

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

FORM 10-Q

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

For the quarterly period ended September 30, 2014

OR

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

For the transition period from _____ to _____

Commission file number: 001-11312

COUSINS PROPERTIES INCORPORATED

(Exact name of registrant as specified in its charter)

GEORGIA

(State or other jurisdiction of
incorporation or organization)

191 Peachtree Street, Suite 500, Atlanta, Georgia
(Address of principal executive offices)

58-0869052

(I.R.S. Employer
Identification No.)

30303-1740
(Zip Code)

(404) 407-1000

(Registrant's telephone number, including area code)

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 Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller
reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 24, 2014
Common Stock, \$1 par value per share	216,508,024 shares

	Page No.
PART I-FINANCIAL INFORMATION	3
Item 1. Financial Statements (Unaudited)	3
CONDENSED CONSOLIDATED BALANCE SHEETS	3
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS	4
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY	5
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS	6
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	7
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	19
Item 3. Quantitative and Qualitative Disclosures About Market Risk	27
Item 4. Controls and Procedures	28
PART II. OTHER INFORMATION	29
Item 1. Legal Proceedings	29
Item 1A. Risk Factors	29
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	29
Item 6. Exhibits	30
SIGNATURES	31

FORWARD-LOOKING STATEMENTS

Certain matters contained in this report are “forward-looking statements” within the meaning of the federal securities laws and are subject to uncertainties and risks, as itemized in Item 1A included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 . These forward-looking statements include information about possible or assumed future results of the Company's business and the Company's financial condition, liquidity, results of operations, plans, and objectives. They also include, among other things, statements regarding subjects that are forward-looking by their nature, such as:

- the Company's business and financial strategy;
- the Company's ability to obtain future financing arrangements;
- future acquisitions and future dispositions of operating assets;
- future acquisitions of land;
- future development and redevelopment opportunities;
- future dispositions of land and other non-core assets;
- projected operating results;
- market and industry trends;
- future distributions;
- projected capital expenditures; and
- interest rates.

The forward-looking statements are based upon management's beliefs, assumptions, and expectations of the Company's future performance, taking into account information currently available. These beliefs, assumptions, and expectations may change as a result of possible events or factors, not all of which are known. If a change occurs, the Company's business, financial condition, liquidity, and results of operations may vary materially from those expressed in forward-looking statements. Actual results may vary from forward-looking statements due to, but not limited to, the following:

- the availability and terms of capital and financing;
- the ability to refinance indebtedness as it matures;
- the failure of purchase, sale, or other contracts to ultimately close;
- the failure to achieve anticipated benefits from acquisitions and investments or from dispositions;
- the potential dilutive effect of common stock offerings;
- the availability of buyers and adequate pricing with respect to the disposition of assets;
- risks related to the geographic concentration of our portfolio;
- risks and uncertainties related to national and local economic conditions, the real estate industry in general, and the commercial real estate markets in particular;
- changes to the Company's strategy with regard to land and other non-core holdings that require impairment losses to be recognized;
- leasing risks, including the ability to obtain new tenants or renew expiring tenants, and the ability to lease newly developed and/or recently acquired space;
- the adverse change in the financial condition of one or more of its major tenants;
- volatility in interest rates and insurance rates;
- the availability of sufficient investment opportunities;
- competition from other developers or investors;
- the risks associated with real estate developments (such as zoning approval, receipt of required permits, construction delays, cost overruns, and leasing risk);
- the loss of key personnel;
- the potential liability for uninsured losses, condemnation, or environmental issues;
- the potential liability for a failure to meet regulatory requirements;
- the financial condition and liquidity of, or disputes with, joint venture partners;
- any failure to comply with debt covenants under credit agreements; and
- any failure to continue to qualify for taxation as a real estate investment trust.

The words “believes,” “expects,” “anticipates,” “estimates,” “plans,” “may,” “intend,” “will,” or similar expressions are intended to identify forward-looking statements. Although the Company believes its plans, intentions, and expectations reflected in any forward-looking statements are reasonable, the Company can give no assurance that such plans, intentions, or expectations will be achieved. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of future events, new information, or otherwise, except as required under U.S. federal securities laws.

PART I — FINANCIAL INFORMATION**Item 1. Financial Statements.**

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	<u>September 30, 2014</u>	<u>December 31, 2013</u>
	(unaudited)	
Assets:		
Real estate assets:		
Operating properties, net of accumulated depreciation of \$297,034 and \$235,707 in 2014 and 2013, respectively	\$ 1,863,442	\$ 1,828,437
Projects under development	76,772	21,681
Land	26,831	35,053
	<u>1,967,045</u>	<u>1,885,171</u>
Operating properties and related assets held for sale, net of accumulated depreciation and amortization of \$14,851 and \$21,444 in 2014 and 2013, respectively	181,116	24,554
Cash and cash equivalents	7,210	975
Restricted cash	4,652	2,810
Notes and accounts receivable, net of allowance for doubtful accounts of \$1,635 and \$1,827 in 2014 and 2013, respectively	12,208	11,778
Deferred rents receivable	52,985	39,969
Investment in unconsolidated joint ventures	111,353	107,082
Intangible assets, net of accumulated amortization of \$64,947 and \$37,544 in 2014 and 2013, respectively	141,610	170,973
Other assets	55,481	29,894
Total assets	<u>\$ 2,533,660</u>	<u>\$ 2,273,206</u>
Liabilities:		
Notes payable	\$ 671,074	\$ 630,094
Accounts payable and accrued expenses	87,415	76,668
Deferred income	24,156	25,754
Intangible liabilities, net of accumulated amortization of \$14,514 and \$6,323 in 2014 and 2013, respectively	67,659	66,476
Other liabilities	15,753	15,242
Total liabilities	<u>866,057</u>	<u>814,234</u>
Commitments and contingencies	—	—
Equity:		
Stockholders' investment:		
Preferred stock, 7.50% Series B cumulative redeemable preferred stock, \$1 par value, \$25 liquidation preference, 20,000,000 shares authorized, -0- and 3,791,000 shares issued and outstanding in 2014 and 2013, respectively	—	94,775
Common stock, \$1 par value, 350,000,000 and 250,000,000 shares authorized, 220,078,986 and 193,236,454 shares issued in 2014 and 2013, respectively	220,079	193,236
Additional paid-in capital	1,720,559	1,420,951
Treasury stock at cost, 3,570,082 shares in 2014 and 2013	(86,840)	(86,840)
Distributions in excess of cumulative net income	(187,773)	(164,721)
	<u>1,666,025</u>	<u>1,457,401</u>
Nonredeemable noncontrolling interests	1,578	1,571
Total equity	<u>1,667,603</u>	<u>1,458,972</u>
Total liabilities and equity	<u>\$ 2,533,660</u>	<u>\$ 2,273,206</u>

See accompanying notes.

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited, in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Revenues:				
Rental property revenues	\$ 86,857	\$ 47,575	\$ 244,375	\$ 117,799
Fee income	1,802	2,420	6,165	8,932
Other	439	439	4,786	4,488
	<u>89,098</u>	<u>50,434</u>	<u>255,326</u>	<u>131,219</u>
Costs and expenses:				
Rental property operating expenses	38,685	22,035	109,501	55,112
Reimbursed expenses	783	1,097	2,703	4,365
General and administrative expenses	5,021	6,635	16,388	17,257
Interest expense	6,817	5,149	20,954	14,325
Depreciation and amortization	32,704	18,511	101,979	44,686
Separation expenses	—	520	84	520
Acquisition and related costs	644	6,859	815	7,427
Other	481	1,072	1,852	3,258
	<u>85,135</u>	<u>61,878</u>	<u>254,276</u>	<u>146,950</u>
Income (loss) from continuing operations before taxes, unconsolidated joint ventures, and sale of investment properties	3,963	(11,444)	1,050	(15,731)
Benefit (provision) for income taxes from operations	(1)	(1)	20	(3)
Income from unconsolidated joint ventures	2,030	63,078	5,343	65,862
Income from continuing operations before gain on sale of investment properties	5,992	51,633	6,413	50,128
Gain on sale of investment properties	81	3,801	1,569	61,361
Income from continuing operations	6,073	55,434	7,982	111,489
Income from discontinued operations:				
Income from discontinued operations	348	1,257	1,806	2,724
Gain on sale from discontinued operations	12,993	8,346	19,372	8,550
	<u>13,341</u>	<u>9,603</u>	<u>21,178</u>	<u>11,274</u>
Net income	19,414	65,037	29,160	122,763
Net income attributable to noncontrolling interests	(92)	(3,879)	(376)	(4,901)
Net income attributable to controlling interests	19,322	61,158	28,784	117,862
Dividends to preferred stockholders	—	(1,777)	(2,955)	(8,231)
Preferred share original issuance costs	—	—	(3,530)	(2,656)
Net income available to common stockholders	\$ 19,322	\$ 59,381	\$ 22,299	\$ 106,975
Per common share information — basic and diluted:				
Income from continuing operations attributable to controlling interest	\$ 0.03	\$ 0.30	\$ —	\$ 0.74
Income from discontinued operations	0.06	0.06	0.11	0.09
Net income available to common stockholders	<u>\$ 0.09</u>	<u>\$ 0.36</u>	<u>\$ 0.11</u>	<u>\$ 0.83</u>
Weighted average shares — basic	209,839	163,426	200,073	128,953
Weighted average shares — diluted	210,111	163,603	200,325	129,121
Dividends declared per common share	\$ 0.075	\$ 0.045	\$ 0.225	\$ 0.135

See accompanying notes.

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
Nine Months Ended September 30, 2014 and 2013
(unaudited, in thousands)

	Preferred Stock	Common Stock	Additional Paid-In Capital	Treasury Stock	Distributions in Excess of Net Income	Stockholders' Investment	Nonredeemable Noncontrolling Interests	Total Equity
Balance December 31, 2013	\$ 94,775	\$ 193,236	\$ 1,420,951	\$ (86,840)	\$ (164,721)	\$ 1,457,401	\$ 1,571	\$ 1,458,972
Net income	—	—	—	—	28,784	28,784	376	29,160
Common stock issued pursuant to:								
Director stock grants	—	55	598	—	—	653	—	653
Stock option exercises	—	40	(267)	—	—	(227)	—	(227)
Common stock offering, net of issuance costs	—	26,700	295,212	—	—	321,912	—	321,912
Restricted stock grants, net of amounts withheld for income taxes	—	53	(978)	—	—	(925)	—	(925)
Amortization of stock options and restricted stock, net of forfeitures	—	(5)	1,513	—	—	1,508	—	1,508
Distributions to noncontrolling interests	—	—	—	—	—	—	(369)	(369)
Redemption of preferred shares	(94,775)	—	3,530	—	(3,530)	(94,775)	—	(94,775)
Preferred dividends	—	—	—	—	(2,955)	(2,955)	—	(2,955)
Common dividends	—	—	—	—	(45,351)	(45,351)	—	(45,351)
Balance September 30, 2014	\$ —	\$ 220,079	\$ 1,720,559	\$ (86,840)	\$ (187,773)	\$ 1,666,025	\$ 1,578	\$ 1,667,603
Balance December 31, 2012	\$ 169,602	\$ 107,660	\$ 690,024	\$ (86,840)	\$ (260,104)	\$ 620,342	\$ 22,611	\$ 642,953
Net income	—	—	—	—	117,862	117,862	4,840	122,702
Common stock issued pursuant to:								
Director stock grants	—	50	494	—	—	544	—	544
Stock option exercises	—	25	(162)	—	—	(137)	—	(137)
Common stock offering, net of issuance costs	—	85,507	741,022	—	—	826,529	—	826,529
Restricted stock grants, net of amounts withheld for income taxes	—	30	(1,209)	—	—	(1,179)	—	(1,179)
Amortization of stock options and restricted stock, net of forfeitures	—	(42)	1,463	—	—	1,421	—	1,421
Distributions to nonredeemable noncontrolling interests	—	—	—	—	—	—	(25,888)	(25,888)
Redemption of preferred shares	(74,827)	—	(10,822)	—	10,822	(74,827)	—	(74,827)
Preferred dividends	—	—	—	—	(8,231)	(8,231)	—	(8,231)
Common dividends	—	—	—	—	(18,657)	(18,657)	—	(18,657)
Balance September 30, 2013	\$ 94,775	\$ 193,230	\$ 1,420,810	\$ (86,840)	\$ (158,308)	\$ 1,463,667	\$ 1,563	\$ 1,465,230

See accompanying notes.

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Nine Months Ended September 30,	
	2014	2013
Cash flows from operating activities:		
Net income	\$ 29,160	\$ 122,763
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sale of investment properties, including discontinued operations	(20,941)	(69,911)
Depreciation and amortization, including discontinued operations	102,481	45,950
Amortization of deferred financing costs	604	778
Amortization of stock options and restricted stock, net of forfeitures	1,508	1,421
Effect of certain non-cash adjustments to rental revenues	(21,740)	(5,605)
Income from unconsolidated joint ventures	(5,343)	(65,862)
Operating distributions from unconsolidated joint ventures	5,195	65,563
Land and multi-family cost of sales, net of closing costs paid	302	904
Changes in other operating assets and liabilities:		
Change in other receivables and other assets, net	(1,912)	(3,572)
Change in operating liabilities	5,282	6,247
Net cash provided by operating activities	<u>94,596</u>	<u>98,676</u>
Cash flows from investing activities:		
Proceeds from investment property sales	53,827	171,779
Property acquisition, development, and tenant asset expenditures	(351,657)	(1,502,016)
Investment in unconsolidated joint ventures	(10,578)	(2,139)
Distributions from unconsolidated joint ventures	7,433	86,752
Collection of notes receivable	1,020	1,233
Change in notes receivable and other assets	(2,838)	(1,930)
Change in restricted cash	(1,834)	(101)
Net cash used in investing activities	<u>(304,627)</u>	<u>(1,246,422)</u>
Cash flows from financing activities:		
Proceeds from credit facility	395,175	343,725
Repayment of credit facility	(347,550)	(292,650)
Proceeds from other notes payable	68	304,268
Repayment of notes payable	(6,713)	(76,314)
Payment of loan issuance costs	(3,176)	(1,693)
Common stock issued, net of expenses	321,912	826,529
Redemption of preferred shares	(94,775)	(74,827)
Common dividends paid	(45,351)	(18,657)
Preferred dividends paid	(2,955)	(8,231)
Distributions to noncontrolling interests	(369)	(25,888)
Net cash provided by financing activities	<u>216,266</u>	<u>976,262</u>
Net increase (decrease) in cash and cash equivalents	6,235	(171,484)
Cash and cash equivalents at beginning of period	975	176,892
Cash and cash equivalents at end of period	\$ 7,210	\$ 5,408
Interest paid, net of amounts capitalized	\$ 20,450	\$ 14,522
Significant non-cash transactions:		
Increase in accrued property acquisition, development, and tenant asset expenditures	\$ 3,055	\$ 14,764
Transfer from operating properties to operating properties and related assets held for sale	181,116	49,435
Transfer from projects under development to operating properties	—	25,629

Transfer from other assets to projects under development

—

3,062

See accompanying notes.

COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2014
(Unaudited)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

The condensed consolidated financial statements included herein include the accounts of Cousins Properties Incorporated (“Cousins”) and its consolidated subsidiaries, including Cousins Real Estate Corporation and its subsidiaries (“CREC”). All of the entities included in the condensed consolidated financial statements are hereinafter referred to collectively as the “Company.”

The Company develops, acquires, leases, manages, and owns primarily Class A office assets and opportunistic mixed-use properties in Sunbelt markets with a focus on Georgia, Texas, and North Carolina. Cousins has elected to be taxed as a real estate investment trust (“REIT”) and intends to, among other things, distribute 90% of its net taxable income to stockholders, thereby eliminating any liability for federal income taxes under current law. Therefore, the results included herein do not include a federal income tax provision for Cousins. CREC operates as a taxable REIT subsidiary and is taxed separately from Cousins as a C-Corporation. Accordingly, if applicable, the Company's statements of operations include a provision for, or benefit from, CREC's income taxes.

The condensed consolidated financial statements are unaudited and were prepared by the Company in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”). In the opinion of management, these financial statements reflect all adjustments necessary (which adjustments are of a normal and recurring nature) for the fair presentation of the Company's financial position as of September 30, 2014 and the results of operations for the three and nine months ended September 30, 2014 and 2013 . The results of operations for the three and nine months ended September 30, 2014 are not necessarily indicative of results expected for the full year. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 . The accounting policies employed are substantially the same as those shown in note 2 to the consolidated financial statements included in such Form 10-K.

For the three and nine months ended September 30, 2014 and 2013 , there were no items of other comprehensive income. Therefore, no presentation of comprehensive income is required.

The Company evaluates all partnerships, joint ventures and other arrangements with variable interests to determine if the entity or arrangement qualifies as a variable interest entity (“VIE”), as defined in the Financial Accounting Standards Board's (“FASB”) Accounting Standards Codification (“ASC”). If the entity or arrangement qualifies as a VIE and the Company is determined to be the primary beneficiary, the Company is required to consolidate the assets, liabilities, and results of operations of the VIE.

In August 2014, the Company acquired a building and transferred it to a special purpose entity to facilitate a potential Section 1031 exchange under the Internal Revenue Code. To realize the tax deferral available under the Section 1031 exchange, the Company must complete the Section 1031 exchange, if any, and take title to the to-be-exchanged building within 180 days of the acquisition date. The Company has determined that this entity is a VIE, and the Company is the primary beneficiary. Therefore, the Company consolidates this entity. As of September 30, 2014 , this VIE had total assets of \$215.0 million , no significant liabilities, and no significant cash flows.

In April 2014, the FASB issued new guidance related to the presentation of discontinued operations. Prior to this new guidance, the Company included activity for all assets held for sale and disposals in discontinued operations on the statements of operations. Under the new guidance, only assets held for sale and disposals representing a major strategic shift in operations, such as the disposal of a line of business, a significant geographical area, or a major equity investment, will be presented as discontinued operations. Additionally, the new guidance requires expanded disclosures about discontinued operations that will provide more information about their assets, liabilities, income, and expenses. The guidance is effective for periods beginning after December 15, 2014. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been reported in financial statements previously issued. The Company adopted this guidance in 2014.

In May 2014, the FASB issued new guidance related to the accounting for revenue from contracts with customers. Under the new guidance, companies will recognize revenue when the seller satisfies a performance obligation, which would be when the buyer takes control of the good or service. This new guidance could result in different amounts of revenue being recognized and could result in revenue being recognized in different reporting periods than it is under the current guidance. The new guidance specifically excludes revenue associated with lease contracts. The guidance is effective for periods beginning after December 15, 2016 and early adoption is prohibited.

