

Piedmont Office Realty Trust, Inc.
Form DEFR14A
October 19, 2007

SCHEDULE 14A

(RULE 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

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-11(c) or § 240.14a-12

PIEDMONT OFFICE REALTY TRUST, INC.

(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box)

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EXPLANATORY NOTE

On October 16, 2007, Piedmont Office Realty Trust, Inc. ("Piedmont REIT") filed with the Securities and Exchange Commission its definitive proxy statement for its 2007 Annual Meeting of Stockholders to be held on December 13, 2007 (the "Proxy Statement"). After the filing of the Proxy Statement but prior to the mailing of the Proxy Statement to its stockholders, Piedmont REIT made certain revisions to the cover letter to its stockholders. Piedmont REIT is hereby amending and restating the Proxy Statement to include a revised cover letter to its stockholders. Other than this revision, there are no other changes to the information contained in the Proxy Statement.

October 16, 2007

Dear Stockholder:

Attached for your review is a notice of the 2007 Annual Meeting of Stockholders and Proxy Statement for Piedmont Office Realty Trust, Inc. (formerly Wells Real Estate Investment Trust, Inc.). YOUR VOTE IS VERY IMPORTANT. Please respond immediately to help us avoid potential delays and additional expense to solicit votes.

We are asking you to read the enclosed materials and to vote on several matters of importance to the REIT, including the election of your Board of Directors, all of which are described in greater detail below. In an effort to maximize stockholder value, we are seeking stockholder approval to extend the liquidation date (Liquidation Date) of the REIT beyond January 30, 2008. Also, we are announcing our intent to reinstate our Share Redemption Program as soon as possible. The following sections go into more detail on all of the proposals in the proxy statement.

Annual Proxy Proposals

There are three proposals you are being asked to vote on in this proxy statement. Please review this information and vote today. Your vote is extremely important.

First, as in prior years, we are asking you to vote on the election of directors to the Board.

In the second proposal, you are being asked to vote on a recommendation from the Board of Directors to extend the Liquidation Date beyond the original date of January 30, 2008. The Board's recommendation allows the REIT to extend the date by which we must begin an orderly process of liquidation if we have not listed our common shares on a national securities exchange. The proposal is to extend the Liquidation Date to July 30, 2009, and to allow the Board of Directors, using its discretion based upon market conditions and other relevant factors, to further extend the Liquidation Date from July 30, 2009, to January 30, 2011, if deemed advisable in an effort to maximize stockholder value.

Finally, the Board has recommended a third proposal to approve an adjournment or postponement of the Annual Meeting, if necessary, to solicit additional proxies in favor of the extension of the Liquidation Date proposal described above.

Extension of Liquidation Date

As you are aware, the public equity markets (especially for REIT stocks) and credit markets have been extremely volatile in the last several months. In addition, most public office REITs are trading at substantial discounts to published estimates of the value of the underlying real estate. In the context of these turbulent market conditions, your Board, together with our financial advisors, Morgan Stanley & Co. Incorporated and J.P. Morgan Securities, Inc., undertook a careful and extensive review of our options. Your Board unanimously concluded that the proposed extension is in the best interests of our stockholders for a number of reasons:

Given current turbulent market conditions, if we listed our common stock or entered into a sale transaction, the value received for our shares would likely be at a significant discount to the long-term value of our Company;

Once public equity markets stabilize, we believe that we will have the opportunity to list our shares or enter into a sale transaction at a value that is more reflective of the long-term value of our Company;

Listing our shares or entering into a sale transaction now at a significant discount to the long-term value of our Company is not in the best interests of our stockholders for the reasons more fully set forth in the attached proxy statement; and

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We are able to offer liquidity to our stockholders who desire it through our Share Redemption Program and other liquidity programs.

The proxy statement describes these reasons in more detail and contains additional background regarding why the Board determined it is in the best interest of the Company and our stockholders to possibly delay the listing of our common stock or a possible sale, merger, or other strategic transaction involving the company or its assets until the debt and public equity markets have stabilized.

It is important to know that extending the Liquidation Date does not prevent the Board from listing, liquidating the portfolio, selling the Company, or from pursuing any other liquidity option - instead it provides the Board with the flexibility to conduct a liquidity event under what are expected to be more favorable market conditions. Meanwhile during this time, we intend to benefit from the improving office market fundamentals with the expectation of improving stockholder value.

Reinstatement of Share Redemption Program and Interim Liquidity

In an effort to accommodate interim liquidity needs of some stockholders, our Board of Directors intends to reinstate our existing Share Redemption Program in the fourth quarter of 2007. Further, the Board of Directors will also consider amending our redemption program or adopting other liquidity programs to provide additional interim liquidity to our stockholders if the demand for redemptions exceeds our Share Redemption Program limitations.

Questions

You will find much more detail about the Board's decisions and recommendations in the attached documents. We ask that you review the documents thoroughly and submit your vote as soon as possible in advance of the Annual Meeting on December 13, 2007.

If you have any questions, please call your financial advisor or call a Piedmont Investor Services Specialist at 800-557-4830, Monday through Thursday, 8:15 a.m. to 6:30 p.m., and Friday, 8:15 a.m. to 5:30 p.m. (ET). Investor Services also may be reached via e-mail at investor.services@PiedmontREIT.com. To view our latest company regulatory filings and updates, including Form 8-K filings, please visit our Web site at www.PiedmontREIT.com.

Thank you for your support of Piedmont and for your prompt vote. We greatly value our relationship with you and will continue to keep you informed in the days ahead regarding your investment.

Sincerely,

/s/ Donald A. Miller, CFA

Donald A. Miller, CFA

Chief Executive Officer

Piedmont Office Realty Trust, Inc.

(f/k/a Wells Real Estate Investment Trust, Inc.)

OFFICIAL NOTICE OF ANNUAL MEETING

PIEDMONT OFFICE REALTY TRUST, INC.

6200 The Corners Parkway, Suite 500

Norcross, Georgia 30092-3365

Proxy Statement and

Notice of Annual Meeting of Stockholders

To Be Held December 13, 2007

Dear Stockholder:

On Thursday, December 13, 2007, Piedmont Office Realty Trust, Inc. (Piedmont REIT) (formerly known as Wells Real Estate Investment Trust, Inc.), a Maryland corporation, will hold its 2007 annual meeting of stockholders (the Annual Meeting) at the Hilton Atlanta Northeast, 5993 Peachtree Industrial Blvd., Norcross, Georgia 30092. The meeting will begin at 1:30 p.m. eastern time.

