

DUKE REALTY CORP
Form S-3ASR
April 30, 2018
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As filed with the Securities and Exchange Commission on April 30, 2018

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)

James B. Connor

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:

Ann C. Dee
Executive Vice President, General Counsel and

Mark C. Kanaly
Lesley H. Solomon

**Corporate Secretary
Duke Realty Corporation
600 East 96th Street, Suite 100
Indianapolis, Indiana 46240
(317) 808-6000**

**Alston & Bird LLP
One Atlantic Center
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.

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.

Duke Realty Corporation

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

Duke Realty Limited Partnership

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

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 \$108,101,033 of unsold securities previously registered on Form S-3 (Registration Statement No. 333-203744), as filed with the Securities and Exchange Commission on April 30, 2015, and as supplemented on August 9, 2016. In connection with the prior registration of such unsold securities, the registrant paid a registration fee of \$10,885.77 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 or represented by depository 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, Depository Shares, Warrants, Stock Purchase Contracts, Units and Guarantees of Debt Securities will be issued by Duke Realty Corporation.
- (4) Each Depository 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 depository 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)

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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 3 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 of 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, 2018.

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IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

In this prospectus, the words Duke Realty, we, us and our refer to Duke Realty Corporation and the 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. 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's website, www.sec.gov, or at the SEC public reference room mentioned under the heading Where You Can Find More Information.

Please read this prospectus carefully. This prospectus provides you with a general description of the securities that Duke Realty, the Operating Partnership or the selling securityholders may offer. You should rely only on the information contained in this prospectus, any accompanying prospectus supplement, the documents incorporated or deemed incorporated by reference herein or therein and any free writing prospectus that we may provide you in connection with the offered securities. No person is authorized to give any information or make any representation that is different. If anyone provides you with any additional or different information, you should not rely on it. 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, any accompanying prospectus supplement, any information incorporated or deemed incorporated by reference herein or therein or any free writing prospectus, 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.

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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 Exchange Act. The words believe, estimate, expect, anticipate, intend, plan, strategy, continue, seek, may, could and similar expressions regarding future periods are intended to identify forward-looking statements, although not all forward-looking statements may contain such words.

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 contained in or 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 the financial condition of our tenants and the value of our real estate assets;

The continued qualification of Duke Realty 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 Duke Realty's stock price and trading volume;

Our continuing ability to raise funds on favorable terms, or at all;

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 successfully dispose of properties on terms that are favorable to us, including, without limitation, through one or more transactions that are consistent with our previously disclosed strategic plans;

Our ability to successfully integrate our acquired properties;

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

Other risks and uncertainties described herein, as well as those risks and uncertainties discussed from time to time in our other reports and other public filings with the SEC.

Although we presently believe that the plans, expectations and anticipated results expressed in or suggested by the forward-looking statements contained in or incorporated by reference into this prospectus are reasonable, all forward-looking statements are inherently subjective, uncertain and subject to change, as they involve substantial risks and uncertainties, including those 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 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 otherwise may be required by law.

The above list of risks and uncertainties 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 in our Annual Report on Form 10-K for the year ended December 31, 2017. The risk factors contained in our Annual Report are updated by us from time to time in Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings we make with the SEC.

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DUKE REALTY AND THE OPERATING PARTNERSHIP

We and the Operating Partnership collectively specialize in the ownership, management and development of bulk distribution, or industrial, real estate.

We are a self-administered and self-managed REIT that was formed in 1985 and began operations upon the completion of an initial public offering in 1986. The Operating Partnership began operations in October 1993, when Duke Realty contributed all of its properties and related assets and liabilities, together with the net proceeds from an offering of additional shares of its common stock, to the Operating Partnership. Simultaneously, the Operating Partnership completed the acquisition of Duke Associates, a full-service commercial real estate firm operating in the Midwest whose operations began in 1972. We are the sole general partner of the Operating Partnership, owning 99.1% of its common units at December 31, 2017. The remaining 0.9% of the common units are owned by limited partners.

As of December 31, 2017, our diversified portfolio of 509 rental properties (including 42 jointly controlled in-service properties with 11.2 million square feet, 12 consolidated properties under development with 7.2 million square feet and four jointly controlled properties under development with 2.0 million square feet) encompassed 148.8 million rentable square feet. Our properties are leased by a diverse base of more than 1,000 tenants whose businesses include e-commerce, government services, manufacturing, retailing, wholesale trade, and distribution. We also owned, including through ownership interests in unconsolidated joint ventures (with acreage not adjusted for our percentage ownership interest), 1,900 acres of land and controlled an additional 1,600 acres through purchase options.

Our strategic objectives include (i) increasing our investment in quality industrial properties through development; (ii) acquiring industrial properties in markets we believe provide the best potential for future rental growth; and (iii) maintaining an optimal land inventory through selected strategic land acquisitions, new development activity and sales of surplus land. We are continuing to execute our asset strategy through a disciplined approach by identifying development opportunities, identifying select acquisition targets where the asset quality and pricing meet our objectives and continually evaluating our portfolio for disposition by regularly identifying assets that no longer meet our long-term objectives.

Our headquarters and executive offices are located at 600 East 96th Street, Suite 100, Indianapolis, Indiana 46240, and our telephone number at that address is (317) 808-6005. We additionally have regional offices or significant operations in 20 other geographic or metropolitan areas including Atlanta, Georgia; Baltimore, Maryland; Central Florida; Chicago, Illinois; Cincinnati, Ohio; Columbus, Ohio; Dallas, Texas; Houston, Texas; Minneapolis, Minnesota; Nashville, Tennessee; New Jersey; Northern and Southern California; Pennsylvania; Raleigh, North Carolina; Savannah, Georgia; Seattle, Washington; South Florida; St. Louis, Missouri; and Washington D.C.

