

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 20, 2011

**Brandywine Realty Trust**  
**Brandywine Operating Partnership, L.P.**

(Exact name of registrant as specified in charter)

**MARYLAND**  
**(Brandywine Realty Trust)**

**001-9106**

**23-2413352**

**DELAWARE**  
**(Brandywine Operating Partnership, L.P.)**

**000-24407**

**23-2862640**

(State or Other Jurisdiction of Incorporation or Organization)

(Commission file number)

(I.R.S. Employer Identification  
Number)

**555 East Lancaster Avenue, Suite 100**  
**Radnor, PA 19087**

(Address of principal executive offices)

**(610) 325-5600**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## Item 8.01 Other Information

On December 20, 2011, a wholly-owned subsidiary of Brandywine Operating Partnership, L.P., the entity through which Brandywine Realty Trust owns its assets and conducts its operations, formed a joint venture (the “Joint Venture”) with Current Creek Investments, LLC, a wholly-owned subsidiary of Allstate Insurance Company (“Current Creek”). Upon formation of the Joint Venture, Brandywine contributed to the Joint Venture its unencumbered fee interest in the following three properties (the “Properties”):

### Properties Acquired by the Joint Venture

<u>Property</u>	<u>Location</u>	<u>Square Feet</u>	<u>Leased</u>
3130 Fairview Park Drive	Falls Church, VA	180,645	84.5%
3141 Fairview Park Drive	Falls Church, VA	183,618	82.4%
7101 Wisconsin Avenue	Bethesda, MD	223,054	99.4%
	Total	587,317	89.5%

The weighted-average age of the Properties is approximately 25 years.

### Ownership Interest and Capital Contributions

Each of Brandywine and Current Creek holds a 50% membership interest in the joint venture. Concurrent with Brandywine's contribution of the above three properties to the joint venture, Current Creek contributed \$32.2 million (net of closing costs and customary prorations) to the capital of the joint venture and the joint venture closed on mortgage loans in the aggregate amount of \$90.0 million, secured by mortgages on each of the three properties. In addition, upon formation of the joint venture, Brandywine received net cash payments or distributions in the amount of \$120.1 million (after deducting closing costs, brokerage fees and customary closing prorations).

Additional capital contributions to the joint venture will generally require the approval of Brandywine and Current Creek and shall be funded by Brandywine and Current Creek pro rata based on their respective membership interests.

### Exclusivity and Future Capital Commitments

The Joint Venture Agreement restricts Brandywine's activities with respect to real estate development, real estate investment, other real estate-related business and other business or ventures, which, in any instance, satisfy certain agreed upon investment guidelines, during an “exclusivity period” (this restriction does not apply to real estate investments and projects currently owned by Brandywine). The geographic restrictions pertain to the District of Columbia and nearby submarkets inside the beltway.

The exclusivity period continues until the earlier of (i) December 31, 2013 (or such other date agreed to by Brandywine and Current Creek), (ii) the date on which Brandywine and Current Creek have made aggregate capital contributions to the joint venture of \$150 million or (iii) the date on which Current Creek has twice consecutively voted that the Joint Venture should not pursue a potential acquisition which is within the investment guidelines.

### Distributions and Brandywine Promote

The Joint Venture shall distribute available cash, net of debt service and operating expenses, to the members.

The available cash for all Projects shall be determined, aggregated and distributed to Brandywine and Current Creek on a quarterly basis. Distributions will be made pro rata in accordance with Brandywine's and Current Creek's respective percentage interests in the Joint Venture until Current Creek has received an IRR of 10% per annum, compounded monthly. Thereafter, Brandywine may receive promoted returns above pre-determined internal rates of returns.

### **Financing**

In connection with the Joint Venture formation, the Joint Venture entered into 3 non-recourse fixed rate mortgage loans with the following general terms:

<b>Property</b>	<b>Loan Amount</b>	<b>Loan Term</b>	<b>Interest Rate</b>	<b>Interest Only Period</b>
3130 Fairview Park Drive	\$28,000,000	10 Years	4.65%	3 Years
3141 Fairview Park Drive	\$22,000,000	5 Years	4.25%	1 Year
7101 Wisconsin Avenue	\$40,000,000	7 Years	4.40%	2 Years

All of the financings have 30-year principal amortization schedules after the interest-only periods and the financings are not cross-collateralized.