The purpose of this Annual Meeting is to consider and to vote upon the following proposals:

1. A proposal to elect six directors to hold office for one-year terms expiring in 2008;
2. A proposal to amend our Charter in order to extend the date by which we must begin an orderly process of liquidation if we have not listed our common shares on a national securities exchange (the Liquidation Date) from January 30, 2008 to July 30, 2009, and in the board of directors' discretion, to further extend the Liquidation Date from July 30, 2009 to January 30, 2011; and
3. A proposal to approve an adjournment or postponement of the Annual Meeting, including if necessary, to solicit additional proxies in favor of the foregoing proposals if there are not sufficient votes for either of the proposals.

Your board of directors has selected October 2, 2007 as the record date for determining stockholders entitled to vote at the meeting.

Copies of our 2006 annual report to stockholders (our Annual Report) have previously been mailed to our stockholders. This proxy statement and proxy card are being mailed to you on or about October 16, 2007.

WHETHER YOU PLAN TO ATTEND THE MEETING AND VOTE IN PERSON OR NOT, WE URGE YOU TO HAVE YOUR VOTE RECORDED AS EARLY AS POSSIBLE. YOU HAVE THE FOLLOWING THREE OPTIONS FOR SUBMITTING YOUR VOTES BY PROXY: (1) VIA THE INTERNET; (2) BY TELEPHONE; OR (3) BY MAIL, USING THE ENCLOSED PROXY CARD. BECAUSE WE ARE A WIDELY-HELD REIT WITH MORE THAN 110,000 STOCKHOLDERS, **YOUR VOTE IS VERY IMPORTANT! YOUR IMMEDIATE RESPONSE WILL HELP AVOID POTENTIAL DELAYS AND MAY SAVE PIEDMONT REIT SIGNIFICANT ADDITIONAL EXPENSES ASSOCIATED WITH SOLICITING STOCKHOLDER VOTES.**

BY ORDER OF THE BOARD OF DIRECTORS

Robert E. Bowers

Chief Financial Officer, Executive Vice President, Secretary and Treasurer

Atlanta, Georgia

October 16, 2007

QUESTIONS AND ANSWERS

We are providing you with this proxy statement, which contains information about the items to be voted upon at our Annual Meeting. To make this information easier to understand, we have presented some of the information below in a question and answer format.

Q: Will my vote make a difference?

A: Yes. Your vote is needed to ensure that the proposals can be acted upon. Because we are a widely-held REIT (with approximately 110,000 stockholders and, unlike most other public companies, no large brokerage houses own substantial blocks of our shares), **YOUR VOTE IS VERY IMPORTANT! Your immediate response will help avoid potential delays and may save Piedmont REIT significant additional expenses associated with soliciting stockholder votes.** We encourage you to participate in the governance of Piedmont REIT.

Q: Why did you send me this Proxy Statement and proxy card?

A: You are receiving a Proxy Statement and proxy card from us because you own shares of our common stock. This Proxy Statement describes issues on which we would like you, as a stockholder, to vote. It also gives you information on these issues so that you can make an informed decision.

When you sign the proxy card, you appoint Donald A. Miller, CFA, our Chief Executive Officer, and Robert E. Bowers, our Chief Financial Officer, as your representatives at the Annual Meeting. Messrs. Miller and Bowers will vote your shares at the Annual Meeting as you have instructed them on the proxy card. This way, your shares will be voted whether or not you attend the Annual Meeting. Even if you plan to attend the Annual Meeting, it is a good idea to complete, sign and return your proxy card, vote by telephone or vote over the Internet in advance of the Annual Meeting just in case your plans change.

If an issue comes up for vote at the Annual Meeting that is not on the proxy card, Messrs. Miller and Bowers will vote your shares, under your proxy, at their discretion.

Q: When is the Annual Meeting and where will it be held?

A: The Annual Meeting will be held on Thursday, December 13, 2007, at 1:30 p.m. (eastern time) at the Hilton Atlanta Northeast, 5993 Peachtree Industrial Blvd., Norcross, Georgia 30092.

Q: Who is soliciting my proxy?

A: This proxy is being solicited by the board of directors of Piedmont Office Realty Trust, Inc.

Q: What is the record date?

A: The record date is set for October 2, 2007. Only holders of record of common stock as of the close of business on this date will be entitled to vote at the Annual Meeting.

Q: How many shares of common stock are outstanding and can vote?

A: As of the record date, there were approximately 492,570,566 shares of our common stock issued and outstanding. Every stockholder is entitled to one vote for each share of common stock held. Only shares of common stock outstanding as of the record date will be eligible to vote at the Annual Meeting.

Q: How many votes do you need to hold the Annual Meeting?

A: In order for us to conduct the Annual Meeting, we must have a quorum, which means that a majority of our outstanding shares of common stock as of the record date must be present in person or by proxy at the Annual Meeting. Your shares will be counted as present at the Annual Meeting if you:

vote over the Internet or by telephone,

properly submit a proxy card (even if you do not provide voting instructions), or

attend the Annual Meeting and vote in person.

Q: On what items am I voting?

A: You are being asked to vote on the following:

- (1) *Election of Directors* the election of six nominees to serve on the board of directors,
- (2) *Amendment of the Charter to Extend the Liquidation Date* the approval of an amendment to our Charter in order to extend the date by which we must begin an orderly process of liquidation if we have not listed our common shares on a national exchange (the Liquidation Date) from January 30, 2008 to July 30, 2009, and in the board of directors' discretion, to extend further the Liquidation Date from July 30, 2009 to January 30, 2011, and
- (3) *Other Matters* the approval of a proposal to adjourn or postpone the Annual Meeting, including if necessary, to solicit additional proxies in favor of the foregoing proposals if there are not sufficient votes for either of the proposals.

No cumulative voting rights are authorized, and dissenter's rights are not applicable to the matters being voted upon.

Q: How do I vote?

A: If you are a registered stockholder, meaning that your shares are registered in your name, you have four voting options:

over the Internet at the web address shown on your proxy card (if you have access to the Internet, we encourage you to vote in this manner),

by telephone through the number shown on your proxy card,

by signing your proxy card and mailing it in the enclosed prepaid and addressed envelope, or

by attending the Annual Meeting and voting in person.

If you have Internet access, we encourage you to record your vote on the Internet. It is convenient, and it saves Piedmont REIT significant postage and processing costs. In addition, when you vote via the Internet or by phone prior to the meeting date, your vote is recorded immediately and there is no risk that postal delays will cause your vote to arrive late and, therefore, not be counted. For further instructions on voting, see your enclosed proxy card in this Proxy Statement.

Q: How may I vote for the nominees for director?

A: With respect to the election of nominees for director, you may:

vote FOR ALL six nominees for director;

FOR ALL EXCEPT which will be considered a vote in favor of all nominees EXCEPT those nominees you specifically list in the space provided; or

WITHHOLD ALL which will be considered a vote against all director nominees.

