

DUKE REALTY CORP
Form S-3ASR
April 30, 2012
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As filed with the Securities and Exchange Commission on April 30, 2012.

Registration Nos. 333- and 333-

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

FORM S-3
REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

DUKE REALTY CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Indiana
(State or Other Jurisdiction of
Incorporation or Organization)

35-1740409
(I.R.S. Employer
Identification No.)

DUKE REALTY LIMITED PARTNERSHIP

(Exact Name of Registrant as Specified in Its Charter)

Indiana
(State or Other Jurisdiction of
Incorporation or Organization)

35-1898425
(I.R.S. Employer
Identification No.)

600 East 96th Street, Suite 100
Indianapolis, Indiana 46240
(317) 808-6000

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Dennis D. Oklak

Chief Executive Officer

Duke Realty Corporation

600 East 96th Street, Suite 100
Indianapolis, Indiana 46240
(317) 808-6000

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent For Service)

Copies to:

Howard L. Feinsand, Esq.
Executive Vice President, General Counsel and
Corporate Secretary
Duke Realty Corporation

Mark C. Kanaly, Esq.
Alston & Bird LLP
One Atlantic Center

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**600 East 96th Street, Suite 100
Indianapolis, Indiana 46240
(317) 808-6000**

**1201 West Peachtree Street, N.W.
Atlanta, Georgia 30309-3424
(404) 881-7000**

Approximate date of commencement of proposed sale to public: From time to time after the effective date of this Registration Statement.

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If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or reinvestment plans, please check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered / Proposed maximum offering price per share / Proposed maximum aggregate offering price (1)	Amount of registration fee (1)
Debt Securities (2)		
Common Stock, \$.01 par value (3)		
Preferred Stock, \$.01 par value (3)		
Depository Shares (3)(4)		
Warrants (3)		
Stock Purchase Contracts (3)		
Units (3)(5)		
Guarantees of Debt Securities (3)(6)		

(1) In accordance with Rule 415(a)(6) under the Securities Act of 1933, as amended, the securities registered pursuant to this registration statement include \$23,813,335.61 of unsold securities previously registered on Form S-3 (Registration Statement No. 333-160952), as filed with the Securities and Exchange Commission on December 19, 2011. In connection with the prior registration of such unsold securities, the registrant paid a registration fee of \$2,729.00 applicable to such unsold securities. In addition, an indeterminate number of securities of each identified class is being registered as may be issued from time to time at indeterminate prices. Separate consideration may or may not be received for securities that are issuable on exercise, conversion or exchange of other securities or that are issued in units

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or represented by depositary shares. In accordance with Rule 456(b) and Rule 457(r) under the Securities Act of 1933, as amended, the registrant is deferring payment of the remaining registration fee.

- (2) The Debt Securities will be issued by Duke Realty Limited Partnership. This registration statement also covers contracts that may be issued by Duke Realty Limited Partnership under which the counterparty may be required to purchase Debt Securities covered hereby.
- (3) The Common Stock, Preferred Stock, Depositary Shares, Warrants, Stock Purchase Contracts, Units and Guarantees of Debt Securities will be issued by Duke Realty Corporation.
- (4) Each Depositary Share will be issued under a deposit agreement, will represent an interest in a fractional share or multiple shares of Preferred Stock and will be evidenced by a depositary receipt.
- (5) Any registered securities may be sold separately or as Units with other registered securities of Duke Realty Corporation or Duke Realty Limited Partnership. Units may consist of two or more securities in any combination, which may or may not be separable from one another. Each Unit will be issued under a unit agreement or indenture. Because Units will consist of securities registered hereunder, no separate registration fee is required for the Units.
- (6) Pursuant to Rule 457(n) under the Securities Act of 1933, as amended, no separate registration fee will be paid in respect of any such guarantees.

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PROSPECTUS

DUKE REALTY CORPORATION

Common Stock

Preferred Stock

Depositary Shares

Warrants

Stock Purchase Contracts

Units

Guarantees of Debt Securities

DUKE REALTY LIMITED PARTNERSHIP

Debt Securities

This prospectus describes debt and equity securities that may be issued and sold, from time to time, by Duke Realty Corporation and/or Duke Realty Limited Partnership, or that may be offered and sold, from time to time, by selling securityholders to be identified in the future. Duke Realty Corporation may offer and sell common stock, preferred stock, depositary shares, warrants, stock purchase contracts, units and guarantees of debt securities, and Duke Realty Limited Partnership may offer and sell non-convertible debt securities. The preferred stock, warrants and stock purchase contracts described herein may be convertible into or exercisable or exchangeable for common or preferred stock or other securities of Duke Realty Corporation or Duke Realty Limited Partnership or debt or equity securities of one or more other entities. The common stock of Duke Realty Corporation is listed on the New York Stock Exchange under the ticker symbol DRE.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis.

