

CORPORATE OFFICE PROPERTIES TRUST
Form DEF 14A
March 31, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

CORPORATE OFFICE PROPERTIES TRUST
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
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 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
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6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046-2104
Telephone 443-285-5400
Facsimile 443-285-7650
www.copt.com
NYSE: OFC

To: Our Shareholders
From: Randall M. Griffin
Subject: Invitation to the Corporate Office Properties Trust 2009 Annual Meeting of Shareholders

You are cordially invited to attend our 2009 Annual Meeting of Shareholders to be held at 9:30 a.m. on May 14, 2009 at our corporate headquarters, which is located at 6711 Columbia Gateway Drive, Suite 300, Columbia, Maryland 21046.

At this year's meeting, you will be asked to vote on the election of nine members of our Board of Trustees and the ratification of PricewaterhouseCoopers LLP's appointment as our independent registered public accounting firm for the current fiscal year.

Attached you will find a notice of meeting and proxy statement that contain further information about these items and the meeting itself, including the different methods you can use to vote your proxy. Also enclosed are your proxy card and our 2008 Annual Report.

In addition to the formal business to be transacted, we will make a presentation regarding our accomplishments in 2008 and other recent developments. You will also have the opportunity at this meeting to ask questions and make comments.

I hope to see you at the meeting.

Randall M. Griffin
President and Chief Executive Officer

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6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046-2104
Telephone 443-285-5400
Facsimile 443-285-7650
www.copt.com
NYSE: OFC

April 2, 2009

Notice of Annual Meeting of Shareholders

Date: Thursday, May 14, 2009
Time: 9:30 a.m.
Place: Corporate Office Properties Trust
6711 Columbia Gateway Drive
Suite 300
Columbia, Maryland 21046

We will hold our 2009 Annual Meeting of Shareholders on May 14, 2009 at 9:30 a.m. at our corporate headquarters. During the Annual Meeting, we will consider and take action on the following proposals to:

1. Elect nine Trustees;
2. Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the current fiscal year; and
3. Transact any other business properly brought before the Annual Meeting.

You may vote at the meeting if you were a shareholder of record at the close of business on March 16, 2009.

By order of the Board of Trustees,

Karen M. Singer
Senior Vice President, General Counsel and Secretary

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PROXY STATEMENT

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This proxy statement and the accompanying proxy card are being mailed, beginning on or about April 2, 2009, to owners of common shares of beneficial interest (common shares) of Corporate Office Properties Trust (the Company) in connection with the solicitation of proxies by the Board of Trustees for our 2009 Annual Meeting of Shareholders. This proxy procedure is being used to permit all holders of the common shares of Corporate Office Properties Trust to vote since many may be unable to attend the Annual Meeting in person. The Board of Trustees encourages you to read this document thoroughly and to take this opportunity to vote on the matters to be decided at the Annual Meeting. Corporate Office Properties Trust 's mailing address is 6711 Columbia Gateway Drive, Suite 300, Columbia, Maryland 21046. Corporate Office Properties Trust 's Internet address is www.copt.com. The information on our Internet site is not part of this proxy statement.

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General Information

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The questions and answers set forth below provide general information regarding this proxy statement and our 2009 Annual Meeting of Shareholders.

When are our Annual Report to Shareholders and this proxy statement first being sent to shareholders?

Our Annual Report to Shareholders and this proxy statement are first being sent to shareholders beginning on or about April 2, 2009.

What will shareholders be voting on at the Annual Meeting?

1. The election of Trustees.
2. The ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the current fiscal year.
3. Any other business that properly comes before the Annual Meeting for a vote.

Who is entitled to vote at the Annual Meeting and how many votes do they have?

Common shareholders of record at the close of business on March 16, 2009 may vote at the Annual Meeting. Each share has one vote. There were 54,366,547 common shares outstanding on March 16, 2009.

How do I vote?

