

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
San Francisco Flower Growers Association		94-0835580	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Michael Stauffer	310-481-8400	MSTAUFFER@KILROYREALTY.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
c/o Kilroy Realty Corp. 12200 West Olympic Blvd, Suite 200		Los Angeles, CA 90064	
8 Date of action		9 Classification and description	
March 31, 2015		Common Stock, classification of distributions on common stock	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
N/A	N/A	N/A	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ During 2014, San Francisco Flower Growers Association made five distributions: (1) \$108,176 cash distribution on April 14, 2014 (2) \$3,786,160 cash distribution on July 14, 2014, (3) \$1,352,200 cash distribution on August 27, 2014, (4) \$960,062 cash distribution on October 22, 2014, and (5) \$391,191 cash distribution on October 23, 2014. On March 31, 2015, the Company determined that the following cash distributions exceeded their current and accumulated earnings and profits ("E&P"): (1) July 14, 2014 distribution exceeded current and accumulated E&P by \$436,108, (2) August 27, 2014 distribution exceeded current and accumulated E&P by \$1,032,366, (3) October 22, 2014 distribution exceeded current and accumulated E&P by \$732,980, and (4) October 23, 2014 distribution exceeded current and accumulated E&P by \$298,663. Therefore these amounts represent a return of capital to the shareholders. Consequently, each common stock shareholder who was a shareholder of record on the distribution date and who received a distribution would be affected by this organizational action.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ As the distributions were in excess of the Company's current and accumulated E&P, each shareholder should treat (1) 11.51848% of the amount received on July 14, 2014, (2) 76.34714% of the amount received on August 27, 2014, (3) 76.34715% of the amount received on October 22, 2014, and (4) 76.34710% of the amount received on October 23, 2014 as nontaxable distributions and reduce their stock basis accordingly.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ On March 31, 2015, the Company completed its calculation of its current and accumulated E&P through the year ended October 23, 2014. Based on this calculation, the Company determined that 1) \$806.29 per share (\$436,108 divided by 540.88 shares) of the distribution made on July 14, 2014, (2) \$1,908.68 per share (\$1,032,366 divided by 540.88 shares) of the distribution made on August 27, 2014, (3) \$1,355.16 per share (\$732,980 divided by 540.88 shares) of the distribution made on October 22, 2014, and (4) \$552.18 per share (\$298,663 divided by 540.88 shares) of the distribution made on October 23, 2014 represent a return of capital or gain from the sale or exchange of property to the extent that it exceeds the shareholder's adjusted tax basis of the stock.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code Section 316 defines a "dividend" generally as any distribution of property made by a corporation to its shareholders out of earnings and profits (as defined by Internal Revenue Code Section 312 and the Regulations thereunder). Pursuant to Internal Revenue Code Section 301(c)(2), the portion of the distribution which is not a dividend shall be applied against and reduce the adjusted tax basis of the stock under Internal Revenue Code Section 301(c)(3). A distribution which is not a dividend, to the extent that it exceeds the shareholder's adjusted tax basis of the stock, shall be treated as gain from the sale or exchange of property.

18 Can any resulting loss be recognized? ▶ The organization action reported herein does not result in any losses.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The amount of the nontaxable distributions on the date mentioned above either (i) reduces the shareholder's adjusted tax basis in their stock or (ii) to the extent that it exceeds the shareholder's adjusted tax basis in their stock on the date of the distribution, is treated as gain from the sale or exchange of property in 2014.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature ▶ /s/ MICHAEL STAUFFER (original signature is on file) Date ▶ April 2, 2015

Print your name ▶ Michael Stauffer Title ▶ V.P. of Taxes of successor to Issuer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>Dominic Kracht</u>	<u>/s/ DOMINIC KRACHT</u> (original signature is on file)	<u>4/2/2015</u>		<u>P01297858</u>
	Firm's name ▶ <u>Deloitte Tax LLP</u>	Firm's EIN ▶ <u>86-1065772</u>		Phone no. <u>213-688-6587</u>	
Firm's address ▶ <u>555 W. 5th Street, Suite 2700, Los Angeles, CA 90013-1010</u>					