

Terreno Realty Corp
Form 8-K
March 31, 2011

**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): March 31, 2011
Terreno Realty Corporation**

(Exact name of registrant as specified in its charter)

Maryland

001-34603

27-1262675

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

**16 Maiden Lane, Fifth Floor
San Francisco, CA 94108**

(Address of principal executive offices) (Zip Code)

(415) 655-4580

(Registrant's telephone number, including area code)

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))
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Item 1.01 Entry into a Material Definitive Agreement.

On March 31, 2011, a wholly-owned subsidiary (the *Subsidiary*) of Terreno Realty Corporation (the *Company*) entered into an agreement (the *Agreement*) with a third-party seller (the *Seller*) to acquire an industrial property located in Northern New Jersey consisting of one building, aggregating approximately 211,400 square feet (the

Property) for a purchase price of approximately \$32.6 million. As part of this acquisition, the Company expects that the Subsidiary will assume a mortgage loan with a total principal amount as of the closing of the acquisition of approximately \$14.8 million with a fixed annual interest rate of 5.49%. The mortgage loan requires equal payments of interest and principal payable based on a 30-year amortization schedule with a maturity date of March 31, 2021. The Company expects to utilize cash on hand to fund the acquisition, net of the assumed mortgage loan.

The Company made an approximately \$2.0 million deposit upon entering into the Agreement, which may be refunded to the Company if it elects to terminate the transaction following a 28-day due diligence period. Upon the expiration of the due diligence period, if the Company elects to proceed with the transaction, the Company will make an additional \$1.0 million deposit, and the entire \$3.0 million deposit will be non-refundable, except in the case of a Seller default or failure to satisfy closing conditions. The acquisition is scheduled to close 5 business days after the expiration of the due diligence period, subject to certain extension rights of the parties as set forth in the Agreement, and subject to the satisfaction of customary closing conditions, and the parties' ability to obtain the lender's consent to the Subsidiary's assumption of the mortgage loan on terms satisfactory to the Company.

There are no material relationships between the Company or its affiliates and the Seller, other than in respect of the Agreement. There is no assurance that the Company will acquire the Property because the proposed acquisition is subject to a variety of factors, including the satisfaction of customary closing conditions and the lender's consent.

Forward-Looking Statements.

This Current Report on Form 8-K contains forward-looking statements within the meaning of the federal securities laws. We caution investors that forward-looking statements are based on management's beliefs and on assumptions made by, and information currently available to, management. When used, the words *anticipate*, *believe*, *estimate*, *expect*, *intend*, *may*, *might*, *plan*, *project*, *result*, *should*, *will*, and similar expressions which do not refer to historical matters are intended to identify forward-looking statements. These 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, including those risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2010 and our other public filings. 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. We expressly disclaim any responsibility to update our forward-looking statements, whether as a result of new information, future events, or otherwise.

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.

Terreno Realty Corporation

Date: March 31, 2011

By: /s/ Michael A. Coke
Michael A. Coke
President and Chief Financial Officer