KILROY REALTY CORP
Form 424B5
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Subject to completion

Preliminary prospectus supplement dated January 7, 2013

Prospectus supplement

(To prospectus dated March 1, 2011)

$

Kilroy Realty, L.P.

% Senior Notes due

guaranteed by

Kilroy Realty Corporation

The notes will bear interest at the rate of % per year. Interest on the notes will be payable semi-annually in arrears on and of each year, beginning , 2013. The notes will mature on unless earlier redeemed as described in this prospectus supplement.

Kilroy Realty, L.P., which we refer to as the operating partnership, may, at its option, redeem the notes at any time in whole or from time to time in part at the redemption prices described in this prospectus supplement.

The notes will be senior unsecured obligations of the operating partnership and will rank equally in right of payment with all of its other existing and future senior unsecured indebtedness and will be effectively subordinated in right of payment to all of its existing and future mortgage indebtedness and other secured indebtedness (to the extent of the value of the collateral securing such indebtedness), to all existing and future indebtedness and other liabilities of the operating partnership s subsidiaries, whether secured or unsecured, and to all existing and future equity in the operating partnership s subsidiaries not owned by the operating partnership, if any. The notes will be guaranteed by Kilroy Realty Corporation, which we refer to as the Company. The Company has no material assets other than its investment in the operating partnership. The notes will not be listed on any securities exchange or included in any quotation system.

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any securities exchange or for inclusion of the notes in any quotation system.

An investment in the notes involves various risks and prospective investors should carefully consider the matters discussed under Risk factors beginning on page S-7 of this prospectus supplement and on page 1 of the accompanying prospectus before making a decision to invest in the notes.

	Per note	Total
Public offering price(1)	%	$
Underwriting discount	%	$
Proceeds, before expenses, to Kilroy Realty, L.P.	%	$

(1) Plus accrued interest from , 2013 if settlement occurs after that date.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

We expect the notes will be ready for delivery in book-entry form through The Depository Trust Company on or about , 2013.

Joint Book-Running Managers

J.P. Morgan **Barclays** **BofA Merrill Lynch** **Wells Fargo Securities**

The date of this prospectus supplement is , 2013.

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Prospectus supplement

Prospectus

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Kilroy Realty, L.P., or the operating partnership, is a Delaware limited partnership, and Kilroy Realty Corporation, or the Company or guarantor, is the sole general partner of the operating partnership. Unless otherwise expressly stated or the context otherwise requires, in this prospectus supplement and the accompanying prospectus, we, us and our refer collectively to the Company, the operating partnership and the Company s other subsidiaries.

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus, the documents incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus and any free writing prospectus that we provide you in connection with this offering. Neither we nor the underwriters have authorized anyone to provide you with any additional or different information. If anyone provides you with any additional or different information, you should not rely on it. Neither this prospectus supplement nor the accompanying prospectus nor any such free writing prospectus is an offer to sell or a solicitation of an offer to buy any securities other than the notes to which it relates or an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where, or to any person to whom, it is unlawful to make an offer or solicitation. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus, any document incorporated or deemed to be incorporated by reference in this prospectus supplement or the accompanying prospectus or any free writing prospectus that we may prepare in connection with this offering is correct on any date after the respective dates of those documents. Our business, financial condition, liquidity, results of operations, funds from operations and prospects may have changed since those respective dates.

Industry and market data

In the documents incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus, we refer to information and statistics regarding, among other things, the industry, markets, submarkets and sectors in which we operate. We obtained this information and these statistics from various third-party sources and our own internal estimates. We believe that these sources and estimates are reliable, but have not independently verified them and cannot guarantee their accuracy or completeness.

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Prospectus supplement summary

This summary does not contain all the information that may be important to you in deciding whether to invest in the notes. You should read the entire prospectus supplement, the accompanying prospectus and the documents incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus, including the financial statements and related notes, before making an investment decision.

The Company

We are a self-administered real estate investment trust, or REIT, active in office submarkets along the West Coast. We own, develop, acquire and manage real estate assets, consisting primarily of Class A real estate properties in the coastal regions of Los Angeles, Orange County, San Diego County, the San Francisco Bay Area and greater Seattle, which we believe have strategic advantages and strong barriers to entry. Class A real estate encompasses attractive and efficient buildings of high quality that are attractive to tenants, are well-designed and constructed with above-average material, workmanship and finishes and are well-maintained and managed.

As of September 30, 2012, our stabilized portfolio of operating office properties was comprised of 111 office buildings, which encompassed an aggregate of approximately 12.7 million rentable square feet. As of September 30, 2012, the office properties were approximately 91.1% occupied by 497 tenants. Our stabilized portfolio includes all of our properties with the exception of undeveloped land, development and redevelopment properties currently under construction or committed for construction, lease-up properties, and properties held-for-sale. As of September 30, 2012, we had one office property development under construction that is expected to encompass approximately 341,000 rentable square feet upon completion and four office redevelopment properties under construction encompassing approximately 918,000 rentable square feet. We define lease-up properties as properties we recently developed or redeveloped that have not yet reached 95% occupancy and are within one year following cessation of major construction activities.

Kilroy Realty Corporation is a Maryland corporation organized to qualify as a REIT under the Internal Revenue Code of 1986, as amended, or the Code, which owns its interests in all of its properties through the operating partnership and Kilroy Realty Finance Partnership, L.P., or the finance partnership, both of which are Delaware limited partnerships. We conduct substantially all of our operations through the operating partnership in which, as of September 30, 2012, Kilroy Realty Corporation owned an approximate 97.6% general partnership interest. The remaining approximately 2.4% common limited partnership interest in the operating partnership as of September 30, 2012 was owned by non-affiliated investors and certain directors and officers of Kilroy Realty Corporation. Kilroy Realty Finance, Inc., one of Kilroy Realty Corporation s wholly-owned subsidiaries, is the sole general partner of the finance partnership and owns a 1.0% general partnership interest. The operating partnership owns the remaining 99.0% limited partnership interest in the finance partnership. We conduct substantially all of our development activities through Kilroy Services, LLC, or KSLLC, which is a wholly-owned subsidiary of the operating partnership. With the exception of the operating partnership, as of September 30, 2012, all of the beneficial ownership interests in Kilroy Realty Corporation s subsidiaries were wholly-owned directly or indirectly by Kilroy Realty Corporation and the operating partnership.

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Our principal executive offices are located at 12200 West Olympic Boulevard, Suite 200, Los Angeles, California 90064. Our telephone number is (310) 481-8400. Our website is located at www.kilroyrealty.com. The information found on, or accessible through, our website is not incorporated into, and does not form a part of, this prospectus supplement, the accompanying prospectus or any other report or document we file with or furnish to the Securities and Exchange Commission, or SEC.

Recent developments

Acquisitions.

12233 Olympic Boulevard. Since September 30, 2012, we acquired a three-story office campus totaling approximately 151,000 rentable square feet known as Tribeca West located in West Los Angeles, California, for approximately $72.9 million. As part of the acquisition, we have assumed an existing secured loan of approximately $40.7 million.

599 N Mathilda. In connection with the 555 N Mathilda Campus development project described below, we also acquired a three-story office building located at 599 N Mathilda Avenue in Mountain View, California totaling approximately 76,000 rentable square feet for approximately $32.0 million. The property is directly adjacent to the 555 N Mathilda Campus and is 100% leased to LinkedIn Corporation for a remaining term of approximately seven years.

Pending acquisition. As of the date of this prospectus supplement, we have entered into a purchase agreement to purchase one project encompassing approximately 319,000 rentable square feet in the South Lake Union submarket of greater Seattle for a purchase price of approximately $170.0 million (which includes the assumption of approximately $84.0 million of debt secured by the project). The acquisition is expected to close in the first quarter of 2013. However, this acquisition is subject to closing conditions and other uncertainties and we cannot provide assurance that this acquisition will be consummated at the price, on the terms or by the date currently contemplated, or at all.

Including the recently completed acquisitions discussed above, in 2012 we have acquired a total of seven office projects encompassing an aggregate of approximately 1.8 million rentable square feet for an aggregate purchase price of approximately $676.9 million, including the assumption of approximately $212.2 million of mortgage indebtedness.

In the future, we may enter into agreements to acquire, subject to the satisfaction of closing conditions, other properties or interests in other properties. We cannot provide assurance that we will enter into any agreements to acquire properties or interests in properties, or that we will be able to develop properties pursuant to such agreements, or that the potential acquisitions or development contemplated by any agreements we may enter into in the future will be completed. Costs associated with these transactions are expensed as incurred and we may be unable to complete an acquisition after making a nonrefundable deposit or incurring acquisition-related costs. In addition, acquisitions are subject to various other risks and uncertainties. For additional information, see the information appearing under the caption Risk Factors Risks Related to our Business and Operations We may be unable to complete acquisitions and successfully operate acquired properties in our and the operating partnership s Annual Report on Form 10-K for the year ended December 31, 2011 filed with the SEC.

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Development and redevelopment plans.

350 Mission Street. We acquired an approximately 0.43 acre development site at 350 Mission Street in the South of Market financial district of San Francisco, California, for approximately $52.0 million in cash. We have signed a long-term lease with salesforce.com for up to 445,000 square feet of the 27-story office tower presently under construction at the site, including approximately 50,000 square feet of must-take space that is subject to us obtaining entitlements to add three stories to the building. We estimate the total development cost for the office tower, including the land, will be approximately $250.0 million and could increase by approximately $25.0 million if the entitlements to add these three additional stories to the building are obtained.

331 Fairchild. We acquired a development site at 331 Fairchild Drive in Mountain View, California, where we have agreed to develop, own and manage an approximately 88,000 square-foot office building for Audience, Inc. pursuant to a 10-year lease agreement. We expect to invest approximately $45.0 million, including the cost of the land, to develop the office project which is expected to be competed in the fourth quarter of 2013.

555 N Mathilda Campus. We acquired a land site in Sunnyvale, California of approximately 12 acres, where we have agreed to develop, own and manage an approximately 587,000 square-foot office complex for LinkedIn Corporation pursuant to a 12-year lease agreement. We expect to invest approximately $315.0 million, including the cost of the land, to develop the office complex, which is expected to be completed in the second half of 2014.

Development and redevelopment of properties is subject to a number of risks and uncertainties, and we cannot assure you that we will commence or complete any of the development projects described above by the dates set forth above, that the costs of these projects will not exceed, perhaps substantially, the estimated costs set forth above, or that these projects will be completed on the other terms currently contemplated, or at all. For additional information, see Risk Factors Risks Related to our Business and Operations We may be unable to successfully complete and operate acquired, developed, and redeveloped properties in the Company s and the operating partnership s Annual Report on Form 10-K for the year ended December 31, 2011.

Dispositions. As part of our ongoing capital recycling strategy, on December 17, 2012, we announced the completion of the sale of 44 properties for gross proceeds of approximately $355.0 million in two tranches to two institutional buyers, representing our entire industrial portfolio and two small office projects, which in aggregate total approximately 3.7 million rentable square feet. We expect to reinvest the proceeds from these sales into our expanding West Coast office development program.

Amendment of credit facility. We entered into an amendment to our $500.0 million unsecured revolving credit facility on November 28, 2012. The amendment includes, among other things, extending the maturity date to April 3, 2017 and reducing both the interest rate spread and the facility fee. As amended and restated, the credit facility currently bears interest at LIBOR plus 1.45% and currently includes a 30.0 basis point facility fee based on our current credit ratings.

Repayment of debt. On January 4, 2013, we repaid an $83.6 million loan secured by Skyline Tower located at 10900 NE 4th Street in Bellevue, Washington, which we acquired in July of 2012.

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The offering

The following summary contains basic information about the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the notes, please refer to the section entitled Description of notes.

Issuer of notes	Kilroy Realty, L.P.
Guarantor	Kilroy Realty Corporation
Notes offered	$ aggregate principal amount of % senior notes due .
Interest	The notes will bear interest at the rate of % per year, accruing from , 2013. Interest on the notes will be payable semi-annually in arrears on and of each year, beginning , 2013.
Maturity	The notes will mature on unless earlier redeemed.
Ranking of notes	The notes will be the operating partnership s senior unsecured obligations and will rank equally in right of payment with all of its other existing and future senior unsecured indebtedness. The notes will be effectively subordinated in right of payment to: all of the operating partnership s existing and future mortgage indebtedness and other secured indebtedness (to the extent of the value of the collateral securing such indebtedness); all existing and future indebtedness and other liabilities, whether secured or unsecured, of the operating partnership s subsidiaries and of any entity the operating partnership accounts for using the equity method of accounting; and all existing and future equity not owned by the operating partnership, if any, in the operating partnership s subsidiaries and in any entity the operating partnership accounts for using the equity method of accounting.
Company guarantee	The notes will be guaranteed by the Company. The Company guarantee will be a senior unsecured obligation of the Company and will rank equally in right of payment with all of its other existing and future senior unsecured indebtedness and guarantees. The Company s guarantee of the notes will be effectively subordinated in right of payment to: all existing and future secured indebtedness and secured guarantees of the Company (to the extent of the value of the collateral securing such indebtedness and guarantees);

all existing and future indebtedness and other liabilities, whether secured or unsecured, of the Company s consolidated subsidiaries (including the operating partnership) and of any entity the Company accounts for using the equity method of accounting; and

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	all existing and future equity not owned by the Company in the Company s consolidated subsidiaries (including the operating partnership) and in any entity the Company accounts for using the equity method of accounting.
	The Company has no material assets other than its investment in the operating partnership.
Redemption	The operating partnership may, at its option, redeem the notes at any time in whole or from time to time in part at the redemption prices described in Description of notes Redemption of the notes at the option of the operating partnership.
Certain covenants	The indenture that will govern the notes will not prohibit the operating partnership, the Company or any of their respective subsidiaries from incurring secured or unsecured indebtedness in the future and, although the indenture will contain covenants that will limit the ability of the operating partnership and its subsidiaries to incur secured and unsecured indebtedness, those covenants are subject to significant exceptions and, in addition, the operating partnership and its subsidiaries may be able to incur substantial amounts of additional secured and unsecured indebtedness without violating those covenants. Moreover, these covenants limiting the incurrence of indebtedness will not apply to the Company. For additional information, see Description of notes Certain covenants.
Absence of a public market for the notes	The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any securities exchange or for their inclusion in any quotation system.
Use of proceeds	We expect that the net proceeds from this offering will be approximately $ million after deducting the underwriting discount and our estimated expenses.
	We intend to use the net proceeds from the offering for general corporate purposes, which may include acquiring properties (including office properties and undeveloped land), funding development and redevelopment projects, and repaying outstanding indebtedness. Pending application for the foregoing purposes, we may use the net proceeds from this offering to temporarily repay borrowings under the operating partnership s revolving credit facility and/or temporarily invest such net proceeds in marketable securities. For information concerning certain potential conflicts of interest that may arise from the use of proceeds, see Use of proceeds and Underwriting (conflicts of interest) Conflicts of interest and Underwriting (conflicts of interest) Other relationships in this prospectus supplement.

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Conflicts of interest	If five percent or more of the net proceeds from this offering is used to repay indebtedness owed to at least one of the affiliates of the underwriters, this offering will be conducted in accordance with Rule 5121 of the Financial Industry Regulatory Authority Inc., or FINRA. See Use of proceeds and Underwriting (conflicts of interest) Conflicts of interest.
Trustee	U.S. Bank National Association is the trustee under the indenture relating to the notes.
Book-entry	The notes will be issued in book-entry form and will be represented by one or more permanent global certificates deposited with, or on behalf of, The Depository Trust Company, or DTC, and registered in the name of a nominee of DTC. Beneficial interests in the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee, and such interests may not be exchanged for notes in certificated form, except in limited circumstances described under Description of Debt Securities and Related Guarantees Book-entry System in the accompanying prospectus.
Tax considerations	Prospective investors are urged to consult their tax advisors with respect to the federal, state, local and foreign tax consequences of purchasing, owning and disposing of the notes. See Certain U.S. federal income tax consequences in this prospectus supplement.
Additional issuances	We may, without the consent of or notice to holders of the notes, issue additional notes from time to time in the future, provided that such additional notes must be treated as part of the same issue for U.S. federal income tax purposes as the notes offered hereby.
Governing law	The indenture, the notes and the guarantees endorsed on the notes will be governed by the laws of the State of New York.
Risk factors	An investment in the notes involves various risks and prospective investors should read carefully the matters discussed under Risk factors in this prospectus supplement and in the accompanying prospectus and in the documents incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus for certain considerations relevant to an investment in the notes.

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Risk factors

Investing in the notes involves risks. Before acquiring any notes pursuant to this prospectus supplement and the accompanying prospectus, you should carefully consider the information contained and incorporated by reference in this prospectus supplement, the accompanying prospectus, the documents incorporated or deemed to be incorporated by reference herein or in the accompanying prospectus and any free writing prospectus that we prepare in connection with this offering, including, without limitation, the risks set forth under the captions (or similar captions) Item 1A. Risk Factors and Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations in Kilroy Realty Corporation s and Kilroy Realty, L.P. s Annual Report on Form 10-K for the year ended December 31, 2011, under the caption Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations in Kilroy Realty Corporation s and Kilroy Realty, L.P. s subsequent Quarterly Reports on Form 10-Q and as described in other filings of Kilroy Realty Corporation and Kilroy Realty, L.P. with the Securities Exchange Commission, or SEC. The occurrence of any of these risks could materially and adversely affect our business, financial condition, liquidity, results of operations, funds from operations and prospects, as well as the trading price of the notes, and might cause you to lose all or a part of your investment in the notes. Please also refer to the section in this prospectus supplement entitled Forward-looking statements.

Risks related to this offering and the notes

The effective subordination of the notes may limit our ability to satisfy our obligations under the notes.

The notes will be the operating partnership s senior unsecured obligations and will rank equally in right of payment with all of its other existing and future senior unsecured indebtedness. The notes will be effectively subordinated in right of payment to:

- all of the operating partnership s existing and future mortgage indebtedness and other secured indebtedness (to the extent of the value of the collateral securing such indebtedness);
- all existing and future indebtedness and other liabilities, whether secured or unsecured, of the operating partnership s subsidiaries and of any entity the operating partnership accounts for using the equity method of accounting; and
- all existing and future equity not owned by the operating partnership, if any, in the operating partnership s subsidiaries and in any entity the operating partnership accounts for using the equity method of accounting.

Similarly, the Company s guarantee of the notes will be its senior unsecured obligation and will rank equally in right of payment with all of its other existing and future senior unsecured indebtedness and guarantees. The Company s guarantee of the notes will be effectively subordinated in right of payment to:

- all existing and future secured indebtedness and secured guarantees of the Company (to the extent of the value of the collateral securing such indebtedness and guarantees);
- all existing and future indebtedness and other liabilities, whether secured or unsecured, of the Company s consolidated subsidiaries (including the operating partnership) and of any entity the Company accounts for using the equity method of accounting; and

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all existing and future equity not owned by the Company in the Company s consolidated subsidiaries (including the operating partnership) and in any entity the Company accounts for using the equity method of accounting.

The indenture that will govern the notes will not prohibit the operating partnership, the Company or any of their respective subsidiaries from incurring secured or unsecured indebtedness in the future and, although the indenture will contain covenants that will limit the ability of the operating partnership and its subsidiaries to incur secured and unsecured indebtedness, those covenants are subject to significant exceptions and the operating partnership and its subsidiaries may be able to incur substantial amounts of additional secured and unsecured indebtedness without violating those covenants. Moreover, these covenants limiting the incurrence of indebtedness will not apply to the Company.