Each of the six nominees for re-election as a director will be elected at the Annual Meeting if a quorum is present at the Annual Meeting and at least a majority of shares present in person or by proxy and entitled to vote at such meeting vote in favor of such director for re-election. If you just sign your proxy card with no further instructions, your shares will be counted as a vote FOR ALL director nominees.

Q: What happens if a nominee is unable to stand for election?

A: If a nominee is unable to stand for election, the board of directors may, by resolution, provide for a lesser number of directors or designate a substitute nominee. If the board of directors designates a substitute nominee, shares represented by proxies voted for the nominee who is unable to stand for election will be voted for the substitute nominee.

Q: How may I vote for the amendment to the Charter to extend the Liquidation Date?

A: With respect to the proposal to amend the Charter to extend the Liquidation Date, you may:

vote FOR the proposal;

vote AGAINST the proposal; or

ABSTAIN from voting on the proposal.

The amendment to the Charter to extend the Liquidation Date will be approved if the proposal receives the affirmative vote of the holders of at least a majority of our outstanding shares of common stock entitled to vote thereon. If you abstain from voting on the proposal, it will have the same effect as a vote against the proposal. If you just sign your proxy card with no further instructions, your shares will be counted as a vote FOR the proposal to amend the Charter to extend the Liquidation Date.

Q: The proposal discussing the amendment to our Charter refers to the Internalization. What is the Internalization?

A: In April 2007, we became self-managed through the acquisition of two companies previously providing advisory and management services to us in a transaction, which we refer to as the Internalization. The Internalization was approved by our stockholders at a Special Meeting held on April 11, 2007. References in this Proxy Statement to our former advisor include, collectively, Wells Real Estate Funds, Inc. (Wells REF), Wells Advisory Services I, LLC (WASI), Wells Real Estate Advisory Services, Inc. (WREAS), Wells Government Services, Inc. (WGS) and their predecessors, as applicable, including those portions of the operations of Wells Capital, Inc. (Wells Capital) and Wells Management Company, Inc. (Wells Management) that previously provided advisory and management services to us under advisory, asset management and property management agreements.

Q: What happens if the proposal to extend the Liquidation Date is approved?

A: If the proposal to extend the Liquidation Date is approved, we intend to continue to operate the business of the company in accordance with our business plan while evaluating all other options available to the company. We believe that the extension of the Liquidation Date will give us the flexibility to continue to operate and grow the business and will likewise provide the flexibility to take advantage of all other options available to the company.

Q: What happens if the proposal to extend the Liquidation Date is not approved?

A: If the proposal to extend the Liquidation Date is not approved, our board of directors will consider all of its options prior to January 30, 2008 including a listing of our common stock, and if we do not pursue a listing or other strategic alternative prior to January 30, 2008, we will commence an orderly process of liquidation in accordance with our Charter.

Q: How may I vote for the proposal to approve an adjournment or postponement of the Annual Meeting, including if necessary, to solicit additional proxies in favor of the foregoing proposals if there are not sufficient votes for either of the proposals?

A: With respect to the proposal to approve an adjournment or postponement of the Annual Meeting, including if necessary, to solicit additional proxies in favor of the foregoing proposals if there are not sufficient votes for either of the proposals, you may:

vote FOR the proposal;
vote AGAINST the proposal; or
ABSTAIN from voting on the proposal.

This proposal will be approved if the proposal receives the affirmative vote of at least a majority of the votes cast at the Annual Meeting by the holders who are present in person or by proxy and entitled to vote at the meeting. If you abstain from voting on the proposal, it will have no effect on the outcome of the vote. If you just sign your proxy card with no further instructions, your shares will be counted as a vote FOR this proposal.

Q: How does the board of directors recommend I vote on the proposals?

A: The board of directors recommends a vote:

FOR ALL nominees for election as director who are named as such in this Proxy Statement,

FOR the proposal to amend the Charter to extend the Liquidation Date, and

FOR the proposal to approve an adjournment or postponement of the Annual Meeting, including if necessary, to solicit additional proxies in favor of the foregoing proposals if there are not sufficient votes for either of the proposals.

Q: What if I return my proxy card and then change my mind?

A: You have the right to revoke your proxy at any time before the meeting by:

voting again over the Internet or by telephone before 12:00 a.m., Eastern Time, on December 13, 2007;

giving written notice to Robert E. Bowers, our Secretary;

attending the Annual Meeting and voting in person; or

returning a new, valid proxy card bearing a later date, which is received before the Annual Meeting date.

Q: How will the proxies be voted?

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A: Any proxy, if it is received in time, is properly signed and is not revoked, will be voted at the Annual Meeting in accordance with the directions of the stockholder signing the proxy. If you return a signed proxy card but do not provide voting instructions, your shares will be voted:

FOR ALL of the six nominees to serve on the board of directors;

FOR the approval of the amendment to the Charter to extend Liquidation Date; and

FOR the approval of a proposal to adjourn or postpone the Annual Meeting, including if necessary, to solicit additional proxies in favor of the foregoing proposals if there are not sufficient votes for either of the proposals.

Q: Are voting procedures different if I hold my shares in the name of a broker, bank or other nominee?

A: If your shares are held in street name through a broker, bank or other nominee, please refer to the instructions they provide regarding how to vote your shares or to revoke your voting instructions. The availability of telephone and Internet voting depends on the voting processes of the broker, bank or other nominee.

Q: What is the effect of abstentions and broker non-votes?

A: Abstentions with respect to a proposal are counted for purposes of establishing a quorum.

With respect to the proposal to adjourn or postpone the Annual Meeting, abstentions will have no effect on the outcome of the vote. With respect to the proposal to elect six nominees to our board of directors and the proposal to amend the Charter to extend the Liquidation Date, abstentions will have the effect of a vote against such proposals.

If your shares are held in street name through a broker, bank or other nominee and you do not vote your shares, your broker, bank or other nominee may vote your shares on your behalf under certain circumstances.

On certain routine matters, such as the election of directors, brokerage firms have authority to vote their customers' shares if their customers do not provide voting instructions. When a brokerage firm votes its customers' shares on a routine matter without receiving voting instructions, these shares are counted both for establishing a quorum to conduct business at the meeting and in determining the number of shares voted *for* or *against* the routine matter.

On non-routine matters, such as the amendment to the Charter to extend the Liquidation Date and the proposal to adjourn or postpone the Annual Meeting to solicit additional proxies in favor of a proposal, the brokerage firm cannot vote the shares on that proposal if it has not received voting instructions from the beneficial owner of such shares.

