

LEXINGTON REALTY TRUST

Form 424B3

December 10, 2008

Table of Contents

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LEXINGTON REALTY TRUST

**SPECIAL MEETING OF LIMITED PARTNERS OF
THE LEXINGTON MASTER LIMITED PARTNERSHIP**

To be held on December 29, 2008

This proxy statement/prospectus and the enclosed proxy card are being furnished in connection with the solicitation of proxies by The Lexington Master Limited Partnership, which we refer to as the Partnership, to be voted at a special meeting of limited partners to be held at the offices of Paul, Hastings, Janofsky & Walker LLP, 75 East 55th Street, New York, NY 10119-4015, on Monday, December 29, 2008, at 10:00 A.M., New York City Time, and at any adjournments for the purposes set forth in the accompanying Notice of Special Meeting of Limited Partners and in this proxy statement/prospectus.

A proxy, in the accompanying form, which is properly executed, duly returned to the Partnership and not revoked, will be voted in accordance with the instructions contained therein and, in the absence of specific instructions, will be voted FOR each of the proposals, including FOR the merger of the Partnership with and into Lexington Realty Trust, which we refer to as the MLP merger, pursuant to the Agreement and Plan of Merger by and between Lexington Realty Trust and the Partnership, dated as of November 24, 2008, which we refer to as the merger agreement. Each proxy granted may be revoked at any time thereafter by writing to the Partnership prior to the meeting, or by execution and delivery prior to the meeting of a subsequent proxy or by attendance and voting in person at the meeting.

Lex GP-1 Trust, a wholly-owned subsidiary of Lexington Realty Trust, which we refer to as the General Partner, in its capacity as general partner of the Partnership, has approved the MLP merger. The General Partner has determined in its business judgment that the MLP merger is in the best interest of the Partnership and its partners.

Under Delaware law and the Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of December 31, 2006, which we refer to as the Partnership Agreement, the MLP merger may be approved by at least 50% of each class of units of limited partner interests in the Partnership, which we refer to as MLP Units, but the General Partner does not believe such approval is required for the MLP Merger. We have two classes of MLP Units outstanding: (1) Special Voting Partnership Units, which we refer to as Special Voting Units, and (2) Class A Partnership Common Units, which we refer to as Class A Units. Approval of a majority of each class is a condition to the consummation of the MLP merger under the merger agreement.

Holders of record of MLP Units at the close of business on November 24, 2008, which we refer to as the Record Date, are entitled to notice of, and to vote at, the special meeting or any adjournment. As of the record date, 72,027,245 MLP Units were issued and outstanding, including 15,535,535 Class A Units and 56,491,710 Special Voting Units.

As of the Record Date, Lex LP-1 Trust, a wholly-owned subsidiary of Lexington Realty Trust, holds 15,500,000 Class A Units, or 99.8% of the Class A Units outstanding, and 50,133,979 Special Voting Units, or 88.8% of the Special Voting Units outstanding. Lex LP-1 Trust currently intends to vote its 65,633,979 MLP Units in favor of the proposals. Accordingly, unless Lex GP-1 Trust, a wholly-owned subsidiary of Lexington Realty Trust and the General Partner withdraws its recommendation of, and votes against, the MLP merger, approval of the proposals is assured.

Approval of the shareholders of Lexington Realty Trust is not required for the approval of the MLP merger. The MLP merger is only subject to the approval of the limited partners, as discussed above.

In the MLP merger, you will be entitled to receive, for (1) each whole MLP Unit, one share of beneficial interest classified as common stock of Lexington Realty Trust, par value \$0.0001 per share, which is referred to herein as Common Shares, and (2) any fractional MLP Unit, cash in an amount equal to the product of (i) such fractional part of an MLP Unit multiplied by (ii) the average closing price of Common Shares quoted on the New York Stock Exchange for the 20 trading day period immediately preceding the third trading day immediately prior to the closing date of the MLP merger.

If the closing of the MLP merger occurs on or prior to December 31, 2008, as expected, no distributions will be made on your existing MLP Units. However, you will be entitled to receive dividends on the Common Shares you receive in the MLP merger, when and if authorized by Lexington Realty Trust's board of trustees.

In general, under applicable U.S. federal income tax laws and regulations, you will recognize gain or loss for federal income tax purposes when you receive Common Shares in exchange for your existing MLP Units. **We urge you to consult your own tax advisor for a full understanding of the tax consequences of the MLP merger to you.**

Questions may be directed to the Partnership at the address set forth above.

More information about Lexington Realty Trust, the Partnership and the MLP merger is contained in this proxy statement/prospectus. We urge you to read this proxy statement/prospectus carefully, including Risk Factors on page 8 of this proxy statement/prospectus for a discussion of the risks relating to the MLP merger.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated December 9, 2008, and will first be mailed to limited partners on or about December 12, 2008.

Table of Contents

**THE LEXINGTON MASTER LIMITED PARTNERSHIP
NOTICE OF SPECIAL MEETING OF LIMITED PARTNERS
TO BE HELD ON DECEMBER 29, 2008**

NOTICE IS HEREBY GIVEN that a special meeting of limited partners of The Lexington Master Limited Partnership, a Delaware limited partnership, will be held at the offices of Paul, Hastings, Janofsky & Walker LLP, 75 East 55th Street, New York, NY 10022, on Monday, December 29, 2008, at 10:00 A.M., New York City Time, to consider and act upon the following:

- (1) To consider and vote on the approval of the Agreement and Plan of Merger, dated as of November 24, 2008, by and among Lexington Realty Trust and The Lexington Master Limited Partnership, a copy of which is attached as Annex A to the accompanying proxy statement/prospectus and the transactions contemplated thereby, including the merger of The Lexington Master Limited Partnership with and into Lexington Realty Trust; and
- (2) To transact such other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

Limited partners of record at the close of business on November 24, 2008 are entitled to receive notice of, and to vote at, the meeting and at any adjournments.

All limited partners are cordially invited to attend the meeting. Whether or not you plan to attend the meeting, please complete, date and sign the enclosed proxy, which is solicited by our general partner, and mail it promptly in the enclosed envelope to make sure that the limited partner interests are represented at the meeting. In the event you decide to attend the meeting in person, you may, if you desire, revoke your proxy and vote your interests in person.

Approval of the shareholders of Lexington Realty Trust is not required for the consummation of the merger of The Lexington Master Limited Partnership with and into Lexington Realty Trust.

Lex GP-1 Trust, a wholly-owned subsidiary of Lexington Realty Trust and our general partner, has approved and recommends the merger. Lex LP-1 Trust, a wholly-owned subsidiary of Lexington Realty Trust and the holder of approximately 91.1% of the outstanding units of limited partner interest (including a majority of both classes of units limited partner interests) intends to vote its units of limited partner interest in favor of the proposals. Accordingly, unless Lex GP-1 Trust, as our general partner, withdraws its recommendation to approve, and votes against, the merger, approval of the proposals is assured.

Very truly yours,

THE LEXINGTON MASTER LIMITED PARTNERSHIP

By: Lex GP-1 Trust, General Partner

/s/ Joseph S. Bonventre

By: Joseph S. Bonventre

Secretary

New York, NY

December 12, 2008

IMPORTANT: The prompt return of proxies will ensure that the limited partner interests will be voted. A self-addressed envelope is enclosed for your convenience. No postage is required if mailed within the United States.

TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THE MLP MERGER AND THE SPECIAL MEETING</u>	I
<u>About the MLP Merger</u>	i
<u>About the Special Meeting</u>	ii
<u>How to Get More Information</u>	iv
<u>SUMMARY</u>	1
<u>Special Meeting</u>	1
<u>Parties to the MLP Merger</u>	1
<u>MLP Merger</u>	1
<u>MLP Merger Approval Requirement</u>	1
<u>Record Date</u>	2
<u>MLP Merger Consideration</u>	2
<u>Distributions</u>	2
<u>Conflicts of Interest</u>	2
<u>Recommendation of the General Partner</u>	2
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA</u>	3
<u>For Lexington Trust:</u>	3
<u>For the Partnership:</u>	4
<u>SELECTED UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL AND OTHER DATA</u>	5
<u>COMPARATIVE PER SHARE/UNIT DATA</u>	6
<u>MARKET PRICES AND DIVIDEND INFORMATION</u>	6
<u>DIVIDEND POLICY</u>	6
<u>RISK FACTORS</u>	8
<u>BACKGROUND OF THE ACTIONS</u>	9
<u>Background of Lexington Trust's Acquisition of MLP Units</u>	9
<u>Background of the MLP Merger</u>	10
<u>PROPOSAL NO. 1 MLP MERGER</u>	11
<u>Parties to the MLP Merger</u>	11
<u>MLP Merger Approval Requirement</u>	11
<u>Record Date</u>	11
<u>MLP Merger Consideration</u>	11
<u>Distributions</u>	12
<u>Conditions to the MLP Merger</u>	12
<u>Reasons for and Consequences of the MLP Merger</u>	12
<u>Alternatives Considered</u>	13
<u>Appraisal Rights</u>	13
<u>Terms of the Merger Agreement</u>	14

Table of Contents

<u>Material Tax Consequences of the MLP Merger</u>	15
<u>Regulatory Approvals</u>	15
<u>Conduct of Lexington Trust and the Partnership's Businesses in the Event the MLP Merger is not Consummated</u>	15
<u>Accounting Treatment</u>	15
<u>Restrictions on Resale of Lexington Common Shares Issued in the Merger</u>	16
<u>Trustees and Executive Officers of the Combined Company</u>	16
<u>Who Can Answer Other Questions</u>	16
<u>THE GENERAL PARTNER RECOMMENDS A VOTE FOR THE APPROVAL OF THE MERGER AGREEMENT, THE MLP MERGER AND THE RELATED TRANSACTIONS</u>	16
<u>INTERESTS OF LEXINGTON TRUST</u>	16
<u>DESCRIPTION OF LEXINGTON TRUST'S COMMON SHARES</u>	17
<u>General</u>	17
<u>Terms</u>	17
<u>Restrictions on Ownership</u>	18
<u>Transfer Agent</u>	18
<u>CERTAIN PROVISIONS OF MARYLAND LAW AND OF THE LXP DECLARATION AND BYLAWS</u>	18
<u>Restrictions Relating To REIT Status</u>	18
<u>Maryland Law</u>	19
<u>THE PARTNERSHIP'S SECOND AMENDED AND RESTATED PARTNERSHIP AGREEMENT; EXCHANGE OF MLP UNITS</u>	22
<u>Management</u>	22
<u>Transferability of Interests</u>	22
<u>Capital Contributions and Borrowings</u>	22
<u>Redemption Rights Under the Partnership Agreement</u>	23
<u>Tax Treatment of Exchange of MLP Units in the MLP Merger</u>	23
<u>Operations of the MLP</u>	24
<u>Allocations</u>	24
<u>Distributions</u>	24
<u>Funding Agreement</u>	24
<u>Amendments</u>	25
<u>Exculpation and Indemnification of the General Partner</u>	25
<u>Term</u>	26
<u>Tax Matters Partner</u>	26
<u>COMPARISON OF OWNERSHIP OF MLP UNITS AND COMMON SHARES</u>	26
<u>UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	33
<u>Tax Treatment of Redemption of MLP Units</u>	33
<u>Federal Income Tax Considerations Relating to the REIT</u>	34

