

**Report of Organizational Actions  
 Affecting Basis of Securities**

▶ See separate instructions.

<b>Part I Reporting Issuer</b>			
1 Issuer's name <b>San Francisco Flower Growers Association</b>		2 Issuer's employer identification number (EIN) <b>94-0835580</b>	
3 Name of contact for additional information <b>Michael Stauffer</b>	4 Telephone No. of contact <b>310-481-8400</b>	5 Email address of contact <b>MSTAUFFER@KILROYREALTY.COM</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>c/o Kilroy Realty Corp. 12200 West Olympic Blvd, Suite 200</b>		7 City, town, or post office, state, and Zip code of contact <b>Los Angeles, CA 90064</b>	
8 Date of action <b>October 23, 2014</b>		9 Classification and description <b>Tax-free merger</b>	
10 CUSIP number <b>N/A</b>	11 Serial number(s) <b>N/A</b>	12 Ticker symbol <b>N/A</b>	13 Account number(s) <b>N/A</b>

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On October 23, 2014, Issuer was merged into KR SFFGA, LLC and each share of common stock of Issuer was converted into the right to receive common stock of Kilroy Realty Corporation, the direct parent of KR SFFGA, LLC and cash for any fractional shares.**

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15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **A shareholder of Issuer will have gain from the sale or exchange of securities equal to any cash they received for any fractional shares and will take any basis they have in the Issuer stock and allocate it pro rata over the shares of stock of Kilroy Realty Corporation they received.**

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16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **A shareholder will take any basis they have in the Issuer stock and allocate it pro rata over the shares of stock of Kilroy Realty Corporation they received.**

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**Part II** Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Sections 354, 356, & 358.

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Transaction occurred in 2014.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ Michael Stauffer Date ▶ 12/5/14  
Print your name ▶ Michael Stauffer Title ▶ V.P. of Taxes of successor to Issuer

**Paid Preparer Use Only**

Print/Type preparer's name <u>Dominic Kracht</u>	Preparer's signature <u>Dominic Kracht</u>	Date <u>12/5/14</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P01297858</u>
Firm's name ▶ <u>Deloitte Tax LLP</u>	Firm's EIN ▶ <u>86-1065772</u>		Phone no. <u>213-688-6587</u>	
Firm's address ▶ <u>555 W. 5th Street, Suite 2700, Los Angeles, CA 90013-1010</u>				