To the extent that any selling securityholder resells any securities, the selling securityholder may be required to provide you with this prospectus and a prospectus supplement identifying and containing specific information about the selling securityholder and the terms of the securities being offered.

This prospectus describes some of the general terms that may apply to these securities. The specific terms of any securities to be offered will be described in a supplement to this prospectus.

Investing in our securities involves various risks. You should carefully read and consider the risk factors referred to on page 4 of this prospectus and set forth in the documents incorporated by reference herein before you invest in our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 30, 2012.

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We include cross references to captions elsewhere in this prospectus where you can find related additional information. The following table of contents tells you where to find these captions.

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IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

Please read this prospectus carefully. You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. This prospectus may only be used where it is legal to sell these securities. You should not assume that the information contained in this prospectus is accurate as of any date later than the date hereof or such other dates as are stated herein or as of the respective dates of any documents or other information incorporated herein by reference.

In this prospectus, the words **Duke Realty**, **we**, **us** and **our** refer to Duke Realty Corporation and **Operating Partnership** refers to Duke Realty Limited Partnership.

This prospectus is part of a **shelf** registration statement that we filed with the United States Securities and Exchange Commission, or the **SEC**. Under this shelf registration statement, Duke Realty and the Operating Partnership from time to time may issue and sell any combination of the securities described in this prospectus in one or more offerings, and selling securityholders may from time to time offer and sell any such security owned by them.

This prospectus provides you with a general description of the securities that Duke Realty, the Operating Partnership or the selling securityholders may offer. No person is authorized to give any information or represent anything not contained in this prospectus or any prospectus supplement. Duke Realty, the Operating Partnership and the selling securityholders are only offering the securities in places where sales of those securities are permitted. You should not assume that the information contained in this prospectus and any accompanying prospectus supplement, or information incorporated by reference herein or therein, is current as of any date other than the date of such information. Our business, financial condition, results of operations and prospects and the business may have changed since that date. Each time that Duke Realty, the Operating Partnership or any selling securityholder sells securities, they will provide a supplement to this prospectus that contains specific information about the terms of the securities and the offering. A prospectus supplement may include a discussion of any risk factors or other special considerations applicable to those securities or to us. A prospectus supplement may add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and the applicable prospectus supplement, you should rely on the information in the prospectus supplement. Before you buy any of our securities, it is important for you to consider the information contained in this prospectus and any prospectus supplement together with additional information described under the heading **Where You Can Find More Information**.

The registration statement containing this prospectus, including exhibits to the registration statement, provides additional information about us and the securities offered under this prospectus. The registration statement can be read at the SEC website or at the SEC public reference room mentioned under the heading **Where You Can Find More Information**.

WHERE YOU CAN FIND MORE INFORMATION

Duke Realty and the Operating Partnership file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document that Duke Realty and the Operating Partnership file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information about the Public Reference Room. Our filings with the SEC are also available to the public through the SEC's Internet site at www.sec.gov. In addition, since some of our securities are listed on the New York Stock Exchange, you can read our SEC filings at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC's rules allow us to incorporate by reference information into this prospectus. This means that Duke Realty and the Operating Partnership can disclose important information to you by referring you to another document. Any information referred to in this way is considered part of this prospectus from the date we and the

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Operating Partnership file that document. Any reports filed by Duke Realty or the Operating Partnership with the SEC after the date of this prospectus will automatically update and, where applicable, supersede any information contained in this prospectus or incorporated by reference in this prospectus.

Duke Realty and the Operating Partnership incorporate by reference the following documents or information filed with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

Duke Realty's Annual Report on Form 10-K for the year ended December 31, 2011;

the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2011;

Duke Realty's Current Reports on Form 8-K filed February 1 and March 9, 2012 (except for information furnished to the SEC that is not deemed to be filed for purposes of the Securities Exchange Act of 1934, as amended, or the Exchange Act);

the Operating Partnership's Current Reports on Form 8-K filed on March 9, 2012 (except for information furnished to the SEC that is not deemed to be filed for purposes of the Exchange Act);

the description of our common stock included in our Registration Statement on Form 8-A dated January 2, 1986, as amended; and

all documents filed by us under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus and before the termination of this offering (except for information furnished to the SEC that is not deemed to be filed for purposes of the Exchange Act and except for Annual Reports on Form 11-K).