2. PROPERTY TRANSACTIONS**Held for Sale**

Assets and significant liabilities, if any, of held for sale properties, as defined, are required to be separately categorized on the balance sheet.

The following properties were held for sale in 2014 or 2013, respectively:

<u>Property</u>	<u>Property Type</u>	<u>Location</u>	<u>Square Feet</u>
<u>2014</u>			
777 Main	Office	Fort Worth, TX	980,000
Mahan Village	Retail	Tallahassee, FL	147,000
<u>2013</u>			
Lakeshore Park Plaza	Office	Birmingham, AL	197,000
600 University Park Place	Office	Birmingham, AL	123,000

Discontinued Operations

In April 2014, the FASB issued new guidance related to the presentation of discontinued operations, which changed the accounting criteria for discontinued operations. See footnote 1 for further information. The new guidance applies to assets that are sold or meet the criteria for held for sale after the date of adoption. The Company adopted the new standard in 2014. As a result, two of the Company's properties that became held for sale in the third quarter of 2014 (777 Main and Mahan Village) that under the previous guidance would have been considered discontinued operations are not considered discontinued operations under the new guidance.

The following properties met the criteria for discontinued operations presentation prior to the adoption of the new guidance discussed above. Accordingly, the results of operations of these properties are included in a separate section, discontinued operations, in the statements of operations for all periods presented (\$ in thousands):

<u>Property</u>	<u>Property Type</u>	<u>Location</u>	<u>Square Feet</u>	<u>Sales Price</u>	<u>Quarter Sold</u>
<u>2014</u>					
Lakeshore Park Plaza	Office	Birmingham, AL	197,000	\$ 25,000	3Q 2014
600 University Park Place	Office	Birmingham, AL	123,000	\$ 19,700	1Q 2014
<u>2013</u>					
Tiffany Springs MarketCenter	Retail	Kansas City, MO	238,000	\$ 53,500	3Q 2013
Lakeshore Park Plaza	Office	Birmingham, AL	197,000	Held for sale	N/A
600 University Park Place	Office	Birmingham, AL	123,000	Held for sale	N/A
Inhibitex	Office	Atlanta, GA	51,000	\$ 8,300	4Q 2013

The components of discontinued operations and the gains and losses on property sales for the three and nine months ended September 30, 2014 and 2013 are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Income from discontinued operations:				
Rental property revenues	\$ 601	\$ 2,870	\$ 2,923	\$ 8,811
Fee income	—	—	—	76
Other income	14	18	29	33
Rental property operating expenses	(260)	(1,118)	(1,125)	(3,493)
General and administrative expenses	(1)	(15)	(2)	(94)
Depreciation and amortization	—	(492)	—	(2,590)
Other expenses	(6)	(6)	(19)	(19)
	<u>\$ 348</u>	<u>\$ 1,257</u>	<u>\$ 1,806</u>	<u>\$ 2,724</u>
Gain on sale of discontinued operations:				
Lakeshore Park Plaza	\$ 13,025	\$ —	\$ 13,025	\$ —
600 University Park Place	(37)	—	6,334	—
Third party management and leasing business	—	4,531	—	4,531
Tiffany Springs MarketCenter	—	3,715	—	3,715
King Mill	—	38	—	246
Other	5	62	13	58
	<u>\$ 12,993</u>	<u>\$ 8,346</u>	<u>\$ 19,372</u>	<u>\$ 8,550</u>

Fifth Third Center Acquisition

In August 2014, the Company acquired Fifth Third Center, a 698,000 square foot Class-A office tower located in the Charlotte, North Carolina central business district. The gross purchase price for this property was \$215.0 million, before adjustments for customary closing costs and other closing credits. As of September 30, 2014, the Company had incurred \$328,000 in acquisition and related costs associated with this acquisition.

The following tables summarize preliminary allocations of the estimated fair values of the assets and liabilities of Fifth Third Center (in thousands):

Tangible assets:

Land and improvements	\$ 22,863
Building	163,649
Tenant improvements	16,781
Accounts receivable	1,014
Total tangible assets	<u>204,307</u>

Intangible assets:

Above-market leases	632
In-place leases	17,096
Below-market ground leases	338
Total intangible assets	<u>18,066</u>

Tangible Liabilities:

Accounts payable and accrued expenses	(1,026)
Total tangible liabilities	<u>(1,026)</u>

Intangible Liabilities:

Below-market leases	(9,374)
Total intangible liabilities	<u>(9,374)</u>

Total net assets acquired

\$ 211,973

Subsequent Event

In October 2014, the Company acquired Northpark Town Center, a 1.5 million square foot office asset located in Atlanta, Georgia. The gross purchase price for this property was \$348.0 million, before adjustments for customary closing costs and other closing credits. The Company funded the purchase of Northpark Town Center with cash on hand and borrowings under its Credit Facility. As of September 30, 2014, the Company had incurred \$385,000 in acquisition and related costs associated with this acquisition, and the Company expects to incur additional acquisition and related costs in the fourth quarter. Due to the limited time since the acquisition date, the initial accounting for this transaction is incomplete and, as such, the Company is unable to provide purchase price allocation disclosures.

3. INVESTMENT IN UNCONSOLIDATED JOINT VENTURES

The Company describes its investments in unconsolidated joint ventures in note 5 of notes to consolidated financial statements in its Annual Report on Form 10-K for the year ended December 31, 2013. The following table summarizes balance sheet data of the Company's unconsolidated joint ventures as of September 30, 2014 and December 31, 2013 (in thousands):

SUMMARY OF FINANCIAL POSITION:	Total Assets		Total Debt		Total Equity		Company's Investment	
	2014	2013	2014	2013	2014	2013	2014	2013
Terminus Office Holdings	\$ 291,415	\$ 297,815	\$ 214,228	\$ 215,942	\$ 62,481	\$ 69,867	\$ 32,157	\$ 35,885
EP I LLC	86,059	88,130	58,029	57,092	26,671	29,229	23,401	25,319
EP II LLC	33,048	12,644	3,608	1	24,969	11,695	19,773	9,566
Cousins Watkins LLC	50,226	51,653	27,278	27,710	21,775	23,081	17,522	17,213
Charlotte Gateway Village, LLC	131,937	135,966	39,852	52,408	90,101	82,373	11,226	11,252
Temco Associates, LLC	7,910	8,474	—	—	7,672	8,315	3,659	4,083
CL Realty, L.L.C.	7,389	7,602	—	—	7,220	7,374	3,614	3,704
Wildwood Associates	21,101	21,127	—	—	20,997	21,121	(1,739) (1)	(1,689) (1)
Crawford Long - CPI, LLC	30,876	32,042	75,000	75,000	(46,183)	(44,295)	(21,997) (1)	(21,071) (1)
Other	1,245	1,931	—	—	1,204	1,700	1	60
	<u>\$ 661,206</u>	<u>\$ 657,384</u>	<u>\$ 417,995</u>	<u>\$ 428,153</u>	<u>\$ 216,907</u>	<u>\$ 210,460</u>	<u>\$ 87,617</u>	<u>\$ 84,322</u>

(1) Negative balances are included in deferred income on the balance sheets.

The following table summarizes statement of operations information of the Company's unconsolidated joint ventures for the nine months ended September 30, 2014 and 2013 (in thousands):

SUMMARY OF OPERATIONS:	Total Revenues		Net Income (Loss)		Company's Share of Income (Loss)	
	2014	2013	2014	2013	2014	2013
Terminus Office Holdings	\$ 29,354	\$ 23,842	\$ 314	\$ (219)	\$ 134	\$ (110)
EP I LLC	9,024	5,499	2,102	(348)	1,577	(261)
Cousins Watkins LLC	3,801	4,297	217	16	1,702	1,738
Charlotte Gateway Village, LLC	25,079	25,079	8,635	7,931	882	882
Temco Associates, LLC	793	437	157	48	(24)	(12)
CL Realty, L.L.C.	1,240	1,246	846	801	410	392
Wildwood Associates	29	—	(125)	(126)	(50)	(63)
Crawford Long - CPI, LLC	8,905	8,826	2,075	2,134	1,062	1,028
CF Murfreesboro Associates	—	8,079	—	48,969	(390)	23,562
CP Venture Five LLC	—	20,192	—	3,056	—	17,146
CP Venture Two LLC	—	12,965	—	7,035	—	21,592
MSREF/ Cousins Terminus 200 LLC	—	1,268	—	(172)	—	(28)
Other	5	1,273	(245)	(375)	40	(4)
	<u>\$ 78,230</u>	<u>\$ 113,003</u>	<u>\$ 13,976</u>	<u>\$ 68,750</u>	<u>\$ 5,343</u>	<u>\$ 65,862</u>

4. INTANGIBLE ASSETS

Intangible assets on the balance sheets as of September 30, 2014 and December 31, 2013 included the following (in thousands):

	<u>September 30, 2014</u>	<u>December 31, 2013</u>
In-place leases, net of accumulated amortization of \$51,957 and \$26,239 in 2014 and 2013, respectively	\$ 127,624	\$ 152,830
Above-market tenant leases, net of accumulated amortization of \$12,990 and \$11,284 in 2014 and 2013, respectively	9,929	12,332
Below-market ground lease, net of accumulated amortization of \$0 and \$21 in 2014 and 2013, respectively	—	1,680
Goodwill	4,057	4,131
	<u>\$ 141,610</u>	<u>\$ 170,973</u>

Goodwill relates entirely to the office reportable segment. As office assets are sold, either by the Company or by joint ventures in which the Company has an ownership interest, goodwill is reduced. The following is a summary of goodwill activity for the nine months ended September 30, 2014 and 2013 (in thousands):

	<u>Nine Months Ended September 30,</u>	
	<u>2014</u>	<u>2013</u>
Beginning balance	\$ 4,131	\$ 4,751
Allocated to property sales	(74)	(604)
Ending balance	<u>\$ 4,057</u>	<u>\$ 4,147</u>

5. OTHER ASSETS

Other assets on the balance sheets as of September 30, 2014 and December 31, 2013 included the following (in thousands):

	<u>September 30, 2014</u>	<u>December 31, 2013</u>
Lease inducements, net of accumulated amortization of \$5,139 and \$4,181 in 2014 and 2013, respectively	\$ 12,189	\$ 12,548
FF&E and leasehold improvements, net of accumulated depreciation of \$18,712 and \$17,684 in 2014 and 2013, respectively	8,959	8,743
Loan closing costs, net of accumulated amortization of \$1,927 and \$2,621 in 2014 and 2013, respectively	6,418	4,176
Prepaid expenses and other assets	3,793	3,606
Predevelopment costs and earnest money	24,122	821
	<u>\$ 55,481</u>	<u>\$ 29,894</u>

6. NOTES PAYABLE

The following table summarizes the terms and amounts of the Company's notes payable at September 30, 2014 and December 31, 2013 (\$ in thousands):

<u>Description</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>September 30, 2014</u>	<u>December 31, 2013</u>
Post Oak Central mortgage note	4.26%	2020	\$ 185,922	\$ 188,310
The American Cancer Society Center mortgage note	6.45%	2017	131,507	132,714
Promenade mortgage note	4.27%	2022	111,612	113,573
191 Peachtree Tower mortgage note	3.35%	2018	100,000	100,000
Credit Facility, unsecured	1.25%	2019	87,700	40,075
Meridian Mark Plaza mortgage note	6.00%	2020	25,512	25,813
The Points at Waterview mortgage note	5.66%	2016	14,736	15,139
Mahan Village construction facility	1.80%	2015	14,085	14,470
			<u>\$ 671,074</u>	<u>\$ 630,094</u>

In the third quarter of 2014, the Mahan Village construction facility's maturity date was extended from September 2014 to January 2015.

On May 28, 2014, the Company entered into a Third Amended and Restated Credit Agreement (the “New Facility”) under which the Company may borrow up to \$500 million if certain conditions are satisfied. The New Facility recast the Company's existing \$350 million senior unsecured revolving line of credit, dated February 28, 2012 (the “Existing Facility”) by:

- Increasing the size by \$150 million to \$500 million ;
- Extending the maturity date from February 28, 2016 to May 28, 2019 ;
- Reducing the per annum variable interest rate spread and other fees; and
- Providing for the expansion of the New Facility by an additional \$250 million for a total available of \$750 million , subject to receipt of additional commitments from lenders and other customary conditions.

The New Facility contains certain financial covenants that require, among other things, the maintenance of an unencumbered interest coverage ratio of at least 2.00 ; a fixed charge coverage ratio of at least 1.50 ; an overall leverage ratio of no more than 60% ; and a minimum shareholders’ equity in an amount equal to \$1.0 billion , plus a portion of the net cash proceeds from certain equity issuances. The New Facility also contains customary representations and warranties and affirmative and negative covenants, as well as customary events of default. The amounts outstanding under the New Facility may be accelerated upon the occurrence of any events of default.

The interest rate applicable to the New Facility varies according to the Company’s leverage ratio, and may, at the election of the Company, be determined based on either (1) the current LIBOR plus the applicable spread detailed below, or (2) the greater of Bank of America’s prime rate , the federal funds rate plus 0.50% or the one-month LIBOR plus 1.0% (the “Base Rate”), plus the applicable spread detailed below. Fees on letters of credit issued under the New Facility are payable at an annual rate equal to the spread applicable to loans bearing interest based on LIBOR . The Company also pays an annual facility fee on the total commitments under the New Facility. The pricing spreads and the facility fee under the New Facility are as follows:

Leverage Ratio	Applicable % Spread for LIBOR Loans	Applicable % Spread for Base Rate Loans	Annual Facility Fee %
≤ 30%	1.10%	0.10%	0.15%
> 30% but ≤ 35%	1.10%	0.10%	0.20%
> 35% but ≤ 40%	1.15%	0.15%	0.20%
> 40% but ≤ 45%	1.20%	0.20%	0.20%
> 45% but ≤ 50%	1.20%	0.20%	0.25%
> 50%	1.45%	0.45%	0.30%

At September 30, 2014 , the Company's spread over LIBOR was 1.10% . The New Facility also provides for alternative pricing spreads and facility fees, which would be available to the Company on any date after the Company obtains an investment grade credit rating.

Fair Value

At September 30, 2014 and December 31, 2013 , the aggregate estimated fair values of the Company's notes payable were \$711.3 million and \$654.1 million , respectively, calculated by discounting the debt's remaining contractual cash flows at estimated rates at which similar loans could have been obtained at those respective dates. The estimate of the current market rate, which is the most significant input in the discounted cash flow calculation, is intended to replicate debt of similar maturity and loan-to-value relationship. These fair value calculations are considered to be Level 2 under the guidelines as set forth in ASC 820, *Fair Value Measurement* , as the Company utilizes market rates for similar type loans from third party brokers.

Other Information

For the three and nine months ended September 30, 2014 and 2013 , interest expense was as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Total interest incurred	\$ 7,667	\$ 5,268	\$ 22,787	\$ 14,602
Interest capitalized	(850)	(119)	(1,833)	(277)
Total interest expense	\$ 6,817	\$ 5,149	\$ 20,954	\$ 14,325

The real estate and other assets of The American Cancer Society Center (the “ACS Center”) are restricted under the ACS Center loan agreement in that they are not available to settle debts of the Company. However, provided that the ACS Center loan has not incurred any uncured event of default, as defined in the loan agreement, the cash flows from the ACS Center, after payments of debt service, operating expenses and reserves, are available for distribution to the Company.

Subsequent Events

On October 1, 2014, the Company acquired Northpark Town Center as discussed in note 2 and funded the acquisition with cash on hand and with borrowings under its Credit Facility. On October 14, 2014, the Company entered into an \$85.0 million mortgage note secured by 816 Congress. This mortgage note has a fixed rate of 3.75% and matures in November 2024 . The Company used the proceeds from this mortgage note to reduce amounts outstanding under its Credit Facility. As of October 24, 2014, the amount outstanding under the Company's Credit Facility was \$318.2 million .

7. COMMITMENTS AND CONTINGENCIES

Commitments

At September 30, 2014 , the Company had outstanding letters of credit and performance bonds totaling \$2.4 million . As a lessor, the Company had \$103.6 million in future obligations under leases to fund tenant improvements as of September 30, 2014 . As a lessee, the Company had future obligations under ground and office leases of \$150.0 million as of September 30, 2014 . At September 30, 2014 , the Company had a commitment to purchase land for an anticipated future development in the amount of \$7.4 million .

Litigation

The Company is subject to various legal proceedings, claims and administrative proceedings arising in the ordinary course of business, some of which are expected to be covered by liability insurance. Management makes assumptions and estimates concerning the likelihood and amount of any potential loss relating to these matters using the latest information available. The Company records a liability for litigation if an unfavorable outcome is probable and the amount of loss or range of loss can be reasonably estimated. If an unfavorable outcome is probable and a reasonable estimate of the loss is a range, the Company accrues the best estimate within the range. If no amount within the range is a better estimate than any other amount, the Company accrues the minimum amount within the range. If an unfavorable outcome is probable but the amount of the loss cannot be reasonably estimated, the Company discloses the nature of the litigation and indicates that an estimate of the loss or range of loss cannot be made. If an unfavorable outcome is reasonably possible and the estimated loss is material, the Company discloses the nature and estimate of the possible loss of the litigation. The Company does not disclose information with respect to litigation where an unfavorable outcome is considered to be remote or where the estimated loss would not be material. Based on current expectations, such matters, both individually and in the aggregate, are not expected to have a material adverse effect on the liquidity, results of operations, business or financial condition of the Company.

8. NONCONTROLLING INTERESTS

The Company consolidates various joint ventures that are involved in the ownership and/or development of real estate. The following table details the components of redeemable noncontrolling interests in consolidated entities for the nine months ended September 30, 2014 and 2013 (in thousands):

	Nine Months Ended September 30,	
	2014	2013
Beginning Balance	\$ —	\$ —
Net income attributable to redeemable noncontrolling interests	—	61
Distributions to redeemable noncontrolling interests	—	(61)
Ending Balance	\$ —	\$ —

The following reconciles the net income or loss attributable to nonredeemable noncontrolling interests as shown in the statements of equity to the net income or loss attributable to noncontrolling interests as shown in the statements of operations, which includes both redeemable and nonredeemable interests, for the nine months ended September 30, 2014 and 2013 (in thousands):

	Nine Months Ended September 30,	
	2014	2013
Net income attributable to nonredeemable noncontrolling interests	\$ 376	\$ 4,840
Net income attributable to redeemable noncontrolling interests	—	61
Net income attributable to noncontrolling interests	\$ 376	\$ 4,901

9. STOCKHOLDERS' EQUITY

In August 2014, the Company issued 18.0 million shares of common stock, resulting in net proceeds to the Company of \$223.4 million , which includes customary legal, accounting, and other expenses. The Company used the proceeds from this offering to acquire Fifth Third Center, a 698,000 square foot Class-A office tower located in the Charlotte, North Carolina central business district.