Table of Contents

<u>Taxation of the Company</u>	35
<u>Taxation of Shareholders</u>	44
<u>Taxation of Taxable U.S. Shareholders</u>	44
<u>Taxation of Non-U.S. Shareholders</u>	45
<u>Taxation of Tax-Exempt Shareholders</u>	47
<u>Information Reporting and Backup Withholding</u>	48
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	48
<u>SECTION 16 COMPLIANCE</u>	51
<u>EXPENSES</u>	51
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	51
<u>LEGAL MATTERS</u>	52
<u>EXPERTS</u>	52
<u>SUBMISSION OF LIMITED PARTNER PROPOSALS</u>	52
<u>WARNING ABOUT FORWARD LOOKING STATEMENTS</u>	52
<u>WHAT INFORMATION YOU SHOULD RELY ON</u>	53
<u>LEXINGTON REALTY TRUST INDEX TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</u>	F-1
<u>ANNEX A MERGER AGREEMENT</u>	A-1
<u>ANNEX B INFORMATION REGARDING LEXINGTON TRUST</u>	B-1
<u>ANNEX C INFORMATION REGARDING THE PARTNERSHIP</u>	C-1

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MLP MERGER AND THE SPECIAL MEETING

About the MLP Merger

Q: Why am I receiving this proxy statement/prospectus?

A: The General Partner and the board of trustees (including all of the independent trustees) of Lexington Realty Trust, which we refer to as Lexington Trust, have each approved an agreement and plan of merger, or merger agreement, between Lexington Trust and the Partnership. The merger agreement provides for the merger of the Partnership with and into Lexington Trust, or the MLP merger.

The Lexington Trust shares of beneficial interest classified as common stock, or Common Shares, to be issued in the MLP merger can be issued without the approval of the shareholders of Lexington Trust pursuant to a registration statement, which this proxy statement/prospectus is a part of, on Form S-4 filed with the Securities and Exchange Commission, which we refer to as the SEC.

This proxy statement/prospectus is being furnished to the limited partners of record as of November 24, 2008, or the Record Date, for the purpose of voting on the following proposals:

- (1) To consider and vote on the approval of the merger agreement and the transactions contemplated thereby, including the MLP merger; and
- (2) To transact such other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

As of the Record Date, Lex LP-1 Trust holds 15,500,000 Class A Units, or 99.8% of the Class A Units outstanding, and 50,133,979 Special Voting Units, or 88.8% of the Special Voting Units outstanding. Lex LP-1 Trust currently intends to vote its 65,633,979 MLP Units in favor of the proposals. Accordingly, unless the General Partner withdraws its recommendation of, and votes against, the MLP merger, approval of the proposals is assured.

This proxy statement/prospectus contains important information about the proposed MLP merger and the special meeting, and you should read it carefully.

Q: Why has the MLP merger been proposed?

A: The General Partner and Lexington Trust's board of trustees, which we refer to as the LXP board, have each proposed the MLP merger and determined in their respective business judgment that the MLP merger is advisable and in the best interests of the Partnership, the holders of MLP Units, Lexington Trust and the holders of Common Shares. For a description of factors considered by the General Partner and the LXP board, please see Proposal No. 1 Reasons for the MLP Merger, below.

Q: Are there any conflicts of interest related to the MLP merger?

A: Lexington Trust may have interests in the MLP merger that may be different from, or in addition to, the interests of other holders of MLP Units generally. These interests are discussed under Interests of Lexington Trust, below.

Q: What will I receive in the MLP merger?

A: In the MLP merger, you will be entitled to receive, for (1) each whole MLP Unit, one Common Share, and (2) any fractional MLP Unit, cash in an amount equal to the product of (i) such fractional part of an MLP Unit multiplied by (ii) the average closing price of Common Shares quoted on the New York Stock Exchange for the 20 trading day period immediately preceding the third trading day immediately prior to the closing date of the MLP merger. As promptly as practicable after the determination of the amount of cash, if any, to be paid to holders of fractional interests, Lexington Trust will forward payments to such holders of fractional interests.

Table of Contents

Q: What will holders of Lexington Trust Common Shares receive in the MLP merger?

A: Holders of Lexington Trust Common Shares will not receive any additional shares or other consideration in connection with the MLP merger. Each Common Share will continue to represent one Common Share after the consummation of the MLP merger.

Q: Will I continue to receive distributions prior to the MLP merger?

A: If the MLP merger closes, as expected, on December 31, 2008, no distributions will be made on your existing MLP Units. However, you will be entitled to receive dividends made on the Common Shares you receive in exchange for your MLP Units beginning with the dividend expected to be paid on January 15, 2009 with a record date of December 31, 2008. If the MLP merger does not close prior to December 31, 2008, the Partnership expects to make a distribution on January 14, 2009 to holders of MLP Units as of December 31, 2008. The timing and amount of any dividend and/or distribution is subject to the approval of the LXP board and the General Partner, as applicable.

Q: What will happen to the Partnership if the MLP merger is not completed?

A: If Lexington Trust determines that it is no longer advisable to complete the MLP merger, the merger agreement will terminate and the MLP merger will not be completed. In such event, you will remain a holder of MLP Units entitled to the rights and benefits under the Partnership Agreement.

Q: Do I have appraisal rights in connection with the MLP merger?

A: No. The Partnership was formed under Delaware law. Under Delaware law, a partnership agreement or an agreement of merger or consolidation may provide that contractual appraisal rights with respect to a partnership interest or another interest in a limited partnership will be available for any class or group or series of partners or partnership interests in connection with any merger or consolidation in which the limited partnership is a party to the merger or consolidation. Neither the Partnership Agreement, nor the merger agreement, provides for contractual appraisal rights.

Q: Will I recognize taxable gain or loss for U.S. federal income tax purposes as a result of the MLP merger?

A: Yes. In general, applicable U.S. federal income tax laws and regulations, you will recognize a gain or loss for federal income tax purposes upon exchange of your MLP Units for Common Shares. **We urge you to consult your own tax advisor for a full understanding of the tax consequences of the MLP merger to you.**

About the Special Meeting

Q: Where and when is the special meeting?

A: The special meeting will take place at the New York offices of Paul, Hastings, Janofsky & Walker LLP, located at 75 East 55th Street, New York, New York 10022, on Monday, December 29, 2008, at 10:00 a.m. local time.

Q: Who is entitled to vote?

A: Holders of record of MLP Units at the close of business on November 24, 2008, the Record Date, are entitled to vote at the special meeting. As of the Record Date, there were 15,535,535 Class A Units outstanding and 56,491,710 Special Voting Units outstanding. Lex LP-1 Trust held a majority of both classes and intends to vote in favor of all proposals. Accordingly, unless the General Partner withdraws its recommendation of, and votes against, the MLP merger, approval of the proposals is assured.

Q: How do I cast my vote?

Table of Contents

A: You may vote as follows:

Mail: Vote, sign, date your proxy card and mail it in the postage-paid envelope.

In Person: Vote at the Annual Meeting.

By Telephone: Call toll-free 1-866-540-5760 and follow the instructions. You will be prompted for certain information that can be found on your proxy card.

Via Internet: Log on to www.proxyvoting.com/lxp and follow the on-screen instructions. You will be prompted for certain information that can be found on your proxy card.

Q: What vote is required?

A: Under Delaware law, unless otherwise provided in the partnership agreement, a merger or consolidation must be approved (1) by all general partners and (2) by the limited partners or, if there is more than one class or group of limited partners, then by each class or group of limited partners, in either case, by limited partners who own more than 50 percent of the then current percentage or other interest in the profits of the limited partnership owned by all of the limited partners or by the limited partners in each class or group, as appropriate.

The Partnership Agreement provides the General Partner with full power and authority to merge the Partnership into another entity, but the General Partner may not permit the Partnership to be a party to a merger pursuant to which the MLP Units are converted or changed into or exchanged for securities of another operating partnership in an UPREIT or similar structure without the affirmative vote of the holders of at least a majority-in-interest of the limited partners, unless upon consummation of such merger, the holders of MLP Units will receive shares of stock or beneficial interest or other equity securities of the parent REIT of such operating partnership with preferences, rights and privileges not materially inferior to the preferences, rights and privileges of Common Shares. In the MLP merger, the holders of MLP Units will receive Common Shares; therefore, we do not believe that approval by the limited partners is required under the Partnership Agreement or Delaware law.

Nonetheless, the General Partner is soliciting your vote because the merger agreement requires that the General Partner obtain the approval of the holders of at least a majority of each class of the MLP Units.

As of the Record Date, Lex LP-1 Trust holds 15,500,000 Class A Units, or 99.8% of the Class A Units outstanding, and 50,133,979 Special Voting Units, or 88.8% of the Special Voting Units outstanding. Lex LP-1 Trust currently intends to vote its 65,633,979 MLP Units in favor of the proposals. Accordingly, unless the General Partner publicly withdraws its recommendation of the MLP merger, approval of the proposals is assured.

Q: Can I change my vote after I have granted my proxy?

A: Yes. You may revoke your proxy and change your vote at any time before your proxy is voted at the special meeting. To revoke your proxy instructions, you must: (i) so advise the General Partner's Secretary, Joseph S. Bonventre, c/o The Lexington Master Limited Partnership, One Penn Plaza, Suite 4015, New York, NY 10119-4015 in writing before your MLP Units have been voted by the proxy holders at the meeting; (ii) execute and deliver a subsequently dated proxy; or (iii) attend the meeting and vote your MLP Units in person.

Q: What happens if I hold MLP Units and I do not indicate how I want to vote, do not vote or abstain from voting on the proposals?

A: If you sign and send in your proxy but do not indicate how you want to vote on the proposals, your proxy will be voted in favor of all of the proposals on which a vote will take place at the special meeting. If you do not submit your proxy and do not attend the special meeting, your MLP Units will count as a vote against the proposals.

