

KITE REALTY GROUP TRUST
Form 424B3
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PROSPECTUS

DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN
2,000,000 Common Shares of Beneficial Interest

This prospectus describes the Kite Realty Group Trust (“Kite” or the “Company”) Dividend Reinvestment and Share Purchase Plan (the “Plan”), a direct share purchase plan designed to provide investors with a convenient, low-cost method to purchase our common shares and to reinvest cash dividends in the purchase of additional shares.

You can participate in the Plan if you own our common shares or units of limited partnership interest in Kite Realty Group, L.P., our “Operating Partnership.” If you do not own our common shares or partnership units in our Operating Partnership, you can become a participant by making an initial purchase through the Plan with a minimum investment of \$250.

The Plan has two components:

- a dividend reinvestment component which permits Plan participants to invest all or a portion of the dividends on their common shares, or cash distributions on their units in our Operating Partnership, in additional common shares, and
- a direct share purchase component which permits Plan participants and new investors to purchase common shares by making optional cash investments from \$25 to \$10,000 per month.

All references in this prospectus to “common shares” are to Kite common shares of beneficial interest, par value \$0.01 per share. References to “shareholders” are to individuals or entities that hold Kite common shares and references to “unitholders” are to individuals or entities that hold units of limited partnership interest in our Operating Partnership. The term “new investor” refers to an individual or entity that does not hold Kite common shares or units in our Operating Partnership prior to becoming a participant in the Plan.

Our common shares are traded on the New York Stock Exchange under the symbol “KRG.”

You should read this prospectus carefully so you know how the Plan works and retain it for future reference.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is December 20, 2010

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SUMMARY OF THE PLAN

The following summary of our Dividend Reinvestment and Share Purchase Plan may omit information that may be important to you. You should carefully read the entire text of the Plan contained in this prospectus before you decide to participate in the Plan.

Enrollment

You can participate in the Plan if you currently own common shares in the Company or units in our Operating Partnership. You may participate in the Plan by completing an Enrollment Form and submitting it to StockTrans, a Broadridge Company, the Plan's "Administrator." Please see Question 7 for more detailed information.

Initial Investment

If you do not own any common shares in the Company or units in our Operating Partnership, you can participate in the Plan by making an initial purchase of our common shares through the Plan with a minimum initial investment of \$250. Please see Question 7 for more detailed information.

Reinvestment of Dividends and Distributions

If you are a shareholder, you can reinvest all or a portion of your cash dividends in additional common shares. Similarly, if you are a unitholder, you can invest all or a portion of your cash distributions paid on your units in our common shares. Please see Question 8 for more detailed information.

Optional Cash Investments

As a participant in the Plan, you can purchase additional common shares by investing a minimum of \$25 and a maximum of \$10,000 per month. You can pay by check or you may be able to authorize one or more electronic transfers from your account at a U.S. Bank or financial institution. In certain instances we may, in our sole discretion, permit optional cash purchases that exceed the \$10,000 maximum. Please see Question 10 for more detailed information.

Source of Shares

The Administrator will purchase our common shares directly from us as newly issued common shares, in the open market or in privately negotiated transactions with third parties. Please see Question 15 for more detailed information.

Purchase Price

The purchase price for our common shares under the Plan depends on whether the Administrator obtains your common shares by purchasing them directly from us, in the open market or in privately negotiated transactions with third parties:

- For Dividend Reinvestments and Optional Cash Investments of \$10,000 or Less:
 - the purchase price for common shares purchased in the open market or in privately negotiated transactions with third parties will be equal to the average price of all the shares purchased by the Administrator on the applicable investment date.

- the purchase price for common shares that the Administrator purchases directly from us will be equal to the higher of (i) the average of the daily high and low sales prices of our common shares traded on the New York Stock Exchange (the “NYSE”) for the ten trading days immediately preceding the investment date, or (ii) the average of the high and low sales prices of our common shares as reported on the NYSE on the applicable investment date.

We may in the future, at our sole discretion, offer a discount of up to 5% of the market price, as calculated as set forth herein (inclusive of any applicable sales fees), on purchases of common shares under the Plan. Please see Question 16 for more detailed information.

