

KILROY REALTY CORP
Form 8-K
September 15, 2016
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): September 14, 2016

KILROY REALTY CORPORATION
KILROY REALTY, L.P.
(Exact name of registrant as specified in its charter)

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|---|---|---|
| Maryland (Kilroy Realty Corporation) Delaware (Kilroy Realty, L.P.) (State or other jurisdiction of incorporation) | 001-12675 (Kilroy Realty Corporation) 000-54005 (Kilroy Realty, L.P.) (Commission File Number) | 95-4598246 (Kilroy Realty Corporation) 95-4612685 (Kilroy Realty, L.P.) (IRS Employer Identification No.) |
| 12200 W. Olympic Boulevard, Suite 200 Los Angeles, California (Address of principal executive offices) | | 90064 (Zip Code) |

Registrant's telephone number, including area code:
(310) 481-8400

N/A
(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 (see General Instructions A.2.):

- 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 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On September 14, 2016, Kilroy Realty, L.P., a Delaware limited partnership (the “Operating Partnership”), entered into a Note Purchase Agreement, dated as of September 14, 2016, with the purchasers named therein (the “Note Purchase Agreement”), in connection with the issuance and sale of \$175,000,000 principal amount of the Operating Partnership’s 3.35% Senior Notes, Series A, due February 17, 2027 (the “Series A Notes”), and \$75,000,000 principal amount of the Operating Partnership’s 3.45% Senior Notes, Series B, due February 17, 2029 (the “Series B Notes” and, together with the Series A Notes, the “Notes”).

In connection with the issuance of the Notes, Kilroy Realty Corporation, a Maryland corporation and the general partner of the Operating Partnership (the “Company”), will enter into a General Partner Guaranty Agreement (the “NPA Guaranty Agreement”), pursuant to which the Company will absolutely and unconditionally guarantee the payment by the Operating Partnership of all amounts due with respect to the Notes and the performance by the Operating Partnership of its obligations under the Note Purchase Agreement.

For a brief description of the material terms of the Note Purchase Agreement, the Series A Notes, the Series B Notes and the NPA Guaranty Agreement, please see Item 2.03 of this Current Report on Form 8-K, which is incorporated by reference into this Item 1.01. A copy of the Note Purchase Agreement, including the form of the Series A Notes, the form of the Series B Notes and the form of the NPA Guaranty Agreement, is attached to this Current Report on Form 8-K as Exhibit 10.1 and is incorporated herein by reference.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

The information reported under Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

By February 17, 2017, the Operating Partnership expects to issue \$175,000,000 principal amount of its Series A Notes and \$75,000,000 principal amount of its Series B Notes pursuant to the Note Purchase Agreement. The Series A Notes mature on February 17, 2027, and the Series B notes mature on February 17, 2029, unless earlier redeemed or prepaid pursuant to the terms of the Note Purchase Agreement. Interest on the Notes is payable semi-annually in arrears on February 17 and August 17 of each year beginning February 17, 2017.

The Notes are senior unsecured obligations of the Operating Partnership. The Operating Partnership intends to use the net proceeds from the offering of the Notes to refinance existing indebtedness, to redeem preferred stock and for general corporate purposes.

The Operating Partnership may, at its option and upon notice to the purchasers of the applicable Notes, prepay at any time all, or from time to time any part of, any series of Notes then outstanding (in an amount not less than 5% of the aggregate principal amount of any series of Notes then outstanding in the case of a partial prepayment), at 100% of the principal amount so prepaid, plus the make-whole amount determined for the prepayment date with respect to such principal amount as set forth in the Note Purchase Agreement.

In connection with the issuance of the Notes, the Company will enter into the NPA Guaranty Agreement, pursuant to which the Company will absolutely and unconditionally guarantee the payment by the Operating Partnership of all amounts due with respect to the Notes and the performance by the Operating Partnership of its obligations under the Note Purchase Agreement.

The Notes were offered and sold to accredited investors in an exempt transaction not involving a public offering in accordance with Section 4(2) of the Securities Act of 1933, as amended.

The Note Purchase Agreement, including the form of the Series A Notes, the form of the Series B Notes and the form of the NPA Guaranty Agreement, is attached to this Current Report on Form 8-K as Exhibit 10.1 and is incorporated herein by reference. The foregoing descriptions of the material terms of the Note Purchase Agreement, the Series A Notes, the Series B Notes and the NPA Guaranty Agreement, and the transactions contemplated thereby, do not purport to be complete and are qualified in their entirety by reference to Exhibit 10.1 to this Current Report on Form 8-K.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS
(d) Exhibits.

10.1* Note Purchase Agreement dated September 14, 2016

* Filed herewith

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.

Kilroy Realty Corporation

Date:

September

14, 2016

By: /s/ Heidi R. Roth
Heidi R. Roth
Executive Vice President,
Chief Accounting Officer and Controller

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.

Kilroy Realty, L.P.

Date:

September

14, 2016

By: Kilroy Realty Corporation,
Its general partner

By: /s/ Heidi R. Roth
Heidi R. Roth
Executive Vice President,
Chief Accounting Officer and Controller

EXHIBIT INDEX

10.1* Note Purchase Agreement dated September 14, 2016

* Filed herewith