In March 2014, the Company issued 8.7 million shares of common stock, resulting in net proceeds to the Company of \$98.5 million , which includes customary legal, accounting, and other expenses. The Company used the proceeds from this offering to paydown the Credit Facility in preparation for the redemption of all outstanding shares of its 7.5% Series B Cumulative Redeemable Preferred Stock. In April 2014, the Company redeemed all outstanding shares of its 7.5% Series B Cumulative Redeemable Preferred Stock, par value \$1.00 per share, for \$25.00 per share or \$94.8 million , excluding accrued dividends. In connection with the redemption of Preferred Stock, the Company decreased net income available for common shareholders by \$3.5 million (non-cash), which represents the original issuance costs applicable to the shares redeemed.

In April 2013, the Company issued 16.5 million shares of common stock resulting in net proceeds to the Company of \$165.1 million , which includes customary legal, accounting, and other expenses. The Company used the proceeds from this offering to paydown the Credit Facility in preparation for the redemption of all outstanding shares of its 7.75% Series A Cumulative Redeemable Preferred Stock. In May 2013, the Company redeemed all outstanding shares of its 7.75% Series A Cumulative Redeemable Preferred Stock, par value \$1.00 per share, for \$25.00 per share or \$74.8 million , excluding accrued dividends. In connection with the redemption of Preferred Stock, the Company increased net loss available for common shareholders by \$2.7 million (non-cash), which represents the original issuance costs applicable to the shares redeemed.

10. STOCK-BASED COMPENSATION

The Company has several types of stock-based compensation - stock options, restricted stock, and restricted stock units (“RSUs”) - which are described in note 13 of notes to consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 . The expense related to a portion of the stock-based compensation awards is fixed. The expense related to other stock-based compensation awards fluctuates from period to period dependent, in part, on the Company's stock price and stock performance relative to its peers. The Company recorded stock-based compensation expense, net of forfeitures, of \$2.3 million for each of the three months ended September 30, 2014 and 2013 and \$7.2 million and \$5.9 million for the nine months ended September 30, 2014 and 2013 , respectively.

The Company maintains the 2005 Restricted Stock Unit Plan (the “RSU Plan”), which is described in note 13 of notes to consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 . Under the RSU Plan, the Company made restricted stock grants in 2014 of 137,591 shares to key employees, which vest ratably over a three -year period. In addition, the Company awarded two types of RSUs to key employees based on the following metrics: (1) Total Stockholder Return of the Company, as defined in the RSU Plan, as compared to the companies in the SNL US REIT Office index (“SNL RSUs”), and (2) the ratio of cumulative funds from operations per share to targeted cumulative funds from operations per share (“FFO RSUs”) as defined in the RSU Plan. The performance period for both awards is January 1, 2014 to December 31, 2016, and the targeted units awarded of SNL RSUs and FFO RSUs is 108,751 and 56,405 , respectively. The ultimate payout of these awards can range from 0% to 200% of the targeted number of units depending on the achievement of the market and performance metrics described above. Both of these RSUs cliff vest on January 30, 2017 and are dependent upon the attainment of required service, market and performance criteria. The number of RSUs vesting will be determined at that date, and the payout per unit will be equal to the average closing price on each trading day during the 30 -day period ending on December 31, 2016. The SNL RSUs are valued using a quarterly Monte Carlo valuation and are expensed over the vesting period. The FFO RSUs are expensed over the vesting period using the fair market value of the Company's stock at the reporting date multiplied by the anticipated number of units to be paid based on the current estimate of what the ratio is expected to be upon vesting.

11. EARNINGS PER SHARE

Net income (loss) per share-basic is calculated as net income (loss) available to common stockholders divided by the weighted average number of common shares outstanding during the period, including nonvested restricted stock which has nonforfeitable dividend rights. Net income (loss) per share-diluted is calculated as net income (loss) available to common stockholders divided

by the diluted weighted average number of common shares outstanding during the period. Diluted weighted average number of common shares uses the same weighted average share number as in the basic calculation and adds the potential dilution, if any, that would occur if stock options (or any other contracts to issue common stock) were exercised and resulted in additional common shares outstanding, calculated using the treasury stock method. The numerator is reduced for the effect of preferred dividends in both the basic and diluted net income (loss) per share calculations. Weighted average shares-basic and diluted for the three and nine months ended September 30, 2014 and 2013, respectively, are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Weighted average shares — basic	209,839	163,426	200,073	128,953
Dilutive potential common shares — stock options	272	177	252	168
Weighted average shares — diluted	210,111	163,603	200,325	129,121
Weighted average anti-dilutive stock options	2,200	2,784	2,200	2,908

Stock options are dilutive when the average market price of the Company's stock during the period exceeds the option exercise price. In periods where the Company is in a net loss position, the dilutive effect of stock options is not included in the diluted weighted average shares total.

Anti-dilutive stock options represent stock options which are outstanding but which are not exercisable during the period because the exercise price exceeded the average market value of the Company's stock. These anti-dilutive stock options are not included in the current calculation of dilutive weighted average shares, but could be dilutive in the future.

12. REPORTABLE SEGMENTS

The Company has four reportable segments: Office, Retail, Land, and Other. These reportable segments represent an aggregation of operating segments reported to the chief operating decision maker based on similar economic characteristics that include the type of product and the nature of service. Each segment includes both consolidated operations and joint ventures, where applicable. The Office and Retail segments show the results for that product type. The Land segment includes results of operations for certain land holdings and single-family residential communities. The Other segment includes:

- fee income and related expenses for third party owned properties and joint venture properties for which the Company performs management, development and leasing services;
- compensation for corporate employees;
- general corporate overhead costs, interest expense for consolidated and unconsolidated entities;
- income attributable to noncontrolling interests;
- income taxes;
- depreciation; and
- preferred dividends.

Company management evaluates the performance of its reportable segments in part based on funds from operations available to common stockholders ("FFO"). FFO is a supplemental operating performance measure used in the real estate industry. The Company calculated FFO using the National Association of Real Estate Investment Trusts' ("NAREIT") definition of FFO, which is net income (loss) available to common stockholders (computed in accordance with GAAP), excluding extraordinary items, cumulative effect of change in accounting principle and gains on sale or impairment losses on depreciable property, plus depreciation and amortization of real estate assets, and after adjustments for unconsolidated partnerships and joint ventures to reflect FFO on the same basis.

FFO is used by industry analysts, investors and the Company as a supplemental measure of a REIT's operating performance. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry investors and analysts have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. Thus, NAREIT created FFO as a supplemental measure of a REIT's operating performance that excludes historical cost depreciation, among other items, from GAAP net income. Management believes the use of FFO, combined with the required primary GAAP presentations, has been fundamentally beneficial, improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. Company management evaluates operating performance in part based on FFO. Additionally, the Company uses FFO, along with other measures, to assess performance in connection with evaluating and granting incentive compensation to its officers and other key employees.



Segment net income, the balance of the Company's investment in joint ventures and the amount of capital expenditures are not presented in the following tables. Management does not utilize these measures when analyzing its segments or when making resource allocation decisions, and therefore this information is not provided. FFO is reconciled to net income (loss) on a total Company basis (in thousands):

Three Months Ended September 30, 2014	Office	Retail	Land	Other	Total
Net operating income	\$ 52,691	\$ 1,221	\$ —	\$ 1,200	\$ 55,112
Sales less costs of sales	—	—	82	—	82
Fee income	—	—	—	1,802	1,802
Other income	—	—	—	399	399
General and administrative expenses	—	—	—	(5,021)	(5,021)
Reimbursed expenses	—	—	—	(783)	(783)
Interest expense	—	—	—	(8,660)	(8,660)
Other expenses	—	—	—	(1,255)	(1,255)
Preferred stock dividends and original issuance costs	—	—	—	—	—
Funds from operations available to common stockholders	\$ 52,691	\$ 1,221	\$ 82	\$ (12,318)	41,676
Real estate depreciation and amortization, including Company's share of joint ventures					(35,347)
Gain on sale of depreciated investment properties, including Company's share of joint ventures					12,993
Net income available to common stockholders					\$ 19,322
Three Months Ended September 30, 2013	Office	Retail	Land	Other	Total
Net operating income	\$ 30,308	\$ 3,663	\$ —	\$ 861	\$ 34,832
Sales less costs of sales	—	—	725	(6)	719
Fee income	—	—	—	2,420	2,420
Other income	—	—	—	303	303
Gain on sale of third party management and leasing business	—	—	—	4,531	4,531
Separation expenses	—	—	—	(520)	(520)
General and administrative expenses	—	—	—	(6,635)	(6,635)
Reimbursed expenses	—	—	—	(1,097)	(1,097)
Interest expense	—	—	—	(7,224)	(7,224)
Other expenses	—	—	—	(8,326)	(8,326)
Preferred stock dividends and original issuance costs	—	—	—	(1,777)	(1,777)
Funds from operations available to common stockholders	\$ 30,308	\$ 3,663	\$ 725	\$ (17,470)	17,226
Real estate depreciation and amortization, including Company's share of joint ventures					(21,890)
Gain on sale of depreciated investment properties including the Company's share of joint ventures					67,435
Noncontrolling interest related to sale of depreciated properties					(3,390)
Net income available to common stockholders					\$ 59,381

Nine Months Ended September 30, 2014	Office	Retail	Land	Other	Total
Net operating income	\$ 149,110	\$ 3,813	\$ —	\$ 3,496	\$ 156,419
Sales less costs of sales	—	—	1,573	42	1,615
Fee income	—	—	—	6,165	6,165
Other income	—	—	—	4,563	4,563
Separation expenses	—	—	—	(84)	(84)
General and administrative expenses	—	—	—	(16,388)	(16,388)
Reimbursed expenses	—	—	—	(2,703)	(2,703)
Interest expense	—	—	—	(26,485)	(26,485)
Other expenses	—	—	—	(2,974)	(2,974)
Preferred stock dividends and original issuance costs	—	—	—	(6,485)	(6,485)
Funds from operations available to common stockholders	\$ 149,110	\$ 3,813	\$ 1,573	\$ (40,853)	113,643
Real estate depreciation and amortization, including Company's share of joint ventures					(110,319)
Gain on sale of depreciated investment properties, including Company's share of joint ventures					18,975
Net income available to common stockholders					\$ 22,299

Nine Months Ended September 30, 2013	Office	Retail	Land	Other	Total
Net operating income	\$ 76,039	\$ 12,255	\$ —	\$ 1,280	\$ 89,574
Sales less costs of sales	—	—	1,244	154	1,398
Fee income	—	—	—	9,007	9,007
Other income	—	—	—	2,649	2,649
Gain on sale of third party management and leasing business	—	—	—	4,531	4,531
Separation expenses	—	—	—	(520)	(520)
General and administrative expenses	—	—	—	(17,257)	(17,257)
Reimbursed expenses	—	—	—	(4,365)	(4,365)
Interest expense	—	—	—	(20,442)	(20,442)
Other expenses	—	—	—	(10,843)	(10,843)
Preferred stock dividends and original issuance costs	—	—	—	(10,887)	(10,887)
Funds from operations available to common stockholders	\$ 76,039	\$ 12,255	\$ 1,244	\$ (46,693)	42,845
Real estate depreciation and amortization, including Company's share of joint ventures					(57,162)
Gain on sale of depreciated investment properties, including Company's share of joint ventures					124,682
Noncontrolling interest related to sale of depreciated properties					(3,390)
Net income available to common stockholders					\$ 106,975

When reviewing the results of operations for the Company, management analyzes the following revenue and income items net of their related costs:

- Rental property operations;
- Land sales; and
- Gains on sales of investment properties.

These amounts are shown in the segment tables above in the same “net” manner as shown to management. In addition, management reviews the operations of discontinued operations and its share of the operations of its joint ventures in the same manner as the operations of its wholly-owned properties included in the continuing operations. Therefore, the information in the tables above includes the operations of discontinued operations and its share of joint ventures in the same categories as the operations of the properties included in continuing operations. Certain adjustments are required to reconcile the above segment information to the Company’s consolidated revenues. The following table reconciles information presented in the tables above to the Company’s consolidated revenues (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net operating income	\$ 55,112	\$ 34,832	\$ 156,419	\$ 89,574
Sales less cost of sales	82	719	1,615	1,398
Fee income	1,802	2,420	6,165	9,007
Other income	399	303	4,563	2,649
Rental property operating expenses	38,685	22,035	109,501	55,112
Cost of sales	55	147	325	1,725
Net operating income in joint ventures	(6,601)	(7,538)	(19,748)	(21,567)
Sales less cost of sales in joint ventures	—	(109)	(47)	(111)
Net operating income in discontinued operations	(341)	(1,752)	(1,798)	(5,318)
Fee income in discontinued operations	—	—	—	(76)
Other income in discontinued operations	(14)	(18)	(29)	(33)
Termination fees in discontinued operations and in joint ventures	—	—	(74)	(19)
Gain on land sales (included in gain on investment properties)	(81)	(605)	(1,566)	(1,122)
Total consolidated revenues	\$ 89,098	\$ 50,434	\$ 255,326	\$ 131,219

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview:

The Company is a self-administered and self-managed real estate investment trust, or REIT. The Company's core focus is on the acquisition, development, leasing, management and ownership of Class-A office properties in Sunbelt markets with a particular focus on Georgia, Texas, and North Carolina. As of September 30, 2014, the Company's portfolio of real estate assets consisted of interests in 16 operating office properties containing 15.1 million square feet of space, 6 operating retail properties containing 566,000 square feet of space, and two projects (one office and one mixed use) under active development. The Company has a comprehensive strategy in place based on a simple platform, trophy assets and opportunistic investments. This streamlined approach enables the Company to maintain a targeted, asset specific approach to investing where it seeks to leverage its development skills, relationships, market knowledge, and operational expertise. The Company intends to generate returns and create value for shareholders through the continued lease up of its portfolio, through the execution of its development pipeline, and through opportunistic investments in office and mixed-use projects within its core markets.

In March 2014, the Company issued 8.7 million shares of common stock, resulting in net proceeds to the Company of \$98.5 million, which includes customary legal, accounting, and other expenses. The Company used the proceeds from this offering to reduce amounts outstanding under its Credit Facility in preparation for the redemption of all outstanding shares of its 7.5% Series B Cumulative Redeemable Preferred Stock. In April 2014, the Company redeemed all outstanding shares of its 7.5% Series B Cumulative Redeemable Preferred Stock, par value \$1.00 per share, for \$25.00 per share or \$94.8 million, excluding accrued dividends. The Company believes that this transaction will improve the financial condition of the Company by reducing fixed charges and by eliminating preferred stock from its capital structure and effectively replacing it with common stock.

In May 2014, the Company's Credit Facility was recast to, among other things, increase the size from \$350 million to \$500 million, extend the maturity from February 28, 2016 to May 28, 2019, and reduce the per annum variable interest rate spread and other fees. The Company believes that this transaction will improve the financial condition of the Company by reducing interest expense and by extending the average maturity of the Company's debt.

In August 2014, the Company issued 18.0 million shares of common stock, resulting in net proceeds to the Company of \$223.4 million, which includes customary legal, accounting, and other expenses. The Company used the proceeds from this offering to acquire Fifth Third Center, a 698,000 square foot Class-A office tower located in the Charlotte, North Carolina central business district. The gross purchase price for this property was \$215.0 million, before adjustments for customary closing costs and other closing credits.

Subsequent to quarter end, the Company acquired Northpark Town Center, a 1.5 million square foot office asset in Atlanta, Georgia for \$348.0 million. The Company funded the purchase of this property with cash on hand and with borrowings under its Credit Facility. The Company paid down a portion of its Credit Facility with proceeds from a mortgage loan on 816 Congress totaling \$85.0 million. Prior to year end, the Company expects to sell 777 Main, Mahan Village, and a joint venture containing four Publix-anchored shopping centers. The Company anticipates using the proceeds from these sales to reduce amounts outstanding under its Credit Facility. In addition, the Company is exploring bringing in a joint venture partner for 191 Peachtree in the first half of 2015. If the Company proceeds with a joint venture, the Company anticipates using the proceeds from entering the joint venture to further reduce amounts outstanding under the Company's Credit Facility.

The Company leased or renewed 691,492 square feet of office space during the third quarter of 2014, bringing total square footage of office space leased for the year to 1.5 million. Net effective rent, representing base rent less operating expense reimbursements and leasing costs, was \$16.81 per square foot for office properties in the third quarter of 2014 and was \$16.55 for the first nine months of 2014. Net effective rent per square foot for office properties increased 36.3% during the third quarter of 2014 and increased 33.1% for the first nine months of 2014 on spaces that have been previously occupied in the past year. The same property leasing percentage remained stable throughout the first nine months of 2014. The Company continues to target urban high-barrier-to-entry submarkets in Austin, Dallas, Houston, Atlanta, Charlotte, and Raleigh/Durham. Management believes these markets continue to show positive demographic and economic trends compared to the national average.

Results of Operations

Rental Property Revenues

Rental property revenues increased \$39.3 million (83%) and \$126.6 million (107%) between the three and nine month 2014 and 2013 periods, respectively, primarily due to the following:

- Increase of \$27.6 million and \$93.4 million between the three and nine month periods, respectively, due to the September 2013 acquisition of Greenway Plaza;
- Increase of \$4.4 million and \$15.5 million between the three and nine month periods, respectively, due to the September 2013 acquisition of 777 Main;

- Increase of \$3.2 million between each of the three and nine month periods due to the August 2014 acquisition of Fifth Third Center;
- Increase of \$1.4 million and \$8.2 million between the three and nine month periods, respectively, due to the February 2013 acquisition of Post Oak Central and due to increased occupancy at Post Oak Central subsequent to the acquisition;
- Increase of \$814,000 and \$1.8 million between the three and nine month periods, respectively, due to increased occupancy at Promenade;
- Increase of \$737,000 and \$1.1 million between the three and nine month periods, respectively, due to increased occupancy at 2100 Ross;
- Increase of \$464,000 and \$4.7 million between the three and nine month periods, respectively, due to the April 2013 acquisition of 816 Congress and due to increased occupancy at 816 Congress subsequent to acquisition; and
- Decrease of \$2.3 million between the nine month 2014 and 2013 periods due to the February 2013 sale of 50% of the Company's interest in Terminus 100.