- For Optional Cash Investments in Excess of \$10,000 made pursuant to a Request for Waiver:
 - the purchase price for common shares purchased pursuant to a request for waiver may reflect a discount of 0% to 5% from the market price and will be equal to the higher of (i) average of the daily high and low sales price of our common shares traded on the NYSE during a pricing period of ten trading days, less any applicable discount, or (ii) the average of the high and low sales prices of the common shares as reported on the NYSE on the applicable investment date, less any applicable discount. Shares purchased pursuant to a waiver request may be subject to a threshold price provision. Please see Questions 13 and 14 for more detailed information.

To maintain our compliance with the federal income tax rules applicable to REITs, we cannot, and will not under any circumstances, offer any discount on shares purchased pursuant to this plan that exceeds 5% of the fair market value of the shares, as determined for federal income tax purposes, on the investment date. Notwithstanding any other provision of this plan or anything contained in this prospectus, no provisions of this plan shall be construed to permit a discount that would adversely affect our ability to qualify as a REIT.

Tracking Your Investments

As a Plan participant you will receive periodic statements showing the details of each transaction and the share balance in your Plan account. Please see Question 25 for more detailed information.

Plan Administrator

We have appointed StockTrans, a Broadridge Company, as our transfer agent and to administer the Plan. Please see Question 4 for more detailed information.

THE COMPANY

We are engaged in the ownership, operation, management, leasing, acquisition, construction, redevelopment and development of neighborhood and community shopping centers and certain commercial real estate properties in selected markets in the United States. We derive revenues primarily from rents and reimbursement payments received from tenants under existing leases at each of our properties. We also derive revenues from providing management, leasing, real estate development, construction and real estate advisory services through our taxable REIT subsidiary.

As of September 30, 2010, we owned interests in a portfolio of 60 properties including 51 retail operating properties totaling 7.9 million square feet of gross leasable area (including non-owned anchor space), five retail properties under redevelopment totaling 0.5 million square feet of gross leasable area and four operating commercial properties totaling 0.5 million square feet of net rentable area. Also, as of September 30, 2010, we had an interest in two in-process development properties which, upon completion, are anticipated to have 0.6 million square of gross leasable area (including non-owned anchor space).

In addition to our in-process developments and redevelopments, we have future developments which consist of land parcels that are undergoing pre-development activity and are in various stages of preparation for construction to commence, including pre-leasing activity and negotiations for third party financing. As of September 30, 2010, these future developments consisted of six projects that are expected to contain 2.8 million square feet of total gross leasable area upon completion.

Finally, as of September 30, 2010, we also owned interests in other land parcels comprising approximately 93 acres that may be used for future expansion of existing properties, development of new retail or commercial properties or sold to third parties.

We conduct all of our business through our operating partnership, of which we are the sole general partner, and its subsidiaries. As of September 30, 2010, we held an approximate 89% interest in our operating partnership.

Our principal executive office is located at 30 S. Meridian Street, Suite 1100, Indianapolis, Indiana 46204 and our telephone number is (317) 577-5600. We maintain a website at www.kiterealty.com. The information contained on or connected to our website is not incorporated by reference into, and you must not consider the information to be a part of, this prospectus supplement or the accompanying prospectus.

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This prospectus and the documents that we incorporate by reference herein contain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. We caution investors that any forward-looking statements presented in this prospectus and the documents that we incorporate by reference herein are based on management's beliefs and assumptions made by, and information currently available to, management. When used, the words, "anticipate," "believe," "expect," "intend," "may," "might," "plan," "estimate," "project," "should," "will," "result" and similar expressions, which do not relate solely to historical matters, are intended to identify forward-looking statements. Such statements are subject to risks, uncertainties and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. All forward-looking statements included in this prospectus and the documents incorporated by reference herein are based on information available at the time the statement is made. We are under no obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Accordingly investors should use caution in relying on past forward-looking statements, which are based on results and trends at the time they are made, to anticipate future results or trends. Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:

- national and local economic, business, real estate and other market conditions, particularly in light of the current economic challenges;
- financing risks, including the availability of and costs associated with sources of liquidity;
- our ability to refinance, or extend the maturity dates of, our indebtedness (particularly our debt maturities coming due in 2011);
- the level and volatility of interest rates;
- the financial stability of tenants, including their ability to pay rent and the risk of tenant bankruptcies;
- the competitive environment in which we operate;
- acquisition, disposition, development and joint venture risks;
- property ownership and management risks;
- our ability to maintain our status as a real estate investment trust ("REIT") for federal income tax purposes;
- potential environmental and other liabilities;