In the event of the bankruptcy, liquidation, reorganization or other winding up of the operating partnership or the Company, assets that secure any of their respective secured indebtedness and other secured obligations will be available to pay their respective obligations under the notes or the guarantee, as applicable, and their other respective unsecured indebtedness and other unsecured obligations only after all of their respective indebtedness and other obligations secured by those assets has been repaid in full, and we caution you that there may not be sufficient assets remaining to pay amounts due on any or all the notes or the guarantee, as the case may be, then outstanding. In the event of the bankruptcy, liquidation, reorganization or other winding up of any of subsidiaries of the operating partnership or the Company, the rights of holders of indebtedness and other obligations of the operating partnership (including the notes) or the Company (including the guarantee), as the case may be, will be subject to the prior claims of that subsidiary s creditors and of the holders of any indebtedness or other obligations guaranteed by that subsidiary, except to the extent that the operating partnership or the Company is itself a creditor with recognized claims against that subsidiary, in which case those claims would still be effectively subordinated to all security interests in, and debt secured by mortgages or other liens on, the assets of that subsidiary (to the extent of the value of those assets) and would be subordinate to all indebtedness of that subsidiary senior to that held by the operating partnership or the Company, as the case may be. Moreover, in the event of the bankruptcy, liquidation, reorganization or other winding up of any subsidiary of the operating partnership or the Company, the rights of holders of indebtedness and other obligations of the operating partnership (including the notes) or the Company (including the guarantee), as the case may be, will be effectively subordinated to any equity interests in that subsidiary held by persons other than the operating partnership or the Company, as the case may be. In addition, in the event of the bankruptcy, liquidation, reorganization or other winding up of any subsidiary or other entity that the operating partnership or the Company accounts for using the equity method of accounting, the rights of holders of indebtedness and other obligations of the operating partnership (including the notes) or the Company (including the guarantee) will be subject to the prior claims of that entity s creditors and the holders of any indebtedness or other obligations of that entity, except to the extent that the operating partnership or the Company, as the case may be, is itself a creditor with recognized claims against that entity, in which case those claims would still be effectively subordinated to all security interests in, and debt secured by mortgages or other liens on, the assets of that entity (to the extent of the value of those assets) and would be subordinate to all indebtedness of that entity senior to that held by the operating partnership or the Company, as the case may be.

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As of September 30, 2012, the operating partnership had approximately $1,441.7 million aggregate principal amount of outstanding indebtedness (before the impact of $11.2 million of unamortized discounts net of premiums), of which $109.2 million was its senior secured indebtedness and $1,332.5 million was its senior unsecured indebtedness. As of September 30, 2012, the Company had no outstanding indebtedness and had guaranteed the operating partnership s borrowings and other amounts due under the operating partnership s $500.0 million unsecured revolving credit facility, $150.0 million unsecured term loan, and approximately $1,155.5 million aggregate principal amount (before the impact of the unamortized debt discounts net of premiums referred to above) of other outstanding indebtedness of the operating partnership. As of September 30, 2012, the subsidiaries of the operating partnership and the subsidiaries of the Company (excluding the operating partnership) had approximately $405.7 million of outstanding mortgage indebtedness (before the impact of $5.3 million of premiums) and no outstanding unsecured indebtedness, in addition to their trade payables and other liabilities. In addition, as of September 30, 2012, the subsidiaries of the operating partnership and the subsidiaries of the Company (excluding the operating partnership) did not guarantee any indebtedness of the operating partnership or the Company.

We may not be able to meet our debt service obligations.

Our ability to make payments on and to refinance our indebtedness, including the notes, and to fund our operations, working capital and capital expenditures, depends on our ability to generate cash in the future. Our cash flow is subject to general economic, industry, financial, competitive, operating, legislative, regulatory and other factors, many of which are beyond our control.

The instruments and agreements governing some of our outstanding debt securities contain provisions that require us to repurchase those debt securities for cash or to pay cash in exchange for those debt securities under specified circumstances or upon the occurrence of specified events and our future debt agreements and debt securities may contain similar provisions. We may not have sufficient funds to pay our indebtedness when due (including upon any such required repurchase or exchange), and we may not be able to arrange for the financing necessary to make those payments on favorable terms or at all. In addition, our ability to make required payments on our indebtedness when due (including upon any such repurchase or exchange) may be limited by the terms of other debt instruments or agreements. Our failure to pay amounts due in respect of any of our indebtedness when due may constitute an event of default under the instrument governing that indebtedness, which could permit the holders of that indebtedness to require the immediate repayment of that indebtedness in full and, in the case of secured indebtedness, could allow them to sell the collateral securing that indebtedness and use the proceeds to repay that indebtedness. Moreover, any acceleration of or default in respect of any of our indebtedness could, in turn, constitute an event of default under other debt instruments or agreements, thereby resulting in the acceleration and required repayment of that other indebtedness. Any of these events could materially adversely affect our ability to make payments of principal and interest on the notes when due and could prevent us from making those payments altogether.

We cannot assure you that our business will generate sufficient cash flow from operations or that future sources of cash will be available to us in an amount sufficient to enable us to pay amounts due on our indebtedness, including the notes, or to fund our other liquidity needs. Additionally, if we incur additional indebtedness in connection with future acquisitions or for any other purpose, our debt service obligations could increase.

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We may need to refinance all or a portion of our indebtedness, including the notes, on or before maturity. Our ability to refinance our indebtedness or obtain additional financing will depend on, among other things:

- our financial condition, results of operations and market conditions at the time; and
- restrictions in the agreements governing our indebtedness.

As a result, we may not be able to refinance our indebtedness, including the notes, on commercially reasonable terms, or at all. If we do not generate sufficient cash flow from operations, and additional borrowings or refinancings or proceeds of assets sales or other sources of cash are not available to us, we may not have sufficient cash to enable us meet all of our obligations, including payments on the notes. Accordingly, if we cannot service our indebtedness, we may have to take actions such as seeking additional equity financing, delaying capital expenditures, or strategic acquisitions and alliances. Any of these events or circumstances could have a material adverse effect on our financial condition, results of operations, cash flows, the trading price of our securities (including the notes) and our ability to satisfy our debt service obligations and to pay distributions to our stockholders and unitholders.

Despite our substantial indebtedness, we may still incur significantly more debt, which could exacerbate the risks related to our indebtedness, and adversely impact our ability to pay the principal of or interest on the notes.

We may be able to incur substantial additional indebtedness in the future. Although the agreements governing our secured and unsecured indebtedness limit, and the indenture governing the notes will limit, our ability to incur additional indebtedness, these restrictions are subject to a number of significant exceptions and, in addition, we will have the ability to incur additional indebtedness, which could be substantial, without violating the limitations imposed by these debt instruments. To the extent we incur additional indebtedness, we may face additional risks associated with our indebtedness, including our possible inability to pay the principal of and interest on the notes.

The Company has no significant operations, other than as the operating partnership s general partner, and no material assets, other than its investment in the operating partnership.

The notes will be guaranteed by the Company. However, the Company has no significant operations, other than as general partner of the operating partnership, and no material assets, other than its investment in the operating partnership. Furthermore, the Company s guarantee will be effectively subordinated in right of payment to:

- all existing and future secured indebtedness and secured guarantees of the Company (to the extent of the value of the collateral securing such indebtedness or guarantees);
- all existing and future indebtedness and other liabilities, whether secured or unsecured, of the Company s consolidated subsidiaries (including the operating partnership) and of any entity the Company accounts for using the equity method of accounting; and
- all existing and future equity not owned by the Company in the Company s consolidated subsidiaries (including the operating partnership) and in any entity the Company accounts for using the equity method of accounting.

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Federal and state laws allow courts, under specific circumstances, to void guarantees and require holders of guaranteed debt to return payments received from guarantors.

Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a court could void the guarantee of the notes provided by the Company or could subordinate the guarantee to all other debts of the Company if, among other things, the Company, at the time it incurred or entered into its guarantee, received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee and any of the following is also true:

- the Company was insolvent or rendered insolvent by reason of the incurrence of the guarantee;
- the Company was engaged in a business or transaction for which its remaining assets constituted unreasonably small capital; or
- the Company intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

In addition, under any of the circumstances described above, any payment by the Company pursuant to its guarantee of the notes could be voided and holders of the notes could be required to return those payments to the Company or to a fund for the benefit of the creditors of the Company.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liabilities on its existing debts, including contingent liabilities, as they became due; or
- it could not pay its debts as they became due.

Moreover, a court might also void the Company s guarantee of the notes, without regard to the above factors, if it found that the Company entered into its guarantee with actual or deemed intent to hinder, delay, or defraud its creditors.

We cannot be certain as to the standards a court would use to determine whether reasonably equivalent value or fair consideration was received by the Company for its guarantee of the notes. If a court voided such guarantee, holders of the notes would no longer have a claim against the Company under such guarantee. In addition, the court might direct holders of the notes to repay any amounts already received from the Company under its guarantee.

If the court were to void the Company s guarantee, require the return of monies paid by the Company under its guarantee or subordinate the guarantee to other obligations of the Company, we could not assure you that funds to pay the notes would be available from the operating partnership or any of our other subsidiaries or from any other source.

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There is currently no trading market for the notes, and an active public trading market for the notes may not develop or, if it develops, be maintained or be liquid. The failure of an active public trading market for the notes to develop or be maintained is likely to adversely affect the market price and liquidity of the notes.

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any securities exchange or for inclusion in any quotation system. Although the underwriters have advised us that they intend to make a market in the notes, they are not obligated to do so and may discontinue any market-making at any time without notice. Accordingly, an active public trading market may not develop for the notes and, even if one develops, may not be maintained or be liquid. If an active public trading market for the notes does not develop or is not maintained, the market price and liquidity of the notes are likely to be adversely affected and holders may not be able to sell their notes at desired times and prices or at all. If any of the notes are traded after their purchase in this offering, they may trade at a discount, which could be substantial, from their purchase price.

The liquidity of the trading market, if any, and future trading prices of the notes will depend on many factors, including, among other things, prevailing interest rates, the financial condition, results of operations, business, prospects and credit quality of the operating partnership and its subsidiaries and the Company and its subsidiaries and other comparable entities, the market for similar securities and the overall securities markets, and may be adversely affected by unfavorable changes in any of these factors, many of which are beyond our control. In addition, market volatility or events or developments in the credit markets could materially and adversely affect the market value of the notes, regardless of the operating partnership s, the Company s or their respective subsidiaries financial condition, results of operations, business, prospects or credit quality.

The market price of the notes may fluctuate significantly.

The market price of the notes may fluctuate significantly in response to many factors, including:

- actual or anticipated variations in our operating results, funds from operations, cash flows, liquidity or distributions;
- our ability to successfully complete acquisitions and operate acquired properties;
- earthquakes;
- changes in our earnings estimates or those of analysts;
- publication of research reports about us, the real estate industry generally or the office and industrial sectors in which we operate;
- the failure to maintain our current credit ratings or comply with our debt covenants;
- increases in market interest rates;
- changes in market valuations of similar companies;
- adverse market reaction to any debt or equity securities we may issue or additional debt we incur in the future;

additions or departures of key management personnel;

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actions by institutional investors;

speculation in the press or investment community;

high levels of volatility in the credit markets;

the realization of any of the other risk factors included in or incorporated by reference in this prospectus supplement and the accompanying prospectus; and

general market and economic conditions.

Many of the factors listed above are beyond our control. These factors may cause the market price of the notes to decline, regardless of our financial condition, results of operations, business or prospects. It is impossible to assure investors that the market price of the notes will not fall in the future, and it may be difficult for investors to resell the notes at prices they find attractive, or at all.

Holders of the notes will not be entitled to require us to redeem or repurchase the notes upon the occurrence of change of control or highly levered transactions or other designated events.

As of September 30, 2012 we had $864.4 million aggregate principal amount of outstanding indebtedness (excluding a total of $3.7 million of unamortized debt discount net of premiums) that permitted the holders of that indebtedness to require us to repurchase that indebtedness upon the occurrence of specified events, including, for example, the acquisition by any person or group of more than a specified percentage of the total voting power of all of the Company s outstanding capital stock entitled to vote generally in the election of directors or if the Company ceases to be the general partner of the operating partnership or ceases to control the operating partnership. However, the notes offered hereby do not have any similar rights to require us to repurchase the notes, whether upon the occurrence of a change of control or highly leveraged transaction or otherwise, even though these transactions could increase the amount of our indebtedness or otherwise adversely affect our capital structure or credit ratings, thereby adversely affecting the market value of the notes. These provisions may also allow holders of that other indebtedness (including all borrowings outstanding from time to time under our $500.0 million revolving credit facility) to be repaid upon the occurrence of specified transactions or events, which may deplete our available cash and sources of financing and make it difficult or impossible for us to make payments on the notes when due.

An increase in interest rates could result in a decrease in the market value of the notes.

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value. Consequently, if you purchase these notes and market interest rates increase, the market value of your notes may decline. We cannot predict the future level of market interest rates.

A downgrade in our credit ratings could materially adversely affect our business and financial condition and the market value of the notes.

The credit ratings assigned to the notes and other debt securities of the operating partnership and the preferred stock of the Company could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies, and we cannot assure you that any rating will not be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. Moreover, these credit ratings are not recommendations to buy, sell or hold the notes or any other securities. If any of the credit rating agencies that have rated the notes or other debt securities of

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the operating partnership or the preferred stock of the Company downgrades or lowers its credit rating, or if any credit rating agency indicates that it has placed any such rating on a so-called watch list for a possible downgrading or lowering or otherwise indicates that its outlook for that rating is negative, it could have a material adverse effect on the market value of the notes and our costs and availability of capital, which could in turn have a material adverse effect on our financial condition, results of operations, cash flows and our ability to satisfy our debt service obligations (including payments on the notes) and to make dividends and distributions on the Company s common stock and preferred stock and could also have the material adverse effect on the market value of the notes.

Forward-looking statements

This prospectus supplement and the accompanying prospectus, including the documents incorporated by reference in each, contain, and documents we subsequently file with the SEC and incorporate by reference in each may contain, certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (referred to as the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (referred to as the Exchange Act), including information concerning our capital resources, portfolio performance, results of operations, projected future occupancy and rental rates, lease expirations, debt maturities, potential investments, strategies such as capital recycling, development and redevelopment activity, projected construction costs, projected construction commencement and completion dates, dispositions, future incentive compensation, pending, potential or proposed acquisitions, the anticipated use of proceeds from this offering, anticipated growth in our funds from operations and anticipated market conditions, demographics, and similar matters. Forward-looking statements can be identified by the use of words such as believes, expects, projects, may, will, should, seeks, approximately, intends, plans, pro forma, estimates or anticipates and the negative of these words and phrases and similar expressions tha relate to historical matters. Forward-looking statements are based on our current expectations, beliefs and assumptions, and are not guarantees of future performance. Forward-looking statements are inherently subject to uncertainties, risks, changes in circumstances, trends and factors that are difficult to predict, many of which are outside of our control. Accordingly, actual performance, results and events may vary materially from those indicated in the forward-looking statements, and you should not rely on the forward-looking statements as predictions of future performance, results or events. Numerous factors could cause actual future performance, results and events to differ materially from those indicated in the forward-looking statements, including, among others:

- global market and general economic conditions and their effect on our liquidity and financial conditions and those of our tenants;
- adverse economic or real estate conditions in California and Washington, including with respect to California s continuing budget deficits;
- risks associated with our investment in real estate assets, which are illiquid, and with trends in the real estate industry;
- defaults on or non-renewal of leases by tenants;
- any significant downturn in our tenants businesses;

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our ability to re-lease property at or above current market rates;

costs to comply with government regulations, including environmental remediations;

the availability of cash for distribution and debt service and exposure of risk of default under our debt obligations;

significant competition, which may decrease the occupancy and rental rates of properties;

potential losses that may not be covered by insurance;

the ability to successfully complete acquisitions and dispositions on announced terms;

the ability to successfully operate acquired properties;

the ability to successfully complete development and redevelopment properties on schedule and within budgeted amounts;

defaults on leases for land on which some of our properties are located;

adverse changes to, or implementations of, applicable laws, regulations or legislation;

environmental uncertainties and risks related to natural disasters; and

the Company s ability to maintain its status as a REIT.

The factors included in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference in each, and documents we subsequently file with the SEC and incorporate by reference in each, are not exhaustive and additional factors could adversely affect our business and financial performance. For a discussion of additional risk factors, see the factors included under the caption Risk factors in this prospectus supplement, in the accompanying prospectus, in our and the operating partnership s Annual Report on Form 10-K for the year ended December 31, 2011, and in our and the operating partnership s subsequent Quarterly Reports on Form 10-Q, as well as the other risks described in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference in each. All forward-looking statements are based on information that was available, and speak only, as of the date on which they were made. We assume no obligation to update any forward-looking statement that becomes untrue because of subsequent events, new information or otherwise, except to the extent we are required to do so in connection with our ongoing requirements under Federal securities laws.

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Consolidated ratio of earnings to fixed charges

Kilroy Realty Corporation s consolidated ratio of earnings to fixed charges for each of the periods indicated was as follows:

		For fiscal year ended December 31,				
	For nine months ended September 30, 2012[1]	2011	2010	2009	2008	2007
Consolidated ratio of earnings to fixed charges	.86x	.95x	.99x	1.27x	1.30x	1.26x

(1) The consolidated ratio of earnings to fixed charges for the nine months ended September 30, 2012 reflects the reclassification of our industrial portfolio and two small office projects as discontinued operations prior to their sale, which sale was announced on December 17, 2012. Such reclassification has not been reflected in prior periods. If the reclassification had been effected for prior periods, it would have resulted in lower ratios of earnings to fixed charges for such periods.

We have computed the consolidated ratio of earnings to fixed charges for Kilroy Realty Corporation by dividing earnings by fixed charges. Earnings consist of income from continuing operations before the effect of noncontrolling interest plus fixed charges and amortization of capitalized interest, reduced by capitalized interest and loan costs and distributions on Kilroy Realty, L.P. s outstanding preferred units. Fixed charges consist of interest costs, whether expensed or capitalized, amortization of loan costs, an estimate of the interest within rental expense, and distributions on Kilroy Realty, L.P. s outstanding preferred units.

The computation of ratio of earnings to fixed charges indicates that earnings were inadequate to cover fixed charges, calculated as described above, by approximately $11.3 million for the nine months ended September 30, 2012 and by approximately $5.0 million, and $1.0 million for the years ended December 31, 2011 and 2010, respectively.

Kilroy Realty, L.P. s consolidated ratio of earnings to fixed charges for each of the periods indicated was as follows:

		For fiscal year ended December 31,				
	For nine months ended September 30, 2012[1]	2011	2010	2009	2008	2007
Consolidated ratio of earnings to fixed charges	.90x	1.01x	1.07x	1.40x	1.41x	1.38x

(1) The consolidated ratio of earnings to fixed charges for the nine months ended September 30, 2012 reflects the reclassification of our industrial portfolio and two small office projects as discontinued operations prior to their sale, which sale was announced on December 17, 2012. Such reclassification has not been reflected in prior periods. If the reclassification had been effected for prior periods, it would have resulted in lower ratios of earnings to fixed charges for such periods.

We have computed the consolidated ratio of earnings to fixed charges for Kilroy Realty, L.P. by dividing earnings by fixed charges. Earnings consist of income from continuing operations before the effect of noncontrolling interest plus fixed charges and amortization of capitalized interest, reduced by capitalized interest and loan costs. Fixed charges consist of interest costs, whether expensed or capitalized, amortization of loan costs and an estimate of the interest within rental expense.

The computation of ratio of earnings to fixed charges indicates that earnings were inadequate to cover fixed charges, calculated as described above, by approximately $7.8 million for the nine months ended September 30, 2012.

