ability to control all of the day-to-day operations of LCIF, subject to the terms of the LCIF partnership agreement. LCIF is dependent on LXP for management of its operations and future investments. LCIF does not have any employees, executive officers or a board of directors. LXP allocates investments to itself and its other subsidiaries or to LCIF as it deems appropriate and in accordance with certain obligations under the LCIF partnership agreement with respect to allocations of nonrecourse liabilities.

Neither LXP nor Lex GP receives any compensation for Lex GP's services as general partner of LCIF. Lex GP and Lex LP, however, as partners in LCIF, have the same right to allocations and distributions as other partners of LCIF. In addition, LCIF reimburses Lex GP and LXP for all expenses incurred by them related to the ownership and operation of, or for the benefit of, LCIF. In the event that certain expenses are incurred for the benefit of LCIF and other entities (including LXP and its other subsidiaries), such expenses are allocated by LXP, as sole equity owner of Lex GP, the general partner of LCIF, to LCIF in proportion to gross revenues. LXP has guaranteed the obligations of LCIF in connection with the redemption of OP units pursuant to the LCIF partnership agreement.

LXP and its affiliates may engage in any transactions with LCIF subject to applicable law and the LCIF partnership agreement.

Mr. Roskind, the chairman of LXP, beneficially owns a majority of the OP units held by the Special Limited Partners.

Lexington MKP Management L.P., in which we hold a 50% interest, earned \$1.1 million from LCIF and \$0.1 million from LCIF II during the year ended December 31, 2012 for property management services and reimbursements.

See the financial statements included and incorporated by reference in this prospectus for additional relationships and related party transactions.

### **Charitable and Political Contributions**

During 2012, we did not make any charitable contribution to any tax-exempt organization in which any independent trustee serves as an executive officer. As a general policy, we do not make a charitable contribution unless there is an express business purpose. We did not make any direct political contributions during 2012, nor do we intend to make any direct political contributions during 2013.

## DESCRIPTION OF NOTES

*We issued the private notes and will issue the exchange notes pursuant to an indenture, dated as of June 10, 2013, among LXP, certain of its Subsidiaries (as defined in “–Definitions” below) named therein, as guarantors (the “Subsidiary Guarantors”), and U.S. Bank National Association, as trustee, as supplemented by the First Supplemental Indenture, dated as of September 30, 2013, among LXP, LCIF, LCIF II and U.S. Bank National Association. The indenture, as amended and supplemented from time to time, including by the First Supplemental Indenture, is referred to herein as the indenture. The terms of the notes include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended. You may request copies of the indenture and the form of the exchange notes from LXP.*

*The following description summarizes key terms and provisions of the notes and the indenture, does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the actual terms and provisions of the notes and the indenture, which are filed as exhibits to the registration statement to which this prospectus forms a part and are incorporated herein by reference. We will provide copies of these documents to you upon request. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the notes, the indenture or the registration rights agreement, as applicable. Unless the context requires otherwise, the term “interest” includes additional interest, as described below and references to dollars mean U.S. dollars.*

### General

The form and terms of the exchange notes are the same as the form and terms of the private notes, except that the exchange notes will be registered under the Securities Act and, therefore, the exchange notes will not be subject to the transfer restrictions, registration rights and provisions providing for an increase in the interest rate applicable to the private notes. The exchange notes will evidence the same debt as the private notes, and both the private notes and the exchange notes are governed by the same indenture and will vote as a single class on all matters. We refer to the private notes and the exchange notes together in this prospectus as the “notes.” Unless the context otherwise requires, when we refer to the private notes, we also refer to the guarantees associated with the private notes, and when we refer to the exchange notes, we also refer to the guarantees associated with the exchange notes.

The exchange notes will be issued only in fully registered, book-entry form, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof, except under the limited circumstances described below under “-Book-Entry System.” The registered holder of a note will be treated as its owner for all purposes.

If any interest payment date, stated maturity date or redemption date is not a business day, the payment otherwise required to be made on such date will be made on the next business day without any additional payment as a result of such delay. The term “business day” means, with respect to any note, any day, other than a Saturday, Sunday or any other day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close. All payments will be made in U.S. dollars.

The private notes are, and the exchange notes will be, fully and unconditionally guaranteed by the Subsidiary Guarantors on an unsecured and unsubordinated basis. LCIF and any future domestic subsidiaries of LXP that are borrowers or guarantors under the Principal Credit Agreement (as defined in “–Definitions” below), will become Subsidiary Guarantors with respect to the notes. Additional domestic Subsidiaries that become guarantors or borrowers under the Principal Credit Agreement will be required to guarantee the notes, and the guarantees of the Subsidiary Guarantors with respect to the exchange notes will terminate or be released, in each case in the circumstances set forth under “–Guarantees.”

