
Section 1: 8-K (8-K)

**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): November 29, 2018

**KILROY REALTY CORPORATION
KILROY REALTY, L.P.**

(Exact name of registrant as specified in its charter)

Maryland (Kilroy Realty
Corporation)

001-12675 (Kilroy Realty
Corporation)

95-4598246 (Kilroy Realty
Corporation)

Delaware (Kilroy Realty, L.P.)
(State or other jurisdiction
of incorporation)

000-54005 (Kilroy Realty, L.P.)
(Commission
File Number)

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 Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new

or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On November 29, 2018, Kilroy Realty, L.P. (the “Operating Partnership”) issued and sold \$400,000,000 in aggregate principal amount of its 4.750% Senior Notes due 2028 (the “Notes”). The terms of the Notes are governed by an indenture, dated as of March 1, 2011 (the “Base Indenture”), by and among the Operating Partnership, as issuer, Kilroy Realty Corporation, as guarantor (the “Company”), and U.S. Bank National Association, as trustee, as amended and supplemented by a supplemental indenture, dated as of July 5, 2011 (the “Supplemental Indenture”), by and among the Operating Partnership, as issuer, the Company, as guarantor, and U.S. Bank National Association, as trustee, and an officers’ certificate, dated November 29, 2018 (the “Officers’ Certificate”), pursuant thereto, establishing the form and terms of the Notes and the related guarantees.

The foregoing descriptions of the Notes, Base Indenture, Supplemental Indenture and Officers’ Certificate do not purport to be complete and are qualified in their entirety by the full text of the Base Indenture, Supplemental Indenture and the Officers’ Certificate, which are being filed herewith or incorporated by reference, as the case may be, as Exhibit 4.1, Exhibit 4.2 and Exhibit 4.3, respectively, to this Current Report on Form 8-K.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits.

- 4.1 Indenture, dated as of March 1, 2011, by and among Kilroy Realty, L.P., as issuer, Kilroy Realty Corporation, as guarantor, and U.S. Bank National Association, as trustee.⁽¹⁾
- 4.2 Supplemental Indenture, dated as of July 5, 2011, by and among Kilroy Realty, L.P., as issuer, Kilroy Realty Corporation, as guarantor, and U.S. Bank National Association, as trustee.⁽²⁾
- 4.3* Officers’ Certificate, dated November 29, 2018, pursuant to Sections 102, 201, 301 and 303 of the Indenture dated March 1, 2011, as amended and supplemented, among Kilroy Realty, L.P., as issuer, Kilroy Realty Corporation, as guarantor, and U.S. Bank National Association, as trustee, establishing a series of securities entitled “4.750% Senior Notes due 2028,” including the form of 4.750% Senior Note due 2028 and the form of related guarantee.
- 5.1* Opinion of Ballard Spahr LLP.
- 5.2* Opinion of Latham & Watkins LLP.
- 23.1* Consent of Ballard Spahr LLP (contained in the opinion filed as Exhibit 5.1 hereto).
- 23.2* Consent of Latham & Watkins LLP (contained in the opinion filed as Exhibit 5.2 hereto).

* Filed herewith

- (1) Previously filed by Kilroy Realty Corporation and Kilroy Realty, L.P. as exhibit 4.1 to the Registration Statement on Form S-3 filed with the Securities and Exchange Commission on October 2, 2013.
- (2) Previously filed by Kilroy Realty Corporation and Kilroy Realty, L.P. as exhibit 4.2 to the Registration Statement on Form S-3 filed with the Securities and Exchange Commission on October 2, 2013.

EXHIBIT INDEX

- 4.1 [Indenture, dated as of March 1, 2011, by and among Kilroy Realty, L.P., as issuer, Kilroy Realty Corporation, as guarantor, and U.S. Bank National Association, as trustee.](#)⁽¹⁾
- 4.2 [Supplemental Indenture, dated as of July 5, 2011, by and among Kilroy Realty, L.P., as issuer, Kilroy Realty Corporation, as guarantor, and U.S. Bank National Association, as trustee.](#)⁽²⁾
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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.

Date: November 29, 2018

KILROY REALTY CORPORATION

By: /s/ Heidi R. Roth

Heidi R. Roth
Executive Vice President
and Chief Accounting Officer

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.

Date: November 29, 2018

KILROY REALTY, L.P.

By: Kilroy Realty Corporation,
Its general partner

By: /s/ Heidi R. Roth

Heidi R. Roth
Executive Vice President
and Chief Accounting Officer

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Section 2: EX-4.3 (EX-4.3)

Exhibit 4.3

Officers' Certificate Pursuant to Sections 102, 201, 301 and 303 of the Indenture

Dated: November 29, 2018

The undersigned, Tyler H. Rose, Executive Vice President, Chief Financial Officer and Secretary, and Michelle Ngo, Senior Vice President and Treasurer, of Kilroy Realty Corporation, a Maryland corporation (“**KRC**”), the guarantor (the “**Guarantor**”) of the Securities referred to below and the sole general partner (the “**General Partner**”) of Kilroy Realty, L.P., a Delaware limited partnership (the “**Company**”), hereby certify as follows:

The undersigned, having read the appropriate provisions of the Indenture, dated as of March 1, 2011 (the “**Base Indenture**”), among the Company, the Guarantor and U.S. Bank National Association, as trustee (the “**Trustee**”), as amended and supplemented by the Supplemental Indenture, dated as of July 5, 2011 (the “**Supplemental Indenture**”), among the Company, the Guarantor and the Trustee (the Base Indenture, as so amended and supplemented, is called the “**Indenture**”), including Sections 201, 301 and 303 thereof and the definitions in such Indenture relating thereto, and certain other corporate and partnership documents and records, and having made such examination and investigation as, in the opinion of the undersigned, each considers necessary to enable the undersigned to express an informed opinion as to whether (a) the conditions set forth in the Indenture relating to the establishment of the title and terms of the Company’s 4.750% Senior Notes due 2028 (the “**Securities**”), the form of certificate evidencing the Securities and the form and terms of the guarantees (the “**Guarantees**”) of the Guarantor to be endorsed on the certificates evidencing the Securities, have been satisfied, and (b) the conditions in the Indenture relating to the issuance, authentication and delivery of the Securities have been satisfied, each hereby certify that:

- (i) the title and terms of the Securities and the terms of the Guarantees to be endorsed on the certificates evidencing the Securities were established by the undersigned pursuant to authority delegated to them by resolutions duly adopted by the Board of Directors of KRC, on its own behalf and, in its capacity as General Partner, on behalf of the Company, on February 14, 2018 and October 10, 2018, and the unanimous written consent of the Pricing Committee of the Board of Directors of KRC, on its own behalf and, in its capacity as General Partner, on behalf of the Company, dated as of November 14, 2018 (collectively, the “**Resolutions**”) and such terms are set forth in [Annex I](#) and [Annex II](#) hereto;
- (ii) the form of certificate evidencing the Securities and the form of Guarantee to be endorsed on the certificates evidencing the Securities were established by the undersigned pursuant to authority delegated to them by the Resolutions and shall be in substantially the forms attached as [Annex II](#) hereto (it being understood that, in the event that Securities are ever issued in definitive certificated form, the legends appearing on the first page of such form of Securities may be removed);
- (iii) a true, complete and correct copy of the Resolutions, which were duly adopted by the Board of Directors of KRC and the Pricing Committee of such Board of Directors (as applicable), in each case on behalf of KRC and, in KRC’s capacity as General Partner, on behalf of the Company and are in full force and effect in the form adopted on the date hereof, are attached as [Annex III](#) hereto and are also attached as an exhibit to the Certificate of the Secretary of the Company of even date herewith;

- (iv) the form, title and terms of the Securities and form and terms of Guarantees endorsed on the certificates evidencing the Securities have been established

pursuant to and in accordance with Sections 201 and 301 of the Indenture and comply with the Indenture and, in the opinion of the undersigned, all conditions provided for in the Indenture (including, without limitation, those set forth in Sections 201, 301 and 303 of the Indenture) relating to the establishment of the title and terms of the Securities and the terms of such Guarantees, the form of certificate evidencing the Securities and the form of such Guarantees and the issuance, execution, authentication and delivery of the Securities and such Guarantees have been complied with and satisfied; and

- (v) to the best knowledge of the undersigned, no Event of Default (as defined in the Indenture) has occurred and is continuing with respect to the Securities.

