

COUSINS PROPERTIES INC

FORM 10-K (Annual Report)

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 1993 Commission file number 2-20111

COUSINS PROPERTIES INCORPORATED

**A GEORGIA CORPORATION
I.R.S. EMPLOYER IDENTIFICATION NO. 58-086952
2500 WINDY RIDGE PARKWAY
MARIETTA, GEORGIA 30067
TELEPHONE: 404-955-2200**

Name of exchange on which registered: New York Stock Exchange

Securities registered pursuant Common Stock (\$1 Par Value)
to Section 12(b) of the Act:

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes /X/ No //

Indicate by check mark if disclosure of delinquent filers pursuant to

Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. //

As of March 15, 1994, 27,842,415 common shares were outstanding; and the aggregate market value of the common shares of Cousins Properties Incorporated held by nonaffiliates was \$353,049,081.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents have been incorporated by reference into the designated Part of this Form 10-K:

Registrant's Proxy Statement dated March 29, 1994	Part III, Items 10, 11, 12 and 13
Registrant's Annual Report to Stockholders for the year ended December 31, 1993	Part II, Items 5, 6, 7 and 8

PART I

ITEM 1. BUSINESS

CORPORATE PROFILE

Cousins Properties Incorporated (the "Registrant" or "Cousins") is a Georgia corporation, which since 1987 has elected to be taxed as a real estate investment trust ("REIT"). Cousins Real Estate Corporation ("CREC"), a taxable entity consolidated with the Registrant, owns, develops, leases, and manages a portion of the Company's real estate portfolio. Cousins/New Market Development Company, Inc. ("CNM") is a subsidiary of CREC which develops retail shopping centers. The Registrant, together with CREC, CNM and CREC's other consolidated entities, is hereafter referred to as the ("Company").

Cousins is an Atlanta-based, fully integrated equity real estate investment trust. The Company has extensive experience in the real estate industry, including the acquisition, financing, development, management and leasing of properties. Cousins has been a public company since 1962, and its common stock trades on the New York Stock Exchange. The Company owns a portfolio of well located, high-quality retail and office developments and holds several tracts of strategically located undeveloped land. The Company's holdings are concentrated in the southeastern United States, primarily in the Atlanta area. The strategies employed to achieve the Company's investment goals include the acquisition of quality income producing properties at attractive prices; the development of properties which are substantially precommitted to quality tenants; maintaining high levels of occupancy within owned properties and the selective sale of assets. The Company also seeks to be opportunistic and take advantage of normal real estate business cycles.

BRIEF DESCRIPTION OF COMPANY INVESTMENTS

Presently, the Company owns, directly and indirectly, equity interests of at least 50% in eight high-quality commercial office buildings, primarily in the Atlanta, Georgia area, with aggregate rentable space of approximately 3.7 million square feet (4.2 million gross square feet). The Company also owns a 9.8% interest in and manages a 1.2 million square foot building in Atlanta, Georgia. The Company believes that its portfolio of commercial office buildings is currently the largest (measured by leasable area) in the southeastern United States held by any publicly-traded REIT.

The weighted average leased percentage of the eight 50% or more owned buildings was approximately 87% as of March 15, 1993. The leases at these major office properties expire as follows:

	Square Feet Expiring	Square Feet Expiring as % of Total Leased
1994	31,592	1%
1995	292,800	9% (a)
1996	125,102	4%
1997	91,457	3%
1998	280,262	9% (a)
1999	45,389	1%
2000 and thereafter	2,334,433	73%
	-----	----
	3,201,035	100%
	=====	=====

(a) Includes 130,847 square feet and 63,688 square feet of leases which expire in 1995 and 1998, respectively, only if significant cancellation penalties are paid. Otherwise, the leases expire 5 years later than shown in the above table.

All of the Company's major office tenant leases in these buildings provide for pass through of operating expenses, and base rents which escalate over time.

The Company also owns the land under and leasehold mortgage note on a 188,000 square foot office building used as a training facility which has a book value of \$18 million. The training facility, which was developed by Cousins, is located in Wildwood Office Park, and is 100% leased to International Business Machines Corporation ("IBM") through November 1998. Under terms of this note and land lease, the Company is expected to receive substantially all of the building's cash flows (see Note 3 of "Notes to Consolidated Financial Statements").

On March 10, 1994, the Company purchased two mortgage notes for \$28 million from the Resolution Trust Corporation which are secured by a 250,000 square foot office building in Washington, D.C. The terms of these two notes have some of the characteristics of an equity investment, and should provide a comparable return on investment (see Note 11 of "Notes to Consolidated Financial Statements").

In the retail area, which is the primary focus of the Company's current development activity, the Company's holdings include a 50% interest in a regional mall (currently being expanded), a 100% interest in two retail power centers, and an 82.3% interest in a third retail power center (two of which power centers were under construction at December 31, 1993). All of the Company's retail power centers are significantly preleased to anchor tenants with lease terms of 15 years or more, pass through of operating expenses, and base rents which escalates over time.

The Company's other real estate holdings include equity interests in approximately 600 acres of strategically located land held for investment and future development, and \$40 million of mortgage notes receivable guaranteed by the AT&T Master Pension Trust which mature on June 21, 1994. The \$40 million of mortgage notes were consideration received from the sale of several retail mall properties in 1984.

The Company's joint venture partners include IBM and affiliates of The Coca-Cola Company ("Coca-Cola"), NationsBank Corporation ("NationsBank"), Corporate Property Investors, Odyssey Partners, L.P., Temple-Inland Inc., Dutch Institutional Holding Company ("DIHC"), and American General Corporation

The success of the Company's operations is dependent upon such unpredictable factors as the availability of satisfactory financing; general and local economic conditions; the activity of others developing competitive projects; and zoning, environmental impact, and other government regulations.

Refer to Item 2 hereof for a more detailed description of the Company's real estate properties.

SIGNIFICANT CHANGES IN 1993

Significant changes in the Company's business and properties during the year ended December 31, 1993 were as follows:

In October 1993, the Registrant issued 5,800,000 shares of common stock through a public offering at a price of \$17.25 per share. Concurrently with the public offering, an additional 300,000 shares were purchased at the public offering price by Thomas G. Cousins. The Company has used the proceeds to reduce debt (including joint venture debt) and to develop income-producing properties, and intends to acquire and develop additional income-producing proper-

ties as suitable opportunities arise.

CNM began construction of five new retail power centers totaling 1.3 million square feet during 1993, including three centers totaling 919,000 square feet for the Company's account. CNM generated leasing and development fees of \$2.2 million from projects owned by third parties.

The first new development undertaken by CNM for the Company was Perimeter Expo. Perimeter Expo is a 295,000 square foot retail power center (of which 178,000 square feet are owned by the Company), located adjacent to Perimeter Mall in Atlanta, Georgia. Construction commenced in June 1993 with the center opening in November 1993, and became operational for financial reporting purposes on December 1, 1993.

Additionally, CNM commenced development of 2 other retail power centers for the Company, North Point Market and Presidential Market, in September and October 1993, respectively. North Point Market is adjacent to North Point Mall and will have 314,000 square feet in Phase I. The center also includes six outparcels that are being leased to freestanding users. Phase I will open in the spring of 1994. Presidential Market is an approximately 310,000 square foot retail power center (of which approximately 194,000 square feet are owned by the Company), located in northeast suburban Atlanta. This center is scheduled to open in the fall of 1994.

EXECUTIVE OFFICES

The Registrant's executive offices are located at 2500 Windy Ridge Parkway, Suite 1600, Marietta, Georgia 30067. At December 31, 1993, the Company employed 108 people. On August 2, 1994, the mailing address will change to 2500 Windy Ridge Parkway, Suite 1600, Atlanta, Georgia 30339.

ITEM 2. PROPERTIES

TABLE OF MAJOR PROPERTIES

The following tables set forth certain information relating to office and retail properties, stand alone retail lease sites, and land held for investment and future development in which the Company has a 50% or greater ownership interest. All information presented is as of December 31, 1993, except percentage leased which is as of March 15, 1994. Dollars are stated in thousands.

Description	Year Development Completed or Acquired	Joint Venture Partner or Partners	Company's Ownership Interest	Rentable Square Feet (or Acres as Noted)	Percentage Leased	Major Tenants (lease expiration/options expiration)
OFFICE						
Wildwood Office Park:						
Suburban Atlanta, GA						
2300 Windy Ridge Parkway	1987	IBM	50%	634,000	95%	IBM (2002/2012) (1994) Electrolux (2000/2005) Computer Associates (1998)(9) Chevron USA (1995/2001)
2500 Windy Ridge Parkway	1985	IBM	50%	313,000	83%	Coca-Cola Enterprises Inc. (1998/2008) IBM (1995/2005)
3200 Windy Hill Road	1991	IBM	50%	681,000	93%	IBM(2001/2011) Equifax (4) (1998/2003) (9) W.H. Smith Inc. (2002/2007)
3301 Windy Ridge Parkway	1984	N/A	100%	106,000	60%	The Systems Works, Inc. (2003/2008) (9)
NationsBank, Plaza Atlanta, GA	1992	NationsBank(4)	50%	1,256,000	80%	NationsBank(4) (2012/2042) Ernst & Young (2007/2017) Troutman Sanders (2007/2017) Hunton & Williams (2004/2009)

Description	Major Tenants' Rentable Sq. Feet	Adjusted Cost (1)	Adjusted Cost Less Depreciation and Amortization (1)	1993 Adjusted Cash Flows From Operating Activities Before Debt Service (2)	Debt Balance	Debt Interest Rate (3)	Debt Maturity
OFFICE							
Wildwood Office Park:							
Suburban Atlanta, GA							
2300 Windy Ridge Parkway	303,436 11,608 62,576 62,445 59,912	\$ 76,085	\$ 57,758	\$ 9,771	\$82,000	9.090%	8/10/99
2500 Windy Ridge Parkway	139,944	\$ 26,283	\$ 18,812	\$ 4,422(5)	\$31,502	9.125%	6/28/96
3200 Windy Hill Road	52,039 445,755 68,642 34,658	\$ 77,835	\$ 69,740	\$ 7,836	\$ 9,700	Floating	9/01/94 Renewable
3301 Windy Ridge Parkway	63,688	\$ 10,282	\$ 7,752	\$ (352)(6)	\$ 0	N/A	N/A
NationsBank, Plaza Atlanta, GA	572,742	\$212,992	\$201,651	\$ 15,695	\$ 0(7)	N/A	N/A
	188,175						
	156,020						

Description	Year Development Completed or Acquired	Joint Venture Partner or Partners	Company's Ownership Interest	Rentable Square Feet (or Acres as Noted)	Percentage Leased	Major Tenants (lease expiration/options expiration)
OFFICE (CONTINUED)						
First Union Tower Greensboro, NC	1990	Weaver Downtown, L.P.	85%	317,000	81%	Smith Helms Mullis & Moore (2000/2015) First Union Bank (4) (2009/2019) Halstead Industries (2000/2005)
Ten Peachtree Place Atlanta, GA	1991	Coca-Cola (4)	50%	259,000	100%	Coca-Cola (2001/2006)
Summit Green (11) Greensboro, NC	1986	IBM	50%	135,000	100%	IBM (1996/2006) Fitech Systems (1999/2004) Massachusetts Mutual Life Ins. Co. (1997/2002)
RETAIL POWER CENTERS AND MALLS						
Haywood Mall Greenville, SC (11)	1977	Corporate Property Investors (4)	50%	942,000 of which 270,000 is owned by joint venture	100% overall 98% of Venture owned	Sears (8) J.C. Penney (8) Rich's (8) Belk (8)
Perimeter Expo Atlanta, GA	1993	N/A	100%	295,000 of which 178,000 is owned by the Company	93% overall 89% of Company owned	The Home Depot Expo (8) Marshalls (2013/2028) Best Buy (2013/2028) Linens 'N Things (2013/2023) Office Max (2014/2034)
North Point Market-Phase I Suburban Atlanta, GA	(13)	Coca-Cola (4)	82.3%	314,000 (15)	88%	Sportstown (2014/2024) (13) Media Play (2009/2024) (13) Marshalls (2009/2024) (13) Linens 'N Things (2004/2024) (13) United Artists (2014/2034) (13) Circuit City (2014/2029) (13) PETSMART (2009/2029) (13)

Description	Major Tenants' Rentable Sq. Feet	Adjusted Cost (1)	Adjusted Cost Less Depreciation and Amortization (1)	1993 Adjusted Cash Flows From Operating Activities Before Debt Service (2)	Debt Balance	Debt Interest Rate (3)	Debt Maturity
OFFICE (CONTINUED)							
First Union Tower Greensboro, NC	70,360 62,622 60,253	\$32,126	\$26,510	\$3,388	\$ 3,500	Floating	12/31/96
Ten Peachtree Place Atlanta, GA	259,000	\$23,475	\$22,151	\$2,859	\$22,342	8.000% (10)	11/30/01(10)
Summit Green (11) Greensboro, NC	80,941 22,688 11,476	\$10,644	\$ 8,052	\$1,762	\$10,736	9.875%	4/01/98
RETAIL POWER CENTERS AND MALLS							
Haywood Mall Greenville, SC (11)	N/A	\$25,483	\$17,678	\$6,537	\$19,529	9.375%	11/01/00
Perimeter Expo Atlanta, GA	N/A 36,598 36,000 30,351 23,500	\$18,469	\$18,439	\$ 149(12)	\$ 0	N/A	N/A

North Point Market-Phase I
Suburban
Atlanta, GA

50,275	\$ 9,913	\$ 9,913	(13)	\$ 0	N/A	N/A
48,884						
40,000						
35,000						
34,800						
33,000						
25,416						

Description	Year Development Completed or Acquired	Joint Venture Partner or Partners	Company's Ownership Interest	Rentable Square Feet (or Acres as Noted)	Percentage Leased	Major Tenants (lease expiration/options expiration)
RETAIL POWER CENTERS AND MALLS (CONTINUED)						
Presidential Market						
Suburban						
Atlanta, GA	(13)	N/A	100%	310,000 of which 194,000 is owned by the Company (16)	76% overall 61% of Company owned	Target (8) Publix Super Market (2019/2044) (13) T.J. Maxx (2004/2014) (13) Marshalls (2009/2024) (13)

STAND ALONE RETAIL SITES ADJACENT TO COMPANY'S OFFICE AND RETAIL PROJECTS

Description	Year Development Completed or Acquired	Joint Venture Partner or Partners	Company's Ownership Interest	Rentable Square Feet (or Acres as Noted)	Percentage Leased	Major Tenants (lease expiration/options expiration)	
Wildwood Office Park							
Suburban							
Atlanta, GA	1985-1993	IBM	50%	14 Acres	94%	N/A	
GA Highway 400 Property							
Suburban							
Atlanta, GA	1993	N/A	100%	32 Acres	34%	N/A	
				1993 Adjusted Cash Flows From Operating Activities Before Debt Service (2)	Debt Balance	Debt Interest Rate (3)	Debt Maturity
	Major Tenants' Rentable Sq. Feet	Adjusted Cost (1)	Adjusted Cost Less Depreciation and Amortization (1)				

RETAIL POWER CENTERS AND MALLS (CONTINUED)

Presidential Market							
Suburban							
Atlanta, GA	N/A	\$14,556	\$14,556	(13)	\$0	N/A	N/A
	56,146						
	32,000						
	30,000						

STAND ALONE RETAIL SITES ADJACENT TO COMPANY'S OFFICE AND RETAIL PROJECTS

Wildwood Office Park							
Suburban							
Atlanta, GA	N/A	\$ 7,364	\$ 6,781	\$544 (14)	\$0	N/A	N/A
GA Highway 400 Property							
Suburban							
Atlanta, GA	N/A	\$ 4,709	\$ 4,708	\$ 41 (17)	\$0	N/A	N/A

(1) Cost as shown in the accompanying table includes deferred leasing and financing costs and other related assets. For each of the following projects: 2300 and 2500 Windy Ridge Parkway, 3200 Windy Hill Road, Wildwood Stand Alone Retail Lease Sites and North Point Market, the cost shown is what the cost would be if the venture's land cost were adjusted downward to the Company's lower basis in the land it contributed to the venture.

(2) Adjusted cash flows from operating activities represents cash flows from operating activities excluding changes in other operating assets and liabilities.

(3) Floating rates range between .75% and 1% over Federal Funds rate; Federal Funds rate averaged 2.96% for the month of December 1993.

(4) Actual tenant or venture partner is affiliate of entity shown.

(5) Includes \$322,000 of deferred rent from a tenant who had occupied 8% of the building, but whose lease expired December 31, 1993. This space is currently being marketed to prospective tenants.

(6) The System Works, Inc. lease began in January 1994 and is expected to generate cash flows from operating activities of approximately \$400,000 on an annualized basis. The lease contains options to expand to 100% of the building over the next several years. This building was unoccupied during 1993.

(7) The joint venture's indebtedness was fully repaid with the proceeds of the October 1993 common stock offering and with matching funds contributed by the Company's venture partner.

(8) This anchor tenant owns its own space.

(9) Computer Associates, Equifax, and The Systems Works, Inc. have the right to terminate their leases in 1995, 1995 and 1998, respectively, upon payment of significant cancellation penalties.

- (10) Maturity extendible to December 31, 2008. Rate becomes floating after November 30, 2001.
- (11) Summit Green and a portion of the Haywood Mall parking lot are subject to long-term ground leases.
- (12) Perimeter Expo became operational for financial reporting purposes on December 1, 1993. Thus, cash flows from operating activities before debt service reported for Perimeter Expo represent one month of operations. Cash flows from operating activities before debt service are expected to be approximately \$2.8 million on an annualized basis when the center becomes fully operational.
- (13) Project was under construction as of December 31, 1993. Lease expiration dates are based upon estimated commencement dates. Final project size may vary from that shown based on how much of the unleased space is actually constructed.
- (14) Approximately 10 acres of these sites were generating cash flows from operating activities at December 31, 1993, of which 4 acres became operational in the second half of 1993. Three of the remaining four acres are leased to a tenant whose rental commencement date begins no later than June 1, 1994, at which time cash flows from operating activities before debt service from the 13 leased acres will be approximately \$1.0 million on an annualized basis. The remaining acre is currently being marketed to prospective tenants.
- (15) North Point Market includes approximately 8 acres being developed as stand alone retail sites which are being ground leased to tenants.
- (16) Presidential Market excludes approximately 6 acres being developed as stand alone retail sites held for sale or lease to tenants, which costs are included in Land Held for Investment and Future Development.
- (17) Rentals have commenced on only six acres of the GA Highway 400 Property, and those rentals commenced during the fourth quarter of 1993. To date leases have been signed for approximately 5 additional acres, with the lease commencements for these 5 acres ranging from the second to the third quarter of 1994. Leases on the 11 leased acres will generate cash flows from operating activities before debt service of over \$550,000 per year. The remaining acres are currently being marketed to prospective tenants.

LAND HELD FOR INVESTMENT AND FUTURE DEVELOPMENT

Description, Location and Zoned Use	Year Acquired	Developable Land Area (Acres)(1)	Joint Venture Partner	Company's Ownership Interest	Adjusted Cost (2) Less Depreciation and Amortization	Debt Balances
Wildwood Office Park						
Suburban Atlanta, Georgia						
Office and Commercial	1971-1987	151	N/A	100%	\$ 7,005	\$ 0
Office and Commercial	1971-1982	53	IBM	50%	\$15,951	\$ 0
Georgia Highway 400 Land						
(Georgia Highway 400 & Haynes Bridge Road) (3)						
Suburban Atlanta, Georgia						
Office and Commercial - East	1970-1985	78	N/A	100%	\$ 3,177	\$ 0
Office and Commercial - West	1970-1985	230	N/A	100%	\$ 4,260	\$ 0
North Point Market - Phase II	1970-1985	14	Coca-Cola(5)	2.3%	\$ 1,095	\$ 0
Peachtree Road (7)						
(1 mile north of Lenox Square Mall)						
Atlanta, Georgia						
Multi-family	1971	9	N/A	100%	\$ 1,669	\$ 0
West Cobb County						
Suburban Atlanta, Georgia						
Retail, commercial and office	1981	38	N/A	100%	\$ 834	\$ 0
Midtown Atlanta						
Office and Commercial	1984	2	N/A	100%	\$ 2,966	\$188(4)
Office and Commercial	1985-1989	11	Coca-Cola(5)	50%	\$ 2,981	\$ 0
Temco Associates						
(Paulding County)						
Suburban Atlanta, Georgia	1991	--(6)	Temple-Inland Inc. (5)	50%	--(6)	\$ 0
Presidential Market						
Outparcels						
Suburban Atlanta, Georgia	1993	6	N/A	100%	\$ 2,139	\$ 0

(1) Based upon management's estimates.

(2) For the portion of the Wildwood Office Park land and Midtown Atlanta land owned by joint ventures, the cost shown is what the cost would be if the venture's land cost were adjusted downward to the Company's lower basis in the land it contributed to the venture. For the 50%-owned Wildwood Office Park land, the adjusted cost excludes building predevelopment costs of \$1,317,000.

(3) The Georgia Highway 400 property is located both east and west of Georgia Highway 400. Currently, only the land which is located east of Georgia Highway 400 is being developed. This land surrounds North Point Mall, a 1.3 million square foot regional mall on a 100 acre site which the Company sold in 1988 to a joint venture of Homart Development Co. and JMB/Federated Realty Associates, Ltd.

(4) This note bears interest at 8.5% and amortizes in equal monthly installments through October 1997. There is a 15% penalty for prepayment of this loan.

(5) Joint venture partner is an affiliate of the entity shown.

(6) Temco Associates has an option through March 2006, with no carrying costs, to acquire approximately 35,000 acres in Paulding County, Georgia (northwest of Atlanta, Georgia), of which approximately 13,000 acres would be a fee simple interest and approximately 22,000 acres would be a timber rights interest only. The option may be exercised in whole or in part over the option period. Temco Associates has also engaged in certain sales of land as to which it simultaneously exercised its purchase option. During 1993, approximately 1,100 acres of the option related to the fee simple interest was exercised and simultaneously sold for gross profits of \$305,000.

(7) The Company has entered into a contract for sale of the Peachtree Road property for \$4.8 million net proceeds to the Company. The buyer has deposited a \$700,000 non-refundable deposit under the contract, and is scheduled to close the sale by the second quarter of 1994. If the sale closes as contemplated, the Company will recognize a gain of \$3.1 million on the transaction.

MAJOR OFFICE AND RETAIL PROPERTIES

General. This section describes the major operating properties in which the Company has an interest either directly or indirectly through joint venture arrangements. A "negative investment" in a joint venture results from distributions of capital to the Company, if any, exceeding the sum of (i) the Company's contributions of capital and (ii) reported earnings (losses) of the joint venture allocated to the Company. "Investment" in a joint venture means the book value of the Company's investment in the joint venture.