The terms of the notes provide that LXP is permitted to reduce interest payments and payments upon a redemption of notes otherwise payable to a holder for any amounts LXP is required to withhold by law. For example, non-United States holders of the notes may, under some circumstances, be subject to U.S. federal withholding tax with respect to payments of interest on the notes. LXP will set-off any such withholding tax that it is required to pay against payments of interest payable on the notes and payments upon a redemption of notes.

## **Ranking**

The notes and the guarantees will be LXP’s and the Subsidiary Guarantors’ general unsecured and unsubordinated obligations and will rank equally in right of payment with all of LXP’s and the Subsidiary Guarantors’ existing and future unsecured and unsubordinated indebtedness. However, the exchange notes and the guarantees will be effectively subordinated in right of payment to all of LXP’s and the Subsidiary Guarantors’ existing and future secured indebtedness (to the extent of the value of the collateral securing such indebtedness). The notes and the guarantees will be structurally subordinated in right of payment to all existing and future liabilities and other indebtedness, whether secured or unsecured, and preferred stock of LXP’s Subsidiaries that are not Subsidiary Guarantors (the “Non-Guarantor Subsidiaries”). As of September 30, 2013, LXP and the Subsidiary Guarantors had no secured indebtedness and \$0.8 billion of unsecured and unsubordinated indebtedness outstanding, and the Non-Guarantor Subsidiaries had approximately \$1.0 billion of secured indebtedness outstanding and no unsecured indebtedness. In addition, as of September 30, 2013, \$511.4 million was available for LXP to borrow under the Principal Credit Agreement subject to covenant compliance.

Except as described under “–Covenants” and “–Merger, consolidation or sale,” the indenture governing the notes does not prohibit LXP or any of its Subsidiaries from incurring additional indebtedness or issuing preferred equity in the future, nor does the indenture afford holders of the notes protection in the event of (1) a recapitalization transaction or other highly leveraged or similar transaction involving LXP or any of its Subsidiaries, (2) a change of control of LXP or any of its Subsidiaries or (3) a merger, consolidation, reorganization, restructuring or transfer or lease of substantially all of LXP’s or any of its Subsidiaries’ assets or similar transaction that may adversely affect the holders of the notes. LXP

may, in the future, enter into certain transactions such as the sale of all or substantially all of LXP's or its Subsidiary's assets or a merger or consolidation that may increase the amount of LXP's or its Subsidiary's indebtedness or substantially change LXP's or its Subsidiary assets, which may have an adverse effect on LXP's and its Subsidiaries' ability to service their indebtedness, including LXP's and the Subsidiary Guarantors' ability to service the exchange notes. See "Risk factors-Risks related to the exchange notes- Despite our substantial indebtedness, we may still incur significantly more debt, which could exacerbate any or all of the risks related to our indebtedness, including LXP's and the subsidiary guarantors' inability to pay the principal of or interest on the exchange notes."

## Guarantees

The Subsidiary Guarantors have unconditionally guaranteed, jointly and severally, the due and punctual payment of principal of and interest on the notes, when and as the same become due and payable, whether on the maturity date, by declaration of acceleration, upon redemption, repurchase or otherwise, and all of LXP's other obligations under the indenture.

Each guarantee of the notes is:

- a general unsecured obligation of the Subsidiary Guarantor; equal in right of payment with all other existing and future senior indebtedness of that Subsidiary Guarantor, including its obligations with respect to the Principal Credit Agreement, \$255.0 million term loan and 6.00% Convertible Notes;
  - senior in right of payment to any existing and future subordinated indebtedness of the Subsidiary Guarantor; effectively subordinated to any existing and future secured indebtedness of the Subsidiary Guarantor to the extent of the value of the collateral securing such indebtedness; and
- structurally subordinated to the liabilities and preferred stock of the Non-Guarantor Subsidiaries.

See “–Risk factors-Risks related to the notes-Federal and state statutes allow courts, under specific circumstances, to void guarantees and require holders of the notes to return payments received from LXP or the Subsidiary Guarantors.”

All of LXP's Subsidiaries that are guarantors or borrowers under the Principal Credit Agreement are required to become Subsidiary Guarantors with respect to the notes. As of the date hereof, LCIF is the only Subsidiary Guarantor. None of the Subsidiary Guarantors will be foreign subsidiaries.

