
Section 1: 8-K (8-K)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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, 2019**

KITE REALTY GROUP TRUST KITE REALTY GROUP, L.P.

(Exact name of registrant as specified in its charter)

**Maryland
Delaware**
(State or other jurisdiction
of incorporation)

**1-32268
333-202666-01**
(Commission
File Number)

**11-3715772
20-1453863**
(IRS Employer
Identification Number)

**30 S. Meridian Street
Suite 1100
Indianapolis, IN 46204**
(Address of principal executive offices) (Zip Code)

(317) 577-5600
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report)

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 (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

In connection with the compensation matters described in Item 5.02 below, the Board of Trustees (the “Board”) of Kite Realty Group Trust (the “Company”) approved, and the Company, as general partner, entered into, Amendment No. 4 to the Amended and Restated Agreement of Limited Partnership of Kite Realty Group, L.P. (the “Operating Partnership”), dated as of February 28, 2019 (the “Partnership Agreement Amendment”).

The Partnership Agreement Amendment added provisions authorizing the Operating Partnership to issue additional partnership units in the form of appreciation-only LTIP Units (“AO LTIP Units”). AO LTIP Units are a special class of limited partnership units in the Operating Partnership that are intended to qualify as “profits interests” for U.S. federal income tax purposes that, subject to certain conditions, including vesting, may be convertible into vested LTIP Units (as defined in the partnership agreement) of the Operating Partnership.

AO LTIP Units are designed to have economics similar to stock options and allow the recipient, subject to vesting requirements, to realize value above a threshold level set as of the grant date of the award (the “Participation Threshold”). The value of vested AO LTIP Units is realized through conversion into a number of vested LTIP Units in the Operating Partnership determined on the basis of how much the value of a common share of the Company has increased over the Participation Threshold. The conversion ratio between vested AO LTIP Units and vested LTIP Units is the quotient of (i) the excess of the value of a common share of the Company as of the date of conversion over the Participation Threshold, divided by (ii) the value of a common share of the Company as of the date of conversion. This effect is similar to a cashless exercise of stock options, whereby the holder receives a number of shares equal in value to the difference between the full value of the total number of shares for which the stock option is being exercised and the total exercise price. Like stock options, AO LTIP Units have a finite term over which their value is allowed to increase. At the end of the term, vested AO LTIP Units will be mandatorily converted into vested LTIP Units in the Operating Partnership, if any result based on the conversion ratio at that time; until that time, a holder of AO LTIP Units has the right to convert vested AO LTIP Units into vested LTIP Units based on the conversion ratio as of such date of conversion.

Unlike stock options, AO LTIP Units participate, to a limited extent, in cash distributions from the Operating Partnership prior to being converted into vested LTIP Units; such participation starts from the date specified in the vesting agreement or other documentation pursuant to which AO LTIP Units are issued, or if no such date is specified, the grant date. Commencing as of such distribution participation date, for any quarterly or other period, holders of such AO LTIP Units shall be entitled to receive, if, when and as authorized by the Company, as general partner, a cash distribution equal to the product of (i) the amount of cash distributions per AO LTIP Unit that were paid on the Class A Units of the Operating Partnership for the corresponding quarterly or other period, multiplied by (ii) the percentage specified in the relevant award agreement or documentation, or if no such percentage is specified, 10%. Upon conversion of an AO LTIP Unit to a vested LTIP Unit in accordance with the relevant award agreement, the holder of such vested LTIP Unit will receive a cash distribution in respect of Class A Units equal to the amount that would have been payable if such vested LTIP Units had been Class A Units during the period between grant and conversion, less the amount of all distributions already paid in respect of the AO LTIP Units.

Commencing with the portion of the taxable year of the Operating Partnership that begins on the date any AO LTIP Units are entitled to distributions, such AO LTIP Units shall be allocated net income in an amount equal to the total amount distributed to that AO LTIP Unit with respect to such period. The Company, as general partner, is authorized in its discretion to delay or accelerate the participation of the AO LTIP Units in allocations of net income or to adjust the allocations made to effectuate the purposes of the economic arrangement contemplated by the parties and to ensure that the AO LTIP Units will be respected as “profits interests” for U.S. federal income tax purposes.

AO LTIP Units issued by the Operating Partnership may be subject to vesting, forfeiture and additional restrictions on transfer as determined by the Compensation Committee of the Board (the “Compensation Committee”). On February 28, 2019, the Compensation Committee adopted and authorized a form of Appreciation Only LTIP Unit Agreement which may be used and modified from time to time in connection with grants of AO LTIP Units.

The foregoing summary of the terms and conditions of the Partnership Agreement Amendment is qualified in its entirety by reference to the full text of Amendment No. 4 to Amended and Restated Agreement of Limited Partnership of Kite Realty Group, L.P., which is attached hereto as Exhibit 10.1 and incorporated herein by reference. The foregoing summary of the Appreciation Only LTIP Unit Agreement is qualified in its entirety by reference to the full text of the Form of Appreciation Only LTIP Unit Agreement, which is attached hereto as Exhibit 10.2 and incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information under Item 1.01 of this Current Report is incorporated into this Item 5.02.

On February 28, 2019 (the “grant date”), in connection with its annual review of executive compensation and as described in the table below, the Compensation Committee approved an aggregate grant of 1,891,836 AO LTIP Units (the “awards”) to the Company’s executive officers under an amendment and restatement of the Company’s 2013 Equity Incentive Plan.

Executive	Number of AO LTIP Units (#)	Participation Threshold per AO LTIP Unit
John A. Kite	1,224,490	\$ 15.68
Thomas A. McGowan	306,122	\$ 15.68
Heath R. Fear	208,163	\$ 15.68
Scott E. Murray	153,061	\$ 15.68

With respect to each award, the Company entered into an Appreciation Only LTIP Unit Agreement (an “award agreement”) with each executive officer in substantially the form attached as Exhibit 10.2 to this Current Report. Under the award agreement, the AO LTIP Units have a six-year term from the grant date.

The AO LTIP Units are only exercisable and convertible into vested LTIP Units of the Operating Partnership to the extent that they become vested AO LTIP Units. The awards of AO LTIP Units are subject to both time-based and performance-based vesting requirements. Subject to the terms of the award agreement, the AO LTIP Units shall vest and become fully exercisable as of the date that both of the following requirements have been met: (i) the grantee remains in continuous service from the grant date through the third anniversary of the grant date; and (ii) at any time during the five-year period following the grant date, the reported closing price per common share of the Company appreciates at least 20% over the applicable Participation Threshold per AO LTIP Unit (as set forth in the table above) for a minimum of 20 consecutive trading days. Any AO LTIP Units that do not become vested will be forfeited and become null and void as of the fifth anniversary of the grant date, but AO LTIP Units may also be forfeited earlier in connection with a corporate transaction or with the holder’s termination of service.

In the event of a corporate transaction (as such term is defined for purposes of the award agreement), if the AO LTIP Units are not assumed, the performance metric under the performance-based vesting requirement is pro-rated from the grant date to the corporate transaction. If the corporate transaction’s deal price would satisfy the pro-rated performance-based vesting requirement, then the AO LTIP Units will vest in full as of immediately prior to the consummation of the corporate transaction. If the corporate transaction’s deal price would not satisfy the pro-rated performance-based vesting requirement, then the AO LTIP Units will be forfeited as of immediately prior to the consummation of the corporate transaction.

If the holder’s service is terminated for cause (as such term is defined for purposes of the award agreement), unvested and vested AO LTIP Units are immediately forfeited as of the date of termination of service. In the event of the holder’s termination of service without cause, for good reason, or due to death, disability or retirement (as such terms are defined for purposes of the award agreement), if the performance-based requirement has already been met or is met within 90 days of the date of termination of service, then the holder vests in a pro-rated number of AO LTIP Units based on the duration of such holder’s service during the three-year period following the grant date. If the holder’s service is terminated for any reason other than for cause, the holder has up

to 90 days from the date of termination of service (or the earlier expiration of the term) to exercise and convert vested AO LTIP Units, including any AO LTIP Units that vest in accordance with the preceding sentence. Unvested AO LTIP Units that do not vest in connection with a holder's termination of service and vested AO LTIP Units that are not exercised and converted within the applicable post-termination exercise window will be forfeited.

The awards are subject to terms of conversion, distribution and other terms described in Item 1.01 of this Current Report. The amendment and restatement of the 2013 Equity Incentive Plan is subject to approval by the Company's shareholders. In the event that the amended and restated plan is not approved by the Company's shareholders, the awards will not be exercisable until such approval is obtained in the future, except to the extent such awards could have been made under the 2013 Equity Incentive Plan, as determined by the Compensation Committee.

The foregoing summary of the award agreement is qualified in its entirety by reference to the full text of the Form of Appreciation Only LTIP Unit Agreement, which is attached hereto as Exhibit 10.2 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Amendment No. 4 to the Amended and Restated Agreement of Limited Partnership of Kite Realty Group, L.P.
10.2	Form of Appreciation Only LTIP Unit Agreement

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	Amendment No. 4 to the Amended and Restated Agreement of Limited Partnership of Kite Realty Group, L.P.
10.2	Form of Appreciation Only LTIP Unit Agreement

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 hereunto duly authorized.

KITE REALTY GROUP TRUST

Date: March 4, 2019

By: /s/ Scott E. Murray
Scott E. Murray
Executive Vice President, General Counsel and Corporate Secretary

KITE REALTY GROUP, L.P.

By: Kite Realty Group Trust, its sole general partner

Date: March 4, 2019

By: /s/ Scott E. Murray
Scott E. Murray
Executive Vice President, General Counsel and Corporate Secretary

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Section 2: EX-10.1 (EX-10.1)

Exhibit 10.1

AMENDMENT NO. 4
TO
AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
KITE REALTY GROUP, L.P.

This Amendment No. 4 to the Amended and Restated Agreement of Limited Partnership of Kite Realty Group, L.P. (this "**Amendment**") is made as of February 28, 2019 by Kite Realty Group Trust, a Maryland real estate investment trust, as sole general partner (the "**Company**") of Kite Realty Group, L.P., a Delaware limited partnership (the "**Partnership**"), pursuant to the authority granted to the Company in the Amended and Restated Agreement of Limited Partnership of Kite Realty Group, L.P., dated as of August 16, 2004, as amended by Amendment No. 1, dated as of December 7, 2010, as further amended by Amendment No. 2, dated as of March 12, 2012, and as further amended by Amendment No. 3, dated as of July 28, 2014 (the "**Partnership Agreement**"), for the purpose of issuing additional Partnership Units in the form of LTIP Units that participate only in appreciation (referred to as "**Class AO LTIP Units**"). Capitalized terms used and not defined herein shall have the meanings set forth in the Partnership Agreement.

