

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K

Current report filing

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### FILER

#### **CORPORATE REALTY INCOME FUND I L P**

CIK: **785898** | IRS No.: **133311993** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

OMB APPROVAL
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**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 29, 2005

**CORPORATE REALTY INCOME FUND I, L.P.**

(Exact Name of Registrant as Specified in Charter)

Delaware	0-15796	13-3311993
(State or Other Jurisdiction of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)
475 Fifth Avenue, New York, New York		10017
(Address of Principal Executive Offices)		(Zip Code)

Registrant's telephone number, including area code: (212) 696-0701

(Former Name or Former Address, if Changed Since Last Report)

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:

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

On December 29, 2005, Registrant sold the land, building and other improvements, leases, rents, security deposits, and other rights and property known as the Mercury Insurance Group Building situated in Oklahoma City, Oklahoma to Mercury Casualty Company (“Purchaser”). There is no material relationship, other than in respect of the sale of the Mercury Insurance Group Building, between Purchaser and Registrant or any of Registrant’s affiliates, general partners, officers or directors of such general partners, or any associate of such general partners, officers, or directors.

Registrant owned fee title to the Mercury Insurance Group Building and its 6.1 acres of underlying land, subject to the lien of a first mortgage line-of-credit loan (the “Bank of America Loan”) from Bank of America, N.A. (“Bank of America”). The Mercury Insurance Group Building was built in 1986 and contains approximately 91,500 net rentable square feet on two floors, plus an 8,610 square foot basement.

As of December 29, 2005, the office space in the property was approximately 57.2% leased (plus approximately 84.9% of the basement space) to two tenants, Mercury Insurance Services, LLC (“Mercury Insurance”) and Marathon Oil Company (“Marathon”).

Mercury Insurance, an affiliate of Purchaser, has a lease for approximately 51,200 square feet (including approximately 7,310 in the basement) that expires on December 31, 2009. The lease requires rent payments equal to \$10.00 per square foot until maturity in December 2009. The lease includes two 5-year renewal terms, the first at the then market rate (not to exceed \$13.00 per square foot) and the second at a then fair market rental (not to exceed \$15.00 per square foot). Mercury Insurance is also obligated to pay its proportionate share (50.86%) of increases in operating costs of the building after 2005, subject to a cap on cumulative increases of 4% per annum on all operating expenses other than real estate taxes, assessments, dues, insurance, and utilities.

Marathon’s lease is for approximately 8,430 square feet and expires in February 2009. The lease currently requires rent payments equal to \$12.50 per square foot. Marathon must also pay additional rent equal to its proportionate share (8.43%) of any increases in operating costs of the building after 1996.

The sale price paid by Purchaser for the Mercury Insurance Group Building was \$7,000,000 (the “Purchase Price”). The Purchase Price was payable in immediately available U.S. funds at the closing of the purchase and sale (the “Closing”). Registrant granted Purchaser a credit against the Purchase Price in the amount of \$100,000 on account of certain inspection items to which Purchaser objected.

At the Closing, Purchaser released Registrant from and waived all claims and liability which Purchaser may have against Registrant for any structural, physical and environmental condition of the Mercury Insurance Group Building including, without limitation, the presence, discovery, or removal of any hazardous materials in, at, about, or under the Mercury Insurance Group Building.

Registrant paid sales commissions to third parties aggregating \$138,000 in connection with the sale of the Mercury Insurance Group Building to Purchaser. In addition, Registrant has agreed to pay \$69,000 to Mr. Tom Fillmore, Registrant's Property Manager/Leasing Agent for the Mercury Insurance Group Building, in connection with the sale of the building. Registrant also paid operating adjustments, escrow fees, transfer taxes, title insurance premium, and other customary closing costs aggregating approximately \$23,100 in connection with the sale of the Mercury Insurance Group Building.

At Closing, Registrant paid outstanding leasing commissions and tenant improvements to be performed pursuant to an amendment to Marathon's lease at the Mercury Insurance Group Building in the approximate amount of \$10,400 and \$62,000, respectively. Registrant agreed to indemnify, defend, and hold harmless Purchaser from any claims made by the contractor or Marathon against Purchaser regarding the construction of such tenant improvements within 90 days following substantial completion of such improvements. Registrant also paid at Closing real estate taxes related to the Mercury Insurance Group Building in the approximate amount of \$26,800.

At Closing, Registrant paid approximately \$6,078,700 to satisfy in full the Bank of America Loan. Upon such payment, Bank of America released its mortgage liens on the Mercury Insurance Group Building and on Registrant's buildings in San Antonio, Texas and Monterey Park, California. Registrant paid the bank's attorneys' fees and service fees and recording costs aggregating approximately \$3,400 in connection with satisfaction of the Bank of America Loan. After all costs, expenses, and payments associated with the sale of the Mercury Insurance Group Building and the satisfaction of the Bank of America Loan, Registrant received net proceeds aggregating approximately \$488,600 from the sale of the Mercury Insurance Group Building. Registrant intends to use such proceeds to augment working capital, including the funding of tenant improvements at its properties and reducing accounts payable and accrued expenses.