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You must be present, or represented by proxy, at the Annual Meeting in order to vote your shares. Since many of our shareholders are unable to attend the Annual Meeting in person, we send proxy cards to all of our shareholders to enable them to vote.

What is a proxy?

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A proxy is a person you appoint to vote on your behalf. If you vote by telephone, Internet or mail using the enclosed proxy card, your shares will be voted by the proxies identified on the proxy card.

How do I vote using my proxy card?

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You can vote using the proxy card in one of three ways:

1. *By telephone.* To vote by telephone, call the toll free number listed on your proxy card. You will need to follow the instructions on your proxy card and the prompts from the telephone voting system.
2. *By Internet.* To vote using the Internet, go to the website listed on your proxy card. You will need to follow the instructions on your proxy card and the website.
3. *By mail.* To vote by mail, simply mark, sign and date the enclosed proxy card and return it in the postage-paid envelope provided.

If you vote by telephone or by Internet, you should not return your proxy card.

If you hold your shares through a broker, bank or other nominee, you will receive separate instructions from the nominee describing how to vote your shares.

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If I vote using my proxy card, who am I designating as my proxy?

You will be designating Randall M. Griffin, our President and Chief Executive Officer, and Roger A. Waesche, Jr., our Executive Vice President and Chief Operating Officer, as your proxies. They may act on your behalf together or individually and will have the authority to appoint a substitute to act as proxy.

How will my proxy vote my shares?

Your proxy will vote according to the instructions on your proxy card. **If you complete and return your proxy card but do not indicate your vote on business matters, your proxy will vote as follows:**

- FOR each of the nominees for Trustee listed in Proposal 1; and

- FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the current fiscal year.

We do not intend to bring any other matter for a vote at the Annual Meeting, and we do not know of anyone else who intends to do so. However, your proxies are authorized to vote on your behalf, in their discretion, on any other business that properly comes before the Annual Meeting.

How do I revoke my proxy?

You may revoke your proxy at any time before your shares are voted at the Annual Meeting by:

- Notifying our Senior Vice President, General Counsel and Secretary, Karen M. Singer, in writing at our mailing address set forth on the first page of this proxy statement, that you are revoking your proxy;

- Executing a later dated proxy card; or

- Attending and voting by ballot at the Annual Meeting.

Who will count the votes?

An officer of Corporate Office Properties Trust will act as the inspector of election and will count the votes.

What constitutes a quorum?

As of March 16, 2009, Corporate Office Properties Trust had 54,366,547 common shares outstanding. A majority of the outstanding shares present or represented by proxy constitutes a quorum. If you sign and return your proxy card, your shares will be counted in determining the presence of a quorum, even if you withhold your vote. If a quorum is not present at the Annual Meeting, the shareholders present in person or by proxy may adjourn the meeting to a date not more than 120 days after March 16, 2009 until a quorum is present.

How will my vote be counted?

With respect to Proposal 1, the election of Trustees, votes may be cast in favor of or withheld from each nominee.

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With respect to Proposal 2, ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the current fiscal year:

- you may abstain and your abstention will have no effect on the outcome of the vote; and
- because this is a routine matter as defined by the rules of the New York Stock Exchange, we believe that if you hold your shares through a broker in street name and you do not give instructions to your broker to vote your shares with respect to Proposal 2, your broker may nevertheless vote your shares with respect to the proposal. Even if your broker does not do so, your broker's failure to vote your shares will have no effect on the outcome of the vote, as no vote will have been cast with respect to your shares.

What percentage of our common shares do the Trustees and executive officers own?

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Our Trustees and executive officers owned 1.9% of our outstanding common shares as of March 16, 2009. Our Trustees and executive officers beneficially owned in the aggregate approximately 10.8% of our common shares as of March 16, 2009 (see the discussion under the heading Share Ownership of our Trustees, Executive Officers and 5% Beneficial Owners for more details).

What vote is required to elect Trustees?