WHEREAS, the Company and the Partnership desire to provide for an additional form of equity incentive to certain persons who provide services to or for the benefit of the Partnership in the form of Partnership Units which shall be designated "Class AO LTIP Units"; and

WHEREAS, the Company and the Partnership desire to amend the Partnership Agreement, in accordance Section 4.2 of the Partnership Agreement, to provide for the Class AO LTIP Units, having the designations, preferences and other rights as described herein.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Partnership Agreement is hereby amended as follows:

1. Amendments to the Partnership Agreement. The Company and the Partnership hereby amend the Partnership Agreement as follows:

A. Article I of the Partnership Agreement is hereby amended to add the following definitions:

"Book-Up Target" for each LTIP Unit means the lesser of (i) the Class A Unit Economic Balance as determined on the date such LTIP Unit was granted and as reduced (not to less than zero) by allocations of Liquidating Gains pursuant to Section 6.1.E and reallocations of Class A Unit Balances to such LTIP Unit as a result of a forfeiture of an LTIP Unit, as determined by the General Partner and (ii) the amount required to be allocated to such LTIP Unit for the Economic Capital Account Balance, to the extent attributable to such LTIP Unit, to be equal to the Class A Unit Economic Balance. Notwithstanding the foregoing, the Book-Up Target shall be equal to zero for any LTIP Unit for which the Economic Capital Account Balance attributable to such LTIP Unit has, at any time, reached an amount equal to the

Class A Unit Economic Balance determined as of such time.

“**Class AO LTIP Unit**” means a Partnership Unit which is designated as a Class AO LTIP Unit and which has the rights, preferences and other privileges designated in **Exhibit J** hereof. The allocation of Class AO LTIP Units among the Partners shall be set forth on **Exhibit A**, as it may be amended or restated from time to time.

“**Class AO LTIP Unitholder**” means a Partner that holds Class AO LTIP Units.

B. The definitions in Article I of the Partnership Agreement set forth below are amended as set forth below:

“**LTIP Units**” means a Partnership Unit which is designated as an LTIP Unit and which has the rights, preferences and other privileges designated in Sections 4.6 and 4.7 and elsewhere in this Agreement in respect of holders of LTIP Units. The allocation of LTIP Units among the Partners shall be set forth on **Exhibit A**, as it may be amended or restated from time to time. For the avoidance of doubt, a Vested LTIP Unit that has been converted from a Class AO LTIP Unit is an LTIP Unit, and will be treated as an LTIP effective as of the date of such conversion.

“**Partnership Interest**” means a Limited Partnership Interest, a General Partnership Interest, LTIP Units and Class AO LTIP Units and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Partnership Interest may be expressed as a number of Partnership Units.

C. Article IV of the Partnership Agreement is hereby amended to add the following new Section 4.8:

Section 4.8. Issuance of Class AO LTIP Units. The Partnership shall be authorized to issue Partnership Units of a series designated as “Class AO LTIP Units”. Class AO LTIP Units are intended to qualify as profits interests in the Partnership and, for the avoidance of doubt, shall not be treated as compensation for services, and no Class AO LTIP Unit shall have any Capital Account as of the time of issuance. Class AO LTIP Units shall have the terms set forth in **Exhibit J** attached hereto and made part hereof. Distributions made with respect to Class AO LTIP Units shall be adjusted as necessary to ensure that the amount apportioned to each Class AO LTIP Unit does not exceed the amount attributable to the Class AO LTIP Unit’s share of Partnership net income or gain realized after the date such Class AO LTIP Unit was issued by the Partnership (including in connection with an adjustment to the Carrying Value of Partnership assets under Section 1.D of **Exhibit B** of this Agreement). If distributions are reduced in accordance with the preceding sentence for a taxable year due to insufficient net income or gain for such year, distributions shall be made up in subsequent taxable years when there is sufficient net income or gain. The intent of this Section 4.8 is to ensure that any Class AO LTIP Units qualify as “profits interests” under Revenue Procedure 93-27, 1993-2 C.B. 343 (June 9, 1993) and Revenue Procedure 2001-43, 2001-2 C.B. 191 (August 3, 2001), and this Section 4.8 shall be interpreted and applied consistently therewith. The General Partner at its discretion may amend this Section 4.8 and **Exhibit J** to ensure that any Class AO LTIP Units will qualify as “profits interests” under Revenue Procedure 93-27, 1993-2 C.B. 343 (June 9, 1993) and Revenue Procedure 2001-43, 2001-2 C.B. 191 (August 3, 2001) (and any other similar rulings or regulations that may be in effect at such time).

D. Section 6.1.E of the Partnership Agreement is hereby amended and restated in its entirety as follows:

E. Special Allocations Regarding LTIP Units. Notwithstanding the provisions of Section 6.1.A, Liquidating Gains shall first be allocated to the LTIP Unitholders until their Economic Capital Account Balances, to the extent attributable to their ownership of LTIP Units, are equal to (i) the Class A Unit Economic Balance, multiplied by (ii) the number of their LTIP Units, plus the aggregate net amount of Net Income and Net Loss allocated to such LTIP Units prior to the Distribution Participation Date with respect to such LTIP Units less the amount of any Special LTIP Unit Distributions with respect to such LTIP Units, provided, however, that no such Liquidating Gains will be allocated with respect to any particular LTIP Unit unless and to the extent that such Liquidating Gains, when aggregated with other Liquidating Gains realized since the issuance of such LTIP Unit, exceed Liquidating Losses realized since the issuance of such LTIP Unit. After giving effect to the special allocations set forth in Section 1 of **Exhibit C** hereto, and notwithstanding the provisions of Sections 6.1.A and 6.1.B above, in the event that, due to distributions with respect to Class A Units in which the LTIP Units do not participate or otherwise, the Economic Capital Account Balances of any present or former holder of LTIP Units, to the extent attributable to the holder’s ownership of LTIP Units, exceed the target balance specified above, then Liquidating Losses shall be

allocated to such holder to the extent necessary to reduce or eliminate the disparity. In the event that Liquidating Gains or Liquidating Losses are allocated under this Section 6.1.E, Net Income allocable under clause 6.1.A(6) and any Net Losses shall be recomputed without regard to the Liquidating Gains or Liquidating Losses so allocated. For this purpose, “**Liquidating Gains**” means net gains that are or would be realized in connection with the actual or hypothetical sale of all or substantially all of the assets of the Partnership, including but not limited to net capital gain realized in connection with an adjustment to the value of Partnership assets under Section 704(b) of the Code made pursuant to Section 1.D of Exhibit B of the Partnership Agreement. “**Liquidating Losses**” means any net capital loss realized in connection with any such event. The “**Economic Capital Account Balances**” of the LTIP Unitholders and Class AO LTIP Unitholders, respectively, will be equal to their Capital Account balances to the extent attributable to their ownership of LTIP Units or Class AO LTIP Units, as the case may be. Similarly, the “**Class A Unit Economic Balance**” shall mean (i) the Capital Account balance of the General Partner, plus the amount of the General Partner’s share of any Partner Minimum Gain or Partnership Minimum Gain, in either case to the extent attributable to the General Partner’s ownership of Class A Units and computed on a hypothetical basis after taking into account all allocations through the date on which any allocation is made under this Section 6.1.E, but prior to the realization of any Liquidating Gains, divided by (ii) the number of the General Partner’s Class A Units. Any such allocations shall be made among the LTIP Unitholders in the following order: (i) first, to Vested LTIP Units that have been converted from Class AO LTIP Units, (ii) second, to Vested LTIP Units held for more than two years, (iii) third, to Vested LTIP Units held for two years or less, (iv) fourth, to Unvested LTIP Units that have remaining vesting conditions that only require continued employment or service to the Partnership, the General Partner, the General Partner Entity or an Affiliate of either for a certain period of time (with such Liquidating Gains being attributed in order of vesting from soonest vesting to latest vesting), and (v) fifth, to other Unvested LTIP Units (with such Liquidating Gains being attributed in order of issuance from earliest issued to latest issued). The parties agree that the intent of this Section 6.1.E is to make the Capital Account balance associated with each LTIP Unit to be economically equivalent to the Capital Account balance associated with the General Partner’s Class A Units (on a per-Unit basis, other than differences resulting from the allocation of Net Income and Net Loss allocated to such LTIP Units prior to the Distribution Participation Date with respect to such LTIP Units in excess of the amount of Special LTIP Unit Distributions paid with respect to such LTIP Units), provided that Liquidating Gains are of a sufficient magnitude to do so upon a sale of all or substantially all of the assets of the Partnership, or upon an adjustment to the Partners’ Capital Accounts pursuant to Section 1.D of Exhibit B. To the extent the LTIP Unitholders receive a distribution in excess of their Capital Accounts, such distribution will be a guaranteed payment under Section 707(c) of the Code.

E. Section 6.1 of the Partnership Agreement is hereby amended to add the following new Subsection 6.1.F:

F. Special Allocations with Respect to Class AO LTIP Units. The principles of Section 6.1.E shall apply in respect of allocation of Liquidating Gains and Liquidating Losses to unvested Class AO LTIP Units as if they were unvested LTIP Units, until the Economic Capital Account Balance per Class AO LTIP Unit is, as nearly as possible, equal to the product of (x) the number of Class A Units into which such Class AO LTIP Unit is convertible (as if such Class AO LTIP Unit were vested), and (y) the Class A Unit Economic Balance, applying correlative changes to the Book-Up Target for this purpose. The parties agree that the intent of this Section 6.1.F is to make the Capital Account balance associated with each Class AO LTIP Unit economically equivalent to the Class A Unit Economic Balance (on an “as converted” basis), but only if the Partnership has recognized cumulative net gains with respect to its assets since the issuance of the relevant Class AO LTIP Unit, and to achieve the economic result consistent with **Exhibit J**.

F. Section 8.6 of the Partnership Agreement is hereby amended to add the following new Subsection 8.6.G:

G. Class AO LTIP Unit Exception and Redemption of Class A Units Issued Upon Conversion of LTIP Units Into Which Class AO LTIP Units Were Converted. Holders of Class AO LTIP Units shall not be entitled to the Redemption Right provided for in Section 8.6.A of this Agreement, unless and until such Class AO LTIP Units (i) have been converted into LTIP Units and (ii) such LTIP Units have subsequently been converted into Class A Units (or any other class or series of Partnership Units entitled to such Redemption Right), in each case in accordance with their terms. Notwithstanding the foregoing, and except as otherwise permitted by the award, plan or other agreement pursuant to which a Class AO LTIP Unit was issued, the Redemption Right shall not be exercisable with respect to any Class A Unit issued upon conversion of an LTIP Unit into which a Class AO LTIP Unit was previously converted until on or after the date that is two years after the date on which the Class AO LTIP Unit was issued, provided however, that the first sentence of Subsection 8.6.A(i) shall not apply with respect to Class A Units issued upon conversion of LTIP Units into which Class AO LTIP Units were previously converted. For the avoidance of doubt, the foregoing prohibition shall no longer apply upon (i) the termination of employment of the applicable holder of Class AO LTIP Units with the General Partner or its affiliates (a) by the General Partner (or its successor) without “Cause” (as defined in the applicable Class AO LTIP Unit agreement) or (b) the applicable holder of Class AO LTIP Units for “Good Reason” (as defined in the applicable Class AP LTIP Unit agreement) or (ii) the occurrence of a “Corporate Transaction” (as defined in the applicable Class AO LTIP Unit agreement).