This certificate shall constitute an Officers' Certificate (as defined in the Indenture) of the Company and the Guarantor and is being executed by the undersigned in their capacity as officers of the Guarantor and officers of the General Partner of the Company.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, we have hereunto set our hands as of the date first written above.

/s/ Tyler H. Rose

Tyler H. Rose
Executive Vice President, Chief Financial Officer and
Secretary

/s/ Michelle Ngo

Michelle Ngo
Senior Vice President and Treasurer

(Officers' Certificate Pursuant to Sections 102, 201, 301 and 303 of the Indenture)

ANNEX I

Capitalized terms used in this Annex I and not otherwise defined herein have the same definitions as in the Indenture referred to in the Officers' Certificate of which this Annex I constitutes a part.

- (1) The Securities of the series established hereby shall be known and designated as the **“4.750% Senior Notes due 2028.”**
- (2) The aggregate principal amount of the Securities of such series which may be authenticated and delivered under the Indenture is limited to \$400,000,000, except for Securities of such series authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the same series pursuant to Sections 304, 305, 306 or 1107 of the Indenture. However, such series may be re-opened by the Company for the issuance of additional Securities of such series, from time to time; provided that such additional Securities have the same terms and provisions as the Securities of such series issued on the date (the **“Original Issue Date”**) of the Officers' Certificate of which this Annex I constitutes a part (except for any difference in issue date, issue price, date from which Interest will begin to accrue, Interest accrued prior to the issue date and first Interest Payment Date (as defined below)), and carry the same right to receive accrued and unpaid Interest, as the Securities of such series theretofore issued; provided, however, that, notwithstanding the foregoing, such series may not be reopened if the Company has effected legal defeasance or covenant defeasance with respect to the Securities of such series pursuant to Section 402 of the Indenture or has effected satisfaction and discharge with respect to the Securities of such series pursuant to Section 401 of the Indenture. All of the Securities of such series, including any additional Securities which may be issued upon a re-opening of such series, shall constitute a single series of Securities under the Indenture.
- (3) The Securities of such series are to be issuable only as Registered Securities without coupons and may, but need not, bear a corporate seal. The Securities of such series shall initially be issued in book-entry form and represented by one or more permanent Global Securities of such series, the initial depository (the **“Depository”**) for the Global Securities of such series shall be The Depository Trust Company and the depository arrangements shall be those employed by whoever shall be the Depository with respect to the Global Securities of such series from time to time. Notwithstanding the foregoing, certificated Securities of such series in definitive form may be issued in exchange for Global Securities of such series under the circumstances contemplated by Section 305 of the Indenture. Except as provided in Section 305 of the Indenture, beneficial owners of interests in a Global Security shall not be entitled to have certificates registered in their names, will not receive or be entitled to receive physical delivery of certificates in definitive form and will not be considered Holders of such Global Security.
- (4) The Securities of such series shall be sold by the Company to the several underwriters named in the Underwriting Agreement, dated November 14, 2018, for whom J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as representatives, at a price equal to 98.984% of the principal amount thereof and the initial price to public of the Securities of such series shall be 99.634% of the principal amount thereof plus accrued Interest from November 29, 2018 if settlement occurs after that date, and underwriting discounts and commissions shall be 0.650% of the principal amount of such Securities.
- (5) The final maturity date of the Securities of such series on which the principal thereof is due and payable shall be December 15, 2028.
- (6) The principal of the Securities of such series shall bear Interest at the rate of 4.750% per annum from November 29, 2018 or from the most recent date to which Interest has been paid or duly

provided for, payable semiannually in arrears on June 15 and December 15 (each, an “**Interest Payment Date**”) of each year, commencing June 15, 2019, to the Persons in whose names such Securities (or one or more Predecessor Securities) are registered at the close of business on the June 1 and December 1, respectively, immediately prior to such Interest Payment Dates (each, a “**Regular Record Date**”) regardless of whether such Regular Record Date is a Business Day. Interest on the Securities of such series will be computed on the basis of a 360-day year of twelve 30-day months. If any principal of, or premium, if any, or Interest on, any of the Securities of such series is not paid when due, then such overdue principal and, to the extent permitted by law, such overdue premium or Interest, as the case may be, shall bear interest until paid or until such payment is duly provided for at the rate of 4.750% per annum.

- (7) Each of the Borough of Manhattan, The City of New York and The City of Los Angeles, California is hereby designated as a Place of Payment for the Securities of such series. The place where the principal of and premium, if any, and Interest (including the Redemption Price upon redemption pursuant to Article Eleven of the Indenture) on the Securities of such series shall be payable, where Securities of such series may be surrendered for the registration of transfer or exchange, and where notices or demands to or upon the Company or the Guarantor in respect of the Securities of such series and the Indenture may be served shall be the office or agency maintained by the Company for such purpose in the Borough of Manhattan, The City of New York and in The City of Los Angeles, California, which (i) with respect to the Borough of Manhattan, The City of New York, shall initially be an office of the Trustee in the Borough of Manhattan, The City of New York, which on the date hereof is located at U.S. Bank National Association, 100 Wall Street, Suite 1600, New York, New York 10005; and (ii) with respect to The City of Los Angeles, California, shall initially be an office of the Trustee in The City of Los Angeles, California, which on the date hereof is located at U.S. Bank National Association, 633 West Fifth Street, 24th Floor, Los Angeles, California 90071.
- (8) The following redemption provisions and definitions are hereby added to the Indenture for the benefit of the Securities of such series and the Holders of the Securities of such series and are hereby incorporated by reference in and made part of the Indenture for the benefit of the Securities of such series and the Holders of the Securities of such series as if set forth in full therein:

The Securities of such series are redeemable at the option of the Company, at any time or from time to time prior to September 15, 2028 (the “**Par Call Date**”), either in whole or in part, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Securities of such series to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal of and Interest (exclusive of Interest accrued to the applicable Redemption Date) on the Securities of such series to be redeemed assuming that such Securities matured, and that Interest on such Securities was payable, on the Par Call Date discounted to such Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 30 basis points, plus in each case accrued and unpaid Interest on the principal amount of the Securities of such series being redeemed to such Redemption Date.

On and after the Par Call Date, the Securities of such series are redeemable at the option of the Company, at any time or from time to time, either in whole or in part, at a Redemption Price equal to 100% of the principal amount of the Securities of such series to be redeemed, plus accrued and unpaid Interest on the principal amount of the Securities of such series being redeemed to the applicable Redemption Date.

Notwithstanding the foregoing, installments of Interest that are due and payable on any Interest Payment Date falling on or prior to a Redemption Date with respect to the Securities of

such series will be payable to the Persons who were the Holders of the Securities of such series (or one or more Predecessor Securities), registered as such at the close of business on the relevant Regular Record Dates according to their terms and the provisions of the Indenture. Written notice of redemption must be given to Holders of the Securities of such series not less than 15 nor more than 60 days prior to the applicable Redemption Date.