Trustees are elected by a plurality of the votes, which means that the nominees with the most votes in favor are elected.

What vote is required on other matters?

In general, a majority of the votes cast at a meeting of shareholders is required to approve any other matter unless a greater vote is required by law or by the Company's Declaration of Trust. For Proposal 2, a majority of the votes cast on the proposal will be required to approve the proposal. See How Will My Vote Be Counted for more detail on the treatment of abstentions and broker non-votes on Proposal 2.

Who is soliciting my proxy, how is it being solicited and who pays the cost?

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Our Board of Trustees is soliciting your proxy. The solicitation process is being conducted primarily by mail. However, proxies may also be solicited in person, by telephone or facsimile. Wells Fargo Bank, N.A., our transfer agent, will be assisting us for a fee of approximately \$3,000, plus out-of-pocket expenses. We pay the cost of soliciting proxies and also reimburse stockbrokers and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation material to the owners of common shares.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be Held on May 14, 2009

The proxy statement and our 2008 annual report to shareholders are available at www.copt.com under Investor Relations, under the subheading Annual Meeting and Proxy Materials.

When are shareholder proposals and Trustee nominations for our 2010 Annual Meeting due?

In accordance with our bylaws, notice relating to nominations for Trustees or proposed business to be considered at the 2010 Annual Meeting must be given no earlier than February 13, 2010 and no later than March 15, 2010. These requirements do not affect the deadline for submitting shareholder proposals for

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inclusion in the proxy statement for the 2010 Annual Meeting (discussed in the question and answer below), nor do they apply to questions a shareholder may wish to ask at that meeting.

When are shareholder proposals intended to be included in the proxy statement for the 2010 Annual Meeting due?

Shareholders who wish to include proposals in the proxy statement must submit such proposals in accordance with regulations adopted by the Securities and Exchange Commission. Shareholder proposals for the 2010 Annual Meeting must be submitted in writing by December 3, 2009. In addition, shareholders may wish to have a proposal presented at the 2010 Annual Meeting but not to have such proposal included in the proxy statement for the 2010 Annual Meeting. Pursuant to our bylaws, notice of any such proposal must be received by us between February 13, 2010 and March 15, 2010. If it is not received during this period, such proposal shall be deemed untimely for purposes of Rule 14a-4(c) under the Securities Exchange Act of 1934, as amended (the Exchange Act), and, therefore, the proxies will have the right to exercise discretionary voting authority with respect to such proposal.

Any shareholder proposals must be submitted to Karen M. Singer, Senior Vice President, General Counsel and Secretary, at our mailing address set forth on the front page of this proxy statement. You should submit any proposal by a method that permits you to prove the date of delivery to us.

How can interested parties send communications to the Board of Trustees?

Any interested parties who wish to communicate with the members of our Board of Trustees may communicate with the independent Trustees or the chairperson of any of the committees of the Board of Trustees by e-mail or regular mail. Communications by e-mail should be sent to karen.singer@copt.com. Communications by regular mail should be sent to the attention of the Chairperson, Audit Committee; Chairperson, Compensation Committee; Chairperson, Nominating and Corporate Governance Committee; Chairperson, Investment Committee; or to the independent Trustees as a group to the Independent Trustees. In each case, the communication should be sent care of Karen M. Singer, Senior Vice President, General Counsel and Secretary, at our mailing address set forth on the front page of this proxy statement.

All communications received in accordance with this process will be reviewed by management to determine whether the communication requires immediate action. Management will pass on all communications received, or a summary of such communications, to the appropriate Trustee or Trustees. However, management reserves the right to disregard any communication that it determines is unduly hostile, threatening, illegal, does not reasonably relate to us or our business or is similarly inappropriate, and has the authority to discard or disregard any inappropriate communications or to take other appropriate actions with respect to any such inappropriate communications.

How can interested parties obtain information regarding our Corporate Governance Guidelines?