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Debt covenant compliance

The operating partnership s unsecured revolving credit facility, unsecured term loan facility, outstanding unsecured senior notes and certain other secured debt arrangements contain covenants and restrictions requiring it to meet certain financial ratios and reporting requirements. The following table supersedes the information set forth in the corresponding table in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, filed on October 31, 2012, regarding key existing financial covenants and their covenant levels:

Unsecured revolving credit facility and unsecured term loan facility (as determined pursuant to the applicable credit agreements):	**Covenant level**	**Actual performance at September 30, 2012**
Total debt to total asset value	less than 60%	35%
Fixed charge coverage ratio	greater than 1.5x	2.5x
Unsecured debt ratio	greater than 1.67x	2.85x
Unencumbered asset pool debt service coverage	greater than 2.0x	3.4x
Unsecured senior notes due 2015, 2018 and 2020 (as determined pursuant to the applicable indentures):		
Total debt to total assets	less than 60%	37%
Consolidated income available for debt service to annual debt service charge	greater than 1.5x	3.3x
Secured debt to total assets	less than 40%	10%
Total unencumbered assets to unsecured debt	greater than 150%	293%

For additional information regarding how the foregoing percentages and ratios are calculated under these covenants, and for the definitions of some of the terms used in the foregoing table, please see the form of unsecured revolving credit facility and unsecured term loan facility that we have filed with the SEC and the indenture and related officers certificates and forms of senior notes that we have filed with the SEC.

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Use of proceeds

We expect that the net proceeds from this offering will be approximately $ million after deducting the underwriting discount and our estimated expenses. We intend to use the net proceeds from this offering for general corporate purposes, which may include acquiring properties (including office properties and undeveloped land), funding development and redevelopment projects, and repaying outstanding indebtedness. Pending application of the net proceeds for those purposes, we may use the net proceeds from this offering to temporarily repay borrowings under the operating partnership s revolving credit facility and/or temporarily invest such net proceeds in marketable securities. As of January 7, 2013, we had $85 million of borrowings outstanding under the revolving credit facility. The revolving credit facility matures in April 2017 and currently bears interest at LIBOR plus 1.45%.

J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are joint lead arrangers and joint bookrunners, JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities LLC, is the administrative agent, Barclays Bank PLC, an affiliate of Barclays Capital Inc., and Wells Fargo Bank, N.A., an affiliate of Wells Fargo Securities, LLC, are documentation agents, Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, is the syndication agent and affiliates of Barclays Capital Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are, and affiliates of some or all of the other underwriters may be, lenders under the operating partnership s revolving credit facility. In addition, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are joint lead arrangers and joint bookrunners, JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities LLC, is administrative agent, Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, is syndication agent, Wells Fargo Bank, National Association, an affiliate of Wells Fargo Securities, LLC, is co-syndication agent, and affiliates of J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are, and affiliates of some or all of the other underwriters may be, lenders under the operating partnership s term loan. As described above, net proceeds of this offering may be used to repay borrowings under the revolving credit facility. Because affiliates of some or all of the underwriters are lenders under the revolving credit facility, to the extent that net proceeds from this offering are applied to repay borrowings under the revolving credit facility, such affiliates will receive proceeds of this offering through the repayment of those borrowings. If 5% or more of the net proceeds of this offering (not including underwriting discount) is used to repay indebtedness owed to at least one of the affiliates of the underwriters, this offering will be conducted in accordance with FINRA Rule 5121. In such event, such underwriter or underwriters will not confirm sales of the notes to accounts over which they exercise discretionary authority without the prior written approval of the customer.

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Description of notes

The notes will be issued pursuant to an indenture dated as of March 1, 2011 (the base indenture), 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 referred to in this prospectus supplement as the indenture), in each case among the operating partnership, as issuer, the Company, as guarantor, and U.S. Bank National Association, as trustee. The terms of the notes include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended.

The notes will be a series of debt securities referred to in the accompanying prospectus. The following description of some of the provisions of the notes and the indenture supplements, and to the extent inconsistent supersedes and replaces, the description of some of the general provisions of the debt securities and the indenture contained in the accompanying prospectus. The following description of some of the provisions of the notes and the indenture and the description of some of the general provisions of the debt securities and the indenture contained in the accompanying prospectus are not complete and are subject to, and qualified in their entirety by reference to, the forms of the notes and indenture which have been or will be filed as exhibits to the registration statement of which the accompanying prospectus is a part and which may be obtained as described under Where You Can Find More Information in the accompanying prospectus. We urge you to read those documents in their entirety because they, and not this description nor the description in the accompanying prospectus, define your rights as a holder of notes. You may request a copy of those documents from us as described in Where You Can Find More Information in the accompanying prospectus.

As used in this Description of notes and in the Description of Debt Securities and Related Guarantees in the accompanying prospectus, references to the operating partnership, we, our or us refer solely to Kilroy Realty, L.P. and not to any of its subsidiaries and references to the Company or guarantor refer solely to Kilroy Realty Corporation and not to any of its subsidiaries, unless otherwise expressly stated or the context otherwise requires.

General

The notes:

- will be the operating partnership s senior unsecured obligations;
- will mature on unless earlier redeemed;
- will be issued in minimum denominations of $2,000 and multiples of $1,000 in excess thereof;
- will be denominated and payable in U.S. dollars;
- will be represented by one or more registered notes, without coupons, in global form, or global notes, but in certain limited circumstances may be represented by notes, without coupons, in certificated form. See Description of Debt Securities and Related Guarantees Book-entry System in the accompanying prospectus;
- will not be entitled to the benefits of, or be subject to, any sinking fund and will not entitle holders, at their option, to require the operating partnership to repurchase or redeem the notes;

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will not be convertible into or exchangeable for any capital stock of the operating partnership or the Company; and

will be guaranteed on a senior unsecured basis by the Company.

The notes will constitute a single series of debt securities under the indenture and will initially be limited to an aggregate principal amount of $. The operating partnership may, without the consent of or notice to the holders of the notes, increase the principal amount of the notes by issuing additional notes of this series from time to time in the future; provided that such additional notes must be treated as part of the same issue for U.S. federal income tax purposes as the notes offered hereby. Any such additional notes will have the same terms, provisions and CUSIP number as the notes offered hereby, 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 of those additional notes. The notes offered hereby and any additional notes of this series that the operating partnership may issue in the future will vote and act together as a single series of debt securities under the indenture, which means that, in circumstances where the indenture provides for holders of the notes of this series to vote or take any action, the notes offered hereby and any additional notes of this series that the operating partnership may issue in the future will vote or take that action as a single series.

Except to the extent described below under Certain covenants and in the accompanying prospectus under Description of Debt Securities and Related Guarantees Merger, Consolidation and Sale of Assets, the indenture governing the notes does not prohibit the operating partnership or the Company or any of the operating partnership s or the Company s subsidiaries from incurring additional indebtedness or issuing preferred equity in the future, nor does the indenture afford holders of the notes protection in the event of (1) a recapitalization or other highly leveraged or similar transaction involving the operating partnership or the Company, (2) a change of control of the operating partnership or the Company or (3) a merger, consolidation, reorganization, restructuring or transfer or lease of all or substantially all of the operating partnership s or the Company s assets or similar transactions that may adversely affect the holders of the notes. The operating partnership or the Company may, in the future, enter into certain transactions, such as the sale of all or substantially all of the operating partnership s or the Company s assets or a merger or consolidation, that may increase the amount of the operating partnership s or the Company s indebtedness or substantially change the operating partnership s or the Company s assets, which may have a material adverse effect on the operating partnership s ability to service its indebtedness, including the notes, or on the Company s ability to pay amounts due under its guarantees of the notes. See Risk factors Risks related to this offering and the notes The effective subordination of the notes may limit our ability to satisfy our obligations under the notes. Furthermore, the notes and the indenture do not include any provisions that would allow holders of the notes to require the operating partnership or the Company to repurchase or redeem the notes in the event of a transaction of the nature described above.

The operating partnership does not intend to list the notes on any securities exchange or include them on any quotation system.

Interest

Interest on the notes will accrue at the rate of % per year from and including January , 2013 or the most recent interest payment date to which interest has been paid or provided for, and

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will be payable semi-annually in arrears on and of each year, beginning , 2013. The interest so payable will be paid to each holder in whose name a note is registered at the close of business on the or (whether or not a business day) immediately preceding the applicable interest payment date. Interest on the notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Ranking

The notes will be the operating partnership s senior unsecured obligations and will rank equally in right of payment with all the operating partnership s other existing and future senior unsecured indebtedness. The notes will be effectively subordinated in right of payment to:

- all of the operating partnership s existing and future mortgage indebtedness and other secured indebtedness (to the extent of the value of the collateral securing such indebtedness);
- all existing and future indebtedness and other liabilities, whether secured or unsecured, of the operating partnership s subsidiaries and of any entity the operating partnership accounts for using the equity method of accounting; and
- all existing and future equity not owned by the operating partnership, if any, in the operating partnership s subsidiaries and in any entity the operating partnership accounts for using the equity method of accounting.

In the event of the operating partnership s bankruptcy, liquidation, reorganization or other winding up, the operating partnership s assets that secure its secured debt and any other secured obligations will be available to pay obligations under the notes and its other unsecured indebtedness and other unsecured obligations only after all of its indebtedness and other obligations secured by those assets has been repaid in full, and we caution you that there may not be sufficient assets remaining to pay amounts due on any or all the notes then outstanding. The indenture that will govern the notes will not prohibit the operating partnership, the Company or any of their respective subsidiaries from incurring secured or unsecured indebtedness in the future and, although the indenture will contain covenants that will limit the ability of the operating partnership and its subsidiaries to incur secured and unsecured indebtedness, those covenants are subject to significant exceptions and the operating partnership and its subsidiaries may be able to incur substantial amounts of additional secured and unsecured indebtedness without violating those covenants. See Risk factors Risks related to this offering and the notes The effective subordination of the notes may limit our ability to satisfy our obligations under the notes.

As of September 30, 2012, the operating partnership had approximately $1,441.7 million aggregate principal amount of outstanding indebtedness (before the impact of $11.2 million of unamortized discounts net of premiums), of which $109.2 million was the operating partnership s senior secured indebtedness, and $1,332.5 million was the operating partnership s senior unsecured indebtedness. As of September 30, 2012, the subsidiaries of the operating partnership and the subsidiaries of the Company (excluding the operating partnership) had approximately $405.7 million of outstanding mortgage indebtedness (before the impact of $5.3 million in premiums) and no outstanding unsecured indebtedness, in addition to trade payables and other liabilities. In addition, as of September 30, 2012, the subsidiaries of the operating partnership did not guarantee any indebtedness of the operating partnership or the Company.

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Company guarantee

The Company will guarantee the operating partnership s obligations under the notes, including the due and punctual payment of principal of and premium, if any, and interest on the notes, whether at stated maturity, upon acceleration, upon redemption or otherwise. Under the terms of the Company s guarantee, holders of the notes will not be required to exercise their remedies against the operating partnership before they proceed directly against the Company. The Company s obligations under the guarantee will be limited to the maximum amount that will not, after giving effect to all other contingent and fixed liabilities of the Company, result in the guarantee constituting a fraudulent transfer or conveyance. See Risk factors Risks related to this offering and the notes Federal and state laws allow courts, under specific circumstances, to void guarantees and require holders of guaranteed debt to return payments received from guarantors. The guarantee will be a senior unsecured obligation of the Company and will rank equally in right of payment with all other existing and future senior unsecured indebtedness and guarantees of the Company. The Company s guarantee will be effectively subordinated in right of payment to:

- all existing and future secured indebtedness and secured guarantees of the Company (to the extent of the value of the collateral securing such indebtedness and guarantees);
- all existing and future indebtedness and other liabilities, whether secured or unsecured, of the Company s consolidated subsidiaries (including the operating partnership) and of any entity the Company accounts for using the equity method of accounting; and
- all existing and future equity not owned by the Company in the Company s consolidated subsidiaries (including the operating partnership) and in any entity the Company accounts for using the equity method of accounting.

In the event of the bankruptcy, liquidation, reorganization or other winding up of the Company, assets that secure any of its secured indebtedness and other secured obligations will be available to pay its obligations under the guarantee of the notes and its unsecured indebtedness and other unsecured obligations only after all of its indebtedness and other obligations secured by those assets has been repaid in full, and we caution you that there may not be sufficient assets remaining to pay amounts due on its guarantee of the notes. The covenants in the indenture that will limit the ability of the operating partnership and its subsidiaries to incur indebtedness will not apply to the Company.

The Company has no significant operations, other than as the operating partnership s general partner, and no material assets, other than its investment in the operating partnership. See Risk factors Risks related to this offering and the notes The Company has no significant operations, other than as the operating partnership s general partner, and no material assets, other than its investment in the operating partnership. As of September 30, 2012, the Company had no outstanding indebtedness and had guaranteed the operating partnership s borrowings and other amounts due under the operating partnership s $500.0 million unsecured revolving credit facility and $150.0 unsecured term loan and approximately $1,155.5 million aggregate principal amount (before the impact of the unamortized debt discounts net of premiums of $11.2 million) of other outstanding indebtedness of the operating partnership. As of September 30, 2012, the subsidiaries of the Company (excluding the operating partnership) had approximately $405.7 million of outstanding mortgage indebtedness (before the impact of $5.3 million of premiums) and no outstanding unsecured indebtedness, in addition to trade payables

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and other liabilities. In addition, as of September 30, 2012, the subsidiaries of the Company (excluding the operating partnership) did not guarantee any indebtedness of the operating partnership or the Company.

Redemption of the notes at the option of the operating partnership

The notes will be redeemable at the option of the operating partnership, at any time or from time to time prior to , either in whole or in part, at a redemption price equal to the greater of (i) 100% of the principal amount of the notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the notes to be redeemed (exclusive of interest accrued to the applicable redemption 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 basis points, plus in each case accrued and unpaid interest on the principal amount of the notes being redeemed to such redemption date.

On and after , the notes will be redeemable at the option of the operating partnership, 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 notes to be redeemed, plus accrued and unpaid interest on the principal amount of the notes 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 will be payable to the persons who were the registered holders of the notes (or one or more predecessor notes) at the close of business on the relevant record dates according to their terms and the provisions of the indenture. Written notice of redemption must be given to holders of the notes not less than 30 nor more than 60 days prior to the redemption date.

If the operating partnership redeems the notes in part, the trustee will select the notes to be redeemed (in principal amounts of $2,000 and integral multiples of $1,000 in excess thereof) by such method as it deems fair and appropriate or, if applicable, is required by the depository for notes in global form.

In the event of any redemption of notes, the operating partnership will not be required to:

- register the transfer of or exchange any note during a period beginning at the opening of business 15 days before the mailing of notice of redemption of the notes and ending at the close of business on the day of such mailing, or
- register the transfer of or exchange any note so selected for redemption, in whole or in part, except the unredeemed portion of any note being redeemed in part.

Unless the operating partnership defaults in the payment of the redemption price and accrued interest on the notes (or portions thereof) called for redemption on a redemption date, then, from and after the redemption date such notes (or portions thereof, as the case may be) shall cease to bear interest.

The operating partnership will not redeem the notes on any date if the principal amount of the notes has been accelerated, and the acceleration has not been rescinded or cured on or prior to the redemption date.

Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated by the

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operating partnership 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, Sunday or other day 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, the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the notes to be redeemed 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 term of the notes.

Independent Investment Banker means, with respect to any redemption date, J.P. Morgan Securities LLC and its successors, Barclays Capital Inc. 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 operating partnership 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 operating partnership.

Comparable Treasury Price means, with respect to any redemption date, (i) if four Reference Treasury Dealer Quotations are obtained, the average (as calculated by the operating partnership) 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 obtained, (ii) if fewer than four but more than one such Reference Treasury Dealer Quotations are obtained, the average (as calculated by the operating partnership) of all such quotations, or (iii) if only one such Reference Treasury Dealer Quotation is obtained, such Reference Treasury Dealer Quotation.

Reference Treasury Dealer means J.P. Morgan Securities LLC, Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and a Primary Treasury Dealer (as defined below) selected by Wells Fargo Securities, LLC (or their respective affiliates which are Primary Treasury Dealers) 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 operating partnership will substitute therefor another Primary Treasury Dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average (as calculated by the operating partnership) 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 operating partnership by such Reference Treasury Dealer at 5:00 p.m., New York time, on the third business day preceding such redemption date.

Certain covenants

The following covenants will be applicable to the notes:

Aggregate Debt Test. The operating partnership will not, and will not permit any of its Subsidiaries to, incur any Debt (including without limitation Acquired Debt) if, immediately after

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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 operating partnership 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):

- the Total Assets of the operating partnership and its Subsidiaries as of the last day of the then most recently ended fiscal quarter; and
- 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 operating partnership or any of its Subsidiaries since the end of such fiscal quarter, including the proceeds obtained from the incurrence of such additional Debt.

For purposes of the foregoing, Debt will be deemed to be incurred by the operating partnership or any of its Subsidiaries whenever the operating partnership or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof.

Debt Service Test. The operating partnership 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:

- such Debt and any other Debt (including without limitation Acquired Debt) incurred by the operating partnership 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;
- the repayment or retirement of any other Debt of the operating partnership 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
- in the case of any acquisition or disposition by the operating partnership 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.

If the Debt giving rise to the need to make the calculation described above 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 the foregoing, Debt will be deemed to be incurred by the operating partnership or any of its Subsidiaries whenever the operating partnership or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof.

Secured debt test. The operating partnership 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 operating partnership or any of its Subsidiaries, whether owned on the date that the notes are originally issued 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 operating partnership and its Subsidiaries which is secured by a Lien on any property or assets of the operating partnership or any of its Subsidiaries is greater than 40% of the sum of (without duplication):

the Total Assets of the operating partnership and its Subsidiaries as of the last day of the then most recently ended fiscal quarter; and

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 operating partnership or any of its Subsidiaries since the end of such fiscal quarter, including the proceeds obtained from the incurrence of such additional Debt.

For purposes of the foregoing, Debt will be deemed to be incurred by the operating partnership or any of its Subsidiaries whenever the operating partnership or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof.

Maintenance of total unencumbered assets. The operating partnership 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 operating partnership and its Subsidiaries determined on a consolidated basis in accordance with United States generally accepted accounting principles.

Existence. Except as permitted by the covenant described in the accompanying prospectus under Description of Debt Securities and Related Guarantees Merger, Consolidation and Sale of Assets, the operating partnership will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises, and the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises. However, neither the operating partnership nor the Company will be required to preserve any right or franchise if the board of directors of the operating partnership or the Company (or any duly authorized committee of that board of directors), as the case may be, determines that the preservation of the right or franchise is no longer desirable in the conduct of the business of the operating partnership or the Company, as the case may be.

Maintenance of properties. The operating partnership will cause all of its properties used or useful in the conduct of its business or the business of any Subsidiary of the operating partnership to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and cause all necessary repairs, renewals, replacements,

betterments and improvements to be made, all as in the judgment of the operating partnership may be necessary in order for the operating partnership to at all times properly and advantageously conduct its business carried on in connection with such properties.

Insurance. The operating partnership will, and will cause each of its Subsidiaries to, keep in force upon all of its properties and operations insurance policies carried with responsible companies in such amounts and covering all such risks as is customary in the industry in which the operating partnership and its Subsidiaries do business in accordance with prevailing market conditions and availability.

Payment of taxes and other claims. Each of the operating partnership and the Company will pay or discharge or cause to be paid or discharged before it becomes delinquent:

- all taxes, assessments and governmental charges levied or imposed on it or any of its Subsidiaries or on its or any such Subsidiary s income, profits or property; and

- all lawful claims for labor, materials and supplies that, if unpaid, might by law become a Lien upon its property or the property of any of its Subsidiaries.