Registrant acquired the Mercury Insurance Group Building in March 1986 for a purchase price of approximately \$10,736,000, inclusive of acquisition fees. At December 31, 2004, the Mercury Insurance Group Building had a book value estimated at approximately \$7,298,000, net of accumulated depreciation.

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

(d) Exhibits.

- 10.1. Purchase and Sale Agreement dated as of November 11, 2005 between Registrant and Mercury Casualty Company incorporated by reference to Exhibit 10 to Registrant's Current Report on Form 8-K dated November 11, 2005.
- 10.2. Amendment to Purchase and Sale Agreement dated as of December 22, 2005 between Registrant and Mercury Casualty Company.

## **SIGNATURES**

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

### **CORPORATE REALTY INCOME FUND I, L.P.**

**By: 1345 Realty Corporation,  
Corporate General Partner**

By: /s/ Robert F. Gossett, Jr.  
Name: Robert F. Gossett, Jr.  
Title: President

Dated: January 4, 2006

**AMENDMENT TO  
PURCHASE AND SALE AGREEMENT**

This Amendment to Purchase and Sale Agreement (“Amendment”) is made as of December 22, 2005, by and between CORPORATE REALTY INCOME FUND I, L.P., a Delaware limited partnership (“Seller”), and MERCURY CASUALTY COMPANY, a California corporation (“Purchaser”).

A. Seller and Purchaser are parties to that certain Purchase and Sale Agreement dated as of November 11, 2005 (“Agreement”), relating to the purchase and sale of certain real property located at 7301 Northwest Highway Oklahoma City, Oklahoma 73132. All capitalized terms used but not defined in this Amendment shall be as defined in the Agreement.

B. Seller and Purchaser desire to amend the Agreement as hereinafter set forth.

NOW THEREFORE, in consideration of the mutual covenants contained herein, Seller and Purchaser agree as follows:

1. Credit for Inspection Items. Purchaser shall be entitled to a credit against the Purchase Price at Closing in the aggregate amount of One Hundred Thousand Dollars (\$100,000.00), on account of certain inspection items objected to by Purchaser.
2. Tenant Improvements. Seller represents and warrants that it has retained Cobb Manufacturing Co. (“Cobb”) to complete the tenant improvements to be performed pursuant to Amendment No. 5 to the Lease with Marathon Oil Company (“Marathon Improvements”) and that Cobb has agreed to complete the Marathon Improvements for the sum of \$62,000. Seller shall pay to Cobb at Closing the sum of Sixty-Two Thousand Dollars (\$62,000.00), provided, however, that if such amount is insufficient to complete the Marathon Improvements as currently contemplated in said Amendment No. 5 and as provided for in the plans which have previously been agreed to between Cobb and Marathon Oil Company, Seller shall pay any additional amount required to so complete such Marathon Improvements (including the cost of releasing any mechanics liens filed by Cobb). Seller shall indemnify, defend and hold harmless Purchaser from any claims made by Cobb or Marathon Oil against Purchaser regarding the construction of such Marathon Improvements within ninety (90) days following the substantial completion thereof, provided that such indemnity obligation shall not extend to any claims arising from the acts or omissions of Purchaser. Purchaser shall permit Cobb (in addition to any person retained by Seller to coordinate such work) to enter the Property during regular business hours for the purpose of completing such work.
3. Closing. The Closing shall occur on December 29, 2005 (“Closing Date”); provided, however, that each of Seller and Purchaser shall be entitled to one (1) extension of the Closing Date for a period not to exceed ten (10) days upon prior written notice thereof to the other party.
4. Ratification. By their execution hereof, the parties hereby ratify, adopt and agree to be bound by the terms of the Agreement, as amended hereby.
5. Integration. This Amendment supersedes any and all other agreements, written or oral, between the parties pertaining to the subject matter hereof.
6. Successors and Assigns. This Amendment shall be binding on and shall inure to the benefit of the parties, their respective heirs, successors and assigns.

7. Amendments. This Amendment may be altered or amended only with the written consent of the parties hereto.

8. Counterparts. This Amendment may be executed in one or more counterparts, each of which will be deemed an original, and the counterparts taken together shall constitute a single agreement. Facsimile signatures of this Amendment shall be deemed valid as original signatures.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

SELLER:

CORPORATE REALTY INCOME FUND I, L.P.

By: /s/ Robert F. Gossett, Jr.  
Robert F. Gossett, Jr.  
General Partner

By: 1345 Realty Corporation,  
General Partner

By: /s/ Robert F. Gossett, Jr.  
Robert F. Gossett, Jr.  
President

**[Signatures continue on following pages]**

PURCHASER:

MERCURY CASUALTY COMPANY, a  
California corporation

By: /s/ John E. Sutton

Name: John E. Sutton

Title: Assistant to Chairman/CEO

*[Signatures continue on following page]*



ESCROW HOLDER:

CHICAGO TITLE INSURANCE COMPANY

By: \_\_\_\_\_  
Its: \_\_\_\_\_