Our Board of Trustees has adopted Corporate Governance Guidelines to set forth our policies concerning overall governance practices. These Guidelines can be found in the investor relations section of our Internet website in the subsection entitled Corporate Governance. Our Internet website address is www.copt.com. Our Corporate Governance Guidelines are also available in print to any shareholder upon request. To the

extent modifications are made to our Corporate Governance Guidelines, such modifications will be reflected on our Internet website.

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Proposal 1 Election of Trustees

Our By-laws provide for the annual election of Trustees at the Annual Meeting of Shareholders. Our Board of Trustees, at the recommendation of the Nominating and Corporate Governance Committee of the Board of Trustees, has nominated all Trustees for re-election at the Annual Meeting. All nominees have agreed to serve a one-year term.

Jay H. Shidler, age 62, has been Chairman of our Board of Trustees since October 1997. Mr. Shidler is the founder and Managing Partner of The Shidler Group, a national real estate investment firm. Since forming The Shidler Group in 1972, Mr. Shidler and his affiliates have acquired and managed over 2,000 properties in 40 states and Canada. Mr. Shidler has founded, and been the initial investor in, numerous public and private companies, including the following three other public real estate investment trusts: TriNet Corporate Realty Trust, Inc. (formerly NYSE: TRI), now part of iStar Financial; First Industrial Realty Trust, Inc. (NYSE: FR), for which he served as Chairman of the Board of Directors from 1993 through January 2009; and Pacific Office Properties Trust, Inc. (NYSE: PCE), for which he serves as Chairman of the Board of Directors. From 1998 through 2005, Mr. Shidler also served as a director of Primus Guaranty, Ltd. (NYSE: PRS), a Bermuda company of which Mr. Shidler is a founder.

Clay W. Hamlin, III, age 64, has been a member of our Board of Trustees since 1997 and was appointed Vice Chairman effective April 1, 2005. He was our Chief Executive Officer from October 1997 until his retirement on April 1, 2005. From May 1989 until joining us, Mr. Hamlin was the Managing Partner of The Shidler Group's Mid-Atlantic region, where he supervised the acquisition, management and leasing of over four million square feet of commercial property. He has been active in the real estate business for over 30 years. Mr. Hamlin is a founding shareholder of First Industrial Realty Trust, Inc. and also serves as a Director/Trustee of TractManager, Inc. and the National Prostate Cancer Coalition.

Thomas F. Brady, age 59, has been a member of our Board of Trustees since January 2002. Mr. Brady is Chairman of the Board of Directors of Baltimore Gas & Electric Company and an Executive Vice President at Constellation Energy Group (CEG). At CEG, he has responsibility for corporate strategy, governmental affairs, corporate communications and branding. He assumed this position in 1999. Prior to 1999, Mr. Brady held various executive officer positions at Baltimore Gas & Electric Company, including Vice President and Chief Accounting Officer. Mr. Brady also serves as a Trustee/Director of the Maryland Chamber of Commerce and Stevenson University.

Robert L. Denton, age 56, has been a member of our Board of Trustees since May 1999. Mr. Denton joined The Shidler Group in 1994 and is currently a Managing Partner and the resident principal in its New York office. Mr. Denton is responsible for directing the implementation of The Shidler Group's new investment vehicles. From 1991 to 1994, Mr. Denton was a Managing Director with Providence Capital, Inc., an investment-banking firm that he co-founded. Mr. Denton is a member of the Board of Directors of Pacific Office Properties Trust, Inc.

Douglas M. Firstenberg, age 48, has been a member of our Board of Trustees since February 2007. Mr. Firstenberg is a founding principal of Stonebridge Associates, Inc., a real estate development and advisory firm created in 1993, where he focuses on strategic planning and development projects with a primary role in major transaction negotiation. He has over 25 years of real estate investment and development experience, including construction and land development of in excess of four million square feet and more than \$1.5 billion in value. Mr. Firstenberg is a member of the Board of Directors of the Montgomery College Foundation, the Duke Club of Washington and the NoMA Business Improvement District.