Q: Will anyone contact me regarding this vote?

Table of Contents

A: In addition to the solicitation of proxies by use of the mails, the General Partner and officers and regular employees of Lexington Trust may solicit proxies by telephone, facsimile, e-mail, or personal interviews without additional compensation. We reserve the right to engage solicitors and pay compensation to them for the solicitation of proxies.

Q: Who has paid for this proxy solicitation?

A: The Partnership and Lexington Trust will share the cost of preparing, printing, assembling and mailing the proxy card, the proxy statement/prospectus and other materials that may be sent to limited partners in connection with this solicitation.

How to Get More Information

Q: Who can answer my questions?

A: If you have questions about the MLP merger or want additional copies of this proxy statement/prospectus or additional proxy cards should contact: Investor Relations, The Lexington Master Limited Partnership, One Penn Plaza, Suite 4015, New York, NY 10119-4015, Telephone (212) 692-7200.

Table of Contents

SUMMARY

This summary highlights selected information from this proxy statement/prospectus. It does not contain all of the information that may be important to you. You should carefully read this entire proxy statement/prospectus and the other documents to which this proxy statement/prospectus refers for a more complete understanding of the matters being considered at the special meeting. In addition, we incorporate important business and financial information about the Partnership and Lexington Trust set forth in Annexes B and C to this proxy statement/prospectus. For more information about the Partnership and Lexington Trust, including where you can find the incorporated information, see the section of this proxy statement/prospectus entitled "Where You Can Find More Information," below.

Special Meeting

This proxy statement/prospectus is being furnished to the limited partners of record as of November 24, 2008, or the Record Date, for the purpose of voting on the following proposals:

- (1) To consider and vote on the approval of the merger agreement and the transactions contemplated thereby, including the MLP merger; and
- (2) To transact such other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

The special meeting will take place at the New York offices of Paul, Hastings, Janofsky & Walker LLP, located at 75 East 55th Street, New York, New York 10022, on Monday, December 29, 2008, at 10:00 a.m. local time.

Parties to the MLP Merger

Lexington Realty Trust, or Lexington Trust, is a self-managed and self-administered real estate investment trust, or a REIT, formed under the laws of the State of Maryland. Lexington Trust's primary business is the acquisition, ownership and management of a geographically diverse portfolio of net leased office and industrial properties. The principal executive offices of Lexington Trust are located at One Penn Plaza, Suite 4015, New York, New York 10119-4015, and its telephone number is (212) 692-7200.

The Partnership was organized in October 2001 as a Delaware limited partnership to facilitate the January 2002 exchange transaction in which 90 limited partnerships were merged into the Partnership and the Partnership acquired various other assets related to its management and capital structure. The Partnership owns commercial properties, most of which are leased to investment grade corporate tenants, as well as other real estate assets. Lexington Trust is the parent of the General Partner and the holder of approximately 91.1% of the outstanding MLP Units. The Partnership's principal executive offices are located at One Penn Plaza, Suite 4015, New York, New York 10119-4015, and its telephone number is (212) 692-7200.

MLP Merger

The merger agreement provides for the merger of the Partnership with and into Lexington Trust, with Lexington Trust as the surviving entity.

MLP Merger Approval Requirement

The merger agreement requires that the General Partner obtain the approval of the holders of at least a majority of each class of MLP Units. The approval of Lexington Trust shareholders is not required for the consummation of the MLP merger.

Table of Contents

As of the Record Date, Lex LP-1 Trust holds 15,500,000 Class A Units, or 99.8% of the Class A Units outstanding, and 50,133,979 Special Voting Units, or 88.8% of the Special Voting Units outstanding. Lex LP-1 Trust currently intends to vote its 65,633,979 MLP Units in favor of the proposals. Accordingly, unless the General Partner withdraws its recommendation of, and votes against, the MLP merger, approval of the proposals is assured.

Record Date

The General Partner has set the close of business on November 24, 2008 as the Record Date for limited partners who are entitled to notice of the action to be taken at the special meeting.

MLP Merger Consideration

In the MLP merger, holders of MLP Units will be entitled to receive, for (1) each whole MLP Unit, one Common Share and (2) any fractional MLP Unit, cash in an amount equal to the product of (i) such fractional MLP Unit multiplied by (ii) the average closing price of Common Shares quoted on the New York Stock Exchange for the 20 trading day period immediately preceding the third trading day immediately prior to the closing date of the MLP merger.

Distributions

If the MLP merger closes, as expected, on December 31, 2008, no distributions will be made on your existing MLP Units. However, you will be entitled to receive dividends made on the Common Shares you receive in exchange for your MLP Units beginning with the dividend expected to be paid on January 15, 2009 with a record date of December 31, 2008. If the MLP merger does not close prior to December 31, 2008, the Partnership expects to make a distribution on January 14, 2009 to holders of MLP Units as of December 31, 2008. The timing and amount of any dividend and/or distribution is subject to the approval of the LXP board and the General Partner, as applicable.

Conflicts of Interest

Lexington Trust may have interests in the MLP merger that may be different from, or in addition to, the interests of other holders of MLP Units generally. These interests are discussed under **Interests of Lexington Trust**, below.

Material Tax Consequences of the MLP Merger

The MLP merger will have tax consequences for holders of MLP Units. The receipt of Common Shares in exchange for existing MLP Units and cash in exchange for fractional MLP Units generally will be taxable for federal income tax purposes. See **United States Federal Income Tax Considerations**, below. **Your tax consequences will depend on your personal situation. You are urged to consult your own tax advisor for a full understanding of the tax consequences of the MLP merger to you.**

Recommendation of the General Partner

The General Partner and the LXP board (including all of the independent trustees) have each approved the merger agreement, the MLP merger and the related transactions. The General Partner has declared that the merger agreement, the MLP merger and the related transactions are advisable and fair to, and in the best interests of, the Partnership and its partners.

The General Partner recommends that holders of MLP Units vote FOR the approval of the merger agreement, the MLP merger and the related transactions.

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

The following information is provided to assist you in your analysis of the financial aspects of the MLP merger. This information has been derived from the audited consolidated financial statements for the years ended December 31, 2003 through 2007 of each of Lexington Trust and the Partnership and from the unaudited condensed consolidated financial statements for the nine months ended September 30, 2007 and 2008 of each of Lexington Trust and the Partnership.

This information is only a summary. You should read it along with, as applicable, Lexington Trust's or the Partnership's historical financial statements and related notes and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the periodic reports filed by Lexington Trust and the Partnership with the SEC. Please see "Where You Can Find More Information," below. Historical operating results are not necessarily indicative of future results. For a discussion of certain factors that may materially affect the comparability of the selected historical financial information or cause the data reflected herein not be indicative of future financial condition or results of operations, please see "Risk Factors," below.

For Lexington Trust:

	Years Ended December 31,					Nine Months Ended September 30,	
	2007	2006	2005	2004	2003	2008	2007
	(in thousands, except per share data)					(in thousands, except per share data)	
Total gross revenues	\$ 431,747	\$ 186,693	\$ 162,383	\$ 109,901	\$ 73,999	\$ 340,632	\$ 304,099
Expenses applicable to revenues	(297,139)	(106,796)	(81,645)	(37,581)	(24,568)	(252,400)	(206,767)
Interest and amortization expense	(163,628)	(65,097)	(56,177)	(36,448)	(25,609)	(120,519)	(114,747)
Income (loss) from continuing operations	(10,783)	(7,909)	17,606	27,021	15,873	15,235	1,272
Total discontinued operations	87,634	15,662	15,089	17,786	17,776	4,585	44,345
Net income	76,851	7,753	32,695	44,807	33,649	19,820	45,617
Net income (loss) allocable to common shareholders	50,118	(8,682)	16,260	37,862	30,257	5,211	25,919
Income (loss) from continuing operations per common share basic	(0.58)	(0.47)	0.03	0.43	0.37	0.01	(0.28)
Income (loss) from	(0.58)	(0.47)	0.03	0.41	0.36	(0.14)	(0.28)

continuing operations per common share diluted							
Income from discontinued operations per common share basic	1.35	0.30	0.30	0.38	0.52	0.07	0.67
Income from discontinued operations per common share diluted	1.35	0.30	0.30	0.39	0.52	0.07	0.67
Net income (loss) per common share basic	0.77	(0.17)	0.33	0.81	0.89	0.08	0.39
Net income (loss) per common share diluted	0.77	(0.17)	0.33	0.80	0.88	(0.07)	0.39

(Continues)

3

Table of Contents

	Years Ended December 31,					Nine Months Ended	
	2007	2006	2005	2004	2003	September 30,	2007
	(in thousands, except per share data)					(in thousands, except per share data)	
Cash dividends declared per common share	\$ 3.60	\$ 2.0575	\$ 1.445	\$ 1.41	\$ 1.355	\$ 0.99	\$ 1.125
Net cash provided by operating activities	287,651	108,020	105,457	90,736	68,883	187,412	235,893
Net cash provided by (used in) investing activities	(31,490)	(154,080)	(643,777)	(202,425)	(295,621)	200,751	(316,419)
Net cash (used in) provided by financing activities	38,973	483	444,878	242,723	228,986	(692,230)	224,041
Real estate assets, net	3,729,266	3,475,073	1,651,200	1,240,479	1,001,772	3,396,790	4,257,884
Investments in non-consolidated entities	226,476	247,045	191,146	132,738	69,225	205,021	173,742
Total assets	5,265,163	4,624,857	2,160,232	1,697,086	1,207,441	4,294,332	5,667,491
Mortgages, notes payable and credit facility, including discontinued operations	3,047,550	2,132,661	1,170,560	765,909	551,385	2,481,575	3,320,264
Shareholders equity	939,071	1,122,444	891,310	847,290	579,848	924,002	1,110,607
Preferred share liquidation preference	389,000	234,000	234,000	214,000	79,000	363,915	389,000
For the Partnership:							

	Years Ended December 31,					Nine Months Ended	
	2007	2006	2005	2004	2003	September 30,	2007
	(in thousands, except per unit data)					(in thousands, except per unit data)	
Operating Data	\$ 207,804	\$ 160,306	\$ 144,879	\$ 147,816	\$ 161,492	\$ 186,158	\$ 143,879

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Total gross revenues							
Income from continuing operations	85,232	32,735	24,437	44,641	51,021	2,429	72,530
Net income	151,450	129,342	49,295	137,808	145,164	39,551	109,947
Net income per unit (1) (2)	2.71	2.51	1.23	3.60	3.78	0.56	2.01
Cash distributions per unit (1) (2)	3.60	2.06	1.33	1.20	0.91	0.99	1.13
Weighted average units outstanding (1) (2)	55,923	51,519	40,081	38,311	38,381	70,923	54,742
Balance Sheet Data							
Real estate investments, at cost	1,829,478	1,452,851	1,457,603	1,578,182	1,655,430	1,790,167	1,859,791
Real estate investments, net of accumulated depreciation	1,409,819	977,625	913,518	1,032,797	1,129,237	1,363,809	1,377,390
Total assets	2,342,944	1,396,272	1,306,953	1,237,129	1,384,094	1,924,087	2,123,901
Total debt	1,446,622	838,734	770,786	907,339	1,104,231	1,250,103	1,407,322
Partners equity	564,401	491,474	461,184	203,785	98,864	562,352	616,348

(1) Adjusted to reflect the 7.5801 to 1 unit split of the outstanding units on November 7, 2005.