### **Joint Venture Management**

Brandywine is the manager of the Joint Venture. Except for certain "major decisions" (such as new investments, project financing activities, entry into material agreements, issuing additional membership interests, dispositions, etc.) which require the approval of both Brandywine and Current Creek, the management of the Joint Venture's business rests with the Brandywine. Brandywine shall prepare an annual Joint Venture budget to be reviewed and approved by Brandywine and Current Creek. For each of the Properties, Brandywine shall prepare a separate business plan and budget to be reviewed and approved by Brandywine and Current Creek.

As Joint Venture Manager, Brandywine shall receive an annual asset management fee equal to 0.75% of the amount of contributions of the members currently owned by the Joint Venture.

### **Buy / Sell Provisions**

In connection with any of the Properties, Brandywine has the unilateral right to initiate the buy/sell process within the first 5 years. In addition, either Brandywine or Current Creek may, at certain times and under certain circumstances, offer to buy the other member's interest in or offer to sell to the other member its interest in any one or more properties.

### **Property Management**

Brandywine has been appointed as the property manager and is responsible for the day-to-day management of the business and assets and for the implementation of the annual business plans for each Property and will receive a property management fee equal to 3% of rental receipts. In addition, Brandywine will receive leasing commissions for representing the Properties and will be entitled to construction management fees.

### **Term**

The Joint Venture will have a term of 10 years. At the end of the 10-year term of the Partnership, unless the Partners have agreed to extend the term, either Partner can trigger a process to cause a sale of the Properties,

with the other Partner having a first refusal right to purchase the interest of the Partner who triggers a sale; if the other Partner fails to exercise its first refusal right, the Joint Venture would proceed with a sale of the Properties to a non-affiliated third party.

### **Joint Venture Accounting**

Based on the provisions within the Agreements, Brandywine and Current Creek have shared control rights and Brandywine does not have exclusive control over the Properties. Since Brandywine, does not have a controlling interest, 3130 Fairview Park and 7101 Wisconsin Avenue will be deconsolidated by Brandywine and accounted for under the equity method of accounting. Based on the contributed value of the Properties in the Joint Venture Agreements, it is anticipated there will be an immaterial gain/(loss), subject to final accounting for the transaction and allocations between the Properties.

Brandywine will continue to maintain a regional management and leasing office in 3141 Fairview Park. Consistent with the other two properties, Brandywine does not have a controlling interest; however, pursuant to the accounting standard for sales-leaseback transactions, the lease maintained by Brandywine at 3141 Fairview Park and its 50% membership interest in the joint venture result in Brandywine having continued involvement that will require the property and related operations to be consolidated.

### **Item 7.01 Regulation FD Disclosure.**

Brandywine issued a press release on December 20, 2011 to announce the Metropolitan DC Joint Venture Program formed between Brandywine and Current Creek described in Item 1.01 of this Form 8-K.

### **Item 9.01 Financial Statements and Exhibits.**

(a) Not applicable.

(b) Not applicable.

(c) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
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99.1 -	Press Release of Brandywine Realty Trust dated December 20, 2011
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## Signatures

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

BRANDYWINE REALTY TRUST

By: /s/ Gerard H. Sweeney

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Gerard H. Sweeney  
President and Chief Executive Officer

BRANDYWINE OPERATING PARTNERSHIP, L.P.  
ITS SOLE GENERAL PARTNER

By: /s/ Gerard H. Sweeney

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Gerard H. Sweeney  
President and Chief Executive Officer

Date: January 11, 2012

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**Brandywine Realty Trust Announces Metropolitan DC Joint Venture with an Allstate subsidiary; Brandywine Contributes Three Office Properties Valued at \$156 Million**

**Radnor, PA, December 20, 2011** - Brandywine Realty Trust (NYSE:BDN), a real estate investment trust focused on the ownership, management and development of Class A, urban and suburban office properties in the mid-Atlantic region and other select markets throughout the United States, announced today that it has formed a joint venture with Current Creek Investments, LLC, a wholly owned subsidiary of Allstate Insurance Company. Current Creek and Brandywine will each own a 50% interest in three metropolitan DC properties contributed by Brandywine in connection with the venture formation, with Brandywine providing property management, leasing, and construction management services.