Wildwood Office Park. Wildwood Office Park, a Class A commercial development in suburban Atlanta, was master planned by I.M. Pei. Located in Atlanta's northwest commercial district, just north of the Interstate 285/Interstate 75 intersection, the property features convenient access to all of Atlanta's major office, commercial and residential districts. The Wildwood complex overlooks the Chattahoochee River and borders 1,200 acres of national forest, thus providing an urban office facility in a forest setting. Developments in Wildwood Office Park include the 3200 Windy Hill Road Building (681,000 rentable square feet), the 2300 Windy Ridge Parkway Building (634,000 rentable square feet) and the 2500 Windy Ridge Parkway Building (313,000 rentable square feet). At December 31, 1993, these three buildings were 93%, 95% and 83% leased, respectively. IBM has been a major tenant in these three buildings, leasing approximately 813,000 square feet, or approximately 50% of the rentable square feet. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Additional Prospective Information." Wildwood Office Park also contains 13 acres leased to two banking facilities and four restaurants (one of which is currently under construction); an additional one acre retail site currently being marketed to prospective users, and a child care facility.

The 3200 Windy Hill Road Building was financed primarily with equity, and at December 31, 1993 had \$9.7 million outstanding debt related to it. The 2300 Windy Ridge Parkway Building and the 2500 Windy Ridge Parkway Building were financed primarily with debt and, at December 31, 1993, had \$82 million and \$31.5 million of outstanding debt related to them, respectively.

The developments described above are located on land controlled by Wildwood Associates, a joint venture between the Company and IBM formed in 1985. The Company and IBM each have a 50% interest in Wildwood Associates. Wildwood Associates also controls approximately 53 acres in Wildwood Office Park held for future development, which is composed of a 6 acre site with a restaurant and approximately 58,000 square feet of office space which was purchased in 1986 for future development, and 47 acres of other land to be developed (see "Land Held for Investment - Wildwood Office Park").

At December 31, 1993, the Company's investment in Wildwood Associates and a related partnership (see "Summit Green") was approximately \$4,867,000, which included the cost of the land the Company is committed to contribute to Wildwood Associates. In addition, the Company has severally guaranteed one-half of a \$50,000,000 bank line of credit to Wildwood Associates related to the 3200 Windy Hill Road Building, under which, as noted above, \$9.7 million was drawn at December 31, 1993.

Wildwood Office Park also contains the 3301 Windy Ridge Parkway Building, a 106,000 rentable square foot office building located on approximately 5 acres which is wholly owned by the Company. Commencing January 1994, a single tenant leased approximately 60% of this building. The lease has options permitting the tenant to expand its occupancy to the remainder of the building over the next several years. In addition, the 3100 Windy Hill Road Building, a 188,000 rentable

square foot corporate training facility occupies a 13-acre parcel of land which is wholly owned by the Company. The training facility improvements were sold in 1983 to a limited partnership of private investors, at which time the Company received a leasehold mortgage note. The training facility land was simultaneously leased to the partnership for thirty years, along with certain equipment for varying periods. The training facility was 100% leased by the partnership to IBM through November 1993. In January 1993, the IBM lease was extended through November 30, 1998. Concurrently with the IBM extension, the mortgage note and related leases were also modified (see Note 3 of "Notes to Consolidated Financial Statements").

NationsBank Plaza. NationsBank Plaza is a Class A, 55-story, 1.3 million rentable square foot office tower designed by Kevin Roche and is located on approximately 3.7 acres of land between the midtown and downtown districts of Atlanta, Georgia. The building, which was completed in 1992, was approximately 80% leased at December 31, 1993. An affiliate of NationsBank, the fourth largest bank in the United States, leases 46% of the rentable square feet.

NationsBank Plaza was developed by CSC Associates, L.P. ("CSC"), a joint venture formed by the Company and C&S Premises, Inc., an affiliate of NationsBank. The Company and C&S Premises, Inc. each have a 50% interest in CSC.

In October 1993, the partnership fully repaid all of its debt with equity contributions of \$86.7 million made by each partner. At December 31, 1993, the Company's investment in CSC was approximately \$106,759,000. The Company has guaranteed one-half of a \$20,000,000 bank line of credit under which there was no outstanding balance at December 31, 1993.

CSC's net income or loss and cash distributions are allocated to the partners based on their percentage interests (50% each), subject to a preference to Cousins. The Cousins preference is \$2.5 million (giving Cousins an additional \$1.25 million over what it would otherwise receive), and accrues to Cousins, with interest at 9% to the extent unpaid, over the period February 1, 1992 through January 31, 1995. Following repayment of the partnership's debt in October 1993, Cousins began recognizing its accrued preference currently in income, which resulted in Cousins recognizing \$874,000 in income over what it would have otherwise recognized in the year ended December 31, 1993. The partners have agreed that until cumulative retained earnings (before considering distributions) exceed zero, which should occur in 1994, distributions will be based on their percentage interests. Thereafter, Cousins will be distributed its preference, to the extent earned, with amounts above the preference amount distributed based on the partners' percentage interests.

First Union Tower. First Union Tower is a Class A office building containing approximately 317,000 rentable square feet. The property is located on approximately one acre of land in downtown Greensboro, North Carolina. First Union Tower opened in the first quarter of 1990 and at December 31, 1993 was approximately 81% leased.

First Union Tower is owned by North Greene Associates Limited Partnership ("North Greene Associates"), which was formed in 1987 as a joint venture of the Company and Weaver Downtown Limited Partnership. The Company has an 85% ownership interest in North Greene Associates, and accounts for it as a consolidated entity. At December 31, 1993, the Company had a demand loan outstanding to the partnership of \$28,051,000. The Company's demand loan to the partnership was used to pay down to \$3,500,000 the outstanding balance of a first mortgage bank line of credit on this property. The Company has guaranteed 27.3% of the bank line of credit.

One Ninety One Peachtree Tower. One Ninety One Peachtree Tower is a 50-story, Class A office tower located in downtown Atlanta, Georgia that was completed in December 1990. One

Ninety One Peachtree Tower, which contains 1.2 million rentable square feet, was designed by John Burgee Architects, with Phillip Johnson as design consultant.

One Ninety One Peachtree Tower was developed on approximately 2 acres of land, of which approximately 1.5 acres is owned and approximately one-half acre under the parking facility is leased for a 99-year term expiring in 2088 with a 99-year renewal option. One Ninety One Peachtree Tower was approximately 90% leased at December 31, 1993.

C-H Associates, Ltd. ("C-H Associates"), a partnership formed in 1988 between CREC (49%), Hines Peachtree Associates Limited Partnership (49%) and Peachtree Palace Hotel, Ltd. (2%), owns a 20% interest in the partnership that owns One Ninety One Peachtree Tower. C-H Associates' 20% ownership of One Ninety One Peachtree Tower results in an effective 9.8% ownership interest by CREC in the One Ninety One Peachtree Tower project. The balance of the One Ninety One Peachtree Tower project is owned by DIHC Peachtree Associates, an affiliate of DIHC.

Through C-H Associates, CREC received 50% of the development fees from the One Ninety One Peachtree Tower project. In addition, CREC owns a 50% interest in two general partnerships which receive fees from leasing and managing the One Ninety One Peachtree Tower project.

The One Ninety One Peachtree Tower project was funded substantially by debt until March 1993, at which time DIHC Peachtree Associates contributed equity in the amount of \$145,000,000. Subsequent to the equity contribution, C-H Associates is entitled to a priority distribution of \$250,000 per year (of which the Company is entitled to receive \$112,500) for seven years beginning in 1993. The equity contributed by DIHC Peachtree Associates is entitled to a preferred return at a rate increasing over the first 14 years from 5.5% to 11.5% (payable after the Company's priority return). Thereafter, the partners will share in any distributions in accordance with their percentage interests. At December 31, 1993, the Company had a negative investment of \$90,000 in the One Ninety One Peachtree Tower project.

Ten Peachtree Place. Ten Peachtree Place is a 20-story, 259,000 rentable square foot Class A office building located in midtown Atlanta, Georgia. Completed in 1991, this structure was designed by Michael Graves and is currently 100% leased to Coca-Cola. Approximately four acres of adjacent land, currently used for surface parking, are available for future development.

Ten Peachtree Place is owned by Ten Peachtree Place Associates, a general partnership between the Company (50%) and a wholly owned subsidiary of Coca-Cola (50%).

Ten Peachtree Place Associates acquired the property in 1991 for a nominal cash investment, subject to a ten-year purchase money note. This 8% purchase money note had an outstanding balance of \$22.3 million at December 31, 1993. If the purchase money note is paid in accordance with its terms, it will amortize to approximately \$15.3 million (\$59 per rentable square foot) over the ten-year term of the Coca-Cola lease, at which time Coca-Cola is entitled to receive the preferred return described below and the property may be sold, re-leased, or returned to the lender under the purchase money note for \$1.00 without penalty or any further liability to the Company for the indebtedness. At December 31, 1993, the Company had a negative investment in Ten Peachtree Place Associates of \$66,000.

The Company anticipates that Ten Peachtree Place Associates will generate approximately \$400,000 per year of cash flows from operating activities net of note principal amortization during the ten-year lease. The partnership agreement generally provides that each of the partners is entitled

to receive 50% of cash flows from operating activities net of note principal amortization (excluding any sale proceeds) for ten years, after which time the Company is entitled to 15% of cash flows (including any sale proceeds) and its partner is entitled to receive 85% of cash flows (including any sale proceeds), until the two partners have received a combined distribution of \$15.3 million, after which time each partner is entitled to receive 50% of cash flows (including any sale proceeds).

Summit Green. Summit Green, a 21-acre office park located in Greensboro, North Carolina, is owned by Wildwood Associates (the partnership with IBM) and a related partnership. The park contains a 135,000 rentable square foot mid-rise office building which was 100% leased at March 15, 1994. The Summit Green land is leased from an unrelated third party for a 99-year term expiring in 2084. Space exists for two additional office buildings, but the Company has no plans to commence additional development without prior leasing commitments.

Haywood Mall. Haywood Mall, a 942,000 square foot enclosed regional shopping center located 5 miles southeast of downtown Greenville, South Carolina, was developed by the Company and opened in 1980. Haywood Mall Associates, a joint venture formed in 1979 by the Company and Bellwether Properties of South Carolina, L.P., an affiliate of Corporate Properties Investors, owns approximately 270,000 rentable square feet of shop space in the mall. The balance of the mall, approximately 672,000 square feet, is owned by four major department stores (Sears, Roebuck & Co., J.C. Penney, Rich's and Belk). The portion of Haywood Mall owned by Haywood Mall Associates was developed on approximately 19 acres of land, of which approximately 16 acres is owned and approximately 3 acres (of parking area) is leased under a ground lease expiring in 2067. The portion of Haywood Mall owned by the joint venture was approximately 98% leased to approximately 107 tenants as of December 31, 1993 and has been at least 90% leased since 1986.

The Company has a 50% interest in Haywood Mall Associates. The Company originally had only a nominal cash investment, but funded an aggregate of \$2.8 million in 1988 through 1990 as its 50% share of capital improvements made to the mall, including a new food court area. At December 31, 1993 the Company's investment was \$323,000.

Haywood Mall Associates has announced an expansion of the mall to be completed by mid-1995. The expansion will include the addition of approximately 70,000 square feet of new mall shops owned by the venture, a Dillard's department store, and an expansion of the Belk-Simpson department store. The venture intends to fund the expansion, as well as the prepayment of an existing 9.37% first mortgage in May 1994, with equity contributions of approximately \$22 million from each venturer.

Perimeter Expo Associates, L.P. In June 1993, Perimeter Expo Associates, L.P. (90% owned by Cousins and 10% owned by CNM) purchased the land for and began construction of this retail power center adjacent to Perimeter Mall in Atlanta, Georgia. Perimeter Expo features a new concept called The Home Depot Expo, which was separately developed by The Home Depot as an upscale interior design center. Perimeter Expo contains approximately 295,000 square feet, of which approximately 178,000 square feet are owned by the Company and the balance of the center, 117,000 square feet, owned by The Home Depot. The center opened in November 1993 and became operational for financial reporting purposes on December 1, 1993.

North Point Market Associates, L.P. In September 1993, the Georgia Highway 400 land owned through Spring/Haynes Associates (see Note 5 of "Notes to Consolidated Financial Statements") was distributed to its partners, with each partner concurrently recontributing certain acres of the land to a new venture, North Point Market Associates, L.P. (owned 82.3% by Cousins and

17.7% by an affiliate of Coca-Cola). Additionally, Cousins contributed certain acres of its wholly owned Georgia Highway 400 land to the new venture. The venture is constructing North Point Market, a retail power center adjacent to North Point Mall, which will have 314,000 square feet in Phase I. The center also includes six outparcels that are being ground leased to freestanding users. Phase I will open in the spring of 1994.

Presidential Market. In October 1993, construction commenced on Presidential Market, an approximately 310,000 square foot retail power center, located in northeast suburban Atlanta. The Company will own approximately 194,000 square feet of the center (depending upon how much of the unleased space is actually constructed), with the remaining 116,000 square feet being separately developed as a Target which is owned by Dayton Hudson Corporation. The center is scheduled to open in the fall of 1994.

Georgia Highway 400 Stand Alone Retail Sites. In September 1993, the Company transferred to Operating Properties the carrying value of 32 acres of the land the Company owns at the intersection of Georgia Highway 400 and Haynes Bridge Road in suburban Atlanta, Georgia surrounding North Point Mall. This land is being ground leased in 1 to 2 acre sites to freestanding users. The remaining 308 developable acres is discussed below in Land Held for Investment and Future Development.

LAND HELD FOR INVESTMENT AND FUTURE DEVELOPMENT

The following describes significant land holdings owned directly by the Company or indirectly through joint venture arrangements. The Company intends to convert its land holdings to income-producing usage or to sell portions of land holdings as opportunities present themselves over time.

Wildwood Office Park. Wildwood Office Park consists of approximately 289 acres of land in suburban Atlanta, Georgia which is zoned for office, institutional, and commercial use. Approximately 104 acres in the park are owned by, or committed to be contributed to, Wildwood Associates, including approximately 53 acres of land held for future development. See "Major Operating Properties - Wildwood Office Park." The Company owns 100% of the balance of the developable land of which approximately 151 acres are available for future development. Utilities are available at the site, and over 7 million additional gross square feet of office and commercial space are planned for the park. The Company has no plans to commence additional office development without prior leasing commitments.

Georgia Highway 400 Property. In addition to the stand alone retail sites discussed above, the Company owns 100% of approximately 308 developable acres and 82.3% of 14 developable acres at the intersection of Georgia Highway 400 and Haynes Bridge Road in suburban Atlanta, Georgia. The Company previously sold 100 acres of its holdings in 1988 to a joint venture of Homart Development Co. and JMB/Federated Realty Associates, Ltd. This joint venture constructed North Point Mall, a 1.3 million square foot regional mall which opened in October 1993. The Company believes the construction of North Point Mall has significantly enhanced the value of its Georgia Highway 400 land.

Of the Company's land, approximately 92 acres of the land located on the east side of Georgia Highway 400 are zoned for mixed-use development including retail and office space. Approximately 230 acres of the land are located on the west side of Georgia Highway 400 and are zoned for office, institutional and light industrial use.

Spring/Haynes Associates. This general partnership was formed in 1985 between the Company and a wholly owned subsidiary of Coca-Cola, each as 50% general partners, to jointly own and develop real estate. The Company contributed 40 acres of undeveloped land at Georgia Highway 400 and Haynes Bridge Road in north central suburban Atlanta, Georgia. Coca-Cola contributed 11 acres of property in midtown Atlanta. In September 1993, the undeveloped land at Georgia Highway 400 was distributed to the partners who concurrently recontributed certain areas of the land into North Point Market Associates, L.P., a consolidated partnership formed between the partners.

The Company's remaining investment in Spring/Haynes Associates is \$1,571,000 at December 31, 1993.

Hickory Hollow. Hickory Hollow Associates is a partnership formed in 1975 between the Company and American General Realty Investment Corporation, an affiliate of American General Corporation (an insurance company). CREC has a 50% interest in Hickory Hollow Associates. Hickory Hollow Associates owns approximately 19 acres of land held for sale near Hickory Hollow Mall, an enclosed regional shopping center approximately 12 miles southeast of downtown Nashville, Tennessee which was developed by the Company. The venture sold 2 acres of this land in 1993 for a gross profit of \$375,000. The venture's holdings originally included the shopping center and approximately 236 adjacent acres, with all but the remaining acres sold in prior years. The Company's investment in Hickory Hollow Associates at December 31, 1993 was \$104,000.

Additional Land Holdings. The Company owns approximately 9 acres on Peachtree Road in the Buckhead area of Atlanta, Georgia zoned for multifamily use and approximately 2 acres on Peachtree Street in the Pershing Point area of Atlanta, Georgia zoned for office and commercial use. In addition, the Company owns approximately 38 acres in west Cobb County, Georgia which is zoned for retail, commercial and office development uses.

The Company has entered into a contract for sale of the Peachtree Road property for \$4.8 million net proceeds to the Company. The buyer has deposited a \$700,000 non-refundable deposit under the contract, and is scheduled to close the sale by the second quarter of 1994. If the sale closes as contemplated, the Company will recognize a gain of \$3.1 million on the transaction.

Temco Associates. Temco Associates was formed in March 1991 as a partnership between CREC (50%) and a subsidiary of Temple-Inland Inc. (50%). Temco Associates has an option through March 2006, with no carrying costs, to acquire approximately 35,000 acres in Paulding County, Georgia (northwest of Atlanta, Georgia), of which approximately 13,000 acres would be a fee simple interest and approximately 22,000 acres would be a timber rights interest only. The option may be exercised in whole or in part over the option period. The Temco Associates property has the potential for future residential and industrial development. Temco Associates has also engaged in certain sales of land as to which it simultaneously exercised its purchase option. During 1993, approximately 1,100 acres of the option related to the fee simple interest was exercised and simultaneously sold for gross profits of \$305,000.

OTHER REAL PROPERTY INVESTMENTS

Omni Norfolk Hotel. Norfolk Hotel Associates ("NHA") is a general partnership formed in 1978 between the Company and an affiliate of Odyssey Partners, L.P. (an investment partnership), each as 50% partners, which held a mortgage note on and owned the land under the 442-room Omni International Hotel in downtown Norfolk, Virginia. In January 1992, NHA terminated the land lease and became the owner of the hotel and a long-term parking agreement with an adjacent building owner. The partnership is currently receiving cash payments of approximately \$400,000 per

year (subject to annual increases) under the parking agreement. In April 1993, the partnership sold the hotel, but retained its interest in the parking agreement. The Company's share of the gain on this transaction was approximately \$.5 million and is included in Income From Joint Ventures in the Consolidated Statements of Income. The partnership received a mortgage note for a portion of the sales proceeds.

At December 31, 1993, the Company had an investment of \$830,000 in NHA. The Company has also guaranteed a \$4.85 million line of credit to NHA under which \$1,000 had been drawn at December 31, 1993, and its partner has guaranteed an equal line of credit under which \$4.625 million had been drawn at December 31, 1993. Additionally, NHA has a \$4.75 million line of credit, payable upon demand to the Company under which \$4.624 million had been drawn at December 31, 1993. The line bears interest at the daily Federal funds rate plus 75 basis points with payments of interest only until the maturity date of November 1, 1994. This line of credit is being used by the Company for temporary investment of excess cash. NHA used the cash to temporarily pay down the bank line of credit which the Company guarantees.

Dusseldorf Joint Venture. In 1992, Cousins entered into a joint venture agreement for the development of a 133,000 rentable square foot office building in Dusseldorf, Germany which is 34% preleased to IBM. Cousins' venture partners are IBM and Multi Development Corporation International B.V. ("Multi"), a Dutch real estate development company. In December 1993, the building was presold to an affiliate of Deutsche Bank. CREC and Multi will jointly develop the building, with CREC receiving fees of approximately \$1.3 million ratably over the development period of January 1994 through June 1995. In addition, the Company will recognize 30% of the venture's profit or 50% of the venture's loss. Due to the Company's continuing involvement in the project (see Notes 4 and 5 of "Notes to Consolidated Financial Statements"), all fees and profits are being deferred until the project's completion and leaseup.

Kennesaw Crossings. The Company owns Kennesaw Crossings, a shopping center in suburban Atlanta, Georgia. Kennesaw Crossings is a 116,000 square foot shopping center constructed in 1974 located on 14 acres of land leased from an unrelated party through 2068. The Company's net carrying value in Kennesaw Crossings as of December 31, 1993 was \$1.3 million.

Air Rights and Other Property Near the CNN Center. The Company owns a leasehold interest in the air rights over the approximately 365,000 square foot CNN Center parking facility in Atlanta, Georgia, adjoining the world headquarters of Turner Broadcasting System, Inc. and Cable News Network. The air rights are developable for additional parking or office use. The Company's net carrying value of this property is \$0. The Company also owns 0.8 acres of additional land proximate to the CNN Center which is currently being used for surface parking and has a net carrying value of \$398,000.

Residential Lots Under Development. In October 1993, CREC purchased 38 acres in northwest suburban Atlanta, Georgia which is being developed as residential lots. In January 1994, an additional 81 acres in northeast suburban Atlanta, Georgia was purchased for residential lot development.

ITEM 3. LEGAL PROCEEDINGS

No material legal proceedings are presently pending by or against the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to a vote of security holders during the fourth quarter of the Registrant's fiscal year ended December 31, 1993.

ITEM X. EXECUTIVE OFFICERS OF THE REGISTRANT

The Executive Officers of the Registrant as of the date hereof are as follows:

Name	Age	Office Held
Thomas G. Cousins	62	Chairman of the Board of Directors, President, and Chief Executive Officer
Vipin L. Patel	51	Senior Executive Vice President
George J. Berry	56	Senior Vice President
Tom G. Charlesworth	44	Senior Vice President, Secretary, and General Counsel
Daniel M. DuPree	47	Senior Vice President and President of the Retail Division (Cousins/New Market Development Company, Inc.)
John L. Murphy	48	Senior Vice President - Marketing
W. James Overton	47	Senior Vice President - Development
William C. Smith	48	Senior Vice President and President of the Office Division
Peter A. Tartikoff	52	Senior Vice President and Chief Financial Officer
Roy I. Wood, Jr.	72	Senior Vice President - Management

Relationships:

There are no family relationships among the Executive Officers or Directors.

Term of Office:

The term of office for all officers expires at the annual directors' meeting, but the Board has the power to remove any officer at any time.

Business Experience:

Mr. Cousins has been the Chief Executive Officer of the Company since its inception.

Mr. Patel has been Senior Executive Vice President of the Company since March 1991. He joined the Company in December 1982 and was Executive Vice President from March 1983 through February 1991.

Mr. Berry has been Senior Vice President since joining the Company in September 1990. Prior to that he was Commissioner of the State of Georgia's Department of Industry, Trade and Tourism from 1983 to 1990.

Mr. Charlesworth joined the Company in October 1992 and became Senior Vice President, Secretary, and General Counsel in November 1992. Prior to that he worked for certain affiliates of Thomas G. Cousins as Chief Financial Officer and Legal Counsel.