A broker non-vote occurs when a beneficial owner fails to provide voting instructions to his or her broker as to how to vote shares held by the broker in street name and the broker does not have discretionary authority to vote without instructions. By signing your proxy card and returning it to your broker without specific voting instructions as to any proposal, your shares represented by that proxy will be voted FOR that proposal. Any shares you beneficially own not identified as represented by that proxy will be considered broker non-votes with respect to all non-routine matters, including (1) the proposal to amend the Charter to extend the Liquidation Date and (2) the proposal to adjourn or postpone the Annual Meeting, including to solicit additional proxies in favor of a proposal.

With respect to the Amendment to the Charter to extend the Liquidation Date, broker non-votes will have the effect of a vote AGAINST the proposal. With respect to the proposal to adjourn or postpone the Annual Meeting, broker non-votes will have no effect on the proposal.

Q: How will voting on any other business be conducted?

A: Although we do not know of any business to be considered at the Annual Meeting other than as set forth herein, if any other business is properly presented at the Annual Meeting, your signed proxy card gives authority to Donald A. Miller, CFA, our Chief Executive Officer and Robert E. Bowers, our Chief Financial Officer, or either of them, to vote on such matters in accordance with the recommendation of the board of directors or, in the absence of such a recommendation, in their discretion.

Q: When are the stockholder proposals for the next Annual Meeting of stockholders due?

A: All stockholder proposals to be considered for inclusion in the 2008 Proxy Statement must be submitted in writing to Robert E. Bowers, Chief Financial Officer, Piedmont Office Realty Trust, 6200 The Corners Parkway, Suite 500, Norcross, Georgia 30092-3365, no later than June 3, 2008. In order to be eligible for presentation at our 2008 annual meeting, our Bylaws require that written notice of any director nominations or other stockholder proposals must be received by our Secretary no later than September 14, 2008, but any such director nominations or stockholder proposals received after June 3, 2008 will not be included in our proxy solicitation materials.

Q: Who pays the cost of this proxy solicitation?

A: We will pay all the costs of soliciting these proxies. In addition to these mailed proxy materials, our employees, employees of our service providers, including Wells Real Estate Funds, Inc., our service provider under the Transition Services Agreement and Support Services Agreement described in further detail herein, The Bank of New York and ComputerShare Fund Services, our proxy solicitors, may also solicit proxies in person, by telephone, or by other means of communication. Our employees and employees of Wells Real Estate Funds, Inc. will not be paid any additional compensation for soliciting proxies. The Bank of New York will be paid an administrative fee of approximately \$2,500 and \$0.22 per phone vote and \$0.07 per internet vote, plus out-of-pocket expenses for its basic solicitation services, which include review of proxy materials, dissemination of brokers search cards, distribution of proxy materials, solicitation of brokers, banks, and institutional holders, and delivery of executed proxies. ComputerShare Fund Services will be paid \$5.00 per vote for its solicitation services. We may also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to beneficial owners.

Q: Is this Proxy Statement the only way that proxies are being solicited?

A: No. In addition to mailing proxy solicitation material, our directors and employees, as well as third party proxy service companies we retain, may also solicit proxies in person, via the internet, by telephone or by any other electronic means of communication we deem appropriate.

Q: If I plan to attend the Annual Meeting in person, should I notify anyone?

A: While you are not required to notify anyone in order to attend the Annual Meeting, if you do plan to attend the meeting, we would appreciate it if you would mark the appropriate box on the enclosed proxy card to let us know how many stockholders will be attending the meeting so that we will be able to prepare a suitable meeting room for the attendees.

Q: How can I get additional copies of this Proxy Statement or other information filed with the SEC relating to this solicitation?

A: You may obtain additional copies of this Proxy Statement, our 2006 Annual Report on Form 10-K and all other relevant documents filed by us with the SEC free of charge at the SEC's Web site located at www.sec.gov, from our Web site at www.piedmontreit.com, or by calling our Investor Services Department at 1-800-557-4830.

In addition, we file annual, quarterly and special reports, Proxy Statements and other information with the Securities and Exchange Commission (SEC). Our SEC filings are available to the public on the website maintained by the SEC at <http://www.sec.gov>. You may also read and copy any reports, statements or other information we file with the SEC at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, DC 20549. You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information regarding the public reference facilities.

PROPOSAL I:**ELECTION OF DIRECTORS**

At the Annual Meeting, you and the other stockholders will vote on the election of all six members of our board of directors. Those persons elected will serve as directors until the 2008 Annual Meeting or until they otherwise resign or are removed from the board. The board of directors has nominated the following people for re-election as directors:

Name	Age	Position(s)
W. Wayne Woody, Chairman	65	Director* and Chairman of the Board of Directors
Michael R. Buchanan	60	Director*
Wesley E. Cantrell	72	Director*
William H. Keogler, Jr.	61	Director*
Donald S. Moss	71	Director*
Donald A. Miller, CFA	44	Chief Executive Officer, President and Director

* Indicates that such director is considered independent under the NYSE independence standards as determined by our board of directors.

The following is detailed information regarding each of the nominees:

W. Wayne Woody has served as an independent director of our company since 2003 and he was appointed Chairman of the board of directors on May 9, 2007. He served as the Interim Chief Financial Officer for Legacy Investment Group, a boutique investment firm, from 2000 to 2001. From 1968 until his retirement in 1999, Mr. Woody was employed by KPMG LLP and its predecessor firms, Peat Marwick Mitchell & Co. and Peat Marwick Main. As a Senior Partner of KPMG, he served in a number of key positions, including Securities and Exchange Commission Reviewing Partner and Partner-in-Charge of Professional Practice and Firm Risk Management for the southeastern United States and Puerto Rico. Mr. Woody was also a member of the board of directors of KPMG from 1990 through 1994. Prior to joining KPMG, Mr. Woody was the Principal Budget Analyst for the State of Georgia Office of Planning and Budget, where he reviewed, analyzed and presented the Governor's budget proposals to the state legislature. Mr. Woody is a former Chairman of the Audit Committee for the City of Atlanta. He is also a director and the former Chairman of the Audit Committee of the Metropolitan Atlanta Chapter of the American Red Cross. Mr. Woody is a former member of the board of directors for the Metropolitan Atlanta Chapter of the American Heart Association. Since 2003, he has served as a director of American HomePatient, Inc., a publicly traded home health care provider, and as a trustee of the Wells Family of Real Estate Funds. Prior to the Internalization, he was also a director of Wells Real Estate Investment Trust II, Inc. In addition, he formerly served as a trustee and chairman of the Finance Committee for the Georgia State University Foundation. Mr. Woody previously served a three-year term as Chairman of the Board of Trustees of the Georgia Center for the Visually Impaired. Mr. Woody received a Bachelor of Science degree from Middle Tennessee State University and a Master's of Business Administration degree from Georgia State University. He is a retired Certified Public Accountant in Georgia and North Carolina.