However, neither the Company nor the operating partnership will be required to pay or discharge or cause to be paid or discharged any tax, assessment, charge or claim the amount, applicability or validity of which is being contested in good faith by appropriate proceedings.

Provision of financial information. The operating partnership and the Company will:

- file with the trustee, within 15 days after the operating partnership or the Company is required to file them with the SEC, copies of the annual reports and information, documents and other reports which the operating partnership or the Company may be required to file with the SEC pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act; or, if the operating partnership or the Company is not required to file information, documents or reports pursuant to those Sections, then the operating partnership and the Company will file with the trustee and the SEC, in accordance with rules and regulations prescribed from time to time by the SEC, such of the supplementary and periodic information, documents and reports which Section 13 of the Exchange Act may require with respect to a security listed and registered on a national securities exchange;

- file with the trustee and the SEC, in accordance with the rules and regulations prescribed from time to time by the SEC, such additional information, documents and reports with respect to compliance by the operating partnership and the Company with the conditions and covenants of the indenture as may be required from time to time by such rules and regulations; and

- transmit to the holders of the notes, within 30 days after filing with the trustee, in the manner and to the extent provided in Section 313(c) of the Trust Indenture Act of 1939, as amended, such summaries of any information, documents and reports required to be filed by the operating partnership or the Company pursuant to the bullet points above as may be required by rules and regulations prescribed from time to time by the SEC.

As of the date of this prospectus supplement, the SEC has not adopted any rules or regulations which would require the operating partnership or the Company to file with the trustee or the SEC or to provide to holders of notes any information, documents or reports of the nature contemplated by (i) the first bullet point of the immediately preceding paragraph if the operating partnership or the Company, as the case may be, is no longer required to file annual

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reports and information, documents and other reports with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act or (ii) either of the last two bullet points of the immediately preceding paragraph.

The covenants described under this caption Certain covenants shall, insofar as they relate to the notes, be subject to covenant defeasance as described in the accompanying prospectus under Description of Debt Securities and Related Guarantees Discharge, Defeasance and Covenant Defeasance , provided that, notwithstanding the foregoing, the covenant of the operating partnership and the Company to do or cause to be done all things necessary to preserve and keep in full force and effect their respective existence (except as permitted by the provisions described in the accompanying prospectus under Description of Debt Securities and Related Guarantees Merger, Consolidation and Sale of Assets) and the provisions described above under Provision of financial information shall not be subject to covenant defeasance. In addition, the operating partnership and the Company may omit in any particular instance to comply, insofar as relates to the notes, with any covenant described under this caption Certain covenants (other than the covenant described under Provision of financial information) if the holders of at least a majority in principal amount of the outstanding notes waive such compliance.

Trustee

U.S. Bank National Association will initially act as the trustee, registrar and paying agent for the notes.

If the trustee becomes one of the operating partnership s or the Company s creditors, it will be subject to limitations on its rights to obtain payment of claims or to realize on some property received for any such claim, as security or otherwise. The trustee is permitted to engage in other transactions with the operating partnership, the Company or their respective subsidiaries. If, however, it acquires any conflicting interest, it must eliminate that conflict or resign.

Payments on the notes; paying agent and registrar; transfer

The operating partnership will maintain an office or agency where notes may be presented or surrendered for payment and for registration of transfer and exchange. Interest on any note that is payable, and is punctually paid or duly provided for, on any interest payment date will be paid to the person in whose name that note (or one or more predecessor notes) is registered at the close of business on the applicable record date; provided, however, that except as provided in the next sentence, each installment of interest on any note may at the operating partnership s option be paid by mailing a check for such interest to the address of the person entitled thereto as such address appears in the notes register or by wire transfer to an account maintained by the payee located inside the United States. Notwithstanding the foregoing, a (1) holder of certificated notes (if issued) in an aggregate principal amount of more than $5.0 million will have the right, upon application by such holder to the registrar for the notes not later than the relevant record date, to require that interest on those notes be paid by wire transfer in immediately available funds to that holder s account within the United States, which application shall remain in effect until the holder notifies, in writing, the registrar to the contrary; and (2) the operating partnership will pay the principal of and premium, if any, and interest on notes in global form registered in the name of DTC or its nominee by wire transfer of immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such global notes. The operating partnership has initially designated the trustee as paying agent and registrar for the notes and its agency in Los Angeles, California as a place where notes may be presented for

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payment or for registration of transfer or exchange. The operating partnership may, however, change the paying agent or registrar without prior notice to the holders of the notes, and the operating partnership may act as paying agent or registrar.

If any interest payment date, stated maturity date or redemption date of a note is not a business day, the payment otherwise required to be made on such date may be made on the next business day with the same force and effect as if made on such interest payment date, stated maturity date or redemption date, as the case may be, and no interest shall accrue on the amount so payable for the period from and after such interest payment date, stated maturity date or redemption date, as the case may be. All payments will be made in United States dollars.

A holder of notes may transfer or exchange notes at the office of the registrar in accordance with the indenture. Every note presented or surrendered for registration of transfer or for exchange or redemption shall (if so required by the operating partnership or the registrar) be duly endorsed, or accompanied by a written instrument of transfer in form satisfactory to the operating partnership and the registrar, duly executed by the registered holder thereof or such holder s attorney duly authorized in writing. No service charge shall be made for any registration of transfer or exchange of notes, but the operating partnership may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith, subject to limited exceptions.

The registered holder of a note will be treated as the owner of the note for all purposes.

No personal liability of directors, officers, employees and stockholders

No recourse under or upon any obligation, covenant or agreement contained in the indenture or any note 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 operating partnership or the Company (either in its capacity as the operating partnership s general partner or as guarantor of the notes), all such liability being expressly waived and released by the acceptance of the notes by the registered holders and as part of the consideration for the issue of the notes.

Notices

The indenture provides that notices to holders of the notes will be given by mail to the addresses of holders of the notes as they appear in the note register.

Governing law

The indenture, the notes and the guarantees endorsed on the notes will be governed by, and construed in accordance with, the law of the State of New York.

Definitions

As used in the indenture, the following terms have the respective meanings specified below (the terms Government Obligations and Significant Subsidiary are used in the accompanying prospectus and, as used therein, shall have the meanings set forth below):

Acquired Debt means Debt of a person:

existing at the time such person is merged or consolidated with or into the operating partnership or any of its Subsidiaries or becomes a Subsidiary of the operating partnership; or

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assumed by the operating partnership 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 operating partnership or any of its Subsidiaries or becomes a Subsidiary of the operating partnership 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 operating partnership and its Subsidiaries for such period, determined on a consolidated basis in accordance with United States generally accepted accounting principles, including, without duplication:

all amortization of debt discount and premium;

all accrued interest;

all capitalized interest; and

the interest component of capitalized lease obligations.

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

interest expense on Debt;

provision for taxes based on income;

amortization of debt discount, premium and deferred financing costs;

provisions for gains and losses on sales or other dispositions of properties and other investments;

property depreciation and amortization;

the effect of any non-cash items; and

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 operating partnership and its Subsidiaries for such period, excluding, without duplication:

extraordinary items; and

the portion of net income (but not losses) of the operating partnership 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 operating partnership 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:

borrowed money or evidenced by bonds, notes, debentures or similar instruments;

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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 operating partnership or a Subsidiary of the operating partnership, by the Company s board of directors or a duly authorized committee thereof) of the property subject to such Lien;

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

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).

Government Obligations means securities which are:

direct obligations of the United States of America, for the payment of which its full faith and credit is pledged; or

obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

and which, in either of the above cases, are not callable or redeemable at the option of the issuer thereof and also includes a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such Government Obligation held by such custodian for the account of the holder of a depository receipt, provided that (except as provided by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest on or principal of the Government Obligation evidenced by such depository receipt.

Lien means any mortgage, deed of trust, lien, charge, pledge, security interest, security agreement, or other encumbrance of any kind.

Significant Subsidiary means, with respect to the operating partnership or the Company, any Subsidiary which is a significant subsidiary (as defined in Article 1, Rule 1-02 of Regulation S-X promulgated under the Securities Act of 1933, as amended) of the operating partnership or the Company, as the case may be.

Subsidiary means, with respect to the operating partnership or the Company, any person (as defined in the indenture but excluding an individual), a majority of the outstanding voting stock, partnership interests, membership interests or other equity interest, as the case may be, of which is owned or controlled, directly or indirectly, by the operating partnership or the Company, as

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the case may be, or by one or more other Subsidiaries of the operating partnership or the Company, as the case may be. For the purposes of this definition, voting stock means stock having voting power for the election of directors, trustees or managers, as the case may be, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

Total Assets means the sum of, without duplication:

Undepreciated Real Estate Assets; and

all other assets (excluding accounts receivable and intangibles) of the operating partnership 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:

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

all other assets (excluding accounts receivable and intangibles) of the operating partnership 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 covenant set forth above in Certain covenants Maintenance of total unencumbered assets, 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 operating partnership 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 operating partnership or any of its Subsidiaries which is not secured by a Lien on any property or assets of the operating partnership or any of its Subsidiaries.

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Description of capital stock

The discussion below supersedes in its entirety the discussions under the heading Description of Capital Stock in the accompanying prospectus and in any of the documents incorporated by reference in the accompanying prospectus and this prospectus supplement filed with the SEC prior to the date of this prospectus supplement describing the terms of our capital stock or any class or series of our capital stock.

We have described some of the terms and provisions of the Company s capital stock in this section. The following description does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Company s charter (including, without limitation, the articles supplementary (the Articles Supplementary) establishing the terms of the Company s 6.875% Series G Cumulative Redeemable Preferred Stock (the Series G preferred stock) and 6.375% Series H Cumulative Redeemable Preferred Stock (the Series H preferred stock) incorporated by reference to our SEC filings. See Incorporation of Certain Documents by Reference in this prospectus supplement.

Common Stock

General

The Company s charter authorizes us to issue 150,000,000 shares of common stock, par value $.01 per share. As of October 31, 2012, we had 74,692,939 shares of common stock outstanding. The 74,692,939 outstanding shares exclude the 1,826,503 shares of common stock, as of October 31, 2012, that we may issue in exchange for presently outstanding common units of the operating partnership that may be tendered for redemption to the operating partnership.

Shares of our common stock:

- are entitled to one vote per share on all matters presented to stockholders generally for a vote, including the election of directors, with no right to cumulative voting;
- do not have any conversion rights;
- do not have any exchange rights;
- do not have any sinking fund rights;
- do not have any redemption rights;
- do not generally have any appraisal rights;
- do not have any preemptive rights to subscribe for any of our securities; and
- are subject to restrictions on ownership and transfer.

We may pay distributions on shares of the Company s common stock, subject to the preferential rights of the Company s Series G preferred stock, the Company s Series H preferred stock and any other series or class of capital stock that we may issue in the future with rights to dividends and other distributions senior to the Company s common stock. However, we may only pay distributions when the board of directors authorizes a distribution out of legally available funds. We make, and intend to continue to make, quarterly distributions on outstanding shares of the

Company s common stock.

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The Company s board of directors may:

- reclassify any unissued shares of the Company s common stock into other classes or series of capital stock;
- establish the number of shares in each of these classes or series of capital stock;
- establish any preference rights, conversion rights and other rights, including voting powers, of each of these classes or series of capital stock;
- establish restrictions, such as limitations and restrictions on ownership, dividends or other distributions of each of these classes or series of capital stock; and
- establish qualifications and terms or conditions of redemption for each of these classes or series of capital stock.

Certain Provisions of the Maryland General Corporation Law

Under the Maryland General Corporation Law, or the MGCL, the Company s stockholders are generally not liable for our debts or obligations. If we liquidate, we will first pay all debts and other liabilities, including debts and liabilities arising out of the Company s status as general partner of the operating partnership, and, second, any preferential distributions on any outstanding shares of our preferred stock. Each holder of the Company s common stock then will share ratably in our remaining assets. All shares of the Company s common stock have equal distribution, liquidation and voting rights, and have no preference or exchange rights, subject to the ownership limits in the Company s charter or as permitted by the board of directors pursuant to executed agreements waiving these ownership limits with respect to specific stockholders.

Under the MGCL, we generally require approval by the Company s stockholders by the affirmative vote of at least two-thirds of the votes entitled to vote before we can:

- dissolve;
- amend the Company s charter;
- merge;
- sell all or substantially all of our assets;
- engage in a share exchange; or
- engage in similar transactions outside the ordinary course of business.

Because the term substantially all of a company s assets is not defined in the MGCL, it is subject to Maryland common law and to judicial interpretation and review in the context of the unique facts and circumstances of any particular transaction. Although the MGCL allows the Company s charter to establish a lesser percentage of affirmative votes by the Company s stockholders for approval of those actions, the Company s charter does not include such a provision.

Preferred Stock

The Company s charter authorizes us to issue 30,000,000 shares of preferred stock, par value $.01 per share. Of the 30,000,000 authorized shares of preferred stock, we have classified and designated 4,600,000 shares as Series G preferred stock and 4,000,000 shares as Series H preferred stock. As of the date of this prospectus supplement, 4,000,000 shares of the Company s Series G preferred stock are issued and outstanding and 4,000,000 shares of Series H preferred stock are issued and outstanding.

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In May 2012, the Company reclassified all the authorized but unissued shares of the Company s 7.80% Series E Cumulative Redeemable Preferred Stock and 7.50% Series F Cumulative Redeemable Preferred Stock as authorized but unissued and unclassified shares of the Company s preferred stock, par value $0.01 per share. In December 2012, the Company reclassified all the authorized but unissued shares of the Company s 7.45 % Series A Cumulative Redeemable Preferred Stock as authorized but unissued and unclassified shares of the Company s preferred stock, par value $0.01 per share.

We may classify, designate and issue additional shares of currently authorized shares of preferred stock, in one or more classes or series, as authorized by the board of directors without the prior consent of the Company s stockholders. The board of directors may grant the holders of preferred stock of any class or series preferences, powers and rights voting or otherwise senior to the rights of holders of shares of the Company s common stock. The board of directors can authorize the issuance of currently authorized shares of preferred stock with terms and conditions that could have the effect of delaying or preventing a change of control transaction that might involve a premium price for holders of shares of the Company s common stock or otherwise be in their best interest. All shares of preferred stock which are issued and are or become outstanding are or will be fully paid and nonassessable. Before we may issue any shares of preferred stock of any class or series, the MGCL and the Company s charter require the board of directors to determine the following with respect to such class or series:

- the designation;
- the terms;
- preferences with respect to distributions and in the event of our liquidation, dissolution or winding-up;
- conversion and other similar rights, if any;
- voting powers;
- restrictions;
- limitations as to distributions;
- qualifications; and
- terms or conditions of redemption, if any.

6.875% Series G Cumulative Redeemable Preferred Stock

General

Of the Company s 30,000,000 authorized preferred shares, 4,600,000 shares have been classified and designated as 6.875% Series G Cumulative Redeemable Preferred Stock. Of these shares, 4,000,000 are issued and outstanding.

Dividends

Each share of Series G preferred stock is entitled to receive, when, as, and if authorized by the Company s board of directors and declared by us, out of funds legally available for the payment of dividends, cumulative cash dividends at the rate of 6.875% of the $25.00 per share liquidation

preference per annum (equivalent to $1.71875 per annum per share), payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year.

Except as provided in the immediately following paragraph, unless full cumulative dividends for all past dividend periods on the Series G preferred stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for such payment, no dividends (other than in shares of the Company s common stock or shares of any other class or series of stock of the Company ranking junior to the Series G preferred stock as to dividends and as to the distribution of assets upon liquidation, dissolution and winding up of the Company) shall be declared or paid or set aside for payment nor shall any other distribution be declared or made on the Company s common stock or any other class or series of stock of the Company ranking junior to or on a parity with the Series G preferred stock as to dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Company, nor shall any shares of the Company s common stock or any other class or series of stock of the Company ranking junior to or on a parity with the Series G preferred stock as to dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Company be redeemed, purchased or otherwise acquired for any consideration (or any amounts be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Company (except by conversion into or exchange for shares of the Company s common stock or shares of any other class or series of stock of the Company ranking junior to the Series G preferred stock as to dividends and as to the distribution of assets upon liquidation, dissolution and winding up of the Company); provided, however, that the foregoing shall not prevent the purchase or acquisition of shares of the Company s stock to preserve the Company s status as a REIT for federal and/or state income tax purposes. With respect to the Series G preferred stock, all references to past dividend periods shall mean, as of any date, dividend periods ending on or prior to such date, and with respect to shares of any other class or series of stock ranking on a parity as to dividends with the Series G preferred stock, past dividend periods shall mean, as of any date, dividend periods with respect to such other class or series of stock ending on or prior to such date.

When full cumulative dividends for all past dividend periods are not paid in full (or a sum sufficient for the full payment is not set apart) upon the shares of Series G preferred stock and when full cumulative dividends for all past dividend periods are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the shares of any other class or series of the Company s stock ranking on a parity as to dividends with the Series G preferred stock, then all dividends declared on shares of Series G preferred stock and any other outstanding classes or series of the Company s stock ranking on a parity as to dividends with the Series G preferred stock shall be declared pro rata so that the amount of dividends declared per share on the Series G preferred stock and such other classes or series of stock ranking on a parity as to dividends with the Series G preferred stock shall in all cases bear to each other the same ratio that accumulated and unpaid dividends per share on the shares of Series G preferred stock and such other classes or series of stock ranking on a parity as to dividends with the Series G preferred stock (which, in the case of any such other class or series of stock ranking on a parity as to dividends with the Series G preferred stock, shall not include any accumulation in respect of unpaid dividends for past dividend periods if such other class or series of stock ranking on a parity as to dividends with the Series G preferred stock does not have a cumulative dividend) bear to each other.

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Ranking

The Series G preferred stock will, with respect to dividends and rights upon the distribution of assets upon the Company s voluntary or involuntary liquidation, dissolution or winding-up, rank:

- senior to the Company s common stock and all other classes or series of the Company s stock designated as ranking junior to Series G preferred stock;

- on parity with all other classes or series of stock designated as ranking on a parity with the Series G preferred stock (including, without limitation, the Series H preferred stock); and

- junior to all other classes or series of the Company s stock designated as ranking senior to the Series G preferred stock.

Redemption

The Series G preferred stock will not be redeemable before March 27, 2017, except to preserve our status as a REIT for federal and/or state income tax purposes and except as described below upon the occurrence of a Series G Change of Control (as defined below). On and after March 27, 2017, we may, at our option, redeem any or all of the shares of the Series G preferred stock, for cash, at $25.00 per share plus, subject to exceptions, any accrued and unpaid dividends to but excluding the date fixed for redemption.

Upon the occurrence of a Series G Change of Control, we may, at our option, at any time or from time to time, redeem any or all of the shares of Series G preferred stock, within 120 days after the first date on which such Series G Change of Control occurred, for cash, at $25.00 per share plus, subject to exceptions, any accrued and unpaid dividends to but excluding the date fixed for redemption. If, prior to the Series G Change of Control Conversion Date (as defined below), we have provided or provide notice of our election to redeem some or all of the shares of Series G preferred stock (whether pursuant to our optional redemption right described in the paragraph above or the special optional redemption right described in this paragraph), the holders of Series G preferred stock will not have the conversion right described below under Conversion Rights with respect to the shares of Series G preferred stock called for redemption.

A Series G Change of Control is when the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a person under Section 13(d)(3) of the Exchange Act of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of stock of the Company entitling that person to exercise more than 50% of the total voting power of all stock of the Company entitled to vote generally in the election of the Company s directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

- following the closing of any transaction referred to in the bullet point above, neither the Company nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the NYSE, the NYSE Amex, or the NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE Amex or NASDAQ.