Mr. DuPree joined the Company in October 1992 and became Senior Vice President in April 1993. Prior to that he was President of New Market Companies, Inc. and affiliates since 1984.

Mr. Murphy has been Senior Vice President since joining the Company in December 1987.

Mr. Overton has been Senior Vice President since joining the Company in September 1989. Prior to that he was employed by Hardin Construction Group, Inc. from 1972 to 1989, where he served as President from 1985 to 1989.

Mr. Smith has been Senior Vice President since joining the Company in September 1993. Prior to that he was employed as the Chief Operating Officer and Senior Vice President of The John Akridge Company, an office development company headquartered in Washington, D.C. since 1978.

Mr. Tartikoff has been Senior Vice President and Chief Financial Officer of the Company since February 1986.

Mr. Wood has been a Senior Vice President of the Company since September 1992 and a Senior Vice President of Cousins Real Estate Corporation since January 1990. From January 1987 to November 1992, he was principally employed as President of Cousins Management, Inc.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

The information concerning the market prices for the Registrant's common stock and related stockholder matters appearing under the caption "Market and Dividend Information" on page 38 of the Registrant's 1993 Annual Report to Stockholders is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The information appearing under the caption "Five Year Summary of Selected Financial Data" on page 34 of the Registrant's 1993 Annual Report to Stockholders is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations which appears on pages 35 through 37 of the Registrant's 1993 Annual Report to Stockholders is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Consolidated Financial Statements and Notes to Consolidated Financial Statements of the Registrant and Report of Independent Public Accountants which appear on pages 19 through 34 of the Registrant's 1993 Annual Report to Stockholders are incorporated herein by reference.

The information appearing under the caption "Selected Quarterly Financial Information (Unaudited)" on page 33 of the Registrant's 1993 Annual Report to Stockholders is incorporated herein by reference.

Other financial statements and financial statement schedules required under Regulation S-X are filed pursuant to Item 14 of Part IV of this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information concerning the Directors and Executive Officers of the Registrant that is required by this Item 10, except that which is presented in Item X in Part I above, is included under the captions "Directors and Executive Officers of the Company" on pages 2 through 6 of the Proxy Statement dated March 29, 1994 relating to the 1994 Annual Meeting of the Registrant's Stockholders, and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information appearing under the captions "Executive Compensation" on pages 6 through 12 of the Proxy Statement dated March 29, 1994 relating to the 1994 Annual Meeting of the Registrant's Stockholders is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information concerning security ownership of certain beneficial owners and management required by this Item 12 is included under the captions "Directors and Executive Officers of the Company" on pages 2 through 6 and "Principal Stockholders" on pages 15 through 16 of the Proxy Statement dated March 29, 1994 relating to the 1994 Annual Meeting of the Registrant's Stockholders, and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information concerning certain transactions required by this Item 13 is included under the caption "Certain Transactions" on pages 13 through 14 of the Proxy Statement dated March 29, 1994 relating to the 1994 Annual Meeting of the Registrant's Stockholders, and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. Financial Statements

A. The following Consolidated Financial Statements of the Registrant, together with the applicable Report of Independent Public Accountants, are contained on pages 19 through 34 of the Registrant's 1993 Annual Report to Stockholders and are incorporated herein by reference:

	Page Number in Annual Report -----
Consolidated Balance Sheets - December 31, 1992 and 1993	19
Consolidated Statements of Income for the Years Ended December 31, 1991, 1992 and 1993	20
Consolidated Statements of Stockholders' Investment for the Years Ended December 31, 1991, 1992 and 1993	21
Consolidated Statements of Cash Flows for the Years Ended December 31, 1991, 1992 and 1993	22
Notes to Consolidated Financial Statements	23
Report of Independent Public Accountants	34

B. The following Report of Independent Auditors is incorporated as Exhibit 28 herein:

Report of Independent Auditors on Haywood Mall Associates

C. The following Combined Financial Statements, together with the applicable Report of Independent Public Accountants, of Wildwood Associates and Green Valley Associates II, joint ventures of the Registrant meeting the criteria for significant subsidiaries under the rules and regulations of the Securities and Exchange Commission, are filed as a part of this report.

	Page Number in Form 10-K -----
Report of Independent Public Accountants	F-1
Combined Balance Sheets - December 31, 1992 and 1993	F-2
Combined Statements of Income for the Years Ended December 31, 1991, 1992 and 1993	F-3
Combined Statements of Partners' Capital for the Years Ended December 31, 1991, 1992 and 1993	F-4
Combined Statements of Cash Flows for the Years Ended December 31, 1991, 1992 and 1993	F-5
Notes to Combined Financial Statements	F-6 through F-11

ITEM 14. CONTINUED

D. The following Financial Statements, together with the applicable Report of Independent Auditors, of CSC Associates, L.P., a joint venture of the Registrant meeting the criteria for a significant subsidiary under the rules and regulations of the Securities and Exchange Commission, are filed as a part of this report.

	Page Number in Form 10-K -----
Report of Independent Auditors	G-1
Balance Sheets - December 31, 1992 and 1993	G-2
Statements of Operations for the Years Ended December 31, 1991, 1992 and 1993	G-3
Statements of Partners' Capital for the Years Ended December 31, 1991, 1992 and 1993	G-4
Statements of Cash Flows for the Years Ended December 31, 1991, 1992 and 1993	G-5
Notes to Financial Statements	G-6 through G-9

2. Financial Statement Schedules

The following financial statement schedules, together with the applicable report of independent public accountants are filed as a part of this report.

	Page Number in Form 10-K -----
A. Cousins Properties Incorporated and Consolidated Entities: Report of Independent Public Accountants on Schedules	S-1
X - Supplementary Income Statement Information for the Years Ended December 31, 1991, 1992 and 1993	S-2
XI - Real Estate and Accumulated Depreciation - December 31, 1993	S-3 through S-5
XII - Mortgage Loans on Real Estate - December 31, 1993	S-6 and S-7
B. Wildwood Associates and Green Valley Associates II: VIII -Valuation and Qualifying Accounts and Reserves for the Years Ended December 31, 1991, 1992 and 1993	F-12
IX - Short-term Borrowings for the Years Ended December 31, 1991, 1992 and 1993	F-13
X - Supplementary Income Statement Information for the Years Ended December 31, 1991, 1992 and 1993	F-14
XI - Real Estate and Accumulated Depreciation - December 31, 1993	F-15

ITEM 14. CONTINUED

C.	CSC Associates, L.P.	
	IX - Short-term Borrowings for the Years Ended December 31, 1991, 1992 and 1993	G-10
	X - Supplementary Income Statement Information for the Year Ended December 31, 1993	G-11
	XI - Real Estate and Accumulated Depreciation - December 31, 1993	G-12

NOTE: Other schedules are omitted because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.

3. Exhibits

- 3(a)(i) Articles of Incorporation of Registrant, as restated as of April 29, 1993, filed as Exhibit 4(a) to the Registrant's Form S-3 dated September 28, 1993, and incorporated herein by reference.
- 3(b) By-laws of Registrant, as amended and restated as of November 30, 1989, as further amended by Stockholders on April 30, 1990, and as further amended by the Stockholders on April 29, 1993, filed as Exhibit 4(b) to the Registrant's Form S-3 dated September 28, 1993, and incorporated herein by reference.
- 4(a) Dividend Reinvestment Plan as effective January 27, 1993, filed in the Registrant's Form S-3 dated March 31, 1993, and incorporated herein by reference.
- 10(a)(i) Cousins Properties Incorporated 1989 Stock Option Plan, filed as Exhibit A to the Registrant's Proxy Statement dated March 31, 1989 relating to the 1989 Annual Meeting of Registrant's Stockholders, and incorporated herein by reference.
- 10(a)(ii) Cousins Real Estate Corporation Stock Appreciation Right Plan, amended and restated as of March 15, 1993, filed as Exhibit to the Registrant's Form 10-K for the year ended December 31, 1992, and incorporated herein by reference.
- 10(a)(iii) Cousins Properties Incorporated Stock Appreciation Right Plan, dated as of March 15, 1993, filed as Exhibit 10(a)(iii) to the Registrant's Form 10-K for the year ended December 31, 1992, and incorporated herein by reference.
- 10(b)(i) Cousins Properties Incorporated Profit Sharing Plan as effective as of January 1, 1991, filed as Exhibit 10(b)(i) to the Registrant's Form 10-K for the year ended December 31, 1991, and incorporated herein by reference.
- 10(b)(ii) Amendment Number One to the Cousins Properties Incorporated Profit Sharing Plan, effective as of January 3, 1993, filed as Exhibit 10(b)(ii) to the Registrant's Form 10-K for the year ended December 31, 1992, and incorporated herein by reference.
- 10(b)(iii) Cousins Properties Incorporated Profit-Sharing Trust Agreement as effective as of January 1, 1991, filed as Exhibit 10(b)(ii) to the Registrant's Form 10-K for the year ended December 31, 1991, and incorporated herein by reference.
- 10(d) Land lease (Kennesaw) dated December 17, 1969, and an amendment thereto dated December 15, 1977, filed as Exhibit 10(d) to the Registrant's Form 10-K for the year ended December 31, 1980, and incorporated herein by reference.

ITEM 14. CONTINUED

- 10(f) Cousins Properties Incorporated 1987 Restricted Stock Plan for Outside Directors, filed as Exhibit A to the Registrant's Proxy Statement dated March 27, 1987 relating to the 1987 Annual Meeting of Registrant's Stockholders, and incorporated herein by reference.
- 11 Schedule showing computations of weighted average number of shares of common stock outstanding as used to compute primary and fully diluted income per share for each of the five years ended December 31, 1993.
- 13 Annual Report to Stockholders for the year ended December 31, 1993.
- 22 Subsidiaries of the Registrant.
- 24(a) Consent of Independent Public Accountants (Arthur Andersen & Co.).
- 24(b) Consent of Independent Auditors (Ernst & Young).
- 28 Report of Independent Auditors on Haywood Mall Associates.

(b) Reports on Form 8-K.

No reports on Form 8-K were filed during the fourth quarter of the year ended December 31, 1993.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Cousins Properties Incorporated (Registrant)

Dated: March 24, 1994

BY:

Peter A. Tartikoff Senior Vice President - Finance

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

SIGNATURE -----	CAPACITY -----	DATE ----
PRINCIPAL EXECUTIVE OFFICER:		
----- T. G. Cousins	Chairman of the Board, President, and Chief Executive Officer. Director	March 24, 1994
PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER:		
----- Peter A. Tartikoff	Senior Vice President- Finance	March 24, 1994
ADDITIONAL DIRECTORS:		
----- Boone A. Knox	Director	March 24, 1994
----- Henry C. Goodrich	Director	March 24, 1994
----- Richard W. Courts, II	Director	March 24, 1994

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON SCHEDULES

To the Stockholders of Cousins Properties Incorporated:

We have audited in accordance with generally accepted auditing standards, the financial statements included in the Cousins Properties Incorporated annual report to stockholders incorporated by reference in this Form 10-K, and have issued our report thereon dated March 10, 1994. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedules listed in Item 14, Part (a) 2.A. are the responsibility of the Company's management and are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN & CO.

Atlanta, Georgia
March 10, 1994

SCHEDULE X

**COUSINS PROPERTIES INCORPORATED
 SUPPLEMENTARY INCOME STATEMENT INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993
 (\$ in thousands)**

Column A -----	Column B -----		
Item -----	Charged to Costs and Expense -----		
	1991 -----	1992 -----	1993 -----
Maintenance and repairs	\$ 555	\$ 548	\$ 547
	=====		
Amortization of intangible assets and other deferrals (1)	\$ 350	\$ 561	\$1,324
	=====		
Taxes, other than payroll and income taxes	\$1,186	\$1,146	\$1,262
	=====		

(1) Includes amortization of deferred leasing costs, marketing expenses, financing costs, predevelopment rights, goodwill, and organization expenses

SCHEDULE XI

(Page 1 of 3)

**COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES
REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 1993
(\$ in thousands)**

Description	Column B	Column C		Column D		Column E			
	Encumbrances	Land	Buildings and Improvements	Initial Cost to Company	Costs Capitalized Subsequent to Acquisition	Carrying Costs Less Cost of Sales and Other	Land and Land Improvements	Buildings and Improvements	Total (a), (b)
LAND HELD FOR INVESTMENT OR FUTURE DEVELOPMENT									
Wildwood - Cobb Co., GA	\$ --	\$11,156	\$ --	\$ 4,737	\$(8,888)		\$7,005	\$ --	\$7,005
North Fulton Property - Fulton Co., GA	--	10,294	--	12,457	(15,314) (c)		7,437	--	7,437
Midtown - Atlanta, GA	188	2,949	--	81	(64)		2,966	--	2,966
Peachtree Road Land - Atlanta, GA	--	2,500	--	2	(833)		1,669	--	1,669
McMurray - Cobb Co., GA.	--	1,015	--	172	(353)		834	--	834
North Point Market - Phase II - Fulton Co., GA	--	1,646	--	61	--		1,707	--	1,707
Presidential Market Outparcels - Gwinnett Co., GA	--	2,067	--	69	3		2,139	--	2,139
Miscellaneous Investments - Atlanta, GA	--	120	--	--	--		120	--	120
	188	31,747	--	17,579	(25,449)		23,877	--	23,877
OPERATING PROPERTIES									
First Union Tower - Greensboro, N.C.	3,500	1,394	--	29,021	1,971		1,399	30,987	32,386
Wildwood - 3301 Windy Ridge - Cobb Co., GA	--	20	--	8,743	1,519		1,237	9,045	10,282
Kennesaw - Cobb Co., GA	--	--	--	2,337	--		--	2,337	2,337
Perimeter Expo - Fulton Co., GA	--	8,564	--	9,834	71		8,564	9,905	18,469
GA Highway 400 Stand Alone Retail Sites - Fulton Co., GA	--	4,709	--	--	--		4,709	--	4,709
Miscellaneous	--	398	145	67	(14)		398	198	596
	3,500	15,085	145	50,002	3,547		16,307	52,472	68,779

Description	Column F	Column G	Column H	Column I
	Accumulated Depreciation (a)	Date of Construction	Date Acquired	Life on Which Depreciation In 1993 Income Statement Is Computed
LAND HELD FOR INVESTMENT OR FUTURE DEVELOPMENT				
Wildwood - Cobb Co., GA	\$ --	--	1971-1982,1989	--
North Fulton Property - Fulton Co., GA	--	--	1970-1985	--
Midtown - Atlanta, GA	--	--	1984	--
Peachtree Road Land - Atlanta, GA	--	--	1971	--
McMurray - Cobb Co., GA.	--	--	1981	--
North Point Market - Phase II - Fulton Co., GA	--	--	1970-1985	--
Presidential Market Outparcels - Gwinnett Co., GA	--	--	1993	--
Miscellaneous Investments -				

Atlanta, GA	--	--	1972-1984	--
	--			

OPERATING PROPERTIES				
First Union Tower - Greensboro, N.C.	5,661	1988-1990	1987	40 Years
Wildwood - 3301 Windy Ridge - Cobb Co., GA	2,530	1984	1984	30 Years
Kennesaw - Cobb Co., GA	1,054	1974	1973	30 Years
Perimeter Expo - Fulton Co., GA	30	1993	1993	30 Years
GA Highway 400 Stand Alone Retail Sites - Fulton Co., GA	--	--	1970-1985	--
Miscellaneous	143	--	1977-1984	Various

	9,418			

SCHEDULE XI

(Page 2 of 3)

**COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES
REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 1993
(\$ in thousands)**

Column A ----- Description -----	Column B ----- Encumbrances	Column C ----- Initial Cost to Company	Column D ----- Costs Capitalized Subsequent to Acquisition	Column E ----- Gross Amount at Which Carried at December 31, 1993	Column F ----- Carrying Costs Less Cost of Sales and Other	Column G ----- Land and Land Improvements	Column H ----- Buildings and Improvements	Column I ----- Total (a), (b)
PROJECTS UNDER CONSTRUCTION								
North Point Market - Phase I - Fulton Co., GA	\$ --	\$ 7,932	\$ --	\$3,963	\$ 69	\$ 7,932	\$4,032	\$11,964
Presidential Market - Phase I - Gwinnett Co., GA	--	1,786	--	803	3	1,786	806	2,592
	--	9,718	--	4,766	72	9,718	4,838	14,556
RESIDENTIAL LOTS UNDER DEVELOPMENT								
Brown's Farm - Cobb Co., GA	--	911	--	128	1	1,040	--	1,040
	\$ 3,688	\$57,461	\$ 145	\$72,475	\$(21,829)	\$50,942	\$57,310	\$108,252

Description -----	Column F ----- Accumu- lated Deprecia- tion (a)	Column G ----- Date of Construc- tion	Column H ----- Date Acquired	Column I ----- Life on Which De- preciation In 1993 Income Statement Is Computed
PROJECTS UNDER CONSTRUCTION				
North Point Market - Phase I - Fulton Co., GA	\$ --	1993	1970-1985	--
Presidential Market - Phase I - Gwinnett Co., GA	--	1993	1993	--
	--			--
RESIDENTIAL LOTS UNDER DEVELOPMENT				
Brown's Farm - Cobb Co., GA	--	1993	1993	--
	\$ 9,418			

SCHEDULE XI

(Page 3 of 3)

**COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES
REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 1993
(\$ in thousands)**

NOTES:

(a) Reconciliations of total real estate carrying value and accumulated depreciation for the three years ended December 31, 1993 are as follows:

	Real Estate			Accumulated Depreciation		
	1991	1992	1993	1991	1992	1993
Balance at beginning of period	\$67,499	\$69,338	\$ 71,994	\$3,849	\$5,703	\$7,448
Additions during the period:						
Improvements and other capitalized costs	1,839	6,231	37,851	--	--	--
Provision for depreciation	--	--	--	1,854	1,974	1,970
	1,839	6,231	37,851	1,854	1,974	1,970
Deductions during the period						
Cost of real estate sold	--	(3,332)	(1,593)	--	--	--
Retirement of fully depreciated assets and write-offs	--	(243)	--	--	(229)	--
	--	(3,575)	(1,593)	--	(229)	--
Balance at close of period	\$69,338	\$71,994	\$108,252	\$5,703	\$7,448	\$9,418

(b) Initial cost was previously adjusted to reflect the following write-downs to state the properties at the then realizable value:

Property	Location	Amount
Peachtree Road Land	Atlanta, GA	\$1,176
Kennesaw	Cobb Co., GA	\$1,430

(c) Other for the North Fulton Property includes \$11,134 of transfers to Projects Under Construction and another category within Land Held for Investment and Future Development.

SCHEDULE XII

(Page 1 of 2)

**COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES
MORTGAGE LOANS ON REAL ESTATE
DECEMBER 31, 1993
(\$ in thousands)**

Column A ----- Description -----	Column B ----- Interest Rate -----	Column C ----- Final Maturity Date -----	Column D ----- Periodic Payment Terms -----	Column E ----- Prior Liens -----	Column F ----- Face Amount of Mortgages -----
Mortgage Notes: -----					
Nashland Associates (Hickory Hollow Mall)	9.10%	6/21/94	Interest Due Monthly; Principal Due in Full 6/21/94	First Mortgage Loan	\$19,323
Nashland Associates (Rivergate Mall)	9.10%	6/21/94	Interest Due Monthly; Principal Due in Full 6/21/94	First Mortgage Loan	16,441
Nashland Associates (Lion's Head Village)	9.10%	6/21/94	Interest Due Monthly; Principal Due in Full 6/21/94	First Mortgage Loan	4,163
Wildwood-I, Ltd. - Mortgage On Training Facility Cobb County, Georgia	7.729% through 11/30/98; prime + 1.7% (capped at 10.55%) through 11/30/03; prime + 1.7% (capped at 12.7%) through 11/30/13	11/30/13	\$166,824 monthly through 11/30/98; payments there- after shall equal all project cash flow over \$54,000 per year through 11/30/03, with a minimum monthly payment of \$311,392 beginning 12/1/03	None	25,900
Residential Mortgages	8.25% to 8.75%	Various	Various	None	80

Column A ----- Description -----	Column G ----- Carrying Amount of Mortgages (a) -----	Column H ----- Principal Amount of Loans Subject to Delinquent Principal or Interest -----
Mortgage Notes: -----		
Nashland Associates (Hickory Hollow Mall)	\$19,323	--
Nashland Associates (Rivergate Mall)	16,441	--
Nashland Associates (Lion's Head Village)	4,163	--
Wildwood-I, Ltd. - Mortgage On Training Facility Cobb County, Georgia	18,208	--
Residential Mortgages	80	--
	----- \$58,215 =====	

SCHEDULE XII

(Page 2 of 2)

COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES
MORTGAGE LOANS ON REAL ESTATE
DECEMBER 31, 1993
(\$ in thousands)

NOTE:
(a) Reconciliation of total carrying amounts of mortgage loans for the three years ended December 31, 1993 are as follows:

	1991	1992	1993
	----	----	----
Balance at beginning of period	\$61,718	\$61,542	\$57,698
Additions during period:			
Additions to existing mortgage	--	--	900
Deductions during period:			
Collections of principal	176	224	383
Deferred income applied to principal of Wildwood I, Ltd. Note	--	3,620	--
	-----	-----	-----
Balance at close of period	\$61,542	\$57,698	\$58,215
	=====	=====	=====

REPORT OF INDEPENDENT PUBLIC ACCOUNTANT

To the Partners of Wildwood Associates and Green Valley Associates II:

We have audited the accompanying combined balance sheets of WILDWOOD ASSOCIATES (a Georgia general partnership) and GREEN VALLEY ASSOCIATES II (a North Carolina general partnership) as of December 31, 1992 and 1993, and the related combined statements of income, partners' capital and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the management of the partnerships. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wildwood Associates and Green Valley Associates II as of December 31, 1992 and 1993, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993 in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in Item 14 are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN & CO.

Atlanta, Georgia

March 10, 1994

WILDWOOD ASSOCIATES AND GREEN VALLEY ASSOCIATES II
COMBINED BALANCE SHEETS
DECEMBER 31, 1992 AND 1993
(\$ in thousands)

	1992	1993
	-----	-----
ASSETS		
REAL ESTATE ASSETS:		
Income producing properties, including land of \$31,146 and \$36,349 in 1992 and 1993, respectively (Notes 7 and 9)	\$206,337	\$215,316
Accumulated depreciation and amortization	(26,039)	(32,932)
	-----	-----
	180,298	182,384
Land committed to be contributed (Notes 3 and 9)	21,366	20,440
Land and property predevelopment costs	18,769	13,958
	-----	-----
Total real estate assets	220,433	216,782
	-----	-----
CASH AND CASH EQUIVALENTS, at cost, which approximates market	509	4
	-----	-----
OTHER ASSETS:		
Deferred expenses, net of accumulated amortization of \$3,464 and \$4,706 in 1992 and 1993, respectively	5,862	5,617
Receivables (Note 6)	13,525	14,201
Allowance for possible losses (Note 1)	(2,621)	(2,619)
Furniture, fixtures and equipment, net of accumulated depreciation of \$776 and \$1,000 in 1992 and 1993, respectively	708	501
Other	51	48
	-----	-----
	17,525	17,748
	-----	-----
	\$238,467	\$234,534
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
NOTES PAYABLE (Note 7)	\$133,251	\$133,938
RETAINAGE, ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	6,098	5,156
	-----	-----
Total liabilities	139,349	139,094
	-----	-----
PARTNERS' CAPITAL (Notes 3 and 4):		
International Business Machines Corporation	49,559	47,720
Cousins Properties Incorporated	49,559	47,720
	-----	-----
Total partners' capital	99,118	95,440
	-----	-----
	\$238,467	\$234,534
	=====	=====

The accompanying notes are an integral part of these combined balance sheets.