G. Clause 1.D.(2) of Exhibit B — Capital Account Maintenance of the Partnership Agreement is hereby amended and restated in its entirety as follows:

(2) Such adjustments shall be made as of the following times: (a) immediately prior to the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis Capital Contribution; (b) immediately prior to the distribution by the Partnership to a Partner of more than a de minimis amount of property as consideration for an interest in the Partnership; (c) immediately prior to the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); (d) immediately prior to the issuance of any LTIP Units; and (e) immediately prior to the issuance of any Class AO LTIP Units, provided, however, that adjustments pursuant to clauses (a), (b), (d) and (e) above shall be made only if the General Partner determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership.

H. New Exhibit J — DESIGNATION OF THE PREFERENCES, CONVERSION AND OTHER RIGHTS, VOTING POWERS, RESTRICTIONS, LIMITATIONS AS TO DISTRIBUTIONS, QUALIFICATIONS AND TERMS AND CONDITIONS OF REDEMPTION OF THE CLASS AO (“APPRECIATION ONLY”) UNITS is added to the Partnership Agreement.

2. Except as modified herein, all terms and conditions of the Partnership Agreement shall remain in full force and effect, which terms and conditions the Company hereby ratifies and confirms.

3. This Amendment shall be construed and enforced in accordance with and governed by the laws of the State of Delaware, without regard to conflicts of law.

4. If any provision of this Amendment is or becomes invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not be affected thereby.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first set forth above.

KITE REALTY GROUP TRUST
As sole general partner of Kite Realty Group, L.P.

By: /s/ Scott E. Murray
Name: Scott E. Murray
Title: Executive Vice President, General Counsel and Corporate
Secretary

*[Signature Page to Amendment No. 4 to the Amended and Restated Agreement
of Limited Partnership of Kite Realty Group, L.P.]*

EXHIBIT J
DESIGNATION OF THE PREFERENCES, CONVERSION
AND OTHER RIGHTS, VOTING POWERS, RESTRICTIONS,
LIMITATIONS AS TO DISTRIBUTIONS, QUALIFICATIONS AND TERMS
AND CONDITIONS OF REDEMPTION
OF THE CLASS AO (“APPRECIATION ONLY”) LTIP UNITS

The following are the terms of the Class AO (“Appreciation Only”) LTIP Units:

1. Vesting.

A. Vesting, Generally. Class AO LTIP Units may, in the sole discretion of the General Partner, be issued subject to vesting, forfeiture and additional restrictions on transfer pursuant to the terms of an award, vesting or other similar agreement (a “**Class AO LTIP Unit Vesting Agreement**”). The terms of any Class AO LTIP Unit Vesting Agreement may be modified by the General Partner from time to time in its sole discretion, subject to any restrictions on amendment imposed by the relevant Class AO LTIP Unit Vesting Agreement or by the terms of any plan pursuant to which the Class AO LTIP Units are issued, if applicable. Class AO LTIP Units that have vested and are no longer subject to forfeiture under the terms of a Class AO LTIP Unit Vesting Agreement are referred to as “**Vested Class AO LTIP Units**”; all other Class AO LTIP Units are referred to as “**Unvested Class AO LTIP Units**”.

B. Forfeiture or Transfer of Unvested Class AO LTIP Units. Unless otherwise specified in the relevant Class AO LTIP Unit Vesting Agreement, upon the occurrence of any event specified in a Class AO LTIP Unit Vesting Agreement as resulting in either the forfeiture of any Class AO LTIP Units, or the right of the Partnership or the General Partner to repurchase Class AO LTIP Units at a specified purchase price, then upon the occurrence of the circumstances resulting in such forfeiture or if the Partnership or the General Partner exercises such right to repurchase, then the relevant Class AO LTIP Units shall immediately, and without any further action, be treated as cancelled or transferred to the General Partner, as applicable, and no longer outstanding for any purpose. Unless otherwise specified in the Class AO LTIP Unit Vesting Agreement, no consideration or other payment shall be due with respect to any Class AO LTIP Units that have been forfeited, other than any distributions declared with a record date prior to the effective date of the forfeiture.

C. Legend. Any certificate evidencing a Class AO LTIP Unit shall bear an appropriate legend indicating that additional terms, conditions and restrictions on transfer, including without limitation provisions set forth in the Class AO LTIP Unit Vesting Agreement, apply to the Class AO LTIP Unit.

2. Distributions.

Commencing as of the date as may be specified in the Class AO LTIP Unit Vesting Agreement or other documentation pursuant to which Class AO LTIP Units are issued, or if no such date is specified, the grant date (“**Class AO LTIP Unit Distribution Participation Date**”), for any quarterly or other period, holders of such Class AO LTIP Units shall be entitled to receive, if, when and as authorized by the General Partner out of funds legally available for the payment of distributions, regular cash distributions in an amount per Class AO LTIP Unit equal to the product of (i) the distribution payable on each Class A Unit for the corresponding quarterly or other period, multiplied by (ii) the percentage that is specified as the Class AO LTIP Unit Sharing Percentage in the Class AO LTIP Unit Vesting Agreement or other documentation pursuant to which Class AO LTIP Units are issued, or if no such percentage is specified, 10% (“**Class AO LTIP Unit Sharing Percentage**”). Distributions on the Class AO LTIP Units, if authorized, shall be payable on such dates and in such manner as may be authorized by the General Partner (any such date, a “**Distribution Payment Date**”); provided that the Distribution Payment Date and the record date for determining which holders of Class AO LTIP Units are entitled to receive a distribution shall be the same as the corresponding dates relating to the corresponding distribution on the Class A Units.

As soon as practicable after conversion of a Class AO LTIP Unit to a Vested LTIP Unit in accordance with Section 5 below, the holder of such Vested LTIP Unit will be entitled to receive in a lump sum a portion of any regular cash distributions made in respect of Class A Units, if any, equal to (x) the total aggregate amount that would have been payable to such holder if such Vested LTIP Units had been Class A Units during the period between grant

of the Class AO LTIP Units and conversion to Vested LTIP Units, for the quarterly or other period to which such distributions relate (assuming such Class AO LTIP Units were held for the entire quarter or other period), less (y) the total aggregate amount all distributions previously made with respect to the Class AO LTIP Units to which such Vested LTIP Units relate during the period between grant of the Class AO LTIP Units and conversion to Vested LTIP Units.

Vested LTIP Units shall have the right to receive distributions from the Partnership as set forth on the Agreement.

3. Allocations.

Commencing with the portion of the taxable year of the Partnership that begins on the date any Class AO LTIP Units are entitled to distributions pursuant to Section 2 above, such Class AO LTIP Units shall be allocated Net Income in an amount equal to the total amount distributed to that Class AO LTIP Unit with respect to such period. The General Partner is authorized in its discretion to delay or accelerate the participation of the Class AO LTIP Units in allocations of Net Income or to adjust the allocations made under this Section 3 to effectuate the purposes of the economic arrangement contemplated by the parties and to ensure that the Class AO LTIP Units will be respected as “profits interests” for U.S. federal income tax purposes, as contemplated by Section 4.8 of the Agreement.

4. Adjustments.

If an Adjustment Event (as defined below) occurs, then the General Partner shall make a corresponding adjustment to each Class AO LTIP Unit to adjust by the same increment for which a Class A Unit was adjusted, provided that to the extent that the Value of a common Share was less than the applicable Class AO LTIP Unit Participation Threshold as of the date of an Adjustment Event, the adjustment for a Class AO LTIP Unit shall only be for the amount by which the increment of the Class A Unit adjustment would have exceeded such Class AO LTIP Unit Participation Threshold, provided that, notwithstanding the foregoing, if an Adjustment Event occurs, the General Partner may make such adjustments to the Class AO LTIP Units as it determines to be appropriate in order to achieve the intended economics of the Class AO LTIP Units. The following shall be “**Adjustment Events**”: (A) the Partnership makes a distribution on all outstanding Class A Units in Partnership Units, (B) the Partnership subdivides the outstanding Class A Units into a greater number of units or combines the outstanding Class A Units into a smaller number of units, or (C) the Partnership issues any Partnership Units in exchange for its outstanding Class A Units by way of a reclassification or recapitalization of its Class A Units. If more than one Adjustment Event occurs, the adjustment to the Class AO LTIP Units need be made only once using a single formula that takes into account each and every Adjustment Event as if all Adjustment Events occurred simultaneously. For the avoidance of doubt, the following shall not be Adjustment Events: (x) the issuance of Partnership Units in a financing, reorganization, acquisition or other similar business transaction, (y) the issuance of Partnership Units pursuant to any employee benefit or compensation plan or distribution reinvestment plan, or (z) the issuance of any Partnership Units to the General Partner in respect of a capital contribution to the Partnership of proceeds from the sale of securities by the General Partner. If the Partnership takes an action affecting the Class A Units other than actions specifically described above as Adjustment Events and in the opinion of the General Partner such action would require an adjustment to the Class AO LTIP Units to effect the adjustments described above, the General Partner shall have the right to make such adjustment to the Class AO LTIP Units, to the extent permitted by law and by the terms of any plan pursuant to which the Class AO LTIP Units have been issued, in such manner and at such time as the General Partner, in its sole discretion, may determine to be appropriate under the circumstances to effect the adjustments described above. If an adjustment is made to the Class AO LTIP Units as herein provided the Partnership shall promptly file in the books and records of the Partnership an officer’s certificate setting forth such adjustment and a brief statement of the facts requiring such adjustment, which certificate shall be conclusive evidence of the correctness of such adjustment absent manifest error. Promptly after filing of such certificate, the Partnership shall mail a notice to each holder of Class AO LTIP Units setting forth the adjustment to his or her Class AO LTIP Units and the effective date of such adjustment.

5. No Liquidation Preference.

The Class AO LTIP Units shall have no liquidation preference.

6. Right to Convert Class AO LTIP Units into Class A Units.

A. Class AO LTIP Unit Conversion Right. A holder of Class AO LTIP Units shall have the right (the “**Class AO LTIP Unit Conversion Right**”), at his or her option, at any time to convert all or a portion of his or her Vested Class AO LTIP Units into Vested LTIP Units, in accordance with the provisions of Section 6.B below. Holders of Class AO LTIP Units shall not have the right to convert Unvested Class AO LTIP Units into Vested LTIP Units until they become Vested Class AO LTIP Units; provided, however, that when a holder of Class AO LTIP Units is notified of the expected occurrence of an event that will cause his or her Unvested Class AO LTIP Units to become Vested Class AO LTIP Units, such Person may give the Partnership a Class AO LTIP Unit Conversion Notice conditioned upon and effective as of the time of vesting, and such Class AO LTIP Unit Conversion Notice, unless subsequently revoked by the holder of the Class AO LTIP Units prior to conversion, shall be accepted by the Partnership subject to such condition. The General Partner shall have the right at any time to cause a conversion of Vested Class AO LTIP Units into Vested LTIP Units. In all cases, the conversion of any Class AO LTIP Units into Vested LTIP Units shall be subject to the conditions and procedures set forth in this Section 6.

B. Number of Units Convertible. A holder of Vested Class AO LTIP Units may convert such Vested Class AO LTIP Units into a number (or fraction thereof) of fully paid and non-assessable Vested LTIP Units, giving effect to all adjustments (if any) made pursuant to Section 4 equal to the Class AO LTIP Unit Conversion Factor (as defined below).