Michael R. Buchanan has served as an independent director of our company since 2002. Mr. Buchanan also currently serves as director of D.R. Horton, Inc., a publicly held residential development company. He was employed by Bank of America, N.A. and its predecessor banks, NationsBank and C&S National Bank, from 1972 until his retirement in March 2002. Mr. Buchanan has over 30 years of real estate banking and financial experience and, while at Bank of America, he held several key positions, including Managing Director of the Real Estate Banking Group, where he managed approximately 1,100 associates in 90 offices from 1998 until his retirement. This group was responsible for providing real estate loans, including construction, acquisition, development and bridge financing for the commercial and residential real estate industry, as well as providing structured financing for REITs. Mr. Buchanan has served as a trustee of Wells Family of Real Estate Funds since 2002. Mr. Buchanan is a graduate of the University of Kentucky where he earned a Bachelor of Economics degree and a Master's of Business Administration degree. He also attended Harvard University in the graduate program for management development.

Wesley E. Cantrell has served as an independent director of our company since May 9, 2007. He was employed by Lanier Worldwide, Inc. (formerly NYSE: LR), a global document management company, from 1955 until his retirement in 2001. While at Lanier, Mr. Cantrell served in a number of key positions, including President from 1977 to 1987, President and Chief Executive Officer from 1987-1999, and Chairman and Chief Executive Officer from 1999 to 2001. During his time at Lanier, Mr. Cantrell oversaw the company's sales increase from less than \$100 million to over \$1.4 billion and successfully transitioned the company through several major technology changes while repositioning a competitive U.S.-

based company into a global competitor. More recently, in May 2007, Mr. Cantrell co-authored the book, High-Performance Ethics: 10 Timeless Principles for Next-Generation Leadership. The book emphasizes integrity and ethical decision-making as essential elements for any successful business. Mr. Cantrell is currently a director for AnnTaylor Stores Corporation (NYSE: ANN), a publicly traded women's specialty retailer listed on the NYSE, and previously served as a director for First Union National Bank of Atlanta and as a director of Institutional REIT, Inc., a public program newly sponsored by our former advisor. Mr. Cantrell graduated from the Southern Technical Institute with highest honors and was awarded an honorary doctorate from Southern Polytechnic State University.

William H. Keogler, Jr. has served as an independent director of our company since 1998. From December 1974 to July 1982, Mr. Keogler was employed by Robinson-Humphrey, Inc., an investment banking company, brokerage and trading firm, as the Director of Fixed Income Trading Departments responsible for municipal bond trading and municipal research, corporate and government bond trading, unit trusts and SBA/FHA loans, as well as being a member of the board of directors. From July 1982 to October 1984, Mr. Keogler was Executive Vice President, Chief Operating Officer, Chairman of the Executive Investment Committee and member of the board of directors and Chairman of the Managed Funds Association Advisory Board for the Financial Service Corporation. In March 1985, Mr. Keogler founded Keogler, Morgan & Company, Inc., a full-service brokerage firm, and Keogler Investment Advisory, Inc., an investment advisory firm, in which he served as Chairman of the Board, President and Chief Executive Officer. In January 1997, both companies were sold to SunAmerica, Inc., a publicly traded NYSE-listed company. Mr. Keogler continued to serve as President and Chief Executive Officer of these companies until his retirement in January 1998.

Donald S. Moss has served as an independent director of our company since 1998. He was employed by Avon Products, Inc. (NYSE: AVP), a publicly traded global beauty company listed on the NYSE, from 1957 until his retirement in 1986. While at Avon, Mr. Moss served in a number of key positions, including Vice President and Controller from 1973 to 1976, Group Vice President of Operations-Worldwide from 1976 to 1979, Group Vice President of Sales-Worldwide from 1979 to 1980, Senior Vice President-International from 1980 to 1983, and Group Vice President-Human Resources and Administration from 1983 until his retirement in 1986. Mr. Moss has served as a trustee of the Wells Family of Real Estate Funds since 1998 and as a director of Wells Timberland REIT, Inc. since 2006. Prior to the Internalization, he also served as a director of Wells Real Estate Investment Trust II, Inc. Mr. Moss was also a member of the board of directors of Avon Canada, Avon Japan, Avon Thailand, and Avon Malaysia from 1980 to 1983. Mr. Moss is a former director of The Atlanta Athletic Club. He was the National Treasurer and a director of the Girls Clubs of America from 1973 to 1976. Mr. Moss attended the University of Illinois where he majored in business.

Donald A. Miller, CFA, has served as our Chief Executive Officer, President, and a member of our board of directors since February 2, 2007. From 2003 to 2007, Mr. Miller was a Vice President of Wells REF and a Senior Vice President of Wells Capital. In such capacities, he was responsible for directing all aspects of the acquisitions, dispositions, property management, construction and leasing groups for Wells REF, Wells Capital and their affiliates in connection with these entities providing services to us under advisory, asset management and property management agreements to which we were a party prior to the Internalization. Prior to joining Wells REF and Wells Capital, Mr. Miller joined and ultimately headed the U.S. equity real estate operations, including acquisitions, dispositions, financing and investment management, of Lend Lease, a leading international commercial office, retail and residential property group from 1994 to 2003. Prior to joining Lend Lease, Mr. Miller was responsible for regional acquisitions for Prentiss Properties Realty Advisors, a predecessor entity to Prentiss Properties Trust, a publicly traded, self-administered and self-managed real estate investment trust (which was acquired by Brandywine Realty Trust in 2005). Earlier in his career, Mr. Miller worked in the pension investment management department of Delta Air Lines and was responsible for real estate and international equity investment programs. Mr. Miller is a Chartered Financial Analyst and holds a Georgia real estate license. He received a B.A. from Furman University in Greenville, South Carolina. He is a member of Urban Land Institution (ULI), National Association of Industrial and Office Properties (NAIOP) and the National Association of Real Estate Investment Trusts (NAREIT).

Vote Required; Recommendation

Each of the six nominees for re-election as a director will be elected at the Annual Meeting if a quorum is present at the Annual Meeting and a majority of shares present in person or by proxy and entitled to vote at such meeting vote in favor of such director for re-election. A properly executed proxy marked **FOR ALL** will be considered a vote in favor of all nominees for re-election as director. A properly executed proxy marked **FOR ALL EXCEPT** will be considered a vote in favor of all nominees EXCEPT those nominees you specifically list in the space provided. A properly executed proxy marked **WITHHOLD ALL** will be considered a vote against all director nominees. Your board of directors unanimously recommends a vote **FOR ALL** nominees listed for re-election as directors.