If less than all of the Securities of such series are to be redeemed, the particular Securities of such series to be redeemed shall be selected in the manner provided in Section 1103 of the Indenture in minimum principal amounts of \$2,000 and integral multiples of \$1,000 in principal amount in excess thereof; provided that, in the case of any Security of such series redeemed in part, the unredeemed portion thereof shall be in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof.

Notwithstanding the foregoing, the Company shall not redeem the Securities of such series on any date if the principal amount of the Securities of such series has been accelerated, and such acceleration has not been rescinded or cured on or prior to the applicable Redemption Date as provided in the Indenture.

The redemption of the Securities of such series shall otherwise be made as provided in the Indenture, including Article Eleven thereof.

Certain Definitions

“**Treasury Rate**” means, with respect to any Redemption Date for the Securities of such series, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated by the Company using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date. The Treasury Rate shall be calculated on the third Business Day preceding the applicable Redemption Date. As used in the immediately preceding sentence and in the definition of “**Reference Treasury Dealer Quotations**” below, the term “**Business Day**” means any day (other than a Saturday or Sunday) that is not a day on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close.

“**Comparable Treasury Issue**” means, with respect to any Redemption Date for the Securities of such series, the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term (the “**Remaining Life**”) of the Securities of such series to be redeemed (assuming for this purpose that such Securities matured on the Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Remaining Life of such Securities.

“**Comparable Treasury Price**” means, with respect to any Redemption Date for the Securities of such series, (i) if four or five Reference Treasury Dealer Quotations are obtained, the average (as calculated by the Company) of the remaining Reference Treasury Dealer Quotations for such Redemption Date after excluding the highest and lowest such Reference Treasury Dealer Quotations from the four or five, as the case maybe, obtained, (ii) if fewer than four but more than one such Reference Treasury Dealer Quotations are obtained, the average (as calculated by the Company) of all such quotations, or (iii) if only one such Reference Treasury Dealer Quotation is obtained, such Reference Treasury Dealer Quotation.

“**Independent Investment Banker**” means, with respect to any Redemption Date for the Securities of such series, BBVA Securities Inc. and its successors, Jefferies LLC and its successors, J.P. Morgan Securities LLC and its successors, Merrill Lynch, Pierce, Fenner & Smith Incorporated and its successors or Wells Fargo Securities, LLC and its successors (whichever shall be appointed by the Company in respect

of such Redemption Date) or, if all such firms or the respective successors, if any, to such firms, as the case may be, are unwilling or unable to select the Comparable Treasury Issue, an independent investment banking institution of national standing appointed by the Company.

“**Reference Treasury Dealers**” means, with respect to any Redemption Date for the Securities of such series, each of (i) Jefferies LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC (or their respective affiliates which are Primary Treasury Dealers (as defined below)) and their respective successors; provided, however, that if any such firm (or, if applicable, any such affiliate) or any such successor, as the case may be, shall cease to be a primary U.S. Government securities dealer in the United States (a “**Primary Treasury Dealer**”), the Company will substitute therefor another Primary Treasury Dealer; and (ii) a Primary Treasury Dealer selected by BBVA Securities Inc. or its successor.

“**Reference Treasury Dealer Quotations**” means, with respect to each Reference Treasury Dealer and any Redemption Date with respect to the Securities of such series, the average (as calculated by the Company) of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m., New York time, on the third Business Day preceding such Redemption Date.

- (9) The Securities of such series shall not be repayable or redeemable at the option of the Holders prior to the final maturity date of the principal thereof (except as provided in Article Five of the Indenture) and shall not be subject to a sinking fund or analogous provision.
- (10) The Securities of such series shall be issued in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.
- (11) The Trustee shall be the initial trustee, Security Registrar, transfer agent and Paying Agent for the Securities of such series.
- (12) The entire outstanding principal amount of the Securities of such series shall be payable upon acceleration of the maturity of the Securities of such series pursuant to Section 501 of the Indenture.
- (13) Payment of the principal of, and premium, if any, and Interest on (including the Redemption Price payable upon redemption pursuant to Article Eleven of the Indenture) the Securities of such series shall be made in Dollars and the Securities of such series shall be denominated in Dollars.
- (14) Other than amounts payable upon redemption of the Securities of such series at the option of the Company prior to the Par Call Date in accordance with Section (8) above, the amount of payments of principal of and premium, if any, and Interest on the Securities of such series shall not be determined with reference to an index, formula or other similar method.
- (15) Neither the Company nor the Holders of the Securities of such series shall have any right to elect the currency in which payments of the principal of and premium, if any, and Interest on (including the Redemption Price payable upon redemption pursuant to Article Eleven of the Indenture) the Securities of the series are made.
- (16) In addition to the covenants set forth in the Indenture, the following covenants set forth below under the caption “**Additional Covenants**” (the “**Additional Covenants**”) shall be and hereby are added to the Indenture for the benefit of the Securities of such series and the Holders of the Securities of such series, and the Additional Covenants, together with the defined terms (the “**Additional Definitions**”) set forth in Section (25) below under the caption “**Additional Definitions**”, are hereby incorporated by reference in and made part of the Indenture for the benefit of the Securities

of such series and the Holders of the Securities of such series as if set forth in full therein; provided that the Additional Covenants and the Additional Definitions set forth below shall only be applicable with respect to the Securities of such series and the Additional Definitions and the Additional Covenants set forth below shall only be effective for so long as any of the Securities of such series is Outstanding:

Additional Covenants

(a) Aggregate Debt Test.

- (i) The Company will not, and will not permit any of its Subsidiaries to, incur any Debt (including without limitation Acquired Debt) if, immediately after giving effect to the incurrence of such Debt and the application of the proceeds from such Debt on a pro forma basis, the aggregate principal amount of all outstanding Debt of the Company and its Subsidiaries (determined on a consolidated basis in accordance with United States generally accepted accounting principles) is greater than 60% of the sum of the following (without duplication):
 - (A) the Total Assets of the Company and its Subsidiaries as of the last day of the then most recently ended fiscal quarter; and
 - (B) the aggregate purchase price of any real estate assets or mortgages receivable acquired, and the aggregate amount of any securities offering proceeds received (to the extent such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by the Company or any of its Subsidiaries since the end of such fiscal quarter, including the proceeds obtained from the incurrence of such additional Debt.
- (ii) For purposes of this covenant, Debt will be deemed to be incurred by the Company or any of its Subsidiaries whenever the Company or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof.

(b) Debt Service Test.

- (i) The Company will not, and will not permit any of its Subsidiaries to, incur any Debt (including without limitation Acquired Debt) if the ratio of Consolidated Income Available for Debt Service to Annual Debt Service Charge for the period consisting of the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred shall have been less than 1.5:1 on a pro forma basis after giving effect to the incurrence of such Debt and the application of the proceeds from such Debt (determined on a consolidated basis in accordance with United States generally accepted accounting principles), and calculated on the following assumptions:
 - (A) such Debt and any other Debt (including without limitation Acquired Debt) incurred by the Company or any of its Subsidiaries since the first day of such four-quarter period had been incurred, and the application of the proceeds from such Debt (including to repay or retire other Debt) had occurred, on the first day of such period;