In addition, Current Creek and Brandywine have each allocated \$75.0 million in equity to pursue additional office property investments in targeted sub-markets in the metropolitan DC region. Brandywine will be responsible for sourcing additional acquisitions over a three-year investment period. Assuming full equity investment and a projected 60% leverage rate, the joint venture has the capacity to acquire approximately \$375.0 million of additional assets. Brandywine can earn promoted interests in the joint venture upon achieving pre-determined realized returns.

The joint venture acquired the properties from Brandywine for \$156.0 million, representing a capitalization rate of approximately 6.8% cash and 7.2% GAAP based on trailing twelve-month results through September 30, 2011. The joint venture secured \$90.0 million of non-recourse property financings with a weighted-average maturity of 7.4 years and a weighted-average interest rate of 4.4%.

**Properties Acquired by the Joint Venture**

<u>Property</u>	<u>Location</u>	<u>Square Feet</u>	<u>Leased</u>
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	Total	587,317	89.5%

Brandywine has received \$120.1 million of proceeds, after deducting \$2.9 million of transaction and joint venture formation costs. Brandywine used the net proceeds from the transaction to reduce outstanding indebtedness under its unsecured revolving credit facility and for other general corporate purposes. Due to an ongoing Brandywine lease in the building, Brandywine will continue to consolidate 3141 Fairview Park Drive on its balance sheet.

"We are delighted to complete this transaction with Allstate," stated Gerard H. Sweeney, President and Chief Executive Officer of Brandywine Realty Trust. "They are a well-regarded real estate investor and we look forward to continued expansion of our relationship. This transaction enables us to harvest current value in the contributed portfolio, meaningfully participate in its future appreciation and create a co-investment vehicle with a high-quality partner."

"We are pleased to initiate this relationship between Current Creek and Brandywine," said Mike Moran, Vice President and head of Allstate Investments' real estate investment group. "This venture is an important part of

our ongoing effort to expand our portfolio of direct investments in commercial real estate and we are pleased that we have established this strategic relationship with an operating partner the quality of Brandywine."

Keefe, Bruyette & Woods, Inc. acted as Brandywine's exclusive financial advisor for this transaction.

### **About Brandywine Realty Trust**

Brandywine Realty Trust is one of the largest, publicly traded, full-service, integrated real estate companies in the United States. Organized as a real estate investment trust and operating in select markets, Brandywine owns, develops, manages and has ownership interests in a primarily Class A, suburban and urban office portfolio comprising 307 properties and 35.1 million square feet, including 232 properties and 25.2 million square feet owned on a consolidated basis and 52 properties and 6.5 million square feet in 17 unconsolidated real estate ventures. For more information, please visit [www.brandywinerealty.com](http://www.brandywinerealty.com).

### **Forward-Looking Statements**

Estimates of future earnings per share, FFO per share, common share dividend distributions and certain other statements in this release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our and our affiliates' actual results, performance, achievements or transactions to be materially different from any future results, performance, achievements or transactions expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors relate to, among others: our ability to lease vacant space and to renew or relet space under expiring leases at expected levels; competition with other real estate companies for tenants; the potential loss or bankruptcy of major tenants; interest rate levels; the availability of debt, equity or other financing; risks of acquisitions, dispositions and developments, including the cost of construction delays and cost overruns; unanticipated operating and capital costs; our ability to obtain adequate insurance, including coverage for terrorist acts; dependence upon certain geographic markets; and general and local economic and real estate conditions, including the extent and duration of adverse changes that affect the industries in which our tenants operate. Additional information on factors which could impact us and the forward-looking statements contained herein are included in our filings with the Securities and Exchange Commission, including our Form 10-K for the year ended December 31, 2010. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events except as required by law.