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The Series G Change of Control Conversion Date is the date the Series G preferred stock is to be converted into the Company s common stock, which will be a business day selected by the Company that is no fewer than 20 days nor more than 35 days after the date on which the Company provides a notice of the occurrence of the Series G Change of Control that describes the resulting Series G Change of Control Conversion Right to the holders of Series G preferred stock.

Conversion Rights

Upon the occurrence of a Series G Change of Control, each holder of Series G preferred stock will have the right, which we refer to as the Series G Change of Control Conversion Right (unless, prior to the Series G Change of Control Conversion Date, the Company has provided notice of its election to redeem some or all of the shares of Series G preferred stock held by such holder pursuant to the redemption provisions described above under Redemption, in which case such holder will have the right only with respect to shares of Series G preferred stock that are not called for redemption) to convert some or all of the Series G preferred stock held by such holder on the Series G Change of Control Conversion Date, into a number of shares of the Company s common stock per share of Series G preferred stock equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the $25.00 liquidation preference per share of Series G preferred stock plus the amount of any accrued and unpaid dividends thereon to the Series G Change of Control Conversion Date (unless the Series G Change of Control Conversion Date is after a record date for a Series G preferred stock dividend payment and prior to the corresponding dividend payment date for the Series G preferred stock, in which case no additional amount for such accrued and unpaid dividends will be included in this sum) by (ii) the Series G Common Stock Price (as defined below); and

- 1.0975, which we refer to as the Series G Share Cap, subject to adjustments to the Series G Share Cap for any splits, subdivisions or combinations of our common stock;

subject, in each case, to provisions for the receipt of alternative consideration under specified circumstances as set forth in the Articles Supplementary for the Series G preferred stock.

The Series G Common Stock Price is (i) if the consideration to be received in the Series G Change of Control by the holders of the Company s common stock is solely cash, the amount of cash consideration per share of the Company s common stock or (ii) if the consideration to be received in the Series G Change of Control by holders of the Company s common stock is other than solely cash (x) the average of the closing sale prices per share of the Company s common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices per share or, if more than one in either case, the average of the average closing bid and the average closing ask prices per share) for the ten consecutive trading days immediately preceding, but not including, the date on which such Series G Change of Control occurred as reported on the principal U.S. securities exchange on which the Company s common stock is then traded, or (y) the average of the last quoted bid prices for the Company s common stock in the over-the-counter market as reported by Pink OTC Markets Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the date on which such Series G Change of Control occurred, if the Company s common stock is not then listed for trading on a U.S. securities exchange.

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No maturity, sinking fund or mandatory redemption

The Series G preferred stock has no maturity date, and the Company is not required to redeem the Series G preferred stock at any time. Accordingly, the Series G preferred stock will remain outstanding indefinitely, unless the Company decide, at its option, to exercise its redemption rights or otherwise repurchase them or they become convertible and are converted in the manner set forth in Articles Supplementary for the Series G preferred stock. None of the Series G preferred stock is subject to any sinking fund.

Limited voting rights

Holders of Series G preferred stock do not have any voting rights except as set forth below. Whenever dividends on any shares of Series G preferred stock are in arrears for six or more quarterly periods, whether or not consecutive, the holders of Series G preferred stock will have the right to vote as a single class with all other classes or series of stock ranking on parity with the Series G preferred stock upon which like voting rights have been conferred and are exercisable for the election of two additional directors to the board of directors. The election will take place at:

- a special meeting called at the request of the holders of at least 10% of the outstanding shares of Series G preferred stock, or the holders of shares of any other class or series of the Company s preferred stock ranking on a parity with the Series G preferred stock upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series G preferred stock in the election of the two directors, if this request is received 90 or more days before the date fixed for our next annual or special meeting of stockholders or, if we receive the request for a special meeting less than 90 days before the date fixed for our next annual or special meeting of stockholders, at such next annual or special meeting of stockholders; and

- each subsequent annual meeting until all dividends accumulated on the Series G preferred stock for all past dividend periods have been fully paid or declared and a sum sufficient for the payment thereof is set aside for payment.

When all of the dividends in arrears have been paid or declared and provided for in full, the right of holders of the Series G preferred stock to elect those two directors will cease and, unless there are one or more other classes or series of the Company s preferred stock ranking on a parity with the Series G preferred stock upon which like voting rights have been conferred and are exercisable, the term of office of the two directors shall automatically terminate and the number of directors constituting the board of directors shall be reduced accordingly.

In addition, so long as any shares of Series G preferred stock are outstanding, without the consent or affirmative vote of at least two-thirds of the shares of Series G preferred stock then outstanding, the Company may not:

- authorize, create or issue, or increase the number of authorized or issued shares of, any class or series of stock ranking senior to the Series G preferred stock with respect to payment of dividends or the distribution of assets on liquidation, dissolution or winding up, or reclassify any of the Company s authorized stock into any such shares, or create, authorize or issue any obligation or security convertible into, exchangeable or exercisable for, or evidencing the right to purchase, any such shares;

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amend, alter or repeal any of the provisions of the Company s charter, including the Articles Supplementary for the Series G preferred stock, so as to materially and adversely affect any right, preference, privilege or voting power of the Series G preferred stock; or

enter into any share exchange that affects the Series G preferred stock or consolidate with or merge into any other entity, or permit any other entity to consolidate with or merge into us, unless in each such case described in this bullet point each share of Series G preferred stock remains outstanding without a material adverse change to its terms and rights or is converted into or exchanged for preferred stock of the surviving or resulting entity having preferences, rights, dividends, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption substantially identical to and in any event without any material adverse change to those of the Series G preferred stock;

provided that any amendment to the Company s charter to increase the number of authorized shares of stock or the creation or issuance of any other class or series of preferred stock or any increase in the number of authorized or outstanding shares of Series G preferred stock or any other class or series of stock, in each case ranking on a parity with or junior to the Series G preferred stock with respect to payment of dividends and the distribution of assets upon liquidation, dissolution and winding up, shall not be deemed to materially and adversely affect any right, preference, privilege or voting power of the Series G preferred stock.

On each matter on which holders of Series G preferred stock are entitled to vote, each share of Series G preferred stock will be entitled to one vote, except that when shares of any other class or series of the Company s preferred stock have the right to vote with the Series G preferred stock as a single class on any matter, the Series G preferred stock and the shares of each such other class or series will have one vote for each $50.00 of liquidation preference (excluding accrued and unpaid dividends), resulting in each share of Series G preferred stock being entitled to one-half of a vote under such circumstances.

Except as expressly stated in the Articles Supplementary for the Series G preferred stock, the Series G preferred stock will not have any relative, participating, optional or other special voting rights or powers and the consent of the holders shall not be required for the taking of any corporate action.

The voting provisions above will not apply if, at or prior to the time when the act with respect to which the vote would otherwise be required would occur, all outstanding shares of Series G preferred stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been irrevocably deposited in trust to effect the redemption.

Liquidation preference

Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, each share of Series G preferred stock is entitled to receive, out of our assets legally available for distribution to stockholders, a liquidation distribution of $25.00 per share, plus any accrued but unpaid dividends, in preference to any of the Company s common stock or any other class or series of the Company s stock ranking junior to the Series G preferred stock, but subject to the preferred rights of any class or series of our preferred stock ranking senior to the Series G preferred stock.

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6.375% Series H Cumulative Redeemable Preferred Stock

General

Of the Company s 30,000,000 authorized preferred shares, 4,000,000 shares have been classified and designated as 6.375% Series H Cumulative Redeemable Preferred Stock. Of these shares, 4,000,000 are issued and outstanding.

Dividends

Each share of Series H preferred stock is entitled to receive, when, as, and if authorized by the Company s board of directors and declared by us, out of funds legally available for the payment of dividends, cumulative cash dividends at the rate of 6.375% of the $25.00 per share liquidation preference per annum (equivalent to $1.59375 per annum per share), payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year.

Except as provided in the immediately following paragraph, unless full cumulative dividends for all past dividend periods on the Series H preferred stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for such payment, no dividends (other than in shares of the Company s common stock or shares of any other class or series of stock of the Company ranking junior to the Series H preferred stock as to dividends and as to the distribution of assets upon liquidation, dissolution and winding up of the Company) shall be declared or paid or set aside for payment nor shall any other distribution be declared or made on the Company s common stock or any other class or series of stock of the Company ranking junior to or on a parity with the Series H preferred stock as to dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Company, nor shall any shares of the Company s common stock or any other class or series of stock of the Company ranking junior to or on a parity with the Series H preferred stock as to dividends or as to the distribution of assets upon liquidation, dissolution or winding up of the Company be redeemed, purchased or otherwise acquired for any consideration (or any amounts be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Company (except by conversion into or exchange for shares of the Company s common stock or shares of any other class or series of stock of the Company ranking junior to the Series H preferred stock as to dividends and as to the distribution of assets upon liquidation, dissolution and winding up of the Company); provided, however, that the foregoing shall not prevent the purchase or acquisition of shares of the Company s stock to preserve the Company s status as a REIT for federal and/or state income tax purposes. With respect to the Series H preferred stock, all references to past dividend periods shall mean, as of any date, dividend periods ending on or prior to such date, and with respect to shares of any other class or series of stock ranking on a parity as to dividends with the Series H preferred stock, past dividend periods shall mean, as of any date, dividend periods with respect to such other class or series of stock ending on or prior to such date.

When full cumulative dividends for all past dividend periods are not paid in full (or a sum sufficient for the full payment is not set apart) upon the shares of Series H preferred stock and when full cumulative dividends for all past dividend periods are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the shares of any other class or series of the Company s stock ranking on a parity as to dividends with the Series H preferred stock, then all dividends declared on shares of Series H preferred stock and any other outstanding classes or series of the Company s stock ranking on a parity as to dividends with the Series H preferred

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stock shall be declared pro rata so that the amount of dividends declared per share on the Series H preferred stock and such other classes or series of stock ranking on a parity as to dividends with the Series H preferred stock shall in all cases bear to each other the same ratio that accumulated and unpaid dividends per share on the shares of Series H preferred stock and such other classes or series of stock ranking on a parity as to dividends with the Series H preferred stock (which, in the case of any such other class or series of stock ranking on a parity as to dividends with the Series H preferred stock, shall not include any accumulation in respect of unpaid dividends for past dividend periods if such other class or series of stock ranking on a parity as to dividends with the Series H preferred stock does not have a cumulative dividend) bear to each other.

Ranking

The Series H preferred stock will, with respect to dividends and rights upon the distribution of assets upon the Company s voluntary or involuntary liquidation, dissolution or winding-up, rank:

- senior to the Company s common stock and all other classes or series of the Company s stock designated as ranking junior to Series H preferred stock;
- on parity with all other classes or series of stock designated as ranking on a parity with the Series H preferred stock (including, without limitation, the Series G preferred stock); and
- junior to all other classes or series of the Company s stock designated as ranking senior to the Series H preferred stock.

Redemption

The Series H preferred stock will not be redeemable before August 15, 2017, except to preserve our status as a REIT for federal and/or state income tax purposes and except as described below upon the occurrence of a Series H Change of Control (as defined below). On and after August 15, 2017, we may, at our option, redeem any or all of the shares of the Series H preferred stock, for cash, at $25.00 per share plus, subject to exceptions, any accrued and unpaid dividends to but excluding the date fixed for redemption.

Upon the occurrence of a Series H Change of Control, we may, at our option, at any time or from time to time, redeem any or all of the shares of Series H preferred stock, within 120 days after the first date on which such Series H Change of Control occurred, for cash, at $25.00 per share plus, subject to exceptions, any accrued and unpaid dividends to but excluding the date fixed for redemption. If, prior to the Series H Change of Control Conversion Date (as defined below), we have provided or provide notice of our election to redeem some or all of the shares of Series H preferred stock (whether pursuant to our optional redemption right described in the paragraph above or the special optional redemption right described in this paragraph), the holders of Series H preferred stock will not have the conversion right described below under Conversion Rights with respect to the shares of Series H preferred stock called for redemption.

A Series H Change of Control is when the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a person under Section 13(d)(3) of the Exchange Act of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of stock of the Company entitling that person to exercise more

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than 50% of the total voting power of all stock of the Company entitled to vote generally in the election of the Company s directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

following the closing of any transaction referred to in the bullet point above, neither the Company nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the NYSE, the NYSE Amex, or the NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE Amex or NASDAQ.

The Series H Change of Control Conversion Date is the date the Series H preferred stock is to be converted into the Company s common stock, which will be a business day selected by the Company that is no fewer than 20 days nor more than 35 days after the date on which the Company provides a notice of the occurrence of the Series H Change of Control that describes the resulting Series H Change of Control Conversion Right to the holders of Series H preferred stock.

Conversion rights

Upon the occurrence of a Series H Change of Control, each holder of Series H preferred stock will have the right, which we refer to as the Series H Change of Control Conversion Right (unless, prior to the Series H Change of Control Conversion Date, the Company has provided notice of its election to redeem some or all of the shares of Series H preferred stock held by such holder pursuant to the redemption provisions described above under Redemption, in which case such holder will have the right only with respect to shares of Series H preferred stock that are not called for redemption) to convert some or all of the Series H preferred stock held by such holder on the Series H Change of Control Conversion Date, into a number of shares of the Company s common stock per share of Series H preferred stock equal to the lesser of:

the quotient obtained by dividing (i) the sum of the $25.00 liquidation preference per share of Series H preferred stock plus the amount of any accrued and unpaid dividends thereon to the Series H Change of Control Conversion Date (unless the Series H Change of Control Conversion Date is after a record date for a Series H preferred stock dividend payment and prior to the corresponding dividend payment date for the Series H preferred stock, in which case no additional amount for such accrued and unpaid dividends will be included in this sum) by (ii) the Series H Common Stock Price (as defined below); and

1.0469, which we refer to as the Series H Share Cap, subject to adjustments to the Series H Share Cap for any splits, subdivisions or combinations of our common stock;

subject, in each case, to provisions for the receipt of alternative consideration under specified circumstances as set forth in the Articles Supplementary for the Series H preferred stock.

The Series H Common Stock Price is (i) if the consideration to be received in the Series H Change of Control by the holders of the Company s common stock is solely cash, the amount of cash consideration per share of the Company s common stock or (ii) if the consideration to be received in the Series H Change of Control by holders of the Company s common stock is other than solely cash (x) the average of the closing sale prices per share of the Company s common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices per share or, if more than one in either case, the average of the average closing bid and the average

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closing ask prices per share) for the ten consecutive trading days immediately preceding, but not including, the date on which such Series H Change of Control occurred as reported on the principal U.S. securities exchange on which the Company s common stock is then traded, or (y) the average of the last quoted bid prices for the Company s common stock in the over-the-counter market as reported by Pink OTC Markets Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the date on which such Series H Change of Control occurred, if the Company s common stock is not then listed for trading on a U.S. securities exchange.

No maturity, sinking fund or mandatory redemption

The Series H preferred stock has no maturity date, and the Company is not required to redeem the Series H preferred stock at any time. Accordingly, the Series H preferred stock will remain outstanding indefinitely, unless the Company decide, at its option, to exercise its redemption rights or otherwise repurchase them or they become convertible and are converted in the manner set forth in Articles Supplementary for the Series H preferred stock. None of the Series H preferred stock is subject to any sinking fund.

Limited voting rights

Holders of Series H preferred stock do not have any voting rights except as set forth below. Whenever dividends on any shares of Series H preferred stock are in arrears for six or more quarterly periods, whether or not consecutive, the holders of Series H preferred stock will have the right to vote as a single class with all other classes or series of stock ranking on parity with the Series H preferred stock upon which like voting rights have been conferred and are exercisable for the election of two additional directors to the board of directors. The election will take place at:

- a special meeting called at the request of the holders of at least 10% of the outstanding shares of Series H preferred stock, or the holders of shares of any other class or series of the Company s preferred stock ranking on a parity with the Series H preferred stock upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series H preferred stock in the election of the two directors, if this request is received 90 or more days before the date fixed for our next annual or special meeting of stockholders or, if we receive the request for a special meeting less than 90 days before the date fixed for our next annual or special meeting of stockholders, at such next annual or special meeting of stockholders; and

- each subsequent annual meeting until all dividends accumulated on the Series H preferred stock for all past dividend periods have been fully paid or declared and a sum sufficient for the payment thereof is set aside for payment.

When all of the dividends in arrears have been paid or declared and provided for in full, the right of holders of the Series H preferred stock to elect those two directors will cease and, unless there are one or more other classes or series of the Company s preferred stock ranking on a parity with the Series H preferred stock upon which like voting rights have been conferred and are exercisable, the term of office of the two directors shall automatically terminate and the number of directors constituting the board of directors shall be reduced accordingly.

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In addition, so long as any shares of Series H preferred stock are outstanding, without the consent or affirmative vote of at least two-thirds of the shares of Series H preferred stock then outstanding, the Company may not:

- authorize, create or issue, or increase the number of authorized or issued shares of, any class or series of stock ranking senior to the Series H preferred stock with respect to payment of dividends or the distribution of assets on liquidation, dissolution or winding up, or reclassify any of the Company s authorized stock into any such shares, or create, authorize or issue any obligation or security convertible into, exchangeable or exercisable for, or evidencing the right to purchase, any such shares;

- amend, alter or repeal any of the provisions of the Company s charter, including the Articles Supplementary for the Series H preferred stock, so as to materially and adversely affect any right, preference, privilege or voting power of the Series H preferred stock; or

- enter into any share exchange that affects the Series H preferred stock or consolidate with or merge into any other entity, or permit any other entity to consolidate with or merge into us, unless in each such case described in this bullet point each share of Series H preferred stock remains outstanding without a material adverse change to its terms and rights or is converted into or exchanged for preferred stock of the surviving or resulting entity having preferences, rights, dividends, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption substantially identical to and in any event without any material adverse change to those of the Series H preferred stock;

provided that any amendment to the Company s charter to increase the number of authorized shares of stock or the creation or issuance of any other class or series of preferred stock or any increase in the number of authorized or outstanding shares of Series H preferred stock or any other class or series of stock, in each case ranking on a parity with or junior to the Series H preferred stock with respect to payment of dividends and the distribution of assets upon liquidation, dissolution and winding up, shall not be deemed to materially and adversely affect any right, preference, privilege or voting power of the Series H preferred stock.

On each matter on which holders of Series H preferred stock are entitled to vote, each share of Series H preferred stock will be entitled to one vote, except that when shares of any other class or series of the Company s preferred stock have the right to vote with the Series H preferred stock as a single class on any matter, the Series H preferred stock and the shares of each such other class or series will have one vote for each $50.00 of liquidation preference (excluding accrued and unpaid dividends), resulting in each share of Series H preferred stock being entitled to one-half of a vote under such circumstances.

Except as expressly stated in the Articles Supplementary for the Series H preferred stock, the Series H preferred stock will not have any relative, participating, optional or other special voting rights or powers and the consent of the holders shall not be required for the taking of any corporate action.

The voting provisions above will not apply if, at or prior to the time when the act with respect to which the vote would otherwise be required would occur, all outstanding shares of Series H preferred stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been irrevocably deposited in trust to effect the redemption.

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Liquidation preference

Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, each share of Series H preferred stock is entitled to receive, out of our assets legally available for distribution to stockholders, a liquidation distribution of $25.00 per share, plus any accrued but unpaid dividends, in preference to any of the Company s common stock or any other class or series of the Company s stock ranking junior to the Series H preferred stock, but subject to the preferred rights of any class or series of our preferred stock ranking senior to the Series H preferred stock.