“**Class AO LTIP Unit Conversion Factor**” shall mean the quotient of (i) the excess of the Value of a common Share as of the date of conversion over the Class AO LTIP Unit Participation Threshold (as defined below) for such Vested Class AO LTIP Unit, divided by (ii) the Value of a common Share as of the date of conversion.

“**Class AO LTIP Unit Participation Threshold**” shall mean, for each Class AO LTIP Unit, the amount specified as such in the relevant Class AO LTIP Unit Vesting Agreement or other documentation pursuant to which such Class AO LTIP Unit is granted. The Class AO LTIP Unit Participation Threshold of a Class AO LTIP Unit is intended to be the Value of a common Share as of the date of issuance of such Class AO LTIP Unit.

C. Notice. In order to exercise his or her Class AO LTIP Unit Conversion Right, a holder of Class AO LTIP Units shall deliver a notice (a “**Class AO LTIP Unit Conversion Notice**”) in the form attached as Attachment A to this **Exhibit J** to the Partnership not less than 10 nor more than 60 days prior to a date (the “**Conversion Date**”) specified in such Class AO LTIP Unit Conversion Notice. Each holder of Class AO LTIP Units covenants and agrees with the Partnership that all Vested Class AO LTIP Units to be converted pursuant to this Section 6 shall be free and clear of all liens. Notwithstanding anything herein to the contrary or the holding period requirement of Section 8.6A(i) of the Agreement (but subject to the remainder of Section 8.6 of the Agreement), a holder of Class AO LTIP Units may deliver a Redemption Notice pursuant to Section 8.6 of the Agreement relating to those Vested LTIP Units that will be issued to such holder upon conversion of such Class AO LTIP Units into Vested LTIP Units in advance of the Conversion Date; provided, however, that the redemption of such Vested LTIP Units by the Partnership shall in no event take place until the Conversion Date. For clarity, it is noted that the objective of this paragraph is to put a holder of Class AO LTIP Units in a position where, if he or she so wishes, the Vested LTIP Units into which his or her Vested Class AO LTIP Units will be converted can be redeemed by the Partnership simultaneously with such conversion notwithstanding such Vested LTIP Units were not held for one (1) year, with the further consequence that, if the General Partner elects to assume the Partnership’s redemption obligation with respect to such Vested LTIP Units under Section 8.6 of the Agreement by delivering to such holder Shares rather than cash, then such holder can have such Shares issued to him or her simultaneously with the conversion of his or her Vested Class AO LTIP Units into Vested LTIP Units. The General Partner shall cooperate with a holder of Class AO LTIP Units to coordinate the timing of the different events described in the foregoing sentence.

D. Class AO LTIP Unit Forced Conversion. The Partnership, at any time at the election of the General Partner, may cause any number of Vested Class AO LTIP Units held by a holder of Class AO LTIP Units to be converted (a “**Class AO LTIP Unit Forced Conversion**”) into a number of Vested LTIP Units equal to the Class AO LTIP Unit Conversion Factor, giving effect to all adjustments (if any) made pursuant to Section 4, and may cause any number of such resulting Vested LTIP Units to be converted into a number of Class A Units in accordance with **Exhibit E** of the Agreement; provided that the Partnership may not cause a Class AO LTIP Unit Forced Conversion of any Class AO LTIP Units that would not at the time be eligible for conversion at the option of the holder of such

Class AO LTIP Units pursuant to Section 6.B above. In order to exercise its right to cause a Class AO LTIP Unit Forced Conversion, the Partnership shall deliver a notice (a “**Class AO LTIP Unit Forced Conversion Notice**”) in the form attached as Attachment B to this **Exhibit J** to the applicable holder not less than 10 nor more than 60 days prior to the Conversion Date specified in such Class AO LTIP Unit Forced Conversion Notice. A Class AO LTIP Unit Forced Conversion Notice shall be provided in the manner provided in Section 15.1 of the Agreement.

E. Conversion Procedures. A conversion of Vested Class AO LTIP Units for which the holder thereof has given a Class AO LTIP Unit Conversion Notice or the Partnership has given a Class AO LTIP Unit Forced Conversion Notice shall occur automatically after the close of business on the applicable Conversion Date without any action on the part of such holder of Class AO LTIP Units, as of which time such holder of Class AO LTIP Units shall be credited on the books and records of the Partnership with the issuance as of the opening of business on the next day of the number of Class A Units issuable upon such conversion. After the conversion of Class AO LTIP Units as aforesaid, the Partnership shall deliver to such holder of Class AO LTIP Units, upon his or her written request, a certificate of the General Partner certifying the number of Vested LTIP Units and remaining Class AO LTIP Units, if any, held by such Person immediately after such conversion.

F. Treatment of Capital Account. For purposes of making future allocations under the Agreement, the Economic Capital Account Balance of the applicable Class AO LTIP Unitholder shall be reduced, as of the date of conversion, by the amount of such Economic Capital Account Balance attributable to the converted Class AO LTIP Units.

G. Mandatory Conversion in Connection with a Transaction. If the Partnership or the General Partner shall be a party to any transaction (including without limitation a merger, consolidation, unit exchange, self tender offer for all or substantially all Class A Units or other business combination or reorganization, or sale of all or substantially all of the Partnership’s assets, but excluding any transaction which constitutes an Adjustment Event), in each case as a result of which Class A Units shall be exchanged for or converted into the right, or the holders of Class A Units shall otherwise be entitled, to receive cash, securities or other property or any combination thereof (each of the foregoing being referred to herein as a “**Transaction**”), then the General Partner shall, immediately prior to the Transaction, exercise its right to cause a Class AO LTIP Unit Forced Conversion with respect to all Class AO LTIP Units then eligible for conversion, taking into account any allocations that occur in connection with the Transaction or that would occur in connection with the Transaction if the assets of the Partnership were sold at the Transaction price or, if applicable, at a value determined by the General Partner in good faith using the value attributed to the Partnership Units in the context of the Transaction (in which case the Conversion Date shall be the effective date of the Transaction and the conversion shall occur immediately prior to the effectiveness of the Transaction).

In anticipation of such Class AO LTIP Unit Forced Conversion and the consummation of the Transaction, the Partnership shall use commercially reasonable efforts to cause each holder of Class AO LTIP Units to be afforded the right to receive in connection with such Transaction in consideration for the Vested LTIP Units and Class A Units into which his or her Class AO LTIP Units will be converted into the same kind and amount of cash, securities and other property (or any combination thereof) receivable upon the consummation of such Transaction by a holder of the same number of Class A Units (after giving effect to the Class AO LTIP Unit Conversion Factor in the case of Class AO LTIP Units), assuming such holder of Class A Units is not a Person with which the Partnership consolidated or into which the Partnership merged or which merged into the Partnership or to which such sale or transfer was made, as the case may be (a “**Constituent Person**”), or an affiliate of a Constituent Person. In the event that holders of Class A Units have the opportunity to elect the form or type of consideration to be received upon consummation of the Transaction, prior to such Transaction the General Partner shall give prompt written notice to each holder of Class AO LTIP Units of such election, and shall use commercially reasonable efforts to afford such holders the right to elect, by written notice to the General Partner, the form or type of consideration to be received upon conversion of each Class AO LTIP Unit held by such holder into Class A Units in connection with such Transaction. If a holder of Class AO LTIP Units fails to make such an election, such holder (and any of its transferees) shall receive upon conversion of each Class AO LTIP Unit held by him or her (or by any of his or her transferees) the same kind and amount of consideration that a holder of a Class A Unit would receive if such holder of Class A Units failed to make such an election.

7. Redemption at the Option of the Partnership.

Class AO LTIP Units will not be redeemable at the option of the Partnership; provided, however, that the foregoing shall not prohibit the Partnership from repurchasing Class AO LTIP Units from the holder thereof if and to the extent such holder agrees to sell such Class AO LTIP Unit.

8. Voting Rights.

A. Voting with Class A Units. Except as provided in Section 8.B, holders of Class AO LTIP Units shall not have the right to vote on any matters submitted to a vote of the Limited Partners.

B. Special Approval Rights. Holders of Class AO LTIP Units shall only (a) have those voting rights required from time to time by non-waivable provisions of applicable law, if any, and (b) have the additional voting rights that are expressly set forth in this Section 8.B. The General Partner and/or the Partnership shall not, without the affirmative vote of holders of more than 50% of the then outstanding Class AO LTIP Units affected thereby, given in person or by proxy, either in writing or at a meeting (voting separately as a class), take any action that would materially and adversely alter, change, modify or amend, whether by merger, consolidation or otherwise, the rights, powers or privileges of such Class AO LTIP Units, subject to the following exceptions:

(i) no separate consent of the holders of Class AO LTIP Units will be required if and to the extent that any such alteration, change, modification or amendment would equally, ratably and proportionately alter, change, modify or amend the rights, powers or privileges of the Class A Units (in which event the holders of Class AO LTIP Units shall only have such voting rights, if any, as provided in Section 14.1 of the Agreement in accordance with Section 8.A above);

(ii) with respect to any merger, consolidation or other business combination or reorganization, so long as the Class AO LTIP Units either (x) are converted into Class A Units immediately prior to the effectiveness of the transaction, (y) remain outstanding with the terms thereof materially unchanged, or (z) if the Partnership is not the surviving entity in such transaction, are exchanged for a security of the surviving entity with terms that are materially the same with respect to rights to allocations, distributions, redemption, conversion and voting as the Class AO LTIP Units and without any income, gain or loss expected to be recognized by the holder upon the exchange for federal income tax purposes (and with the terms of the Class A Units or such other securities into which the Class AO LTIP Units (or the substitute security therefor) are convertible materially the same with respect to rights to allocations, distributions, redemption, conversion and voting), such merger, consolidation or other business combination or reorganization shall not be deemed to materially and adversely alter, change, modify or amend the rights, powers or privileges of the Class AO LTIP Units, provided further, that if some, but not all, of the Class AO LTIP Units are converted into Class A Units immediately prior to the effectiveness of the transaction (and neither clause (y) or (z) above is applicable), then the consent required pursuant to this Section will be the consent of the holders of more than 50% of the Class AO LTIP Units to be outstanding following such conversion, Vested LTIP Units and Class A Units outstanding voting together as a single class pursuant to Section 8.A above;

(iii) any creation or issuance of any Class A Units or of any class of series of Class A Units or Preference Units of the Partnership (whether ranking junior to, on a parity with or senior to the Class AO LTIP Units or with respect to payment of distributions, redemption rights and the distribution of assets upon liquidation, dissolution or winding up), which either (x) does not require the consent of the holders of Class A Units or (y) does require such consent and is authorized by a vote of the holders of Class A Units, Vested LTIP Units and Class AO LTIP Units voting together as a single class pursuant to Section 8.A above, together with any other class or series of units of limited partnership interest in the Partnership upon which like voting rights have been conferred, shall not be deemed to materially and adversely alter, change, modify or amend the rights, powers or privileges of the Class AO LTIP Units;

(iv) any waiver by the Partnership of restrictions or limitations applicable to any outstanding Class AO LTIP Units with respect to any holder or holders thereof shall not be deemed to materially and adversely alter, change, modify or amend the rights, powers or privileges of the Class AO LTIP Units with respect to other holders. The foregoing voting provisions will not apply if, as of or prior to the time when the action with respect to

which such vote would otherwise be required will be taken or be effective, all outstanding Class AO LTIP Units shall have been converted and/or redeemed, or provision is made for such redemption and/or conversion to occur as of or prior to such time; and

(v) the General Partner shall have the power, without the consent of holders of Class AO LTIP Units, to amend the Agreement as may be required to reflect any change to the Agreement not otherwise specifically permitted by this Section 8.B that the General Partner deems necessary or appropriate in its sole discretion, provided that such change does not adversely affect or eliminate any right granted to holders of Class AO LTIP Units requiring their approval.