Fee Income

Fee income decreased \$2.8 million (31%) between the nine month 2014 and 2013 periods. This decrease is primarily due to a decrease in management fees resulting from the sale of the Company's 50% interest in The Avenue Murfreesboro and its noncontrolling interests in eight retail properties in two joint ventures with Prudential in the third quarter of 2013.

Subsequent to quarter end, in October 2014, the Company received a \$4.5 million participation interest related to a contract that the Company assumed in the acquisition of an entity several years ago. Under this contract, the Company is entitled to receive a portion of the proceeds from the sale of a project that the entity developed and from payments received from a related seller-financed note. The Company had recognized fee income from this contract in previous periods. The payment received in October will be recognized as fee income in the fourth quarter of 2014 and represents the final payment the Company will receive related to this contract. The Company paid a commission to an employee related to this fee in the amount of \$1.1 million, which will be recorded in other expenses in the fourth quarter of 2014.

Rental Property Operating Expenses

Rental property operating expenses increased \$16.7 million (76%) and \$54.4 million (99%) between the three and nine month 2014 and 2013 periods, respectively, primarily due to the following:

- Increase of \$12.3 million and \$40.6 million between the three and nine month periods, respectively, due to the September 2013 acquisition of Greenway Plaza;
- Increase of \$2.4 million and \$8.5 million between the three and nine month periods, respectively, due to the September 2013 acquisition of 777 Main;
- Increase of \$2.2 million between the nine month 2014 and 2013 periods due to the April 2013 acquisition of 816 Congress;
- Increase of \$2.0 million between the nine month 2014 and 2013 periods due to the February 2013 acquisition of Post Oak Central; and
- Increase of \$1.0 million between the three month 2014 and 2013 periods due to the August 2014 acquisition of Fifth Third Center.

Reimbursed Expenses

Reimbursed expenses decreased \$1.7 million (38%) between the nine month 2014 and 2013 periods. This decrease is primarily due to the sale of the majority of the Company's 50% interest in The Avenue Murfreesboro and its noncontrolling interests in eight retail properties in two joint ventures with Prudential in the third quarter of 2013.

General and Administrative Expenses

General and administrative expenses decreased \$1.6 million between the three month 2014 and 2013 periods. This decrease is primarily due to an increase in capitalized costs associated with development activities and an accounting and reporting software implementation.

Interest Expense

Interest expense increased \$1.7 million (32%) and \$6.6 million (46%) between the three and nine month 2014 and 2013 periods, respectively, primarily due to the following:

- Increase of \$1.5 million and \$5.5 million between the three and nine month periods, respectively, as a result of a mortgage loan on Post Oak Central that closed in September 2013;
- Increase of \$871,000 and \$3.3 million between the three and nine month periods, respectively, as a result of a mortgage loan on Promenade that closed in September 2013; and

- Decrease of \$731,000 and \$1.6 between the three and nine month periods, respectively, as a result of an increase in capitalized interest between periods.

Depreciation and Amortization

Depreciation and amortization increased \$14.2 million (77%) and \$57.3 million (128%) between the three and nine month 2014 and 2013 periods, respectively, primarily due to the September 2013 acquisition of Greenway Plaza, the September 2013 acquisition of 777 Main, the February 2013 acquisition of Post Oak Central, and the April 2013 acquisition of 816 Congress. These were partially offset by the February 2013 sale of 50% of the Company's interest in Terminus 100 and the September 2013 sale of Tiffany Springs MarketCenter.

Acquisition and Related Costs

Acquisition and related costs decreased \$6.2 million and \$6.6 million between the three and nine month 2014 and 2013 periods, respectively, primarily as a result of expenses incurred in the third quarter of 2013 related to the acquisition of Greenway Plaza and 777 Main.

Income from Unconsolidated Joint Ventures

Income from unconsolidated joint ventures decreased \$61.0 million and \$60.5 million between the three and nine month 2014 and 2013 periods as a result of gains recognized on the sale of the Company's interest in the following joint ventures in the third quarter of 2013: CF Murfreesboro Associates, CP Venture Two LLC, and CP Venture Five LLC.

Gain on Sale of Investment Properties

Gain on sale of investment properties decreased \$59.8 million between the nine month 2014 and 2013 periods. This decrease is primarily due to gains recognized in February 2013 on the sale of 50% of the Company's interest in Terminus 100 and on the acquisition of Terminus 200, which was achieved in stages. The 2014 amount relates to the sale of an undeveloped tract of land in Austin, Texas.

Discontinued Operations

Discontinued operations generally includes the operations of properties that have been sold during the periods presented and properties that are held for sale as of the end of the reporting period. The properties that typically have the largest impact on discontinued operations are those that have recently sold or are held for sale. These properties include:

- Tiffany Springs MarketCenter and Inhibitex, which were sold in 2013;
- 600 University Park Place, a 123,000 square foot office building in Birmingham, Alabama, which was sold in the first quarter of 2014 for a gross sales price of \$19.7 million, before adjustments for customary closing costs and other closing credits; and
- Lakeshore Park Plaza, a 197,000 square foot office building in Birmingham, Alabama, which was sold in the third quarter of 2014 for a gross sales price of \$25.0 million, before adjustments for customary closing costs and other closing credits. This sales price, combined with the sales price of 600 University Park Place, represents a weighted average 7.26% capitalization rate. Capitalization rates are generally calculated by dividing projected annualized net operating income by the sales price.

In April 2014, the Financial Accounting Standards Board issued new guidance on discontinued operations. Under the new guidance, only assets held for sale and disposals representing a major strategic shift in operations will be presented as discontinued operations. This guidance is effective for periods beginning after December 15, 2016 with early adoption permitted. The Company adopted this new standard in 2014. As a result, two of the Company's properties that became held for sale in the third quarter (777 Main and Mahan Village) that under the previous guidance would have been considered discontinued operations are not considered discontinued operations under the new guidance.

Dividends to Preferred Stockholders

Dividends to preferred stockholders decreased \$1.8 million and \$5.3 million between the three and nine month 2014 and 2013 periods, respectively, due to the redemption of the Series B preferred stock in the second quarter of 2014 and the redemption of the Series A preferred stock in the second quarter of 2013. The Company has no remaining outstanding preferred stock as of June 30, 2014 and, as a result, in future periods will have no preferred stock dividends.

Preferred Stock Original Issuance Costs

In April 2014, the Company redeemed all outstanding shares of its 7.5% Series B Cumulative Redeemable Preferred Stock. In connection with the redemption of Preferred Stock, the Company decreased net income available for common shareholders by \$3.5 million (non-cash), which represents the original issuance costs applicable to the shares redeemed.

In May 2013, the Company redeemed all outstanding shares of its 7.75% Series A Cumulative Redeemable Preferred Stock. In connection with the redemption of Preferred Stock, the Company increased net loss available for common shareholders by \$2.7 million (non-cash), which represents the original issuance costs applicable to the shares redeemed.

Funds From Operations

The table below shows Funds from Operations Available to Common Stockholders (“FFO”) and the related reconciliation to net income available to common stockholders for the Company. The Company calculates FFO in accordance with the National Association of Real Estate Investment Trusts’ (“NAREIT”) definition, which is net income available to common stockholders (computed in accordance with GAAP), excluding extraordinary items, cumulative effect of change in accounting principle and gains on sale or impairment losses on depreciable property, plus depreciation and amortization of real estate assets, and after adjustments for unconsolidated partnerships and joint ventures to reflect FFO on the same basis.

FFO is used by industry analysts and investors as a supplemental measure of a REIT’s operating performance. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry investors and analysts have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. Thus, NAREIT created FFO as a supplemental measure of REIT operating performance that excludes historical cost depreciation, among other items, from GAAP net income. The use of FFO, combined with the required primary GAAP presentations, has been fundamentally beneficial, improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. Company management evaluates operating performance in part based on FFO. Additionally, the Company uses FFO, along with other measures, to assess performance in connection with evaluating and granting incentive compensation to its officers and other key employees. The reconciliation of net income (loss) available to common stockholders to FFO is as follows for the three and nine months ended September 30, 2014 and 2013 (in thousands, except per share information):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net Income Available to Common Stockholders	\$ 19,322	\$ 59,381	\$ 22,299	\$ 106,975
Depreciation and amortization of real estate assets:				
Consolidated properties	32,472	18,319	101,361	44,122
Discontinued properties	—	492	—	2,590
Share of unconsolidated joint ventures	2,874	3,079	8,958	10,450
(Gain) loss on sale of depreciated properties:				
Consolidated properties	—	(3,643)	—	(60,686)
Discontinued properties	(12,993)	(3,371)	(19,362)	(3,575)
Share of unconsolidated joint ventures	—	(60,421)	387	(60,421)
Noncontrolling interest related to the sale of depreciated properties	—	3,390	—	3,390
Funds From Operations Available to Common Stockholders	\$ 41,675	\$ 17,226	\$ 113,643	\$ 42,845
Per Common Share — Basic and Diluted:				
Net Income Available	\$ 0.09	\$ 0.36	\$ 0.11	\$ 0.83
Funds From Operations	\$ 0.20	\$ 0.11	\$ 0.57	\$ 0.33
Weighted Average Shares — Basic	209,839	163,426	200,073	128,953
Weighted Average Shares — Diluted	210,111	163,603	200,325	129,121

Same Property Net Operating Income

Net Operating Income is used by industry analysts, investors and Company management to measure operating performance of the Company’s properties. Net Operating Income, which is rental property revenues less rental property operating expenses, excludes certain components from net income in order to provide results that are more closely related to a property’s results of operations. Certain items, such as interest expense, while included in FFO and net income, do not affect the operating performance of a real estate asset and are often incurred at the corporate level as opposed to the property level. As a result, management uses only those income and expense items that are incurred at the property level to evaluate a property’s performance. Depreciation and amortization are also excluded from Net Operating Income. Same Property Net Operating Income includes those office properties that have been fully operational in each of the comparable reporting periods. A fully operational property is one that has achieved 90% economic occupancy for each of the two periods presented or has been substantially complete and owned by

the Company for each of the two periods presented and the preceding year. Same Property Net Operating Income allows analysts, investors and management to analyze continuing operations and evaluate the growth trend of the Company's portfolio.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net Operating Income - Consolidated Properties				
Rental property revenues	\$ 86,857	\$ 47,575	\$ 244,375	\$ 117,799
Rental property expenses	(38,685)	(22,035)	(109,501)	(55,112)
	<u>48,172</u>	<u>25,540</u>	<u>134,874</u>	<u>62,687</u>
Net Operating Income - Discontinued Operations				
Rental property revenues	601	2,870	2,923	8,811
Rental property expenses	(260)	(1,118)	(1,125)	(3,493)
	<u>341</u>	<u>1,752</u>	<u>1,798</u>	<u>5,318</u>
Net Operating Income - Unconsolidated Joint Ventures	<u>6,599</u>	<u>7,540</u>	<u>19,747</u>	<u>21,570</u>
Total Net Operating Income	<u>\$ 55,112</u>	<u>\$ 34,832</u>	<u>\$ 156,419</u>	<u>\$ 89,575</u>
Net Operating Income				
Same Property	\$ 14,751	\$ 14,233	\$ 44,558	\$ 42,675
Non-Same Property	<u>40,361</u>	<u>20,599</u>	<u>111,861</u>	<u>46,900</u>
	<u>\$ 55,112</u>	<u>\$ 34,832</u>	<u>\$ 156,419</u>	<u>\$ 89,575</u>
Change year over year in Net Operating Income - Same Property	<u>3.6%</u>		<u>4.4%</u>	

Same Property Net Operating Income increased 3.6% and 4.4% between the three and nine month 2014 and 2013 periods, respectively. The increase is primarily attributed to increased rental revenue at American Cancer Society Center, Terminus 200, and 191 Peachtree Tower and to lower expenses at 191 Peachtree Tower.

Net Rental Rates

Net rental rates for the office portfolio increased 69% and 27% on new leases between the three and nine month 2014 and 2013 periods, respectively. Net rental rates for the office portfolio increased 23% and 36% on renewals between the three and nine month 2014 and 2013 periods, respectively. Net rental rates for the retail portfolio increased 4% and decreased 7% on renewals between the three and nine month 2014 and 2013 periods, respectively. There were no new second generation retail leases in the first nine months of 2014. Net rental rates represent average rent per square foot after operating expense reimbursement over the lease term for leased space that has not been vacant for more than one year.

Liquidity and Capital Resources

The Company's primary liquidity sources are:

- Net cash from operations;
- Sales of assets;
- Borrowings under its Credit Facility;
- Proceeds from mortgage notes payable;
- Proceeds from equity offerings; and
- Joint venture formations.

The Company's primary liquidity uses are:

- Property acquisitions;
- Expenditures on development projects;
- Building improvements, tenant improvements, and leasing costs;
- Principal and interest payments on indebtedness; and
- Common stock dividends.

In the first quarter of 2014, the Company issued 8.7 million shares of common stock, which generated net proceeds to the Company of \$98.5 million, which includes customary legal, accounting, and other expenses. The Company used the proceeds

from this offering to paydown the Credit Facility in preparation for the redemption of all outstanding shares of its 7.5% Series B Cumulative Redeemable Preferred Stock. In the second quarter of 2014, the Company redeemed all outstanding shares of its 7.5% Series B Cumulative Redeemable Preferred Stock, par value \$1.00 per share, for \$25.00 per share or \$94.8 million , excluding accrued dividends. The Company believes that these transactions will improve the financial condition of the Company by reducing fixed charges and eliminating preferred stock from its capital structure. In the second quarter of 2014, the Company decreased net income available to common stockholders by \$3.5 million (non-cash), which represents the original issuance costs of the preferred stock that was redeemed. The Company has no remaining outstanding preferred stock and, as a result, in future periods will have no preferred stock dividends.

In the first quarter of 2014, the Company increased the dividend on its common stock from \$0.045 per share to \$0.075 per share.

In the second quarter of 2014, the Credit Facility was recast to, among other things, increase the size to \$500 million , extend the maturity to May 28, 2019 , and reduce the per annum variable interest rate spread and other fees. This transaction improved the financial condition of the Company by reducing the spread it pays over LIBOR and by extending the average maturity of its debt. At September 30, 2014 , the Company had \$87.7 million outstanding under its Credit Facility, cash on hand of \$7.2 million , and the ability to borrow \$411.3 million under the Credit Facility.

In the third quarter of 2014, the Company issued 18.0 million shares of common stock, which generated net proceeds to the Company of \$223.4 million , which includes customary legal, accounting, and other expenses. The Company used the proceeds from this offering to acquire Fifth Third Center, a 698,000 square foot Class-A office tower located in the Charlotte, North Carolina central business district. The gross purchase price for this property was \$215.0 million , before adjustments for customary closing costs and other closing credits.

In the third quarter of 2014, the Mahan Village construction facility's maturity date was extended to January 2015 .

Subsequent to quarter end, in October 2014, the Company acquired Northpark Town Center, a 1.5 million square foot office asset located in Atlanta, Georgia. The gross purchase price for this property was \$348.0 million , before adjustments for customary closing costs and other closing credits. The Company funded the purchase of this property with cash on hand and with borrowings under its Credit Facility. The Company paid down a portion of its Credit Facility with proceeds from a mortgage loan on 816 Congress totaling \$85.0 million . Prior to year end, the Company expects to sell 777 Main, Mahan Village, and a joint venture containing four Publix-anchored shopping centers. The Company anticipates using the proceeds from these sales to reduce amounts outstanding under its Credit Facility. In addition, the Company is exploring bringing in a joint venture partner for 191 Peachtree in the first half of 2015. If the Company proceeds with a joint venture, the Company anticipates using the proceeds from entering the joint venture to further reduce amounts outstanding under the Company's Credit Facility.

The Company continually pursues acquisition and development opportunities that are consistent with its strategy. The Company expects to fund any additional future investments with one or more of the following: sale of additional non-core assets, additional borrowings under its Credit Facility, additional mortgage loans secured by existing or newly acquired properties, construction loans, the issuance of common equity, and joint ventures with third parties.

Contractual Obligations and Commitments

At September 30, 2014 , the Company was subject to the following contractual obligations and commitments (in thousands):

	<u>Total</u>	<u>Less than 1 Year</u>	<u>1-3 Years</u>	<u>3-5 Years</u>	<u>More than 5 years</u>
Contractual Obligations:					
Company debt:					
Unsecured Credit Facility and construction facility	\$ 101,785	\$ 14,085	\$ —	\$ 87,700	\$ —
Mortgage notes payable	569,289	8,719	160,465	112,273	287,832
Interest commitments (1)	133,609	27,976	53,235	31,417	20,981
Ground leases	149,485	1,579	3,559	3,563	140,784
Other operating leases	550	230	258	62	—
Total contractual obligations	<u>\$ 954,718</u>	<u>\$ 52,589</u>	<u>\$ 217,517</u>	<u>\$ 235,015</u>	<u>\$ 449,597</u>
Commitments:					
Unfunded tenant improvements and other	\$ 103,631	\$ 64,770	\$ 22,513	\$ 5,158	\$ 11,190
Letters of credit	1,000	1,000	—	—	—
Performance bonds	1,386	117	100	1,169	—
Other commitments	7,447	7,447	—	—	—
Total commitments	<u>\$ 113,464</u>	<u>\$ 73,334</u>	<u>\$ 22,613</u>	<u>\$ 6,327</u>	<u>\$ 11,190</u>

(1) Interest on variable rate obligations is based on rates effective as of September 30, 2014 .

In addition, the Company has several standing or renewable service contracts mainly related to the operation of buildings. These contracts are in the ordinary course of business and are generally one year or less. These contracts are not included in the above table and are usually reimbursed in whole or in part by tenants.

Other Debt Information

The real estate and other assets of The American Cancer Society Center (the “ACS Center”) are restricted under the ACS Center loan agreement in that they are not available to settle debts of the Company. However, provided that the ACS Center loan has not incurred any uncured event of default, as defined in the loan agreement, the cash flows from the ACS Center, after payments of debt service, operating expenses and reserves, are available for distribution to the Company.

The Company's existing mortgage debt is primarily non-recourse, fixed-rate mortgage notes secured by various real estate assets. Many of the Company's non-recourse mortgages contain covenants which, if not satisfied, could result in acceleration of the maturity of the debt. The Company expects that it will either refinance the non-recourse mortgages at maturity or repay the mortgages with proceeds from asset sales or other financings.