(2) Adjusted to reflect the 0.80 to 1 unit split of outstanding units on December 31, 2006.

Table of Contents**SELECTED UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL AND OTHER DATA**

The following table shows information about Lexington Trust's financial condition and results of operations, including per share data, after giving effect to the consummation of the MLP merger. The table sets forth the information as if the MLP merger had become effective on September 30, 2008, with respect to the balance sheet information, and as of January 1, 2007, with respect to the income statement information. The pro forma financial data presented were prepared in accordance with Article 11 of SEC Regulation S-X. The MLP merger will be accounted for as a redemption of the minority interest's MLP Units in the MLP merger using the carrying value of the MLP Units.

The information is based on, and should be read together with, the historical financial statements, including the notes thereto, of each of Lexington Trust and the Partnership included in Annexes B and C, respectively, and the more detailed unaudited pro forma financial information, including the notes thereto, appearing elsewhere in this proxy statement/prospectus. See *Where You Can Find More Information* and *Unaudited Pro Forma Combined Condensed Consolidated Financial Statements*.

We anticipate the MLP merger to provide the combined company with financial benefits that include cost savings opportunities. The unaudited pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect benefits of expected cost savings opportunities and, accordingly, 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 our companies been combined during these periods.

	Pro Forma Combined (Unaudited, dollars in thousands)	
	Year ended December 31, 2007	Nine months ended September 30, 2008
Total gross revenues	\$ 431,747	\$ 340,632
Interest and amortization expense	(163,628)	(120,519)
Loss from continuing operations	(13,376)	(67)
Loss from continuing operations per common share basic	(0.40)	(0.15)
Loss from continuing operations per common share diluted	(0.40)	(0.15)
Real estate assets, net		3,396,790
Investments in non-consolidated entities		205,021
Total assets		4,294,332
Mortgages and notes payable		2,052,955
Shareholders' equity		1,453,094

Table of Contents**COMPARATIVE PER SHARE/UNIT DATA**

The following table presents, for the periods indicated, selected historical per share/unit data for Common Shares and MLP Units. You should read this information in conjunction with, and the information is qualified in its entirety by, the consolidated financial statements and accompanying notes of Lexington Trust and the Partnership contained in periodic reports filed by Lexington Trust and the Partnership. Please see *Where You Can Find More Information*, below.

	Nine Months Ended September 30, 2008	Year Ended December 31, 2007
<i>Lexington Trust Historical</i>		
Income (loss) from continuing operations per common share basic	\$ 0.01	\$ (0.58)
Loss from continuing operations per common share diluted	\$ (0.14)	\$ (0.58)
Book value per share at period end	\$ 14.07	\$ 15.38
<i>The Partnership Historical</i>		
Income per basic unit from continuing operations	\$ 0.04	\$ 1.53
Income per diluted unit from continuing operations	\$ 0.04	\$ 1.53
Book value per unit at period end	\$ 7.81	\$ 8.25
<i>Unaudited Pro Forma Combined</i>		
Loss from continuing operations per common share basic	\$ (0.15)	\$ (0.40)
Loss from continuing operations per common share diluted	\$ (0.15)	\$ (0.40)
Book value per share at period end	\$ 14.57	N/A

MARKET PRICES AND DIVIDEND INFORMATION

Common Shares are traded on the New York Stock Exchange under the symbol *LXP*. MLP Units are not traded on any exchange. The following table shows, for the periods indicated: (i) the high and low sales prices per Common Share as reported on the New York Stock Exchange and (ii) the cash dividends paid per Common Share and the distributions paid per MLP Unit. There is no trading market for the MLP Units.

	Common Shares			MLP Units		
	High	Low	Dividends	High	Low	Distributions
2007						
First Quarter	\$22.42	\$20.02	\$0.5975			\$0.5625(1)
Second Quarter	\$21.65	\$20.38	\$ 0.375			\$ 0.375
Third Quarter	\$21.54	\$18.78	\$ 0.375			\$ 0.375
Fourth Quarter	\$20.90	\$14.52	\$ 0.375			\$ 0.375
2008						
First Quarter	\$16.11	\$12.40	\$ 2.475			\$ 2.475
Second Quarter	\$15.77	\$13.55	\$ 0.33			\$ 0.33
Third Quarter	\$17.24	\$11.82	\$ 0.33			\$ 0.33
Fourth Quarter	\$16.85	\$ 2.99	\$ 0.33			\$ 0.33
(through December 8, 2008)						

(1) Represents final distribution by the Partnership

(then known as
The Newkirk
Master Limited
Partnership)
prior to
Lexington
Trust's merger
with Newkirk
Realty Trust,
Inc.

DIVIDEND POLICY

The LXP board determines the time and amount of dividends to holders of Common Shares. Generally, distributions to holders of MLP Units are made at the same time and in the same amount as distributions to holders of Common Shares. Future Lexington Trust dividends will be authorized at the discretion of the LXP board and will depend on Lexington Trust's actual cash flow, its financial condition, its capital requirements, the annual distribution requirements under the REIT provisions of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, and such other factors as the LXP board may deem relevant.

6

Table of Contents

If the MLP merger closes, as expected, on December 31, 2008, no distributions will be made on your existing MLP Units. However, you will be entitled to receive dividends made on the Common Shares you receive in exchange for your MLP Units beginning with the dividend expected to be paid on January 15, 2009 with a record date of December 31, 2008. If the MLP merger does not close prior to December 31, 2008, the Partnership expects to make a distribution on January 14, 2009 to holders of MLP Units as of December 31, 2008. The timing and amount of any dividend and/or distribution is subject to the approval of the LXP board and the General Partner, as applicable.

Table of Contents

RISK FACTORS

The MLP merger involves certain risks and other adverse factors. You are urged to read this proxy statement/prospectus carefully in its entirety, including all annexes and supplements hereto and including the matters addressed in Warning About Forward-Looking Statements, and should carefully consider the following risk factors in evaluating the MLP merger.

The risks below relate primarily to the MLP merger and the combined company resulting from the MLP merger. This section does not review risks relating to the existing businesses of Lexington Trust, which risks will also affect the combined entity, and which are set forth in Lexington Trust's Current Report on Form 8-K filed with the SEC on June 25, 2008 and Quarterly Report on Form 10-Q filed with the SEC on November 10, 2008, both of which are included as part of Annex B to this proxy statement/prospectus.

After the MLP merger is completed, holders of MLP Units will become shareholders of Lexington Trust and will have different rights that may be less advantageous than their current rights.

After the closing of the MLP merger, holders of MLP Units will become holders of Common Shares. Lexington Trust is a Maryland real estate investment trust and the Partnership is a Delaware limited partnership. Differences in Lexington Trust's Amended and Restated Declaration of Trust, which we refer to as the LXP declaration, and Lexington Trust's By-laws, which we refer to as the LXP bylaws, and the Partnership's Partnership Agreement and Certificate of Limited Partnership will result in changes to the rights of holders of MLP Units when they become holders of Common Shares. A holder of MLP Units may conclude that its current rights under the Partnership's Partnership Agreement and Certificate of Limited Partnership are more advantageous than the rights they may have under the LXP declaration and the LXP bylaws. See Comparison of Ownership of MLP Units and Common Shares, below.

You generally will recognize taxable gain or loss for U.S. federal income tax purposes as a result of the MLP merger.

In general, under applicable U.S. federal income tax laws and regulations, you will recognize a gain or loss for federal income tax purposes upon exchange of your MLP Units for Common Shares. **We urge you to consult your own tax advisor for a full understanding of the tax consequences of the MLP merger to you.**

Lexington Trust has interests in the merger that may be different from, or in addition to, the interests of other holders of MLP Units generally.

Lexington Trust may have interests in the MLP merger that may be different from, or in addition to, the interests of other holders of MLP Units generally. The General Partner and the LXP board were aware of these interests and considered them, among other matters, in approving the MLP merger. These interests are discussed under Interests of Lexington Trust, below.

Lex LP-1 Trust, a wholly-owned subsidiary of Lexington Trust and the holder of approximately 91.1% of the outstanding MLP Units (including a majority of the Class A Units and the Special Voting Units) intends to vote its MLP Units in favor of the proposals.

Table of Contents

BACKGROUND OF THE ACTIONS

Background of Lexington Trust's Acquisition of MLP Units

The Partnership was formed in October 2001 and commenced operations on January 1, 2002 following the completion of a transaction that we refer to as the exchange, involving the merger into the Partnership's wholly-owned subsidiaries of 90 limited partnerships, each of which owned commercial properties, and the acquisition by the Partnership of various assets, including those related to the management or capital structure of those partnerships. In connection with the exchange, limited partners of the merged partnerships and equity owners of the entities that contributed other assets in the exchange received MLP Units in consideration of the merger and contributions. From January 1, 2002 to November 7, 2005, the General Partner was MLP GP LLC, an entity effectively controlled by affiliates of Apollo Real Estate Fund III, L.P., Winthrop Realty Partners L.P. (formerly known as Winthrop Financial Associates), executive officers, and affiliates of Vornado Realty Trust.

In connection with the exchange and because there were existing tax protection agreements with respect to certain of the 90 limited partnerships, MLP GP LLC agreed not to sell any of the Partnership's properties prior to January 15, 2004 (the latest expiration date of the existing tax protection agreements) or, if earlier, the expiration of the initial lease term, unless (1) the property was sold pursuant to an exercise of a purchase option, an economic discontinuance right by a tenant under an existing lease or a lease termination, or (2) MLP GP LLC determined that a sale is necessary in order to avoid the loss of the Partnership's investment in a property. No tax protection agreements were entered into between the Partnership or the General Partner, on the one hand, and any limited partner on the other hand, that expired after January 15, 2004.