- impairment in the value of real estate property that we own;
- risks related to the geographical concentration of our properties in Indiana, Florida and Texas;
- other factors affecting the real estate industry generally; and
- other risks identified in this prospectus and other documents incorporated by reference herein, and, from time to time, in other reports we file with the Securities and Exchange Commission (the “SEC”) or in other documents that we publicly disseminate, including, in particular, the section titled “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

TERMS AND CONDITIONS OF THE PLAN

The following constitutes our Dividend Reinvestment and Share Purchase Plan, as in effect beginning on the date first set forth on the cover page of this prospectus.

Purpose

1. What is the purpose of the Plan?

The primary purpose of the Plan is to give holders of our common shares, and other investors, a convenient and economical way to purchase additional common shares, by reinvesting all or a portion of their cash dividends in common shares and by contributing optional cash payments to the Plan. A secondary purpose of the Plan is to give us the ability to raise capital by selling newly issued common shares under the Plan.

Advantages and Disadvantages

2. What are the advantages of the Plan?

The advantages of the Plan are as follows:

- **Direct Purchase of Initial Shares:** New investors may enroll in the Plan by making an initial investment in common shares of at least \$250, but not more than \$10,000.
- **Reinvestment of Dividends or Distributions:** Participants may purchase additional common shares automatically by reinvesting all or a portion of their cash dividends or distributions. Dividend payments not reinvested will be paid by check or, upon request, by direct deposit to an account at a U.S. bank or financial institution.
- **Direct Purchase of Additional Shares through Optional Cash Investments:** Participants may purchase additional common shares by making optional cash investments of at least \$25 per investment, with a maximum allowable investment of \$10,000 per month.
- **Fractional Shares:** All cash dividends or distributions paid on a participant's common shares or units and all cash investments made by a participant are fully invested in additional common shares because the Plan permits fractional share interests to be credited to Plan accounts. In addition, dividends will be paid on, and may be reinvested with respect to, such fractional share interests.
- **Discount:** We may in the future, at our sole discretion, offer a discount of up to 5% of the market price, as calculated as set forth herein (inclusive of any applicable sales fees), on purchases of common shares under the Plan.
- **Certificates:** Participants may request the issuance of share certificates for all or a portion of their Plan shares free of charge.
- **Certificate Safekeeping:** The Plan offers a "safekeeping" service free of charge, whereby record holders may deposit any share certificates they may have with the Administrator and have their certificated shares credited to their account. This feature prevents share certificate loss, theft or destruction. Since deposited shares become book-entry shares, they may be transferred or sold through the Plan in a convenient and economical manner.

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- **Reduced Fees:** Fees charged to participants are usually less than if the individual investor purchased or sold shares outside of the Plan through a broker.
- **Sale or Transfer of Shares:** Participants may request the sale of a portion or all of their Plan shares. Participants may request the transfer to another participant all or a portion of their Plan shares free of charge.
- **Simplified Recordkeeping:** Participants are furnished periodic statements which show the detail of each transaction and indicate the share balance of the Plan account, providing a simplified method of recordkeeping.

3. What are the disadvantages of the Plan?

The disadvantages of the Plan are as follows:

- **No Interest Paid on Funds Pending Investment:** No interest is paid on dividends or optional cash investments held by the Administrator pending reinvestment or investment.
- **Purchase/Sale Price Determination:** Participants have no control over the share price or the timing of the purchase or sale of Plan shares. Participants cannot designate a specific price or a specific date at which to purchase or sell common shares or the selection of a broker/dealer through or from whom purchases or sales are made. In addition, participants will not know the exact number of shares purchased until after the investment date.
- **Reinvested Dividends and Other Amounts may be Treated as Dividends for Tax Purposes:** Participants who reinvest dividends paid on common shares will be treated for federal income tax purposes as having received a dividend but will not receive cash to pay any tax payment that may be owed on that dividend. In addition, in some cases the participant will be treated as having received an additional distribution attributable to any Plan discount that may be offered.
- **Purchase Price may be Higher than Market Price:** Common shares purchased directly from us under the Plan are based on a formula described under Question 16 (or Question 14 for optional cash investments of more than \$10,000). As a result of this formula, the purchase price under the Plan may exceed the open market price on the investment date.