PROPOSAL II:

AMENDMENT TO THE CHARTER TO EXTEND

THE LIQUIDATION DATE

Introduction

Due to the recent turmoil in the equity and credit markets and for the other reasons set forth below, our board of directors has unanimously determined that it is advisable (i) to extend the Liquidation Date from January 30, 2008 to July 30, 2009 and (ii) to provide the board of directors with the discretionary authority, to extend the Liquidation Date further from July 30, 2009 to January 30, 2011. In order to accomplish this, we need stockholder approval of an amendment to our Charter. The full text of this amendment is set forth in the proposed Amendment No. 2 to the Second Articles of Amendment and Restatement which is attached hereto as **Appendix B**. If the proposal to extend the Liquidation Date is approved, we intend to continue to operate the business of the company, while evaluating all other options available to the company.

Background

Our Charter requires that, unless we list our common shares on a national securities exchange or over-the-counter market by January 30, 2008, which we refer to as the Liquidation Date in this Proxy Statement, we must commence an orderly process of liquidation.

Accordingly, in late 2004, our board of directors appointed a special committee, which we refer to as the Special Committee, composed of Messrs. W. Wayne Woody, Michael R. Buchanan, Richard W. Carpenter and William H. Keogler, Jr., each of whom was an independent director, to evaluate and investigate the advisability of an internalization and other alternative strategic options. Although internalization transactions are a typical step in the lifecycle of many non-listed REITs, the Special Committee undertook a thorough process to ascertain the strategic alternative that it believed would provide stockholders the greatest potential to maximize their long term investment return. To assist them in this analysis, the Special Committee retained Rogers & Hardin LLP as its legal counsel and Robert A. Stanger & Co., Inc., a real estate industry expert, as its financial advisor. The Special Committee investigated and analyzed various options with its financial advisor and legal counsel and ultimately determined that it was in the best interests of Piedmont REIT and its stockholders to internalize its former advisor, which we refer to as the Internalization in this Proxy Statement. The Special Committee concluded that the Internalization would, among other things, (i) better position the company for a successful listing on a national securities exchange, (ii) be accretive over time to our earnings per share and our funds from operations per share due to a reduction in operating costs resulting from no longer paying advisory, property management and certain of the other fees and expense reimbursements to our former advisor and (iii) provide a dedicated and internal management team fully focused on our operations and strategic plans. This determination was based on a number of factors, including, among others, a review of then-current real estate market conditions, an analysis of the possible strategic alternatives and certain potential advantages and disadvantages of such alternatives, an evaluation of the potential financial impact on us and our stockholders of such alternatives and information regarding the experiences of other REITs with respect to internalization and other alternatives, and financial advice of Robert A. Stanger & Co., Inc. The Special Committee also retained Ernst & Young LLP to undertake certain agreed upon procedures on financial information relating to the transaction. In addition, we received a written fairness opinion from Houlihan Lokey Howard & Zukin Financial Advisors, Inc. as to the fairness, from a financial point of view, to us of the consideration to be paid by us in the Internalization.

Consistent with this decision, the Special Committee negotiated a merger agreement with Wells REF, Wells Capital, Wells Management, WASI, WREAS and WGS, which was entered into on February 2, 2007. Although not legally required, the Merger Agreement conditioned closing of the Internalization on approval by our stockholders. On April 11, 2007, a majority of our stockholders (94% of those voting) approved the Internalization and on April 16, 2007, we completed the Internalization and became self-managed and self-advised.

In the time between entering into the Merger Agreement and the completion of the Internalization, our board of directors and management had discussions with investment bankers and other advisors regarding a possible listing. In early April, Morgan Stanley & Co. Incorporated and J.P. Morgan Securities met with our board of directors and presented information relating to market conditions and a potential listing of our common stock. Upon the completion of the Internalization, we formally engaged Morgan Stanley & Co. Incorporated and J.P. Morgan Securities Inc., which we hereafter refer to as our Financial Advisors, to continue to assist us with our evaluation of a listing. Based on input from our Financial Advisors, our legal advisors and Robert A. Stanger & Co. Inc. and after again considering strategic alternatives available to our company, our board of directors determined that it was in the best interests of the company and our

stockholders to immediately pursue a listing of our common stock on a national securities exchange. We also determined to pursue a concurrent offering of our common stock, which our Financial Advisors viewed as an important component to a successful launch of our company onto the publicly-traded markets. After the closing of the Internalization on April 16, 2007, we immediately began to take steps necessary to list our common stock and complete a concurrent offering of our common stock. With the assistance of our Financial Advisors and our legal counsel, we began to prepare a registration statement on Form S-11 and prospectus for the concurrent offering, which we filed with the Securities and Exchange Commission on May 23, 2007 with Morgan Stanley & Co. Incorporated and J.P. Morgan Securities Inc. as lead underwriters. In addition, after completion of the Internalization, we implemented other strategies in order to pursue a listing of our common stock on a national securities exchange, including among other things, making improvements to our corporate governance practices, making changes to the makeup of our board of directors, and changing our name in order to differentiate ourselves as a unique, high quality, self-advised office REIT.

After we filed the registration statement, the publicly traded REIT markets traded down and as a result, our Financial Advisors believed that the values we would receive upon a listing and concurrent offering of our common shares could be affected by those public equity market conditions. As a result, our board of directors asked our Financial Advisors to begin conducting conversations with a limited number of third parties that were financially capable of consummating a strategic transaction with the company to review the values that could be obtained in a strategic transaction including a possible sale of the company and to compare those values with the potential value which was anticipated to be obtained through listing of our shares under then current market conditions. On July 12, 2007, our Financial Advisors reported to our board of directors the results of their conversations, indicating that the potential buyers contacted confirmed management's view of valuation for the assets of the company but that none of these potential buyers was interested at that time in pursuing the acquisition of the company as a whole. In late July, the credit markets continued to deteriorate, and we observed a steep decline in valuations of public REIT stocks. During the week of July 23, 2007, the MSCI US REIT Index dropped 8.9%, bringing the decline in the MSCI US REIT Index in the period from Internalization on April 16, 2007 to August 3, 2007 to 19.1%. At a meeting held on August 6, 2007, our board of directors continued to discuss potential strategic alternatives available to the company given the deteriorating capital market conditions, including a potential listing of our common stock and a potential listing and concurrent offering of our common stock. At such meeting, our Financial Advisors reported to our board of directors their view that given the then-current equity market environment and recent credit market disruptions, our stock would likely trade at a significant discount to the long-term value of the company if the company opted to proceed with a listing of our stock under the then-current capital market conditions, whether or not the listing included a concurrent offering of our common stock. Our Board has concluded that listing in an unsettled market at a price significantly below the long-term value of the company would not be in the best interests of our stockholders because, among other things, it could adversely affect (1) the level at which our common stock might be traded thereafter in more stabilized environments, (2) the view of the fundamental value of the company, not only from the perspective of our stockholders but also potential acquirors, (3) our cost of capital when using stock as consideration for acquisition opportunities, joint venture arrangements and strategic partnerships and (4) the perceived leverage level of the company by lenders and, as a result the potential for higher cost of new debt financings. Given these market conditions, our board of directors determined to postpone any listing and to re-evaluate, with the advice of our Financial Advisors, the company's strategic options in early September.