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- (B) the repayment or retirement of any other Debt of the Company or any of its Subsidiaries since the first day of such four-quarter period had occurred on the first day of such period (except that, in making this computation, the amount of Debt under any revolving credit facility, line of credit or similar facility will be computed based upon the average daily balance of such Debt during such period); and
 - (C) in the case of any acquisition or disposition by the Company or any of its Subsidiaries of any asset or group of assets with a fair market value in excess of \$1.0 million since the first day of such four-quarter period, whether by merger, stock purchase or sale or asset purchase or sale or otherwise, such acquisition or disposition had occurred as of the first day of such period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation.
- (ii) If the Debt giving rise to the need to make the calculation described in this covenant or any other Debt incurred after the first day of the relevant four-quarter period bears interest at a floating rate, then, for purposes of calculating the Annual Debt Service Charge, the interest rate on such Debt will be computed on a pro forma basis by applying the average daily rate which would have been in effect during the entire four-quarter period to the greater of the amount of such Debt outstanding at the end of such period or the average amount of such Debt outstanding during such period. For purposes of this covenant, Debt will be deemed to be incurred by the Company or any of its Subsidiaries whenever the Company or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof.
- (c) Secured Debt Test.
- (i) The Company will not, and will not permit any of its Subsidiaries to, incur any Debt (including without limitation Acquired Debt) secured by any Lien on any property or assets of the Company or any of its Subsidiaries, whether owned on the Original Issue Date or subsequently acquired, if, immediately after giving effect to the incurrence of such Debt and the application of the proceeds from such Debt on a pro forma basis, the aggregate principal amount (determined on a consolidated basis in accordance with United States generally accepted accounting principles) of all outstanding Debt of the Company and its Subsidiaries which is secured by a Lien on any property or assets of the Company or any of its Subsidiaries is greater than 40% of the sum of (without duplication):
 - (A) the Total Assets of the Company and its Subsidiaries as of the last day of the then most recently ended fiscal quarter; and
 - (B) the aggregate purchase price of any real estate assets or mortgages receivable acquired, and the aggregate amount of any securities offering proceeds received (to the extent such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by the Company or any of its Subsidiaries since the end of such fiscal quarter, including the proceeds obtained from the incurrence of such additional Debt.

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- (ii) For purposes of this covenant, Debt will be deemed to be incurred by the Company or any of its Subsidiaries whenever the Company or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof.
- (d) Maintenance of Total Unencumbered Assets. The Company will not have at any time Total Unencumbered Assets of less than 150% of the aggregate principal amount of all outstanding Unsecured Debt of the Company and its Subsidiaries determined on a consolidated basis in accordance with United States generally accepted accounting principles.
- (17) Section 402 of the Indenture shall apply to the Securities of such series, provided that (i) the Company may effect legal defeasance (as defined in the Indenture) and covenant defeasance (as defined in the Indenture) pursuant to Section 402 only with respect to all (and not less than all) of the Outstanding Securities of such series and (ii) in addition to the covenants specifically referred to by section number in Section 402(3) of the Indenture, the Additional Covenants shall also be subject to covenant defeasance pursuant to Section 402(3) of the Indenture; provided that, anything herein to the contrary notwithstanding, the only portions of Section 1004 of the Indenture that shall be subject to covenant defeasance are the portions expressly identified in Section 402(3) of the Indenture as being subject to covenant defeasance.
- (18) The Company shall not be required to pay Additional Amounts with respect to the Securities of such series as contemplated by Section 1009 of the Indenture.
- (19) The Securities of such series shall not be convertible or exchangeable into the General Partner's Common Stock or Preferred Stock.
- (20) The obligations of the Company under the Securities of such series and the Indenture shall be guaranteed by the Guarantor as provided in Article Sixteen of the Indenture and Guarantees endorsed on the certificates evidencing such Securities.
- (21) The Securities of such series will be senior unsecured obligations of the Company and the Guarantees of the Securities of such series set forth in Article Sixteen of the Indenture and endorsed on the certificates evidencing such Securities will be senior unsecured obligations of the Guarantor.
- (22) The provisions of Section 1010 of the Indenture shall be applicable with respect to any term, provision or condition set forth in the Additional Covenants, in addition to any term, provision or condition set forth in Sections 1004 through 1007, inclusive, of the Indenture.
- (23) The Securities of such series and the Guarantees endorsed on certificates evidencing the Securities of such series shall have such other terms and provisions as are set forth in the form of certificate evidencing the Securities of such series and form of related Guarantee endorsed thereon attached as Annex II to the Officers' Certificate of which this Annex I is a part, all of which terms and provisions are incorporated by reference in and made a part of this Annex I and the Indenture for the benefit of the Securities of such series and the Holders of the Securities of such series as if set forth in full herein and therein.
- (24) As used in the Indenture with respect to the Securities of such series, in the certificates evidencing the Securities of such series and the Guarantees endorsed on the certificates evidencing the Securities of such series, all references to "**premium**" on the Securities of such series shall mean any amounts (other than accrued Interest) payable upon the redemption of any Securities of such series in excess of 100% of the principal amount of such Securities.

-
- (25) In addition to the definitions set forth in Article One of the Indenture, the terms of the Securities of such series shall include the additional definitions set forth below under the caption “**Additional Definitions**” and, in the event of a conflict between such additional definitions and the Indenture, such additional definitions will apply:

Additional Definitions

“**Acquired Debt**” means Debt of a Person:

- (a) existing at the time such Person is merged or consolidated with or into the Company or any of its Subsidiaries or becomes a Subsidiary of the Company; or
- (b) assumed by the Company or any of its Subsidiaries in connection with the acquisition of assets from such Person.

Acquired Debt shall be deemed to be incurred on the date the acquired Person is merged or consolidated with or into the Company or any of its Subsidiaries or becomes a Subsidiary of the Company or the date of the related acquisition, as the case may be.

“**Annual Debt Service Charge**” means, for any period, the interest expense of the Company and its Subsidiaries for such period, determined on a consolidated basis in accordance with United States generally accepted accounting principles, including, without duplication:

- (a) all amortization of debt discount and premium;
- (b) all accrued interest;
- (c) all capitalized interest; and
- (d) the interest component of capitalized lease obligations.

“**Consolidated Income Available for Debt Service**” for any period means Consolidated Net Income of the Company and its Subsidiaries for such period, plus amounts which have been deducted and minus amounts which have been added for, without duplication:

- (a) interest expense on Debt;
- (b) provision for taxes based on income;
- (c) amortization of debt discount, premium and deferred financing costs;
- (d) provisions for gains and losses on sales or other dispositions of properties and other investments;
- (e) property depreciation and amortization;
- (f) the effect of any non-cash items; and
- (g) amortization of deferred charges,

all determined on a consolidated basis in accordance with United States generally accepted accounting principles.

“Consolidated Net Income” for any period means the amount of net income (or loss) of the Company and its Subsidiaries for such period, excluding, without duplication:

- (a) extraordinary items; and
- (b) the portion of net income (but not losses) of the Company and its Subsidiaries allocable to minority interests in unconsolidated Persons to the extent that cash dividends or distributions have not actually been received by the Company or one of its Subsidiaries,

all determined on a consolidated basis in accordance with United States generally accepted accounting principles.

“Debt” means, with respect to any Person, any indebtedness of such Person, whether or not contingent, in respect of:

- (a) borrowed money or evidenced by bonds, notes, debentures or similar instruments;
- (b) indebtedness secured by any Lien on any property or asset owned by such Person, but only to the extent of the lesser of (a) the amount of indebtedness so secured and (b) the fair market value (determined in good faith by the Board of Directors of such Person or, in the case of the Company or a Subsidiary of the Company, by the General Partner’s Board of Directors) of the property subject to such Lien;
- (c) reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property except any such balance that constitutes an accrued expense or trade payable; or
- (d) any lease of property by such Person as lessee which is required to be reflected on such Person’s balance sheet as a capitalized lease in accordance with United States generally accepted accounting principles,

and also includes, to the extent not otherwise included, any obligation of such Person to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), Debt of the types referred to above of another Person (it being understood that Debt shall be deemed to be incurred by such Person whenever such Person shall create, assume, guarantee or otherwise become liable in respect thereof).

“Original Issue Date” shall have the meaning set forth in Section (2) of this Annex I.

“Total Assets” means the sum of, without duplication:

- (a) Undepreciated Real Estate Assets; and
- (b) all other assets (excluding accounts receivable and intangibles) of the Company and its Subsidiaries,

all determined on a consolidated basis in accordance with United States generally accepted accounting principles.