Future Capital Requirements

Over the long term, management intends to actively manage its portfolio of properties and strategically sell assets to exit its non-core holdings, reposition its portfolio of income-producing assets geographically and by product type, and generate capital for future investment activities. The Company expects to continue to utilize indebtedness to fund future commitments and expects to place long-term mortgages on selected assets as well as to utilize construction facilities for some development assets, if available and under appropriate terms.

The Company may also generate capital through the issuance of securities that include common or preferred stock, warrants, debt securities or depositary shares. In March 2013, the Company filed a shelf registration statement to allow for the issuance of such securities through March 2016.

The Company's business model is dependent upon raising or recycling capital to meet obligations. If one or more sources of capital are not available when required, the Company may be forced to reduce the number of projects it acquires or develops and/or raise capital on potentially unfavorable terms, or may be unable to raise capital, which could have an adverse effect on the Company's financial position or results of operations.

Cash Flows

The reasons for significant increases and decreases in cash flows between the periods are as follows:

Cash Flows from Operating Activities. Cash provided by operating activities decreased \$4.1 million between the nine month 2014 and 2013 periods due to the following:

- Cash flows increased \$72.2 million from property operations due primarily to the 2014 acquisition of Fifth Third Center and the 2013 acquisitions of Greenway Plaza, 777 Main, Post Oak Central, and 816 Congress. This was partially offset by the 2013 sales of Tiffany Springs MarketCenter and of 50% of the Company's interest in Terminus 100;

- Cash flows decreased \$60.5 million from joint ventures as a result of the 2013 sales of the Company's interests in CF Murfreesboro Associates, CP Venture Two LLC, and CP Venture Five LLC;
- Cash flows decreased \$5.9 million due to an increase in interest paid between periods;
- Cash flows decreased \$2.8 million from fee income due primarily to a decrease in management fees; and
- Cash flows decreased \$3.5 million as a result of discontinued operations.

Cash Flows from Investing Activities. Cash flows used in investing activities increased \$941.8 million between the nine month 2014 and 2013 periods due to the following:

- Cash flows increased \$1.2 billion from property acquisition, development and tenant asset expenditures due to the 2013 acquisitions of Greenway Plaza, 777 Main, 816 Congress, Post Oak Central, and the remaining interest in Terminus 200, net of an increase in capital expenditures for the 2014 acquisition of Fifth Third Center, the development of Colorado Tower, and for building improvements at 2100 Ross, Greenway Plaza, Promenade, and 777 Main during 2014;
- Cash flows decreased \$118.0 million from proceeds from the sales of investment properties. In the 2014 period, the Company sold Lakeshore Park Plaza, 600 University Park, and non-core land parcels. In the 2013 period, the Company sold Tiffany Springs MarketCenter, effectively sold 50% of its interest in Terminus 100 to a third party, and sold non-core land parcels; and
- Cash flows decreased \$79.3 million from distributions from unconsolidated joint ventures due mainly to distributions from the CF Murfreesboro Associates, Crawford Long - CPI, LLC, and Terminus Office Holdings joint ventures in 2013.

Cash Flows from Financing Activities. Cash flows provided by financing activities decreased \$760.0 million between the nine month 2014 and 2013 periods due to the following:

- Cash flows decreased \$504.6 million from common stock issuances. In the 2014 period, the Company issued 26.7 million common shares. In the 2013 period, the Company issued 85.5 million common shares;
- Cash flows decreased \$236.1 million primarily as a result of entering into mortgage notes secured by Promenade and Post Oak Central in 2013 and from the repayment of the Terminus 100 mortgage note payable in 2013;
- Cash flows decreased \$26.7 million due to an increase in common dividends paid as a result of an increase in the number of issued common shares and in the dividend rate;
- Cash flows decreased \$19.9 million from the redemption of preferred shares. In the 2014 period, the Company redeemed the Series B Preferred stock. In the 2013 period, the Company redeemed the Series A Preferred stock; and
- Cash flows increased \$25.5 million due to a distribution to noncontrolling interests in the 2013 period as a result of the sale of the Company's interest in CP Venture Five LLC.

Capital Expenditures . The Company incurs costs related to its real estate assets that include acquisition of properties, development of new properties, redevelopment of existing or newly purchased properties, leasing costs for new or replacement tenants, and ongoing property repairs and maintenance.

Capital expenditures for assets the Company develops or acquires and then holds and operates are included in the property acquisition, development, and tenant asset expenditures line item within investing activities on the statements of cash flows. Amounts accrued are removed from the table below (accrued capital adjustment) to show the components of these costs on a cash basis. Components of costs included in this line item for the nine months ended September 30, 2014 and 2013 are as follows (in thousands):

	Nine Months Ended September 30,	
	2014	2013
Acquisition of property	\$ 234,471	\$ 1,456,763
Development	55,250	10,029
Operating — building improvements	49,294	28,510
Operating — leasing costs	7,611	4,270
Capitalized interest	1,833	277
Capitalized personnel costs	5,226	4,070
Accrued capital adjustment	(2,028)	(1,903)
Total property acquisition and development expenditures	<u>\$ 351,657</u>	<u>\$ 1,502,016</u>

Capital expenditures decreased in 2014 mainly due to the acquisitions of Greenway Plaza, 777 Main, 816 Congress, Post Oak Central, and the remaining interest in Terminus 200 during 2013. This decrease was partially offset by an increase in capital expenditures for the acquisition of Fifth Third Center, for the development of Colorado Tower, and for building improvements at 2100 Ross, Greenway Plaza, Promenade, and 816 Congress. Tenant improvements and leasing costs, as well as related capitalized

personnel costs, are a function of the number and size of newly executed leases or renewals of existing leases. The amounts of tenant improvement and leasing costs for the Company's office portfolio on a per square foot basis were as follows:

	<u>Nine Months Ended September 30, 2014</u>
New leases	\$8.05
Renewal leases	\$3.25
Expansion leases	\$6.16

The amounts of tenant improvement and leasing costs on a per square foot basis vary by lease and by market. Given the level of expected leasing and renewal activity, in future periods management expects tenant improvements and leasing costs per square foot to remain consistent with those experienced in the first nine months of 2014.

Dividends. The Company paid common dividends of \$45.4 million and \$18.7 million in the nine month 2014 and 2013 periods, respectively. The Company paid preferred dividends of \$3.0 million and \$8.2 million in the nine month 2014 and 2013 periods, respectively. The Company funded the dividends with cash provided by operating activities. Going forward, the Company expects to fund its quarterly distributions to common stockholders with cash provided by operating activities and distributions from joint ventures.

On a quarterly basis, the Company reviews the amount of the common dividend in light of current and projected future cash flows from the sources noted above and also considers the requirements needed to maintain its REIT status. In addition, the Company has certain covenants under its Credit Facility which could limit the amount of dividends paid. In general, dividends of any amount can be paid as long as leverage, as defined in the facility, is less than 60% and the Company is not in default under its facility. Certain conditions also apply in which the Company can still pay dividends if leverage is above that amount. The Company routinely monitors the status of its dividend payments in light of the Credit Facility covenants.

Off Balance Sheet Arrangements

General. The Company has a number of off balance sheet joint ventures with varying structures, as described in note 5 of the Company's Annual Report on Form 10-K. The joint ventures in which the Company has an interest are involved in the ownership, acquisition, and/or development of real estate. A venture will fund capital requirements or operational needs with cash from operations or financing proceeds, if possible. If additional capital is deemed necessary, a venture may request a contribution from the partners, and the Company will evaluate such request.

Debt. At September 30, 2014, the Company's unconsolidated joint ventures had aggregate outstanding indebtedness to third parties of \$418.0 million. These loans are generally mortgage or construction loans, most of which are non-recourse to the Company, except as described in the paragraphs below. In addition, in certain instances, the Company provides "non-recourse carve-out guarantees" on these non-recourse loans. Certain of these loans have variable interest rates, which creates exposure to the ventures in the form of market risk from interest rate changes.

The Company guarantees 25% of two of the four outstanding loans at the Cousins Watkins LLC joint venture, which owns four retail shopping centers. The two loans have a total capacity of \$16.3 million, of which the Company guarantees 25% of the outstanding balance. At September 30, 2014, the Company guaranteed \$2.9 million, based on amounts outstanding under these loans as of that date. These guarantees may be reduced or eliminated based on achievement of certain criteria.

The EP II construction loan has a total capacity of \$46.0 million, of which the Company guarantees the lesser of \$8.6 million or the outstanding balance. At September 30, 2014, the Company guaranteed \$3.6 million, based on amounts outstanding under this loan as of that date. This guarantee may be reduced and/or eliminated based on the achievement of certain criteria.

Critical Accounting Policies

There have been no material changes in the Company's critical accounting policies from those disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

In the third quarter of 2014, the Mahan Village construction facility's maturity date was extended to January 2015. In the second quarter of 2014, the Credit Facility was recast to, among other things, increase the size to \$500 million, extend the maturity to May 28, 2019, and reduce the per annum variable interest rate spread and other fees. Therefore, the market risk associated with Company's notes payable has changed since that disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2013. The following table outlines the market risk associated with the Company's notes payable as of September 30, 2014 (\$ in thousands):

	Twelve months ended September 30,						Total	Fair Value
	2015	2016	2017	2018	2019	Thereafter		
Fixed Rate:								
Principal maturities	\$ —	\$ 14,736	\$ 131,507	\$ —	\$ 100,000	\$ 323,046	\$ 569,289	\$ 609,505
Average interest rate	—	5.66%	6.45%	—	3.35%	4.40%	4.72%	—
Variable Rate:								
Principal maturities	\$ 14,085	\$ —	\$ —	\$ —	\$ 87,700	\$ —	\$ 101,785	\$ 101,770
Average interest rate (1)	1.80%	—	—	—	1.25%	—	1.33%	—

(1) Interest rates on variable rate notes payable are equal to the variable rates in effect on September 30, 2014 .

Item 4. Controls and Procedures.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer along with the Chief Financial Officer, of the effectiveness, design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Based upon the foregoing, the Chief Executive Officer along with the Chief Financial Officer concluded that our disclosure controls and procedures were effective. In addition, based on such evaluation we have identified no changes in our internal control over financial reporting that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Information regarding legal proceedings is described under the subheading "Litigation" in note 7 to the unaudited condensed consolidated financial statements set forth in this Form 10-Q.

Item 1A. Risk Factors.

The Company detailed its risk factors in Item 1A in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 .

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

For information on the Company's equity compensation plans, see note 13 of the Company's Annual Report on Form 10-K, and note 10 to the unaudited condensed consolidated financial statements set forth in this Form 10-Q. The Company did not make any sales of unregistered securities during the third quarter of 2014 .

The Company purchased the following common shares during the third quarter of 2014 :

	Total Number of Shares Purchased (1)		Average Price Paid per Share (1)
July 1 - 31	605	\$	12.49
August 1 - 31	17,601	\$	13.06
September 1 - 30	—		N/A
	<u>18,206</u>	\$	13.04

(1) Activity for the third quarter of 2014 related to the remittances of shares for income taxes associated with restricted stock vesting and to the remittance of shares for option exercises.

Item 6. Exhibits.

- 2.1 † Purchase and Sale Contract for Northpark Town Center, dated as of August 1, 2014, by and between FulcoProp400LLC and FulcoProp56 LLC and Cousins Acquisitions Entity, LLC, a wholly owned subsidiary of the Registrant (schedules and exhibits omitted pursuant to Item 601(b)(2) of Regulation S-K).

- 3.1 Restated and Amended Articles of Incorporation of the Registrant, as amended August 9, 1999, filed as Exhibit 3.1 to the Registrant's Form 10-Q for the quarter ended June 30, 2002, and incorporated herein by reference.

- 3.1.1 Articles of Amendment to Restated and Amended Articles of Incorporation of the Registrant, as amended July 22, 2003, filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on July 23, 2003, and incorporated herein by reference.

- 3.1.2 Articles of Amendment to Restated and Amended Articles of Incorporation of the Registrant, as amended December 15, 2004, filed as Exhibit 3(a)(i) to the Registrant's Form 10-K for the year ended December 31, 2004, and incorporated herein by reference.

- 3.1.3 Articles of Amendment to Restated and Amended Articles of Incorporation of the Registrant, as amended May 4, 2010, filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed May 10, 2010, and incorporated herein by reference.

- 3.1.4 Articles of Amendment to Restated and Amended Articles of Incorporation of the Registrant, as amended May 9, 2014, filed as Exhibit 3.1.4 to the Registrant's Form 10-Q for the quarter ended June 30, 2014, and incorporated herein by reference.

- 3.2 Bylaws of the Registrant, as amended and restated December 4, 2012, filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on December 7, 2012, and incorporated herein by reference.

- 11.0 * Computation of Per Share Earnings.

- 31.1 † Certification of the Chief Executive Officer Pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

- 31.2 † Certification of the Chief Financial Officer Pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

- 32.1 † Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

- 32.2 † Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

- 101 † The following financial information for the Registrant, formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Equity, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) the Notes to Condensed Consolidated Financial Statements.

* Data required by ASC 260, "Earnings per Share," is provided in note 11 to the condensed consolidated financial statements included in this report.

† Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COUSINS PROPERTIES INCORPORATED

/s/ Gregg D. Adzema

Gregg D. Adzema

Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

Date: October 29, 2014

Exhibit 2.1: Purchase and Sale Contract for Northpark Town Center

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (as amended from time to time, this “Agreement”) is made and entered into as of August 1, 2014 (the “Effective Date”) by and between **FULCOPROP400 LLC** and **FULCOPROP56 LLC**, each a Delaware limited liability company, as sellers (each, individually, a “Seller” and, collectively, “Sellers”), and **COUSINS ACQUISITIONS ENTITY, LLC**, a Georgia limited liability company, as buyer (“Buyer”).

BACKGROUND

A. This Agreement is made with reference to Sellers’ right, title and interest in and to the following real, personal and intangible property (collectively, the “Property”);

(1) Those certain parcels of land located at 1000, 1100 and 1200 Abernathy Road, Atlanta, Georgia 30328, as more particularly described on **Exhibit A** attached hereto, together with all easements, rights and privileges appurtenant thereto, including, without limitation, Sellers’ right, title and interest in and to the common areas which are used by Sellers in connection with the ownership and operation of the Property through The Northpark Town Center Association, Inc. (collectively, the “Land”);

(2) The buildings, structures and other improvements located on the Land (collectively, the “Improvements” and, together with the Land, collectively, the “Real Property”);

(3) All fixtures, equipment, furniture, furnishings, appliances, supplies and other personal property of every nature and description attached to, located within or pertaining exclusively to the Real Property (collectively, the “Personal Property”);

(4) The leases and occupancy agreements to the tenants identified on **Exhibit B** attached hereto, together with such additional leases and occupancy agreements as may be approved or permitted pursuant to Section 5.2 hereof, and all amendments, modifications, supplements, work letters and guaranties related thereto (collectively, the “Leases”); all rents, revenues, income, profits and receipts due under the Leases (collectively, the “Rent”), in each case to the extent accruing during the period from and after the Closing Date (as hereinafter defined);

(5) Without duplication of the Leases and Rent, all intangible property related exclusively to the Real Property and the Personal Property, including, without limitation, the Assigned Contracts (as hereinafter defined), all licenses and permits related to the Real Property, and the name “Northpark Town Center”, but only to the extent any of the foregoing is assignable by Sellers without cost or consent (collectively, the “Intangible Property”);

provided, however, the Property shall expressly exclude the following: (x) Sellers’ right, title and interest in and to the following: (i) this Agreement; (ii) the Leases and Rent to the extent accruing during the period prior to the Closing Date; (iii) the Contracts (as hereinafter defined), except for the Assigned Contracts to the extent related to periods from and after the Closing Date; (iv) any

accounts receivable, cash, cash equivalents or non-cash investments; (v) any casualty, liability or other insurance policies held by either Seller; and (vi) all organizational documents, minute books, tax records and seals of either Seller or any of their respective affiliates and (y) any right, title and interest of any third parties (including any tenants under Leases or Sellers' property manager) in and to any personal property; and

B. Sellers are prepared to sell, transfer and convey the Property to Buyer, and Buyer is prepared to purchase and accept the Property from Sellers, all for the Purchase Price (as hereinafter defined) and on the other terms and conditions hereinafter set forth.

TERMS AND CONDITIONS

In consideration of the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. Sale and Purchase. Sellers agree to sell, transfer and convey the Property to Buyer, and Buyer agrees to purchase and accept the Property from Sellers, in each case for the Purchase Price and on and subject to the other terms and conditions set forth in this Agreement.

2. Purchase Price. The purchase price for the Property shall be Three Hundred Forty-Eight Million Dollars (\$348,000,000) (the "Purchase Price"), which Purchase Price shall be paid by Buyer to Sellers in accordance with the terms and conditions of this Section 2.

2.1. Deposit. Simultaneously with the execution and delivery of this Agreement by Buyer, Buyer shall deliver to Stewart Title Guaranty Company, as escrow agent ("Escrow Agent"), by wire transfer of immediately available federal funds, a deposit in the amount of Twenty-Two Million Five Hundred Thousand Dollars (\$22,500,000) (together with interest earned thereon, collectively, the "Deposit"), which Deposit shall be non-refundable to Buyer (except as otherwise expressly provided in this Agreement). Escrow Agent shall hold the Deposit in an interest-bearing account reasonably acceptable to Buyer and Escrow Agent shall deliver the Deposit in accordance with this Agreement.

2.2. Closing and Funding. At the consummation of the transactions contemplated hereby (the "Closing"), Buyer shall deliver to Escrow Agent, by wire transfer of immediately available federal funds, the Purchase Price, less the Deposit, together with or net of all applicable apportionments and adjustments as set forth herein, all as set forth on the Settlement Statement (as hereinafter defined). Upon Closing, Escrow Agent shall disburse all such funds received from Buyer by wire transfer of immediately available federal funds in accordance with the Settlement Statement (as hereinafter defined). The Closing shall occur, and all such amounts shall be disbursed, by no later than 2:00 p.m. (local time at the Property) on the Closing Date (as hereinafter defined).

2.3. Supplemental Escrow Instructions. The Closing shall take place through an escrow established with Escrow Agent pursuant to escrow instructions given by the parties (either individually or collectively) to Escrow Agent; provided, however, if there are any inconsistencies between the terms and conditions of this Agreement and the terms and conditions of any such escrow

instructions, as between Sellers and Buyer, the terms and conditions of this Agreement shall govern and control.