Randall M. Griffin, age 64, has been a member of our Board of Trustees since February 2005. Mr. Griffin has been our President and Chief Operating Officer since September 1998, and on April 1, 2005, he

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became our President and Chief Executive Officer. Mr. Griffin previously served as President of Constellation Real Estate Group, Inc. and Constellation Real Estate, Inc. from June 1993 until September 1998. From 1990 through March 1993, Mr. Griffin worked as Vice President-Development for EuroDisney Development in Paris, France. From 1976 to 1990, Mr. Griffin worked for Linclay Corporation, a St. Louis-based real estate development, management and investment company, most recently as Executive Vice President and Chief Operating Officer. He serves on the Executive Committee of the Board of Governors of The National Aquarium in Baltimore and the National Aquarium Foundation Board, the National Aquarium Society Board in Washington, D.C. and the Center for Aquatic Life and Conservation Board. He also serves on the Board of Trustees of the Greater Washington Initiative, the Boards of Directors of the Maryland Business Roundtable for Education and BWI Business Partnership, the Board of Governors of the National Association of Real Estate Investment Trusts and the Board of Visitors of the University of Maryland, Baltimore County.

Steven D. Kesler, age 57, has been a member of our Board of Trustees since September 1998. Since 2006, Mr. Kesler has served as Chief Financial Officer for CRP (Chesapeake Realty Partners) Operations, LLC, a private company that is actively engaged in the development of residential land and the construction and operation of commercial properties and residential rental communities. He served as a Managing Director of The Casey Group, a regional consulting firm that helps clients find solutions to operating and financial management issues, from 2005 to 2006. Mr. Kesler also served as the Chief Executive Officer and/or President of Constellation Investments, Inc. from 1988 and the Chief Executive Officer and President of Constellation Real Estate, Inc. and Constellation Health Services, Inc. from 1998 until his retirement in 2003; all of these entities were wholly-owned indirect subsidiaries of Constellation Energy Group. In these roles, Mr. Kesler managed a corporate investment entity, Constellation Energy Group's pension plan and nuclear decommissioning trust, a portfolio of real estate assets and a portfolio of assisted living facilities. Mr. Kesler previously served as a Director on the board of Atapco, Inc., a private real estate and investment company and the board of Ace Guaranty Corporation, a financial guaranty subsidiary of Ace, Limited, a public company.

Kenneth S. Sweet, Jr., age 76, has been a member of our Board of Trustees since October 1997. Mr. Sweet has been Managing Partner and Chairman of Gordon Stuart Associates, a venture capital investment firm, since 1996. Mr. Sweet was Chairman of GSA Management, LLC and Managing Director of GS Capital, LP, a venture capital and real estate partnership that he founded, from 1994 to 2004. In 1971, Mr. Sweet founded K.S. Sweet Associates, which developed and managed over one billion dollars in real estate assets. From 1957 to 1971 he was with The Fidelity Mutual Life Insurance Company, serving as Financial Vice President and Chief Investment Officer from 1965 to 1971. Mr. Sweet currently serves as a Trustee of the Eisenhower Fellowship and director of the National Center for the American Revolution and Chairman of its Construction Committee. He previously served as a Director, Chairman of the Real Estate Committee and a member of the Finance Committee of Main Line Health until 2006. He was also the Chairman of the Bryn Mawr Hospital Foundation and Chairman of Main Line Health Real Estate Investment & Partnership (a real estate partnership between The Lankenau Foundation and Main Line Health).

Kenneth D. Wethe, age 67, has been a member of our Board of Trustees since January 1990. Since 1988, Mr. Wethe has been the owner and principal officer of Wethe & Associates, a Dallas-based firm providing independent risk management, insurance and employee benefit services to school districts and governmental agencies. Mr. Wethe has over 27 years of experience in the group insurance and employee benefits area. Mr. Wethe is a licensed CPA.