We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may request a copy of these filings, at no cost, by writing or telephoning us at:

Investor Relations

Duke Realty Corporation

600 East 96th Street, Suite 100

Indianapolis, Indiana 46240

Telephone: (317) 808-6000

We also maintain an Internet site at www.dukerealty.com at which there is additional information about our business, but the contents of that site are not incorporated by reference into, and are not otherwise a part of, this prospectus.

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CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in or incorporated by reference into this prospectus, including, without limitation, those related to our future operations, constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended. The words believe, estimate, expect, anticipate, intend, plan, may and similar expressions or statements regarding future periods are intended to identify forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any predictions of future results, performance or achievements that we express or imply in this prospectus or in the information incorporated by reference into this prospectus. Some of the risks, uncertainties and other important factors that may affect future results include, among others:

Changes in general economic and business conditions, including, without limitation, the continuing impact of the economic down-turn, which is having and may continue to have a negative effect on the fundamentals of our business, the financial condition of our tenants and the value of our real estate assets;

Our continued qualification as a real estate investment trust, or REIT for U.S. federal income tax purposes;

Heightened competition for tenants and potential decreases in property occupancy;

Potential changes in the financial markets and interest rates;

Volatility in our stock price and trading volume;

Our continuing ability to raise funds on favorable terms;

Our ability to successfully identify, acquire, develop and/or manage properties on terms that are favorable to us;

Potential increases in real estate construction costs;

Our ability to be flexible in the development and operation of joint venture properties;

Our ability to successfully dispose of properties on terms that are favorable to us;

Our ability to retain our current credit ratings;

Inherent risks in the real estate business, including, but not limited to, tenant defaults, potential liability relating to environmental matters and liquidity of real estate investments; and

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Other risks and uncertainties described or incorporated by reference herein, including, without limitation, those risks and uncertainties discussed from time to time in our other reports and other public filings with the SEC.

This list of risks and uncertainties, however, is only a summary of some of the most important factors and is not intended to be exhaustive. Additional information regarding risk factors that may affect us is included under the caption **Risk Factors** in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, which we filed with the SEC on February 24, 2012, and is updated by us from time to time in our subsequent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and in other filings we make with the SEC.

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Although we presently believe that the plans, expectations and results expressed in or suggested by the forward-looking statements are reasonable at the time they were made, all forward-looking statements are inherently uncertain, and subject to change, as they involve substantial risks and uncertainties beyond our control. New factors emerge from time to time, and it is not possible for us to predict the nature or assess the potential impact of each new factor on our business. Given these uncertainties, we caution you not to place undue reliance on these forward-looking statements. We have and undertake no obligation to update or revise any of our forward-looking statements for events or circumstances that arise after the statement is made, except as may be required by law.

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DUKE REALTY AND THE OPERATING PARTNERSHIP

We are a self-administered and self-managed REIT, which began operations upon completion of our initial public offering in February 1986. In October 1993, we completed an additional common stock offering and acquired the rental real estate and service businesses of Duke Associates, whose operations began in 1972. As of December 31, 2011, our diversified portfolio of 748 rental properties (including 126 jointly controlled in-service properties with approximately 25.3 million square feet, five consolidated properties under development with more than 639,000 square feet and one jointly controlled property under development with approximately 274,000 square feet) encompasses more than 136.5 million rentable square feet and is leased by a diverse base of approximately 3,000 tenants whose businesses include government services, manufacturing, retailing, wholesale trade, distribution, healthcare and professional services. We also own, including through ownership interests in unconsolidated joint ventures, more than 4,800 acres of land and control an additional 1,630 acres through purchase options.

Our headquarters and executive offices are located in Indianapolis, Indiana. In addition, we have 17 regional offices or significant operations in Alexandria, Virginia; Atlanta, Georgia; Baltimore, Maryland; Chicago, Illinois; Cincinnati, Ohio; Columbus, Ohio; Dallas, Texas; Houston, Texas; Minneapolis, Minnesota; Nashville, Tennessee; Orlando, Florida; Phoenix, Arizona; Raleigh, North Carolina; St. Louis, Missouri; Savannah, Georgia; Tampa, Florida; and Weston, Florida. We had more than 850 employees as of December 31, 2011.