2.4. Independent Consideration. Sellers and Buyer acknowledge and agree that if the Deposit is returned to Buyer pursuant to any of the provisions of this Agreement, the Escrow Agent shall simultaneously pay One Hundred and 00/100s Dollars (\$100.00) from the Deposit to Sellers as independent consideration paid by Buyer to Sellers for Sellers' execution and delivery of this Agreement.

3. Buyer's Inspections.

3.1. Inspection. Prior to the Effective Date, Buyer conducted all tests, made all inspections, and reviewed all materials and information with respect to the Property that Buyer deemed necessary or appropriate in accordance with all of the terms and conditions of that certain Access and Confidentiality Agreement, dated as of July 24, 2014, between Sellers and Buyer (as the same may be amended from time to time, the "Access Agreement"), and Buyer determined that the Property is acceptable to Buyer in Buyer's sole discretion. During the term of this Agreement, Buyer may request access to the Property in accordance with and subject to the terms of this Agreement and the Access Agreement; provided, however, except as otherwise expressly provided in Section 3.3.1 below, Buyer shall have no right to terminate this Agreement, or receive any reduction in the Purchase Price or otherwise receive back the Deposit as a result of any further such tests, expenses or other diligence performed hereunder or thereunder after the Effective Date. All of the terms and conditions of the Access Agreement are incorporated into this Agreement by this reference. Without limiting the foregoing, Buyer's access rights under Section 1 and Buyer's liabilities and obligations under Section 4 of the Access Agreement shall continue to apply to all tests, inspections and other diligence conducted pursuant to this Agreement.

3.2. Diligence Materials. During the term of this Agreement, Sellers shall continue to make available to Buyer all non-proprietary information and materials pertaining to the Property that are reasonably requested by Buyer, but only to the extent such materials are in Sellers' possession or control. Except as otherwise expressly set forth in this Agreement, neither Seller makes any representation or warranty, express or implied, with respect to the accuracy or completeness of any information or materials provided hereunder.

3.3. Title and Survey.

3.3.1. Title Review. Prior to the Effective Date, Sellers delivered or otherwise made available to Buyer the following: that certain Commitment for Title Insurance File No. 14000070966 and that certain Commitment for Title Insurance File No. 14000070967, each with an effective date of June 9, 2014, with respect to the Real Property, together with legible copies of all exception documents referenced therein (collectively, the "Title Commitment") issued by Stewart Title Guaranty Company (in such capacity, the "Title Company"); and that certain ALTA/ACSM Land Title Survey of the Real Property, initially dated August 6, 2007, last revised July 22, 2014, prepared by Planners and Engineers Collaborative (the "Survey"). On or before 5:00 p.m. local time at the Property on August 1, 2014, Buyer may deliver a written notice to Sellers identifying any matters disclosed in the Title Commitment or shown on the Survey as to which Buyer reasonably

objects, indicating in reasonable detail the nature and reasons for Buyer's objections. If Buyer does not timely provide such a written objection notice to Sellers, all matters identified in the Title Commitment or shown on the Survey shall be deemed Permitted Encumbrances (as hereinafter defined). If Buyer provides such a written objection notice to Sellers, Sellers may elect (but shall not be obligated) to provide a written notice to Buyer within five (5) business days after their receipt of such notice from Buyer (the "Title Response Period") indicating whether they will attempt to cure any such matters as are objected to by Buyer, and all matters identified in the Title Commitment or shown on the Survey as to which Buyer has not objected shall be deemed Permitted Encumbrances. If Sellers fail to provide notice to Buyer that they will attempt to cure any such matters within the Title Response Period, Sellers will be deemed to have elected not to attempt to cure any such matters. If Sellers elect, or are deemed to have elected, not to attempt to cure any such matters as to which Buyer has objected in accordance with this Section 3.3.1, Buyer may, at its option, and as its sole and exclusive remedy with respect thereto, elect to either (a) terminate this Agreement by written notice delivered to Sellers within three (3) business days after the earlier to occur of Buyer's receipt of Sellers' title response notice or the expiration of the Title Response Period or (b) proceed with the Closing and accept title to the Real Property subject to the matters which Sellers have elected not to cure (which shall be deemed Permitted Encumbrances) with no adjustment of the Purchase Price. If Buyer fails to timely deliver a written notice of termination to Sellers as aforesaid, Buyer shall be deemed to have elected to proceed with the Closing as aforesaid. If Sellers elect to cure any matters as to which Buyer has objected, but Sellers reasonably anticipate that they will not be able to cure such matters prior to the Closing Date, then Sellers shall have the right (but not the obligation), in Sellers' sole discretion, to extend the Closing Date for up to thirty (30) days in order to cure such matters by delivering written notice of such extension to Buyer at least three (3) business days prior to the originally-scheduled Closing Date. If Sellers elect to extend the Closing Date as aforesaid, then the Closing Date shall occur on the earlier to occur of the date which is five (5) business days following the date on which such matters are cured or the date which is thirty (30) days following the originally-scheduled Closing Date. If Sellers elect to cure any matters as to which Buyer has objected, but Sellers fail to cure such matters as of the date which is five (5) business days prior to the Closing Date (as it may be extended as aforesaid), Buyer may, at its option, and as its sole and exclusive remedy, elect to either (1) terminate this Agreement by written notice delivered to Sellers on the date which is five (5) business days prior to the Closing Date or (2) proceed with the Closing and accept title to the Property subject to the matters which Sellers has failed to cure (which shall be deemed Permitted Encumbrances) with no adjustment of the Purchase Price. Notwithstanding anything contained in this Section 3.3.1 to the contrary, Sellers shall be obligated to remove or discharge (which, in the case of a mechanic's or materialmen's lien shall include, at Sellers' option, bonding around the mechanic's or materialmen's lien) at Sellers' expense at or prior to the Closing (X) any voluntary financing liens created by, through, or under Sellers (including the existing secured loan held by Metropolitan Life Insurance Company or its successor or affiliate) and (Y) any mechanics or materialmen's liens for work done by or on behalf of Sellers (as opposed to tenants under Leases), excluding any "Notices of Commencement"; provided, however, if Sellers are unable to remove any such lien or liens at or as of the Closing despite commercially reasonable efforts to do so, then Buyer shall be entitled, as its sole and exclusive remedy with respect thereto, to terminate this Agreement by notice delivered to Sellers at the Closing. If Buyer terminates the Agreement in accordance with this Section 3.3.1, Sellers and Buyer shall jointly instruct Escrow Agent to return the Deposit to Buyer, this Agreement shall terminate, and

no party shall have any further rights or obligations hereunder, except for those rights and obligations which expressly survive the termination of this Agreement.

3.3.2. Permitted Encumbrances. For purposes of this Agreement, Permitted Encumbrances shall mean and include the following: (a) any liens for taxes, assessments and other governmental charges not yet due and payable or due and payable but not yet delinquent with respect to the Property; (b) all applicable laws, statutes, ordinances, rules and regulations with respect to the Property; (c) any matters which are deemed Permitted Encumbrances pursuant to Section 3.3.1; (d) any “Notices of Commencement” filed against the Property; (e) any liens, claims or encumbrances which are caused by or otherwise attributable to Buyer; (f) the Assigned Contracts; and (g) the Leases.

3.3.3 Title Affidavits. At the Closing, Sellers shall deliver to the Title Company such affidavits or indemnities as (i) are customary in the State of Georgia and (ii) the Title Company may reasonably require in order to issue an owner’s policy of title insurance for the Real Property free of any exceptions for unfiled mechanics’ or materialmen’s liens for work performed by Sellers (but not tenants) prior to Closing (except with respect to “Notices of Commencement” or for work which represents a Buyer Leasing Cost (as hereinafter defined)), or for rights of parties in possession (other than pursuant to the Leases or any matters of record).

3.3.4. Use of Proceeds to Clear Title. Sellers may use the Purchase Price or any portion thereof to clear title to the Property of any encumbrances, interests or liens at the Closing.

4. Representations and Warranties.

4.1. Sellers’ Representations and Warranties. Subject to all matters (a) which are disclosed in (i) any exhibit hereto or (ii) any documents, information or materials delivered or otherwise made available to Buyer on the website data room maintained by Broker in connection with the transaction contemplated hereby prior to Closing, (iii) any documents, information or materials delivered to Buyer pursuant to Section 3.2 or any other provision of this Agreement or (iv) any documents, information or materials delivered to Buyer by any of Buyer’s agents, consultants or representatives prior to Closing or (b) with respect to which Buyer has or otherwise obtains knowledge of prior to Closing, any of which matters would render any of the following representations and warranties inaccurate (all such matters being referred to herein as “Exception Matters”), each Seller represents and warrants to Buyer as follows:

4.1.1. Authority. Such Seller is a limited liability company duly organized and validly existing under the laws of the State of Delaware, is qualified to do business in the State of Georgia, and has all requisite power and authority to enter into this Agreement and perform its obligations hereunder. The execution and delivery of this Agreement have been duly authorized by such Seller.

4.1.2. No Conflict. To the best of such Seller’s actual knowledge, the execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder on the part of such Seller do not and will not conflict with or result in the breach of any

material terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance upon, any of the Property or assets of such Seller by reason of the terms of any contract, mortgage, lien, lease, agreement, indenture, instrument or judgment to which such Seller is a party or by which it is bound, which will not be discharged, assumed or released at Closing. To the best of such Seller's actual knowledge, no action by any federal, state or municipal or other governmental department, commission, board, bureau or instrumentality is necessary to make this Agreement a valid instrument binding upon such Seller in accordance with its terms.

4.1.3. Leases. As of the Effective Date, there are no leases or occupancy agreements currently in effect that were entered into or expressly assigned to and assumed by such Seller or, to the best of such Seller's actual knowledge, that otherwise bind such Seller and affect the Property, other than the Leases. To the best of such Seller's actual knowledge, the list of Leases attached hereto as **Exhibit B** is true, correct and complete in all material respects. To the best of such Seller's actual knowledge, such Seller has provided Buyer with true, correct and complete copies of all Leases to which it is a party. Except as set forth on **Exhibit B-1** attached hereto, to the best of such Seller's actual knowledge, as of the Effective Date, such Seller has paid in full all brokerage commissions and tenant improvement allowances due and payable with respect to the current terms of all such Leases (expressly excluding any such commissions or allowances which are to be paid or performed in connection with any extension, renewal or expansion options exercised after the Effective Date).

4.1.4. Contracts. To the best of such Seller's actual knowledge, as of the Effective Date, there are no construction, service, equipment, supply, maintenance or concession agreements in effect that were entered into or expressly assigned to and assumed by such Seller or, to the best of such Seller's actual knowledge, that otherwise bind such Seller and affect the Property that will be binding on Buyer from and after the Closing, except for those agreements and contracts set forth on **Exhibit C** attached hereto (collectively, the "Contracts") and for the commission agreements related to Leases. To the best of such Seller's actual knowledge, such Seller has provided Buyer with true, correct and complete copies of all Contracts to which it is a party.

4.1.5. Compliance. To the best of such Seller's actual knowledge, as of the Effective Date, such Seller has not received any written notice of any material violations of any federal, state, county or municipal laws, ordinances, orders, codes, regulations or requirements affecting the Real Property which have not been cured.

4.1.6. No Litigation. There is no material action, suit or proceeding pending or, to the best of such Seller's actual knowledge, threatened in writing, against or affecting the Property or such Seller, or arising out of the ownership, management or operation of the Real Property, this Agreement or the transactions contemplated hereby, including any actions regarding real property or ad valorem taxes.

4.1.7. No Condemnation. To the best of such Seller's actual knowledge, as of the Effective Date, such Seller has not received any written notice of any pending or contemplated condemnation, eminent domain or similar proceeding with respect to all or any portion of the Real Property.

4.1.8. FIRPTA. Such Seller is not a “foreign person” as defined in Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

4.1.9. OFAC Compliance. To the best of such Seller’s actual knowledge, neither such Seller nor the sole member of such Seller nor any of their respective executive officers, directors, managers, agents or employees is now or at any time through the Closing Date shall be a person who has been listed on (i) the Specially Designated Nationals and Blocked Persons List contained in Appendix A to 31 C.F.R., Subtitle B, Part V; (ii) the Denied Persons List, the Entity List, and the Unverified Parties List maintained by the United States Department of Commerce; (iii) the List of Terrorists and List of Debarred Parties maintained by the United States Department of State; and/or (iv) any other similar list maintained by any federal or state agency or pursuant to any Executive Order of the President of the United States of America; provided, however, no representation or warranty is being made hereunder with respect to any individuals holding interests in the sole member of such Seller.

4.2. Limitations Regarding Sellers’ Representations and Warranties.

4.2.1. Survival. The representations and warranties of Sellers contained in Section 4.1 shall survive the Closing and delivery of the Deeds for a period of one hundred eighty (180) days following the Closing Date, and any claim or cause of action arising out of any breach of any of such representations or warranties shall be null and void unless (a) the basis of such claim is first discovered by Buyer after the Closing, (b) Buyer delivers written notice of such claim (including a reasonably detailed description of the basis of such claim) to Sellers within one hundred eighty (180) days after the Closing Date and (c) Buyer files a lawsuit against Sellers with respect to such claim within one hundred eighty (180) days after the Closing Date.

4.2.2. Sellers’ Knowledge Party. As used in this Agreement, or in any other agreement, document, certificate or instrument delivered by either Seller to Buyer in connection herewith, the phrase “to the best of such Seller’s actual knowledge”, “to the best of such Seller’s knowledge” or any similar phrase shall mean the actual, but not constructive or imputed, knowledge of James G. Young of AEW Capital Management, L.P., who is identified as Sellers’ asset manager for the Property and their most knowledgeable officer with respect thereto, without any obligation on her/his part to make any independent investigation of the matters being represented and warranted, or to make any inquiry of any other persons, or to search or examine any files, records, books, correspondence and the like, it being expressly understood and agreed that such individual is being named herein for purposes of defining the scope of each Seller’s knowledge hereunder and that no such individual shall have any personal liability under this Agreement under any circumstances whatsoever.

4.2.3. Exception Matters. Neither Seller shall have any liability or obligation whatsoever to Buyer with respect to any Exception Matters, and Buyer represents and warrants to Sellers that Buyer has no knowledge of any Exception Matters as of the Effective Date. If Buyer first obtains knowledge of any Exception Matters following the Effective Date but prior to the Closing and such Exception Matters materially and adversely affect the value to Buyer of the transactions contemplated by this Agreement, then Buyer shall provide written notice thereof to Sellers describing such Exception Matters in reasonable detail and Sellers shall have the right (but

not the obligation) to cure such Exception Matters within five (5) business days following receipt of such notice (the “Exception Matter Cure Period”). If Sellers fail to cure such Exception Matters or Sellers deliver written notice to Buyer electing not to cure such Exception Matters within the Exception Matter Cure Period, then Buyer shall have the right, as its sole and exclusive remedy with respect thereto, to terminate this Agreement by delivering written notice thereof to Sellers within two (2) business days following the earlier to occur of the expiration of the Exception Matter Cure Period or Buyer’s receipt of notice from Sellers electing not to cure the applicable Exception Matters. If Buyer timely delivers such a termination notice to Sellers as aforesaid, then the parties shall jointly instruct Escrow Agent to release the Deposit to Buyer, this Agreement shall terminate, and no party shall have any further obligations or rights hereunder, except for those obligations and rights which expressly survive the termination of this Agreement. To the extent the Closing is scheduled to occur prior to the expiration of the second (2nd) business day following the earlier to occur of the expiration the Exception Matter Cure Period or Buyer’s receipt of notice from Sellers electing not to cure the applicable Exception Matters, then the Closing Date shall be extended until the fourth (4th) business day following the earlier to occur of the expiration of the Exception Matter Cure Period or Buyer’s receipt of notice from Sellers electing not to cure the applicable Exception Matters.

4.2.4. “AS IS”. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY ANCILLARY CLOSING DOCUMENTS EXECUTED BY SELLERS, IT IS UNDERSTOOD AND AGREED THAT NEITHER SELLER IS MAKING AND NEITHER SELLER HAS AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

BUYER ACKNOWLEDGES AND AGREES THAT UPON CLOSING SELLERS SHALL SELL AND CONVEY THE PROPERTY TO BUYER AND BUYER SHALL ACCEPT THE PROPERTY FROM SELLERS “AS IS, WHERE IS, WITH ALL FAULTS” EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT OR IN ANY ANCILLARY CLOSING DOCUMENTS EXECUTED BY SELLERS. BUYER HAS NOT RELIED AND WILL NOT RELY ON, AND NEITHER SELLER IS LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, ANY PROSPECTUS OR OTHER MARKETING MATERIALS DISTRIBUTED WITH RESPECT TO THE PROPERTY) MADE OR FURNISHED BY EITHER SELLER, THE MANAGERS OF THE PROPERTY, OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT EITHER SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, UNLESS SPECIFICALLY SET FORTH IN THIS AGREEMENT OR IN ANY ANCILLARY CLOSING DOCUMENTS EXECUTED BY SELLERS. BUYER ALSO ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE PROPERTY IS BEING SOLD “AS-IS, WHERE IS, WITH ALL FAULTS.”

BUYER ACKNOWLEDGES RECEIPT OF THE ENVIRONMENTAL REPORTS LISTED ON **EXHIBIT D** (AND ACKNOWLEDGES THAT THE REPORTS REFERRED TO THEREIN WERE MADE AVAILABLE TO BUYER), AND REPRESENTS TO SELLERS THAT BUYER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS BUYER DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY, AND BUYER WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLERS OR THEIR AGENTS OR EMPLOYEES WITH RESPECT THERETO, OTHER THAN SUCH REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLERS AS ARE EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY ANCILLARY CLOSING DOCUMENTS EXECUTED BY SELLERS. UPON CLOSING, BUYER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY BUYER'S INVESTIGATIONS, AND BUYER, UPON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLERS (AND SELLERS' OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH BUYER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLERS (AND/OR SELLERS' OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION OR OTHER DEFECTS OR PHYSICAL OR ENVIRONMENTAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTY.