WILDWOOD ASSOCIATES AND GREEN VALLEY ASSOCIATES II
COMBINED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993
(\$ in thousands)

	1991	1992	1993
REVENUES:			
Rental income, and recovery of expenses charged directly to specific tenants (Note 6)	\$31,002	\$34,181	\$36,104
Interest	89	25	24
Other	70	75	96
Total revenues	31,161	34,281	36,224
OPERATING EXPENSES:			
Real estate taxes	2,398	2,089	2,785
Maintenance and repairs	1,901	2,171	2,142
Management and personnel costs	1,506	1,665	1,805
Utilities	1,767	1,801	1,737
Expenses charged directly to specific tenants	1,076	1,350	852
Contract security	556	720	761
Grounds maintenance	529	672	632
Insurance	87	98	99
Total operating expenses	9,820	10,566	10,813
OTHER EXPENSES:			
Interest expense (Note 7)	10,578	11,998	11,606
Depreciation and amortization	7,257	8,278	8,336
Predevelopment, marketing and other expenses	302	435	489
Ground lease expense (Note 8)	322	322	322
Real estate taxes on undeveloped land (Note 4)	208	194	190
General and administrative expenses	204	184	146
Total other expenses	18,871	21,411	21,089
Total expenses	28,691	31,977	31,902
NET INCOME	\$ 2,470	\$ 2,304	\$ 4,322

The accompanying notes are an integral part of these combined statements.

WILDWOOD ASSOCIATES AND GREEN VALLEY ASSOCIATES II
COMBINED STATEMENTS OF PARTNERS' CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993
(\$ in thousands)

	International Business Machines Corporation	Cousins Properties Incorporated	Total
	-----	-----	-----
BALANCE, December 31, 1990	\$47,172	\$47,172	\$94,344
Net income	1,235	1,235	2,470
	-----	-----	-----
BALANCE, December 31, 1991	48,407	48,407	96,814
Net income	1,152	1,152	2,304
	-----	-----	-----
BALANCE, December 31, 1992	49,559	49,559	99,118
Distributions	(4,000)	(4,000)	(8,000)
Net income	2,161	2,161	4,322
	-----	-----	-----
BALANCE, December 31, 1993	\$47,720	\$47,720	\$95,440
	=====	=====	=====

The accompanying notes are an integral part of these combined statements.

WILDWOOD ASSOCIATES AND GREEN VALLEY ASSOCIATES II
COMBINED STATEMENTS OF CASH FLOWS (Note 9)
FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993
(\$ in thousands)

	1991	1992	1993
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 2,470	\$ 2,304	\$ 4,322
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	7,257	8,278	8,336
Rental revenue recognized on straight-line basis in excess of rental revenue specified in the lease agreements	(2,527)	(3,278)	(570)
Change in tenant rental receivables	(19)	101	(106)
Change in accounts payable and accrued liabilities related to operations	1,462	156	24
Net cash provided by operating activities	8,643	7,561	12,006
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property acquisition and development expenditures	(22,458)	(2,389)	(3,581)
Payment for deferred expenses; furniture, fixtures and equipment; and other assets	(1,522)	(939)	(1,617)
Net cash used in investing activities	(23,980)	(3,328)	(5,198)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of notes payable	(356)	(2,735)	(413)
Proceeds from line of credit	10,949	4,350	11,500
Repayments under line of credit	(1,350)	(5,350)	(10,400)
Partnership distributions	--	--	(8,000)
Net cash provided by (used in) financing activities	9,243	(3,735)	(7,313)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,094)	498	(505)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,105	11	509
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 11	\$ 509	\$ 4

The accompanying notes are an integral part of these combined statements.

WILDWOOD ASSOCIATES AND GREEN VALLEY ASSOCIATES II
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 1991, 1992 AND 1993

1. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION:

The Combined Financial Statements include the accounts of Wildwood Associates ("WWA") and Green Valley Associates II ("GVA II"), both of which are general partnerships. Cousins Properties Incorporated (together with its other consolidated entities hereinafter referred to as "Cousins") and International Business Machines Corporation ("IBM") each have a 50% general partnership interest in both partnerships. The financial statements of the partnerships have been combined because of the common ownership. The combined entities are hereinafter referred to as the "Partnerships." All transactions between WWA and GVA II have been eliminated in the Combined Financial Statements.

COST OF PROPERTY CONTRIBUTED BY COUSINS:

The cost of property contributed or committed to be contributed by Cousins was recorded by WWA based upon the procedure described in Note 3. Such cost was, in the opinion of the partners, at or below estimated fair market value at the time of such contribution or commitment, but was in excess of Cousins' historical cost basis.

COST CAPITALIZATION:

All costs related to planning, development and construction of buildings, and expenses of buildings prior to the date they become operational for financial statement purposes, are capitalized. Interest and real estate taxes are also capitalized to property under development.

DEPRECIATION AND AMORTIZATION:

Buildings are depreciated over 25 to 40 years. Furniture, fixtures, and equipment are depreciated over 5 years. Leasehold improvements and tenant improvements are amortized over the life of the leases or useful life of the assets, whichever is shorter. Deferred expenses - which include organizational costs, certain marketing and leasing costs, and loan acquisition costs - are amortized over the period of estimated benefit. The straight-line method is used for all depreciation and amortization.

ALLOWANCE FOR POSSIBLE LOSSES:

The allowance for possible losses provides for potential writeoffs of certain tenant related assets on WWA's books. The allowance reflects management's evaluation of the credit exposure to WWA based on a specific review of existing tenants and the impact of current economic conditions on those tenants.

ALLOCATION OF OPERATING EXPENSES:

In accordance with certain lease agreements, certain management and maintenance costs incurred by WWA are allocated to individual buildings or tenants, including buildings not owned by WWA.

INCOME TAXES:

No provision has been made for federal or state income taxes because each partner's proportionate share of income or loss from the Partnerships is passed through to be included on each partner's separate tax return.

CASH AND CASH EQUIVALENTS:

Cash and Cash Equivalents includes all cash and highly liquid money market instruments. Highly liquid money market instruments include securities and repurchase agreements with original maturities of three months or less, money market mutual funds, and securities on which the interest rate is adjusted to market rate at least every three months.

RENTAL INCOME:

In accordance with Statement of Financial Accounting Standards No. 13 ("SFAS No. 13"), income on leases which include scheduled increases in rental rates over the lease term is recognized on a straight-line basis.

2. FORMATION AND PURPOSE OF THE PARTNERSHIPS

WWA and GVA II were formed under the terms of partnership agreements effective May 30, 1985 and March 31, 1988, respectively. The purpose of the Partnerships is, among other things, to develop and operate the Summit Green project located in Greensboro, North Carolina, and selected property within Wildwood Office Park ("Wildwood"), located in Cobb County, Georgia.

Summit Green is a project consisting of one office building and a parts distribution center totaling approximately 144,000 gross square feet ("GSF") which was completed in 1986, and land for two additional office buildings not yet constructed. The two additional buildings are planned to total approximately 240,000 GSF. The 21 acres in the project are leased from a third party by WWA (see Note 8). GVA II subleases the undeveloped portion of this land from WWA.

Wildwood is an office park containing a total of approximately 289 acres, of which approximately 73 acres are owned by WWA, and an estimated 31 acres are committed to be contributed to WWA by Cousins (see Note 3). Cousins owns the balance of the developable acreage in the park. At December 31, 1993, WWA's income producing real estate assets in Wildwood consisted of: one office building of 338,000 GSF which became operational January 1, 1986, one office building of 684,000 GSF which became operational December 1, 1987 and one office building of 757,000 GSF which became operational April 1, 1991 (including land under such buildings totaling approximately 35 acres); land parcels totaling approximately 13 acres leased to two banking facilities and four restaurants (one of which is currently under construction); a 2 acre site on which a child care facility is constructed, and a 1 acre restaurant site. In addition, WWA's assets include 53 acres of land held for future development, which is composed of a 6 acre site with a restaurant and approximately 58,000 square feet of office space which was purchased in 1986 for future development (classified with income producing properties in the ac-

companying financial statements), and 47 acres of other land to be developed (including additional land committed to be contributed by Cousins) (see Note 3).

3. CONTRIBUTIONS TO THE PARTNERSHIPS

IBM and Cousins have each contributed or committed to contribute \$62,857,000 in cash or properties to the Partnerships. The value of property contributed was agreed to by the partners at the time of formation of WWA.

The status of contributions at December 31, 1993, was as follows (\$ in thousands):

	IBM	COUSINS	TOTAL
	-----	-----	-----
Cash contributed	\$46,590	\$ 84	\$ 46,674
Property contributed	16,267	42,817	59,084
Land committed to be contributed	--	19,956	19,956
	-----	-----	-----
Total	\$62,857	\$62,857	\$125,714
	=====	=====	=====

WWA has elected not to take title to the remaining land committed to be contributed by Cousins until such land is needed for development. However, Cousins' capital account was previously credited with the amount originally required to bring it equal to IBM's, and a like amount, plus preacquisition costs paid by WWA, and condemnation proceeds net of condemnation restoration costs, were set up as an asset entitled "Land Committed To Be Contributed." This asset account subsequently has been reduced as land actually has been contributed, or as land yet to be contributed became associated with a particular building.

At December 31, 1993, Cousins was committed to contribute land on which an additional 1,473,691 GSF are developable, provided that regardless of planned use or density, 38,333 GSF shall be the minimum GSF attributed to each developable acre contributed. Cousins has also agreed to contribute infrastructure land in Wildwood, as defined, at no cost to WWA, in order to provide the necessary land for development of roads and utilities. The ultimate acreage remaining to be contributed by Cousins will depend upon the actual density achieved, but would be approximately 31 acres if the density were similar to that achieved on land contributed to date.

4. OTHER PROVISIONS OF THE PARTNERSHIP AGREEMENTS

Net income or loss and net cash flow, as defined, shall be allocated to the partners based on their percentage interests (50% each, subject to adjustment as provided in the partnership agreements).

In the event of dissolution of the Partnerships, the assets will be distributed as follows:

- First, to repay all debts to third parties, including any secured loans with the partners.
- Second, to each partner until each capital account is reduced to zero.
- The balance to each partner in accordance with its percentage interest.

WWA pays all real estate taxes on property owned by Cousins which is subject to future contribution. Such real estate taxes were \$208,000, \$194,000, and \$190,000, in 1991, 1992 and 1993, respectively, all of which were expensed.

5. FEES TO RELATED PARTIES

The Partnerships engaged Cousins to develop and lease the Partnerships' property, and Cousins Management, Inc. ("CMI"), to manage the Partnerships' property. As of November 20, 1992, Cousins acquired the assets of CMI and assumed its management functions. Fees to Cousins and CMI incurred by the Partnerships during 1991, 1992 and 1993 were as follows (\$ in thousands):

	1991	1992	1993
	----	----	----
Development fees and tenant construction fees	\$1,299	\$ 63	\$ 132
Management fees	725	787	902
Leasing and procurement fees	227	331	523
	-----	-----	-----
	\$2,251	\$1,181	\$1,557
	=====	=====	=====

6. RENTAL REVENUES

WWA leases property to the partners, as well as to unrelated third parties. The leases with partners are at rates comparable to those quoted to third parties. The leases typically contain escalation provisions and provisions requiring tenants to pay a pro rata share of operating expenses. The leases typically include renewal options and all are classified and accounted for as operating leases.

At December 31, 1993, future minimum rentals to be received under existing non-cancelable leases, including tenants' current pro rata share of operating expenses are as follows (\$ in thousands):

	Leases With Partners	Leases With Third Parties	Total
	-----	-----	-----
1994	\$ 23,333	\$12,766	\$ 36,099
1995	22,845	14,456	37,301
1996	19,051	10,431	29,482
1997	17,469	10,327	27,796
1998	18,379	8,823	27,202
Subsequent to 1998	55,956	26,537	82,493
	-----	-----	-----
	\$157,033	\$83,340	\$240,373
	=====	=====	=====

In the years ended December 31, 1991, 1992 and 1993, income recognized on a straightline basis exceeded income which would have accrued in accordance with the lease terms by \$2,527,000, \$3,278,000, and \$570,000, respectively. At December 31, 1992 and 1993, receivables which related to the cumulative excess of revenues recognized in accordance with SFAS No. 13 over revenues which accrued in accordance with the actual lease agreements totaled \$13,452,000 and \$14,022,000, respectively. Of the 1993 amount, 61% was related to leases with IBM.

7. NOTES PAYABLE

At December 31, 1992 and 1993, notes payable consisted of the following (\$ in thousands):

Description	Year-End Interest Rate	Balance	Due In					Six Years or Later
			One Year	Two Years	Three Years	Four Years	Five Years	
2300 Windy Ridge Parkway	9.090%	\$ 82,000	\$ 178	\$ 567	\$ 621	\$ 679	\$ 744	\$79,211
2500 Windy Ridge Parkway	9.125%	31,502	362	397	30,743	--	--	--
Summit Green	9.875%	10,736	90	99	109	121	10,317	--
3200 Windy Hill Road	3.710%	9,700	9,700	--	--	--	--	--
December 31, 1993		\$133,938	\$10,330	\$1,063	\$31,473	\$ 800	\$11,061	\$79,211
December 31, 1992		\$133,251	\$ 9,013	\$ 630	\$ 1,063	\$31,473	\$ 800	\$90,272

The 2300 Windy Ridge Parkway Building note is secured by the building and two additional leased commercial properties in Wildwood, which properties had a net carrying value of approximately \$64,600,000 and \$62,300,000 at December 31, 1992 and 1993, respectively. The note is also secured by a bank letter of credit under which \$362,000 could be drawn by the lender at December 31, 1993. The note is payable interest only through August 10, 1994, after which it amortizes in equal monthly installments of \$665,108 based on a 30 year amortization schedule, and matures August 10, 1999.

The 2500 Windy Ridge Parkway Building note is secured by the building, which had a net carrying value of approximately \$22,000,000 and \$21,300,000 at December 31, 1992 and 1993, respectively. The note amortizes in equal monthly installments of \$268,499 based on a 30 year amortization schedule, and matures June 28, 1996.

The Summit Green Building note is secured by a leasehold mortgage on the building, which had a net carrying value of approximately \$8,300,000 and \$7,900,000 at December 31, 1992 and 1993, respectively. The note amortizes in equal monthly installments of \$95,517 based on a 30 year amortization schedule, and matures April 1, 1998.

The note related to the 3200 Windy Hill Road building is an unsecured line of credit under which up to \$50,000,000 may be drawn. As amended and restated as of August 1, 1990, the line of credit matures September 1, 1994, but will automatically be renewed from year to year unless the lender provides a notice of non-renewal at least three months in advance of the annual renewal date. The line generally prohibits new borrowings other than those under the line, or the pledging of any assets not pledged as of August 1, 1990. The line bears a floating interest rate equal to the daily federal funds rate plus 3/4%, and there are no fees or compensating balance arrangements required under the line. Cousins and IBM have each severally guaranteed one-half of the line of credit.

The Partnerships capitalize interest expense to property under development as required by Statement of Financial Accounting Standards No. 34. In the years ended December 31, 1991 and 1993, the Partnerships capitalized interest totaling \$1,443,000 and \$108,000, respectively. No interest was capitalized during the year ended December 31, 1992.

The estimated fair value of the Partnership's \$133 million and \$134 million of notes payable at December 31, 1992 and 1993, respectively, is \$139 million and \$144 million, respectively, calculated by discounting future cash flows under the notes payable at estimated rates at which similar notes would be made currently.

8. GROUND LEASE

All of the land in the Summit Green development is subject to a non-subordinated ground lease expiring October 31, 2084. Lease payments commenced December 1, 1986, and are payable in monthly installments at an annual rate of approximately \$322,000 per year for the first ten years. The lease rate escalates at ten year intervals commencing December 1, 1996, based on the cumulative increase in the Consumer Price Index ("Index") over the prior ten year period (subject to a 5% annual cap on the increase in such Index in any one year); or, at lessor's option, at the end of any ten year interval the property shall be appraised, and the lessee shall elect to either purchase the land for the appraised value, or pay annually during the succeeding ten year period 10% of the appraised fair market value of the land.

9. COMBINED STATEMENTS OF CASH FLOWS-SUPPLEMENTAL INFORMATION

Interest (net of amounts capitalized) was as follows (\$ in thousands):

	1991	1992	1993
	----	----	----
Interest paid	\$ 10,201	\$ 12,038	\$ 11,608

Significant non-cash financing and investing activities included the following:

In 1992, land parcels with an aggregate value of \$4,583,000 were transferred from Land Committed To Be Contributed to Land and Property Predevelopment Costs.

In 1993, a land parcel with a value of \$926,000 was transferred from Land Committed To Be Contributed to Land and Property Predevelopment Costs. In September 1993, restaurant site parcels under construction with an aggregate value of \$6,700,000 were transferred from Land and Property Predevelopment Costs to Income Producing Properties. See Notes 2 and 3.

SCHEDULE VIII

**WILDWOOD ASSOCIATES AND GREEN VALLEY ASSOCIATES II
VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993
(\$ in thousands)**

Column A -----	Column B -----	Column C -----	Column D -----	Column E -----	Column F -----
Description (a) -----	Balance at Beginning of Period -----	Additions Charged to Costs & Expenses -----	Additions Charged to Other Accounts (b) -----	Deductions (c) -----	Balance at End of Period -----
Allowance for Possible Losses: Year Ended December 31, 1991	\$3,000	\$--	\$25	\$320	\$2,705
Allowance for Possible Losses: Year Ended December 31, 1992	\$2,705	\$--	\$18	\$102	\$2,621
Allowance for Possible Losses: Year Ended December 31, 1993	\$2,621	\$--	\$--	\$ 2	\$2,619

NOTES: (a) The allowance for possible losses provides for potential writeoffs of certain tenant related assets on Wildwood Associates' books.
(b) Additions charged to other accounts are recoveries.
(c) Deductions are writeoffs of tenant improvements, deferred lease costs, and receivables.

SCHEDULE IX

**WILDWOOD ASSOCIATES AND GREEN VALLEY ASSOCIATES II
SHORT-TERM BORROWINGS**

FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993

(\$ in thousands)

Column A -----	Column B -----	Column C -----	Column D -----	Column E -----	Column F -----
Category of Aggregate Short-Term Borrowings -----	Balance at End of Year -----	Weighted Average Interest Rate at End of Year -----	Maximum Amount Outstanding During Year -----	Average Amount Outstanding During Year (a) -----	Weighted Average Interest Rate During Year (b) -----
YEAR ENDED DECEMBER 31, 1991: Line of Credit from Bank	\$9,600	5.18%	\$10,000	\$4,799	6.07%
YEAR ENDED DECEMBER 31, 1992: Line of Credit from Bank	\$8,600	3.67%	\$ 9,650	\$7,825	4.30%
YEAR ENDED DECEMBER 31, 1993: Line of Credit from Bank	\$9,700	3.71%	\$10,000	\$8,122	3.77%

NOTES: (a) The average borrowings were determined based on the daily amounts outstanding.

(b) The weighted average interest rate during the year was computed by dividing the actual applicable interest expense for the year by the average borrowings outstanding.

SCHEDULE X

**WILDWOOD ASSOCIATES AND GREEN VALLEY ASSOCIATES II
SUPPLEMENTARY INCOME STATEMENT INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993
(\$ in thousands)**

Column A -----	Column B -----		
	Charged to Costs and Expenses -----		
Item ----	1991 ----	1992 ----	1993 ----
Maintenance and repairs	\$2,430	\$2,843	\$2,774
	=====		
Amortization of intangible assets and other deferrals (1)	\$ 997	\$1,122	\$1,239
	=====		
Taxes, other than payroll and income taxes	\$2,606	\$2,283	\$2,975
	=====		

(1) Includes amortization of deferred leasing costs, marketing expenses, financing costs, and organization expenses.