Restrictions on ownership and transfer of the Company s capital stock

Internal revenue code requirements

To maintain the Company s tax status as a REIT, five or fewer individuals, as that term is defined in the Code, which includes certain entities, may not own, actually or constructively, more than 50% in value of the Company s issued and outstanding capital stock at any time during the last half of a taxable year. Constructive ownership provisions in the Code determine if any individual or entity constructively owns the Company s capital stock for purposes of this requirement. In addition, 100 or more persons must beneficially own the Company s capital stock during at least 335 days of a taxable year or during a proportionate part of a short taxable year. Also, rent from tenants in which we actually or constructively own a 10% or greater interest is not qualifying income for purposes of the gross income tests of the Code. To help ensure we meet these tests, the Company s charter restricts the acquisition and ownership of shares of the Company s capital stock.

Transfer restrictions in the Company s charter

Subject to exceptions specified therein, the Company s charter provides that no holder may own, either actually or constructively under the applicable constructive ownership provisions of the Code:

- more than 7.0%, by number of shares or value, whichever is more restrictive, of the outstanding shares of the Company s common stock;
- more than 9.8%, by number of shares or value, whichever is more restrictive, of the outstanding shares of the Company s Series G preferred stock; or
- more than 9.8%, by number of shares or value, whichever is more restrictive, of the outstanding shares of the Company s Series H preferred stock.

In addition, because rent from tenants in which we actually or constructively own a 10% or greater interest is not qualifying rent for purposes of the gross income tests under the Code, the Company s charter provides that no holder may own, either actually or constructively by virtue of the constructive ownership provisions of the Code, which differ from the constructive ownership provisions used for purposes of the preceding sentence:

- more than 9.8%, by number of shares or value, whichever is more restrictive, of the outstanding shares of the Company s common stock;
- more than 9.8%, by number of shares or value, whichever is more restrictive, of the outstanding shares of the Company s Series G preferred stock; or

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more than 9.8%, by number of shares or value, whichever is more restrictive, of the outstanding shares of the Company s Series H preferred stock.

We refer to the limits described in this paragraph and the preceding paragraph, together, as the ownership limits.

The constructive ownership provisions set forth in the Code are complex, and may cause shares of the Company s capital stock owned actually or constructively by a group of related individuals and/or entities to be constructively owned by one individual or entity. As a result, the acquisition of shares of the Company s capital stock in an amount that does not exceed the ownership limits, or the acquisition of an interest in an entity that actually or constructively owns the Company s capital stock, could, nevertheless cause that individual or entity, or another individual or entity, to own constructively shares in excess of the ownership limits and thus violate the ownership limits described above or otherwise permitted by the Company s board of directors.

The Company s charter permits the board of directors to waive the ownership limits with respect to a particular stockholder if the board of directors:

determines that the ownership will not jeopardize the Company s status as a REIT; and

otherwise decides that this action would be in our best interest.

As a condition of this waiver, the Company s board of directors may require opinions of counsel satisfactory to it and/or undertakings or representations from the applicant with respect to preserving the Company s REIT status. The board of directors has waived the ownership limit applicable to the Company s common stock for John B. Kilroy, Sr. and John B. Kilroy, Jr., members of their families and some of their affiliated entities, allowing them to own up to 19.6% of the Company s common stock. However, the board of directors conditioned this waiver upon the receipt of undertakings and representations from Messrs. Kilroy which it believed were reasonably necessary to conclude that the waiver would not cause us to fail to qualify and maintain the Company s status as a REIT. The Company s board of directors has also waived the ownership limits with respect to the initial purchasers and certain of their affiliated entities in the offering of 4.250% Exchangeable Senior Notes due 2014, by our operating partnership, allowing each of such initial purchasers and certain of their affiliated entities to beneficially own up to 9.8%, in the aggregate, of the Company s common stock in connection with hedging of certain capped call transactions relating to those notes.

In addition to the foregoing ownership limits, the Company s charter provides that no holder may own, either actually or constructively under the applicable attribution rules of the Code, any shares of any class of the Company s capital stock if, as a result of this ownership:

more than 50% in value of the Company s outstanding capital stock would be owned, either actually or constructively under the applicable constructive ownership provisions of the Code, by five or fewer individuals, as defined in the Code;

the Company s capital stock would be beneficially owned by less than 100 persons, determined without reference to any constructive ownership provisions; or

the Company would fail to qualify as a REIT.

Under the Company s charter, any person who acquires or attempts or intends to acquire actual or constructive ownership of the Company s shares of capital stock that violate any of the foregoing restrictions on transferability and ownership must give us notice immediately and

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provide us with any other information that we may request to determine the effect of the transfer on the Company s status as a REIT. The foregoing restrictions on transferability and ownership will not apply if the Company s board of directors determines that it is no longer in the Company s best interest to attempt to qualify, or to continue to qualify, as a REIT.

Effect of violation of ownership limits and transfer restrictions

The Company s charter provides that if any attempted transfer of the Company s capital stock or any other event would result in any person violating the ownership limits described above, unless otherwise permitted by the board of directors, then the purported transfer will be void *ab initio* and of no force or effect with respect to the attempted transferee as to that number of shares in excess of the applicable ownership limit, and the transferee shall acquire no right or interest in the excess shares. The Company s charter further provides that in the case of any event other than a purported transfer, the person or entity holding record title to any of the excess shares shall cease to own any right or interest in the excess shares.

The Company s charter provides that if any transfer or other event occurs that, if effective, would result in any person owning shares of Company s capital stock in violation of the ownership limit described above, the number of shares of capital stock that otherwise would cause such person to violate the ownership limit will be transferred automatically to a trust, the beneficiary of which will be a qualified charitable organization selected by us or, if for any reason that transfer is not automatically effective, then the transfer of such excess shares shall be void ab initio and the purported transferee will not have any rights in such excess shares. The automatic transfer will be effective as of the close of business on the business day prior to the date of the violative transfer.

The trustee of the charitable trust must:

within 20 days of receiving notice from us of the transfer of shares to the trust,

- sell the excess shares to a person or entity who could own the shares without violating the ownership limits or as otherwise permitted by the board of directors, and

- distribute to the prohibited transferee or owner, as applicable, an amount equal to the lesser of the price paid by the prohibited transferee or owner for the excess shares (or, if the event which resulted in the transfer to the charitable trust did not involve a purchase of the applicable stock for fair value, the market price of such shares on the day of the event which resulted in such transfer to the charitable trust) or the sales proceeds (net any commissions and other expenses of sale) received by the trust for the excess shares;

in the case of any excess shares resulting from any event other than a transfer, or from a transfer for no consideration, such as a gift,

- sell the excess shares to a qualified person or entity, and

- distribute to the prohibited transferee or owner, as applicable, an amount equal to the lesser of the market price of the excess shares as of the date of the event or the sales proceeds (net of any commissions and other expenses of sale) received by the trust for the excess shares; and

in either case above, distribute any proceeds in excess of the amount distributable to the prohibited transferee or owner, as applicable, to the charitable organization selected by us as beneficiary of the trust.

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The trustee shall be designated by us and be unaffiliated with us and any prohibited transferee or owner. Prior to a sale of any excess shares by the trust, the trustee will receive, in trust for the beneficiary, all dividends and other distributions paid by us with respect to the excess shares, and may also exercise all voting rights with respect to the excess shares.

The Company s charter provides that, subject to Maryland law, effective as of the date that the shares have been transferred to the trust, the trustee shall have the authority, at the trustee s sole discretion:

- to rescind as void any vote cast by a prohibited transferee or owner, as applicable, prior to our discovery that the Company s shares have been transferred to the trust; and
- to recast the vote in accordance with the desires of the trustee acting for the benefit of the beneficiary of the trust.

However, if we have already taken irreversible corporate action, then the trustee may not rescind and recast the vote. Any dividend or other distribution paid to the prohibited transferee or owner, prior to our discovery that the shares had been automatically transferred to a trust as described above, must be repaid to the trustee upon demand for distribution to the beneficiary of the trust. If the transfer to the trust as described above is not automatically effective, for any reason, to prevent violation of the applicable ownership limit or as otherwise permitted by the board of directors, then the Company s charter provides that the transfer of the excess shares will be void *ab initio*.

If shares of capital stock are transferred to any person in a manner which would cause us to be beneficially owned by fewer than 100 persons, the Company s charter provides that the transfer shall be null and void in its entirety, and the intended transferee will acquire no rights to the stock.

If the Company s board of directors shall at any time determine in good faith that a person has acquired, intends to acquire or own, has attempted to acquire or own, or may acquire or own the Company s capital stock in violation of the limits described above, the Company s charter provides that the board of directors shall take actions to refuse to give effect to or to prevent the ownership or acquisition, including, but not limited to:

- in the case of the Series G preferred stock, causing the Company to redeem the shares of Series G preferred stock for cash at a redemption price of $25.00 per share plus, subject to exceptions, accrued and unpaid dividends to the date fixed for redemption;
- in the case of the Series H preferred stock, causing the Company to redeem the shares of Series H preferred stock for cash at a redemption price of $25.00 per share plus, subject to exceptions, accrued and unpaid dividends to the date fixed for redemption;
- authorizing us to repurchase stock;
- refusing to give effect to the ownership or acquisition on our books; or
- instituting proceedings to enjoin the ownership or acquisition.

All certificates representing shares of the Company s capital stock bear a legend referring to the restrictions described above.

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All persons who own at least a specified percentage of the outstanding shares of the Company s stock must file with us a completed questionnaire annually containing information about their ownership of the shares, as set forth in the applicable Treasury regulations. Under current Treasury regulations, the percentage is between 0.5% and 5.0%, depending on the number of record holders of the Company s shares. In addition, each stockholder may be required to disclose to us in writing information about the actual and constructive ownership of the Company s shares as the board of directors deems necessary to comply with the provisions of the Code applicable to a REIT or to comply with the requirements of any taxing authority or governmental agency.

These ownership limitations could discourage a takeover or other transaction in which holders of some, or a majority, of the Company s shares of capital stock might receive a premium for their shares over the then prevailing market price or which stockholders might believe to be otherwise in their best interest.

Transfer agent and registrar for shares of capital stock

Computershare Shareowner Services LLC is the transfer agent and registrar for shares of the Company s preferred stock and common stock.

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Description of material provisions of the partnership agreement of Kilroy Realty, L.P.

The discussion below supersedes in its entirety the discussion under the heading Description of Material Provisions of The Partnership Agreement of Kilroy Realty, L.P. in the accompanying prospectus and in any of the documents incorporated by reference in the accompanying prospectus and this prospectus supplement filed with the SEC prior to the date of this prospectus supplement describing the material provisions of the partnership agreement of Kilroy Realty, L.P.

We have described certain terms and provisions of the Seventh Amended and Restated Agreement of Limited Partnership of the operating partnership, which we refer to, together with any subsequent amendments, supplements or restatements thereof, as the partnership agreement. The following description does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the partnership agreement. For more detail, you should refer to the partnership agreement itself, which is incorporated by reference to our SEC filings. See Where You Can Find More Information.

Management of the partnership

The operating partnership is a Delaware limited partnership. The Company is the sole general partner of the operating partnership and conducts substantially all of its business through the operating partnership.

As the sole general partner of the operating partnership, the Company exercises exclusive and complete discretion in the day-to-day management and control of the operating partnership. Subject to certain exceptions set forth in the partnership agreement, the Company can cause the operating partnership to enter into certain major transactions including acquisitions, dispositions and refinancings and cause changes in its line of business, capital structure and distribution policies. Limited partners may not transact business for, or participate in the management activities or decisions of, the operating partnership, except as provided in the partnership agreement and as required by applicable law.

The operating partnership has both preferred limited partnership interests and common limited partnership interests. As of October 31, 2012, the operating partnership had issued and outstanding 4,000,000 6.875% Series G Cumulative Redeemable Preferred Units, or the Series G preferred units, 4,000,000 6.375% Series H Cumulative Redeemable Preferred Units, or the Series H preferred units, and 76,519,442 common units. We refer collectively to the Series G preferred units, the Series H preferred units and any other preferred units the operating partnership may issue in the future as preferred units, and to the preferred units and the common units as the units.

Indemnification of the Company s officers and directors

To the extent permitted by applicable law, the partnership agreement provides indemnity to the Company, as general partner, and its officers, directors, employees, agents and any other persons the Company may designate. Similarly, the partnership agreement limits the Company s liability, as well as that of its officers, directors, employees and agents, to the operating partnership.

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Transferability of partnership interests

Generally, the Company may not voluntarily withdraw from or transfer or assign its interest in the operating partnership without the consent of the holders of at least 60% of the common units including the Company s interest. The limited partners may, without the consent of the general partner, transfer, assign, sell, encumber or otherwise dispose of their units in the operating partnership to family members, affiliates (as defined under federal securities laws) and charitable organizations and as collateral in connection with certain lending transactions, and, with the consent of the general partner, may also transfer, assign or sell their units to accredited investors. In each case, the transferee must agree to assume the transferor s obligations under the partnership agreement. This transfer is also subject to the Company s right of first refusal to purchase the limited partner s units for our benefit.

In addition, without the Company s consent, limited partners may not transfer their units:

- to any person who lacks the legal capacity to own the units;
- in violation of applicable law;
- where the transfer is for only a portion of the rights represented by the units, such as the partner s capital account or right to distributions;
- if we believe the transfer would cause the termination of the operating partnership or would cause it to no longer be classified as a partnership for federal or state income tax purposes;
- if the transfer would cause the operating partnership to become a party-in-interest within the meaning of the Employee Retirement Income Security Act of 1974, or ERISA, or would cause its assets to constitute assets of an employee benefit plan under applicable regulations;
- if the transfer would require registration under applicable federal or state securities laws;
- if the transfer could cause the operating partnership to become a publicly traded partnership under applicable U.S. Treasury regulations;
- if the transfer could cause the operating partnership to be regulated under the Investment Company Act of 1940 or ERISA; or
- if the transfer would adversely affect the Company s ability to maintain its qualification as a REIT.

The Company may not engage in any termination transaction without the approval of at least 60% of the common units in the operating partnership, including the Company s general partnership interest in the operating partnership. Termination transactions consist of:

- a merger;
- a consolidation or other combination with or into another entity;
- a sale of all or substantially all of the Company s assets; or
- a reclassification, recapitalization or change of the Company s outstanding equity interests.

In connection with a termination transaction, all common limited partners must either receive, or have the right to elect to receive, for each common unit an amount of cash, securities or other property equal to the product of:

the number of shares of Company common stock into which each common unit is then exchangeable; and

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the greatest amount of cash, securities or other property paid to the holder of one share of Company common stock in consideration for one share of common stock pursuant to the termination transaction.

If, in connection with a termination transaction, a purchase, tender or exchange offer is made to holders of Company common stock, and the common stockholders accept the purchase, tender or exchange offer, each holder of common units must either receive, or must have the right to elect to receive, the greatest amount of cash, securities or other property which that holder would have received if immediately prior to the purchase, tender or exchange offer it had exercised its right to redeem common units, received shares of Company common stock in exchange for its common units, and accepted the purchase, tender or exchange offer.

The Company also may merge or otherwise combine its assets with another entity with the approval of at least 60% of the common units if:

substantially all of the assets directly or indirectly owned by the surviving entity (other than partnership units held by the Company) are owned directly or indirectly by the operating partnership or another limited partnership or limited liability company which is the surviving entity (any such surviving limited partnership or limited liability company is called the surviving partnership) of a merger, consolidation or combination of assets with the operating partnership;

the common limited partners own a percentage interest of the surviving partnership based on the relative fair market value of the net assets of the operating partnership and the other net assets of the surviving partnership immediately prior to the consummation of this transaction;

the rights, preferences and privileges of the common limited partners in the surviving partnership are at least as favorable as those in effect immediately prior to the consummation of the transaction and as those applicable to any other limited partners or non-managing members of the surviving partnership; and

the common limited partners have the right to exchange their interests in the surviving partnership for either:

the consideration available to the common limited partners pursuant to the preceding paragraph; or

if the ultimate controlling person of the surviving partnership has publicly traded common equity securities, shares of those common equity securities, at an exchange ratio based on the relative fair market value of those securities and the Company s common stock.

The board of directors of the Company, in the Company s capacity as general partner, will reasonably determine relative fair market values and rights, preferences and privileges of the limited partners as of the time of the termination transaction. These values may not be less favorable to the limited partners than the relative values reflected in the terms of the termination transaction.

The Company must use commercially reasonable efforts to structure termination transactions to avoid causing the common limited partners to recognize gain for federal income tax purposes by virtue of the occurrence of or their participation in the termination transaction. In addition, the operating partnership must use commercially reasonable efforts to cooperate with the common

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limited partners to minimize any taxes payable in connection with any repayment, refinancing, replacement or restructuring of indebtedness, or any sale, exchange or other disposition of its assets.

Issuance of additional units representing partnership interests

As sole general partner of the operating partnership, the Company has the ability to cause the operating partnership to issue additional units representing general and limited partnership interests. These units may include units representing preferred limited partnership interests, subject to the approval rights of holders of the Series G preferred units with respect to the issuance of preferred units ranking senior to the Series G preferred units and holders of the Series H preferred units with respect to the issuance of preferred units ranking senior to the Series H preferred units.

Capital contributions by the Company to the operating partnership

The Company may borrow additional funds in excess of the funds available from borrowings or capital contributions from a financial institution or other lender or through public or private debt offerings. The Company may then lend these funds to the operating partnership on the same terms and conditions that applied to the Company. In some cases, the Company may instead contribute these funds as an additional capital contribution to the operating partnership and increase its interest in the operating partnership and decrease the interests of the limited partners.

The effect of awards granted under our stock incentive plans

The Company may issue shares of common stock (including restricted Company common stock) to employees and other service providers of the operating partnership and/or KSLLC or Kilroy Realty TRS, Inc., which we refer to collectively as the services companies, as applicable, in respect of services provided to such entity, pursuant to awards granted under the Company s 1997 Stock Option and Incentive Plan, as amended, the Company s 2006 Incentive Award Plan, as amended, or any other equity incentive award plan maintained by the Company from time to time.

Issuances of any such shares of Company common stock are treated as follows: (i) upon the issuance of the shares (or, with respect to restricted Company common stock, upon the vesting of such shares) a number of operating partnership units equal to the number of shares of Company common stock issued (or vested), are transferred by the operating partnership to the Company; (ii) any amounts paid by an employee or other service provider of the operating partnership or services companies, as applicable, to the Company to purchase such shares of Company common stock are transferred by the Company to the operating partnership or services companies, as applicable; and (iii) shares of Company common stock received by the employee or other service provider of the operating partnership or services companies, as applicable, are treated as compensation paid by the operating partnership or the services companies, as applicable, to the employee or other service provider (to the extent that the value of such shares at the time of transfer or subsequent vesting exceeds the amount paid for them).

Any distributions made to employees or other service providers of the operating partnership or services companies by the Company in respect of unvested shares of Company common stock are reimbursed to the Company by the operating partnership or services companies, as applicable, and are treated as compensation paid directly by the operating partnership or the services

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companies, as applicable. Unvested shares of Company common stock that are forfeited prior to vesting are returned to the Company by the employee or other service provider. In addition, any amounts paid for such shares are returned by the operating partnership or services companies, as applicable, to the Company. To the extent that an employee or other service provider provides services to more than one of the Company, the operating partnership, the services companies or any subsidiary, the Company may, in its discretion, allocate the payment or issuance of shares among such entities.

The foregoing description assumes that no employee or other service provider of the Company, the operating partnership or the services companies has made (or will make) an election under Section 83(b) of the Code.

Tax matters that affect the operating partnership

The Company has the authority under the partnership agreement to make tax elections under the Code on the operating partnership s behalf.