The volatility in valuations of REIT stocks and turmoil in the U.S. credit markets continued throughout the months of August and September. The turmoil in the US credit markets has created a greater sense of uncertainty which is negatively affecting pricing in the public real estate equity markets and has created uncertainty regarding values in the context of sales of assets and strategic transactions.

On September 12, 2007, our board of directors met with and received a report from our Financial Advisors on capital market conditions, which had not materially improved since our August 6 meeting due to continued turmoil in credit markets prompted by concerns regarding sub-prime mortgage defaults among other things. Based on this input and other factors described below, our board of directors determined that it was in the best interests of the company and our stockholders to delay the listing and concurrent offering of our common stock and not pursue a listing without a concurrent offering of our common stock until the public real estate equity markets have stabilized. Our board of directors also discussed the approaching Liquidation Date and determined that being required to pursue a listing (whether or not the listing included a concurrent offering of our common stock), sale of assets or any other strategic transaction prior to the current Liquidation Date in light of the current capital market conditions might adversely affect our ability to effectively maximize stockholder value.

Accordingly, our board of directors determined to extend the Liquidation Date as described herein and to recommend that our stockholders vote **FOR** this proposal.

Reasons for the Amendment to the Charter

Our board of directors believes that it is in the best interests of our stockholders to begin the process to amend our Charter to extend the Liquidation Date. Our board of directors considered various time periods for extension and determined to extend initially from January 30, 2008 to July 30, 2009 in order to allow time for market conditions to improve. However, our board of directors also thought it was prudent to request the flexibility to further extend the Liquidation Date to January 30, 2011 without further stockholder approval to the extent the board of directors determines that such further extension is necessary to effectively maximize stockholder value. The board of directors' determination as to time periods was based on input from our Financial Advisors that timeframe would likely be enough time for the public equity markets and credit markets to stabilize and for the board of directors to be able to effect a successful listing of our common stock, or if such

listing is not expected to effectively maximize stockholder value at such time, to evaluate and pursue a sale of our company or other strategic transaction. Our board of directors recommends that our stockholders approve the amendment to the Charter to extend the Liquidation Date.

If the proposal to extend the Liquidation Date is approved, we intend to continue to operate the business of the company in accordance with our business plan while evaluating all other options available to the company. We believe that our business fundamentals are strong. With approximately \$5 billion in property assets encompassing over 21 million square feet as of June 30, 2007, we rank as one of the largest office property owners in the United States. Across our portfolio, our properties are approximately 94% leased. Since January 1, 2007, we have renewed leases relating to over 1.3 million square feet of our properties. Further, approximately 91% of our annualized gross rent is derived from tenants that have investment grade ratings, are subsidiaries of investment grade companies, are government agencies or are nationally recognized corporations or professional service firms.

In addition, our leverage ratios are among the lowest in the publicly traded REIT office sector and we have considerable capital resources, which provides us with the financial capacity to grow our portfolio, funds from operations, and potentially stockholder values when market conditions allow for accretive acquisitions. On July 16, 2007, Standard & Poor's Ratings Services assigned its BBB corporate credit rating and a stable outlook to the company and on July 19, 2007, Moody's assigned its Baa3 rating and stable outlook to Piedmont Operating Partnership, LP. With our strong operating fundamentals and the investment grade credit ratings from S&P and Moody's, we recently obtained a \$500 million unsecured debt line with the ability to request an increase from our lenders to \$1 billion to fund acquisitions, grow our business and enhance stockholder value. We are actively pursuing opportunities to capitalize on the current market and new acquisitions that we believe will complement our current portfolio and create stockholder value, and we are continuing to evaluate the potential disposition of certain non-strategic assets with limited appreciation potential.

In addition, we have begun to realize some of the benefits of the Internalization. Our five-member executive management team which is fully dedicated to our company has an average of over 21 years of commercial real estate and/or public company financial management experience, and almost three years of experience working together to operate the existing portfolio and execute our investment strategy. Because the Internalization closed on April 16, 2007, our quarterly results for the first and second quarters of 2007 do not fully reflect the cost-savings benefits of the transaction; however, we believe we have been able to realize the financial benefits of the Internalization thus far and will continue to realize these benefits in the coming years through the elimination of advisory, property management fees and certain of the other fees and expense reimbursements paid to our former advisors, and the dedication of an employee base focused solely on our operations.

We believe that the extension of the Liquidation Date will give us the flexibility to continue to operate and grow the business and will likewise provide the flexibility to take advantage of all other options available to the company. Despite the downturn in the public equity markets and dislocation in the credit markets, office fundamentals in the U.S. office market remain strong, with rental rates continuing to increase particularly in high barrier markets and office vacancy rates declining from 18.3% in 2002 to 12.7% in the first quarter of 2007. Our board of directors believes that the extension of the Liquidation Date will allow us to take advantage of these strong fundamentals by continuing to renew and execute favorable leases, undertaking accretive acquisitions and potentially increasing our funds from operations per share. If the proposal to extend the Liquidation Date is approved, our board of directors intends to continue to review all available strategic options for the company including a listing of our common stock, or a merger, business combination, portfolio asset sale or a liquidation of our assets. Any one of these or other strategic alternatives may be pursued at any time including prior to January 30, 2008 if our board of directors determines that it is in the best interest of the company and its stockholders to do so. If the proposal to extend the Liquidation Date is not approved, our board of directors will consider all of its options prior to January 30, 2008 including a listing of our common stock, and if we do not pursue a listing or other strategic alternative prior to January 30, 2008, we will commence an orderly process of liquidation in accordance with our Charter.

Plans to Provide Interim Liquidity for Stockholders

In an effort to accommodate potential interim liquidity needs of some stockholders, our board of directors intends to reinstate the company's share redemption program, which we refer to as the Share Redemption Program, in the fourth quarter of 2007. We intend to monitor the demand of our stockholders requesting redemptions pursuant to the Share Redemption Program. If demand exceeds the current limitations on redemption as set forth in the Share Redemption Program, the board of directors will consider amending the Share Redemption Program or adopting other liquidity programs to provide additional interim liquidity for our stockholders. While we currently intend to attempt to accommodate the interim liquidity needs of our stockholders, there can be no assurance that we will be able to accommodate all requests for

redemption under the Share Redemption Program or any other alternative liquidity program that our board of directors may elect to adopt.

Recommendation of the Board of Directors

Our board of directors believes that the amendment to our Charter to extend the Liquidation Date is advisable and in the best interests of Piedmont REIT and our stockholders and has unanimously approved the amendment to the Charter to extend the Liquidation Date and unanimously recommends that you vote **FOR** the proposal to approve the amendment to our Charter to extend the Liquidation Date.