9. Other.

If there is a change in applicable tax law such that the Class AO LTIP Units become taxable to the holder of such Class AO LTIP Units as ordinary income, the Partnership, at any time at the election of the General Partner, may cause the Class AO LTIP Units to be restructured and/or substituted for other awards in a way that permits a tax deduction to the Partnership or the General Partner while preserving substantially similar pre-tax economics to the holder of such Class AO LTIP Units.

* * *

Attachment A to Exhibit J

Notice of Election by Partner to Convert Class AO LTIP Units into Vested LTIP Units

The undersigned holder of Class AO LTIP Units hereby irrevocably elects to convert the number of Vested Class AO LTIP Units in Kite Realty Group, L.P. (the "**Partnership**") set forth below into Vested LTIP Units in accordance with the terms of the Limited Partnership Agreement of the Partnership, as amended. The undersigned hereby represents, warrants, and certifies that the undersigned: (a) has title to such Class AO LTIP Units, free and clear of the rights or interests of any other person or entity other than the Partnership; (b) has the full right, power, and authority to cause the conversion of such Class AO LTIP Units as provided herein; and (c) has obtained the consent or approval of all persons or entities, if any, having the right to consent or approve such conversion.

Name of Holder: _____
(Please Print: Exact Name as Registered with Partnership)

Number of Class AO LTIP Units to be Converted: _____

Conversion Date: _____

(Signature of Holder: Sign Exact Name as Registered with Partnership)

(Street Address)

(City) (State) (Zip Code)

Signature Guaranteed by: _____

Attachment B to Exhibit J

Notice of Election by Partnership to Force Conversion
of Class AO LTIP Units into Vested LTIP Units

Kite Realty Group, L.P. (the "Partnership") hereby irrevocably elects to cause the number of Class AO LTIP Units held by the holder of Class AO LTIP Units set forth below to be converted into Vested LTIP Units in accordance with the terms of the Limited Partnership Agreement of the Partnership.

Name of Holder: _____
(Please Print: Exact Name as Registered with Partnership)

Number of Class AO LTIP Units to be Converted: _____

Conversion Date: _____

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Section 3: EX-10.2 (EX-10.2)

Exhibit 10.2

Award No.

KITE REALTY GROUP TRUST
2013 EQUITY INCENTIVE PLAN

APPRECIATION ONLY LTIP UNIT AGREEMENT
COVER SHEET

Pursuant to the Kite Realty Group Trust 2013 Equity Incentive Plan (as it may be amended and/or restated from time to time, the "**Plan**") and the Amended and Restated Agreement of Limited Partnership of Kite Realty Group, L.P. (as it may be amended and/or restated from time to time, the "**Limited Partnership Agreement**"), Kite Realty Group, L.P., a Delaware limited partnership (the "**Limited Partnership**"), and Kite Realty Group Trust, a Maryland real estate investment trust and the sole general partner of the Limited Partnership (the "**Company**"), together hereby grant and issue to the grantee (the "**Grantee**") named below an award (the "**Award**") of Class AO LTIP Units ("**AO LTIP Units**") in the number set forth below, in consideration of the Grantee's agreement to provide services to or for the benefit of the Limited Partnership. The AO LTIP Units have the rights, voting powers, restrictions, limitations as to distributions, qualifications, and terms and conditions of conversion and redemption set forth in the Limited Partnership Agreement. Upon the close of business on the Final Acceptance Date, if the terms and conditions of the Award set forth on this cover sheet and in the attached Appreciation Only LTIP Unit Agreement (collectively, the "**Agreement**"), in the Limited Partnership Agreement, and in the Plan are accepted, the Grantee shall receive the number of AO LTIP Units specified below, effective as of the Grant Date, subject to the vesting, forfeiture, and other conditions set forth in this Agreement, in the Limited Partnership Agreement, and in the Plan.

Grant Date:

Name of Grantee:

Grantee's Identification Number:

Number of AO LTIP Units covered by this Award:

Class AO LTIP Unit Participation Threshold per AO LTIP
Unit covered by this Award:

Final Acceptance Date:

Expiration Date:

By the Grantee's signature below, the Grantee agrees to all of the terms and conditions described herein, in the Agreement, in the Limited Partnership Agreement, and in the Plan, copies of which have been provided to the Grantee in connection with the Agreement. The Grantee acknowledges that the Grantee has carefully reviewed the Limited Partnership Agreement and the Plan and agrees that the Limited Partnership Agreement and the Plan will control in the event any provision of this Agreement should appear to be inconsistent.

KITE REALTY GROUP, L.P.

By: Kite Realty Group Trust,
a Maryland real estate investment trust, its general partner

By: _____
Name: _____
Title: _____

KITE REALTY GROUP TRUST

By: _____
Name: _____
Title: _____

GRANTEE:

(Sign Name)

(Print Name)

Address:

Attachment

This is not a share certificate or a negotiable instrument.

**KITE REALTY GROUP TRUST
2013 EQUITY INCENTIVE PLAN**

APPRECIATION ONLY LTIP UNIT AGREEMENT

Acceptance of Agreement

Unless the Grantee is already a Partner (as defined in the Limited Partnership Agreement), the Grantee must sign, as a Partner, and deliver to the Limited Partnership, a Limited Partner Acceptance to the Limited Partnership Agreement (attached hereto as Exhibit A). Upon signature and delivery of the Limited Partner Acceptance on or prior to the Final Acceptance Date, to the extent required, the Grantee shall be admitted as a Partner of the Limited Partnership, as of the Grant Date, with beneficial ownership of the number of AO LTIP Units specified on the cover sheet of this Agreement. Thereupon, the Grantee shall have all the rights of a Partner of the Limited Partnership with respect to the number of AO LTIP Units specified on the cover sheet of this Agreement, as set forth in the Limited Partnership Agreement, subject, however, to the restrictions and conditions specified herein, in the Limited Partnership Agreement, and in the Plan. In order to confirm receipt of this Agreement, the Grantee must sign and deliver to the Company a copy of this Agreement.

AO LTIP Units Generally

The AO LTIP Units are a class of partnership interests in the Limited Partnership that are intended to qualify as “profits interests” for federal income tax purposes. Subject to the terms of the Limited Partnership Agreement and the vesting conditions set forth in Exhibit B, the AO LTIP Units allow the Grantee to realize value to the extent the Fair Market Value of a Share exceeds the Class AO LTIP Unit Participation Threshold of an AO LTIP Unit as set forth on the cover sheet. Should the AO LTIP Units become vested and exercisable, the value of a Vested AO LTIP Unit (as defined below) is realized through the exercise of the AO LTIP Units and the conversion of such AO LTIP Units into LTIP Units (as defined in the Limited Partnership Agreement), along with any special distributions and/or allocations received in respect of the Vested AO LTIP Units upon such conversion, as set forth in this Agreement and in the Limited Partnership Agreement.

Vesting of AO LTIP Units

The AO LTIP Units shall vest, if at all, based on the terms and provisions of Exhibit B attached hereto. The number of AO LTIP Units that become vested shall be referred to as “**Vested AO LTIP Units.**” AO LTIP Units that have not vested shall be referred to as “**Unvested AO LTIP Units.**”

To the extent the Grantee is a party to another agreement or arrangement with the Company or any Affiliate that provides either (i) accelerated vesting of the AO LTIP Units granted hereunder in the event of certain types of employment terminations or any other

applicable vesting-related events or (ii) provides more favorable vesting provisions with respect to the AO LTIP Units granted hereunder than provided for in this Agreement, such accelerated vesting provisions are hereby expressly superseded and replaced with respect to this Award.

Leaves of Absence

For purposes of this Agreement, the Grantee's Service does not terminate when the Grantee goes on a *bona fide* leave of absence that was approved by the Grantee's employer in writing if the terms of the leave provide for continued Service crediting or when continued Service crediting is required by applicable law. The Grantee's Service terminates in any event when the approved leave ends unless the Grantee immediately returns to active employee work.

The Grantee's employer may determine, in its discretion, which leaves count for this purpose and when the Grantee's Service terminates for all purposes under the Agreement and the Plan, in accordance with the provisions of the Plan. Notwithstanding the foregoing, the Company may determine, in its discretion, which leaves count for this purpose even if the Grantee's employer does not agree.

Forfeiture of AO LTIP Units

The AO LTIP Units shall be subject to forfeiture in accordance with the terms and provisions of Exhibit B attached hereto. Upon such forfeiture, the Grantee's rights to such AO LTIP Units shall be null and void, and neither the Grantee nor any of the Grantee's successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such AO LTIP Units.

Distributions

The Grantee shall be entitled to receive such distributions, if any, in respect of the AO LTIP Units as set forth in the Limited Partnership Agreement.

Conversion into Vested LTIP Units

The Grantee may elect to convert Vested AO LTIP Units into Vested LTIP Units (as defined in the Limited Partnership Agreement) during the Term (as defined and described in Exhibit B) in accordance with the terms and conditions of Exhibit B and the Limited Partnership Agreement.

Vested AO LTIP Units may be subject to mandatory conversion into Vested LTIP Units as set forth in Exhibit B or the Limited Partnership Agreement.

Restrictions on Transfer

The Grantee shall not, without the consent of the Company (which the Company may give or withhold in its sole discretion), sell, pledge, assign, hypothecate, transfer, or otherwise dispose of (collectively, "**Transfer**") any AO LTIP Units (the "**Transfer Restrictions**"); *provided, however*, that the Transfer Restrictions shall not apply to any Transfer of AO LTIP Units to the Limited Partnership or the Company or to any Transfer by will or pursuant to the laws of descent and

distribution.

In addition, during the three (3)-year period which begins as of the Grant Date of the AO LTIP Units, the AO LTIP Units (and any LTIP Units, Partnership Units, Shares, or other securities into which such AO LTIP Units may be converted) may not be Transferred, nor may the AO LTIP Units (and any LTIP Units, Partnership Units, Shares, or other securities into which such AO LTIP Units may be converted) be made subject to execution, attachment, or similar process; *provided, however*, that this Transfer Restriction shall not prohibit the Grantee from exchanging or otherwise disposing of the AO LTIP Units (and any LTIP Units, Partnership Units, Shares, or other securities into which such AO LTIP Units may be converted) in connection with a Corporate Transaction or other transaction in which AO LTIP Units or other securities held by other Limited Partners (as defined in the Limited Partnership Agreement) or Company shareholders, as applicable, are required to be exchanged or otherwise disposed.