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RISK FACTORS

An investment in our securities involves significant risks. You should carefully consider the risks and uncertainties and the risk factors set forth in the documents and reports filed with the SEC that are incorporated by reference into this prospectus, as well as any risks described in any applicable prospectus supplement, before you make an investment decision regarding the securities. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business operations and financial condition.

USE OF PROCEEDS

As required by the terms of the partnership agreement of the Operating Partnership, we must contribute to the Operating Partnership, in exchange for additional common or preferred units of the Operating Partnership, the net proceeds from any sale of shares of our capital stock (including any shares of our common stock or preferred stock or any depositary shares) and from the exercise of rights contained in any options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase such shares of capital stock. Unless otherwise specified in the prospectus supplement, we will use the net proceeds from the sale of the securities offered by this prospectus for general corporate purposes. These purposes may include, but are not limited to, the development and acquisition of additional rental properties and other acquisition transactions, the repayment of outstanding debt and improvements to properties in our portfolio.

Unless otherwise set forth in a prospectus supplement, we will not receive any proceeds in the event that securities are sold by a selling securityholder.

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The following table shows ratios of earnings to fixed charges for Duke Realty and the Operating Partnership for the periods shown:

	Duke Realty	Operating Partnership
Year Ended December 31, 2011	(1)	(1)
Year Ended December 31, 2010	1.14	1.14
Year Ended December 31, 2009	(2)	(2)
Year Ended December 31, 2008	1.19	1.19
Year Ended December 31, 2007	1.65	1.65

(1) The ratio is less than 1.0; a deficit of \$8.4 million exists for the year ended December 31, 2011.

(2) The ratio is less than 1.0; a deficit of \$267.1 million exists for the year ended December 31, 2009.

The following table shows ratios of earnings to combined fixed charges and preferred stock dividends for Duke Realty and the Operating Partnership for the periods shown:

	Duke Realty	Operating Partnership
Year Ended December 31, 2011	(3)	(3)
Year Ended December 31, 2010	(4)	(4)
Year Ended December 31, 2009	(5)	(5)
Year Ended December 31, 2008	(6)	(6)
Year Ended December 31, 2007	1.23	1.23

(3) The ratio is less than 1.0; deficit of \$68.7 million exists for the year ended December 31, 2011.

(4) The ratio is less than 1.0; deficit of \$42.3 million exists for the year ended December 31, 2010.

(5) The ratio is less than 1.0; deficit of \$340.6 million exists for the year ended December 31, 2009.

(6) The ratio is less than 1.0; deficit of \$35.9 million exists for the year ended December 31, 2008.

For purposes of computing these ratios, earnings have been calculated by adding fixed charges, excluding capitalized interest, to income (loss) from continuing operations before gains or losses on land and depreciated property sales and (if applicable) minority interest in the Operating Partnership. Fixed charges consist (if applicable) of interest costs, whether expensed or capitalized, the interest component of rental expense and amortization of debt issuance costs.

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DESCRIPTION OF DEBT SECURITIES

The following summary outlines some of the material terms of the Operating Partnership's non-convertible debt securities which could be senior debt securities or subordinated debt securities. The debt securities may consist of debentures, notes or other evidences of indebtedness, which may be guaranteed on a senior or subordinated basis by Duke Realty. The specific terms of any debt securities and the extent, if any, to which these general terms and provisions may or may not apply to the debt securities will be described in the prospectus supplement relating to the particular series of debt securities.

The Operating Partnership's debt securities will be issued under an indenture, dated as of July 28, 2006, by and between the Operating Partnership and The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), as trustee. The trustee's office is currently located at Global Corporation Trust, 2 N. LaSalle Street, Suite 1020, Chicago, Illinois 60602. We have filed the indenture with the SEC, and the Trust Indenture Act of 1939 governs the indenture. The following description summarizes only the material provisions of the indenture. Accordingly, you should read the indenture, together with any applicable supplemental indenture(s), because it, and not this description, defines your rights as a holder of debt securities issued by the Operating Partnership.

General

The debt securities will be direct, unsecured obligations of the Operating Partnership. The senior debt securities will rank equally with all other senior debt of the Operating Partnership and the subordinated debt securities will rank equally with all other subordinated debt of the Operating Partnership, and will be subordinated to all of our existing and future senior debt. The debt securities will be effectively subordinated to the prior claims of each secured mortgage lender to any specific property that secures such lender's mortgage.

