

KILROY REALTY CORP
 Form 4
 February 07, 2017

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
KILROY JOHN B JR

2. Issuer Name and Ticker or Trading Symbol
KILROY REALTY CORP [NYSE: KRC]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
02/03/2017

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman, President and CEO

C/O KILROY REALTY CORPORATION, 12200 W. OLYMPIC BLVD., SUITE 200
 (Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

LOS ANGELES, CA 90064
 (City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)	
			Code	V	Amount	(D)	Price	
Common stock, par value \$0.01 per share	02/03/2017		M		95,346	A	\$ 0 761,527.3777	D
Common stock, par value \$0.01 per share	02/06/2017		M		22,734	A	\$ 0 784,261.3777	D

Common stock, par value 02/06/2017 F 61,081 D \$ 73.3 723,180.3777 D \$0.01 per share ⁽¹⁾

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title of Underlying Security (Instr. 3)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Restricted Stock Units	<u>(2)</u>	02/03/2017		M		95,346.1994		<u>(3)</u>	<u>(3)</u>	Comm Stock
Restricted Stock Units	<u>(4)</u>	02/03/2017		A	12,982.0409			<u>(5)</u>	<u>(5)</u>	Comm Stock
Restricted Stock Units	<u>(4)</u>	02/03/2017		A	56,906.2966			<u>(6)</u>	<u>(6)</u>	Comm Stock
Restricted Stock Units	<u>(2)</u>	02/06/2017		M		22,734.5009		<u>(7)</u>	<u>(7)</u>	Comm Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KILROY JOHN B JR C/O KILROY REALTY CORPORATION 12200 W. OLYMPIC BLVD., SUITE 200 LOS ANGELES, CA 90064	X		Chairman, President and CEO	

Signatures

/s/ Tyler H. Rose, as attorney-in-fact for John B.
Kilroy, Jr.

02/07/2017

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Common stock tendered to pay tax withholding.

(2) Each restricted stock unit represents a contingent right to receive one share of Issuer common stock and may be settled in cash under certain circumstances.

(3) The reporting person was awarded performance units in 2014 covering a three-year performance period ending December 31, 2016. The total number of units subject to the award that actually vested were paid in an equivalent number of shares of Issuer common stock with the fractional share amount settled in cash.

(4) Each restricted stock unit represents a contingent right to receive one share of Issuer common stock.

(5) The reporting person was awarded performance units in 2015 covering a three-year performance period ending December 31, 2017. The reporting person previously reported the minimum number of units subject to the award eligible to vest based on 2015 performance. The number of units reported reflects the additional minimum number of units eligible to vest based on 2016 performance. The units remain subject to additional time-based vesting requirements. Up to an additional 32,305.2435 units may vest following 2017 based on the Issuer's relative total shareholder return for 2017.

(6) The reporting person was awarded performance units in 2016 covering a three-year performance period ending December 31, 2018. The number of units reported reflects the minimum number of units eligible to vest based on the Issuer's funds from operations per share and relative total shareholder return for 2016. The units remain subject to additional time-based vesting requirements. Up to an additional 113,812.5933 units may ultimately vest after the three-year performance period based on the Issuer's relative total shareholder return for 2017 and 2018.

(7) The restricted stock units vest over a four-year period starting on January 5, 2015, subject to continued employment with the Issuer on the applicable vesting date. Fractional share amount settled in cash.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.