

PS BUSINESS PARKS INC/CA
Form 8-K
December 01, 2017

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): November 30, 2017

PS BUSINESS PARKS, INC.

(Exact name of registrant as specified in its charter)

California

(State or Other Jurisdiction of Incorporation)

1-10709
(Commission)

95-4300881
(I.R.S. Employer)

| File Number) | Identification Number) |
|--|--|
| 701 Western Avenue, Glendale, California (Address of principal executive offices) | 91201-2349 (Zip Code) |
| (818) 244-8080 | |

(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 (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 12-2 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 pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement

On November 30, 2017, PS Business Parks, Inc., a California corporation (the Company), entered into an Underwriting Agreement (the Underwriting Agreement) by and among Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC, UBS Securities LLC and Wells Fargo Securities, LLC, as representatives of the other underwriters named therein, the Company and PS Business Parks, L.P., a California limited partnership (the Operating Partnership), relating to a public offering by the Company of 8,000,000 of its depositary shares (the Depositary Shares), each representing 1/1,000 of a share of the 5.20% Cumulative Preferred Stock, Series Y of the Company (the Preferred Stock).

The Underwriting Agreement contains customary representations, warranties and agreements by the Company, customary conditions to closing, other obligations of the parties and termination provisions. Additionally, the Company has agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make because of any of those liabilities. The Underwriting Agreement is filed as Exhibit 1.1 hereto and is incorporated herein by reference.

At closing of the offering, an amendment to the agreement of limited partnership of the Operating Partnership will be executed to create a series of partnership units of the operating partnership with terms and preferences generally mirroring those of the Preferred Stock. The Company will contribute the proceeds from the sale of the Depositary Shares to the Operating Partnership in exchange for such preferred units. A copy of the amendment will be filed as an exhibit to the Company's annual report on Form 10-K for the year ending December 31, 2017.

Item 3.03 Material Modification to Rights of Securityholders

Upon issuance of the Preferred Stock referenced in Item 5.03 below, the ability of the Company to make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment on, any other stock of the Company ranking junior to or on a parity with the Preferred Stock, will be subject to certain restrictions in the event that the Company does not declare dividends on the Preferred Stock during any dividend period.

The terms of the Preferred Stock are set forth in the Certificate of Determination filed as Exhibit 3.1 hereto and incorporated herein by reference. The terms of the Depositary Shares are set forth in the Deposit Agreement dated as of November 30, 2017 among the Company, American Stock Transfer & Trust Company, LLC, as depositary, and the holders of the depositary receipts issued thereunder (the Deposit Agreement). The Deposit Agreement is filed as Exhibit 4.1 hereto and incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

(a) Under the Company's Restated Articles of Incorporation, as amended, the Board of Directors is authorized without further shareholder action to provide for the issuance of up to 50,000,000 shares of preferred stock. On December 1, 2017, the Company filed with the Secretary of State of the State of California, a Certificate of Determination designating 8,000 shares of the Company's preferred stock as 5.20% Cumulative Preferred Stock, Series Y. A copy of the Certificate of Determination is filed as Exhibit 3.1 hereto and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

Exhibit

| No. | Description |
|------|---|
| 1.1 | <u>Underwriting Agreement relating to the Company's depositary shares representing shares of the Company's 5.20% Cumulative Preferred Stock, Series Y, Liquidation Preference Equivalent to \$25.00 per depositary share.</u> |
| 3.1 | <u>Certificate of Determination for the 5.20% Cumulative Preferred Stock, Series Y.</u> |
| 4.1 | <u>Deposit Agreement Relating to the Depositary Shares (including form of Depositary Receipt).</u> |
| 5.1 | <u>Opinion of Hogan Lovells US LLP as to the validity of the Preferred Stock and Depositary Shares.</u> |
| 23.1 | <u>Consent of Hogan Lovells US LLP (contained in Exhibit 5.1).</u> |

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.

PS BUSINESS PARKS, INC.

Date: December 1, 2017

By: /s/ Maria R. Hawthorne
Maria R. Hawthorne
President and Chief Executive Officer