In reaching its conclusion, our board of directors consulted with our management, as well as with our legal and Financial Advisors and Robert A. Stanger & Co., and considered a variety of factors weighing favorably towards the amendment including, without limitation, the following:

given current challenging capital market conditions, the risk that the initial offering price in an offering of our common stock at this time and the initial trading price of the stock upon listing under current market conditions would not reflect the long-term value of the company;

discussions with our Financial Advisors regarding prices that could be obtained in a sales transaction for the company with a third party under current market conditions and the concern that such values would not reflect the long-term value of the company;

the financial strength of our company which permits the continuation of our business operations as an alternative to a listing or a strategic transaction under current market conditions;

the current strength of office real estate fundamentals and our ability to create stockholder value;

discussions with our Financial Advisors regarding the long-term potential values of the company and its shares based on various potential future strategies when market conditions improve; and

our financial ability to offer limited interim liquidity to our stockholders through our Share Redemption Program.

Our board of directors weighed these advantages and opportunities against a number of other factors identified in its deliberations weighing negatively against the amendment to the Charter to extend the Liquidation Date, including:

all of our stockholders may not receive liquidity by January 30, 2008 if the amendment to the Charter to extend the Liquidation Date is approved;

our stockholders purchased shares of our common stock with the expectation that we would commence an orderly process of liquidation if our shares were not listed by January 30, 2008;

there is no assurance that current market conditions will improve such that a listing and concurrent offering of our common shares or other strategic transaction before July 30, 2009, or even before January 30, 2011, will prove to be in the best interests of Piedmont REIT and our stockholders;

if we continue as a going concern, we may not continue our historic level of distributions to stockholders, and our distribution levels may fluctuate;

the amendment to the Charter to extend the Liquidation Date requires only the affirmative vote of the holders of at least a majority of our outstanding shares of common stock entitled to vote thereon, meaning that even if you vote against the proposal, if the proposal is approved by a sufficient number of stockholders, your ability to obtain liquidity for your shares may be delayed beyond January 30, 2011;

although our board of directors will endeavor to provide limited interim liquidity through the reinstatement of the Share Redemption Program or other liquidity alternative, we are under no obligation to reinstate the Share Redemption Program or otherwise provide interim liquidity of our stockholders; further, there can be no assurance that we will be able to accommodate all requests for redemption under the Share Redemption Program or alternative liquidity program.

if we amend the Share Redemption Program or adopt an alternative liquidity program in order to increase the number of shares that may be repurchased, we may fund such repurchases through borrowings on our credit facility or the incurrence of other indebtedness, which will increase our leverage ratios and may limit the amount of funds that are available for us to use for other purposes.

After consideration of these factors, our board of directors determined that these risks were significantly outweighed by the potential benefits of extending the Liquidation Date.

Although this discussion of the information and factors considered by our board of directors is believed to include the material factors considered by our board of directors, it is not intended to be exhaustive and may not include all of the factors considered by our board of directors. In reaching its determination to approve and recommend the amendment to our Charter to extend the Liquidation Date, our board of directors did not quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination that proposal is advisable and in the best interests of Piedmont REIT and our stockholders. Rather, our board of directors based its position and recommendation on the totality of the information presented to and factors considered by it. In addition, individual members of our board of directors may have given differing weights to different factors.

Proposed Amendment

Section 11.1 of our existing Charter provides as follows:

In the event that Listing does not occur on or before January 30, 2008, the Company shall immediately thereafter undertake an orderly liquidation and Sale of the Company's Assets and will distribute any Net Sales Proceeds therefrom to Stockholders, following which the Company shall terminate and dissolve. In the event that Listing occurs on or before such date, the Company shall continue perpetually unless dissolved pursuant to the provisions contained herein or pursuant to any applicable provision of the MGCL.

Section 11.1 of our existing Charter is being amended in Amendment No. 2 to our Second Articles of Amendment and Restatement to extend the Liquidation Date as follows:

In the event that Listing does not occur on or before the Determination Date, the Company shall immediately thereafter undertake an orderly liquidation and Sale of the Company's Assets and will distribute any Net Sales Proceeds therefrom to Stockholders, following which the Company shall terminate and dissolve. In the event that Listing occurs on or before such date, the Company shall continue perpetually unless dissolved pursuant to the provisions contained herein or pursuant to any applicable provision of the MGCL.

Section 1.5 of our existing Charter will be amended to add the following definition:

DETERMINATION DATE means July 30, 2009 provided that the Company's Board of Directors may in its sole discretion extend the Determination Date to January 30, 2011 through a resolution adopted by a majority of the Directors.

Conforming Changes

In addition, Amendment No. 2 to our Second Articles of Amendment and Restatement would make conforming changes to Sections 3.2(xxiii) and 5.1 of our existing Charter.

Section 3.2(xxiii) of our existing Charter currently provides that one of the powers of the board of directors is:

To cause the listing of the Shares at any time after completion of the Initial Public Offering, but in no event shall such Listing occur more than ten (10) years after completion of the Initial Public Offering.

Amendment No. 2 to our Second Articles of Amendment and Restatement would amend Section 3.2(xxiii) to remove the following clause from this provision:

but in no event shall such Listing occur more than ten (10) years after completion of the Initial Public Offering.

Amendment No. 2 to our Second Articles of Amendment and Restatement would amend Section 5.1 of our existing Charter to remove the following clause from the list of our investment objectives:

to provide Stockholders with liquidity of their investment within ten (10) years after the commencement of the Initial Public Offering through either (a) the Listing of the Common Shares or (b) if Listing does not occur within ten years following the commencement of the Initial Public Offering, the dissolution of the Company and orderly liquidation of its Assets

Implementation of Amendments

If approved by our stockholders at the Annual Meeting, the amendments reflected in Amendment No. 2 to our Second Articles of Amendment and Restatement will be effected by our filing of the such Amendment No. 2 with the State Department of Assessments and Taxation of the State of Maryland, which we refer to as the SDAT, and will become effective upon filing and acceptance for record by the SDAT.

Appraisal Rights

Under Maryland law and our Charter, you will not be entitled to rights of appraisal with respect to Amendment No. 2 to our Second Articles of Amendment and Restatement. Accordingly, to the extent that you object to Amendment No. 2 to our Second Articles of Amendment and Restatement, you will not have the right to have a court judicially determine (and you will not receive) the fair value for your shares of common stock under the provisions of Maryland law governing appraisal rights.

Vote Required

Approval of this proposal to amend our existing Charter requires the affirmative vote of the holders of at least a majority of our outstanding shares of common stock entitled to vote thereon. Proxies received will be voted for