Administration

4. Who will administer the Plan?

StockTrans, a Broadridge Company, has been appointed as administrator of the Plan. Enrollment, purchase or sale of share requests and other transactions or services offered under the Plan should be directed to the Administrator through use of any of the following:

Telephone

Customer Service Representatives are available from 8:30 a.m. to 5:30 p.m., Eastern Time, Monday through Friday (except holidays).

Telephone shareholder customer service, including sale of shares toll-free within the United States and Canada:
1-800-733-1121

In Writing

You may also write to the Plan Administrator at the following address:

KITE REALTY GROUP TRUST
C/O STOCKTRANS, A BROADRIDGE COMPANY
44 WEST LANCASTER AVENUE
ARDMORE, PA 19003

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Be sure to include your name, address, daytime phone number, social security or tax I.D. number and a reference to Kite Realty Group Trust on all correspondence.

Employees of the Administrator are not permitted to give any opinions on the merits of any security or class of securities. Securities held by the Administrator in your Plan account are not subject to protection under the Securities Investor Protection Act of 1970. The Administrator may use, and commissions may be paid to, a broker-dealer that is affiliated with the Administrator. Investors must make independent investment decisions based upon their own judgment and research.

The Company may replace the Administrator at any time upon written notice to the Administrator and may designate another qualified administrator as successor Administrator for all or a part of the Administrator's functions under the Plan. All participants would be notified of any such change. If the Company changes the Administrator, references in this prospectus to Administrator shall be deemed to be references to the successor Administrator, unless the context requires otherwise.

Unitholders can change their elections or terminate their participation in the Plan only by notifying the Operating Partnership at the address set forth below.

Kite Realty Group, L.P.

30 South Meridian Street, Suite 1100

Indianapolis, Indiana 46204

Attention: Daniel R. Sink

Telephone: (317) 577-5600

Eligibility and Enrollment

5. Who is eligible to participate in the Plan?

New Investors: If you do not currently own any common shares of the Company or units in our Operating Partnership, you can participate in the Plan by making an initial purchase of common shares through the Plan with a minimum investment of \$250.

Record Owners: You are a record owner if you own common shares that are registered in your name with our transfer agent. If you are a record owner, you may participate directly in any or all of the features of the Plan.

Beneficial Owners: You are a beneficial owner if you own common shares that are registered in the name of a broker, bank or other nominee. If you are a beneficial owner, you must either (i) become a record owner by having one or more shares transferred into your own name, or (ii) coordinate your participation in the Plan through the broker, bank or other nominee in whose name your common shares are held. If you remain a beneficial holder, your participation will be limited to the dividend reinvestment feature of the Plan.

Unitholders: Holders of limited partnership units in our Operating Partnership may participate in all features of the Plan. Unitholders may invest all or a portion of the cash distribution paid on their units to purchase common shares. Unitholders may also make optional cash investments.

6. Are there limitations on participation in the Plan other than those described under Question 5?

You may not participate in the Plan if it would be unlawful for you to do so in the jurisdiction where you are a citizen or reside. If you live outside the U.S. and you are a qualified U.S. person, you should first determine if there are any laws or governmental regulations that would prohibit your participation in the Plan. We reserve the right to terminate participation of any participant if we deem it advisable under any foreign laws or regulations.

We reserve the right to modify, suspend or terminate participation in the Plan by any participant in order to eliminate practices which are, in our sole discretion, not consistent with the purpose or operation of the Plan or which adversely

affect the price of our common shares.

We may also limit participation by some shareholders in order to maintain our status as a REIT.

7. How do I become a Plan participant?

New Investors. If you do not currently own any common shares of the Company or units in our Operating Partnership, you may enroll in the Plan by making an initial purchase of our common shares with a minimum investment of \$250, but your initial investment cannot exceed \$10,000.

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You may enroll in the Plan by completing an Enrollment Form and submitting it to the Administrator. You may fund your initial investment by mailing with your Enrollment Form, a check, made payable to StockTrans, a Broadridge Company, for at least \$250. Alternatively, you may be able to authorize a one-time deduction of a minimum of \$250 and a maximum of \$10,000 from your account at a U.S. bank or financial institution, or you may be able to authorize automatic monthly deductions of at least \$25 which will continue until the \$250 minimum initial investment is reached. If automatic deductions are available, an Automatic Deduction Authorization Form can be requested with the Enrollment Form. If available, automatic deductions will continue until such time as you notify the Administrator to stop making automatic deductions. This initial investment will enable you to participate in any or all of the services of the Plan on the next investment date.