“Total Unencumbered Assets” means the sum of, without duplication:

- (a) those Undepreciated Real Estate Assets which are not subject to a Lien securing Debt; and

(b) all other assets (excluding accounts receivable and intangibles) of the Company and its Subsidiaries not subject to a Lien securing Debt, all determined on a consolidated basis in accordance with United States generally accepted accounting principles; provided, however, that, in determining Total Unencumbered Assets as a percentage of outstanding Unsecured Debt for purposes of the Additional Covenant entitled “**Maintenance of Total Unencumbered Assets**” as set forth in Section (16)(d) of this Annex I, all investments in unconsolidated limited partnerships, unconsolidated limited liability companies and other unconsolidated entities shall be excluded from Total Unencumbered Assets.

“**Undepreciated Real Estate Assets**” means, as of any date, the cost (original cost plus capital improvements) of real estate assets of the Company and its Subsidiaries on such date, before depreciation and amortization, all determined on a consolidated basis in accordance with United States generally accepted accounting principles.

“**Unsecured Debt**” means Debt of the Company or any of its Subsidiaries which is not secured by a Lien on any property or assets of the Company or any of its Subsidiaries.

ANNEX II

**Form of 4.750% Senior Note due 2028
and Form of Guarantee Endorsed Thereon**

[Include only for Global Securities - UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) (THE "DEPOSITARY," WHICH TERM INCLUDES ANY SUCCESSOR DEPOSITARY FOR THIS SECURITY) TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

CUSIP: 49427RAN2

ISIN: US49427RAN26

No. R -

KILROY REALTY, L.P.

4.750% SENIOR NOTES DUE 2028

Kilroy Realty, L.P., a Delaware limited partnership (herein called the "**Company**," which term includes any successor under the Indenture referred to on the reverse hereof), for value received hereby promises to pay to _____, or its registered assigns, the principal sum of [_____] DOLLARS (\$[_____]) on December 15, 2028 at the office or agency of the Company maintained for that purpose in accordance with the terms of the Indenture, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay Interest, semi-annually in arrears on June 15 and December 15 of each year, commencing June 15, 2019, on said principal sum at said office or agency, in like coin or currency, at the rate per annum of 4.750%, from the June 15 or December 15, as the case may be, next preceding the date of this Note (as defined on the reverse hereof) to which Interest has been paid or duly provided for, unless no Interest has been paid or duly provided for on the Notes, in which case from November 29, 2018, until payment of said principal sum has been made or duly provided for. Except as otherwise provided in or permitted pursuant to Section 307 of the Indenture (as defined on the reverse hereof), the principal of and premium, if any, and Interest on the Notes shall be paid at the office or agency designated by the Company for such purpose.

The Company promises to pay Interest on overdue principal and (to the extent that payment of such Interest is permitted by applicable law) overdue premium, if any, and Interest at the rate of 4.750% per annum.

Reference is made to the further provisions of this Note set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed manually by the Trustee (as defined on the reverse hereof) or a duly authorized Authenticating Agent under the Indenture.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed.

Dated:

KILROY REALTY, L.P.

By: Kilroy Realty Corporation, as its sole general partner

By: _____

Name:

Title:

By: _____

Name:

Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the 4.750% Senior Notes due 2028 referred to in the within-mentioned Indenture.

Dated:

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By:

Authorized Signatory

[FORM OF REVERSE SIDE OF NOTE]

KILROY REALTY, L.P.

4.750% SENIOR NOTES DUE 2028

This Note is one of a duly authorized series of Securities of the Company, designated as its 4.750% Senior Notes due 2028 (herein called the “Notes”), issued under and pursuant to an Indenture, dated as of March 1, 2011 (the “Base Indenture”), among the Company, Kilroy Realty Corporation, a Maryland corporation (the “Guarantor”, which term includes any successor under the Indenture hereinafter referred to), and U.S. Bank National Association, as trustee (herein called the “Trustee,” which term includes any successor thereto under the Indenture), as supplemented by the Supplemental Indenture, dated as of July 5, 2011 (the “First Supplemental Indenture”; the Base Indenture, as amended and supplemented by the First Supplemental Indenture and as the same may be further amended and supplemented from time to time, is hereinafter called the “Indenture”), among the Company, the Guarantor and the Trustee and the Officers’ Certificate of the Company and the Guarantor dated November 29, 2018, delivered pursuant to Sections 102, 201, 301 and 303 of the Indenture (the “Officers’ Certificate”), to which reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company, the Guarantor and the Holders of the Notes. Terms (whether or not capitalized) that are defined in the Indenture and used but not otherwise defined in this Note shall have the respective meanings ascribed thereto in the Indenture.

If an Event of Default with respect to the Notes occurs and is continuing, then the principal of and accrued and unpaid Interest on all of the Notes may be declared or, in the case of certain Events of Default, shall automatically become immediately due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions permitting the Company, the Guarantor and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes at the time Outstanding, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or the Notes or modifying in any manner the rights of the Holders of the Notes, subject to exceptions set forth in Section 902 of the Indenture. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Notes then Outstanding, on behalf of the Holders of all of the Notes, to waive compliance by the Company or the Guarantor with certain provisions of the Indenture and certain past defaults or Events of Default with respect to the Notes and their consequences.

No reference herein to the Indenture and no provision of this Note, the Guarantee endorsed on this Note or the Indenture shall alter or impair, as among the Company and the Holder of this Note, the obligation of the Company, which is absolute and unconditional, to pay the principal of and premium, if any, and Interest on this Note at the place, at the respective times, at the rate, in the respective amounts and in the coin or currency herein and in the Indenture prescribed.

Interest on the Notes shall be computed on the basis of a 360-day year of twelve 30-day months.

The Notes are issuable in fully registered form, without coupons, in minimum denominations of \$2,000 principal amount and in integral multiples of \$1,000 principal amount in excess thereof. As provided in the Indenture and subject to certain limitations set forth therein, the Notes may be surrendered for registration of transfer or for exchange for a like aggregate principal amount of Notes of authorized denominations as requested by the Holders surrendering the same. No service charge shall be made for any registration of transfer or exchange of Notes, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith, subject to exceptions set forth in the Indenture.

The Company shall have the right to redeem the Notes, in whole at any time and from time to time in part, at the Redemption Price and on the terms and conditions set forth in the Indenture and the Officers' Certificate.

Written notice of redemption must be given to Holders of the Notes not less than 15 nor more than 60 days prior to the applicable Redemption Date.

The Notes are not subject to redemption through the operation of any sinking fund.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or the Notes, or because of any indebtedness evidenced thereby, shall be had against any past, present or future stockholder, employee, officer or director, as such, of the Company, the General Partner, the Guarantor or of any successor, either directly or through the Company, the General Partner, the Guarantor or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Notes by the Holders and as part of the consideration for the issue of the Notes.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

ABBREVIATIONS

The following abbreviations, when used in the inscription of the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN-COM	as tenants in common
TEN-ENT	as tenant by the entirety
UNIF GIFT MIN ACT	Uniform Gifts to Minors Act
Cust	Custodian
JT-TEN	as joint tenants with right of survivorship and not under Uniform Gifts to Minors Act

(State)

Additional abbreviations may also be used though not in the above list.

