

KILROY REALTY CORP
 Form 4
 December 14, 2016

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL
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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 *
 HAWKEN JEFFREY C

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)
 12/13/2016

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 EVP and COO

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) |
|--|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common stock, par value \$0.01 per share | 12/13/2016 | | M | 3,180 A | \$ 0 370,389.3212 | D | |
| Common stock, par value \$0.01 per share | 12/13/2016 | | M | 4,238 A | \$ 0 374,627.3212 | D | |

Common stock, par value 12/14/2016 F 3,872 D \$ 75.54 370,755.3212 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.

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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) | 8. Price or Value of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|
| Restricted Stock Units | <u>(2)</u> | 12/13/2016 | | M | 3,180 | <u>(3)</u> / <u>(3)</u> | Common Stock | 3,180 |
| Restricted Stock Units | <u>(2)</u> | 12/13/2016 | | M | 4,238 | <u>(4)</u> / <u>(4)</u> | Common Stock | 4,238 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------------|
| | Director | 10% Owner | Officer | Other |
| HAWKEN JEFFREY C C/O KILROY REALTY CORPORATION 12200 W. OLYMPIC BLVD., SUITE 200 LOS ANGELES, CA 90064 | | | | EVP and COO |

Signatures

/s/ Jeffrey C. Hawken
Date 12/14/2016

__Signature of
Reporting Person

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.

The restricted stock units vest, subject to continued employment with the Issuer through each vesting date, as to 1/6th of the units for each calendar year during 2013 - 2018 based on the achievement of total stockholder return hurdles on either a relative or an absolute basis for the applicable calendar year. If neither of the total stockholder return hurdles are achieved for an applicable year during the performance period, those units will remain eligible to vest in a subsequent year (ending on December 31, 2018) if the Issuer achieves a cumulative total stockholder return goal as of the end of that year.

- (3) The restricted stock units vest, subject to continued employment with the Issuer through each vesting date, as to 1/6th of the units for each calendar year during 2013 - 2018 based on the achievement of total stockholder return hurdles on either a relative or an absolute basis for the applicable calendar year. If neither of the total stockholder return hurdles are achieved for an applicable year during the performance period, those units will remain eligible to vest in a subsequent year (ending on December 31, 2018) if the Issuer achieves a cumulative total stockholder return goal as of the end of that year.
- (4) The restricted stock units vest, subject to continued employment with the Issuer through each vesting date, as to 1/4th of the units for each calendar year during 2016 - 2019 based on the achievement of total stockholder return hurdles on either a relative or an absolute basis for the applicable calendar year. If neither of the total stockholder return hurdles are achieved for an applicable year during the performance period, those units will remain eligible to vest in a subsequent year (ending on December 31, 2019) if the Issuer achieves a cumulative total stockholder return goal as of the end of that year.

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.