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If any of the nominees is unable to stand for election, which we do not presently contemplate, the Board of Trustees may provide for a lesser number of Trustees or designate a substitute. In the latter event, shares represented by proxies will be voted for a substitute nominee.

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The Board of Trustees recommends a vote FOR each of the nominees listed in Proposal 1.

A description of Proposal 2 begins on page 46 of this proxy statement.

Our Board of Trustees

How do we determine whether our Trustees are independent?

We believe that in order for our Board of Trustees to effectively serve in its capacity, it is important, and the New York Stock Exchange mandates, that at least a majority of our Trustees be independent as defined by the applicable rules of the New York Stock Exchange. Therefore, we require that a substantial majority of the Board of Trustees be independent, as so defined. No Trustee will be considered independent unless the Board affirmatively determines that the Trustee has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). The following per se exclusions apply to the determination of Trustee independence: a Trustee will not be deemed independent until three years after the end of any of the following relationships or situations: (1) the Trustee is employed by the Company or a member of his/her immediate family is an executive officer of the Company; (2) the Trustee or a member of his/her immediate family who is an executive officer of the Company receives, in any year, more than \$120,000 in direct compensation from the Company (other than Trustee and committee fees and pension or other forms of deferred compensation for prior service, provided such compensation is not contingent on continued service); (3) the Trustee is employed by or affiliated with the Company's present or former internal auditors or outside independent registered public accounting firm serving as the Company's auditors, or a member of the Trustee's immediate family is a current partner of such auditors or firm, is a current employee of such auditors or such firm and personally works on the Company's audit, or was within the past three years a partner or employee of such auditors or firm and personally worked on the Company's audit during that time; (4) the Trustee or a member of his/her immediate family is employed as an executive officer of another entity of which any of the Company's then-current executive officers serves on that other entity's compensation committee; or (5) the Trustee is an executive officer or an employee, or a member of his/her immediate family is an executive officer, of another company that makes payments to or receives payments from the Company for property or services in an amount which, in any year, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

Are our Trustees independent of Corporate Office Properties Trust?

The Board of Trustees has determined that each of our Trustees meet the independence guidelines described above except for Clay W. Hamlin, III, our Vice Chairman of the Board of Trustees and former Chief Executive Officer, and Randall M. Griffin, our current President and Chief Executive Officer.

What is our policy regarding Trustee attendance at regularly scheduled meetings of the Board of Trustees and annual meetings of shareholders?

The Board of Trustees holds a minimum of four regularly scheduled meetings per year, including the annual meetings of the Board held in conjunction with our annual meetings of shareholders. Trustees are expected to attend all regularly scheduled meetings and to have reviewed, prior to the meetings, all written meeting materials distributed to them in advance. Trustees are expected to be physically present at all regularly scheduled meetings, and a Trustee who is unable to attend a meeting is expected to notify the Chairman of the Board of Trustees in advance of such meeting. If a Trustee attends a regularly scheduled meeting by telephone for the entire meeting, such Trustee shall be deemed to have attended the meeting for the purposes of determining whether a quorum exists and for voting purposes. However, a Trustee may not

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send a representative with a proxy to vote on his or her behalf if such Trustee is not able to attend a scheduled meeting, either in person or by telephone.

Trustees are expected to be present at our annual meetings of shareholders. All of our Trustees attended the 2008 Annual Meeting of Shareholders.

What is our policy regarding meetings of non-management Trustees?

The non-management Trustees of the Board meet in executive session at least one time per year without any management Trustees or any other members of the Company's management present. The chairperson of the Nominating and Corporate Governance Committee presides at the executive sessions. The non-management Trustees may meet in executive session at any time to consider issues that they deem important to address without management present.

How are the Trustees compensated?

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- Employee Trustees receive no compensation, other than their normal salary, for serving on the Board of Trustees or its committees.
- Non-employee Trustees receive the following:
- Fees set forth below: