

DUKE REALTY CORP
Form 8-K
March 03, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **February 28, 2006**

DUKE REALTY CORPORATION

(Exact name of registrant specified in its charter)

Indiana
(State of
Formation)

1-9044
(Commission
File Number)

35-1740409
(IRS Employer
Identification No.)

600 East 96th Street

Suite 100

Indianapolis, IN 46240

(Address of principal executive offices, zip code)

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Registrant's telephone number, including area code: **(317) 808-6000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry Into a Material Definitive Agreement.

Supplemental Indenture

On March 1, 2006, Duke Realty Limited Partnership (the Operating Partnership), a limited partnership of which Duke Realty Corporation (the Company) is the sole general partner, completed the issuance of \$125,000,000 aggregate principal amount of 5.5% Senior Notes Due 2016 (the Notes). The Notes were issued under the Indenture, dated as of September 19, 1995 (the Indenture), as supplemented by the Nineteenth Supplemental Indenture, dated as of March 1, 2006 (the Supplemental Indenture), by and between the Operating Partnership and J.P. Morgan Trust Company, National Association (successor in interest to Bank One Trust Company, N.A.). The Notes were registered with the Securities and Exchange Commission (the Commission) pursuant to the Operating Partnership's registration statement on Form S-3 (Registration Statement No. 333-120492) (as may be amended, the Registration Statement), under the Securities Act of 1933, as amended (the Act).

The Indenture was filed with the Commission on September 22, 1995 as Exhibit 4.1 to the Operating Partnership's current report on Form 8-K filed on September 22, 1995. Pursuant to General Instruction F to the Commission's Form 8-K, a conformed copy of the Supplemental Indenture is incorporated as Exhibit 10.1 to this Current Report on Form 8-K (this Report) by reference to Exhibit 4.1 to the Operating Partnership's Current Report on Form 8-K filed with the Commission on March 3, 2006, and is incorporated into this Item 1.01 by this reference. The above description of the terms of the Indenture and the Supplemental Indenture is qualified in its entirety by reference to the previously filed Indenture and the conformed copy of the Supplemental Indenture incorporated by reference into this Current Report.

The material terms of the Notes are described in the Operating Partnership's prospectus supplement, dated February 22, 2006, as filed with the Commission on February 24, 2006, pursuant to Rule 424(b)(5) of the Act, which relates to the offer and sale of the Notes and supplements the Operating Partnership's prospectus, dated December 14, 2004, contained in the Registration Statement.

Term Loan Agreement

On February 28, 2006, the Operating Partnership entered into and executed a Term Loan Agreement (the Term Loan Agreement), as the borrower thereunder, together with the Company as the general partner and guarantor thereunder, certain of the Operating Partnership's and the Company's respective subsidiaries, as guarantors thereunder (the Subsidiary Guarantors), Bank of America, N.A., individually and as administrative agent thereunder, Banc of America Securities LLC, as lead arranger and sole book runner thereunder, and each of the other lenders named in the Term Loan Agreement (collectively, the Lenders). Pursuant to the Term Loan Agreement, the Lenders agreed to provide the Operating Partnership with a secured term loan (the Term Loan) in the amount of \$700 million. The Term Loan bears interest at a rate equal to LIBOR + 52.5 basis points with a scheduled maturity date in September 2006. Subject to the Lenders' approval, the maturity date may be extended to March 2007. All obligations of the Operating Partnership under the Term Loan Agreement are guaranteed by the Company

and the Subsidiary Guarantors, whose equity interests are owned by the Operating Partnership and/or the Company.

Pursuant to General Instruction F to the Commission's Form 8-K, a conformed copy of the Term Loan Agreement is incorporated as Exhibit 10.2 to this Current Report on Form 8-K by reference to Exhibit 10.2 to the Operating Partnership's Current Report on Form 8-K filed with the Commission on March 3, 2006, and is incorporated into this Item 1.01 by this reference. The above description of the terms of the Term Loan Agreement is qualified in its entirety by reference to the conformed copy of the Term Loan Agreement incorporated by reference into this Current Report.

Item 2.01 Completion of Acquisition or Disposition of Assets.

As previously disclosed in the Operating Partnership's Current Report on Form 8-K filed on January 30, 2006, the Operating Partnership entered into a Commercial Multi-Property Agreement of Purchase and Sale (the "Purchase Agreement") to purchase from The Mark Winkler Company and various owners controlled by, or affiliated with, The Mark Winkler Company (collectively, "Sellers"), a portfolio of commercial real estate properties, and certain related assets, for a total purchase price in excess of \$800 million. On February 28, 2006, the Operating Partnership completed the acquisition of a substantial portion of that portfolio, comprised of (a) a portfolio of commercial real estate properties consisting of approximately 2.3 million square feet of suburban office and light industrial buildings located in three primary submarkets in Northern Virginia, (b) certain of the operating assets of The Mark Winkler Company related to those commercial properties, and (c) approximately 166 acres of undeveloped land associated with those properties, for a total purchase price of more than \$600 million, including the assumption of loans related to those properties and assets. The Operating Partnership borrowed \$700 million under its new Term Loan Agreement to fund the acquisition.

The Operating Partnership presently expects to complete the acquisition of the remainder of the properties during the first and second quarters of 2006.

None of the Company, the Operating Partnership, or any of their respective affiliates, has a material relationship with Sellers, other than pursuant to the Purchase Agreement.

Item 9.01. Financial Statements and Other Exhibits

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| Exhibit Number | Description |
|-------------------|---|
| 10.1 | Nineteenth Supplemental Indenture, dated as of March 1, 2006, by and between Duke Realty Limited Partnership and J.P. Morgan Trust Company, National Association (successor in interest to Bank One Trust Company, N.A.), including the form of global note evidencing the 5.5% Senior Notes Due 2016, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Duke Realty Limited Partnership, filed with the Commission on March 3, 2006. |
| 10.2 | Term Loan Agreement, dated as of February 28, 2006, by and among Duke Realty Limited Partnership, as borrower, Duke Realty Corporation, as general partner and guarantor, certain of their respective subsidiaries, as guarantors, Bank of America, N.A., individually and as administrative agent, Banc of America Securities LLC, as lead arranger and sole book runner, and each of the other lenders named therein, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Duke Realty Limited Partnership, filed with the Commission on March 3, 2006. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DUKE REALTY CORPORATION

By: /s/ Howard L. Feinsand
Name: Howard L. Feinsand
Title: Executive Vice President, General
Counsel and Secretary

Dated: March 3, 2006