

ARDEN REALTY INC
Form 8-K
July 13, 2005

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

July 7, 2005

Date of report (Date of earliest event reported)

ARDEN REALTY, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State of other jurisdiction of incorporation)

1-12193

(Commission File Number)

95-4578533

(I.R.S. Employer Identification
No.)

11601 Wilshire Boulevard

Fourth Floor

Los Angeles, California 90025

(Address of principal executive offices) (Zip Code)

(310) 966-2600

(Registrant's telephone number, including area code)

N/A

(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:

- 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))

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

(A) On July 7, 2005, Arden Realty Limited Partnership (the Partnership), of which Arden Realty, Inc. (the Registrant) is the general partner, renewed and extended its \$310 million unsecured revolving credit facility (the Credit Facility). The Credit Facility, which now matures in April 2009, bears interest at an annual rate between LIBOR plus 0.85% plus a 0.20% annual facility fee. At such times as there are any amounts outstanding on the Credit Facility, the Partnership is required to make payments of interest only a minimum of once per fiscal quarter. The interest rate and facility fee are subject to adjustment, ranging from LIBOR plus 0.80% to LIBOR plus 1.55% based on the Partnership's unsecured senior debt rating. The facility has a one-year extension option and can be increased to \$400 million. The Partnership expects to use the Credit Facility for general corporate purposes.

The Credit Facility contains covenants and restrictions requiring the Partnership to meet certain financial ratios and to provide certain information to the lenders. Some of the financial covenants include a maximum total liabilities to gross asset value ratio, a minimum unsecured interest expense coverage ratio, a minimum fixed charge coverage ratio, a minimum consolidated tangible net worth and a limit of development activities as compared to total assets. Non-compliance with one or more of the covenants and restrictions could result in the full principal balance of the Credit Facility becoming immediately due and payable.

Additionally, on July 7, 2005, the Registrant executed a Repayment Guaranty (the Guaranty) in favor of the lenders under the Credit Facility, pursuant to which the Registrant has guaranteed the full repayment of amounts outstanding under the Credit Facility. The lenders may exercise their rights under the Guaranty on demand. Accordingly, the Registrant may be required to repay amounts owing under the Credit Facility at any time there is an outstanding principal balance.

(B) On July 12, 2005, the Registrant's Compensation Committee, by unanimous written consent, approved the increase of the fiscal 2005 base salary of Richard S. Davis, Executive Vice President and Chief Financial Officer from \$360,000 to \$450,000, retroactively effective February 16, 2005.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION

The information set forth in paragraph (A) of Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

Exhibit Number	Description
10.1*	Fourth Amended and Restated Revolving Credit Agreement dated July 7, 2005
99.1*	Press Release dated July 7, 2005

* Filed herewith.

SIGNATURES

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

Dated: July 13, 2005

ARDEN REALTY, INC.

By: /s/ Richard S. Davis
Richard S. Davis
Executive Vice President and
Chief Financial Officer

(c) Exhibits

Exhibit Number	Description
10.1*	Fourth Amended and Restated Revolving Credit Agreement dated July 7, 2005
99.1*	Press Release dated July 7, 2005

* Filed herewith.