GUARANTEE

Kilroy Realty Corporation, a Maryland Corporation (hereinafter referred to as the “**Guarantor**,” which term includes any successor under the Indenture referred to below), hereby irrevocably and unconditionally guarantees on a senior basis on the terms set forth in the Indenture, the Guarantee Obligations, which include (i) the due and punctual payment of the principal of and premium, if any, and Interest (including the Redemption Price upon redemption pursuant to Article Eleven of the Indenture) on the 4.750% Senior Notes due 2028 (the “**Notes**”) of Kilroy Realty, L.P., a Delaware limited partnership (the “**Company**,” which term includes any successor thereto under the Indenture), whether at the Stated Maturity of the Notes, upon acceleration, upon redemption or otherwise, the due and punctual payment of Interest on any overdue principal and (to the extent permitted by law) any overdue premium, if any, and Interest on the Notes, and the due and punctual performance of all other obligations of the Company to the Holders of the Notes or the Trustee all in accordance with the terms set forth in Article Sixteen of the Indenture, and (ii) in case of any extension of time of payment or renewal of any Notes or any such other obligations, that the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at the Stated Maturity of the Notes, by acceleration, call for redemption or otherwise.

This Guarantee has been issued under and pursuant to an Indenture, dated as of March 1, 2011 (the “**Base Indenture**”), among the Company, the Guarantor and U.S. Bank National Association, as trustee (herein called the “**Trustee**,” which term includes any successor thereto under the Indenture), as supplemented by the Supplemental Indenture, dated as of July 5, 2011 (the “**First Supplemental Indenture**”; the Base Indenture, as amended and supplemented by the First Supplemental Indenture and as the same may be further amended and supplemented from time to time, is hereinafter called the “**Indenture**”), among the Company, the Guarantor and the Trustee and the Officers’ Certificate of the Company and the Guarantor dated November 29, 2018, delivered pursuant to Sections 102, 201, 301 and 303 of the Indenture (the “**Officers’ Certificate**”). Terms (whether or not capitalized) that are defined in the Indenture and used but not otherwise defined in this Guarantee shall have the respective meanings ascribed thereto in the Indenture.

The obligations of the Guarantor to the Holders of the Notes and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article Sixteen of the Indenture and reference is hereby made to such Indenture for the precise terms of this Guarantee.

Without limitation to the provisions of Article Sixteen of the Indenture, the Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Company, any right to require a proceeding first against the Company, the benefit of discussion, protest or notice with respect to the Notes and all demands whatsoever.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or the Notes, or because of any indebtedness evidenced thereby, shall be had against any past, present or future stockholder, employee, officer or director, as such, of the Company, the General Partner, or the Guarantor or of any successor, either directly or through the Company, the General Partner or the Guarantor or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Notes by the Holders and as part of the consideration for the issue of the Notes.

This is a continuing Guarantee and shall remain in full force and effect and shall be binding upon the Guarantor and its successors until full and final payment of all of the Company’s obligations under the Notes and Indenture or until legally discharged in accordance with the Indenture and shall inure to the benefit of the successors and assigns of the Trustee and the Holders of the Notes, and, in the event of any transfer or assignment of rights by any Holder of the Notes or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof. This is a Guarantee of payment and performance and not of collection.

This Guarantee shall not be valid or become obligatory for any purpose until the certificate of authentication on the Note upon which this Guarantee is endorsed shall have been signed manually by the Trustee or a duly authorized Authenticating Agent under the Indenture.

The obligations of the Guarantor under this Guarantee shall be limited as provided in Article Sixteen of the Indenture to the extent necessary to ensure that it does not constitute a fraudulent conveyance or fraudulent transfer.

THE TERMS OF ARTICLE SIXTEEN OF THE INDENTURE ARE INCORPORATED HEREIN BY REFERENCE.

This Guarantee shall be governed by, and construed in accordance with, the laws of the State of New York.

(Signature Page Follows)

IN WITNESS WHEREOF, the Guarantor has caused this instrument to be duly executed.

Dated:

KILROY REALTY CORPORATION, as Guarantor

By: _____
Name:
Title:

By: _____
Name:
Title:

ASSIGNMENT

For value received hereby sell(s) assign(s) and transfer(s) unto (Please insert social security or other Taxpayer Identification Number of assignee) the within Note, and hereby irrevocably constitutes and appoints attorney to transfer said Note on the books of the Company, with full power of substitution in the premises.

Dated:

Signature(s)

Signature(s) must be guaranteed by an “**eligible guarantor institution**” meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“**STAMP**”) or such other “**signature guarantee program**” as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Signature Guarantee

NOTICE: The signature on this Assignment must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

[\(Back To Top\)](#)

Section 3: EX-5.1 (EX-5.1)

Exhibit 5.1

Ballard Spahr
LLP

300 East Lombard Street, 18th Floor
Baltimore, MD 21202-3268
TEL 410.528.5600
FAX 410.528.5650
www.ballardspahr.com

November 29, 2018

Kilroy Realty Corporation
12200 West Olympic Boulevard
Suite 200
Los Angeles, California 90064

Re: Kilroy Realty Corporation, a Maryland corporation (the “Company”) – Issuance and sale of \$400,000,000 aggregate principal amount of 4.750% Senior Notes due 2028 (the “Securities”) of Kilroy Realty, L.P., a Delaware limited partnership of which the Company is the sole general partner (the “Operating Partnership”), pursuant to a Registration Statement on Form S-3 (Registration Nos. 333-213864 and 333-213864-01) (the “Registration Statement”)

Ladies and Gentlemen:

We have acted as Maryland corporate counsel to the Company in connection with the registration of the Securities, which are guaranteed by the Company, under the Securities Act of 1933, as amended (the “Act”), by the Operating Partnership and the Company under the Registration Statement which was filed with the Securities and Exchange Commission (the “Commission”) on September 29, 2016. You have requested our opinion with respect to the matters set forth below.

In our capacity as Maryland corporate counsel to the Company and for the purposes of this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents (collectively, the “Documents”):

- (i) the corporate charter of the Company (the “Charter”) consisting of Articles of Amendment and Restatement filed with the State Department of Assessments and Taxation of Maryland (the “Department”) on January 21, 1997, Articles Supplementary filed with the

Department on February 6, 1998, Articles Supplementary filed with the Department on April 20, 1998, Articles Supplementary filed with the Department on October 15, 1998, Articles Supplementary filed with the Department on November 25, 1998, Certificate of Correction filed with the Department on March 4, 1999, Articles Supplementary filed with the Department on December 10, 1999, Articles Supplementary filed with the Department on December 30, 1999, Articles Supplementary filed with

the Department on October 23, 2003, Articles Supplementary filed with the Department on March 11, 2004, Articles Supplementary filed with the Department on March 11, 2004, Articles Supplementary filed with the Department on December 3, 2004, Articles Supplementary filed with the Department on December 3, 2004, Articles Supplementary filed with the Department on October 2, 2008, Articles Supplementary filed with the Department on October 2, 2008, Articles of Amendment filed with the Department on May 27, 2009, Articles of Restatement filed with the Department on February 2, 2010, Articles Supplementary filed with the Department on March 23, 2012, Articles Supplementary filed with the Department on May 23, 2012, Articles of Restatement filed with the Department on May 23, 2012, Articles Supplementary filed with the Department on August 14, 2012, Articles Supplementary filed with the Department on December 19, 2012, Articles Supplementary filed with the Department on August 23, 2017, and Articles Supplementary filed with the Department on August 23, 2017;