BUYER ACKNOWLEDGES THAT ALL MATERIALS MADE AVAILABLE BY SELLERS AND THEIR AFFILIATES OR ANY OFFICER, DIRECTOR, TRUSTEE, AGENT, EMPLOYEE OR OTHER PERSON ACTING OR PURPORTING TO ACT ON BEHALF OF EITHER SELLER ARE BEING PROVIDED TO BUYER WITHOUT REPRESENTATION OR WARRANTY AS TO THE ACCURACY OR COMPLETENESS THEREOF OR THE SUFFICIENCY FOR THE PURPOSES FOR WHICH BUYER USES SUCH MATERIALS, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT OR IN ANY ANCILLARY CLOSING DOCUMENTS EXECUTED BY SELLERS.

4.2.5. Hazardous Materials Release. Buyer agrees that, if at any time after the Closing, any third party (including, without limitation, any governmental agency) seeks to hold Buyer responsible for the presence of, or any loss, cost or damage associated with, Hazardous Materials (as hereinafter defined) in, on, above or beneath the Real Property or emanating therefrom, then Buyer releases and waives any rights it may have against either Seller in connection therewith

including, without limitation, under CERCLA (defined below), and Buyer agrees that it shall not (a) implead either Seller, (b) bring a contribution action or similar action against either Seller or (c) attempt in any way to hold either Seller responsible with respect to any such matter. As used herein, “Hazardous Materials” shall mean and include, but shall not be limited to, any petroleum product and all hazardous or toxic substances, wastes or substances, any substances which because of their quantitated concentration, chemical, or active, flammable, explosive, infectious or other characteristics, constitute or may reasonably be expected to constitute or contribute to a danger or hazard to public health, safety or welfare or to the environment, including, without limitation, any hazardous or toxic waste or substances which are included under or regulated (whether now existing or hereafter enacted or promulgated, as they may be amended from time to time) including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq. (“CERCLA”), the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., similar state laws and regulations adopted thereunder.

4.2.6. Survival. All of the provisions of this Section 4.2 shall survive the Closing or any earlier termination of this Agreement.

4.3. Buyer’s Representations and Warranties. Buyer represents and warrants to Sellers as follows:

4.3.1. Authority. Buyer is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Georgia and has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Buyer have been duly authorized.

4.3.2. No Conflict. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder on the part of Buyer do not and will not violate any applicable law, ordinance, statute, rule, regulation, order, decree or judgment, conflict with or result in the breach of any material terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance upon any of the property or assets of the Buyer by reason of the terms of any contract, mortgage, lien, lease, agreement, indenture, instrument or judgment to which Buyer is a party or by which it is bound or which otherwise affects Buyer. No action by any federal, state or municipal or other governmental department, commission, board, bureau or instrumentality is necessary to make this Agreement a valid instrument binding upon Buyer in accordance with its terms.

4.3.3. ERISA Matters. Buyer is not: (i) a plan which is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), as defined in Section 3(3) of ERISA, nor a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (each of the foregoing hereinafter referred to collectively as a “Plan”); (ii) a “governmental plan” as defined in Section 3(32) of ERISA; or (iii) a “party in interest,” as defined in Section 3(14) of ERISA, to a Plan, except with respect to Plans, if any, maintained by Buyer, nor do the assets of Buyer constitute “plan assets” of one or more of such Plans within the meaning of Department of Labor Regulations Section 2510.3-101. Buyer is acting on its own behalf and not on account of or for the benefit of any Plan. Buyer shall not transfer the Property to any entity,

person or Plan which will cause a violation of ERISA. Buyer shall not assign its interest under this Agreement to any entity, person or Plan which, if the assignee acquires the Property, will cause a violation of ERISA.

4.3.4. OFAC Compliance. To the best of Buyer's knowledge, none of Buyer nor any of its executive officers, directors, managers, agents, employees, shareholders (except for shareholders of any publicly traded company), members, partners, and other investors, or any other person that owns or controls Buyer or any entity on whose behalf Buyer acts, is now or at any time through the Closing Date shall be a person who has been listed on (i) the Specially Designated Nationals and Blocked Persons List contained in Appendix A to 31 C.F.R., Subtitle B, Part V; (ii) the Denied Persons List, the Entity List, and the Unverified Parties List maintained by the United States Department of Commerce; (iii) the List of Terrorists and List of Debarred Parties maintained by the United States Department of State; and/or (iv) any other similar list maintained by any federal or state agency or pursuant to any Executive Order of the President of the United States of America.

4.3.5. Source of Funds. Buyer has available to it unrestricted funds which it may use in its sole discretion to pay the full Purchase Price and otherwise comply with the provisions of this Agreement. Buyer expressly acknowledges and agrees that its obligations under this Agreement are not contingent upon Buyer obtaining financing for the purchase of the Property.

4.4. Survival of Buyer's Representations. All of the representations and warranties of Buyer contained in this Agreement shall survive the Closing and delivery of the Deeds.

4.5. Buyer's Knowledge Party. As used in this Agreement, or in any other agreement, document, certificate or instrument delivered by Buyer to Sellers in connection herewith, the phrase "to the best of Buyer's actual knowledge", "to the best of Buyer's knowledge" or any similar phrase shall mean the actual, but not constructive or imputed, knowledge of Colin Connolly of Cousins Properties Incorporated, who is identified as Buyer's acquisition officer with respect to this transaction, without any obligation on her/his part to make any independent investigation of the matters being represented and warranted, or to make any inquiry of any other persons, or to search or examine any files, records, books, correspondence and the like, it being expressly understood and agreed that such individual is being named herein for purposes of defining the scope of Buyer's knowledge hereunder and that no such individual shall have any personal liability under this Agreement under any circumstances whatsoever.

5. Covenants.

5.1. Operation of Property. Sellers shall use commercially reasonable efforts to continue to operate the Property in accordance with Sellers' past practices; provided, however, Sellers shall not be required to incur any capital expenses at the Property pursuant to or in connection with this Agreement.

5.2. Leasing Activities.

5.2.1. Buyer Consent Standards. Except as otherwise herein expressly provided, Sellers shall not, without Buyer's consent, which consent may be withheld in Buyer's

sole discretion, (a) effect any material change in any Lease or commission agreement, (b) renew or extend the term of any Lease, unless the same is an extension or expansion permitted and exercised by a tenant pursuant to the terms of an existing Lease, or (c) enter into any new Lease or commission agreement or cancel or terminate any Lease.

5.2.2 Buyer Consent Logistics. When seeking consent to a proposed new or modified Lease or commission agreement, Sellers shall provide notice of the identity of the tenant or the broker, and, in the case of a new or modified Lease, a term sheet or letter of intent containing material business terms of such new or modified Lease (including, without limitation, rent, expense base, concessions, tenant improvement allowances, brokerage commissions, and expansion and extension options) and whatever credit and background information, if any, Sellers then possess with respect to such tenant. Upon receiving Buyer's consent or deemed consent to a new or modified Lease or commission agreement, Sellers may negotiate the same on the Property's standard form (or, in the case of a modification, an amendment or modification agreement on a commercially reasonable form), without material changes other than those changes customarily made to leases or commission agreements to other comparable tenants and brokers for the Property. Prior to executing a fully negotiated new or modified Lease or commission agreement which has been consented to or is deemed to have been consented to Buyer in accordance with this Agreement, Sellers shall deliver to Buyer a proposed form of the execution copy of the fully negotiated agreement, along with a black-line showing changes the Property's standard form (if applicable), so that Buyer will have the opportunity to review the same to confirm that it complies with the requirements of the preceding sentence. Within five (5) business days following Buyer's receipt of any such notice from Sellers and/or the final forms of a proposed agreement, as applicable, Buyer shall deliver a written notice to Sellers either consenting to such proposed agreement or objecting to the same (and specifying the basis for such objections); provided, however, Buyer's failure to deliver any such notice within such five (5) business day period shall constitute Buyer's deemed consent thereto.

5.2.3. Lease Termination for Default. Notwithstanding anything in this Agreement to the contrary, if prior to Closing there occurs any material default (including, without limitation, any monetary default) by a tenant under its Lease, Sellers may cancel or terminate any such Lease or commence collection, unlawful detainer or other remedial action against any such tenant, provided Sellers have received Buyer's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

5.2.4. Authorized Representative of Buyer. Buyer hereby designates Colin Connolly as the individual who will be available and authorized to grant Lease approvals and consents as set forth hereinabove.

5.2.5 Buyer's Lease Negotiations. Notwithstanding anything contained in this Agreement to the contrary (including, without limitation, Section 14.17), Buyer and Sellers agree to use commercially reasonable efforts to cooperate in all aspects of lease negotiations with existing and prospective tenants at the Improvements (including, without limitation, by making all relevant parties available for weekly leasing calls). During the term of this Agreement, Buyer may negotiate leases with existing and prospective tenants identified by Buyer (each, a "Buyer's Tenant")

provided that all formal leasing proposals shall be coordinated through and all resulting negotiations shall be conducted in conjunction with Sellers' leasing representative, Richard Nash of CBRE (“Sellers' Leasing Representative”), in accordance with this Section 5.2.5. Without limiting the foregoing, prior to executing any letter of intent with any Buyer's Tenant, Buyer shall deliver to Sellers and Sellers' Leasing Representative a written notice identifying the applicable Buyer's Tenant and the material business terms of such proposed lease for Sellers' review and comment. After presenting such terms to Sellers, Buyer may negotiate a lease based on the terms so presented to Sellers, provided that:

- (a) Buyer shall enter into a commission agreement with Sellers' Leasing Representative with respect to such proposed lease on the existing form of commission agreement between Sellers and Sellers' Leasing Representative for the Improvements and Buyer pay Sellers' Leasing Representative any commissions or other amounts owed to Sellers' Leasing Representative thereunder.
- (b) Buyer shall keep Sellers and Sellers' Leasing Representative informed as to the status of any such lease negotiations and shall deliver copies of all material written communications related thereto which Buyer delivers or receives to Sellers and Sellers' Leasing Representative simultaneously with sending or promptly following its receipt of the same;
- (c) Buyer shall not deliver any written notices or other communications to Sellers' Leasing Representative unless Buyer simultaneously delivers such notice or other communications to Sellers;
- (d) The effectiveness of any proposed lease which Buyer negotiates prior to Closing must be conditioned upon the Closing, the term of any proposed lease must not commence until after the Closing Date and each proposed lease must expressly provide that it is not binding on Sellers; and
- (e) Sellers shall not be required to execute any proposed lease which is negotiated with any Buyer's Tenant.

Furthermore, Buyer shall indemnify, defend and hold harmless Sellers from and against any claim, damage, expense, liability or other loss related to any exercise by Buyer of its rights under this Section 5.2.5 (including, without limitation, any applicable claim brought by any Buyer's Tenant, Seller's Leasing Representative or any broker or leasing representative representing any Buyer's Tenant). If the Closing does not occur for any reason, Buyer shall not be entitled to any reimbursement or other compensation from Sellers if Sellers execute a lease with any Buyer's Tenant. Buyer's obligations under this Section 5.2.5 shall survive the Closing or any earlier termination of this Agreement (but Buyer shall have no right to negotiate new leases for the Property in accordance with this Section 5.2.5 following any termination of this Agreement).

5.3. Other Contracting Activities

5.3.1. Assigned Contracts. On or prior to 5:00 p.m., local time at the Property, on August 22, 2014, Buyer shall deliver written notice to Sellers identifying those Contracts which Buyer desires to assume after Closing, and such Contracts, if assignable by Seller without cost or liability to Seller (collectively, the “Assigned Contracts”), shall be assigned to and assumed by Buyer at Closing. Notwithstanding anything contained herein to the contrary, all of the following shall be considered Assigned Contracts for all purposes under this Agreement: (a) all Contracts which are designated as Assigned Contracts on Exhibit C attached hereto; (b) all Contracts for which Sellers shall provide Buyer with a credit in the amount of all remaining payment obligations thereunder as of the Closing Date; and (c) all other Contracts which are consented to by Buyer in accordance with Section 5.3.2. Except as to the Assigned Contracts that Buyer identifies as aforesaid, all Contracts (including all management agreements with respect to the Property) shall be terminated by Sellers as of Closing.

5.3.2. Buyer Consent Standards. Except as otherwise herein expressly provided, Sellers shall not, without Buyer’s consent, which consent shall not be unreasonably withheld, conditioned or delayed, effect any material change in any Contract or enter into a new Contract; provided, however, notwithstanding the foregoing, Sellers shall be expressly permitted (without Buyer’s consent) to enter into new Contracts (a) in the ordinary course of business which are terminable on not more than thirty (30) days’ notice without payment of any fee or penalty, (b) which will be fully performed and paid for prior to the Closing Date, or (c) which will not be fully performed or paid for prior to the Closing Date but for which Sellers shall provide Buyer with a credit for all remaining unpaid amounts due thereunder at Closing. To the extent Sellers are required or otherwise determine to seek Buyer’s consent to any Contract hereunder, then, except as otherwise provided in this Section 5.3.2, the provisions of Section 5.2.2 applicable to obtaining Buyer’s consent to new or modified Leases and commission agreements shall apply to such Contract.

5.4. Notice of Potential Breach. Buyer and Sellers shall promptly deliver written notice to the other if any of them discovers that any representation or warranty made by any of them is inaccurate in any material respect or if any of them believe that the other has failed to perform any of its or their obligations hereunder.

5.5. Miscellaneous. Sellers shall (i) promptly advise Buyer of any written notice of litigation received by such Seller and affecting the Property or such Seller’s ability to perform its obligations under this Agreement, (ii) not voluntarily encumber the Property, (iii) not amend or take any material actions under the Declaration (as hereinafter defined), and (iv) continue to maintain All Risk Property insurance in the Property’s full replacement cost with reputable insurance carriers licensed or authorized to do business in the State of Georgia, with a minimum Best’s rating of A-VII.

6. Conditions Precedent.

6.1 Buyer's Conditions Precedent. Buyer's obligation to purchase the Property is expressly conditioned on the satisfaction at or before the Closing, or such earlier time as may be expressly stated below, of each of the following conditions (any one or more of which may be waived by Buyer in writing or by Buyer proceeding with the Closing):

6.1.1. Accuracy of Representations. Subject to Section 4.2.3, all of the representations and warranties of Sellers contained in this Agreement shall have been true and correct in all material respects when made, and shall be true and correct in all material respects on the Closing Date, with the same effect as if made on and as of such date, except to the extent such representations and warranties specifically reference an earlier date, in which case they shall be true and correct as of such date.

6.1.2. Performance. Sellers shall have performed, observed and complied with all material covenants, agreements and conditions required by this Agreement to be performed, observed and complied with on their part prior to or as of the Closing hereunder.

6.1.3. Documents and Deliveries. Without limiting Section 6.1.2, Sellers shall have delivered to Escrow Agent all documents and instruments required on Sellers' part to effectuate this Agreement and the transactions contemplated hereby in accordance with the terms hereof and Sellers shall have authorized and instructed Escrow Agent to record and/or release to Buyer such documents and instruments, as applicable.

6.1.4. Estoppel Certificates. Seller shall have delivered tenant estoppel certificates, substantially in the form set forth on **Exhibit E** attached hereto or in such other form as may be required or permitted under the Leases, duly executed by tenants representing at least 75% of the rentable square footage actually demised under the Leases in effect at the Property as of the Closing Date, which tenant estoppel certificates may also include qualifications of any certification therein by a "best of knowledge" standard or similar provision, and which tenant estoppel certificates shall be dated no earlier than forty-five (45) days prior to the Closing Date; provided, however, Sellers' failure to deliver such estoppel certificates shall not be a default of Sellers hereunder. If Sellers shall not have delivered the required tenant estoppel certificates to Buyer as of the Closing Date, Sellers shall have the right (but not the obligation) (a) to deliver seller estoppel certificates, substantially in the form set forth on **Exhibit F** attached hereto, in place of any tenant estoppel certificates that will total no more than 20% of the rentable square footage actually demised under the Leases in effect at the Property as of the Closing Date (so that tenant estoppel certificates must be received from tenants representing at least 55% of the rentable square footage actually demised under the Leases in effect at the Property as of the Closing Date) or (b) to extend the Closing Date for up to thirty (30) days by written notice delivered to Buyer at or before the Closing in order to allow Sellers additional time to obtain the requisite tenant estoppel certificates. If Sellers elect to extend the Closing Date as aforesaid, then the Closing Date shall occur on the earlier to occur of the date which is five (5) business days following the date on which such Seller delivers the applicable tenant estoppel certificates or seller estoppel certificates to Buyer or the date which is thirty (30) days following the originally-scheduled Closing Date. If Sellers deliver any

seller estoppel certificates with respect to any Leases for which a tenant estoppel certificate is later delivered, then to the extent any such tenant estoppel certificate confirms any matters set forth in the corresponding seller estoppel certificate, Sellers shall have no liability or obligation to Buyer with respect to such matters.

6.1.5. Title Policy. Provided that Buyer shall have satisfied all obligations and requirements with respect thereto for which Buyer is responsible pursuant to the Title Commitment, the Title Company shall be irrevocably committed to issue a title policy to Buyer insuring that fee simple title to the Real Property is vested in Buyer subject only to the Permitted Encumbrances. Buyer may request that the Title Company issue such endorsements to the title policy as Buyer may reasonably require; provided, however, that (a) such endorsements shall be at no cost to, and shall impose no additional liability on, Sellers, (b) such endorsements shall not constitute the basis for any objections to be made by Buyer under Section 3.3.1, and (c) Buyer's obligations under this Agreement shall not be conditioned upon Buyer's ability to obtain such endorsements.

6.1.6. Declaration Estoppel. Seller shall have delivered an estoppel certificate in the form of Exhibit K attached hereto from the Association under that certain Declaration of Covenants, Conditions, Easements and Destinations for Northpark Town Center, dated December 30, 1997, as amended by the First Amendment dated January 15, 2004 (as amended, the "Declaration").

6.2. Sellers' Conditions Precedent. Sellers' obligation to sell the Property is expressly conditioned on the satisfaction at or before the Closing, or such earlier time as may be expressly stated below, of each of the following conditions (any one or more of which may be waived by Sellers in writing or by Sellers proceeding with the Closing):

6.2.1. Accuracy of Representations. All of the representations and warranties of Buyer contained in this Agreement shall have been true and correct in all material respects when made, and shall be true and correct in all material respects on the Closing Date.

6.2.2. Performance. Buyer shall have performed, observed and complied with all material covenants, agreements and conditions required by this Agreement to be performed, observed and complied with on its part prior to or as of the Closing hereunder.

6.2.3. Documents and Deliveries. Without limiting Section 6.2.2, Buyer shall have delivered to Escrow Agent the Purchase Price and all instruments and documents required on Buyer's part to effectuate this Agreement and the transactions contemplated hereby (which instruments and documents shall be in form and substance consistent with the requirements herein) and Buyer shall have authorized and instructed Escrow Agent to release the Purchase Price and such instruments and documents to Sellers.