Allocations of net income and net losses to partners

The net income of the operating partnership will generally be allocated:

- first, to the extent holders of units have been allocated net losses, net income shall be allocated to such holders to offset these losses, in an order of priority which is the reverse of the priority of the allocation of these losses;
- next, *pro rata* among the holders of Series G preferred units in an amount equal to a 6.875% per annum cumulative return on the stated value of $25.00 per Series G preferred unit and the holders of Series H preferred units equal to a 6.375% per annum cumulative return on the stated value of $25.00 per Series H preferred unit, and, if applicable, to holders of any other preferred units ranking on a parity with the Series G preferred units and the Series H preferred units as to distributions in an amount equal to a specified return on the stated value of such other series of preferred units as set forth in the terms of such preferred units, which are referred to as the preferred returns ; and
- the remaining net income, if any, will be allocated to the Company and to the common limited partners in accordance with their respective percentage interests.

Net losses of the operating partnership will generally be allocated:

- first, to the Company and the common limited partners in accordance with their respective percentage interests, but only to the extent the allocation does not cause a partner to have a negative adjusted capital account (ignoring any limited partner capital contribution obligations);
- next, *pro rata* among the holders of the Series G preferred units and the Series H preferred units and any other preferred units that the operating partnership may issue in the future, but only to the extent that the allocation does not cause a partner to have a negative adjusted capital account (ignoring any limited partner capital contribution obligations);
- next, to partners *pro rata* in proportion to their positive adjusted capital accounts, until such capital accounts are reduced to zero; and
- the remainder, if any, will be allocated to the Company.

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Notwithstanding the foregoing, the partnership agreement generally provides that the operating partnership s adjusted net income (as defined in the partnership agreement) will first be allocated to the holders of the operating partnership s Series G preferred units and the Series H preferred units and any other preferred units that the operating partnership may issue in the future to the extent of their preferred returns, with the remaining items of net income or net loss allocated according to the provisions described above. The allocations described above are subject to compliance with the provisions of Sections 704(b) and 704(c) of the Code and the associated Treasury regulations.

Operations and management of the operating partnership

The operating partnership must be operated in a manner that will enable the Company to maintain its qualification as a REIT and avoid any federal income tax liability. The partnership agreement provides that the Company will determine from time to time, but not less frequently than quarterly, the net operating cash revenues of the operating partnership, as well as net sales and refinancing proceeds, *pro rata* in accordance with the partners respective percentage interests, subject to the distribution preferences with respect to the Series G preferred units and the Series H preferred units and any other preferred units that the operating partnership may issue in the future. The partnership agreement further provides that the operating partnership will assume and pay when due, or reimburse the Company for payment of, all expenses that the Company incurs relating to the ownership and operation of, or for the benefit of, the operating partnership and all costs and expenses relating to the Company s operations.

Term of the partnership agreement

The operating partnership will continue in full force and effect until December 31, 2095, or until sooner dissolved in accordance with the terms of the partnership agreement.

Preferred limited partnership units

General

The operating partnership has designated classes of preferred limited partnership units as the 6.875% Series G Cumulative Redeemable Preferred Units and the 6.375% Series H Cumulative Redeemable Preferred Units, representing preferred limited partnership interests. As of October 31, 2012, 4,000,000 Series G preferred units and 4,000,000 Series H preferred units were issued and outstanding.

6.875% Series G Cumulative Redeemable Preferred Units

Distributions

Each Series G preferred unit is entitled to receive cumulative preferential distributions payable on or before the 15th day of February, May, August and November of each year at a rate of 6.875% per annum. The cumulative preferential distributions will be paid in preference to any payment made on any other class or series of partnership interest of the operating partnership, other than any other class or series of partnership interest expressly designated as ranking on parity with or senior to the Series G preferred units.

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Ranking

The Series G preferred units rank:

- senior to the operating partnership s common units and to all classes or series of partnership interests designated as ranking junior to the Series G preferred units with respect to distributions and rights upon liquidation, dissolution or winding-up;
- on parity with each other and with all other classes or series of partnership interests designated as ranking on a parity with the Series G preferred units with respect to distributions and rights upon liquidation, dissolution or winding-up, including the Series H preferred units; and
- junior to all other classes or series of partnership interests designated as ranking senior to the Series G preferred units.

Redemption

The Series G preferred units will not be redeemable before March 27, 2017, except under circumstances intended to preserve the Company s status as a REIT for federal and/or state income tax purposes or upon the occurrence of a Series G Change of Control. On and after March 27, 2017, the Series G preferred units may be redeemed at a redemption price, payable in cash, equal to the sum of $25.00 plus any accumulated and unpaid distributions to the date of redemption per Series G preferred unit. In addition, upon the occurrence of a Series G Change of Control, the Series G preferred units may be redeemed at a redemption price equal to the sum of $25.00 plus accumulated and unpaid distributions to the date of redemption per Series G preferred unit.

Conversion rights

The Series G preferred units may be exchanged for common units upon a Series G Change of Control, all on the terms and subject to the conditions and exceptions described in the partnership agreement.

Liquidation preference

The distribution and income allocation provisions of the partnership agreement have the effect of providing each Series G preferred unit with a liquidation preference equal to $25.00 per unit, plus any accumulated but unpaid distributions, in preference to any other class or series of partnership interest other than those interests expressly designated as ranking on a parity with or senior to the Series G preferred units.

6.375% Series H Cumulative Redeemable Preferred Units

Distributions

Each Series H preferred unit is entitled to receive cumulative preferential distributions payable on the 15th day of February, May, August and November of each year at a rate of 6.375% per annum. The cumulative preferential distributions will be paid in preference to any payment

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made on any other class or series of partnership interest of the operating partnership, other than any other class or series of partnership interest expressly designated as ranking on parity with or senior to the Series H preferred units.

Ranking

The Series H preferred units rank:

- senior to the operating partnership s common units and to all classes or series of partnership interests designated as ranking junior to the Series H preferred units with respect to distributions and rights upon liquidation, dissolution or winding-up;
- on parity with each other and with all other classes or series of partnership interests designated as ranking on a parity with the Series H preferred units with respect to distributions and rights upon liquidation, dissolution or winding-up, including the Series G preferred units; and
- junior to all other classes or series of partnership interests designated as ranking senior to the Series H preferred units.

Redemption

The Series H preferred units will not be redeemable before August 15, 2017, except under circumstances intended to preserve the Company s status as a real estate investment trust for federal and/or state income tax purposes or upon the occurrence of a Change of Control (as defined in the Articles Supplementary for the Series H preferred stock). On and after August 15, 2017, the Series G preferred units may be redeemed at a redemption price payable in cash, equal to the sum of $25.00 plus any accumulated and unpaid distributions to the date of redemption per Series H preferred unit. In addition, upon the occurrence of a Change of Control, the Series H preferred units may be redeemed at a redemption price equal to the sum of $25.00 plus accumulated and unpaid distributions to the date of redemption per Series H preferred unit.

Conversion rights

The Series H preferred units may be exchanged for common units upon a Change of Control, all on the terms and subject to the conditions and exceptions described in the partnership agreement.

Liquidation preference

The distribution and income allocation provisions of the partnership agreement have the effect of providing each Series H preferred unit with a liquidation preference equal to $25.00 per unit, plus any accumulated but unpaid distributions, in preference to any other class or series of partnership interest other than those interests expressly designated as ranking on a parity with or senior to the Series H preferred units.

Common limited partnership units

General

The partnership agreement provides that, subject to the distribution preferences of the Series G preferred units and the Series H preferred units and any other preferred units that may be issued

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in the future, common units are entitled to receive quarterly distributions of available cash on a *pro rata* basis in accordance with their respective percentage interests. As of October 31, 2012, 1,826,503 issued and outstanding common units were held by our common limited partners other than the Company.

Redemption/exchange rights

Common limited partners have the right to require the operating partnership to redeem part or all of their common units for cash based upon the fair market value of an equivalent number of shares of Company common stock at the time of the redemption. Alternatively, the Company may elect to acquire those units tendered for redemption in exchange for shares of Company common stock. The Company s acquisition will be on a one-for-one basis, subject to adjustment in the event of stock splits, stock dividends, issuance of some rights, some extraordinary distributions and similar events. However, even if the Company elects not to acquire tendered units in exchange for shares of common stock, holders of common units that are corporations or limited liability companies may require that the Company issue common stock in exchange for their common units, subject to applicable ownership limits or any other limit as provided in the Company s charter or as otherwise determined by the board of directors, as applicable. The Company presently anticipates that the Company will elect to issue shares of common stock in exchange for common units in connection with each redemption request, rather than having the operating partnership redeem the common units for cash. With each redemption or exchange, the Company increases its percentage ownership interest in the operating partnership. Common limited partners may exercise this redemption right from time to time, in whole or in part, except when, as a consequence of shares of common stock being issued, any person s actual or constructive stock ownership would exceed the ownership limits, or any other limit as provided in the Company s charter or as otherwise determined by the board of directors.

Common limited partner approval rights

The partnership agreement provides that if the limited partners own at least 5% of the common units representing common partnership interests in the operating partnership, including those common units held by the Company as general partner, the Company will not, on behalf of the operating partnership and without the prior consent of the holders of more than 50% of the common units representing limited partnership interests in the operating partnership, dissolve the operating partnership, unless the dissolution or sale is incident to a merger or a sale of substantially all of the Company s assets.

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Supplement to certain provisions of Maryland law and of the Company s charter and bylaws

The discussion below supersedes the discussion under the heading Certain Provisions of Maryland Law and of The Company s Charter and Bylaws Meetings of Stockholders in the accompanying prospectus and in any of the documents incorporated by reference in the accompanying prospectus and this prospectus supplement filed with the SEC prior to the date of this prospectus supplement describing the provisions of the Company s charter and bylaws. The discussion below describes certain terms and provisions of Maryland law and the Company s charter and bylaws. This description does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Company s charter (including, without limitation, the Articles Supplementary establishing the terms of the Company s Series G preferred stock and Series H preferred stock) and bylaws and Maryland law. For more detail, you should read the Company s charter and bylaws, which are incorporated by reference to our SEC filings. See Incorporation of certain documents by reference in this prospectus supplement.

Meetings of stockholders

The Company s bylaws provide for annual meetings of its stockholders to elect directors and to transact other business properly brought before the meeting. In addition, a special meeting of stockholders may be called by:

- the president;
- the board of directors;
- the chairman of the board;
- holders of at least a majority of the Company s outstanding common stock entitled to vote by making a written request;
- holders of 10% of the Company s Series G preferred stock for the stockholders of Series G preferred stock and all other classes or series of stock ranking on parity with the Series G preferred stock upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series G preferred stock in the election of the following two directors, to elect two additional directors to the board of directors if dividends on any shares of Series G preferred stock remain unpaid for six or more quarterly periods, whether or not consecutive; and
- holders of 10% of the Company s Series H preferred stock for the stockholders of Series H preferred stock and all other classes or series of stock ranking on parity with the Series H preferred stock upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series H preferred stock in the election of the following two directors, to elect two additional directors to the board of directors if dividends on any shares of Series H preferred stock remain unpaid for six or more quarterly periods, whether or not consecutive.

The MGCL provides that the Company s stockholders also may act by unanimous written consent without a meeting with respect to any action that they are required or permitted to take at a meeting. To do so, each stockholder entitled to vote on the matter must sign the consent setting forth the action.

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Certain U.S. federal income tax consequences

The following discussion is a summary of certain U.S. federal income tax consequences relevant to the purchase, ownership and disposition of the notes but does not purport to be a complete analysis of all potential tax effects. This discussion (1) supplements the discussion in Exhibit 99.2 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on March 15, 2012 (the March 8-K) and Exhibit 99.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on November 2, 2012 (the November 8-K) and (2) supersedes, in its entirety, the discussion in the March 8-K under the heading United States Federal Income Tax Considerations Federal Income Tax Considerations for Holders of Our Capital Stock, as supplemented by the discussion in the November 8-K under Foreign Accounts. The following discussion is based upon the Code, current, temporary and proposed U.S. Treasury Regulations issued thereunder (the Treasury Regulations), the legislative history of the Code, Internal Revenue Service (IRS) rulings, pronouncements, interpretations and practices, and judicial decisions now in effect, all of which are subject to change at any time. Any such change may be applied retroactively in a manner that could adversely affect a holder of the notes. This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder s particular circumstances. For example, except to the extent discussed in Non-U.S. holders, special rules not discussed here may apply to you if you are:

a broker-dealer or a dealer in securities or currencies;

an S corporation;

a bank, thrift or other financial institution;

a regulated investment company or a REIT;

an insurance company;

a tax-exempt organization;

subject to the alternative minimum tax provisions of the Code;

holding the notes as part of a hedge, straddle, conversion, integrated or other risk reduction or constructive sale transaction;

holding the notes through a partnership or other pass-through entity;

a non-U.S. corporation or partnership, or person who is not a resident or citizen of the United States;

a U.S. person whose functional currency is not the U.S. dollar; or

a U.S. expatriate or former long-term resident.

In addition, this discussion is limited to persons who purchase the notes for cash at original issue at their issue price, within the meaning of Section 1273 of the Code (*i.e.*, the first price at which a substantial amount of the notes is sold to purchasers other than bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the notes as capital assets, within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address the effect of any state, local, non-U.S. or other tax laws, other than the U.S. federal income tax, including gift and estate tax laws.

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As used herein, U.S. Holder means a beneficial owner of the notes that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (i) is subject to the primary supervision of a U.S. court and the control of one or more U.S. persons that have the authority to control all substantial decisions of the trust, or (ii) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If any entity treated as a partnership for U.S. federal income tax purposes holds notes, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding the notes, you should consult your tax advisor regarding the tax consequences of the purchase, ownership and disposition of the notes.

We have not sought and do not expect to seek any rulings from the IRS with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the notes or that any such position would not be sustained by a court considering the issue.

THIS SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE TAX CONSEQUENCES DISCUSSED BELOW TO THEIR PARTICULAR SITUATIONS, POTENTIAL CHANGES IN APPLICABLE TAX LAWS AND THE APPLICATION OF ANY STATE, LOCAL, FOREIGN OR OTHER TAX LAWS, INCLUDING GIFT AND ESTATE TAX LAWS, AND ANY TAX TREATIES.

U.S. holders

Interest

A U.S. Holder generally will be required to recognize and include in gross income any stated interest as ordinary income at the time it is paid or accrued on the notes in accordance with such holder s method of accounting for U.S. federal income tax purposes.

Sale or other taxable disposition of the notes

A U.S. Holder will recognize gain or loss on the sale, exchange, redemption (including a partial redemption), retirement or other taxable disposition of a note equal to the difference between the sum of the cash and the fair market value of any property received in exchange therefor (less a portion allocable to any accrued and unpaid stated interest, which generally will be taxable as ordinary income if not previously included in such holder s income) and the U.S. Holder s adjusted tax basis in the note. A U.S. Holder s adjusted tax basis in a note (or a portion thereof) generally will be the U.S. Holder s cost therefor. This gain or loss will generally constitute capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder has held the note for more than

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one year. Long-term capital gains recognized by certain non-corporate U.S. Holders, including individuals, generally will be taxable at a reduced rate. The deductibility of capital losses is subject to certain limitations.

Information reporting and backup withholding

A U.S. Holder may be subject to information reporting and backup withholding when such holder receives interest and principal payments on the notes or proceeds upon the sale or other disposition of such notes (including a redemption or retirement of the notes). Certain holders (including, corporations and certain tax-exempt organizations) generally are not subject to information reporting or backup withholding. A U.S. Holder will be subject to backup withholding if such holder is not otherwise exempt and:

- such holder fails to furnish its taxpayer identification number, or TIN, which, for an individual is ordinarily his or her social security number;
- the IRS notifies the payor that such holder furnished an incorrect TIN;
- in the case of interest payments, such holder is notified by the IRS of a failure to properly report payments of interest or dividends; or
- in the case of interest payments, such holder fails to certify, under penalties of perjury, that such holder has furnished a correct TIN and that the IRS has not notified such holder that it is subject to backup withholding.

A U.S. Holder should consult its tax advisor regarding its qualification for an exemption from backup withholding and the procedures for obtaining such an exemption. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder will be allowed as a credit against the holder s U.S. federal income tax liability or may be refunded, provided the required information is furnished in a timely manner to the IRS.

Non-U.S. holders

For purposes of this discussion, Non-U.S. Holder means a beneficial owner of the notes that is not a U.S. Holder, as defined above. Special rules may apply to holders that are partnerships or entities treated as partnerships for U.S. federal income tax purposes and to Non-U.S. Holders that are subject to special treatment under the Code, including controlled foreign corporations, passive foreign investment companies, certain U.S. expatriates, and foreign persons eligible for benefits under an applicable income tax treaty with the United States. Such Non-U.S. Holders should consult their tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

Interest

Subject to the discussion of backup withholding and foreign accounts below, interest paid to a Non-U.S. Holder on its notes that is not effectively connected with the Non-U.S. Holder s conduct of a U.S. trade or business will not be subject to U.S. federal withholding tax provided that:

- such holder does not actually or constructively own a 10% or greater interest in the operating partnership s capital or profits;
- such holder is not a controlled foreign corporation with respect to which the operating partnership is a related person within the meaning of Section 864(d)(4) of the Code;

such holder is not a bank that received such interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and

(i) the Non-U.S. Holder certifies in a statement provided to us or our paying agent, under penalties of perjury, that it is not a U.S. person within the meaning of the Code and provides its name and address, (ii) a securities clearing organization, bank or other financial institution that holds customers securities in the ordinary course of its trade or business and holds the notes on behalf of the Non-U.S. Holder certifies to us or our paying agent under penalties of perjury that it, or the financial institution between it and the Non-U.S. Holder, has received from the Non-U.S. Holder a statement, under penalties of perjury, that such holder is not a U.S. person and provides us or our paying agent with a copy of such statement or (iii) the Non-U.S. Holder holds its notes directly through a qualified intermediary and certain conditions are satisfied.

A Non-U.S. Holder generally will also be exempt from withholding tax on interest if such amount is effectively connected with such holder s conduct of a U.S. trade or business (and, if an income tax treaty applies, is attributable to a U.S. permanent establishment) (as discussed in Non-U.S. holders U.S. trade or business) and the holder provides us or our paying agent with a properly executed IRS Form W-8ECI (or applicable successor form).

If a Non-U.S. Holder does not satisfy the requirements above, interest paid to such Non-U.S. Holder generally will be subject to a 30% U.S. federal withholding tax. Such rate may be reduced or eliminated under a tax treaty between the United States and the Non-U.S. Holder s country of residence. To claim a reduction or exemption under a tax treaty, a Non-U.S. Holder must generally complete an IRS Form W-8BEN (or applicable successor form) and claim the reduction or exemption on the form.

Sale or other taxable disposition of the notes

Subject to the discussion of backup withholding and foreign accounts below, a Non-U.S. Holder generally will not be subject to U.S. federal income tax or withholding tax on gain recognized on the sale, exchange, redemption, retirement or other disposition of a note unless (i) the gain is effectively connected with the Non-U.S. Holder s conduct of a trade or business within the United States (or, if a tax treaty applies, the gain is attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder) and (ii) in the case of a Non-U.S. Holder who is an individual, such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of disposition or certain other requirements are not met.

Gain described in (i) above generally will be subject to U.S. federal income as described below under Non-U.S. holders -U.S. trade or business. A Non-U.S. Holder described in (ii) above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on any gain derived from the disposition, which may be offset by certain U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States) provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

Any amounts received in respect of accrued and unpaid interest will generally be taxable as interest and may be treated as described in Non-U.S. holders Interest or below under Non-U.S. holders -U.S. trade or business.