SCHEDULE XI

**WILDWOOD ASSOCIATES AND GREEN VALLEY ASSOCIATES II
REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 1993
(\$ in thousands)**

Column A ----- Description -----	Column B ----- Encumbrances	Column C ----- Initial Cost to Venture ----- Land	Column D ----- Buildings and Improvements	Column D ----- Costs Capitalized Subsequent to Acquisition ----- Improve- ments	Column D ----- Carrying Costs Less Cost of Sales and Other -----
Wildwood Office Park - Cobb Co., GA					
2500 Windy Ridge	\$ 31,502	\$ 4,414	\$ 14,814	\$ 8,776	\$ 141
2300 Windy Ridge	82,000	8,927	--	61,393	5,429
Parkside	--	4,274	2,553	109	(45)
3200 Windy Hill	9,700	10,503	--	65,661	5,470
Stand Alone Retail Sites	--	7,659	1,234	2,348	108
Land committed to be contributed	--	20,059	--	--	381
Other land and property	--	11,430	--	3,327	(69)
	123,202	67,266	18,601	141,614	11,415
Summit Green, Greensboro, NC:					
Summit Green Phase I	10,736	--	--	10,058	259
Other property	--	--	--	501	--
	10,736	--	--	10,559	259
	\$133,938	\$67,266	\$18,601	\$152,173	\$11,674

Column E ----- Gross Amount at Which Carried at December 31, 1993 -----	Column F ----- Total (a)	Column G ----- Date of Construc- tion	Column H ----- Date Acquired	Column I ----- Life Which on Depreciation In 1993 Income Statement Is Computed			
Land and Land Improvements	Buildings and Improvements	Accumu- lated Deprecia- tion (a)	Date of Construc- tion	Date Acquired			
-----	-----	-----	-----	-----			
Wildwood Office Park - Cobb Co., GA							
2500 Windy Ridge	\$ 4,414	\$ 23,731	\$ 28,145	\$ 6,863	1985	1985	40 Years
2300 Windy Ridge	8,927	66,822	75,749	14,813	1986	1986	40 Years
Parkside	4,230	2,661	6,891	853	1980	1986	25 Years
3200 Windy Hill	10,503	71,131	81,634	7,191	1989	1989	40 Years
Stand Alone Retail Sites	8,276	3,073	11,349	577	Various	1985-1992	Various
Land committed to be contributed	20,440	--	20,440	--	--	1985-1986	--
Other land and property	11,639	3,049	14,688	229	Various	1985-1986	Various
	68,429	170,467	238,896	30,526			
Summit Green, Greensboro, NC:							
Summit Green Phase I	--	10,317	10,317	2,406	1986	1986	40 Years
Other property	--	501	501	--	1986	1986	--
	--	10,818	10,818	2,406			
	\$68,429	\$181,285	\$249,714	\$32,932			

NOTE: (a) Reconciliations of total real estate carrying value and accumulated depreciation for the three years ended December 31, 1993 are as follows:

Real Estate			Accumulated Depreciation		
-----	-----	-----	-----	-----	-----
1991	1992	1993	1991	1992	1993

Balance at beginning of period	----- \$231,710	----- \$244,212	----- \$246,472	----- \$14,223	----- \$20,510	----- \$26,039
Additions during the period:						
Improvements, and other capitalized costs	12,502	3,747	3,242	--	--	--
Provisions for depreciation	--	--	--	6,287	6,956	6,893
Deductions during the period:						
Retirement of fully depreciated assets and writeoffs	--	(1,487)	--	--	(1,427)	--
Balance at close of period	----- \$244,212	----- \$246,472	----- \$249,714	----- \$20,510	----- \$26,039	----- \$32,932
	=====	=====	=====	=====	=====	=====

REPORT OF INDEPENDENT AUDITORS

TO THE PARTNERS OF CSC ASSOCIATES, L.P. (A LIMITED PARTNERSHIP)

We have audited the accompanying balance sheets of CSC Associates, L.P. (the Partnership) as of December 31, 1992 and 1993, and the related statements of operations, partners' capital, and cash flows for each of the three years in the period ended December 31, 1993. Our audits also included the financial statement schedules of CSC Associates, L.P. listed in the Index at Item 14(a). These financial statements and schedules are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statement and schedules based on our audits. We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for opinion. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CSC Associates, L.P. at December 31, 1992 and 1993, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedules when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

Ernst & Young

Atlanta, Georgia
February 4, 1994

CSC ASSOCIATES, L.P.
BALANCE SHEETS
DECEMBER 31, 1992 AND 1993
(\$ in thousands)

ASSETS

	1992	1993
	----	----
REAL ESTATE ASSETS:		
Building and improvements, including land and land improvements of \$22,082 and \$22,818 in 1992 and 1993, respectively	\$195,681	\$200,781
Accumulated depreciation	(3,463)	(9,176)
	-----	-----
	192,218	191,605
	-----	-----
CASH	--	965
	-----	-----
OTHER ASSETS:		
Deferred expenses, net of accumulated amortization of \$1,124 and \$1,663 in 1992 and 1993, respectively	9,808	8,612
Receivables (Note 3)	2,230	5,522
Furniture, fixtures and equipment, net of accumulated depreciation of \$190 and \$502 in 1992 and 1993, respectively	1,330	1,434
Other	27	37
	-----	-----
Total other assets	13,395	15,605
	-----	-----
	\$205,613	\$208,175
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
NOTES PAYABLE (Note 4)	\$163,513	\$ --
RETAINAGE, ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	6,500	2,322
	-----	-----
Total liabilities	170,013	2,322
	-----	-----
PARTNERS' CAPITAL (Note 1)	35,600	205,853
	-----	-----
	\$205,613	\$208,175
	=====	=====

The accompanying notes are an integral part of these balance sheets.

CSC ASSOCIATES, L.P.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993
(\$ in thousands)

	1991	1992	1993
	----	----	----
REVENUES:			
Rental income and recovery of expenses charged directly to specific tenants	\$ --	\$19,831	\$27,810
OPERATING EXPENSES:			
Real estate taxes	--	1,468	3,673
Utilities	--	1,072	1,317
Management and personnel costs	--	1,013	1,311
Cleaning	--	763	1,042
Contract security	--	360	419
Repairs and maintenance	--	192	258
Elevator	--	11	193
Parking	--	144	186
Insurance	--	101	111
Grounds maintenance	--	41	90
Total operating expenses	--	5,165	8,600
OTHER EXPENSES:			
Interest expense	--	12,318	12,317
Depreciation and amortization	40	4,448	7,182
Marketing and other expenses	--	315	174
General and administrative expenses	--	29	8
Total other expenses	40	17,110	19,681
Total expenses	40	22,275	28,281
CAPITALIZED OPERATIONS	--	1,392	--
LOSS BEFORE EXTRAORDINARY ITEM	(40)	(1,052)	(471)
EXTRAORDINARY ITEM (Note 4)	--	--	(723)
NET LOSS	\$ (40)	\$ (1,052)	\$ (1,194)

The accompanying notes are an integral part of these statements.

CSC ASSOCIATES, L.P.
STATEMENTS OF PARTNERS' CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993
(\$ in thousands)

BALANCE, December 31, 1990	\$ 36,692
Net loss	(40)

BALANCE, December 31, 1991	36,652
Net loss	(1,052)

BALANCE, December 31, 1992	35,600
Capital contributions	173,347
Distributions	(1,900)
Net loss	(1,194)

BALANCE, December 31, 1993	\$205,853
	=====

The accompanying notes are an integral part of these statements.

CSC ASSOCIATES, L.P.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993
(\$ in thousands)

(Note 6)

	1991	1992	1993
	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (40)	\$ (1,052)	\$ (1,194)
Extraordinary item (Note 4)	--	--	723
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	40	4,448	7,182
Rental revenue recognized on straight-line basis in excess of rental revenue specified in the lease agreements	--	(2,047)	(3,333)
Change in other receivables and other assets	--	(210)	31
Change in accounts payable and accrued liabilities related to operations	--	2,815	(1,016)
	-----	-----	-----
Net cash provided by operating activities	--	3,954	2,393
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to building and improvements	(95,895)	(52,169)	(7,242)
Payments for deferred expenses and furniture, fixtures and equipment	(1,600)	(7,325)	(2,120)
	-----	-----	-----
Net cash used in investing activities	(97,495)	(59,494)	(9,362)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from construction loan	108,014	55,499	4,533
Repayment of construction loan	--	--	(168,046)
Net change in borrowings under line of credit	(10,482)	--	--
Capital contributions	--	--	173,347
Partnership distributions	--	--	(1,900)
	-----	-----	-----
Net cash provided by financing activities	97,532	55,499	7,934
	-----	-----	-----
NET INCREASE (DECREASE) IN CASH	37	(41)	965
CASH AT BEGINNING OF YEAR	4	41	--
	-----	-----	-----
CASH AT END OF YEAR	\$ 41	\$ --	\$ 965
	=====	=====	=====

The accompanying notes are an integral part of these statements.

CSC ASSOCIATES, L.P.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31 1991, 1992 AND 1993

1. FORMATION OF THE PARTNERSHIP AND TERMS OF THE PARTNERSHIP AGREEMENT

CSC Associates, L.P. ("CSC," or the "Partnership") was formed under the terms of a Partnership Agreement effective September 29, 1989. C&S Premises, Inc. ("Premises"), a wholly owned subsidiary of C&S/Sovran Corporation (the "Holding Corporation"), and Cousins Properties Incorporated ("CPI"), each own a 1% general partnership and a 49% limited partnership interest in the Partnership. The Holding Corporation became a wholly owned subsidiary of NationsBank Corporation on December 31, 1991. The Partnership was formed for the purpose of developing and owning a 1.4 million gross square foot office tower in downtown Atlanta, Georgia (the "Building"), which is the Atlanta headquarters of NationsBank Corporation.

The Partnership Agreement and related documents (the "Agreements") contain among other provisions, the following:

- a. CPI is the Managing Partner.
- b. CPI is obligated to contribute a total of \$18.2 million cash to the Partnership, all of which has been contributed. Premises is obligated to contribute land parcels to the Partnership having an aggregate agreed upon value of \$18.2 million, all of which has been contributed, which property value, in the opinion of the partners, is equal to the estimated fair market value of the land at the time of formation of the Partnership. In October 1993, the partners each contributed an additional \$86.7 million.
- c. No interest is earned on partnership capital.
- d. Net income or loss and cash distributions are allocated to the partners based on their percentage interests (50% each), subject to a preference to CPI. The CPI preference is \$2.5 million, and accrues to CPI, with interest at 9% to the extent unpaid, over the period February 1, 1992 through January 31, 1995. The partners have agreed that until cumulative retained earnings (before considering distributions), exceed zero, distributions will be based on their percentage interests. Thereafter, CPI will be allocated its preference, to the extent earned, with amounts above the preference amount allocated based on the partners' percentage interests.

2. SIGNIFICANT ACCOUNTING POLICIES

CAPITALIZATION POLICIES

All costs related to planning, development and construction of the Building, and expenditures for the Building prior to the date it became operational for financial statement purposes, have been capitalized. Interest expense, amortization of financing costs, and real estate taxes were also capitalized while the Building was under development.

The accompanying financial statements reflect revenues and expenses subsequent to February 1, 1992, the date the first lease in the building commenced. For financial reporting purposes, the Building was considered operational on June 1, 1992. Capitalized operations in the accompanying statement of operations represent revenues of \$4,849,000 and expenses of \$6,241,000 which were capitalized for the period February 1, 1992 through May 31, 1992.

DEPRECIATION AND AMORTIZATION

Depreciation of the Building commenced the date the Building became operational for financial statement purposes and the Building is being depreciated over 40 years. Leasehold and tenant improvements are amortized over the life of the leases or useful life of the assets, whichever is shorter. Furniture, fixtures, and equipment are depreciated over 5 years. Deferred expenses which include organizational costs, certain marketing and leasing costs, and loan acquisition costs are amortized over the period of estimated benefit. The straight line method is used for all depreciation and amortization.

INCOME TAXES

No provision has been made for federal or state income taxes because each partner's proportionate share of income or loss from the Partnership will be passed through to be included on each partner's separate tax return.

RENTAL INCOME

In accordance with Statement of Financial Accounting Standards No. 13 ("SFAS No. 13"), income on leases which include increases in rental rates over the lease term is recognized on a straight-line basis.

PRESENTATION

Certain 1992 amounts have been reclassified to conform with the 1993 presentation.

3. LEASES

The Partnership has leased office space to the Holding Corporation, as well as to unrelated third parties. The lease with the Holding Corporation is at rates comparable to those quoted to third parties. The leases contain escalation provisions and provisions requiring tenants to pay a pro rata share of operating expenses. The leases typically include renewal options and all are classified and accounted for as operating leases.

At December 31, 1993, future minimum rentals to be received under existing non-cancelable leases, including tenants' current pro rata share of operating expenses, are as follows (\$ in thousands):

	Lease With Holding Corporation	Leases With Third Parties	Total
	-----	-----	-----
1994	\$ 14,145	\$ 10,534	\$ 24,679
1995	14,697	11,997	26,694
1996	15,091	12,331	27,422
1997	15,091	12,777	27,868
1998	15,091	13,022	28,113
Subsequent to 1998	202,476	110,899	313,375
	-----	-----	-----
	\$276,591	\$171,560	\$448,151
	=====	=====	=====

In the years ended December 31, 1992 and 1993, income recognized on a straight-line basis exceeded income which would have accrued in accordance with the lease terms by \$2,047,000 and \$3,333,000, respectively. At December 31, 1992 and 1993, receivables which related to the cumulative excess of revenues recognized in accordance with SFAS No. 13 over revenues which accrued in accordance with the actual lease agreements totaled \$2,047,000 and \$5,380,000, respectively. Of that amount, 28% was related to leases with the Holding Corporation.

4. NOTES PAYABLE

At December 31, 1992, notes payable consisted solely of the amount borrowed under a Construction Loan Agreement with six banks under which a maximum of \$210 million could have been drawn. On October 29, 1993, using capital contributions made by each partner, the Partnership paid off this note payable, which had an outstanding balance of \$168 million. Approximately \$723,000 of deferred loan costs were written off due to the early extinguishment of this note payable and is classified as an Extraordinary Item in the accompanying Statements of Operations. The Construction Loan was payable interest only monthly and had a floating interest rate equal to LIBOR plus the Applicable Spread Rate. The Applicable Spread Rate was .85% through May 29, 1992, and .70% through December 31, 1992. The Applicable Spread Rate was reduced to .65% effective January 1, 1993 and .60% effective February 1, 1993 to maturity.

The Partnership entered into an interest rate swap agreement with an affiliate of Premises which effectively fixed LIBOR at 8.45% through September 1993. The face amount of the swap increased over time in amounts corresponding to the projected increases in the Construction Loan balance.

The Partnership has an unsecured \$20 million line of credit provided by an affiliate of Premises. Interest on the line is paid at a floating rate (3.8% weighted average rate in December 1993), and interest only is payable through July 31, 1994, at which time the entire outstanding balance is due. There were no borrowings under the line at December 31, 1993.

For the years ended December 31, 1991 and 1992, the Partnership capitalized interest expense totaling \$5,749,000, and \$4,591,000, respectively, including \$3,853,000 capitalized as part of capitalized operations in 1992.

5. RELATED PARTIES

The Partnership has engaged an affiliate of CPI, Cousins Real Estate Corporation ("CREC"), to develop and lease the Building and has engaged Cousins Management, Inc. ("CMI") to manage the Building. In November 1992, CPI purchased the assets of CMI and assumed all responsibilities under the management agreement. During 1991, 1992 and 1993, fees to CREC, CMI, and CPI incurred by the Partnership were as follows (\$ in thousands):

	1991	1992	1993
	-----	-----	-----
Development and tenant construction fees	\$2,252	\$1,547	\$ 58
Leasing and procurement fees	--	1,145	684
Management fees	--	444	610
	-----	-----	-----
	\$2,252	\$3,136	\$1,352
	=====	=====	=====

6. STATEMENTS OF CASH FLOWS - SIGNIFICANT NON-CASH TRANSACTIONS

In February 1992, the office building under construction with a book value of \$167,511,000 was transferred to Buildings and Improvements. In 1991 and 1993, there were no significant non-cash transactions. Interest paid net of amounts capitalized was \$8,007,000 and \$13,387,000 in 1992 and 1993, respectively.

SCHEDULE IX

**CSC ASSOCIATES, L.P.
SHORT-TERM BORROWINGS
FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993
(\$ in thousands)**

Column A ----- Category of Aggregate Short-Term Borrowings -----	Column B ----- Balance at End of Year -----	Column C ----- Weighted Average Interest Rate at End of Year -----	Column D ----- Maximum Amount Outstanding During Year -----	Column E ----- Average Amount Outstanding During Year (a) -----	Column F ----- Weighted Average Interest Rate During Year (b) -----
YEAR ENDED DECEMBER 31, 1991: Line of Credit from Bank	\$--	5.3%	\$18,764,384	\$10,689,039	6.8%
YEAR ENDED DECEMBER 31, 1992: Line of Credit from Bank	\$--	3.8%	\$15,100,000	\$ 3,969,904	4.7%
YEAR ENDED DECEMBER 31, 1993: Line of Credit from Bank	\$--	3.8%	\$ 5,840,000	\$ 2,515,315	3.9%

NOTES: (a) The average borrowings were determined based on the daily amounts outstanding.

(b) The weighted average interest rate during the year was computed by dividing the actual applicable interest expense for the year by the average borrowings outstanding.

SCHEDULE X

**CSC ASSOCIATES, L.P.
 SUPPLEMENTARY INCOME STATEMENT INFORMATION
 FOR THE YEARS ENDED DECEMBER 31, 1992 and 1993 (1)
 (\$ in thousands)**

Column A -----	Column B -----	
Item ----	1992 ----	1993 ----
Maintenance and repairs	\$ -- (2)	\$ 451
	=====	=====
Amortization of intangible assets and other deferrals (3)	\$706	\$1,185
	=====	=====
Taxes, other than payroll and income taxes	\$727	\$3,673
	=====	=====

(1) All expenses were capitalized into the Building prior to June 1, 1992, the date it became operational for financial reporting purposes.

(2) This item was less than 1% of revenues in the year indicated.

(3) Includes amortization of deferred leasing costs, marketing expenses, financing costs, and organization expenses.

CSC ASSOCIATES, L.P.
REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 1993
(\$ in thousands)

Column A -----	Column B -----	Column C -----		Column D -----		Column E -----			Column F -----
Description	Encumbrances	Land	Buildings and Improvements	Improve- ments	Less Cost of Sales and Other	Land and Land Improvements	Buildings and Improvements	Total (a)	Accumu- lated Deprecia- tion (a)
NationsBank Plaza Atlanta, Georgia	\$ --	\$ 18,200	\$ --	\$172,132	\$10,449	\$18,777	\$182,004	\$200,781	\$9,176

Description	Column G ----- Date of Construc- tion	Column H ----- Date Acquired	Column I ----- Life on Which De- preciation In 1993 Income Statement Is Computed
NationsBank Plaza Atlanta, Georgia	1990-1992	1990	40

NOTE: (a) Reconciliations of total real estate carrying value and accumulated depreciation for the three years ended December 31, 1993 areas follows:

	Real Estate			Accumulated Depreciation		
	1991	1992	1993	1991	1992	1993
Balance at beginning of period	\$ 60,529	\$ 164,997	\$ 195,681	\$ --	\$ --	\$ 3,463
Improvements and other capitalized costs	104,468	30,684	5,100	--	--	--
Provision for depreciation	--	--	--	--	3,463	5,713
Balance at close of period	\$164,997	\$ 195,681	\$ 200,781	\$ --	\$3,463	\$ 9,176

EXHIBIT 11
COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES
COMPUTATION OF WEIGHTED AVERAGE NUMBER OF
SHARES OF COMMON STOCK USED TO COMPUTE

PRIMARY AND FULLY DILUTED INCOME PER SHARE FOR THE FIVE YEARS ENDED DECEMBER 31, 1993

	1989	1990	1991	1992	1993
	-----	-----	-----	-----	-----
Shares outstanding at beginning of year	17,373,459	17,336,364	17,337,364	17,341,364	21,716,911
Weighted average number of shares issued during the year	5,495	921	3,235	910,631	1,064,574
Weighted average number of treasury shares acquired during the year	(66,986)	--	(195)	(2,689)	--
Dilutive effect of outstanding options and warrants (as determined by the application of the Treasury Stock Method)	--	--	--	--	--
	-----	-----	-----	-----	-----
Weighted average number of shares outstanding, as adjusted	17,311,968	17,337,285	17,340,404	18,249,306	22,781,485
	=====	=====	=====	=====	=====
Income from operations before gain on sale of investment properties (000's)	\$ 9,413	\$ 12,802	\$ 9,108	\$ 9,069	\$ 10,038
Gain on sale of investment properties, net of applicable income tax provision (000's)	5,752	5,006	--	6,644	1,927
	-----	-----	-----	-----	-----
Net income (000's)	\$ 15,165	\$ 17,808	\$ 9,108	\$ 15,713	\$ 11,965
	=====	=====	=====	=====	=====
Income per share:					
From operations before gain on sale of investment properties	\$.54	\$.74	\$.53	\$.50	\$.44
From gain on sale of investment properties, net of applicable income tax provision	.33	.29	--	.36	.09
	-----	-----	-----	-----	-----
Net income per share	\$.87	\$ 1.03	\$.53	\$.86	\$.53
	=====	=====	=====	=====	=====

COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES

CONSOLIDATED BALANCE SHEETS

 (\$ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	DECEMBER 31,	
	1992	1993
	-----	-----
ASSETS		

PROPERTIES (Notes 4 and 8)		
Operating properties, net of accumulated depreciation of \$7,448 in 1992 and \$9,418 in 1993	\$ 37,370	\$ 59,361
Land held for investment or future development	27,176	23,877
Projects under construction	--	14,556
Residential lots under development	--	1,040
	-----	-----
Total properties	64,546	98,834
CASH AND CASH EQUIVALENTS, at cost, which approximates market	31,033	31,684
INVESTMENT IN GOVERNMENT AGENCY SECURITIES, at cost, which approximates market	1,854	1,269
NOTES AND OTHER RECEIVABLES (Note 3)	62,582	68,186
INVESTMENT IN JOINT VENTURES (Notes 4 and 5)	30,574	115,252
OTHER ASSETS	5,202	4,477
	-----	-----
TOTAL ASSETS	\$195,791	\$319,702
	=====	=====
LIABILITIES AND STOCKHOLDERS' INVESTMENT		

NOTES PAYABLE (Note 4)	\$ 9,079	\$ 35,151
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	6,929	9,925
MINORITY INTERESTS IN CONSOLIDATED ENTITIES (Note 8)	23	3,648
DEPOSITS AND DEFERRED INCOME (Note 8)	3,669	421
	-----	-----
TOTAL LIABILITIES	19,700	49,145
	-----	-----
COMMITMENTS AND CONTINGENT LIABILITIES (Note 4)		
STOCKHOLDERS' INVESTMENT (Notes 2 and 6)		
Common stock, \$1 par value, authorized 50,000,000 shares; issued 21,716,911 in 1992 and 27,830,631 in 1993	21,717	27,831
Additional paid-in capital	53,427	147,018
Cumulative undistributed net income	100,947	95,708
	-----	-----
TOTAL STOCKHOLDERS' INVESTMENT	176,091	270,557
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' INVESTMENT	\$195,791	\$319,702
	=====	=====

The accompanying notes are an integral part of these consolidated balance sheets.

COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENTS OF INCOME

(\$ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	YEARS ENDED DECEMBER 31,		
	1991	1992	1993
REVENUES:			
Rental revenues (Note 10)	\$ 6,728	\$ 6,933	\$ 6,687
Development and construction fees	3,571	1,744	898
Management fees (Note 2)	203	498	1,999
Leasing and other fees	1,081	2,711	3,006
Interest and other	7,127	6,989	6,456
	18,710	18,875	19,046
INCOME FROM JOINT VENTURES (Note 5)	2,434	2,573	5,516
COSTS AND EXPENSES:			
Rental property operations	2,456	2,354	2,310
General and administrative expenses	4,519	4,585	7,336
Depreciation and amortization	2,236	2,345	3,164
Leasing and other commissions	243	404	193
Stock appreciation right expense (Note 6)	378	860	721
Interest expense (Note 4)	1,149	820	--
Other	811	651	1,595
	11,792	12,019	15,319
INCOME FROM OPERATIONS BEFORE INCOME TAXES AND GAIN ON SALE OF INVESTMENT PROPERTIES	9,352	9,429	9,243
PROVISION (BENEFIT) FOR INCOME TAXES FROM OPERATIONS (Note 7)	244	360	(795)
INCOME BEFORE GAIN ON SALE OF INVESTMENT PROPERTIES	9,108	9,069	10,038
GAIN ON SALE OF INVESTMENT PROPERTIES, NET OF APPLICABLE INCOME TAX PROVISION (Notes 7 and 8)	--	6,644	1,927
NET INCOME	\$ 9,108	\$15,713	\$ 11,965
INCOME PER SHARE (Note 6)			
From operations before gain on sale of investment properties	\$.53	\$.50	\$.44
From gain on sale of investment properties, net of applicable income tax provision	--	.36	.09
NET INCOME PER SHARE	\$.53	\$.86	\$.53
CASH DIVIDENDS DECLARED PER SHARE (Note 6)	\$.60	\$.62	\$.73

The accompanying notes are an integral part of these consolidated statements.

COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' INVESTMENT

YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993
(\$ IN THOUSANDS)

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	CUMULATIVE UNDISTRIBUTED NET INCOME	TREASURY STOCK	TOTAL
BALANCE, December 31, 1990	\$20,237	\$ 7,399	\$108,754	\$ (21,045)	\$115,345
Net income, 1991	--	--	9,108	--	9,108
Treasury stock sold	--	22	--	29	51
Dividends declared	--	--	(10,404)	--	(10,404)
BALANCE, December 31, 1991	20,237	7,421	107,458	(21,016)	114,100
Net income, 1992	--	--	15,713	--	15,713
Cancellation of treasury stock	(2,896)	(7,421)	(10,699)	21,016	--
Common stock issued pursuant to: 4,375,000 share stock offering, net of expenses	4,375	53,389	--	--	57,764
Exercise of options	9	101	--	--	110
Common stock acquired	(8)	(63)	(29)	--	(100)
Dividends declared	--	--	(11,496)	--	(11,496)
BALANCE, December 31, 1992	21,717	53,427	100,947	--	176,091
Net income, 1993	--	--	11,965	--	11,965
Common stock issued pursuant to: 6,100,000 share stock offering, net of expenses	6,100	93,401	--	--	99,501
Exercise of options	14	190	--	--	204
Dividends declared	--	--	(17,204)	--	(17,204)
BALANCE, December 31, 1993	\$27,831	\$147,018	\$ 95,708	\$ --	\$270,557

The accompanying notes are an integral part of these consolidated statements.

COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (Note 9)

(\$ IN THOUSANDS)

	YEARS ENDED DECEMBER 31,		
	1991	1992	1993
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income from operations before gain on sale of investment properties	\$ 9,108	\$ 9,060	\$ 10,038
Adjustments to reconcile net income to net cash provided by operating activities:	--	--	--
Depreciation and amortization	2,236	2,345	3,164
Stock appreciation right expense	378	860	721
Cash charges to expense accrual for stock appreciation rights	--	(123)	(147)
Other non-cash charges	--	--	310
Rental revenue recognized on straight-line basis in excess of rental revenue specified in lease agreements	(950)	(804)	(391)
Deferred income received	697	284	297
Deferred income recognized	--	(703)	(252)
Income from joint ventures	(2,434)	(2,573)	(5,516)
Distributions from joint ventures	1,829	2,370	7,507
Changes in other operating assets and liabilities:			
Change in other receivables	127	(237)	440
Change in accounts payable and accrued liabilities	136	945	(1,068)
Net cash provided by operating activities	11,127	11,433	15,103
CASH FLOWS FROM INVESTING ACTIVITIES:			
Gain on sale of investment properties, net of applicable income tax provision	--	6,644	1,927
Adjustments to reconcile gain on sale of investment properties to net cash provided by sales activities:			
Cost of sales	--	3,483	1,444
Deposits and deferred income received	368	358	--
Deposits and deferred income recognized	--	(9,118)	(3,370)
Investment in joint ventures, including interest capitalized to equity investments	(2,085)	(725)	(87,180)
Non-property acquisitions, net of cash acquired (Note 9)	--	(2,003)	--
Property acquisition and development expenditures	(1,389)	(6,038)	(31,358)
Principal payments received on government agency securities	530	648	585
Investment in notes receivable	--	--	(5,524)
Collection of notes receivable	182	294	386
Change in other assets, net	277	(95)	(458)
Net cash used in investing activities:	(2,117)	(6,552)	(123,548)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Common or treasury stock sold, net of expenses	29	57,788	99,564
Proceeds from other notes payable	--	8,616	22,306
Dividends paid	(10,404)	(11,496)	(17,204)
Proceeds from line of credit	1,393	788	3,499
Investment in joint venture by minority interest	--	--	974
Repayment of other notes payable	(46)	(480)	(43)
Repayment of line of credit	(470)	(34,525)	--
Common stock acquired	--	(100)	--
Net cash (used in) provided by financing activities	(9,498)	20,591	109,096
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(488)	25,472	651
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,049	5,561	31,033
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 5,561	\$ 31,033	\$ 31,684

The accompanying notes are an integral part of these consolidated statements.

COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31 1991, 1992 AND 1993

1. SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION AND PRESENTATION:

The Consolidated Financial Statements include the accounts of Cousins Properties Incorporated ("Cousins") and its majority owned partnerships, as well as Cousins Real Estate Corporation ("CREC") and its subsidiaries. All of the entities included in the Consolidated Financial Statements are hereinafter referred to collectively as the "Company." The Company's investments in its non-majority owned joint ventures are recorded using the equity method of accounting. However, the recognition of losses is limited to the amount of direct or implied financial support. Information regarding the non-majority owned joint ventures is included in Note 5. Certain 1991 and 1992 amounts have been reclassified to conform with the 1993 presentation.

INCOME TAXES:

Since 1987, Cousins has elected to be taxed as a real estate investment trust ("REIT"). As a REIT, Cousins is not subject to corporate federal income taxes to the extent that it distributes 100% of its taxable income (excluding CREC's consolidated taxable income) to stockholders, which is Cousins' current intention. The Company computes taxable income on a basis different from that used for financial reporting purposes (see Note 7). CREC and its wholly owned subsidiaries file a consolidated federal income tax return.

DEPRECIATION AND AMORTIZATION:

Buildings are depreciated over 30 to 40 years. Furniture, fixtures and equipment are depreciated over 5 to 7 years. Leasehold improvements and tenant improvements are amortized over the life of the applicable leases or the estimated useful life of the assets, whichever is shorter. Deferred expenses are amortized over the period of estimated benefit. The straight-line method is used for all depreciation and amortization.

FEE INCOME CLASSIFICATION AND RECOGNITION:

Development, construction, management, and leasing fees received from unconsolidated joint ventures are recognized as earned. A portion of these fees may be capitalized by the joint ventures; however, the Company expenses salaries and other direct costs related to this income. The Company classifies its share of fee income earned by unconsolidated joint ventures as fee income rather than joint venture income for those ventures where the related expense is borne primarily by the Company rather than the venture.

Development, construction, and leasing fees received by CREC and its subsidiaries from Cousins and Cousins' majority owned joint ventures are eliminated in consolidation. Such fees totaled \$34,000, \$7,800, and \$918,000, in 1991, 1992 and 1993, respectively. Management fees received from consolidated entities are shown as a reduction in rental property operating expenses.

COST CAPITALIZATION AND CLASSIFICATION:

All costs related to planning, development and construction of properties (including directly related general and administrative expenses) are capitalized. Also capitalized are interest, real estate taxes, and operating expenses of properties prior to the date they become operational for financial reporting purposes. Interest is capitalized to investments accounted for by the equity method when the investee has property under development with a carrying value in excess of the investee's borrowings. Deferred leasing and other capitalized costs associated with a particular property are classified with Properties in the Consolidated Balance Sheets.

CASH AND CASH EQUIVALENTS:

Cash and cash equivalents includes cash and highly liquid money market instruments. Highly liquid money market instruments include securities and repurchase agreements with original maturities of three months or less, money market mutual funds, and securities on which the interest or dividend rate is adjusted to market rate at least every three months.

INTEREST RATE SWAP AGREEMENTS:

The interest differential to be paid or received by the Company is recognized currently as an increase or reduction in interest expense during the term of a swap agreement.

RENTAL REVENUES:

In accordance with Statement of Financial Accounting Standards No. 13, income on leases which include scheduled increases in rental rates over the lease term is recognized on a straight-line basis.

2. RELATIONSHIP WITH MANAGEMENT ENTITY AND DEVELOPMENT AND LEASING ENTITY

DEVELOPMENT AND LEASING ACTIVITIES - CREC conducts development and leasing activities for real estate projects. CREC also manages a joint venture property in which it has an ownership interest. At December 31, 1991, 1992 and 1993 Cousins owned 100% of CREC's \$5,025,000 par value 8% cumulative preferred stock and 100% of CREC's nonvoting common stock, which common stock is entitled to 95% of any dividends of CREC after preferred dividend requirements. Thomas G. Cousins, Chairman of the Board of Cousins, owns 100% of the voting common stock of CREC, which voting common stock is entitled to 95% of any dividends of CREC after preferred dividend requirements. CREC is included in the Company's Consolidated Financial Statements, but is taxed as a regular corporation. CREC has paid no common dividends to date, and for financial reporting purposes, none of CREC's income is attributable to Mr. Cousins' minority interest because the face amount of CREC's preferred stock plus accumulated dividends thereon (\$7,437,000 in aggregate) exceed CREC's \$3,022,000 of equity.

On October 30, 1992, a wholly owned subsidiary of CREC, Cousins/New Market Development Company, Inc. ("CNM"), acquired certain assets related to the real estate development business of New Market Companies, Inc. and affiliates. New Market has been active in the business of leasing and developing retail power centers and other retail properties.

PROPERTY MANAGEMENT ACTIVITIES - Through November 19, 1992, Cousins Management, Inc. ("CMI") conducted property management activities for Cousins and certain of its joint ventures. A charitable foundation was the owner of 100% of the nonvoting common stock of CMI, which stock was entitled to 99% of any dividends. Vipin L. Patel, Senior Executive Vice President of Cousins, was the owner of 100% of the voting common stock of CMI, which stock was entitled to 1% of any dividends. CMI was an independent contractor and was not included in the Company's Consolidated Financial Statements. CMI received \$950,000 and \$1,338,000 of management fees from the Company and its joint ventures in 1991 and 1992, respectively. All personnel and other costs associated with generating these management fees were absorbed by CMI.

On November 20, 1992, after receiving a ruling from the Internal Revenue Service that Cousins' performance of the management activities which had been conducted by CMI would not affect the status, as qualifying REIT income, of the rents received from real property owned by Cousins or its joint ventures, Cousins acquired the assets of CMI and began directly managing properties owned by Cousins and certain of its joint ventures.

3. NOTES AND OTHER RECEIVABLES

At December 31, 1992 and 1993, notes and other receivables include the following (\$ in thousands):

	1992	1993
	-----	-----
Wildwood Training Facility Mortgage Note	\$17,613	\$18,208
9.1% Mortgage Notes	39,927	39,927
Norfolk Hotel Associates Line of Credit	--	4,624
Miscellaneous Notes	161	80
Cumulative rental revenue recognized on a straight-line basis in excess of revenue which accrued in accordance with lease terms (see Note 1)	3,344	3,735
Other Receivables	1,537	1,612
	-----	-----
Total Notes and Other Receivables	\$62,582	\$68,186
	=====	=====

WILDWOOD TRAINING FACILITY MORTGAGE NOTE - This note, which has a face amount of \$25.9 million and matures November 30, 2013, is collateralized by a building located on land owned by the Company and leased to a limited partnership through November 30, 2013, with no renewal option. The limited partnership also leased certain equipment from the Company. The building was 100% leased to International Business Machines Corporation ("IBM") through November 30, 1993. In January 1993, the IBM lease was extended through November 30, 1998. Concurrently with the IBM lease extension, the mortgage note and leases were also modified, and the Company agreed to fund an additional \$900,000 under the modified note during 1993 for building improvements.

The IBM lease generated net cash flow of approximately \$3.7 million annually to the limited partnership through December 31, 1992, of which approximately \$3.6 million was paid to the Company as note and lease payments. Effective January 1, 1993, the IBM lease generated net cash flow of approximately \$2.4 million annually to the limited partnership, of which approximately \$2.3 million was paid to the Company as note and lease payments. Of these amounts, ground lease payments of \$304,000 per year have been treated as rental

income in the accompanying financial statements. The leased land is carried at \$0 in the accompanying financial statements. For financial reporting purposes, the following accounting treatment was applied. During the years ended on and before December 31, 1992, payments from the limited partnership in excess of the ground lease payments were treated as interest (at 12.7%), principal amortization and deferred income. Cumulative deferred income of \$3.6 million was applied against the note balance at December 31, 1992. During the year ended December 31, 1993, the Company recognized payments as principal amortization over the remaining ground lease term and interest at 9.235% on the carrying value of the note.

IBM has an option to extend its Training Facility lease from December 1, 1998 through November 30, 2003 on terms that would generate net cash flow to the limited partnership of approximately \$3.1 million annually, of which approximately \$3.0 million would be paid to the Company as note and ground lease payments.

9.1% MORTGAGE NOTES - These notes are collateralized by shopping center properties and guaranteed by the AT&T Master Pension Trust. The notes are payable interest only until maturity in June 1994.

During 1991, 1992 and 1993, CREC purchased \$4.0 million, \$8.1 million and \$21.7 million participations, respectively, in the 9.1% mortgage notes from Cousins. These purchases resulted in Cousins' recognition of gains for tax purposes of \$3.9 million, \$7.7 million, and \$20.0 million, respectively, including installment gains of \$3.6 million, \$7.2 million, and \$19.5 million, respectively, which had been deferred for tax purposes in 1984. Cousins will recognize additional installment gains for tax purposes of approximately \$5.0 million upon repayment of the 9.1% mortgage note in 1994.

NORFOLK HOTEL ASSOCIATES LINE OF CREDIT - This \$4.75 million line of credit, payable upon demand, is due from Norfolk Hotel Associates (see Note

5). The line bears interest at the daily Federal funds rate plus 75 basis points with payments of interest only until the maturity date of November 1, 1994. This line of credit is being used by Cousins for temporary investment of excess cash. Norfolk Hotel Associates used the cash from Cousins to temporarily pay down a Cousins guaranteed bank line of credit. FAIR VALUE - The estimated fair value of the Company's \$57.7 million and \$62.8 million of notes receivable at December 31, 1992 and 1993, respectively, is \$60.1 million and \$63.8 million, respectively, calculated by discounting future cash flows from the notes receivable at the estimated rates at which similar loans would be made currently.

4. NOTES PAYABLE, COMMITMENTS, AND CONTINGENT LIABILITIES

At December 31, 1992 and 1993, the composition and scheduled maturities of notes payable were as follows (\$ in thousands):

	YEAR-END INTEREST RATE	BALANCE	DUE IN					
			ONE YEAR	TWO YEARS	THREE YEARS	FOUR YEARS	FIVE YEARS	SIX YEARS OR LATER
CREC Notes	3.7%	\$30,907	\$30,907	\$--	\$--	\$--	\$--	\$--
First Union Tower Line of Credit	4.0%	3,500	--	--	3,500	--	--	--
Unsecured Note	10.0%	306	33	34	35	35	36	133
Life Insurance Loans	5.0%	250	--	--	--	--	--	250
Land Mortgage	8.5%	188	43	47	52	46	--	--
DECEMBER 31, 1993		\$35,151	\$30,983	\$81	\$3,587	\$81	\$36	\$383
DECEMBER 31, 1992		\$ 9,079	\$ 8,657	\$43	\$ 47	\$53	\$46	\$233

At December 31, 1992 and 1993, the carrying value of notes payable approximates fair value. Interest expense as reported in the Consolidated Statements of Income included herein is net of interest capitalized of \$1,542,000, \$571,000, and \$346,000 in 1991, 1992 and 1993, respectively.

The CREC Notes are payable by CREC and guaranteed by Cousins. The note proceeds were used by CREC to purchase participating interests in certain of Cousins' notes receivable (see Note 3). The notes bear interest tied to the daily Federal funds rate and mature June 21, 1994. \$16,924,000 of the CREC notes are payable on demand.

The First Union Tower Line of Credit is secured by an office building which had a net carrying value of \$28,133,000 and \$26,724,000 in 1992 and 1993, respectively. The line bears interest tied to the daily Federal funds rate. Interest only was payable through August 1993; thereafter, minimum monthly payments of \$290,000 are payable until maturity on December 31, 1996, with any amount in excess of interest applied to principal. At December 31, 1993, up to \$34,449,000 may be borrowed under the line, which amount will be reduced by any principal portion of the minimum monthly payments. Cousins has guaranteed 27.3% of the principal outstanding under the line.

Certain property (carrying value of \$1,000,000 and \$991,000 in 1992 and 1993, respectively), and cash surrender value of life insurance (\$302,000 and \$311,000 in 1992 and 1993, respectively), are pledged as collateral on the Land Mortgage and Life Insurance Loans, respectively.

In addition to the above indebtedness, at December 31, 1993, Cousins had future lease commitments under a land lease aggregating \$7.5 million over its remaining term of 75 years. Current annual lease payments are approximately \$63,000.

Cousins has guaranteed the following obligations related to its unconsolidated joint ventures (see Note 5):

- a. Wildwood Associates - One half of a \$50 million bank line of credit, under which \$9,700,000 was drawn at December 31, 1993. The line of credit matures September 1, 1994, but is renewable on an annual basis at the lender's discretion.
- b. Norfolk Hotel Associates - \$4,850,000 bank line of credit under which \$1,000 was drawn at December 31, 1993. The line of credit matures November 1, 1994, but may be called at an earlier date under certain circumstances.
- c. CSC Associates, L.P. - One half of a \$20 million bank line of credit used for working capital under which there was no outstanding balance at December 31, 1993.
- d. Dusseldorf Joint Venture - A DEM 4,750,000 (approximately \$2.8 million) letter of credit guaranteeing certain obligations related to the Dusseldorf project. The Company has entered into construction and design contracts for retail power centers and residential lot development of which approximately \$10.2 million remains committed at December 31, 1993.

5. INVESTMENT IN JOINT VENTURES

The following information summarizes financial data and principal activities of non-majority owned joint ventures in which the Company had ownership interests (\$ in thousands):

	TOTAL ASSETS		TOTAL DEBT		TOTAL EQUITY		COMPANY'S INVESTMENT	
	1992	1993	1992	1993	1992	1993	1992	1993
SUMMARY OF FINANCIAL POSITION:								
Wildwood Associates	\$ 238,467	\$ 234,534	\$ 133,251	\$ 133,938	\$ 99,118	\$ 95,440	\$ 6,706	\$ 4,867
CSC Associates, L.P.	205,613	208,175	163,513	--	35,600	205,853	20,835	106,759
Ten Peachtree Place Associates	23,020	22,320	22,951	22,342	(212)	(201)	(106)	(66)
Haywood Mall Associates	21,408	21,074	19,790	19,529	738	647	369	323
Spring/Haynes Associates	30,412	16,333	--	--	30,411	16,267	2,080	1,571
Norfolk Hotel Associates	12,598	11,051	11,104	9,250	214	1,659	107	830
Other	1,211	2,164	438	1,101	659	884	583	968
	\$ 532,729	\$ 515,651	\$ 351,047	\$ 186,160	\$ 166,528	\$ 320,549	\$ 30,574	\$ 115,252

	TOTAL REVENUES			NET INCOME (LOSS)			COMPANY'S SHARE OF NET INCOME (LOSS)		
	1991	1992	1993	1991	1992	1993	1991	1992	1993
SUMMARY OF OPERATIONS:									
Wildwood Associates	\$31,161	\$34,281	\$36,224	\$2,470	\$ 2,304	\$ 4,322	\$1,235	\$1,152	\$2,161
CSC Associates, L.P.	--	19,831	27,810	(40)	(1,052)	(1,194)	(20)	(526)	201
Ten Peachtree Place Associates	364	4,425	4,263	(42)	166	411	(12)	92	240
Haywood Mall Associates	8,759	9,538	9,979	2,960	3,525	4,014	1,480	1,763	2,007
Spring/Haynes Associates	51	32	57	(150)	(162)	(214)	(75)	(81)	(107)
Norfolk Hotel Associates	2,075	10,698	12,680	--	214	1,445	--	107	723
Other	121	1,293	1,784	(213)	132	582	(174)	66	291
	\$42,531	\$80,098	\$92,797	\$4,985	\$ 5,127	\$ 9,366	\$2,434	\$2,573	\$5,516

	CASH FLOWS FROM OPERATING ACTIVITIES			CASH FLOWS FROM OPERATING ACTIVITIES			CASH DISTRIBUTIONS		
	1991	1992	1993	1991	1992	1993	1991	1992	1993
SUMMARY OF OPERATING CASH FLOWS:									
Wildwood Associates	\$ 8,643	\$ 7,561	\$12,006	\$4,321	\$3,780	\$ 6,003	\$ --	\$ --	\$4,000
CSC Associates, L.P.	--	3,954	2,393	--	1,977	2,070	--	--	950
Ten Peachtree Place Associates	271	828	935	77	243	280	--	385	200
Haywood Mall Associates	4,023	4,146	4,628	2,012	2,073	2,314	1,798	1,949	2,053
Spring/Haynes Associates	(102)	(101)	(98)	(51)	(51)	(49)	--	--	--
Norfolk Hotel Associates	805	1,136	33	403	568	17	--	--	--
Other	(142)	192	843	(70)	96	422	31	36	304
	\$13,498	\$17,716	\$20,740	\$6,692	\$8,686	\$11,057	\$1,829	\$2,370	\$7,507

WILDWOOD ASSOCIATES - Wildwood Associates was formed in 1985 between the Company and IBM, each as 50% partners. The partnership owns three office buildings totaling 1.6 million rentable square feet, other income producing commercial properties, and additional developable land in Wildwood Office Park ("Wildwood") in Atlanta, Georgia. Wildwood is an office park containing a total of approximately 289 acres, of which approximately 73 acres are owned by Wildwood Associates and an estimated 31 acres are committed to be contributed to Wildwood Associates by the Company; the Company owns the balance of the developable acreage in the park.

Wildwood Associates and a related partnership (included in the amounts for Wildwood Associates above) also own one office building at Summit Green, an office project situated on 21 acres of leased land in Greensboro, North Carolina. Two additional buildings are planned for the project.

Through December 31, 1993, IBM had contributed \$46.6 million in cash plus properties having an agreed value of \$16.3 million for its one-half interest in Wildwood Associates. The Company has contributed \$84,000 in cash plus properties having an agreed value of \$42.8 million for its one-half interest in the partnership, and is obligated to contribute the aforesaid estimated 31 acres of additional land with an agreed value of \$20.0 million. The Company and IBM each lease office space from the partnership at rates comparable to those charged to third parties. The Company's investment as recorded in the Consolidated Balance Sheets (\$4.9 million at December 31, 1993) is based upon the Company's historical cost of the properties at the time they were contributed or committed to be contributed to the partnership, whereas its investment as recorded on Wildwood Associates' books (\$47.7 million at December 31, 1993) is based upon the agreed values at the time the partnership was formed.

CSC ASSOCIATES, L.P. ("CSC") - CSC was formed in 1989 between the Company and a wholly owned subsidiary of NationsBank Corporation, each as 50% partners. CSC owns the 1.3 million rentable square foot NationsBank Plaza in Atlanta, Georgia. The building became operational for financial reporting purposes in June 1992. In October 1993, the partnership fully repaid all of its debt with equity contributions of \$86.7 million made by each partner.