The Operating Partnership may issue debt securities in one or more series without limit as to aggregate principal amount. We can establish an issue of debt securities as sole general partner of the Operating Partnership by a resolution of our board of directors or by a supplemental indenture. All debt securities of one series need not be issued at the same time, and a series may generally be reopened for additional issuances without the consent of the holders of the debt securities of the series.

The indenture provides that there may be more than one trustee, each with respect to one or more series of debt securities. Any trustee under the indenture may resign or be replaced with a successor trustee. Upon written notice, a trustee may be removed by act of the holders of a majority in principle amount of the outstanding debt securities of the series with respect to which the trustee acts as trustee. Except as otherwise described in this prospectus, any action by a trustee may be taken only with respect to the debt securities for which it is trustee under the indenture.

A prospectus supplement will describe the specific terms of any series of debt securities the Operating Partnership offers, including:

the title and type of the debt securities;

whether that series of debt securities constitutes senior or subordinated debt securities;

the aggregate principal amount of the series of debt securities and any limit on the total principal amount of that series;

the price at which the Operating Partnership will issue the debt securities;

the dates on which the Operating Partnership will pay the principal of the debt securities;

the fixed or variable rate at which the debt securities will bear interest, or the method to determine the interest rate;

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the basis upon which the Operating Partnership will calculate interest on the debt securities if other than a 360-day year of twelve 30-day months;

the timing and manner of making principal, interest and any premium payments on the debt securities;

the circumstances under which the Operating Partnership may defer interest payments;

if other than the trustee, the identity of each registrar and/or paying agent for the debt securities of the series;

the place where:

the Operating Partnership can make payments of the debt securities;

the debt securities can be surrendered; and

the holder may serve notices about the debt securities and the indenture, if other than as described in this prospectus;

the portion of the principal amount of the debt securities payable upon acceleration, if it is other than the full principal amount;

whether and under what conditions the Operating Partnership or the holders may redeem the debt securities;

any sinking fund or similar provisions;

the currency in which the Operating Partnership will pay principal, interest and any premium payments on the debt securities, if other than U.S. dollars;

the events of default or covenants of the debt securities, if they are different from or in addition to those described in this prospectus;

whether the Operating Partnership will issue the debt securities in certificated or book-entry form;

whether the Operating Partnership will issue the debt securities in registered or bearer form and their denominations, if other than \$1,000 for registered form or \$5,000 for bearer form;

whether the defeasance and covenant defeasance provisions described in this prospectus apply to the debt securities or are different in any manner;

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the time, manner and place for the debt securities to be authenticated and delivered, if the debt securities are to be issued upon the exercise of debt warrants;

whether and under what circumstances the Operating Partnership will pay additional amounts on the debt securities for any tax, assessment or governmental charge and, if so, whether the Operating Partnership will have the option to redeem the debt securities instead of paying these amounts; and

any other terms of the debt securities.

Some debt securities may provide for less than the entire principal amount to be payable upon acceleration of their maturity, which we refer to as original issue discount securities. The prospectus supplement will describe any material federal income tax, accounting and other considerations applicable to any such original issue discount securities.

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Denominations, Interest, Registration and Transfer

Unless otherwise described in the prospectus supplement, the Operating Partnership will issue debt securities in denominations of:

\$1,000 if they are in registered form;

\$5,000 if they are in bearer form; or

any denomination if they are in global form.

Unless otherwise specified in the prospectus supplement, the principal, interest and any premium on debt securities will be payable at the corporate trust office of the trustee. The Operating Partnership may change the paying agent or registrar for a series of debt securities without prior notice to the holders of the debt securities, and the Operating Partnership or any of its subsidiaries may act as paying agent or registrar.

If any interest date or a maturity date falls on a day that is not a business day, the required payment will be made on the next business day as if it were made on the date the payment was due and no interest will accrue on the amount so payable for the period from and after such interest payment date or such maturity date, as the case may be. For purposes of the indenture, a business day is any day, other than a Saturday or Sunday, on which banking institutions in New York City are open for business.

Subject to limitations imposed upon debt securities issued in book-entry form, you may exchange debt securities for different denominations of the same series or surrender debt securities for transfer at the corporate trust office of the trustee. Every debt security surrendered for transfer or exchange must be duly endorsed or accompanied by a written instrument of transfer. The Operating Partnership will not require the holder to pay any service charge for any transfer or exchange, but the trustee or the Operating Partnership may require the holder to pay any applicable tax or other governmental charge.