- (ii) the Second Amended and Restated Bylaws of the Company, adopted as of December 11, 2008, as amended by the Amendment No. 1 to the Second Amended and Restated Bylaws, adopted as of May 27, 2009, and the Amendment No. 2 to the Second Amended and Restated Bylaws, adopted as of May 22, 2014, as further amended and restated by the Third Amended and Restated Bylaws of the Company, adopted as of December 9, 2014, as further amended and restated by the Fourth Amended and Restated Bylaws of the Company, adopted as of February 23, 2016 and as further amended and restated by the Fifth Amended and Restated Bylaws of the Company, adopted as of January 30, 2017 (collectively, the “Bylaws”);
- (iii) the Written Organizational Action of the Board of Directors of the Company (the “Board of Directors”), dated as of September 13, 1996 (the “Organizational Minutes”);
- (iv) resolutions adopted by the Board of Directors, or a committee thereof, on January 28, 1997, February 14, 2018, October 10, 2018 and November 14, 2018 (the “Directors’ Resolutions”);
- (v) the Registration Statement filed by the Company and the Operating Partnership with the Commission under the Act, the related preliminary prospectus supplement, dated November 14, 2018, the related final prospectus supplement, dated November 14, 2018 and the related base prospectus, dated September 29, 2016;
- (vi) the Seventh Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of August 15, 2012, as amended by the First

Amendment to the Seventh Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of May 7, 2014 (the “Partnership Agreement”);

- (vii) the Indenture, dated as of March 1, 2011 (the “Base Indenture”), as amended and supplemented by that certain Supplemental Indenture, dated as of July 5, 2011 (the “Supplemental Indenture”, and together with the Base Indenture, collectively the “Indenture”) by and among the Company, the Operating Partnership and U.S. Bank National Association, as trustee (the “Trustee”);
- (viii) fully executed copies of the officers’ certificate dated November 29, 2018 with respect to the Securities pursuant to Sections 102, 201, 301 and 303 of the Indenture (the “Sections 102, 201, 301 and 303 Certificate”)—which, among other things, established the title and terms of the Securities pursuant to the authorizing resolutions set forth in the Directors’ Resolutions and to which is attached the form of certificate evidencing the Securities and the Guarantee endorsed thereon—and the related order to the Trustee issued by the Operating Partnership pursuant to Sections 203 and 303 of the Indenture (the “Operating Partnership Order”);
- (ix) a fully executed copy of that certain global note, dated November 29, 2018, registered in the name of The Depository Trust Company or its nominee Cede & Co., representing the Securities (the “Global Note”);
- (x) a fully executed copy of that certain guarantee, dated November 29, 2018, made by the Company for the benefit of the holders of the Securities endorsed on, and made a part of, the Global Note (the “Guarantee”);
- (xi) a status certificate of the Department dated as of a recent date to the effect that the Company is duly incorporated and existing under the laws of the State of Maryland;
- (xii) a certificate signed by two officers of the Company, dated as of a recent date (the “Officers’ Certificate”), to the effect that, among other things, the Charter, the Bylaws, the Organizational Minutes, and the Directors’ Resolutions are true, correct and complete and have not been rescinded or modified and are in full force and effect on the date of the Officers’ Certificate, and certifying as to, among other things, the manner of adoption or approval of the Directors’ Resolutions, and the form, approval, execution and delivery of the Partnership Agreement, the Indenture, the Sections 102, 201, 301 and 303 Certificate, the Operating Partnership Order, the Global Note and the Guarantee; and

- (xiii) such other documents and matters as we have deemed necessary and appropriate to render the opinions set forth in this letter, subject to the limitations, assumptions and qualifications noted below.

In reaching the opinions set forth below, we have assumed the following:

- (a) each person executing any of the Documents on behalf of any party (other than the Company, whether on its own behalf or, in its capacity as general partner of the Operating Partnership, on behalf of the Operating Partnership) is duly authorized to do so;
- (b) each natural person executing any of the Documents is legally competent to do so;
- (c) each of the parties (other than the Company, whether on its own behalf or, in its capacity as general partner of the Operating Partnership, on behalf of the Operating Partnership) executing any instrument, document or agreement reviewed by us has duly authorized and validly executed and delivered each such instrument, document and agreement to which such party is a signatory, and, if applicable, such party's obligations set forth therein are its legal, valid and binding obligations and are enforceable in accordance with their respective terms;
- (d) any of the Documents submitted to us as originals are authentic; the form and content of any Documents submitted to us as unexecuted drafts do not differ in any respect relevant to this opinion from the form and content of such documents as executed and delivered; any of the Documents submitted to us as certified, facsimile or photostatic copies conform to the original document; all signatures on all of the Documents are genuine; all public records reviewed or relied upon by us or on our behalf are true and complete; all statements and information contained in the Documents are true and complete; there has been no modification of, or amendment to, any of the Documents, and there has been no waiver of any provision of any of the Documents by action or omission of the parties or otherwise;
- (e) the actions documented by the Directors' Resolutions were taken at duly called meetings of directors at which a quorum of the Board of Directors or a committee thereof, as the case may be, was present, by the affirmative vote of a majority of the entire Board of Directors of the Company, or a committee thereof, as the case may be, or by unanimous consent by all incumbent members of the Board of Directors of the Company, or a committee thereof, as the case may be, given in writing or by electronic transmission, all in accordance with the Charter and Bylaws of the Company;

- (f) all representations, warranties, statements and responses to questions made in or pursuant to the Indenture, the Global Note or the Guarantee by the Company or the Operating Partnership and each other party thereto (other than representations and warranties of the Company or the Operating Partnership as to legal matters on which an opinion is rendered herein) are true and correct;
- (g) the Officers' Certificate, and all other certificates submitted to us, are true, correct and complete both when made and as of the date hereof;
- (h) the Operating Partnership has been duly formed and is validly existing as a limited partnership under the laws of the State of Delaware, and the corporate action required to be taken by the Company as general partner of the Operating Partnership in authorizing actions in its capacity as general partner of the Operating Partnership is the same as that which would be required to be taken had the Operating Partnership been organized as a limited partnership under the laws of the State of Maryland, instead of the State of Delaware, with the Company as its sole general partner and with no restrictions under the governing documents of the Operating Partnership on the power or authority of the general partner to act on its behalf;
- (i) the Securities will be issued under and subject to the terms of the Indenture; and
- (j) the Securities will be issued in book entry form, represented by the Global Note (including the guarantee of the Company endorsed thereon and made a part thereof), and will be authenticated by the Trustee in accordance with and subject to the terms of the Indenture.

Based on our review of the foregoing and subject to the assumptions and qualifications set forth herein, it is our opinion that, as of the date of this letter:

1. The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Maryland.
2. The Company has the corporate power to create the obligation evidenced by the Guarantee.
3. The issuance of the Securities, the guarantee of the Securities, and the execution and delivery of the Global Note and the Guarantee, pursuant to the Indenture and the Registration Statement, in each case by the Company in its own capacity and, in its capacity as general partner of the Operating Partnership, on behalf of the Operating Partnership, as the case may be, have been duly authorized by all necessary corporate action required under the Charter and Bylaws of the Company and the Maryland General Corporation Law. The Global Note and the

Guarantee have been duly executed and delivered by the Company on behalf of itself and, in its capacity as general partner of the Operating Partnership, on behalf of the Operating Partnership, as the case may be.

The foregoing opinion is limited to the laws of the State of Maryland, and we do not express any opinion herein concerning any other law. We express no opinion as to the applicability or effect of any federal or state securities laws, including the securities laws of the State of Maryland, or as to federal or state laws regarding fraudulent transfers, or with respect to the actions required for the Operating Partnership to authorize, execute, deliver or perform its obligations under any document, instrument or agreement. To the extent that any matter as to which our opinion is expressed herein would be governed by any jurisdiction other than the State of Maryland, we do not express any opinion on such matter.

This opinion letter is issued as of the date hereof and is necessarily limited to laws now in effect and facts and circumstances presently existing and brought to our attention. We assume no obligation to supplement this opinion letter if any applicable laws change after the date hereof, or if we become aware of any facts or circumstances that now exist or that occur or arise in the future and may change the opinions expressed herein after the date hereof.

We consent to the incorporation by reference of this opinion in the Registration Statement and further consent to the filing of this opinion as an exhibit to the applications to securities commissioners for the various states of the United States for registration of the Securities. We also consent to the identification of our firm as Maryland counsel to the Company in the section of the Registration Statement entitled "Legal Matters." In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the Act.

