

KILROY REALTY CORP
 Form 4
 January 18, 2017

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 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 *
 Smart Justin William

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)
 01/13/2017

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 See Remarks

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common stock, par value \$0.01 per share ⁽¹⁾	01/13/2017		A		1,452.4109 A \$ 0	D	81,658.2377
Common stock, par value \$0.01 per share ⁽²⁾	01/18/2017		F		5,492 D \$ 73.53	D	76,166.2377

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

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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 and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Restricted Stock Units ⁽³⁾	<u>(4)</u>	01/13/2017		A	156.9968	<u>(5)</u> <u>(5)</u>	Common Stock 156.9968
Restricted Stock Units ⁽³⁾	<u>(6)</u>	01/13/2017		A	433.2399	<u>(7)</u> <u>(7)</u>	Common Stock 433.2399
Restricted Stock Units ⁽³⁾	<u>(6)</u>	01/13/2017		A	430.3959	<u>(8)</u> <u>(8)</u>	Common Stock 430.3959

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Smart Justin William C/O KILROY REALTY CORPORATION 12200 W. OLYMPIC BLVD., SUITE 200 LOS ANGELES, CA 90064				See Remarks

Signatures

/s/ Tyler H. Rose, as attorney-in-fact for Justin William Smart
01/18/2017

**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) Grant of restricted stock units in respect of dividend equivalent rights with respect to underlying restricted stock unit awards previously reported on Table I, which were granted pursuant to the Kilroy Realty 2006 Incentive Award Plan and the terms of the applicable award

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agreement.

- (2) Common stock tendered to pay tax withholding.

Crediting of restricted stock units in respect of dividend equivalent rights with respect to underlying restricted stock unit awards previously reported on Table II, which were granted pursuant to the Kilroy Realty 2006 Incentive Award Plan and the terms of the applicable award agreement.

- (3) 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.
- (4) 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.
- (5) Each restricted stock unit represents a contingent right to receive one share of Issuer common stock.

- (6) The reporting person was awarded performance units in 2014 covering a three-year performance period ending December 31, 2016. The reporting person previously reported the minimum number of units subject to the award eligible to vest based on 2014 and 2015 performance. The number of units reported reflects the additional minimum number of units eligible to vest as a result of the crediting of restricted stock units in respect of dividend equivalent rights. The units remain subject to additional time-based vesting requirements.

- (7) 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 as a result of the crediting of restricted stock units in respect of dividend equivalent rights. The units remain subject to additional time-based vesting requirements.

Remarks:

Executive Vice President, Development and Construction Services

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

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