Record Holders. If you own common shares that are registered in your name (not the name of a broker, bank or other nominee), you can enroll in the Plan by completing an Enrollment Form and submitting it to the Administrator. As a record holder, you may participate in any or all of the services of the Plan. You may fund your additional investments by mailing with your Enrollment Form, a check made payable to StockTrans, a Broadridge Company, for between \$25 and \$10,000, or you may be able to authorize one or more electronic transfers of between \$25 and \$10,000 per month from your account at a U.S. Bank or financial institution.

Beneficial Holders. If you are a beneficial holder you may arrange to have your broker or bank participate in the Plan on your behalf. In this case, your participation may be on terms and conditions which differ from the terms and conditions set forth in this Plan and you will be limited to the dividend reinvestment feature of the Plan only. The Administrator will not have a record of your transactions or your account since they will remain under the name of your broker or bank.

To participate in the optional cash investment feature of the Plan you must become a record holder. You can become a record holder by instructing your broker, bank or other nominee to re-register some or all of your common shares in your name through the Direct Registration System. This is an electronic transfer of your shares from your broker's name into your name. This will establish a book-entry account in your name with the Administrator and you can then commence using any or all of the Plan services. Or, you can instruct your broker, bank or other nominee to deliver to you a physical share certificate in your name. Once you receive your share certificate in your name, you can enroll in the Plan and you may begin to use all of the services of the Plan.

Unitholders. Unitholders may enroll in the Plan by completing an Enrollment Form and submitting it to the Operating Partnership at the address set forth in Question 4.

Except as otherwise noted, the discussion in this prospectus relating to the reinvestment of dividends on our common shares also applies to the investment choices available to unitholders and to the mechanics and timing of the investment of distributions from our Operating Partnership.

Dividend Reinvestment Options

8. How do I reinvest dividends?

Choosing Your Investment Options. If you elect to reinvest your dividends, you must choose one of the following when completing the Dividend Reinvestment section of the Enrollment Form:

- **Full Dividend Reinvestment:** This option directs the Administrator to reinvest the cash dividends paid on all of the common shares owned by you then or in the future in additional common shares.

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Partial Dividend Reinvestment: This option allows you to specify a fixed number of full shares on which you would like to receive a cash dividend payment and directs the Administrator to reinvest the cash dividends paid on all remaining common shares owned by you then or in the future. We will continue to pay you cash dividends, when, as and if declared by our board of trustees, on the specified number of common shares, unless you designate those shares for reinvestment pursuant to the Plan.

Changing Your Investment Options. You may change your investment options by contacting the Administrator. The Administrator must receive any change with regard to your participation in the Plan on or before the record date for

a dividend payment in order for the change to be effective for that dividend payment. You may, of course, choose not to reinvest any of your dividends, in which case the Administrator will remit any dividends to you.

9. When are dividends reinvested?

The Administrator will invest dividends in additional common shares that are purchased directly from us on the dividend payment date, unless the dividend payment date is not a day on which the NYSE is open for trading, in which case the dividends will be invested on the next trading day. In the case of purchases on the open market or in privately negotiated transactions with third parties, the Administrator will make such purchases beginning on or after the dividend payment date, and in any case within 30 days of such date. In the unlikely event that, due to unusual market conditions, the Administrator is unable to invest the funds within 30 days, the Administrator will remit the funds to you by check. No interest will be paid on funds held by the Administrator pending investment.

Optional Cash Investments

10. How do I make optional cash investments?

Once you have enrolled in the Plan by submitting an Enrollment Form, you may make optional cash investments at any time in three ways:

- (i) you can send a check to the Administrator payable to “StockTrans, a Broadridge Company;”
- (ii) you may be able to authorize one-time optional cash investments for a minimum of \$25 per calendar month by electronic transfer from your account at a U.S. bank or financial institution; or
- (iii) you may be able to authorize automatic monthly investments of at least \$25 but not more than a total of \$10,000 each calendar month by electronic transfer from your account at a U.S. bank or financial institution.