In the event that, at any time, any of LXP's domestic Subsidiaries which is not, or has previously been released as, a Subsidiary Guarantor becomes a guarantor or borrower under the Principal Credit Agreement, that Subsidiary will be required to become a Subsidiary Guarantor and guarantee the notes not later than 60 days following the date on which it becomes a guarantor or borrower under the Principal Credit Agreement.

In the event that, for any reason, the obligations of any Subsidiary Guarantor that has been a guarantor or borrower under the Principal Credit Agreement terminate as a guarantor or borrower thereunder (including, without limitation, pursuant to the terms of the Principal Credit Agreement, upon agreement of the requisite lenders under the Principal Credit Agreement or upon the termination of the Principal Credit Agreement or upon the replacement thereof with a

credit facility not requiring such guarantees), that Subsidiary Guarantor will be deemed released from all of its obligations under the indenture and its guarantee of the notes will terminate. A Subsidiary Guarantor's guarantee will also terminate and such Subsidiary Guarantor will be deemed released from all of its obligations under the indenture with respect to the notes in connection with any sale or other disposition by LXP of all of the capital stock of that Subsidiary Guarantor (including by way of merger or consolidation) or other transaction such that after giving effect to such transaction such Subsidiary Guarantor is no longer one of LXP's domestic Subsidiaries. Any release described in this paragraph may be evidenced by a supplemental indenture or other instrument which may be entered into without the consent of any holders of the notes.

As of September 30, 2013, LXP and its Subsidiaries had approximately \$2.5 billion of unpledged assets.

Pursuant to a funding agreement, among LXP and LCIF, each party agreed, that, if LCIF does not have sufficient cash available to make a quarterly distribution to its limited partners in an amount equal to whichever is applicable of (i) a specified distribution set forth in the LCIF partnership agreement or (ii) the cash dividend payable with respect to a whole or fractional common shares into which LCIF's OP units would be converted if they were redeemed for LXP's common shares in accordance with the LCIF partnership agreement, LXP will fund the shortfall. Payments under the funding agreement will be made in the form of loans to LCIF and will bear interest at prevailing rates as determined by LXP in its discretion but no less than the applicable federal rate.

The indenture provides that the obligations of each Subsidiary Guarantor under its guarantee will be limited to the maximum amount that, after giving effect to all other contingent and fixed liabilities of such Subsidiary Guarantor, would cause the obligations of such Subsidiary Guarantor not to constitute a fraudulent conveyance or fraudulent transfer under any applicable law.



### **Additional notes**

The exchange notes will initially be limited to an aggregate principal amount of \$250 million. LXP may, without the consent of holders of the exchange notes, increase the principal amount of the exchange notes by issuing additional exchange notes in the future on the same terms and conditions, except for any difference in the issue date, issue price, the date from which interest accrues on such exchange notes, and, if applicable, the first interest payment date, with the same CUSIP number as the exchange notes offered hereby. The exchange notes offered by this prospectus and any additional exchange notes would rank equally and ratably in right of payment and would be treated as a single series of debt securities for all purposes under the indenture.

### **Interest**

Interest on the exchange notes will accrue at the rate of 4.25% per year from and including December 15, 2013 or the most recent interest payment date to which interest has been paid or provided for with respect to the private notes, and will be payable semi-annually in arrears on June 15 and December 15 of each year, beginning June 15, 2014. The interest so payable will be paid to each holder in whose name an exchange note is registered at the close of business on the June 1 or December 1 (whether or not a business day) immediately preceding the applicable interest payment date. Interest on the exchange notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

If any interest payment date or maturity or redemption date falls on a day that is not a business day, the required payment shall be made on the next business day as if it were made on the date such payment was due and no interest shall accrue on the amount so payable from and after such interest payment date or maturity or redemption date, as the case may be, to such next business day.

If LXP redeems the notes in accordance with the terms of such notes, LXP will pay accrued and unpaid interest and premium, if any, to the holders that surrender notes for redemption. However, if a redemption falls after a record date and on or prior to the corresponding interest payment date, LXP will pay the full amount of accrued and unpaid interest and premium, if any, due on such interest payment date to the holder of record at the close of business on the corresponding record date (instead of the holder surrendering such notes for redemption).

### **Maturity**

The notes will mature on June 15, 2023 and will be paid against presentation and surrender thereof at the corporate trust office of the trustee unless earlier redeemed by LXP at its option as described under “-LXP’s redemption rights” below. The notes are not entitled to the benefits of, or be subject to, any sinking fund.

**LXP’s redemption rights**

LXP may redeem the notes at its option and in its sole discretion, at any time or from time to time prior to March 15, 2023 in whole or in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the notes being redeemed; or