Neither the Operating Partnership nor the trustee is required to:

issue, transfer or exchange any debt security if the debt security may be among those selected for redemption during a 15-day period prior to the date of selection;

transfer or exchange any registered security selected for redemption in whole or in part, except, in the case of a registered security to be redeemed in part, the portion not to be redeemed;

exchange any bearer security selected for redemption, except that the holder may exchange the bearer security for a registered security of that series if the holder simultaneously surrenders the registered security for redemption; or

issue, transfer or exchange any debt security that the holder surrenders for repayment.

Guarantees

The debt securities issued by the Operating Partnership may be guaranteed on a senior or subordinated basis by Duke Realty, which guarantees would guarantee the due and punctual payments of principal, premium, if any, and interest on such debt securities, and the due and punctual payment of any sinking fund payments, if any, thereon, when and as the same shall become due and payable, including without limitation, at maturity, whether scheduled or as the result of acceleration, call for redemption or otherwise. The applicability and terms of any such guarantees relating to a series of debt securities of the Operating Partnership will be set forth in the prospectus supplement relating to such debt securities.

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Merger, Consolidation or Sale

The Operating Partnership may consolidate with, or sell, lease or convey all or substantially all of its assets to, or merge into, any other entity, provided that:

the Operating Partnership is the continuing entity, or the successor entity formed by the transaction or which received the transfer of assets is organized and existing under the laws of the United States or a state thereof and expressly assumes payment of the principal, interest and any premium on all the debt securities and the performance and observance of all of the covenants and conditions contained in the indenture;

immediately after giving effect to the transaction and treating any debt that becomes an obligation of the Operating Partnership or any subsidiary as a result of the transaction as having been incurred by the Operating Partnership or such subsidiary at the time of such transaction, no event of default under the indenture, and no event which, after notice or the lapse of time, would become an event of default, has occurred and is continuing; and

the Operating Partnership delivers to the trustee an officers' certificate and legal opinion covering these conditions.

Except for the above restrictions, the indenture does not limit the ability of the Operating Partnership to enter into any of the following types of transactions:

a highly leveraged or similar transaction involving the Operating Partnership, the management of the Operating Partnership or Duke Realty, or any affiliate of any such party;

a change of control; or

a reorganization, restructuring, merger or similar transaction involving the Operating Partnership that may adversely affect the holders of the debt securities.

In addition, subject to the limitations on merger, consolidation or sale described above, the Operating Partnership may enter into transactions in the future, such as the sale of all or substantially all of its assets or the merger or consolidation of the Operating Partnership, that would increase the amount of the Operating Partnership's debt or substantially reduce or eliminate its assets, which may have an adverse effect on the Operating Partnership's ability to service its debt, including the debt securities.

Financial Covenants

Limitations on Incurrence of Debt. The Operating Partnership will not directly or indirectly incur any debt, other than subordinate intercompany debt, if, after giving effect to the incurrence of the additional debt, the aggregate principal amount of all outstanding debt of the Operating Partnership on a consolidated basis determined in accordance with generally accepted accounting principles, or GAAP, is greater than 60% of its then-current total assets.

The Operating Partnership also will not directly or indirectly incur any debt if the ratio of consolidated income available for debt service to the amount that is expensed for interest on debt for the four most recent fiscal quarters would have been less than 1.5 to 1.0 on a pro forma basis after giving effect to the incurrence of the debt and to the application of the proceeds from the debt. In making this calculation, we assume that:

the new debt and any other debt incurred by the Operating Partnership since the first day of the four-quarter period and the application of the proceeds from the new debt, including to refinance other debt, had occurred at the beginning of the period;

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the repayment or retirement of any other debt by the Operating Partnership since the first day of the four-quarter period had been repaid or retired at the beginning of the period (except that the amount of debt under any revolving credit facility is computed based upon the average daily balance of that debt during the period);

the income earned on any increase in total assets since the end of the four-quarter period had been earned, on an annualized basis, during the period; and

in the case of any acquisition or disposition by the Operating Partnership of any assets since the first day of the four-quarter period, the acquisition or disposition or any related repayment of debt had occurred as of the first day of the period with the appropriate adjustments with respect to the acquisition or disposition being included in the pro forma calculation.

In addition, the Operating Partnership will not directly or indirectly incur any secured debt if, after giving effect to the incurrence of the additional secured debt, the aggregate principal amount of all outstanding secured debt of the Operating Partnership on a consolidated basis determined in accordance with GAAP is greater than 40% of its then-current total assets.

Maintenance of Total Unencumbered Assets.