CSC's net income or loss and cash distributions are allocated to the partners based on their percentage interests (50% each), subject to a preference to Cousins. The Cousins preference is \$2.5 million (giving Cousins an additional \$1.25 million over what it would otherwise receive), and accrues to Cousins, with interest at 9% to the extent unpaid, over the period February 1, 1992 through January 31, 1995. Following repayment of the partnership's debt in October 1993, Cousins began recognizing its accrued preference currently in income, which resulted in Cousins recognizing \$874,000 in income over what it would have otherwise recognized in the year ended December 31, 1993. The partners have agreed that until cumulative retained earnings (before considering distributions) exceed zero, which should occur in 1994, distributions will be based on their percentage interests. Thereafter, Cousins will be distributed its preference, to the extent earned, with amounts above the preference amount distributed based on the partners' percentage interests.

TEN PEACHTREE PLACE ASSOCIATES ("TPPA") - TPPA is a general partnership between the Company (50%) and a wholly owned subsidiary of The Coca-Cola Company ("Coca-Cola") (50%). The venture owns Ten Peachtree Place, a 259,000 rentable square foot building located in midtown Atlanta, Georgia. The building is 100% leased to Coca-Cola through November 30, 2001.

The TPPA partnership agreement generally provides that each of the partners is entitled to receive 50% of cash flows from operating activities net of note principal amortization through the term of the Coca-Cola lease, after which the Company and its partner are entitled to receive 15% and 85% of the cash flows (including any sales proceeds), respectively, until the two partners have received a combined distribution of \$15.3 million. Thereafter, each partner is entitled to receive 50% of cash flows.

HAYWOOD MALL ASSOCIATES - Haywood Mall Associates is a joint venture between the Company and an affiliate of Corporate Property Investors. The venture owns 270,000 rentable square feet of Haywood Mall, a 942,000 rentable square foot enclosed regional shopping center on 86 acres, 5 miles southeast of downtown Greenville, South Carolina. The balance, 672,000 square feet, is owned by four major department stores.

Haywood Mall Associates has announced an expansion of the mall to be completed by mid-1995. The expansion will include the addition of approximately 70,000 square feet of new mall shops and a fifth major department store. The venture intends to fund the expansion, as well as the prepayment of an existing 9.37% first mortgage in May 1994, with equity contributions of approximately \$22 million from each partner.

SPRING/HAYNES ASSOCIATES - This general partnership was formed in 1985 between the Company and a wholly owned subsidiary of Coca-Cola, each as 50% general partners, to jointly own and develop real estate. The Company contributed 40 acres of undeveloped land at Georgia Highway 400 and Haynes Bridge Road in north central suburban Atlanta, Georgia. Coca-Cola contributed 11 acres of property in midtown Atlanta. In September 1993, the undeveloped land at Georgia Highway 400 was distributed to the partners who concurrently recontributed certain acres of the land into North Point Market Associates, L.P., a consolidated partnership formed between the partners (see Note 8). The Company's remaining investment in Spring/Haynes Associates as recorded in the Consolidated Balance Sheets (\$1.6 million at December 31, 1993) is based upon the Company's historical cost, whereas its investment as recorded on the partnership's books (\$8.1 million at December 31, 1993) is based upon the agreed values of the properties at the time they were contributed to the partnership.

NORFOLK HOTEL ASSOCIATES ("NHA") - NHA is a partnership between the Company and an affiliate of Odyssey Partners, L.P., each as 50% partners, which held a mortgage note on and owned the land under the Omni International Hotel in Norfolk, Virginia. In January 1992, NHA terminated the land lease and became the owner of the hotel and a long-term parking agreement with an adjacent building owner. The partnership receives payments of approximately \$400,000 per year under the parking agreement. In April 1993, the partnership sold the hotel, but retained its interest in the parking agreement. The Company's share of the gain on this transaction was approximately \$.5 million and is included in Income From Joint Ventures in the accompanying Consolidated Statements of Income. The partnership received a mortgage note for a portion of the sales proceeds.

OTHER - This category consists of several other joint ventures including:

COUSINS-HINES PARTNERSHIPS - Through the Cousins-Hines partnerships, CREC effectively owns 9.8% of the One Ninety One Peachtree Tower in Atlanta, Georgia. This 1.2 million rentable square foot structure, which opened in December 1990, was developed in partnership with the Hines Interests Limited Partnership and the Dutch Institutional Holding Company. Because CREC's effective ownership of this building is less than 20%, the Company accounts for its investment using the cost method of accounting, and therefore the above tables do not include the Company's share of One Ninety One Peachtree Tower.

TEMCO ASSOCIATES - Temco Associates was formed in 1991 as a partnership between the Company (50%) and a subsidiary of Temple-Inland Inc. (50%). Temco Associates has an option through March 2006, with no carrying costs, to acquire approximately 35,000 acres in Paulding County, Georgia (northwest of Atlanta, Georgia), of which approximately 13,000 acres would be a fee simple interest and approximately 22,000 acres would be a timber rights interest only. The option may be exercised in whole or in part over the option period. During 1993, approximately 1,100 acres of the option related to the fee simple interest was exercised and simultaneously sold for gross profits of \$305,000.

DUSSELDORF JOINT VENTURE - In 1992, Cousins entered into a joint venture agreement for the development of a 133,000 rentable square foot office building in Dusseldorf, Germany which is 34% preleased to IBM. Cousins' venture partners are IBM and Multi Development Corporation International B.V. ("Multi"), a Dutch real estate development company. In December 1993, the building was presold to an affiliate of Deutsche Bank. CREC and Multi will jointly develop the building, with CREC receiving fees of approximately \$1.3 million ratably over the development period of January 1994 through June 1995. In addition, the Company will recognize 30% of the venture's profit or 50% of the venture's loss. Due to the Company's continuing involvement in the project (see Note 4), all fees and profits will be deferred until the project's completion and leaseup.

At December 31, 1993, total assets of joint ventures included in the above tables include \$462 million of real estate properties financed by \$166 million of mortgage notes.

The Company received \$4,405,000, \$4,342,000 and \$3,106,000 of development, construction, leasing, and management fees from non-majority owned joint ventures in 1991, 1992 and 1993, respectively.

6. STOCKHOLDERS' INVESTMENT, STOCK APPRECIATION RIGHT EXPENSE AND PER SHARE DATA

COMMON STOCK ISSUANCE:

In October 1992 and October 1993, Cousins issued 3,975,000 and 5,800,000 shares of common stock, respectively, through public offerings at prices of \$14.00 and \$17.25 per share, respectively. Concurrently with the public offerings, an additional 400,000 and 300,000 shares, respectively, were purchased at the public offering price by Thomas G. Cousins, Chairman of the Board of Cousins. The Company has used the proceeds to reduce debt (including joint venture debt) and develop income-producing properties, and intends to acquire and develop additional income-producing properties as suitable opportunities arise.

OPTIONS:

The Company has a stock option plan for key employees. At December 31, 1993, the Company had granted options to key employees to purchase 911,341 shares of the Company's common stock (including 282,341 shares under a predecessor plan), and was authorized under the plan to grant an additional 368,000 stock options. The Company may incorporate a provision in each stock option agreement to allow the option holder to surrender options and request a cash payment for the difference between the fair market value of the shares at the date of surrender and the option price. Separately from the stock option plan, the Company has issued stock appreciation rights ("SARs") to certain employees.

In order to compensate the holders of unexercised stock options for decreases in the underlying value of shares subject to the options resulting from certain capital gain distributions to stockholders, the Company has also issued Deferred Payment Agreements to holders of unexercised stock options at the time of such distributions. These Deferred Payment Agreements provide for a fixed cash payment to stock option holders upon exercise of the options in an amount approximately equal to the amount of the capital gain distribution that would have been payable on the shares subject to the options if the options had been exercised prior to the record date for the distributions. Holders of SARs have been similarly compensated by a downward adjustment in the price of SARs held by them.

Financial Accounting Standards Board pronouncements require that all stock options which have a cash payment election option be accounted for as SARs. Accordingly, included in the Consolidated Statements of Income under the heading "stock appreciation right expense" are increases or reductions in accrued compensation expense to reflect the issuance of new SARs or stock options with cash payment provisions, vesting, changes in the market value of the common stock from the dates of grant, expirations of non-vested options or SARs of terminated employees, and issuance of Deferred Payment Agreements or adjustment in SAR prices because of capital gain distributions. In the first quarter of 1993, the cash payment provision associated with 374,341 stock options was given up by certain of the option holders, thereby reducing stock appreciation right expense for 1993 by approximately \$502,000.

The following is a summary of stock option activity under the stock option plan (amounts in thousands, except per share amounts):

	Number of Shares		Total Option Price		Option Price Per Share	
	1992	1993	1992	1993	1992	1993
Outstanding, beginning of year	553	658	\$7,535	\$ 9,221	\$ 4.13 to \$17.25	\$ 4.82 to \$17.25
Terminated	(28)	--	(414)	--	\$11.00 to \$16.50	\$ --
Exercised	(27)	(11)	(220)	(51)	\$ 4.13 to \$12.125	\$ 4.82
Granted	160	264	2,320	4,333	\$14.50	\$16.125 to \$17.75
Outstanding, end of year	658	911	\$9,221	\$13,503	\$ 4.82 to \$17.25	\$ 4.82 to \$17.75
Shares exercisable at end of year	388	455				

At December 31, 1992, the Company had 295,601 SARs outstanding (of which 113,631 were exercisable) at prices ranging from \$1.60 per share to \$14.50 per share. At December 31, 1993, the Company had 382,605 SARs outstanding (of which 142,015 were exercisable) at prices ranging from \$9.87 per share to \$16.875 per share.

At December 31, 1992 and 1993, the total amount accrued for stock options, SARs, and Deferred Payment Agreements was \$1,570,000 and \$2,026,000, respectively.

PER SHARE DATA:

Primary income per share is computed by dividing income by the weighted average number of shares of common stock and dilutive common stock equivalents outstanding during the years of 17,340,404, 18,249,306,

and 22,781,485 in 1991, 1992 and 1993, respectively. Fully diluted income per share does not differ materially from primary income per share in 1991, 1992 and 1993.

OWNERSHIP LIMITATIONS:

In order to maintain Cousins' qualifications as a REIT, Cousins' Articles of Incorporation include certain restrictions on the ownership of more than 3.9% of the Company's common stock.

DISTRIBUTION OF REIT TAXABLE INCOME:

The following is a reconciliation between dividends declared and dividends applied in 1991 and 1992 and estimated to be applied in 1993 to meet REIT distribution requirements (\$ in thousands):

	1991	1992	1993
	-----	-----	-----
Dividends declared	\$10,404	\$11,496	\$17,204
That portion of dividends declared in current year, and paid in current year, which was applied to the prior year distribution requirements	(975)	(136)	(665)
That portion of dividends declared in subsequent year, and paid in subsequent year, which will apply to current year	136	665	--
	-----	-----	-----
Dividends applied to meet current year REIT distribution requirements	\$ 9,565	\$12,025	\$16,539
	=====	=====	=====

In 1991 and 1992, dividends applied to meet REIT distribution requirements were equal to Cousins' taxable income (see Note 7). In 1993, dividends applied exceeded taxable income by \$198,000 because of an operating loss which will be carried forward to 1994. Since electing to qualify as a REIT in 1987, Cousins has had no accumulated undistributed taxable income.

7. INCOME TAXES

In 1991, 1992 and 1993, because Cousins qualified as a REIT and distributed all of its taxable income (see Note 6), it incurred no federal income tax liability. The differences between taxable income as reported on Cousins' tax return (actual 1991 and 1992 and estimated 1993) and Consolidated Net Income as reported herein are as follows (\$ in thousands):

	1991	1992	1993
	-----	-----	-----
Consolidated net income	\$ 9,108	\$15,713	\$11,965
Consolidating adjustments	337	178	515
Less CREC net loss (income)	(359)	(366)	1,413
	-----	-----	-----
Cousins net income for financial reporting purposes	9,086	15,525	13,893
Adjustments arising from:			
Sales of investment properties	3,595	1,085	17,563
Income from joint ventures (principally depreciation, revenue recognition, and operational timing differences)	(2,939)	(4,829)	(7,614)
Rental income recognition	(941)	(726)	(403)
Wildwood Training Facility differences	742	765	(7,664)
Interest expense	(447)	(320)	251
Compensation expense under stock option and deferred compensation plans	299	397	146
Depreciation	232	37	54
Other	(62)	91	115
	-----	-----	-----
Cousins taxable income	\$ 9,565	\$12,025	\$16,341
	=====	=====	=====

The consolidated provision (benefit) for income taxes is composed of the following (\$ in thousands):

	1991	1992	1993
	-----	-----	-----
CREC and its wholly owned subsidiaries:			
Currently payable (refundable):			
Federal	\$ (640)	\$ 542	\$ (818)
State	(78)	(37)	(154)
	-----	-----	-----
	(718)	505	(972)
	-----	-----	-----
Adjustments arising from:			
Income from joint ventures	1,020	(153)	565
Operating loss carryforward	--	--	(170)
Stock appreciation right expense	(29)	(127)	(166)
Other	(29)	--	(82)
	-----	-----	-----
	962	(280)	147

CREC provision (benefit) for income taxes	244	225	(825)
Cousins provision for state income taxes	--	205	30
Less provision applicable to gain on sale of investment properties	--	(70)	--

Consolidated provision (benefit) applicable to income from operation	\$ 244	\$ 360	\$ (795)
	=====		

The Cousins provision for state income taxes in 1992 included \$185,000 for settlement of prior years' income taxes. The net income tax provision (benefit) differs from the amount computed by applying the statutory federal income tax rate to CREC's income (loss) before taxes as follows (\$ in thousands):

	1991		1992		1993	
	Amount	Rate	Amount	Rate	Amount	Rate
Federal income tax provision (benefit) at statutory rate	\$ 204	34%	\$ 201	34%	\$ (761)	34%
State income tax provision (benefit), net of federal income tax effect	24	4	24	4	(90)	4
Other	16	3	--	--	26	(1)
CREC provision (benefit) for income taxes	244	41%	225	38%	(825)	37%
Cousins provision for income taxes	--	===	205	===	30	===
Less provision applicable to gain on sale of investment properties	--		(70)		--	
Consolidated provision (benefit) applicable to income from operations	\$ 244		\$ 360		\$ (795)	

At December 31, 1992 and 1993, the components of CREC's net deferred tax liability are as follows (\$ in thousands):

	1992	1993
Deferred tax assets	\$ 257	\$ 633
Deferred tax liabilities	(1,562)	(2,385)
Net deferred tax liability	\$ (1,305)	\$ (1,752)

At December 31, 1992 and 1993, the tax effect of significant temporary differences representing CREC'S deferred tax assets and liabilities are as follows (\$ in thousands):

	1992	1993
Operating loss carryforward, expiring 2008	\$ --	\$ 170
Income from joint ventures	(1,549)	(2,245)
Stock appreciation right expense	153	319
Other	91	4
	\$ (1,305)	\$ (1,752)

8. PROPERTY TRANSACTIONS

OPERATING PROPERTIES

PERIMETER EXPO - In June 1993, the Company purchased the land for and began construction of Perimeter Expo, a retail power center adjacent to Perimeter Mall in Atlanta, Georgia. Perimeter Expo features a new concept called The Home Depot Expo, which was separately developed by The Home Depot as an upscale interior design center. Perimeter Expo contains approximately 295,000 square feet, of which approximately 178,000 square feet are owned by the Company. The center opened in November 1993 and became operational for financial reporting purposes on December 1, 1993. Perimeter Expo is included in Operating Properties in the accompanying December 31, 1993 Consolidated Balance Sheet.

LAND HELD FOR INVESTMENT AND FUTURE DEVELOPMENT

GEORGIA HIGHWAY 400 LAND - On December 21, 1988, the Company sold 100 acres in north central suburban Atlanta, Georgia, for use as a regional shopping center to be known as North Point Mall. The \$12.5 million sales proceeds were treated as a deposit liability in the Consolidated Financial Statements until certain repurchase obligations expired. Profits on the sale of \$6.0 million and \$1.9 million were then recognized in 1992 and 1993, respectively, over the period that the Company completed certain infrastructure obligations, based on percentage of completion accounting. For income tax purposes, this transaction was treated as an installment sale, and gains of approximately \$2.6 million and \$7.8 million were recognized in 1988 and 1989, respectively.

During 1993, portions of the Georgia Highway 400 land were developed by the Company for North Point Market and for ground leasing to freestanding users (see below and Note 9).

PEACHTREE ROAD PROPERTY - The Company has entered into a contract for sale of its 9 acre Peachtree Road property for \$4.8 million net proceeds to the Company. The buyer has deposited a \$700,000 non-refundable deposit under the contract, and is scheduled to close the sale by the second quarter of 1994. If the sale closes as contemplated, the Company will recognize a gain of \$3.1 million on the transaction.

PROJECTS UNDER CONSTRUCTION

NORTH POINT MARKET- In September 1993, the Georgia Highway 400 land owned through Spring/Haynes Associates (see Note 5) was distributed to its partners, with each partner concurrently recontributing certain acres of the land to a new venture, North Point Market Associates, L.P. (owned 82.3% by Cousins and 17.7% by an affiliate of Coca-Cola, whose ownership is included in Minority Interests in Consolidated Entities in the accompanying December 31, 1993 Consolidated Balance Sheet). Additionally, Cousins contributed certain acres of its wholly owned Georgia Highway 400 land to the new venture. The venture is constructing North Point Market, a retail power center adjacent to North Point Mall which will have 314,000 square feet in Phase I. The center also includes six outparcels that are being ground leased to freestanding users. Phase I is scheduled to open in the spring of 1994.

PRESIDENTIAL MARKET- In October 1993, the Company purchased the land for and began construction of Presidential Market, a retail power center in northeast suburban Atlanta, Georgia. Presidential Market will contain approximately 310,000 square feet, of which approximately 194,000 will be owned by the Company. The center is scheduled to open in the fall of 1994. The center also includes six outparcels that will be sold or ground leased to freestanding users, which costs are separately included in Land Held for Investment or Future Development in the accompanying Consolidated Balance Sheets.

RESIDENTIAL LOTS UNDER DEVELOPMENT

In October 1993, CREC purchased 38 acres in northwest suburban Atlanta, Georgia which is being developed as residential lots. In January 1994, an additional 81 acres in northeast suburban Atlanta, Georgia was purchased for residential lot development.

9. CONSOLIDATED STATEMENTS OF CASH FLOWS - SUPPLEMENTAL INFORMATION

Interest (net of amounts capitalized (see Note 4)) and income taxes paid (net of refunds) were as follows (\$ in thousands):

	1991	1992	1993
	-----	----	----
Interest paid	\$1,206	\$957	\$ --
Income taxes paid, net of \$565 refunded in 1992	\$ 179	\$163	\$ 68

Significant non-cash financing and investing activities included the following:

- a. In September 1993, the carrying value of the Company's land and infrastructure costs for North Point Market (approximately \$7,933,000) was transferred from Land Held for Investment or Future Development to Projects Under Construction (see Note 8). Included in the \$7,933,000 of costs transferred to Projects Under Construction was the Company's carrying value (approximately \$495,000) of a concurrent land distribution from Spring/Haynes Associates. Also concurrently, an affiliate of Coca-Cola contributed the land it previously held in Spring/Haynes Associates for a 17.7% minority interest in the North Point Market project, which was recorded at a value of \$2,658,000 (see Note 8).
- b. In December 1993, the \$4,709,000 carrying value of the 32 acres of the Georgia Highway 400 land being ground leased to freestanding users was transferred from Land Held For Investment or Future Development to Operating Properties.
- c. Effective June 30, 1992, the Company elected to cancel its outstanding treasury stock. The carrying value of the 2,896,000 shares of treasury stock in excess of \$1 per share was charged to additional paid-in capital (\$7,421,000) and cumulative undistributed net income (\$10,699,000). This transaction had no effect on stockholders' investment.
- d. In 1992, the Company purchased certain assets of New Market Companies, Inc. and affiliates and CMI (see Note 2). The assets were acquired subject to certain liabilities as follows (\$ in thousands):

Assets acquired (including cash of \$609)	\$3,508
Liabilities	896

Cash paid for assets	\$2,612
	=====

- e. In December 1992, cumulative deferred income of \$3.6 million was applied against the Wildwood Training Facility Mortgage Note (see Note 3).
- f. The Company canceled a life insurance policy in 1991 and offset \$482,000 of the life insurance's cash surrender value against a related loan.

10. RENTAL REVENUES

The Company leases office space and retail space. The leases typically contain escalation provisions and provisions requiring tenants to pay a pro rata share of operating expenses. The leases typically include renewal options and all are classified and accounted for as operating leases. At December 31, 1993, future minimum rentals to be received under existing non-cancelable leases, including tenants' current pro rata share of operating expenses are as follows (\$ in thousands):

	Retail	Office	Total
	-----	-----	-----
1994	\$ 7,674	\$ 6,099	\$ 13,773
1995	7,788	6,268	14,056
1996	7,828	6,466	14,294
1997	7,969	5,977	13,946
1998	8,038	5,744	13,782
Subsequent to 1998	115,266	28,197	143,463
	-----	-----	-----
	\$154,563	\$58,751	\$213,314
	=====	=====	=====

For the years ended December 31, 1991, 1992 and 1993, income recognized on a straight-line basis for financial reporting purposes exceeded income which accrued in accordance with the lease terms by \$950,000, \$804,000, and \$391,000, respectively (see Notes 1 and 3). Of the future minimum office rentals, 89% are attributable to the three major tenants of the Company's First Union Tower project in Greensboro, North Carolina.

11. SUBSEQUENT EVENT

On March 10, 1994, the Company purchased from the Resolution Trust Corporation ("RTC") two notes aggregating \$37 million at a total cost of approximately \$28 million. The two notes, which resulted from the RTC's restructuring in December 1993 of a \$53 million note, are secured by a first deed of trust on an office building containing approximately 250,000 square feet located at 650 Massachusetts Avenue, NW, in Washington, D.C. The notes mature December 31, 2003, at which time their unamortized balance will be a maximum of approximately \$33 million. The notes require minimum monthly payments totaling \$2,818,000 annually, which through the year 2000, are supported by a U.S. government agency lease.