Effective November 7, 2005, (1) Newkirk Realty Trust, Inc., or Newkirk, became the General Partner and, in connection with its initial public offering, or the Newkirk IPO, acquired MLP Units in exchange for a contribution to the Partnership of cash and certain exclusivity rights with respect to net-lease business opportunities and (2) NKT Advisors LLC was retained as the Partnership's external advisor pursuant to an Advisory Agreement among Newkirk, the Partnership and NKT Advisors LLC. Upon completion of the Newkirk IPO and related transactions, Newkirk held 30.1% of the then total outstanding MLP Units.

Effective December 31, 2006, Newkirk was merged into Lexington Corporate Properties Trust. In connection with this merger, (1) the Advisory Agreement was terminated, (2) Lexington Corporate Properties Trust changed its name to Lexington Realty Trust, or Lexington Trust, (3) Lex GP-1 Trust became the Partnership's sole general partner and Lex LP-1 Trust acquired 31.0% of the then outstanding MLP Units, and (4) the Partnership effected a reverse MLP Unit split in which each MLP Unit then outstanding was converted into 0.8 MLP Units.

In June 2007, the Partnership entered into purchase agreements with Lexington Trust and the Common Retirement Fund of the State of New York, which we refer to as NYCRF, Lexington Trust's 66.67% partner in one of its co-investment programs, whereby, after certain assets were distributed to Lexington Trust and NYCRF, the Partnership acquired 100% of the interests in the co-investment program. Accordingly, the Partnership became the owner of ten primarily single tenant net leased real estate properties. The Partnership acquired the properties through (1) a cash payment of approximately \$117.8 million, (2) an issuance of approximately 3.1 million MLP Units to Lexington Trust, and (3) the assumption of approximately \$169.2 million in non-recourse mortgage debt.

Also in June 2007, the Partnership entered into a transaction with Lexington Trust and affiliates of Clarion Lion Properties Fund, Lexington Trust's 70% partner in another one of its co-investment programs, whereby the Partnership acquired a 100% interest in six primarily single tenant net leased real estate properties held by the co-investment program. The acquisition was effected through (1) a cash payment of \$6.6 million, (2) an issuance of 4.1 million MLP Units to Lexington Trust, and (3) the assumption of approximately \$94.2 million of non-recourse mortgage debt.

Table of Contents

On December 20, 2007, in connection with the formation of Net Lease Strategic Assets Fund L.P., one of the Partnership's co-investment programs which we refer to as NLS, Lexington Trust contributed eight properties to the Partnership in exchange for approximately 5.1 million MLP Units and the assumption of approximately \$77.3 million in non-recourse mortgage debt. Following this transaction, the eight properties were immediately contributed to NLS.

On December 31, 2007, Lexington Trust also contributed two properties to the Partnership in exchange for approximately 4.6 million MLP Units and the assumption of \$136.3 million in non-recourse mortgage debt.

On March 25, 2008, Lexington Trust contributed four properties to the Partnership in exchange for approximately 3.6 million MLP Units and the assumption of \$51.0 million in non-recourse mortgage debt. These properties were immediately contributed to NLS.

During October 2008, the Partnership's then three largest MLP Unitholders (other than Lexington Trust) redeemed a total of approximately 27.6 million MLP Units for Common Shares pursuant to the redemption right under the Partnership Agreement.

As a result of these contributions and redemptions and the redemptions of MLP Units by other limited partners, Lexington Trust, through Lex LP-1 Trust, holds 65,633,979 MLP Units, representing 91.1% of the MLP Units outstanding as of the date of this proxy statement/prospectus.

Background of the MLP Merger

At a meeting of the LXP board on May 20, 2008, the LXP board and Lexington Trust's management discussed the costs associated with maintaining the Partnership, including the costs related to the Partnership's status as a public reporting entity. The LXP board requested that Lexington Trust's management explore ways to reduce the costs associated with maintaining the MLP.

After reviewing alternatives, on October 14, 2008, Paul, Hastings, Janofsky & Walker LLP, as counsel for the Partnership and Lexington Trust, made an application on behalf of the Partnership and Lexington Trust with the SEC for (1) an exemption for the Partnership from certain reporting requirements or, in the alternative, (2) confirmation from the staff of the Division of Corporation Finance of the SEC that it will not recommend to the SEC any enforcement action if the Partnership does not comply with certain reporting requirements.

After discussions with the staff of the Division of Corporation Finance of the SEC regarding the likelihood of receiving such exemption or confirmation, the Partnership and Lexington Trust withdrew the application.

Following the redemptions during October 2008, Lexington Trust, through Lex LP-1 Trust, obtained approximately 91.1% of the MLP Units outstanding.

At a meeting of the LXP board on November 11, 2008, management of Lexington Trust proposed the MLP merger to the LXP board and reported to the LXP board on the estimated cost savings. The LXP board authorized Lexington Trust's management to explore the feasibility of the MLP merger.

Over the next two weeks, Lexington Trust's management explored the feasibility of the MLP merger and prepared the merger agreement and this proxy statement/prospectus. On November 24, 2008, the LXP Board and the General Partner approved the merger agreement, the MLP merger and the related transactions.

Table of Contents**PROPOSAL NO. 1 MLP MERGER****Parties to the MLP Merger**

Lexington Realty Trust. Lexington Trust is a self-managed and self-administered real estate investment trust, or a REIT, formed under the laws of the State of Maryland. Lexington Trust's primary business is the acquisition, ownership and management of a geographically diverse portfolio of net leased office and industrial properties. As of September 30, 2008, Lexington Trust owned or had interests in approximately 240 consolidated properties in 42 states and the Netherlands.

In addition to its Common Shares, Lexington Trust has four outstanding series of shares of beneficial interest classified as preferred stock, which we refer to as its preferred shares: its 8.05% Series B Cumulative Redeemable Preferred Stock, or Series B Preferred Shares, its 6.50% Series C Cumulative Convertible Preferred Stock, or Series C Preferred Shares, its 7.55% Series D Cumulative Redeemable Preferred Stock, or Series D Preferred Shares, and its special voting preferred stock. Lexington Trust's common shares, Series B Preferred Shares, Series C Preferred Shares and Series D Preferred Shares are traded on the New York Stock Exchange, which we refer to as the NYSE, under the symbols LXP, LXP_pb, LXP_pc, and LXP_pd, respectively. See Annex B for more information concerning Lexington Trust and its business and assets.

For information with respect to Lexington Trust please see the pages of this proxy statement/prospectus or annex to this proxy statement/prospectus set forth opposite the applicable item in the table below for the relevant period.

Item	As of December 31, 2007	As of September 30, 2008
Description of Business	B-1 B-89	B-131 (The Company); B-136 - B-137 (Investments in Real Estate and Intangibles); B-137 - B-140 (Investments in Non-Consolidated Entities); B-146 (Subsequent Events); and B-147 - B-152 (Management's Discussion and Analysis of Financial Condition and Results of Operations)
Description of Property	B-21 B-33	B-198 B-208
Legal Proceedings	B-34	B-154
Market Price of and Dividends on Common Shares	6	6
Securities Authorized for Issuance Under Equity Compensation Plans	B-38	B-38
Financial Statements and Supplementary Financial Data	B-60 B-111	B-127 B-146
Selected Financial Data	3 4	3 4
Management's Discussion and Analysis of Financial Condition and Results of Operations	B-40 B-58	B-147 B-152
Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	N/A	N/A
Quantitative and Qualitative Disclosures about Market Risk	B-58	B-153
Executive Officers who are not Trustees	B-35	B-35
Trustees	B-254 - B-255	B-254 - B-255
Executive Compensation	B-263 - B-286	B-263 - B-286

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Related Party Transactions

B-261

B-143

Corporate Governance

B-256 - B-261

B-256 - B-261

11

Table of Contents

The Lexington Master Limited Partnership. The Partnership was organized in October 2001 as a Delaware limited partnership to facilitate the January 2002 exchange transaction in which 90 limited partnerships were merged into the Partnership and the Partnership acquired various other assets related to its management and capital structure.

Lex GP-1 Trust, a wholly-owned subsidiary of Lexington Trust, is the General Partner, and Lex LP-1 Trust, a wholly-owned subsidiary of Lexington Trust, owns 65,633,979 MLP Units, representing approximately 91.1% of the outstanding MLP Units as of the date of this proxy statement/prospectus.

The Partnership owns commercial properties, most of which are leased to investment grade corporate tenants, as well as other real estate assets. As of September 30, 2008, the Partnership owned interests in approximately 130 consolidated properties located in 33 states. See Annex C for more information concerning the Partnership and its business and assets.

For information with respect to the Partnership please see the pages of this proxy statement/prospectus or annex to this proxy statement/prospectus set forth opposite the applicable item in the table below for the relevant period.

Item	As of December 31, 2007		As of September 30, 2008	
Description of Business	C-3	C-9	C-103 (Organization and Business); C-106 - C-107 (Real Estate Investments and Lease Intangibles); C-108 - C-111 (Investments in Non-Consolidated Entities); C-116 (Subsequent Events); and C-117 - C-124 (Management's Discussion and Analysis of Financial Condition and Results of Operations)	
Description of Property	C-20	C-24	C-179	C-181
Legal Proceedings	C-24		C-127	
Market Price of and Distributions on MLP Units	6		6	
Financial Statements and Supplementary Financial Data	C-49	C-84	C-99	C-116
Selected Financial Data	4		4	
Management's Discussion and Analysis of Financial Condition and Results of Operations	C-26	C-43	C-117	C-124
Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	C-44		N/A	
Quantitative and Qualitative Disclosures about Market Risk	C-43	C-44	C-124	C-125

MLP Merger Approval Requirement

The merger agreement requires that the Partnership obtain the approval of the holders of at least a majority of each class of MLP Units.

As of the Record Date, Lex LP-1 Trust holds 15,500,000 Class A Units, or 99.8% of the Class A Units outstanding, and 50,133,979 Special Voting Units, or 88.8% of the Special Voting Units outstanding. Lex LP-1 Trust currently intends to vote its 65,633,979 MLP Units in favor of the proposals. Accordingly, unless the General Partner withdraws its recommendation of, or votes against, the MLP merger, approval of the proposals is assured.

Record Date

The General Partner has set the close of business on November 24, 2008 as the Record Date for limited partners who are entitled to notice of the action to be taken at the special meeting.