Investment Representation

The Grantee hereby makes the covenants, representations, and warranties set forth on Exhibit C attached hereto as of the date of acceptance of this Agreement and on each applicable vesting date, as determined in Exhibit B attached hereto. All of such covenants, representations, and warranties shall survive the execution and delivery of this Agreement by the Grantee. The Grantee shall immediately notify the Limited Partnership upon discovering that any of the representations or warranties set forth on Exhibit C were false when made or have, as a result of changes in circumstances, become false.

Registration

The Grantee hereby acknowledges that the AO LTIP Units have not been registered under the Securities Act and that the AO LTIP Units cannot be transferred by the Grantee other than in accordance with the terms and conditions set forth in this Agreement, the Limited Partnership Agreement, and the Plan and, in any event, unless such transfer is registered under the Securities Act or an exemption from such registration is available. Neither the Company nor the Limited Partnership has made any agreements, covenants, or undertakings whatsoever to register the transfer of the AO LTIP Units under the Securities Act. Neither the Company nor the Limited Partnership has made any covenants, representations, or warranties whatsoever as to whether any exemption from the Securities Act, including, without limitation, any exemption for limited sales in routine brokers' transactions pursuant to Rule 144 of the Securities Act ("**Rule 144**"), will be available. If an exemption under Rule 144 is available at all, it will not be available until all applicable terms and conditions of Rule 144 have been satisfied.

Code Section 83(b) Election

The Grantee hereby agrees to make an election to include in gross income in the year of transfer the AO LTIP Units pursuant to Section

83(b) of the Code, substantially in the form attached hereto as Exhibit D and to supply the necessary information in accordance with the regulations promulgated thereunder.

THE GRANTEE ACKNOWLEDGES THAT IT IS THE GRANTEE'S SOLE RESPONSIBILITY, AND NOT THE COMPANY'S OR THE LIMITED PARTNERSHIP'S, TO FILE A TIMELY ELECTION UNDER CODE SECTION 83(b), EVEN IF THE GRANTEE REQUESTS THE COMPANY, THE LIMITED PARTNERSHIP, OR THEIR RESPECTIVE REPRESENTATIVES TO MAKE THIS FILING ON THE GRANTEE'S BEHALF. THE GRANTEE IS RELYING SOLELY ON THE GRANTEE'S OWN ADVISORS WITH RESPECT TO THE DECISION AS TO WHETHER TO FILE ANY CODE SECTION 83(b) ELECTION AND REGARDING THE ACCURACY AND TIMELINESS OF SUCH FILING.

Amendment

The Grantee acknowledges that the Limited Partnership Agreement and the Plan may be amended, suspended, or terminated and that this Agreement may be amended, suspended, or terminated by the Company, on behalf of the Limited Partnership, for the purpose of satisfying changes in law or for any other lawful purpose, provided that no such action shall impair the Grantee's rights under this Agreement without the Grantee's written consent.

Withholding Taxes

The Grantee agrees as a condition of this Award that the Grantee will make acceptable arrangements to pay any withholding or other taxes that may be due in connection with the Award of the AO LTIP Units. In the event that the Company or an Affiliate, as applicable, determines that any federal, state, local, or foreign tax or withholding payment is required relating to the AO LTIP Units, the Company or an Affiliate, as applicable, shall have the right to require such payments from the Grantee, or withhold such amounts from other payments due to the Grantee from the Company or an Affiliate, as applicable.

Retention Rights

This Agreement and the Award evidenced hereby do not give the Grantee the right to be retained by the Company or an Affiliate in any capacity. Unless otherwise specified in an employment or other written agreement between the Company or an Affiliate, as applicable, and the Grantee, the Company or an Affiliate, as applicable, reserves the right to terminate the Grantee's Service at any time and for any reason.

Legend	The records of the Limited Partnership evidencing the AO LTIP Units shall bear an appropriate legend, as determined by the Limited Partnership in its sole discretion, to the effect that such AO LTIP Units are subject to restrictions as set forth in this Agreement, in the Limited Partnership Agreement, and in the Plan.
Clawback	<p>This Award is subject to mandatory repayment by the Grantee to the Company to the extent the Grantee is or in the future becomes subject to any Company “clawback” or recoupment policy that requires the repayment by the Grantee to the Company of compensation paid by the Company to the Grantee in the event that the Grantee fails to comply with, or violate, the terms or requirements of such policy.</p> <p>If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, and the Grantee knowingly engaged in the misconduct, was grossly negligent in engaging in the misconduct, knowingly failed to prevent the misconduct, or was grossly negligent in failing to prevent the misconduct, the Grantee shall reimburse the Company the amount of any payment in settlement of this Award earned or accrued during the twelve (12)-month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document that contained such material noncompliance.</p>
Applicable Law and Venue	This Agreement will be interpreted and enforced under the laws of the State of Maryland, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. The Grantee agrees that the exclusive venue for any disputes arising out of or related to this Agreement shall be the state or federal courts located in Indianapolis, Indiana.
Remedies	The Grantee shall be liable to the Company and the Limited Partnership for all costs and damages, including incidental and consequential damages, resulting from a disposition of the Award or the AO LTIP Units which is in violation of the provisions of this Agreement, the Limited Partnership Agreement, or the Plan. Without limiting the generality of the foregoing, the Grantee agrees that the Company and the Limited Partnership shall be entitled to obtain specific performance of the Grantee’s obligations under this Agreement and immediate injunctive relief in the event any action or proceeding is brought in equity to enforce the same. The Grantee will not urge as a defense that there is an adequate remedy at law.
The Plan	<p>The text of the Plan is incorporated into this Agreement by reference.</p> <p><i>Certain capitalized terms used in this Agreement are defined in the</i></p>

Plan and have the meanings set forth in the Plan.

This Agreement, the Limited Partnership Agreement, and the Plan constitute the entire understanding between the Grantee and the Company and the Limited Partnership regarding this Award. Any prior agreements, commitments, or negotiations concerning this Award are superseded; except that, unless otherwise specifically noted in this Agreement, any written employment, consulting, confidentiality, non-competition, non-solicitation, and/or severance agreement between the Grantee and the Company or an Affiliate, as applicable, shall supersede this Agreement with respect to its subject matter.

Data Privacy

In order to administer the Plan, the Company may process personal data about the Grantee. Such data includes, but is not limited to, information provided in this Agreement and any changes thereto, other appropriate personal and financial data about the Grantee, such as the Grantee's contact information, payroll information, and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan.

By accepting this Award, the Grantee gives explicit consent to the Company to process any such personal data.

Consent to Electronic Delivery

The Company may choose to deliver certain statutory materials relating to the Plan in electronic form. By accepting the AO LTIP Units, the Grantee agrees that the Company may deliver the Plan prospectus and the Company's annual report to the Grantee in an electronic format. If at any time the Grantee would prefer to receive paper copies of these documents, as the Grantee is entitled to, the Company would be pleased to provide copies. Please contact David Buell at (317) 577-5600 to request paper copies of these documents.

Code Section 409A

It is intended that this Award comply with Code Section 409A or an exemption to Code Section 409A. To the extent that the Company determines that the Grantee would be subject to the additional twenty percent (20%) tax imposed on certain non-qualified deferred compensation plans pursuant to Code Section 409A as a result of any provision of this Agreement, such provision shall be deemed amended to the minimum extent necessary to avoid application of such additional tax. The nature of any such amendment shall be determined by the Company. For purposes of this Award, a termination of employment only occurs upon an event that would be a "separation from service" within the meaning of Code Section 409A.

Profits Interest

The Company, the Limited Partnership, and the Grantee acknowledge and agree that the AO LTIP Units are hereby issued to the Grantee for the performance of services to or for the benefit of the Limited Partnership in the Grantee's capacity as a Partner or in anticipation of becoming a Partner.

The Company, the Limited Partnership, and the Grantee intend that (i) the AO LTIP Units be treated as “profits interests” within the meaning of the Code, the Treasury Regulations promulgated thereunder, and any published guidance by the Internal Revenue Service with respect thereto, including, without limitation, Internal Revenue Service Revenue Procedure 93-27, 1993-2 C.B. 343, as clarified by Internal Revenue Service Revenue Procedure 2001-43, 2001-2 C.B. 191; (ii) the issuance of such interests not be a taxable event to the Limited Partnership or the Grantee as provided in such Revenue Procedures; and (iii) this Agreement, the Limited Partnership Agreement, and the Plan be interpreted consistently with such intent.

The Grantee is urged to consult with the Grantee’s own tax advisor regarding the tax consequences of the receipt of AO LTIP Units, the vesting of AO LTIP Units, the conversion of AO LTIP Units into LTIP Units (or Partnership Units or Shares), the holding of AO LTIP Units (or Partnership Units or Shares), and the acquisition, holding, and disposition of LTIP Units, Partnership Units, or Shares.

The Grantee shall make no contribution of capital to the Limited Partnership in connection with the Award and, as a result, the Grantee’s Capital Account (as defined in the Limited Partnership Agreement) balance in the Limited Partnership immediately after the Grantee’s receipt of the AO LTIP Units shall be equal to zero, unless the Grantee was a Partner in the Limited Partnership prior to this Award, in which case the Grantee’s Capital Account balance shall not be increased as a result of the receipt of the AO LTIP Units.

By signing this Agreement, the Grantee agrees to all of the terms and conditions described above, in the Limited Partnership Agreement, and in the Plan.

EXHIBIT A

LIMITED PARTNER ACCEPTANCE

This Limited Partner Acceptance to the Amended and Restated Agreement of Limited Partnership of Kite Realty Group, L.P. (the “**Acceptance**”), which Acceptance is incorporated into that certain Amended and Restated Agreement of Limited Partnership of Kite Realty Group, L.P. dated as of August 16, 2004 and as amended from time to time (the “**Limited Partnership Agreement**”), is executed and delivered by the undersigned. As of the date hereof, the undersigned, designated as an Additional Limited Partner, is admitted as a Limited Partner of the Partnership, and by said undersigned’s execution and delivery hereof, said undersigned agrees to be bound by the terms and provisions of the Limited Partnership Agreement, including the power of attorney set forth in Section 15.11 of the Limited Partnership Agreement. The number of AO LTIP Units (as defined in the Agreement to which this Exhibit A is attached) issued as of the date hereof to the undersigned designated as an Additional Limited Partner is shown opposite such Additional Limited Partner’s signature below. All terms used herein and not otherwise defined shall have the meanings given them in the Limited Partnership Agreement.

This Acceptance may be executed in two or more counterparts, each of which shall be deemed an original but all of which collectively shall constitute one and the same document.

Dated: _____

GENERAL PARTNER

KITE REALTY GROUP TRUST

By: _____

Name:

Title:

ADDITIONAL LIMITED PARTNER

Number of AO LTIP Units:

Name:

Tax ID#:

Address:

EXHIBIT B

KITE REALTY GROUP TRUST APPRECIATION ONLY LTIP UNITS
VESTING AND EXERCISE RULES(1)

ARTICLE I: PURPOSE

The purpose of these Kite Realty Group Trust AO LTIP Units Vesting and Exercise Rules is to establish the mechanisms for determining the number of AO LTIP Units, if any, that will vest under the Agreement and for the exercise and conversion of any Vested AO LTIP Units.