SELECTED QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

 Selected quarterly information for the two years ended December 31, 1993
 (\$ in thousands, except per share amounts):

	Quarters			
	First	Second	Third	Fourth
	-----	-----	-----	-----
1992:				
Revenues	\$5,280	\$5,785	\$3,622	\$4,188
Income from joint ventures	519	931	768	355
Gain on sale of investment properties, net of applicable income tax provision	--	114	5,995	535
Net income	2,528	3,466	7,454	2,265
Net income per share	.15	.20	.43	.11
1993:				
REVENUES	\$4,374	\$4,637	\$4,986	\$5,049
INCOME FROM JOINT VENTURES	441	1,145	494	3,436
GAIN ON SALE OF INVESTMENT PROPERTIES, NET OF APPLICABLE INCOME TAX PROVISION	230	496	1,201	--
NET INCOME	1,415	3,205	2,913	4,432
NET INCOME PER SHARE	.07	.15	.13	.17

COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES

FIVE YEAR SUMMARY OF SELECTED FINANCIAL DATA

(\$ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	1989	1990	1991	1992	1993
Rental revenues	\$ 4,388	\$ 4,917	\$ 6,728	\$ 6,933	\$ 6,687
Fees	2,891	5,512	4,855	4,953	5,903
Interest and other	9,844	7,794	7,127	6,989	6,456
TOTAL REVENUES	17,123	18,223	18,710	18,875	19,046
INCOME FROM JOINT VENTURES	712	880	2,434	2,573	5,516
Rental property operations	1,151	1,890	2,456	2,354	2,310
Depreciation and amortization	960	1,911	2,236	2,345	3,164
Stock appreciation right expense (credit)	632	(1,272)	378	860	721
Interest expense	263	1,376	1,149	820	--
General, administrative, and other expenses	5,374	4,743	5,573	5,640	9,124
TOTAL EXPENSES	8,380	8,648	11,792	12,019	15,319
PROVISION (BENEFIT) FOR INCOME TAXES FROM OPERATIONS	42	(2,347)	244	360	(795)
GAIN ON SALE OF INVESTMENT PROPERTIES, NET OF APPLICABLE INCOME TAX PROVISION	5,752	5,006	--	6,644	1,927
NET INCOME	\$ 15,165	\$ 17,808	\$ 9,108	\$ 15,713	\$ 11,965
INCOME PER SHARE:					
From operations before gain on sale of investment properties	\$.54	\$.74	\$.53	\$.50	\$.44
From gain on sale of investment properties, net of applicable tax provision	.33	.29	--	.36	.09
Net income per share	\$.87	\$ 1.03	\$.53	\$.86	\$.53
CASH DIVIDENDS DECLARED PER SHARE	\$.91	\$.60	\$.60	\$.62	\$.73
Total assets	\$157,191	\$168,358	\$169,406	\$195,791	\$319,702
Notes payable	25,667	34,285	34,680	9,079	35,151
Stockholders' investment	107,924	115,345	114,100	176,091	270,557

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

TO THE STOCKHOLDERS OF COUSINS PROPERTIES INCORPORATED:

We have audited the accompanying consolidated balance sheets of Cousins Properties Incorporated (a Georgia corporation) and consolidated entities as of December 31, 1992 and 1993, and the related consolidated statements of income, stockholders' investment and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of CSC Associates, L.P. and Haywood Mall Associates which statements combined reflect assets of 43% and 44% of the joint ventures totals as of December 31, 1992 and 1993 and revenues of 21%, 37% and 41% of the 1991, 1992 and 1993 joint ventures totals, respectively. Those statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for those entities as of December 31, 1991, 1992 and 1993 and for the years then ended, is based solely on the reports of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Cousins Properties Incorporated and consolidated entities as of December 31, 1992 and 1993, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993 in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN & CO.

Atlanta, Georgia
March 10, 1994

COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS FOR THE THREE YEARS ENDED DECEMBER 31, 1993

GENERAL - Historically, the Company's financial results have been significantly affected by sale transactions and the fees generated by, and start-up losses of, major real estate developments, which transactions and developments do not necessarily recur. Accordingly, the Company's historical financial statements may not be indicative of future operating results. For information as to certain factors which may affect future income and cash flow, see "Additional Prospective Information."

RENTAL REVENUES - Rental revenues increased in 1992 over 1991, and then decreased in 1993. Rental revenues were primarily affected by changes which occurred in the 3301 Windy Ridge Parkway Building, a 107,000 square foot Company wholly owned building in Wildwood Office Park, which had rental revenues of \$912,000 and \$713,000 in 1991 and 1992, respectively, and \$0 in 1993. This building was unoccupied for the first three months of 1991, after which it was 80% leased to IBM from April 1991 through June 1992. Subsequently, commencing January 1994 a single tenant leased approximately 60% of the building for a term of ten years. The lease has options permitting the tenant to expand its occupancy to the remainder of the building over the next several years. Rental revenues were favorably impacted over the three year period by First Union Tower, which had rental revenues of \$4,916,000, \$5,302,000, and \$5,421,000 in 1991, 1992 and 1993, respectively.

DEVELOPMENT AND CONSTRUCTION FEES - Development and construction fee income decreased in 1992 and 1993, primarily because the number of office buildings under development decreased from two in 1991 to one in 1992 and none in 1993. In addition, the level of office tenant construction activity decreased over the three year period. In the fourth quarter of 1992, the Company acquired the retail development business of New Market Companies, Inc. ("NMC") and as a result of that acquisition, recognized development fees from third parties of \$129,000 and \$590,000 in 1992 and 1993, respectively, partially offsetting the decreases in office related fees.

MANAGEMENT FEES - Management fees increased in 1992 and 1993. Management fees in 1991 and 1992 were received by CREC for management of the One Ninety One Peachtree Tower, which opened at the end of 1990. Beginning in November 1992, additional management fees were received from projects previously managed by CMI, amounting to \$194,000 and \$1,673,000 in 1992 and 1993, respectively. See Note 2 of Notes to Consolidated Financial Statements.

LEASING AND OTHER FEES AND LEASING AND OTHER COMMISSION EXPENSE - Leasing and other fees increased in 1992 and 1993. In 1993, the increase was primarily the result of acquiring the retail development business of NMC in October 1992, which generated leasing and other fees from third parties of \$49,000 and \$1,598,000 in 1992 and 1993, respectively; this increase was partially offset by a decrease in office leasing fees from \$2,663,000 to \$1,408,000 because there were no new office buildings generating major tenant leasing fees in 1993. The increase in office leasing fees in 1992 compared to 1991 was primarily due to major tenant leasing fee income from NationsBank Plaza, which opened in February 1992. Changes in leasing commission expense were associated primarily with the changes in leasing fee income recognized from One Ninety One Peachtree Tower.

INTEREST AND OTHER INCOME - Interest income decreased in 1992 and 1993. Between 1991 and 1992, the decrease was primarily due to a decrease in rates available on temporary investments. Between 1992 and 1993, the decrease was primarily due to a \$1,088,000 reduction in interest recognized on the Wildwood Training Facility Mortgage Note (see Note 3 of Notes to Consolidated Financial Statements). The decrease in 1993 was partially offset by a \$403,000 increase in temporary investment income due to higher average cash balances, and \$242,000 of other income from residential land sale proceeds.

INCOME FROM JOINT VENTURES - (All amounts reflect the Company's share of joint venture income.) Income from joint ventures was approximately \$3 million higher in 1993 compared to 1992 and 1991. Income from Wildwood Associates increased \$1,009,000 from 1992 to 1993, primarily because of leaseup of the 3200 Windy Hill Road Building (\$326,000), a deferred rent payment received on the 2500 Windy Ridge Parkway Building (\$161,000), and reduced interest expense (\$195,000). Income from CSC Associates, L.P. increased \$727,000 from 1992 to 1993. The Company's share of the 1993 results benefited by \$874,000 in the fourth quarter of 1993 due to recognition by the Company of a partnership income preference which had accrued over the period January 1992 through December 1993, and was recognized by the Company after the partnership's debt was repaid in October 1993 and net income became

positive. In addition, interest expense was reduced by approximately \$1.8 million in the fourth quarter of 1993 because of the partnership's debt prepayment (see Note 5 of Notes to Consolidated Financial Statements). Partially offsetting the improvement in 1993 was the benefit in 1992 of the capitalization of \$696,000 of startup losses, and the lack of approximately \$.7 million of building depreciation until the building became operational in June 1992. Also mitigating the improvement in 1993 was the write-off of \$361,000 of unamortized loan closing costs upon prepayment of the partnership's debt in October 1993.

Income from joint ventures was also favorably impacted in 1993 by a \$460,000 gain recognized upon the sale of the Omni International Hotel in April 1993 by Norfolk Hotel Associates, and an additional \$156,000 in net income from that venture primarily as a result of receiving income on the purchase money mortgage note rather than income from hotel operations following the sale.

GENERAL AND ADMINISTRATIVE EXPENSES - General and administrative expenses were \$2.8 million higher in 1993 than they had been in each of the prior two years. The 1993 increase was primarily due to the acquisition in the fourth quarter of 1992 of CMI (\$1,029,000 increase over 1992) and the retail development business of NMC (\$1,922,000 increase over 1992 net of costs capitalized to projects under construction).

DEPRECIATION AND AMORTIZATION - Depreciation and amortization increased \$819,000 in 1993 over the 1992 level, which was approximately the same as the 1991 level. The increase was due primarily to an increase of \$763,000 in the amortization of intangible assets acquired from NMC. These intangible assets are being written off as the related income is recognized.

STOCK APPRECIATION RIGHT EXPENSE - This non-cash item is primarily related to the price per share of the Common Stock, which increased over the three year period and was \$11.875, \$14.50 and \$16.50 per share at December 31, 1991, 1992 and 1993, respectively. The cash payment provision associated with 374,341 stock options was given up by certain of the option holders in 1993, thereby reducing stock appreciation right expense by approximately \$502,000 (see Note 6 of Notes to Consolidated Financial Statements).

INTEREST EXPENSE - Interest expense decreased in 1992 and 1993, primarily because the First Union Tower line of credit was paid down to \$1,000 from October 1992 through December 30, 1993 with the proceeds from a common stock offering. This reduced interest expense on the line of credit from \$2,585,000 in 1991 to \$1,250,000 in 1992 and \$1,000 in 1993. Partially offsetting these decreases in interest expense was the amount of interest capitalized to projects under development (a reduction of interest expense), which decreased from \$1,542,000 in 1991 to \$571,000 in 1992 and \$347,000 in 1993.

OTHER EXPENSES - Other expenses decreased in 1992 versus 1991, and then increased in 1993. The decrease between 1992 and 1991 was due to a decrease in predevelopment expenses from \$253,000 to \$120,000. In 1993, predevelopment expenditures increased to \$556,000. Other expenses also increased in 1993 because of a \$309,000 reserve established for the present value of an indemnification an insurance company in rehabilitation had made to the Company in 1974, but defaulted on in the third quarter of 1993. This obligation is due in monthly installments of principal and interest of \$3,208 through December 2009. In addition, other expenses included the \$150,000 cost of the \$242,000 residential land sale included in other income.

PROVISION (BENEFIT) FOR INCOME TAXES FROM OPERATIONS - Income taxes increased in 1992 as compared to 1991 primarily because the 1992 provision included \$185,000 in settlement of Cousins' prior years' income taxes (see Note 7 of Notes to Consolidated Financial Statements). Other than this provision, the income tax provision (benefit) primarily reflected the income or loss of CREC and its subsidiaries. In 1993, CREC and its subsidiaries had a net loss (resulting in an income tax benefit) due to a reduction in CREC's fee income and higher expenses resulting from the acquisition of the retail development business of NMC.

GAIN ON SALE OF INVESTMENT PROPERTIES - The gain on sale of investment properties in 1992 included \$6.0 million of profits recognized on the North Point Mall land sale (see Note 8 of Notes to Consolidated Financial Statements) and \$.5 million from the sale of a 27 acre parcel in West Cobb County, Georgia. The gain on sale of investment properties in 1993 was entirely from profits recognized on the North Point Mall sale. The Company recognized profits on the North Point Mall sale based on percentage of completion accounting as certain infrastructure work required by the sales contract was completed. All of the remaining profit on the North Point Mall sale was recognized in 1993, when all work required by the sales contract was substantially completed. The Company recognized a total profit of approximately \$7,944,000 on this sale in 1992 and 1993.

ADDITIONAL PROSPECTIVE INFORMATION

Following the Company's October 1993 stock offering, the Company and its joint venture partner paid off the mortgage loan on NationsBank Plaza. Based on current occupancy and lease terms, the Company expects its share of net income from this project to increase from \$201,000 in 1993 to approximately \$6.5 million in 1994, and its share of cash flows from operating activities to increase from \$2.6 million to approximately \$8.5 million. (These amounts include Cousins' benefit from its partnership preference, including interest thereon, of \$874,000 and \$475,000 in 1993 and 1994, respectively. Cousins' benefit of its partnership preference will be \$35,000 in

January 1995, and zero thereafter; however, beginning in February 1995, the Company's joint venture partner's annual rental rate will increase by an amount equal to the preference rate.)

The Company opened its Perimeter Expo retail power center at the end of 1993. Two more retail power centers, North Point Market and Presidential Market, are currently under construction and are scheduled to open in the spring and fall of 1994, respectively. In addition, ground leases on a portion of the Company's Georgia Highway 400 property began producing income in the fourth quarter of 1993, and the amount of income will increase during 1994 as additional leases commence.

The Company plans to increase its equity investment in its Haywood Mall joint venture by approximately \$22 million in order to fund its 50% share of the costs of an expansion of Haywood Mall and prepay the venture's 9.37% mortgage debt. This will result in the venture's producing increased cash flows from operating activities beginning in mid-1994.

A single tenant has leased approximately 60% of the 3301 Windy Ridge Parkway Building beginning in January 1994. This lease is expected to increase the Company's cash flows from operating activities by approximately \$700,000 on an annualized basis over 1993 results. The lease has options permitting the tenant to expand its occupancy to the remainder of the building over the next several years.

The repayment of \$39.9 million of mortgage notes receivable in June 1994 (see Note 3 of Notes to Consolidated Financial Statements) will cause a reduction in interest income in 1994. However, this reduction will be offset by the Company's purchase of a mortgage note from the RTC in March 1994 (see Note 11 of Notes to Consolidated Financial Statements).

The Company's Peachtree Road property is under contract for a sale scheduled to close by the second quarter of 1994. If the sale closes as anticipated, the Company will receive net cash of \$4.8 million, and record a gain on sale of investment property of approximately \$3.1 million.

IBM currently leases over 1.1 million square feet in Wildwood Office Park and Summit Green. While IBM has announced reductions in its work force, effective January 1, 1993 it extended its lease of the Wildwood Training Facility from November 1993 to November 1998. With the Training Facility lease extension, IBM has a continuing leasing commitment for the following square footage in Wildwood Office Park and Summit Green, in addition to its 50% ownership interest in all of the leased properties except the Wildwood Training Facility: 11,608 expiring in December 1994, 46,333 expiring in December 1995, 80,941 expiring in November 1996, 187,955 expiring in November 1998, 445,755 expiring in March 2001, and 303,436 expiring in December 2002. IBM has currently made available to Wildwood Associates for re-leasing to new tenants all of the space expiring in December 1995, approximately 56,000 square feet expiring in November 1996, and all of the space expiring in December 2002. To date, 78,170 square feet of this space has been leased to other tenants. In addition to the above subleased space, an IBM lease on 139,944 square feet previously expiring in December 1995 was replaced in 1993 by a Coca-Cola Enterprises Inc. lease expiring in December 1998, and 22,688 square feet of space previously expiring in November 1996 was replaced by leases to other tenants. The IBM downsizing has provided Cousins with an opportunity to help its partner, IBM, as well as provide the joint venture with a marketing advantage by allowing cash flow to be maintained from existing leases, while making space available to prospective tenants for extended leases on very competitive lease terms.

LIQUIDITY AND CAPITAL RESOURCES

As a result of common stock offerings in 1992 and 1993, the Company's debt (including its pro rata share of unconsolidated joint venture debt) was only 22% of total market capitalization at December 31, 1993, giving the Company excellent financial flexibility.

The Company has acquisition and development projects in various planning stages. The Company currently intends to finance these projects, and the acquisitions, projects under construction and debt repayments discussed in Notes 4, 5, 8, and 11 of Notes to Consolidated Financial Statements, by using cash on hand, existing lines of credit, additional lines of credit as required, and the scheduled repayment of approximately \$40 million of notes receivable in June 1994.

EFFECTS OF INFLATION

The Company attempts to minimize the effect of inflation on income from operating properties by the use of rents tied to tenants' sales, periodic fixed-rent increases and increases based on cost-of-living adjustments, and/or pass-through of operating cost increases to tenants.

COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES

MARKET AND DIVIDEND INFORMATION

The high and low sales prices for the Company's common stock and cash dividends declared per share were as follows:

	1992 QUARTERS				1993 QUARTERS			
	FIRST	SECOND	THIRD	FOURTH	FIRST	SECOND	THIRD	FOURTH
High	\$ 12 1/2	\$ 12 1/2	\$ 13 7/8	\$ 15	\$ 18	\$ 18	\$ 18 1/4	\$ 18 3/8
Low	11 1/2	11 1/4	11 1/2	13 5/8	14 1/4	14 7/8	15 3/8	15 1/2
Dividends Declared	.15	.15	.15	.17	.17	.17	.17	.22
Payment Date	2/21/92	5/28/92	8/24/92	12/21/92	2/22/93	5/28/93	8/24/93	12/21/93

The Company's stock trades on the New York Stock Exchange (ticker symbol CUZ). At December 31, 1993, there were 1,161 stockholders of record.

In 1992, the Company designated as capital gain dividends 40% of the dividend paid May 28, 1992 and all of the dividends paid August 24, 1992 and December 21, 1992. All other dividends paid in 1992 were taxable as ordinary dividends. In 1993, the Company designated all dividends as capital gain dividends. In addition, in 1992 and 1993 an amount calculated as 9.77% of ordinary dividends and 5.26% of total dividends, respectively, was an "adjustment attributed to depreciation of tangible property placed in service after 1986" for alternative minimum tax purposes. This amount was passed through to stockholders and must be used as an item of adjustment in determining each stockholder's alternative minimum taxable income.

ABOUT YOUR DIVIDENDS

TIMING OF DIVIDENDS - Cousins normally pays regular dividends four times each year in February, May, August and December. However, the timing of the last dividend from year to year may cause stockholders to receive as few as three and as many as five regular dividends in any year. Depending upon taxable income (see below), special dividends may also be declared in some years, and may be payable at the same time or separately from regular dividends.

DIFFERENCES BETWEEN NET INCOME AND CASH DIVIDENDS DECLARED - Cousins' current intention is to distribute 100% of its taxable income and thus incur no corporate income taxes. However, Consolidated Net Income for financial reporting purposes and Cash Dividends Declared will generally not be equal for the following reasons:

- There will continue to be considerable differences between Consolidated Net Income as reported to stockholders (which includes the income of a consolidated non-REIT entity that pays corporate income taxes) and Cousins' taxable income. The differences are enumerated in Note 7 of Notes to Consolidated Financial Statements.
- For purposes of meeting REIT distribution requirements, dividends may be applied to the calendar year before or after the one in which they are declared. The differences between dividends declared in the current year and dividends applied to meet current year REIT distribution requirements are enumerated in Note 6 of Notes to Consolidated Financial Statements.

CAPITAL GAINS DIVIDENDS - In some years, as it did in 1991, 1992 and 1993, Cousins will have taxable capital gains, and Cousins currently intends to distribute 100% of such gains to stockholders. The Form 1099-DIV sent by Cousins to stockholders of record each January shows total dividends paid (including the capital gains dividends) as well as that which should be reported as a capital gain. For individuals, the capital gain portion of the dividends is subtracted from total dividends on Schedule B of IRS Form 1040 and reported separately as a capital gain in accordance with the Schedule B instructions.

TAX PREFERENCE ITEMS AND "DIFFERENTLY TREATED ITEMS" - Internal Revenue Code Section 59(d) requires that certain corporate tax preference items and "differently treated items" be passed through to a REIT's stockholders and treated as tax preference items and items of adjustment in determining the stockholder's alternative minimum taxable income. The amount of this adjustment is included under "Market and Dividend Information" in this report.

Tax preference items and adjustments are includable in a stockholder's income only for purposes of computing the alternative minimum tax. These adjustments will not affect a stockholder's tax filing unless that stockholder's alternative minimum tax is higher than that stockholder's regular tax. Stockholders should consult their tax advisors to determine if the adjustment reported by Cousins affects their tax filing. Many stockholders will find that the adjustment reported by Cousins will have no effect on their tax filing unless they have other large sources of alternative minimum tax adjustments or tax preference items.

EXHIBIT 21

COUSINS PROPERTIES INCORPORATED AND CONSOLIDATED ENTITIES SUBSIDIARIES OF THE REGISTRANT DECEMBER 31, 1993

At December 31, 1993, the Registrant had no 100% owned subsidiaries.

At December 31, 1993, the financial statements of the following entities were consolidated with those of the Registrant in the Consolidated Financial Statements incorporated herein:

Cousins Real Estate Corporation and subsidiaries (100% of non-voting common stock and 100% of preferred stock owned by Registrant); subsidiaries include Cousins/New Market Development Company, Inc. (100% owned by Cousins Real Estate Corporation)
North Greene Associates Limited Partnership (85% owned by Registrant)
Rocky Creek Properties, Inc. & MT&E - Macon-Harris (75% owned by Registrant)
North Point Market Associates, L.P. (82.3% owned by Registrant) Perimeter Expo Associates, L.P. (90% owned by Registrant and 10% owned by Cousins/New Market Development Company, Inc.)

At December 31, 1993, the Registrant and its consolidated entities had the following significant unconsolidated subsidiaries which were not 100% owned:

C-H Associates Limited (49% owned by Cousins Real Estate Corporation)
CSC Associates, L.P. (50% owned by Registrant) Green Valley Associates II (50% owned by Registrant) Haywood Mall Associates (50% owned by Registrant) Hickory Hollow Associates (50% owned by Cousins Real Estate Corporation)
Norfolk Hotel Associates (50% owned by Registrant) Spring/Haynes Associates (50% owned by Registrant) Wildwood Associates (50% owned by Registrant) Ten Peachtree Place Associates (50% owned by Registrant) Temco Associates (50% owned by Cousins Real Estate Corporation) North Greene Associates Limited Partnership (85% owned by Registrant)
Rocky Creek Properties, Inc. & MT&E - Macon-Harris (75% owned

by Registrant)

EXHIBIT 23(a)

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included or incorporated by reference in this Form 10-K, into Cousins Properties Incorporated's previously filed Registration Statements File No. 33-41927 and 33-60350.

ARTHUR ANDERSEN & CO.

Atlanta, Georgia

March 28, 1994

EXHIBIT 23(b)

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-8 No. 33-41927) pertaining to the 1989 Stock Option Plan, 1987 Restricted Stock Plan for Outside Directors and Incentive Stock Option Plan of Cousins Properties Incorporated and in the related Prospectus, and in the Registration Statement (Form S-3 No. 33-60350) pertaining to the Dividend Reinvestment Plan of Cousins Properties Incorporated and in the related Prospectus, of our report dated February 4, 1994, with respect to the financial statements and schedules of CSC Associates, L.P. and our report dated February 3, 1994, with respect to the financial statements of Haywood Mall Associates, included in the Form 10-K of Cousins Properties Incorporated for the year ended December 31, 1993.

Ernst & Young

Atlanta, Georgia

March 28, 1994

EXHIBIT 99

REPORT OF INDEPENDENT AUDITORS

The Partners
Haywood Mall Associates
(A South Carolina Joint Venture)

We have audited the accompanying balance sheets of Haywood Mall Associates (A South Carolina Joint Venture) as of December 31, 1993 and 1992, and the related statements of income, cash flows and venturers' equity for the years then ended (not included herein). These financial statements are the responsibility of the Management of the Joint Venture. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Haywood Mall Associates (A South Carolina Joint Venture) at December 31, 1993 and 1992, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Ernst & Young

February 3, 1994

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