Very truly yours,

/s/ Ballard Spahr LLP

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Section 4: EX-5.2 (EX-5.2)

Exhibit 5.2

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November 29, 2018

Kilroy Realty Corporation
Kilroy Realty, L.P.
12200 W. Olympic Boulevard, Suite 200
Los Angeles, California 90064

Re: Registration Statement Nos. 333-213864 and 333-213864-01
\$400,000,000 Aggregate Principal Amount of 4.750% Senior Notes due 2028

Ladies and Gentlemen:

We have acted as special counsel to Kilroy Realty, L.P., a Delaware limited partnership (the "**Company**"), and Kilroy Realty Corporation, a Maryland corporation (the "**Guarantor**"), in connection with the issuance of \$400,000,000 aggregate principal amount of the Company's 4.750% Senior

Notes due 2028 (the “*Notes*”) and the guarantees of the Notes (the “*Guarantees*”) by the Guarantor pursuant to an indenture dated as of March 1, 2011 (the “*Base Indenture*”), by and among the Company, the Guarantor and U.S. Bank National Association, as trustee (the “*Trustee*”), as amended and supplemented by a supplemental indenture dated as of July 5, 2011 (the “*Supplemental Indenture*”; the Base Indenture, as amended and supplemented by the Supplemental Indenture, is hereinafter called the “*Indenture*”), among the Company, the Guarantor and the Trustee, and an officers’ certificate, dated as of the date hereof, establishing the form and terms of the Notes and Guarantees pursuant to the Indenture, and pursuant to: (i) a registration statement on Form S-3 under the Securities Act of 1933, as amended (the “*Act*”), filed with the Securities and Exchange Commission (the “*Commission*”) on October 2, 2013 (Registration Nos. 333-213864 and 333-213864-01) (as so filed, the “*Registration Statement*”); (ii) a base prospectus dated September 29, 2016 (the “*Base Prospectus*”); (iii) a prospectus supplement dated November 14, 2018 filed with the Commission pursuant to Rule 424(b) under the Act (the “*Prospectus Supplement*,” and together with the Base Prospectus, the “*Prospectus*”); and (iv) an underwriting agreement dated November 14, 2018 by and among the Company, the Guarantor and J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representatives of the several underwriters named therein (the “*Underwriting Agreement*”). This opinion is being furnished in connection with the requirements of Item 601(b)(5) of Regulation S-K under the Act, and no opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement or related prospectus, other than as expressly stated herein with respect to the issuance of the Notes and the Guarantees.

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As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of this letter. With your consent, we have relied upon certificates and other assurances of officers of the Company, the Guarantor, and others as to factual matters without having independently verified such factual matters. We are opining herein as to the internal laws of the State of New York and the Delaware Revised Uniform Limited Partnership Act (“*DRULPA*”), and we express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or, in the case of Delaware, any other laws, or as to any matters of municipal law or the laws of any local agencies within any state. Various matters concerning Maryland law are addressed in the opinion of Ballard Spahr LLP, separately provided to you, and we express no opinion with respect to those matters, and to the extent elements of those opinions are necessary to the conclusions expressed herein, we have, with your consent, assumed such matters.

Subject to the foregoing and the other matters set forth herein, it is our opinion that, as of the date hereof:

1. Assuming due authorization and execution by the Guarantor in its capacity as the sole general partner of the Company, when issued and authenticated in accordance with the terms of the Indenture, and delivered against payment therefor in the circumstances contemplated by the Underwriting Agreement, the Notes will be legally valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

2. Assuming due authorization and execution by the Guarantor on its own behalf, when issued in connection with the execution, delivery and authentication of the Notes in accordance with the terms of the Indenture, the Guarantees will be legally valid and binding obligations of the Guarantor, enforceable against the Guarantor in accordance with their terms.

Our opinions are subject to: (i) the effect of bankruptcy, insolvency, reorganization, voidable preference, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights and remedies of creditors; (ii) the effect of general principles of equity, whether considered in a proceeding in equity or at law (including the possible unavailability of specific performance or injunctive relief), concepts of materiality, reasonableness, good faith and fair dealing, and the discretion of the court before which a proceeding is brought; (iii) the invalidity under certain circumstances under law or court decisions of provisions providing for the indemnification of or contribution to a party with respect to a liability where such indemnification or contribution is contrary to public policy; and (iv) we express no opinion as to (a) any provision for liquidated damages, default interest, late charges, monetary penalties, make-whole premiums or other economic remedies to the extent such provisions are deemed to constitute a penalty, (b) consents to, or restrictions upon, governing law, jurisdiction, venue, arbitration, remedies or judicial relief, (c) the waiver of rights or defenses contained in Section 1011 of the Indenture, (d) any provision requiring the payment of attorneys’ fees, where such payment is contrary to law or public policy, (e) any provision permitting, upon acceleration of the Notes, collection of that portion of the stated principal amount thereof which might be determined to constitute unearned interest thereon, (f) any provision to the extent it requires that a claim with respect to the Notes (or a judgment in respect of such a claim) be converted into U.S. dollars at a rate of exchange at a particular date, to the extent applicable law otherwise provides, (g) provisions purporting to make a guarantor primarily liable rather than as a surety and provisions purporting to waive modifications of any guaranteed obligation to the extent such modification constitutes a novation, (h) advance waivers of claims, defenses, rights granted by law, or notice, opportunity for hearing, evidentiary requirements, statutes of limitation, trial by jury or at law, or other procedural rights, (i) waivers of broadly or vaguely stated rights, (j) provisions for exclusivity, election or cumulation of rights or remedies, (k) provisions authorizing or validating conclusive or discretionary determinations, (l) grants of setoff rights, (m) proxies, powers and trusts, (n) provisions prohibiting, restricting, or requiring consent to assignment or transfer of any right or property and (o) the severability, if invalid, of provisions to the foregoing effect.

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With your consent, we have assumed for purposes of this opinion that (i) each of the parties to the Indenture, the Notes and the Guarantees (collectively, the “*Documents*”) other than the Company is (a) duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (b) has the requisite power and authority to execute and deliver and to perform its obligations under each of the Documents to which it is a party and (c) has duly authorized, executed and delivered each such Document, (ii) with respect to each of the parties to the Documents other than the Company and the Guarantor, each Document to which it is a party constitutes its legally valid and binding agreement, enforceable against it in accordance with its terms, (iii) the Notes have been duly authorized for issuance by all necessary corporate action by the Guarantor in its capacity as the general partner of the Company, (iv) the Indenture has been duly authorized by all necessary corporate action by the Guarantor on its own behalf and in its capacity as the general partner of the Company and has been duly executed and delivered by the Guarantor on its own behalf and in its capacity as the general partner of the Company, (v) the Guarantees have been duly authorized by all necessary corporate actions of the Guarantor and have been duly executed and delivered by the Guarantor, (vi) the status of the Documents as legally valid and binding obligations of the parties is not affected by any (a) breaches of, or defaults under, agreements or instruments, (b) violations of statutes, rules, regulations or court or governmental orders, or (c) failures to obtain required consents, approvals or authorizations from, or make required registrations, declarations or filings with, governmental authorities, and (vii) the Trustee is in compliance, generally and with respect to acting as Trustee under the Indenture, with all applicable laws and regulation.

This opinion is for your benefit in connection with the Registration Statement and may be relied upon by you and by persons entitled to rely upon it pursuant to the applicable provisions of the Act. We consent to your filing this opinion as an exhibit to the Company’s Form 8-K dated November 29, 2018 and to the reference to our firm contained in the Prospectus under the heading “Legal Matters.” In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Latham & Watkins LLP

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