ARTICLE II: DEFINITIONS

The capitalized terms below shall have the following meanings for purposes of this Exhibit B. Capitalized terms that are used but not defined herein shall have the meanings provided in the Agreement to which this Exhibit B is attached, in the Limited Partnership Agreement, or in the Plan.

2.1 “**Good Reason**” shall have the meaning provided in an applicable employment or other service agreement between the Company (or an Affiliate) and the Grantee or, if no such agreement exists or such agreement does not contain a “good reason” definition, then Good Reason shall mean the occurrence of any one or more of the following events without the Grantee’s prior written consent, subject to the cure provisions described below:

- (a) The material reduction of the Grantee’s authority, duties, and responsibilities, or the assignment to the Grantee of duties materially and adversely inconsistent with the Grantee’s position or positions with the Company or an Affiliate;
- (b) A reduction of the Grantee’s annual base salary, except in connection with a reduction in compensation generally applicable to similarly-situated employees of the Company or an Affiliate; or
- (c) A requirement by the Company or an Affiliate that the Grantee’s work location be moved more than fifty (50) miles from its existing location.

Notwithstanding the foregoing, the Grantee will not be deemed to have resigned for Good Reason unless (1) the Grantee provides the Company with written notice setting forth in reasonable detail the facts and circumstances claimed by the Grantee to constitute Good Reason within sixty (60) days after the date of the occurrence of any event that the Grantee knows or should reasonably have known to constitute Good Reason; (2) the Company fails to cure such acts or omissions within thirty (30) days following its receipt of such notice; and (3) the effective date of the Grantee’s termination for Good Reason occurs no later than thirty (30) days after the expiration of the cure period.

(1) The Company may in future awards develop different vesting and exercise requirements under the Kite Realty Group Trust 2013 Equity Incentive Plan.

- 2.2 “**Qualifying Termination**” means a termination of the Grantee’s Service by the Company without Cause, by the Grantee for Good Reason, due to the Grantee’s death or Disability, or by the Grantee on account of Retirement.
- 2.3 “**Retirement**” shall have the meaning provided in an applicable employment or other service agreement between the Company (or an Affiliate) and the Grantee or, if no such agreement exists or such agreement does not contain a “retirement” definition, then Retirement shall mean the Grantee’s voluntary resignation of Service with the Company and all of its Affiliates (which, for the avoidance of doubt shall exclude a resignation by the Grantee at a time when the Company could terminate the Grantee’s Service for Cause) after the attainment of age sixty (60) and ten (10) years of Service.

ARTICLE III: NUMBER AND VESTING OF APPRECIATION ONLY LTIP UNITS

3.1 AO LTIP Units. The Company hereby grants to the Grantee an aggregate number of AO LTIP Units as set forth on the cover sheet to this Agreement, with a Class AO LTIP Unit Participation Threshold as set forth on the cover sheet to this Agreement. Such grant is subject to the terms and conditions of this Exhibit B, the Agreement, the Limited Partnership Agreement, and the Plan.

3.2 Vesting and Forfeiture of AO LTIP Units.

(a) Subject to Section 3.3 and Section 3.4, the AO LTIP Units shall vest and become exercisable in full as of the date that both the following time-based vesting eligibility requirement and the following performance-based vesting eligibility requirement have been met:

(i) With respect to the time-based vesting requirement applicable to the AO LTIP Units, the AO LTIP Units will be eligible to vest in full if the Grantee remains in continuous Service from the Grant Date through the third anniversary of the Grant Date; and

(ii) With respect to the performance-based vesting requirement applicable to the AO LTIP Units, the AO LTIP Units will be eligible to vest in full if at any time during the five-year period following the Grant Date the reported closing price per Share appreciates at least twenty percent (20%) over the Class AO LTIP Unit Participation Threshold per AO LTIP Unit (as set forth on the cover sheet) for a minimum of 20 consecutive trading days.

(b) Any AO LTIP Units that do not become vested pursuant to Section 3.2(a) shall, without payment of any consideration by the Company or the Limited Partnership, automatically and without notice or further action by the Company or the Limited Partnership or their Affiliates, be forfeited and be and become null and void as of the fifth anniversary of the Grant Date, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such Unvested AO LTIP Units.

3.3 Corporate Transactions. Notwithstanding any accelerated vesting provisions contained in any employment, service, or other agreement between the Company and the Grantee, which acceleration vesting provisions are hereby expressly superseded and replaced with respect to this Award, (a) if the Grantee holds Unvested AO LTIP Units as of immediately prior to the consummation of a Corporate Transaction, (b) if the Unvested AO LTIP Units are

not assumed, continued, or substituted for in connection with such Corporate Transaction, and (c) if the Grantee continues to provide Service through the consummation of such Corporate Transaction, then (i) the appreciation performance metric under the performance-based vesting eligibility requirement set forth in Section 3.2(a)(ii) shall be pro-rated based on a fraction, the numerator of which is the number of days from the Grant Date to the consummation of such Corporate Transaction and the denominator of which is the total number of days from the Grant Date to the fifth anniversary of the Grant Date, and (ii) the AO LTIP Units shall vest and become exercisable in full as of immediately prior to the consummation of the Corporate Transaction if the deal price for such Corporate Transaction would meet or exceed the pro-rated performance metric. Any AO LTIP Units that do not become vested pursuant to the immediately preceding sentence shall, without payment of any consideration by the Company or the Limited Partnership, automatically and without notice or further action by the Company or the Limited Partnership or their Affiliates, be forfeited and be and become null and void as of the consummation of such Corporate Transaction, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such Unvested AO LTIP Units. Any already-Vested AO LTIP Units and any AO LTIP Units vesting and becoming exercisable pursuant to this Section 3.3 shall be subject to the terms and conditions of the definitive Corporate Transaction documents applicable to the AO LTIP Units generally, if any, including without limitation any such terms and conditions of an applicable purchase agreement, and the Grantee hereby consents and agrees to be bound by any and all such terms and conditions with respect to the AO LTIP Units.

3.4 Termination of Service.

(a) Qualifying Termination. Upon the Grantee's termination of Service on account of a Qualifying Termination:

(i) Unvested AO LTIP Units. Upon the Grantee's termination of Service on account of a Qualifying Termination prior to the AO LTIP Units becoming Vested AO LTIP Units pursuant to Section 3.2, notwithstanding any accelerated vesting provisions contained in any employment, service, or other agreement between the Company and the Grantee, which acceleration vesting provisions are hereby expressly superseded and replaced with respect to this Award, (1) if the performance-based vesting eligibility requirement set forth in Section 3.2(a)(ii) has already been met as of the date of such Qualifying Termination or is met within the 90 days following the date of such Qualifying Termination, then a pro-rated number of AO LTIP Units shall vest and become exercisable based on a fraction, the numerator of which is the number of days from the Grant Date to the date of such Qualifying Termination and the denominator of which is the total number of days from the Grant Date to the third anniversary of the Grant Date.

(ii) Vested AO LTIP Units. Upon the Grantee's termination of Service on account of a Qualifying Termination, the Grantee's Vested AO LTIP Units (including the AO LTIP Units vesting and becoming exercisable pursuant to Section 3.4(a)(i)) shall remain exercisable until the earlier of the close of business at Company headquarters on (1) the 90th day following the date of such termination (the "**Early Termination Date**") and (2) the Expiration Date. If not exercised during such period, the Grantee's Vested AO LTIP Units shall, without payment of any consideration by the Company or the Limited Partnership, automatically and without notice or further action by the Company or the Limited Partnership or their Affiliates, be forfeited and be and become null and void as of the end of such period, and neither the Grantee

nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such AO LTIP Units.

(b) Other Termination. Upon the Grantee's termination of Service for any reason other than a Qualifying Termination and other than for Cause:

(i) Unvested AO LTIP Units. The Grantee's Unvested AO LTIP Units shall, without payment of any consideration by the Company or the Limited Partnership, automatically and without notice or further action by the Company or the Limited Partnership or their Affiliates, be forfeited and be and become null and void as of the date of such termination, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such AO LTIP Units.

(ii) Vested AO LTIP Units. The Grantee's Vested AO LTIP Units shall remain exercisable until the earlier of the close of business at Company headquarters on (1) the Early Termination Date and (2) the Expiration Date. If not exercised during such period, the Grantee's Vested AO LTIP Units shall, without payment of any consideration by the Company or the Limited Partnership, automatically and without notice or further action by the Company or the Limited Partnership or their Affiliates, be forfeited and be and become null and void as of the end of such period, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such AO LTIP Units.

(c) Termination for Cause. Upon the Grantee's termination of Service for Cause, the Grantee's AO LTIP Units (including both Unvested AO LTIP Units and Vested AO LTIP Units) shall, without payment of any consideration by the Company or the Limited Partnership, automatically and without notice or further action by the Company or the Limited Partnership or their Affiliates, be forfeited and be and become null and void as of the date of such termination, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such AO LTIP Units.

3.5 Exercise of AO LTIP Units Prior to Mandatory Conversion Date.

(a) During the Term (as defined below), each Vested AO LTIP Unit, subject to Section 16.1 of the Plan and subject to the restrictions, limitations, and conditions of vesting, exercise, redemption, and conversion set forth herein and in the Limited Partnership Agreement, shall have the right, at the Grantee's option, to convert all or a portion of the Grantee's Vested AO LTIP Units into Vested LTIP Units in accordance with the terms and conditions of the Limited Partnership Agreement. For this purpose, the "**Term**" shall commence as of the Grant Date and shall end as of the close of business on the earlier of (i) the Early Termination Date, if applicable, (ii) the Expiration Date, or (iii) the date on which the AO LTIP Units are forfeited, redeemed, or converted as set forth herein, in the Limited Partnership Agreement, or in the Plan.

(b) When the Grantee wishes to exercise any Vested AO LTIP Unit, the Grantee must notify the Company by filing the proper "Notice of Exercise" form at the address given on the form. Such notice must specify how many Vested AO LTIP Units the Grantee wishes to exercise and will become effective when it is received by the Company. If someone else wants to exercise any Vested AO LTIP Units after the Grantee's death, that person must prove to the Company's satisfaction that he or she is entitled to do so.

3.6 Mandatory Conversion of AO LTIP Units.

(a) Subject to earlier forfeiture, redemption, or conversion as set forth herein, in the Plan, or in the Limited Partnership Agreement, if the Grantee remains in continuous Service from the Grant Date to the Expiration Date, Vested AO LTIP Units that have not been converted prior to the Expiration Date shall automatically and without any action by the Grantee be converted on such date into Vested LTIP Units, if any, in accordance with the terms and conditions of the Limited Partnership Agreement. If such Vested AO LTIP Units are not eligible to be converted into any Vested LTIP Units in accordance with the terms and conditions of the Limited Partnership Agreement as of the Expiration Date, then the Vested AO LTIP Units shall automatically and without notice or further action by the Company or the Limited Partnership or their Affiliates, be forfeited and be and become null and void as of the Expiration Date, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such AO LTIP Units.

(b) In addition, as set forth in the Limited Partnership Agreement, the Company, as the general partner of the Limited Partnership, may elect to convert the AO LTIP Units as provided in the Limited Partnership Agreement.