MLP Merger Consideration

In the MLP merger, you will be entitled to receive, for (1) each whole MLP Unit, one Common Share and (2) any fractional MLP Unit, cash in an amount equal to the product of (i) such fractional part of an MLP Unit multiplied by (ii) the average closing price of Common Shares quoted on the New York Stock Exchange for the 20 trading day period immediately preceding the third trading day immediately prior to the closing date of the MLP merger. As promptly as practicable after the determination of the amount of cash, if any, to be paid to holders of fractional interests, Lexington Trust will forward payments to such holders of fractional interests.

11.1

Table of Contents

Distributions

If the MLP merger closes, as expected, on December 31, 2008, no distributions will be made on your existing MLP Units. However, you will be entitled to receive dividends made on the Common Shares you receive in exchange for your MLP Units beginning with the dividend expected to be paid on January 15, 2009 with a record date of December 31, 2008. If the MLP merger does not close prior to December 31, 2008, the Partnership expects to make a distribution on January 14, 2009 to holders of MLP Units as of December 31, 2008. The timing and amount of any dividend and/or distribution is subject to the approval of LXP's board and the General Partner, as applicable.

Conditions to the MLP Merger

The consummation of the MLP merger is subject to the approval of the limited partners as described in this proxy statement/prospectus. This condition is in favor of, and may be waived by, Lexington Trust.

Reasons for and Consequences of the MLP Merger

In deciding to approve the MLP merger and the merger agreement, the General Partner and Lexington Trust considered a number of factors, both potentially positive and potentially negative, with respect to the MLP merger:

Administrative Cost Savings The MLP merger is expected to result in administrative and operational economies of scale and cost savings for the benefit of both holders of MLP Units and holders of Common Shares. The Partnership is required to file periodic reports with the SEC because of the number of holders of MLP Units and the value of the Partnership's assets. As a result, the Partnership has separate financial and tax accounting, reporting and disclosure requirements, which are estimated to cost in excess of \$1.0 million annually. These requirements are different from and in addition to those required for Lexington Trust and its other subsidiaries, including its three other operating partnerships.

Tax Consequences The MLP merger will be a taxable transaction for the holders of MLP Units. No tax protection agreements were entered into between the Partnership or the General Partner, on the one hand, and any limited partner on the other hand, that expired after January 15, 2004. Section 7.6.B of the Partnership Agreement provides that the General Partner is under no obligation to give priority to the separate interests of the limited partners (including, without limitation, the tax consequences to limited partners) in deciding whether to cause the Partnership to take (or decline to take) any actions. The General Partner believes that the tax consequences to the limited partners will be mitigated by Common Shares trading at historic lows. In addition, U.S. federal tax rates on capital gains are currently scheduled to increase for taxable years beginning after December 31, 2010. It is possible that Congress could increase such rates sooner.

Liquidity for Limited Partners Except for certain transfers to family members and charitable organizations, holders of MLP Units may not transfer their MLP Units without the General Partner's consent. However, holders of MLP Units have the right to tender their MLP Units for redemption by the MLP at certain times, as specified in the Partnership Agreement. Lexington Trust's Common Shares issued in exchange for MLP Units upon a redemption or pursuant to the MLP merger will be freely transferable as registered securities under the Securities Act. Lexington Trust's Common Shares are listed on the NYSE under the symbol LXP. Therefore, when a holder of MLP Units receives Common Shares upon a redemption or in the MLP merger he or she will have the same liquidity.

Avoidance of Conflicts of Interest Lexington Trust and its other operating partnerships conduct businesses similar to that of the Partnership. The conduct of these businesses and the allocation of business opportunities and investments between the Partnership and Lexington Trust's other subsidiaries, may give rise to conflicts of interests. In addition, there are complexities in allocating resources and costs for overhead, personnel and other matters between the Partnership and Lexington Trust and its other subsidiaries. These conflict situations will be eliminated through the MLP merger.

Table of Contents

Greater Capital Resources While the General Partner believes that cash flows from operations will continue to provide adequate capital to fund the Partnership's operating and administrative expenses, regular debt service obligations and all distribution payments in accordance with Lexington Trust's REIT requirements in both the short-term and long-term, Lexington Trust, as a publicly traded company, has access to greater capital resources.

Future Investment Opportunities Lexington Trust's greater capital resources will also enable it to take advantage of investment opportunities, which will further diversify the investment risk.

Elimination of dependency on Lexington Trust and its personnel The Partnership is not self-administered or self-managed and is dependent upon Lexington Trust and its personnel whose continued service is not guaranteed. The Partnership's inability to continue to retain the services of Lexington Trust and its personnel or the Partnership's loss of any of their services could adversely impact the Partnership's operations. The MLP merger would ensure the continued service of Lexington Trust and its personnel because Lexington Trust is a self-administered and self-managed real estate investment trust.

In view of the wide variety of factors considered by the Partnership and Lexington Trust, neither the Partnership nor Lexington Trust found it practicable to quantify or otherwise attempt to assign relative weights to the specific factors considered.

Alternatives Considered

Lexington Trust considered several alternatives to the MLP merger, including the contribution of its other operating partnerships to the Partnership and relief from certain reporting requirements. However, none of the alternatives considered would have resulted in the cost savings described above or been as efficient as the MLP merger.

Appraisal Rights

The Partnership was formed under Delaware law. Under Delaware law, a partnership agreement or an agreement of merger or consolidation may provide that contractual appraisal rights with respect to a partnership interest or another interest in a limited partnership will be available for any class or group or series of partners or partnership interests in connection with any merger or consolidation in which the limited partnership is a constituent party to the merger or consolidation. Neither the Partnership Agreement nor the merger agreement provides for contractual appraisal rights.

Table of Contents

Terms of the Merger Agreement

Structure of the Merger. The merger agreement provides for the merger of the Partnership with and into Lexington Trust, with Lexington Trust as the surviving company.

Merger Consideration. At the effective time of the MLP merger, each issued and outstanding MLP Unit (other than units held by Lex LP-1 Trust) shall be exchanged for one Common Share and each fractional MLP Unit will be exchanged for cash as described below.

Closing and Effective Time of the Merger. The closing of the MLP merger is expected to occur on or about December 31, 2008 and the effective time of the MLP merger will be 11:59 p.m. on December 31, 2008.

Exchange of Securities; No Fractional Shares; Withholding Rights.

Exchange of Securities. Lexington Trust will deposit with BNY Mellon Shareowner Services, cash and certificates evidencing Common Shares to be paid or issued to the holders of MLP Units under and as contemplated by the merger agreement. Promptly after the MLP merger, each record holder of MLP Units will receive a certificate or certificates evidencing the number of full Common Shares for which the aggregate number of MLP Units owned by such holder have been exchanged pursuant to the merger agreement, plus any cash that such holder is entitled to in lieu of fractional MLP Units.

No Fractional Shares. Each holder of a fractional MLP Unit exchanged in the merger will receive cash in an amount equal to the product of (i) such fractional part of an MLP Unit multiplied by (ii) the average closing price of Common Shares quoted on the NYSE for the 20 trading day period immediately preceding the third trading day immediately prior to the closing date of the MLP merger. As promptly as practicable after the determination of the amount of cash, if any, to be paid to holders of fractional interests, the exchange agent will so notify Lexington Trust, and Lexington Trust will cause the exchange agent to forward payments to such holders of fractional interests.

Withholding Rights. Lexington Trust will be entitled to deduct and withhold from the consideration otherwise payable pursuant to the merger agreement to any holder of MLP Units such amounts as they are required to deduct and withhold with respect to the making of such payment under the Code and the rules and regulations promulgated thereunder, or any provision of state, local or foreign tax law.

Representations and Warranties. The merger agreement contains limited customary representations and warranties made by Lexington Trust to the Partnership and the Partnership to Lexington Trust. These representations and warranties relate to, among other things:

existence, good standing, authority and compliance with law;

authority to enter into the MLP merger agreement and related agreements and to consummate the MLP merger;

no conflicts, required filings or consents;

neither the merger agreement nor the consummation of the MLP merger will breach organizational documents or material agreements;

neither the merger agreement nor the consummation of the MLP merger requires any governmental consents;

no material undisclosed liabilities;

compliance with requirements of governmental authorities; and

tax matters, including qualification as a REIT and tax protection agreements.

Certain of these representations and warranties are qualified as to materiality or material adverse effect. For purposes of the merger agreement, material adverse effect means any event, circumstance, change or effect that is materially adverse to the financial condition or results of operations of Lexington Trust and its subsidiaries, taken as a whole, or the Partnership and its subsidiaries, taken as a whole, as applicable.

Table of Contents

The representations and warranties in the merger agreement do not survive the effective time of the merger and if the agreement is validly terminated, neither party will have any liability or obligation for its representations and warranties, or otherwise under the merger agreement, unless the party has willfully breached any representation, warranty or covenant contained therein.

Conditions to the Merger. The completion of the MLP merger is only subject to the approval of the holders of at least a majority of each class of MLP Units. Lex LP-1 Trust, holder of approximately 91.1% of the MLP Units has indicated its intention to approve the MLP merger.

Termination of the Merger Agreement. The merger agreement may be terminated at any time prior to the effective time of the merger in writing by the mutual written consent of the Partnership and Lexington Trust.

Effect of Termination. If the merger agreement is terminated, the merger agreement will be void and have no effect, and there will be no liability or obligation of the Partnership or Lexington Trust, or their respective officers, directors, trustees, subsidiaries or partners, as applicable, except for willful breaches of the merger agreement.

Termination Fee and Expenses.

Expenses. The merger agreement provides that each party will pay its own costs and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement, whether or not the transactions contemplated by the merger agreement are consummated.

Termination Fee. There is no termination fee payable by any party if the merger agreement is terminated.

The foregoing summary of the merger agreement is qualified in its entirety by the merger agreement, a copy of which is attached as Annex A to this proxy statement/prospectus and incorporated into this proxy statement/prospectus.

Material Tax Consequences of the MLP Merger

The MLP merger will have tax consequences for holders of MLP Units. The receipt of Common Shares in exchange for existing MLP Units and cash in exchange for fractional MLP Units generally will be taxable for federal income tax purposes. See United States Federal Income Tax Considerations, below. **Your tax consequences will depend on your personal situation. You are urged to consult your own tax advisor for a full understanding of the tax consequences of the MLP merger to you.**

Regulatory Approvals

No material federal or state regulatory approvals are required to be obtained by Lexington Trust or the Partnership in connection with the MLP merger.

Conduct of Lexington Trust and the Partnership's Businesses in the Event the MLP Merger is not Consummated

In the event that the MLP merger is not consummated for any reason, the General Partner will continue to operate the Partnership's business in accordance with Lexington Trust's strategic business plan.