Table of Contents**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

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.

RATIOS OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

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

	Duke Realty	Operating Partnership
Year Ended December 31, 2017	3.25	3.25
Year Ended December 31, 2016	2.79	2.79
Year Ended December 31, 2015	1.88	1.88
Year Ended December 31, 2014	1.85	1.85
Year Ended December 31, 2013	1.23	1.23

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 indicated. We do not currently have any preferred stock outstanding.

	Duke Realty	Operating Partnership
Year Ended December 31, 2017	3.25	3.25
Year Ended December 31, 2016	2.79	2.79
Year Ended December 31, 2015	1.88	1.88
Year Ended December 31, 2014	1.68	1.68
Year Ended December 31, 2013	1.10	1.10

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;

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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;

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;

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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;

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.

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.

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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.

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:

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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;

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. The Operating Partnership must maintain total unencumbered assets of at least 150% of the aggregate outstanding principal amount of all outstanding unsecured debt; provided, however, that all investments by Duke Realty Limited Partnership and its subsidiaries in unconsolidated joint ventures, unconsolidated limited partnerships, unconsolidated limited liability companies and other unconsolidated entities shall be excluded from the calculation of Total Unencumbered Assets (as such term is defined in the indenture) to the extent that such investments would have otherwise been included in such calculation.

Operating Covenants

Existence. Except as described above under Merger, Consolidation or Sale, the Operating Partnership must preserve and keep in full force and effect its existence, rights and franchises. However, the Operating Partnership need not preserve any right or franchise if we determine that its preservation is no longer desirable in the conduct of our business and that its loss is not materially disadvantageous to the holders of the debt securities.

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Maintenance of Properties. The Operating Partnership must maintain all of its material properties in good condition, repair and working order, supply all properties with all necessary equipment and make all necessary repairs, renewals, replacements and improvements so that we may properly and advantageously conduct our business at all times. However, the Operating Partnership may sell its properties for value in the ordinary course of business.

Insurance. The Operating Partnership must keep all of its insurable properties insured against loss or damage with financially sound and reputable insurance companies. There are certain types of losses, generally of a catastrophic nature, such as hurricanes, earthquakes and floods or acts of war or terrorism that may be uninsurable or not economically insurable.

Payment of Taxes and Other Claims. The Operating Partnership must pay, before they become delinquent:

all taxes, assessments and governmental charges; and

all lawful claims for labor, materials and supplies that, if unpaid, might by law become a lien upon any property.

However, the Operating Partnership is not required to pay any tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

Provision of Financial Information. The Operating Partnership will provide the holders of debt securities with copies of its annual reports and quarterly reports. The Operating Partnership will continue to file timely all annual, quarterly and other periodic reports with the SEC regardless of whether or not the securities laws require the Operating Partnership to do so.

Events of Default, Notice and Waiver

The following are events of default with respect to any series of debt securities issued under the indenture:

default for 30 days in the payment of any installment of interest on any debt security of the series;

default in the payment of the principal or any premium on any debt security of the series at its maturity;

default in making any sinking fund payment as required for any debt security of the series;

default in the payment of an aggregate principal amount exceeding \$5,000,000 of any recourse debt of the Operating Partnership (or of any subsidiary which the Operating Partnership has guaranteed or for which it is liable), if the default continued beyond the expiration of any applicable grace period and resulted in the acceleration of the maturity of such debt in an aggregate principal amount exceeding \$5,000,000, but only if such debt is not discharged or such acceleration is not rescinded or annulled

within 10 days after notice; provided, however, that notes issued from and after September 2012 were issued pursuant to supplemental indentures providing that (a) the references to \$5,000,000 above were increased to \$50,000,000 but (b) for so long as any of the securities issued pursuant to any earlier supplemental indenture are outstanding and provide for this same event of default but for a lower amount of such recourse debt, the references to \$50,000,000 in such supplemental indentures are replaced by such lower amount;

bankruptcy, insolvency or reorganization, or court appointment of a receiver, liquidator or trustee of the Operating Partnership or any significant subsidiary or any of their respective property;

default in the performance of any other covenant contained in the indenture, other than covenants that do not apply to the series, and the default continues for 60 days after notice; and

any other event of default provided with respect to that particular series of debt securities.

If an event of default occurs and continues, the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of that series may declare the principal amount of all of the debt securities of that series to be due and payable immediately. If the debt securities of that series are original issue discount securities or indexed securities, the prospectus supplement will describe the portion of the principal amount required to make the declaration. If this happens and the Operating Partnership thereafter cures the default, the holders of at least a majority in principal amount of outstanding debt securities of that series can void the acceleration.

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The indenture also provides that the holders of at least a majority in principal amount of the outstanding debt securities of a series may waive any past default with respect to that series, except a default in payment or a default of a covenant or other indenture provision that can only be modified with the consent of the holder of each outstanding debt security affected.

The indenture provides that no holders of any series may institute any judicial or other proceedings with respect to the indenture or for any remedy under the indenture, except in the case of failure of the trustee to act for 60 days after it has received a written request to institute proceedings for an event of default from the holders of at least 25% in principal amount of the outstanding debt securities of that series and an offer of indemnity reasonably satisfactory to it. However, this provision will not prevent any holder from instituting suit for the enforcement of any payment due on the debt securities.

Subject to provisions in the indenture relating to its duties in case of default, the trustee is under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any holders, unless the holders offer to the trustee reasonable security or indemnity. The holders of at least a majority in principal amount of the outstanding debt securities of a series (or of all debt securities then outstanding under the indenture, if applicable) have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee. However, the trustee may refuse to follow any direction that:

is in conflict with any law or the indenture;

may subject the trustee to personal liability; or

may be unduly prejudicial to the holders not joining in the direction.

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