EXHIBIT C

GRANTEE'S COVENANTS, REPRESENTATIONS, AND WARRANTIES

The Grantee hereby covenants, represents, and warrants as follows:

- (a) The Grantee has received and had an opportunity to review the following documents (the “**Background Documents**”):
- (i) The Company’s latest Annual Report to Shareholders;
 - (ii) The Company’s Proxy Statement for its most recent Annual Meeting of Shareholders;
 - (iii) The Company’s Report on Form 10-K for the fiscal year most recently ended;
 - (iv) The Company’s Form 10-Q for the most recently ended quarter if one has been filed by the Company with the Securities and Exchange Commission since the filing of the Form 10-K described in clause (iii) above;
 - (v) Each of the Company’s Current Report(s) on Form 8-K, if any, filed since the later of the Form 10-K described in clause (iii) above and the Form 10-Q described in clause (iv) above;
 - (vi) The Limited Partnership Agreement (which for ease of reference may also be found at the following links: Agreement of Limited Partnership (https://www.sec.gov/Archives/edgar/data/1286043/000110465904025213/a04-9717_1ex10d1.htm), Amendment No. 1 (https://www.sec.gov/Archives/edgar/data/1286043/000128604310000044/exhibit10_1.htm), Amendment No. 2 (https://www.sec.gov/Archives/edgar/data/1286043/000110465912017596/a12-6854_3ex10d1.htm), Amendment No. 3 (https://www.sec.gov/Archives/edgar/data/1286043/000110465914054506/a14-17956_1ex10d1.htm) and Amendment No. 4;(2) and
 - (vii) The Plan (which for ease of reference may also be found at the following link: https://www.sec.gov/Archives/edgar/data/1286043/000110465913038799/a13-11723_1ex10d1.htm)(3).

The Grantee also acknowledges that any delivery of the Background Documents and other information relating to the Company and the Limited Partnership prior to the determination by the Limited Partnership of the suitability of the Grantee as a holder of AO LTIP Units shall not constitute an offer of AO LTIP Units until such determination of suitability shall be made.

- (b) The Grantee hereby represents and warrants that:

-
- (2) Note to Form: Links to be updated in final agreement.
 - (3) Note to Form: Links to be updated in final agreement.

(i) The Grantee either (A) is an “accredited investor” as defined in Rule 501(a) under the Securities Act, or (B) by reason of the business and financial experience of the Grantee, together with the business and financial experience of those persons, if any, retained by the Grantee to represent or advise him, her, or it with respect to the grant to him, her, or it of AO LTIP Units, the potential conversion of AO LTIP Units into Partnership Units and the potential redemption of such Partnership Units for Shares, has such knowledge, sophistication, and experience in financial and business matters and in making investment decisions of this type that the Grantee (I) is capable of evaluating the merits and risks of an investment in the Limited Partnership and potential investment in the Company and of making an informed investment decision, (II) is capable of protecting his, her, or its own interest or has engaged representatives or advisors to assist him, her, or it in protecting his, her, or its interests, and (III) is capable of bearing the economic risk of such investment.

(ii) The Grantee understands that (A) the Grantee is responsible for consulting his, her, or its own tax advisors with respect to the application of the U.S. federal income tax laws, and the tax laws of any state, local, or other taxing jurisdiction to which the Grantee is or by reason of the Award of AO LTIP Units may become subject, to his, her, or its particular situation; (B) the Grantee has not received or relied upon business or tax advice from the Company, the Limited Partnership, or any of their respective employees, officers, directors, shareholders, agents, consultants, advisors, or any affiliates of any of them in their capacity as such; (C) the Grantee provides or will provide services to or for the benefit of the Limited Partnership on a regular basis and in such capacity has access to such information, and has such experience of and involvement in the business and operations of the Limited Partnership, as the Grantee believes to be necessary and appropriate to make an informed decision to accept this Award of AO LTIP Units; and (D) an investment in the Limited Partnership and/or the Company involves substantial risks. The Grantee has been given the opportunity to make a thorough investigation of matters relevant to the AO LTIP Units and has been furnished with, and has reviewed and understands, materials relating to the Limited Partnership and the Company and their respective activities (including, but not limited to, the Background Documents). The Grantee has been afforded the opportunity to obtain any additional information (including any exhibits to the Background Documents) deemed necessary by the Grantee to verify the accuracy of information conveyed to the Grantee. The Grantee confirms that all documents, records, and books pertaining to his, her, or its receipt of AO LTIP Units which were requested by the Grantee have been made available or delivered to the Grantee. The Grantee has had an opportunity to ask questions of and receive answers from the Limited Partnership and the Company, or from a person or persons acting on their behalf, concerning the terms and conditions of the AO LTIP Units. The Grantee has relied upon, and is making its decision solely upon, the Background Documents and other written information provided to the Grantee by the Limited Partnership or the Company. The Grantee did not receive any tax, legal, or financial advice from the Limited Partnership or the Company and, to the extent it deemed necessary, has consulted with its own advisors in connection with its evaluation of the Background Documents, this Agreement, and the Grantee’s receipt of AO LTIP Units.

(iii) The AO LTIP Units to be issued, the Partnership Units issuable upon conversion of the AO LTIP Units, and any Shares issued in connection with the

redemption of any such Partnership Units will be acquired for the account of the Grantee for investment only and not with a current view to, or with any intention of, a distribution or resale thereof, in whole or in part, or the grant of any participation therein, without prejudice, however, to the Grantee's right (subject to the terms of the AO LTIP Units, the Plan, and this Agreement) at all times to sell or otherwise dispose of all or any part of his or her AO LTIP Units, Partnership Units, or Shares in compliance with the Securities Act, and applicable state securities laws, and subject, nevertheless, to the disposition of his or her assets being at all times within his or her control.

(iv) The Grantee acknowledges that (A) neither the AO LTIP Units to be issued, nor the Partnership Units issuable upon conversion of the AO LTIP Units, have been registered under the Securities Act or state securities laws by reason of a specific exemption or exemptions from registration under the Securities Act and applicable state securities laws and, if such AO LTIP Units or Partnership Units are represented by certificates, such certificates will bear a legend to such effect, (B) the reliance by the Limited Partnership and the Company on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of the Grantee contained herein, (C) such AO LTIP Units, or Partnership Units, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws, or unless an exemption from registration is available, (D) there is no public market for such AO LTIP Units and Partnership Units, and (E) neither the Limited Partnership nor the Company has any obligation or intention to register such AO LTIP Units or the Partnership Units issuable upon conversion of the AO LTIP Units under the Securities Act or any state securities laws or to take any action that would make available any exemption from the registration requirements of such laws, except that, upon the redemption of the Partnership Units for Shares, the Company currently intends to issue such Shares under the Plan and pursuant to a Registration Statement on Form S-8 under the Securities Act, to the extent that (i) the Grantee is eligible to receive such Shares under the Plan at the time of such issuance, and (ii) the Company has filed an effective Form S-8 Registration Statement with the Securities and Exchange Commission registering the issuance of such Shares. The Grantee hereby acknowledges that because of the restrictions on transfer or assignment of such AO LTIP Units acquired hereby and the Partnership Units issuable upon conversion of the AO LTIP Units which are set forth in the Limited Partnership Agreement or this Agreement, the Grantee may have to bear the economic risk of his, her, or its ownership of the AO LTIP Units acquired hereby and the Partnership Units issuable upon conversion of the AO LTIP Units for an indefinite period of time.

(v) The Grantee has determined that the AO LTIP Units are a suitable investment for the Grantee.

(vi) No representations or warranties have been made to the Grantee by the Limited Partnership or the Company, or any employee, officer, director, shareholder, agent, consultant, advisors, or affiliate of any of them, and the Grantee has received no information relating to an investment in the Limited Partnership or the AO LTIP Units except the information specified in paragraph (a) above.

(c) So long as the Grantee holds any AO LTIP Units, the Grantee shall disclose to the Limited Partnership in writing such information as may be reasonably requested with respect to ownership of AO LTIP Units as the Limited Partnership may deem reasonably necessary to

ascertain and to establish compliance with provisions of the Code, applicable to the Limited Partnership or to comply with requirements of any other appropriate taxing authority.

(d) The Grantee hereby agrees to make an election under Section 83(b) of the Code with respect to the AO LTIP Units awarded hereunder and has delivered with this Agreement a completed, executed copy of the election form attached hereto as Exhibit D. The Grantee agrees to file the election (or to permit the Limited Partnership to file such election on the Grantee's behalf) within thirty (30) days after the Award of the AO LTIP Units hereunder with the IRS Service Center at which such Grantee files his or her personal income tax returns.

(e) The address set forth on the signature page of this Agreement is the address of the Grantee's principal residence, and the Grantee has no present intention of becoming a resident of any country, state, or jurisdiction other than the country and state in which such residence is sited.

(f) The representations of the Grantee as set forth above are true and complete to the best of the information and belief of the Grantee, and the Limited Partnership shall be notified promptly of any changes in the foregoing representations.

EXHIBIT D

**ELECTION UNDER SECTION 83(b) OF
THE INTERNAL REVENUE CODE**

The undersigned hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

1. The name, address, and social security number of the undersigned:

Name:

Address:

Social Security No.:

2. Description of property with respect to which the election is being made:

The election is being made with respect to AO LTIP Units in Kite Realty Group, L.P. (the "**Limited Partnership**").

3. The date on which the property was transferred is _____, 2019.

4. The taxable year to which this election relates is calendar year 2019.

5. Nature of restrictions to which the property is subject:

(a) With limited exceptions, until the AO LTIP Units vest, the AO LTIP Units may not be transferred in any manner without the consent of the Limited Partnership.

(b) The AO LTIP Units are subject to the provisions of an Appreciation Only LTIP Unit Agreement between the undersigned, the Limited Partnership, and Kite Realty Group Trust. The AO LTIP Units are subject to vesting and forfeiture terms and conditions under the terms of the Appreciation Only LTIP Unit Agreement.

6. The fair market value at time of transfer (determined without regard to any restrictions other than restrictions which by their terms will never lapse) of the AO LTIP Units with respect to which this election is being made was \$0 per AO LTIP Unit.

7. The amount paid by the undersigned for the AO LTIP Units was \$0 per AO LTIP Unit.

8. A copy of this statement has been furnished to the Limited Partnership and to its sole general partner, Kite Realty Group Trust.

Dated: _____

(Sign Name)

(Print Name)

**PROCEDURES FOR GRANTEE MAKING ELECTION
UNDER INTERNAL REVENUE CODE SECTION 83(b)**

The following procedures **must** be followed with respect to the attached form for making an election under Internal Revenue Code Section 83(b) in order for the election to be effective:(4)

1. The Grantee must file one copy of the completed election form with the IRS Service Center where the Grantee files the Grantee's federal income tax returns within 30 days after the Grant Date of the AO LTIP Units.
2. At the same time the Grantee files the election form with the IRS, the Grantee must also deliver a copy of the election form to the Secretary of Kite Realty Group Trust.

(4) Whether or not to make the election is your decision and may create tax consequences for you. You are advised to consult your tax advisor if you are unsure whether or not to make the election.

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