Accounting Treatment

The MLP merger will be accounted for as a redemption of the minority interest's MLP Units in the MLP merger using the carrying value of the MLP Units.

Table of Contents

Restrictions on Resale of Lexington Common Shares Issued in the Merger

Common Shares issued in the MLP merger will be freely transferable under the Securities Act of 1933, as amended, referred to herein as the Securities Act, except for shares issued to any person who may be deemed to be an affiliate of the Partnership within the meaning of Rule 145 under the Securities Act or who will become an affiliate of Lexington Trust within the meaning of Rule 144 under the Securities Act after the MLP merger. Common Shares received by persons who are deemed to be Partnership affiliates or who will become Lexington Trust affiliates may be resold by these persons only in transactions permitted by the limited resale provisions of Rule 145 or as otherwise permitted under the Securities Act. Persons who may be deemed to be affiliates of the Partnership generally include individuals or entities that, directly or indirectly through one or more intermediaries, control, are controlled by or are under common control with the Partnership and may include certain partnerships in which the Partnership controls the general partner.

Trustees and Executive Officers of the Combined Company

The composition of Lexington Trust's board will remain the same after the effective time of the MLP merger, until Lexington Trust's next annual meeting of shareholders or a trustee's earlier resignation or removal.

Lexington Trust's current executive officers are expected to continue to hold office after the effective time of the MLP merger in their current capacities, until their successors are duly elected and qualified or until their earlier resignations or removals.

Who Can Answer Other Questions

If you have any questions about the MLP merger or would like additional copies of this proxy statement/prospectus, you should contact:

The Lexington Master Limited Partnership
One Penn Plaza, Suite 4015
New York, NY 10119-4015
212-692-7200
Attention: Investor Relations

THE GENERAL PARTNER RECOMMENDS A VOTE FOR THE APPROVAL OF THE MERGER AGREEMENT, THE MLP MERGER AND THE RELATED TRANSACTIONS

It is important that proxies be returned promptly. Limited partners are, therefore, urged to fill in, date, sign and return the enclosed proxy card immediately. No postage need be affixed if mailed in the enclosed envelope in the United States.

INTERESTS OF LEXINGTON TRUST

Lexington Trust may have interests in the MLP merger that may be different from, or in addition to, the interests of other limited partners generally. The General Partner and the LXP board were aware of these interests and considered them, among other matters, in approving the MLP merger. These interests include:

Stepped up basis. Upon consummation of the MLP merger, Lexington Trust will receive a stepped-up tax basis on its additional investment in the Partnership's assets to the extent of the MLP Units it acquires in the MLP merger.

Intercompany advances. The Partnership advanced \$39.4 million, net, to Lexington Trust as of September 30, 2008. The advances are payable on demand and bear interest at the rate charged by KeyBank N.A. under the Partnership's \$225.0 million original principal amount secured term loan

Table of Contents

originated in June 2007. This inter-company advance will be extinguished upon the consummation of the MLP merger, but Lexington Trust will assume all of the Partnership's indebtedness, including the KeyBank N.A. secured term loan.

Reimbursement to Lexington Trust. Lexington Trust pays for certain general, administrative and other costs on the Partnership's behalf from time to time. These costs are reimbursable by the Partnership. These costs were approximately \$8.7 million for the nine months ended September 30, 2008. The Partnership owed \$3.1 million of these costs to Lexington Trust as of September 30, 2008. The reimbursement obligation will be extinguished upon consummation of the MLP merger.

Management fees. Lexington Realty Advisors, Inc., a taxable REIT subsidiary of Lexington Trust, earned management fees of approximately \$0.2 million during the nine months ended September 30, 2008 for managing four consolidated properties. Lexington Realty Advisors, Inc. also earned a fee of \$0.6 million during the nine months ended September 30, 2008 under the management agreement with NLS.

DESCRIPTION OF LEXINGTON TRUST'S COMMON SHARES

The following summary of the material terms and provisions of Lexington Trust's Common Shares does not purport to be complete and is subject to the detailed provisions of the LXP declaration and the LXP bylaws, each as supplemented, amended or restated, copies of which are attached to this proxy statement/prospectus as part of Annex B. You should carefully read each of these documents in order to fully understand the terms and provisions of Lexington Trust's Common shares. For information on incorporation by reference, and how to obtain copies of these documents, see the section entitled "Where You Can Find More Information," below.

General

Under the LXP declaration, Lexington Trust has the authority to issue up to 1,000,000,000 shares of beneficial interest, par value \$0.0001 per share, of which 400,000,000 shares are classified as Common Shares, 500,000,000 are classified as excess stock, or excess shares, and 100,000,000 shares are classified as preferred shares.

Terms

Subject to the preferential rights of any other shares or series of equity securities and to the provisions of the LXP declaration regarding excess shares, holders of Common Shares are entitled to receive dividends on Common Shares if, as and when authorized by the LXP board and declared by Lexington Trust out of assets legally available therefor and to share ratably in those of Lexington Trust's assets legally available for distribution to its shareholders in the event that it liquidates, dissolves or winds up, after payment of, or adequate provision for, all of its known debts and liabilities and the amount to which holders of any class of shares classified or reclassified or having a preference on distributions in liquidation, dissolution or winding up have a right.

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

Holders of Common Shares have no conversion, sinking fund, redemption rights or preemptive rights to subscribe for any of Lexington Trust's securities.

Lexington Trust furnishes its shareholders with annual reports containing audited consolidated financial statements and an opinion thereon expressed by an independent public accounting firm.

Table of Contents

Subject to the provisions of the LXP declaration regarding excess shares, all Common Shares will have equal dividend, distribution, liquidation and other rights and will generally have no preference, appraisal or exchange rights.

Pursuant to Maryland statutory law governing real estate investment trusts organized under Maryland law, a real estate investment trust generally cannot amend its declaration of trust or merge unless approved by the affirmative vote of shareholders holding at least two-thirds of the shares entitled to vote on the matter unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the LXP declaration. The LXP declaration provides that those actions, with the exception of certain amendments to the LXP declaration for which a higher vote requirement has been set, will be valid and effective if authorized by holders of a majority of the total number of shares of all classes outstanding and entitled to vote thereon.

Restrictions on Ownership

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

Transfer Agent

The transfer agent and registrar for the Partnership's common shares is BNY Mellon Shareowner Services.

CERTAIN PROVISIONS OF MARYLAND LAW AND OF THE LXP DECLARATION AND BYLAWS**Restrictions Relating To REIT Status**

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

Equity shares owned, or deemed to be owned, or transferred to a shareholder in excess of the Ownership Limit, or that would result in Lexington Trust being closely held (within the meaning of Section 856(h) of the Code), will automatically be exchanged for an equal number of shares of beneficial interest classified as excess stock, which we refer to as excess shares, that will be transferred, by operation of law, to the Partnership as trustee of a trust for the exclusive benefit of the transferees to whom such capital shares may be ultimately transferred without violating the Ownership Limit. The excess shares are not entitled to be voted, be considered for purposes of any shareholder vote or the determination of a quorum for such vote and, except upon liquidation, entitled to participate in dividends or other distributions. Any dividend or distribution paid to a proposed transferee of excess shares prior to Lexington Trust's discovery that equity shares have been transferred in violation of the provisions of the LXP declaration will be repaid to Lexington Trust upon demand. The excess shares are not treasury shares, but

Table of Contents

rather constitute a separate class of Lexington Trust's issued and outstanding shares. The original transferee-shareholder may, at any time the excess shares are held by Lexington Trust in trust, transfer the interest in the trust representing the excess shares to any individual whose ownership of the equity shares exchanged into such excess shares would be permitted under the LXP declaration, at a price not in excess of the price paid by the original transferee-shareholder for the equity shares that were exchanged into excess shares, or, if the transferee-shareholder did not give value for such shares, a price not in excess of the market price (as determined in the manner set forth in the LXP declaration) on the date of the purported transfer. Immediately upon the transfer to the permitted transferee, the excess shares will automatically be exchanged for equity shares of the class from which they were converted. If the foregoing transfer restrictions are determined to be void or invalid by virtue of any legal decision, statute, rule or regulation, then the intended transferee of any excess shares may be deemed, at Lexington Trust's option, to have acted as an agent on Lexington Trust's behalf in acquiring the excess shares and to hold the excess shares on Lexington Trust's behalf.

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

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

This Ownership Limit may have the effect of precluding an acquisition of control unless the LXP board determines that maintenance of REIT status is no longer in Lexington Trust's best interest.

Maryland Law

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

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

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

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

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

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

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

Table of Contents

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

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

In connection with its approval of the December 31, 2006 merger with Newkirk, the LXP board has exempted from these restrictions, to a limited extent, certain holders of Newkirk stock and MLP Units who received Common Shares in that merger.

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

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

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

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

a majority or more of all voting power.

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

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

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

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

The LXP bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of Lexington Trust's shares. There can be no assurance that this provision will not be amended or eliminated at any time in the future.

Table of Contents

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

officers or employees of the Maryland REIT;

persons seeking to acquire control of the Maryland REIT;

trustees, officers, affiliates or associates of any person seeking to acquire control; or

nominated or designated as trustees by a person seeking to acquire control.

Articles supplementary must be filed with the Maryland State Department of Assessments and Taxation if a Maryland REIT elects to be subject to any or all of the provisions by board resolution or bylaw amendment.

Shareholder approval is not required for the filing of these articles supplementary.

The Maryland law provides that a Maryland REIT can elect to be subject to all or any portion of the following provisions, notwithstanding any contrary provisions contained in that Maryland REIT's existing charter documents:

Classified Board: The Maryland REIT may divide its board into three classes which, to the extent possible, will have the same number of trustees, the terms of which will expire at the third annual meeting of shareholders after the election of each class;

Two-thirds Shareholder Vote to Remove Trustees: The shareholders may remove any trustee only by the affirmative vote of at least two-thirds of all votes entitled to be cast by the shareholders generally in the election of trustees;

Size of Board Fixed by Vote of Board: The number of trustees will be fixed only by resolution of the board;

Board Vacancies Filled by the Board for the Remaining Term: Vacancies that result from an increase in the size of the board, or the death, resignation, or removal of a trustee, may be filled only by the affirmative vote of a majority of the remaining trustees even if they do not constitute a quorum. Trustees elected to fill vacancies will hold office for the remainder of the full term of the class of trustees in which the vacancy occurred, as opposed to until the next annual meeting of shareholders, and until a successor is elected and qualified; and

Shareholder Calls of Special Meetings: Special meetings of shareholders may be called by the secretary of the Maryland REIT only upon the written request of shareholders entitled to cast at least a majority of all votes entitled to be cast at the meeting and only in accordance with procedures set out in the Maryland General Corporation Law.