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U.S. trade or business

Subject to the discussion of backup withholding and foreign accounts below , if interest paid on a note or gain from a disposition of a note is effectively connected with a Non-U.S. Holder s conduct of a U.S. trade or business (and, if an income tax treaty applies, the Non-U.S. Holder maintains a U.S. permanent establishment to which such amounts are generally attributable), the Non-U.S. Holder generally will be subject to U.S. federal income tax on the interest or gain on a net basis in the same manner as if it were a U.S. person. If a Non-U.S. Holder is subject to U.S. federal income tax on the interest on a net basis, the 30% withholding tax described above will not apply (assuming an appropriate certification is provided, generally on IRS Form W-8ECI). A Non-U.S. Holder that is a non-U.S. corporation may be subject to a branch profits tax equal to 30% of its effectively connected earnings and profits for the taxable year, subject to certain adjustments, unless it qualifies for a lower rate under an applicable income tax treaty. For this purpose, interest on a note or gain from a disposition of a note will be included in effectively connected earnings and profits if the interest or gain is effectively connected with the conduct by the foreign corporation of a trade or business in the United States.

Backup withholding and information reporting

Backup withholding generally will not apply to payments of principal or interest made by us or our paying agents, in their capacities as such, to a Non-U.S. Holder of a note if the holder certifies as to its non-U.S. status in the manner described in Non-U.S. holders Interest. However, information reporting generally will still apply with respect to payments of interest.

Payments of the proceeds from a disposition by a Non-U.S. Holder of a note made to or through a foreign office of a broker will not be subject to information reporting or backup withholding, except that information reporting (but generally not backup withholding) may apply to those payments, if the broker has certain enumerated connections with the U.S., provided, unless the broker has documentary evidence in its records that the Non-U.S. Holder is a non-U.S. person and certain other conditions are met, or the Non-U.S. Holder otherwise establishes an exemption from information reporting.

Payment of the proceeds from a disposition by a Non-U.S. Holder of a note made to or through the U.S. office of a broker generally is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its non-U.S. status in the manner described in Non-U.S. holders Interest or otherwise establishes an exemption from information reporting and backup withholding.

A Non-U.S. Holder should consult its tax advisor regarding application of withholding and backup withholding in its particular circumstance and the availability of and procedure for obtaining an exemption from withholding and backup withholding under current Treasury Regulations. In this regard, the current Treasury Regulations provide that a certification may not be relied on if we or our agent (or other party) knows or has reason to know that the certification may be false. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder will be allowed as a credit against the holder s U.S. federal income tax liability or may be refunded, provided the required information is furnished in a timely manner to the IRS.

Foreign accounts

Withholding taxes may apply to certain types of payments made to foreign financial institutions (as specially defined in the Code) and certain other non-United States entities.

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Specifically, a 30% withholding tax may be imposed on payments on, and gross proceeds from the sale or other disposition of, our debt securities paid to a foreign financial institution or to a non-financial foreign entity, unless (1) the foreign financial institution undertakes certain diligence and reporting, (2) the non-financial foreign entity either certifies it does not have any substantial United States owners or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (1) above, it must enter into an agreement with the United States Treasury requiring, among other things, that it undertake to identify accounts held by certain United States persons or United States-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to non-compliant foreign financial institutions and certain other account holders.

Although these rules currently apply to applicable payments made after December 31, 2012, Proposed Treasury Regulations and subsequent IRS guidance provide that the withholding provisions described above will generally apply to payments of interest made on or after January 1, 2014 and to payments of gross proceeds from a sale or other disposition of debt securities on or after January 1, 2017.

The guidance described above will not be effective until it is reflected in final Treasury Regulations. Prospective investors should consult their tax advisors regarding these withholding provisions.

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Underwriting (conflicts of interest)

J.P. Morgan Securities LLC, Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are acting as joint book-running managers of this offering and as representatives of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among the Company, the operating partnership and the representatives of the underwriters, the operating partnership has agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from the operating partnership, the principal amount of notes set forth opposite its name below.

Underwriters	Principal amount of notes
J.P. Morgan Securities LLC	$
Barclays Capital Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Wells Fargo Securities, LLC	
Total	**$**

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed to purchase all of the notes sold under the underwriting agreement if any of these notes are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

The operating partnership and the Company have agreed to indemnify the underwriters against certain liabilities in connection with this offering, including liabilities under the Securities Act of 1933, as amended or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel and other conditions contained in the underwriting agreement. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Discounts

The representatives of the underwriters have advised us that the underwriters propose initially to offer the notes to the public at the public offering price listed on the cover page of this prospectus supplement and may offer notes to dealers at that price less a concession not in excess of % of the principal amount of the notes. The underwriters may allow, and the dealers may reallow, a discount not in excess of % of the principal amount of the notes to other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

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The following table shows the underwriting discount to be paid to the underwriters by us.

	Per note	Total
Underwriting discount	%	$

The expenses of the offering, not including the underwriting discount, are estimated at $750,000 and are payable by us.

New issue of notes

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for inclusion of the notes on any automated quotation system. We have been advised by the underwriters that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure you that an active public market for the notes will develop or as to the liquidity of any trading market that may develop. If an active trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.

Price stabilization and short positions

In connection with the offering of the notes, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the market price of the notes. Specifically, the underwriters may overallot in connection with the offering, creating a short position. In addition, the underwriters may bid for, and purchase, the notes in the open market to cover short positions or to stabilize the price of the notes. Any of these activities may stabilize or maintain the market price of the notes above independent market levels, but no representation is made that the underwriters will engage in any of those transactions or of the magnitude of any effect that the transactions described above, if commenced, may have on the market price of the notes. The underwriters will not be required to engage in these activities, and if they engage in these activities, they may end any of these activities at any time without notice.

Delayed settlement

We expect that the delivery of the notes will be made against payment therefor on or about the closing date specified on the cover page of this prospectus supplement, which will be the fifth business day following the date of this prospectus supplement. Under rules of the SEC, trades in the secondary market generally are required to settle in three business days, unless the parties to that trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes before the third business day prior to the closing date specified on the cover page of this prospectus supplement will be required, by virtue of the fact that the normal settlement date for that trade would occur prior to the closing date for the issuance of the notes, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement, and should consult their own advisors with respect to these matters.

Electronic distribution

In connection with this offering, certain of the underwriters or securities dealers may distribute this prospectus supplement and the accompanying prospectus by electronic means, such as email.

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Certain of the underwriters may facilitate internet distribution for this offering to certain of their respective internet subscription customers. In addition, certain of the underwriters may allocate notes for sale to their respective online brokerage customers. An electronic prospectus supplement and the accompanying prospectus may be made available on the website maintained by any such underwriter. Other than this prospectus supplement and the accompanying prospectus in electronic format, the information on any such website is not part of this prospectus supplement or the accompanying prospectus.

Conflicts of interest

J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are joint lead arrangers and joint bookrunners, JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities LLC, is the administrative agent, Barclays Bank PLC, an affiliate of Barclays Capital Inc., and Wells Fargo Bank, N.A., an affiliate of Wells Fargo Securities, LLC, are documentation agents, Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, is the syndication agent and affiliates of Barclays Capital Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are, and affiliates of some or all of the other underwriters may be, lenders under the operating partnership s revolving credit facility. In addition, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are joint lead arrangers and joint bookrunners, JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities LLC, is administrative agent, Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, is syndication agent, Wells Fargo Bank, National Association, an affiliate of Wells Fargo Securities, LLC, is co-syndication agent, and affiliates of J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are, and affiliates of some or all of the other underwriters may be, lenders under the operating partnership s term loan. As described in this prospectus supplement under Use of Proceeds , net proceeds of this offering may be used to repay borrowings under the revolving credit facility. Because affiliates of some or all of the underwriters are lenders under the revolving credit facility, to the extent that net proceeds from this offering are applied to repay borrowings under the revolving credit facility, such affiliates will receive proceeds of this offering through the repayment of those borrowings. If 5% or more of the net proceeds of this offering (not including underwriting discount) is used to repay indebtedness owed to at least one of the affiliates of the underwriters, this offering will be conducted in accordance with FINRA Rule 5121. In such event, such underwriter or underwriters will not confirm sales of the notes to accounts over which they exercise discretionary authority without the prior written approval of the customer.

Other relationships

In addition to the matters discussed above under Conflicts of interest, some or all of the underwriters and/or their affiliates have engaged in, and/or may in the future engage in, investment banking, commercial banking, financial advisory and other commercial dealings in the ordinary course of business with the Company and the operating partnership. They have received and in the future may receive fees and commissions for these transactions.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and such investment and securities

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activities may involve securities and/or instruments of the Company or the operating partnership. Certain of the underwriters or their affiliates that may have lending relationships with the Company or the operating partnership may also choose to hedge their credit exposure to the Company or the operating partnership, as the case may be, consistent with their customary risk management policies. Typically those underwriters and their affiliates would hedge such exposure by entering into transactions, which may consist of either the purchase of credit default swaps or the creation of short positions in securities of the Company or the operating partnership, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of securities or financial instruments of the Company or the operating partnership and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling restrictions

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of the notes, or the possession, circulation or distribution of this prospectus supplement, the accompanying prospectus or any other material relating to us or the notes where action for that purpose is required. Accordingly, the notes may not be offered or sold, directly or indirectly, and neither this prospectus supplement, the accompanying prospectus nor any other offering material or advertisements in connection with the notes may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each of the underwriters may arrange to sell the notes offered hereby in certain jurisdictions outside the United States, either directly or through affiliates, where they are permitted to do so.

Notice to prospective investors in the European Economic Area

Neither this prospectus supplement nor the accompanying prospectus is a prospectus for the purposes of the prospectus directive (as defined below). This prospectus supplement and the accompanying prospectus have been prepared on the basis that all offers of the notes will be made pursuant to an exemption under the prospectus directive from the requirement to produce a prospectus in connection with offers of the notes. Accordingly, any person making or intending to make any offer within the European Economic Area of the notes which are the subject of the offering contemplated in this prospectus supplement should only do so in circumstances in which no obligation arises for the operating partnership, the Company or any underwriter to produce a prospectus for such offers.

In relation to each member state of the European Economic Area which has implemented the prospectus directive (each, a relevant member state), with effect from and including the date on which the prospectus directive is implemented in that relevant member state (the relevant implementation date), the notes which are the subject of the offering contemplated by this prospectus supplement may not be offered to the public in that relevant member state other than:

(a) to any legal entity which is a qualified investor (as defined in the prospectus directive);

(b) to fewer than 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of the representatives of the underwriters for any such offer; or

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(c) in any other circumstances falling within Article 3(2) of the prospectus directive,
provided that no such offer of notes shall require the operating partnership, the Company or any underwriter to publish a prospectus pursuant to Article 3 of the prospectus directive or supplement a prospectus pursuant to Article 16 of the prospectus directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that member state by any measure implementing the prospectus directive in that member state and the expression prospectus directive means Directive 2003/71/EC (as amended by Directive 2010/73/EU), and includes any relevant implementing measure in the relevant member state.

Notice to prospective investors in the United Kingdom

The notes may only be offered (a) in compliance with all applicable provisions of the Financial Services and Markets Act 2000 (FSMA) with respect to anything done in relation to the notes in, from or otherwise involving the United Kingdom and (b) where each underwriter has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of notes in circumstances in which Section 21(1) of the FSMA does not apply to the operating partnership or the Company. Without limitation to the other restrictions referred to herein, this prospectus supplement is directed solely at (1) persons outside the United Kingdom, (2) persons having professional experience in matters relating to investments who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended; (3) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts and other entities as described in Article 49(2)(a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended or (4) persons to whom it may otherwise lawfully be communicated or caused to be communicated. Without limitation to the other restrictions referred to herein, any investment or investment activity to which this prospectus supplement relates is available only to, and will be engaged in only with, such persons who fall within (1) to (4) above, and persons within the United Kingdom who receive this communication (other than persons who fall within (1) to (4) above) should not rely or act upon this communication.

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Incorporation of certain documents by reference

The SEC allows us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you by referring to those documents. The information incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus. Any statement contained in this prospectus supplement, the accompanying prospectus or a document which is incorporated by reference in this prospectus supplement or the accompanying prospectus is automatically updated and superseded if information contained in this prospectus supplement or the accompanying prospectus, or information that we later file with the SEC prior to the termination of this offering that is incorporated by reference or deemed to be incorporated by reference in each, as the case may be, modifies or replaces this information. We incorporate by reference the following documents we filed with the SEC:

Kilroy Realty Corporation s and Kilroy Realty, L.P. s Annual Report on Form 10-K for the year ended December 31, 2011;

Kilroy Realty Corporation s and Kilroy Realty, L.P. s Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and September 30, 2012, filed on May 2, 2012, August 3, 2012 and October 31, 2012, respectively;

Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on February 8, 2012 (excluding information under Item 7.01 of such report and Exhibit 99.1 to such report), Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on February 14, 2012 (excluding information under Item 7.01 of such report and Exhibits 99.1 and 99.2 to such report), Kilroy Realty Corporation s Current Report on Form 8-K filed on February 24, 2012, Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on March 15, 2012 (excluding information under Item 7.01 of such report and Exhibit 99.1 to such report), Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on March 19, 2012, Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on March 22, 2012 (excluding information under Item 7.01 of such report and Exhibit 99.1 to such report), Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on April 2, 2012 (excluding information under Item 7.01 of such report and Exhibits 99.1 and 99.2 to such report), Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on April 4, 2012, Kilroy Realty Corporation s Current Report on Form 8-K filed on May 23, 2012, Kilroy Realty Corporation s Current Report on Form 8-K filed on May 25, 2012, Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on July 5, 2012 (excluding information under Item 7.01 of such report and Exhibit 99.1 to such report), Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on August 3, 2012, Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on August 6, 2012, Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on August 7, 2012 (excluding information under Item 7.01 of such report and Exhibits 99.1 and 99.2 to such report), Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on August 10, 2012 (excluding information under Item 7.01 of such report and Exhibit 99.1 to such report), Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on August 17, 2012, Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on November 2, 2012, Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on December 4, 2012, and Kilroy Realty Corporation s and Kilroy Realty, L.P. s Current Report on Form 8-K filed on January 7, 2013; and

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the descriptions of the Company s 6.875% Series G cumulative redeemable preferred stock and 6.375% Series H cumulative redeemable preferred stock contained in its Registration Statement on Form 8-A (file No. 001-12675) filed on March 22, 2012 and August 10, 2012, respectively (in each case including any subsequently filed amendments and reports filed for the purpose of updating any such descriptions).

We are also incorporating by reference any additional documents that we file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, on or after the date of this prospectus supplement and before the termination of this offering. We are not, however, incorporating by reference any documents or portions thereof or exhibits thereto, whether specifically listed above or filed in the future, that are not deemed filed with the SEC, including our compensation committee report and performance graph included or incorporated by reference in any Annual Report on Form 10-K or proxy statement, or any information or related exhibits furnished pursuant to Items 2.02 or 7.01 of Form 8-K, or any exhibits filed pursuant to Item 9.01 of Form 8-K that are not deemed filed with the SEC.

To receive a free copy of any of the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, including exhibits, if they are specifically incorporated by reference in the documents, call or write Kilroy Realty Corporation, 12200 West Olympic Boulevard, Suite 200, Los Angeles, California 90064, Attention: Secretary (telephone (310) 481-8400).

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Legal matters

Certain legal matters in connection with this offering will be passed upon for us by Latham & Watkins LLP, Los Angeles, California. Certain legal matters relating to Maryland law, including the validity of the issuance of the notes offered by this prospectus supplement and the accompanying prospectus, will be passed upon for us by Ballard Spahr LLP, Baltimore, Maryland. Sidley Austin LLP, San Francisco, California, will act as counsel for the underwriters.

Experts

The financial statements, and the related financial statement schedules, incorporated in this prospectus supplement by reference from Kilroy Realty Corporation s and Kilroy Realty, L.P. s Annual Report on Form 10-K for the year ended December 31, 2011, and the effectiveness of Kilroy Realty Corporation s and Kilroy Realty, L.P. s internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements and financial statement schedules have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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PROSPECTUS

KILROY REALTY CORPORATION

Common Stock, Preferred Stock, Depositary Shares, Warrants and Guarantees

KILROY REALTY, L.P.

Debt Securities

We may offer from time to time in one or more series or classes (i) debt securities of Kilroy Realty, L.P. which may be fully and unconditionally guaranteed by Kilroy Realty Corporation, (ii) shares of Kilroy Realty Corporation s common stock, par value $.01 per share, (iii) shares or fractional shares of Kilroy Realty Corporation s preferred stock, par value $.01 per share, (iv) shares of Kilroy Realty Corporation s preferred stock represented by depositary shares and (v) warrants to purchase preferred stock or common stock, referred to collectively in this prospectus as the offered securities, separately or together, in separate series in amounts, at prices and on terms to be set forth in one or more supplements to this prospectus.

The specific terms of the offered securities with respect to which this prospectus is being delivered will be set forth in the applicable prospectus supplement, along with any applicable modifications of or additions to the general terms of the debt securities as described in this prospectus, and will include, where applicable (i) in the case of debt securities and, as applicable, related guarantees, the specific terms of such debt securities, which may be either senior or subordinated, secured or unsecured, and related guarantees, (ii) in the case of common stock, the number of shares and any initial public offering price; (iii) in the case of preferred stock, the specific title and any dividend, liquidation, redemption, conversion, voting and other rights and any initial public offering price; (iv) in the case of depositary shares, the fractional or multiple shares of preferred stock represented by each such depositary share; and (v) in the case of warrants, the duration, offering price, exercise price and detachability. In addition, such specific terms may include limitations on actual or constructive ownership and restrictions on transfer of the offered securities, in each case as may be appropriate to preserve Kilroy Realty Corporation s status as a real estate investment trust, or REIT, for federal income tax purposes.

The applicable prospectus supplement will also contain information, where applicable, about (i) certain United States federal income tax consequences relating to, and (ii) any listing on a securities exchange of, the offered securities covered by such prospectus supplement.

The offered securities may be offered directly, through agents we may designate from time to time or by, to or through underwriters or dealers. If any agents or underwriters are involved in the sale of any of the offered securities, their names, and any applicable purchase price, fee, commission or discount arrangement between or among them, will be set forth in, or will be calculable from the information set forth in, the applicable prospectus supplement. See Plan of Distribution. No offered securities may be sold without delivery of this prospectus and the applicable prospectus supplement describing the method and terms of the offering of such series of offered securities.

Kilroy Realty Corporation s common stock is listed on the New York Stock Exchange, or NYSE, under the symbol KRC. On February 28, 2011, the last reported sales price of Kilroy Realty Corporation s common stock on the NYSE was $38.75 per share.

Before you invest in the offered securities, you should consider the risks discussed in Risk Factors on page 1.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or completeness of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 1, 2011.

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Kilroy Realty, L.P., or the operating partnership, is a Delaware limited partnership. Kilroy Realty Corporation, or the Company or guarantor, is the sole general partner of the operating partnership. Unless otherwise expressly stated or the context otherwise requires, in this prospectus, we, us and our refer collectively to the Company, the operating partnership and the Company s other subsidiaries, references to Company common stock or similar references refer to the common stock, par value $.01 per share, of the Company and references to common units or similar references refer to the common units of the operating partnership.

You should rely only on the information contained in this prospectus, the applicable prospectus supplement and in any document incorporated by reference. We have not authorized anyone to provide you with information or make any representation that is different. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus and the applicable prospectus supplement are not an offer to sell or a solicitation of an offer to buy any securities other than the registered securities to which they relate, and this prospectus and the applicable prospectus supplement are not an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where, or to any person to whom, it is unlawful to make an offer or solicitation. You should not assume that the information contained in this prospectus and the applicable prospectus supplement is correct on any date after the date of this prospectus or the date of the applicable prospectus supplement even though this prospectus and the applicable prospectus supplement are delivered or securities are sold pursuant to this prospectus and the applicable prospectus supplement at a later date. Since the date of this prospectus and the date of the applicable prospectus supplement, our business, financial condition, results of operations and prospects may have changed.

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RISK FACTORS

Investment in the offered securities involves risks. Before