

Heath R Fear
Form 4
March 26, 2019

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Heath R Fear

2. Issuer Name and Ticker or Trading Symbol
KITE REALTY GROUP TRUST
[KRG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
30 SOUTH MERIDIAN ST., SUITE 1100

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
03/24/2019

____ Director
 Officer (give title below) _____ Other (specify below)
EVP & Chief Financial Officer

INDIANAPOLIS, IN 46204

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Shares | | | | (A) or (D) | 78,883 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Limited Partnership Units of Kite Realty Group, L.P. | \$ 15.68 | 03/24/2019 | | D ⁽¹⁾ | 208,163 ⁽¹⁾ | ⁽¹⁾ / ⁽¹⁾ | Common Shares |
| Limited Partnership Units of Kite Realty Group, L.P. | \$ 15.79 | 03/24/2019 | | A | 253,416 ^{(2) (3)} | ⁽²⁾⁽³⁾ / ⁽²⁾⁽³⁾ | Common Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Heath R Fear 30 SOUTH MERIDIAN ST. SUITE 1100 INDIANAPOLIS, IN 46204 | | | EVP & Chief Financial Officer | |

Signatures

/s/ Heath R. Fear 03/26/2019
 **Signature of Date
 Reporting Person

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Unvested Class AO LTIP Units ("AO LTIPs") in Kite Realty Group L.P. granted on 2/28/19 were forfeited and cancelled by mutual agreement of the reporting person and Kite Realty Group Trust ("Kite"). On 3/24/19, AO LTIPs were granted in an amount equal to the same target value as the forfeited awards, as further described in Notes (2) and (3) below and corresponding entries in the table. The AO LTIPs granted on 3/24/19 have a higher Participation Threshold per AO LTIP (as defined in Note 2 below) than the forfeited awards and have a lower per unit potential target value than the forfeited awards due to the elimination of the payment of any current distributions on the AO LTIPs and of an accrued distribution upon conversion of vested AO LTIPs into vested LTIPs (as defined in and further described in Note 2 below).

The reporting person received a grant of AO LTIPs, pursuant to the Kite Realty Group Trust 2013 Equity Incentive Plan (as it may be amended and/or restated from time to time). AO LTIPs are similar to "net exercise" stock option awards and are convertible, once vested, into a number of vested limited partnership units of Kite Realty Group L.P. designated as LTIP Units ("LTIPs"), determined by the quotient of (i) the excess of the value of a common share of beneficial interest, par value of \$.01 per share ("Common Share") of Kite Realty Group Trust as of the date of conversion over \$15.79 (the "Participation Threshold per AO LTIP"), divided by (ii) the value of a Common Share as of the date of conversion. Vested LTIPs into which AO LTIPs have been converted are further convertible, [footnote continued]

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- [Continued from footnote] conditioned upon minimum allocations to the capital accounts of the LTIPs for U.S. federal income tax purposes, into an equal number of limited partnership units in Kite Realty Group L.P. ("LP Units"). The resulting LP Units are redeemable by the holder for one Common Share per LP Unit or the cash value of a Common Share, at the Issuer's option. The AO LTIPs
- (3) will vest and become 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 appreciates at least 20% over the applicable Participation Threshold per AO LTIP (as set forth in the table above) for a minimum of 20 consecutive trading days. Under the award agreement, the AO LTIPs have a six-year term from the grant date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.