Lexington Trust has not elected to be governed by these specific provisions. However, the LXP declaration and/or the LXP bylaws, as applicable, already provide for an 80% shareholder vote to remove trustees and then only for cause, and that the number of trustees may be determined by a resolution of the LXP board, subject to a minimum number. In addition, Lexington Trust can elect to be governed by any or all of the provisions of the Maryland law at any time in the future.

Table of Contents

**THE PARTNERSHIP'S SECOND AMENDED AND RESTATED PARTNERSHIP AGREEMENT;
EXCHANGE OF MLP UNITS**

The following summary of the material terms and provisions of the Partnership Agreement does not purport to be complete and is subject to the detailed provisions of the Partnership Agreement, each as supplemented, amended or restated, a copy of which is attached to this proxy statement/prospectus as part of Annex C.

Management

Pursuant to the Partnership Agreement, the General Partner generally has full, exclusive and complete responsibility and discretion in the management, operation and control of the Partnership, including the ability to cause the Partnership to enter into certain major transactions, including mergers and consolidations, acquisitions and dispositions of loans and other assets and refinancings of existing indebtedness. No limited partner may take part in the operation, management or control of the business of the Partnership by virtue of being a holder of MLP Units.

Lex GP-1 Trust may not be removed as general partner of the Partnership, except that upon its bankruptcy or dissolution, the limited partners may elect a successor general partner to continue the partnership.

Transferability of Interests

General Partner

The Partnership Agreement provides that Lex GP-1 Trust may not sell, assign, transfer, pledge or otherwise dispose of its general partner interest without the consent of the holders of a majority of the MLP Units, except for transfers to a subsidiary of Lexington Trust.

Limited Partners

Except for certain transfers and assignments to family members of individual limited partners, the Partnership Agreement prohibits the sale, assignment, transfer, pledge or disposition of all or any portion of the limited partners MLP Units without the general partner's consent, which consent may be withheld in the general partner's sole and absolute discretion. The Partnership Agreement also contains restrictions on transfers of MLP Units if, among other things, the general partner determines that such transfer:

may require registration of the MLP Units under federal or state securities laws,

may cause Lexington Trust to fail to comply with the REIT rules under the Code, or

may cause the Partnership to be treated as a publicly traded partnership under the Code.

Capital Contributions and Borrowings

The Partnership Agreement provides that the General Partner may determine that the Partnership requires additional funds and that the general partner may:

on the Partnership's behalf, accept additional capital contributions from existing partners or other persons,

cause the Partnership to borrow funds from a financial institution or other person,

borrow such funds from a lending institution or other person and subsequently lend such funds to the Partnership, or

directly lend funds to the Partnership.

Table of Contents

While the limited partners have no preemptive right to make additional capital contributions, the Partnership Agreement provides that subject to certain limitations Lexington Trust, through the general partner, may make additional capital contributions to the Partnership, in exchange for additional MLP Units or additional assets, as the general partner determines in good faith to be desirable to further the Partnership's purposes or business. If Lexington Trust contributes additional capital to the Partnership and receives additional MLP Units for such capital contribution, Lexington Trust's percentage interests will be increased on a proportionate basis based on the amount of such additional capital contributions and the Partnership's value at the time of such contributions. Conversely, the percentage interests of the other limited partners will be decreased on a proportionate basis. In addition, if Lexington Trust contributes additional capital to the Partnership and receives additional MLP Units for such capital contribution, the general partner may revalue the Partnership's assets to their fair market value (as determined by the general partner) and the capital accounts of the partners will be adjusted to reflect the manner in which the unrealized gain or loss inherent in such assets (that has not been reflected in the capital accounts previously) would be allocated among the partners under the terms of the Partnership Agreement if there were a disposition of such assets for such fair market value on the date of the revaluation. The Partnership could also issue MLP Units to Lexington Trust's affiliates or third parties, in exchange for assets contributed to or services provided for the Partnership. Such transactions may give rise to a revaluation of the Partnership's assets and an adjustment to partners' capital accounts.

The Partnership could also issue preferred MLP Units in connection with acquisitions of assets or otherwise. Any such preferred MLP Units would have priority over common MLP Units with respect to distributions from the Partnership, including the MLP Units that Lexington Trust owns directly or through subsidiaries. As of the date of this proxy statement/prospectus, there are two classes of MLP Units outstanding: the Class A Units and the Special Voting Units.

Redemption Rights under the Partnership Agreement

Each holder of MLP Units has the right under the Partnership Agreement to redeem its MLP Units. This right may be exercised at the election of holders of MLP Units by giving written notice, subject to some limitations. The purchase price for each of the MLP Units to be redeemed under the Partnership Agreement will equal the fair market value of a Common Share, calculated as the average of the daily closing prices on the New York Stock Exchange for the twenty consecutive business days immediately preceding the date of determination or, if no closing price is available, as provided in the Partnership Agreement. The purchase price for MLP Units may be paid in cash or, in the general partner's discretion, by the issuance of a number of Common Shares equal to the number of MLP Units with respect to which the rights are being exercised, subject to adjustment based on share splits, mergers, consolidations or similar pro rata transactions.

No holder of MLP Units may exercise its redemption rights under the Partnership Agreement if Lexington Trust could not issue Common Shares to the redeeming partner in satisfaction of the redemption (regardless of whether Lexington Trust would in fact do so instead of paying cash) because of the ownership limitations contained in the LXP declaration, or if the redemption would cause Lexington Trust to violate the REIT requirements. See Certain Provisions of Maryland Law and of the LXP Declaration and Bylaws Restrictions Relating to REIT Status above. In addition, no holder of MLP Units may exercise the redemption right under the Partnership Agreement:

for fewer than 500 MLP Units or, if a limited partner holds fewer than 500 MLP Units, all of the MLP Units held by such limited partner; or

if the general partner determines that allowing such redemption may cause the Partnership to be treated as a publicly traded partnership.

Lexington Trust guaranteed the performance of the redemption obligations of the Partnership under the Partnership Agreement.

Tax Treatment of Exchange of MLP Units in the MLP Merger

See United States Federal Income Tax Considerations for a summary of certain federal income tax considerations that may be relevant to a holder who exchanges its MLP Units for Common Shares and its fractional MLP Units, if any, for cash in the MLP merger.

Table of Contents

Each holder of MLP Units should consult its own tax advisor regarding the tax consequences to you of the exchange of your units in the MLP merger, including the federal, state, local and foreign tax consequences of the exchange of units in the MLP merger in your particular circumstances and potential changes in applicable laws.

Operations of the MLP

The Partnership Agreement allows Lexington Trust to operate the Partnership in a manner that permits Lexington Trust to qualify as a REIT at all times and to cause the Partnership not to take any action that would cause Lexington Trust to incur additional federal income or excise tax liability under the Code or that would cause the Partnership to be treated as a corporation for federal income tax purposes.

The Partnership must reimburse Lexington Trust for all amounts Lexington Trust spends in connection with the Partnership's business, including:

expenses relating to Lexington Trust's ownership and management of the Partnership;

the management fees owing to any advisors, and the fees or compensation owing to directors, officers and employees; and

the expense of the Partnership's being a public company.

For the nine months ended September 30, 2008, these expenses equaled approximately \$8.7 million.

Allocations

The Partnership's profits and losses (including depreciation and amortization deductions) for each fiscal year generally are allocated to Lexington Trust and the other limited partners in accordance with the respective percentage interests of the Partnership's partners. The number of MLP Units that Lexington Trust holds, together with the units that Lexington Trust holds in its three other operating partnerships, generally corresponds to the number of Common Shares outstanding. All of the foregoing allocations are subject to compliance with the provisions of Code sections 704(b) and 704(c) and the Treasury regulations promulgated thereunder, which may require allocations that are not in accordance with percentage interests in various circumstances.

Distributions

The Partnership Agreement provides that the Partnership will make cash distributions in amounts determined by the general partner in its sole discretion, to Lexington Trust and other limited partners generally in accordance with the respective percentage interests of the Partnership's partners.

Upon the Partnership's liquidation, after payment of, or adequate provisions for, the Partnership's debts and obligations, including any partner loans, any of the Partnership's remaining assets will be distributed to Lexington Trust and the other limited partners with positive capital accounts in accordance with the respective positive capital account balances of the partners.

Funding Agreement

In connection with the Newkirk Merger, Lexington Trust and its four operating partnerships, including the Partnership, entered into a funding agreement. Pursuant to the funding agreement, the parties agreed, jointly and severally, that, if any of the four operating partnerships 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 its partnership agreement or (ii) the cash dividend payable with respect to a whole or fractional Common Shares into which such partnership's common units would be converted if they were redeemed for Common Shares in accordance with its partnership agreement, Lexington Trust and its four operating partnerships, including the Partnership, each a funding partnership, will fund their pro rata share of the shortfall. The pro rata share of each funding partnership and Lexington Trust's pro rata share, respectively, will be determined based on the number of units in each funding partnership and, for Lexington Trust, by the amount by which its total outstanding Common Shares exceeds the number of units in each funding partnership not owned by Lexington Trust, with appropriate adjustments being made if units are not redeemable on a one-for-one basis. Payments under the agreement will be

Table of Contents

made in the form of loans to the partnership experiencing a shortfall and will bear interest at prevailing rates as determined by Lexington Trust in its discretion but no less than the applicable federal rate. The Partnership's right to receive these loans will expire if Lexington Trust contributes to the Partnership all of its economic interests in the other operating partnerships, Lexington Trust's other subsidiaries that are partnerships, joint ventures or limited liability companies. However, thereafter the Partnership will remain obligated to continue to make these loans until there are no remaining units outstanding in the other operating partnerships and all loans have been repaid.

Amendments

Generally, the General Partner may not amend the Partnership Agreement without the consent of the holders of the majority of the MLP Units, except that without the consent of any limited partner the General Partner may amend the agreement to:

- add to its obligations or surrender its rights, as general partner, under the Partnership Agreement for the benefit of the limited partners;

- reflect the issuance of additional MLP Units or the admission, substitution, termination or withdrawal of partners in accordance with the Partnership Agreement;

- reflect inconsequential changes, cure any ambiguity, correct or supplement any provision not inconsistent with law or another provision of the Partnership Agreement, or make other changes concerning matters under the Partnership Agreement not otherwise inconsistent with the law or the Partnership Agreement;

- satisfy requirements or guidelines under federal or state law;