7. Closing; Deliveries.

7.1. Time of Closing. The Closing shall take place on October 1, 2014 (the "Closing Date") through an escrow established at the offices of the Escrow Agent.

7.2. Sellers Deliveries. At the Closing, except as otherwise specified below, each Seller shall deliver to Escrow Agent the following:

7.2.1. A limited warranty deed substantially in the form of **Exhibit G** attached hereto (a “ Deed ”) with respect to the Real Property of such Seller, duly executed and acknowledged by such Seller;

7.2.2. A quitclaim bill of sale substantially in the form of **Exhibit H** attached hereto (a “ Bill of Sale ”) with respect to the Personal Property of such Seller, duly executed by such Seller;

7.2.3. An assignment and assumption agreement substantially in the form of **Exhibit I** attached hereto (an “ Assignment and Assumption Agreement ”) with respect to the Intangible Property, Leases, Buyer’s Leasing Expenses (and all corresponding commission agreements) and Assigned Contracts of such Seller, duly executed by such Seller;

7.2.4. A non-foreign affidavit in the form of **Exhibit J** attached hereto, duly executed by such Seller, and such affidavits, certificates and other documentation as Buyer may reasonably request in order for Buyer to comply with Georgia law relating to withholding tax on transfer of real property;

7.2.5. Without limiting Section 4.2.3, a certification by such Seller that, subject to any Exception Matters, all representations and warranties made by Seller in Section 4.1 of this Agreement are true and correct in all material respects as of the Closing Date (or as of such earlier date as of which such representation and warranty was made), and attaching a list of all documents, information or materials delivered or otherwise made available to Buyer on the website data room maintained by Broker and referenced in Section 4.1(a)(ii).

7.2.6. A settlement statement, duly executed by such Seller, showing the Purchase Price and all other credits, debits and adjustments to be made between and among the parties in accordance with the terms and conditions of this Agreement (the “ Settlement Statement ”), which Settlement Statement shall be in a form and substance reasonably satisfactory to Sellers and Buyer;

7.2.7. A form of tenant notice letter, duly executed by such Seller, advising the tenants under the Leases of such Seller of the sale of the Property and directing that rent and other payments thereafter be sent to Buyer at the address provided by Buyer at Closing;

7.2.8. The title affidavits or indemnities referenced in Section 3.3.2;

7.2.9. All architectural and engineering drawings and specifications, utilities layout plans, topographical plans and the like in such Seller’s possession and owned by such Seller, if any, used in the construction, improvement, alteration or repair of the Real Property (delivery of which may be accomplished by leaving the same at the Property);

7.2.10. Originals or copies of all Leases, Contracts, other materials identified in the Exhibits hereto, and all other books, records and files maintained by Sellers' property manager relating to the construction, leasing, operation and maintenance of the Property and relating to the Declaration, its Declarants or the Association described therein, keys to any Improvements (delivery of which may be accomplished by leaving the same at the Property); and

7.2.11. All other instruments and documents reasonably required to effectuate this Agreement and the transactions contemplated thereby.

7.3. Buyer Deliveries. At Closing, Buyer shall deliver to Escrow Agent the following:

7.3.1. The Purchase Price, less the Deposit, together with or net of all applicable adjustments and apportionment, as further set forth in Section 2.2;

7.3.2. The Bills of Sale duly executed by Buyer;

7.3.3. The Assignment and Assumption Agreements duly executed by Buyer;

7.3.4. A certification by Buyer that all representations and warranties made by Buyer in Section 4.3 of this Agreement are true and correct in all material respects as of the Closing Date;

7.3.5. The Settlement Statement duly executed by Buyer;

7.3.6. The forms of tenant notice letter duly executed by Buyer; and

7.3.7. All other instruments and documents reasonably required to effectuate this Agreement and the transactions contemplated thereby.

7.4. Close of Escrow. Escrow Agent will close escrow on the Closing Date by (a) delivering the Deeds for recording to the appropriate county recorder's office, (b) disbursing all amounts and funds in accordance with the Settlement Statement and (c) assembling fully executed originals of the Bills of Sale, the Assignment and Assumption Agreements, the tenant notice letters and any other applicable documents and delivering the same to Sellers and Buyer.

7.5. Possession. Possession of the Real Property shall be surrendered to Buyer at the Closing, subject to the Permitted Encumbrances.

8. Apportionments and Expenses.

8.1. Apportionments.

8.1.1. Apportionments Generally. Except as otherwise expressly set forth below, all income and expenses normally apportioned in sales of properties of a nature and type similar to the Property shall be apportioned between Sellers, on the one hand, and Buyer, on the

other hand, as of 11:59 p.m. on the day immediately preceding the Closing Date, such that all items of income and expense with respect to the Property which are incurred or accrued on or after of the Closing Date shall be for the account of Buyer.

8.1.2. Taxes and Operating Expenses. All real estate taxes and assessments and other similar charges affecting the Property (collectively, “Taxes”) and all charges for common area maintenance charges, operating expenses and utilities, including, without limitation, water, electricity, sewer rental, gas, telephone, all other utilities provided to the Property, and all items and expenses covered by or arising out of the Declaration (collectively “Operating Expenses”) shall be prorated on a per diem basis as of the Closing Date to the extent the same are not paid directly by the tenants under the Leases. If any Taxes have not been finally assessed as of the Closing Date for the current fiscal year of the taxing authority, they will be prorated at Closing based upon the most recently issued bills therefor. If any Operating Expenses cannot be determined finally as of the Closing Date, they will be prorated at Closing on the basis of the best available information. Adjustments to the prorations will be made from time to time after Closing to take account of final information as to Taxes and Operating Expenses that were estimated as of the Closing Date or to adjust Rent or Operating Expenses that were not included in the prorations done as of the Closing Date, and Buyer or Sellers, as applicable, will pay the other within ten (10) business days after demand such amounts as may be appropriate based on such adjustments. Any reparation of expenses shall be completed within ninety (90) days after Closing or, in the case of Taxes, within thirty (30) days after the tax bills for the fiscal year in which the Closing occurs are issued and neither Buyer nor Sellers will be entitled to request a payment on account of reparations after such dates.

If either Seller has commenced or is otherwise prosecuting tax abatement proceedings which have not been resolved as of the Closing Date, then, from and after the Closing Date, such Seller may (but shall not be obligated to) prosecute such proceedings, and such Seller shall be entitled to any abatement proceeds obtained in connection therewith to the extent related to periods prior to the Closing Date and are not otherwise payable or required to be refunded to tenants under any Leases. Buyer agrees to reasonably cooperate with such Seller, at no out-of-pocket cost to Buyer, in such prosecution from and after the Closing, and Buyer, on the one hand, and Sellers, on the other hand, each agrees to promptly endorse or pay over to the other any abatement amounts received by it or them to which the other is entitled, subject to rights of tenants under any Leases.

8.1.3. Rent. All collected Rent under the Leases shall be prorated as of the Closing Date. Outstanding uncollected Rent shall not be prorated but, as applicable to periods prior to the Closing Date, shall remain the property of the applicable Seller. Payments received from and after the Closing Date from any tenant having outstanding uncollected Rent payable as of the Closing Date shall be applied first to any uncollected Rent from such tenant due for the then current month, then for the month in which the Closing Date occurs, and then to the uncollected Rent from such tenant prior to the Closing Date. Buyer shall use reasonable efforts to collect all Rent as to which Sellers are entitled, and Buyer shall reasonably cooperate with Sellers, at no out-of-pocket cost or expense to Buyer, in the collection of any such Rent. From and after the Closing Date Sellers may pursue collection of any Rent owed to them; provided, however, Sellers shall not commence eviction proceedings against any applicable tenants.

8.1.4. Tenant True Ups. Buyer shall be responsible for preparing and pursuing all “true ups” of calendar year 2014 Taxes and Operating Expenses under the Leases. On or before February 28, 2015 and prior to submitting the same to the tenants, Buyer shall provide Sellers with copies of all correspondence proposed to be sent to tenants with respect to the true ups, including all backup information reasonably requested by Sellers with respect thereto, all for Sellers’ review and approval within ten (10) business days following receipt of such information, which approval shall not be unreasonably withheld, conditioned or delayed. Calendar year 2014 expenses and revenue shall be allocated between Sellers and Buyer based on actual receipts and expenses for Sellers’ and Buyer’s respective periods of ownership. To the extent that any tenant owes any amount to the landlord under any Lease in connection therewith, Buyer shall remit any portion thereof which belongs to Sellers promptly upon collecting the same. To the extent that the landlord owes any amount to any tenant under any Lease in connection with such true ups, Sellers shall promptly remit any excess amounts to the extent actually collected and received by Seller promptly following Sellers’ approval of such true ups as contemplated hereby.

8.1.5. Tenant Security Deposits and Letters of Credit. Buyer shall receive a credit at Closing for all refundable tenant security deposits and prepaid Rent then held by Sellers and Buyer shall assume all obligations with respect thereto from and after the Closing pursuant to the Assignment and Assumption Agreements. In addition, Seller shall deliver all original letters of credit then held by Sellers to Buyer within one (1) business day following the Closing Date. Buyer shall be responsible for causing all such letters of credit to be transferred to Buyer at Buyer’s sole cost and expense, but Sellers shall reasonably cooperate with Buyer (at no out-of-pocket cost or expense to Sellers) in connection therewith.

8.1.6. Rent Abatements. Buyer shall also receive a credit at Closing in the amount of Eight Hundred Two Thousand Six Hundred Forty-Seven Dollars (\$802,647) for the rent abatements identified on **Exhibit B-1** attached hereto (which amount shall be subject to adjustment if the Closing Date occurs after October 1, 2014) and Buyer shall assume all obligations with respect thereto from and after the Closing pursuant to the Assignment and Assumption Agreements.

8.1.7. Lease Termination Payments. Sellers shall be entitled to retain all termination fees received from Deloitte LLP, Sun Life Assurance Company of Canada and Edens & Avant Investments LP in connection with the terminations of their leases.

8.1.8. Leasing Expenses. Any tenant improvement or other inducement costs or leasing commissions payable under new Leases or Lease modifications entered into after the Effective Date which are permitted by the terms hereof or otherwise approved or deemed approved by Buyer shall be apportioned between Sellers and Buyer as of the Closing Date. Sellers shall be responsible for the share of such costs attributable to the portion, if any, of the terms of any such new Lease or Lease modification occurring prior to the Closing Date but after the commencement of the tenant’s obligation to pay rent under such new Lease or Lease modification, and Buyer shall be responsible for the share of such costs attributable to the portion of the term of any such Lease or Lease modification occurring from and after the Closing Date, with all such costs being amortized over such rent-paying portion of the term of the applicable new Lease or Lease modification on a straight line basis. In addition, Buyer shall be solely responsible for all leasing

commissions which may, in the future, be payable under any existing commission agreements with respect to any expansion, renewal or extension options or any future amendments of any Leases which are first exercised and/or executed on or after the Closing Date. All costs and commissions which are Buyer's responsibility under this Section 8.1.8 shall be hereinafter collectively referred to as ("Buyer's Leasing Expenses"). To the extent that any Buyer's Leasing Expenses are paid by Sellers prior to Closing, such amounts shall be credited to Sellers at Closing. From and after the Closing, Buyer shall be responsible for all Buyer's Leasing Expenses. To the extent that any costs described in this Section 8.1.8 are the responsibility of Sellers but have not paid by Sellers as of Closing, they shall be credited to Buyer at Closing.

8.1.9. Utility Readings. Sellers shall endeavor to obtain readings of all electric, gas, water, sewer and other utility meters located at the Property on or about the Closing Date, and Sellers and Buyer shall reasonably cooperate to cause all such utilities to be transferred over to Buyer's accounts as of the Closing Date. If such readings are obtained and the corresponding accounts are transferred over to Buyer on the Closing Date, Sellers and Buyer, as applicable, shall each pay all such invoices related to such party's period of ownership directly to the applicable utility provider. If such readings are not obtained on the Closing Date, then the charges therefor shall be prorated based upon the per diem charges for the most recent period for which such readings are available. Any utility deposits made by Sellers shall remain the property of Sellers, and Buyer shall replace such utility deposits with its own deposits or reimburse Sellers for the same, as applicable.

8.1.10. Charges under Assigned Contracts. The unpaid monetary obligations of Sellers with respect to the Assigned Contracts shall be prorated on a per diem basis as of the Closing Date.

8.1.11. Other Buyer Credits. Buyer shall receive a credit at Closing for the remaining cost of the chiller unit currently on order for 400 Northpark, which remaining cost is currently estimated to be Five Hundred Thousand Dollars (\$500,000), net of any rebates payable with respect thereto.

8.1.12. Insurance Premiums. No insurance policies of Sellers are to be transferred to Buyer and there shall be no apportionment of any premiums with respect to such insurance policies at Closing.

8.2. Expenses. Each party will pay all its own expenses incurred in connection with this Agreement and the transaction contemplated hereby, including, without limitation, (a) all costs and expenses stated herein to be borne by such party and (b) all of their respective accounting, legal and other professional services fees. In addition to its other expenses, Buyer shall pay at Closing (i) all recording charges incident to the recording of the Deeds, (ii) all costs associated with the Title Commitment, title insurance policy and Survey and (iii) one-half of the fees, costs and expenses of Escrow Agent for acting in such capacity hereunder. In addition to their other expenses, Sellers shall pay at Closing (X) all documentary stamps, deed stamps and realty transfer taxes in connection with the recording of the Deeds, (Y) one-half of the fees, costs and expenses of Escrow Agent for acting in such capacity hereunder, and (Z) all costs of title delivery or cure items required of Sellers pursuant to this Agreement.

8.3 Survival. The parties' obligations under this Section 8 shall survive the Closing (subject to any limitations set forth in this Section 8).

9. Damage or Destruction; Condemnation.

9.1 Material Damage or Condemnation. If at any time prior to the Closing Date the Property is damaged by fire or other casualty, Sellers shall deliver prompt written notice thereof to Buyer. If the cost to repair such damage is reasonably estimated by a mutually acceptable independent insurance adjuster to exceed Seven Million and No/100s Dollars (\$7,000,000) or if all or any material portion of the Property is condemned or taken by eminent domain proceedings by any public authority, then Seller shall deliver written notice thereof to Buyer, and Buyer, at Buyer's option, may terminate this Agreement by delivering written notice thereof to Sellers within ten (10) business days following Buyer's receipt of such notice from Sellers. If Buyer timely delivers any such termination notice to Sellers, then the parties shall jointly instruct Escrow Agent to release the Deposit to Buyer, this Agreement shall terminate, and no party shall have any further obligations or rights to any other party hereunder, except for those obligations and rights which expressly survive the termination of this Agreement.

9.2 Closing following Damage or Condemnation. If at any time prior to the Closing Date the Property is damaged by fire or other casualty or any portion of the Property is condemned or taken by eminent domain proceedings as aforesaid and this Agreement is not terminated as herein provided, then the parties shall proceed with the Closing and (a) in the case of a casualty, Sellers shall assign to Buyer all rights to any insurance proceeds paid or payable under the applicable property insurance policies (including, without limitation, rent loss and/or business interruption proceeds applicable to the period after Closing) plus an amount equal to Sellers' deductible and (b) in the case of a taking, all condemnation proceeds paid or payable to Seller shall belong to Buyer and shall be paid over and assigned to Buyer at Closing, in each case less any costs of collection and/or restoration incurred by Sellers with respect thereto. Sellers will reasonably cooperate with Buyer (at no cost or expense to Sellers) from and after the occurrence of the casualty or condemnation in (i) making, filing, processing any claims insurance proceeds or condemnation awards and (ii) collecting and delivering to Buyer such proceeds or awards.

10. Remedies.

10.1. Buyer Default. If Buyer breaches or fails, without legal excuse, in its obligations to complete the purchase of the Property, then Sellers shall, as their sole and exclusive remedy therefor, be entitled to receive the Deposit, plus all interest earned and accrued thereon, as liquidated damages (and not as a penalty) in lieu of, and as full compensation for, all other rights or claims of Sellers against Buyer by reason of such breach or failure, whereupon this Agreement shall terminate and the parties shall not have any further rights or obligations hereunder, except for those rights and obligations which expressly survive the termination of this Agreement. Buyer and Sellers acknowledge that Sellers' damages resulting from such a breach or failure would be difficult, if not impossible, to ascertain with any accuracy, and that the liquidated damage amount set forth in this Section represents both parties' best efforts to approximate such potential damages. Without limiting the foregoing, Sellers' receipt of the Deposit is intended not as a penalty, but as full liquidated damages pursuant to Official Code of Georgia Annotated § 13-6-7. Notwithstanding the foregoing,

and subject to the remaining terms and conditions of this Agreement, nothing contained in this Section 10.1 shall operate to limit or otherwise impair any remedy or right that either Seller might have against Buyer for any breach of any other obligation of Buyer hereunder prior to Closing or any covenant, liability, obligation, representation or warranty of Buyer which survives the Closing or any earlier termination of this Agreement.

10.2. Sellers Default . If either Seller or both Sellers breach or fail, without legal excuse, in their respective obligations to complete the sale of the Property or to perform their other obligations under this Agreement, Buyer may, as its sole and exclusive remedy therefor, be entitled either (a) to enforce specific performance of this Agreement against Sellers or (b) to receive a return of the Deposit and Sellers shall reimburse Buyer for its out-of-pocket costs and expenses incurred in connection with this transaction in an amount not to exceed One Hundred Seventy-Five Thousand Dollars (\$175,000), whereupon this Agreement shall terminate and the parties shall not have any further rights or obligations hereunder, except for those rights and obligations which expressly survive the termination of this Agreement. Notwithstanding the foregoing and subject to the remaining terms of this Agreement, nothing contained in this Section 10.2 shall operate to limit or otherwise impair any remedy or right that Buyer might have against either Seller for any breach of any covenant, liability or obligation, representation or warranty of such Seller which survives the Closing or any earlier termination of this Agreement.

10.3. Limitations on Buyer's Remedies . Notwithstanding anything contained in this Agreement to the contrary, Buyer agrees that its recourse against Sellers under this Agreement or under any other agreement, document, certificate or instrument delivered by Sellers to Buyer pursuant hereto, or under any law applicable to the Property or the transactions contemplated hereby, shall be strictly limited to Sellers' interest in the Property (or, following the Closing, to the net proceeds of the sale thereof actually received by Sellers), and that in no event shall Buyer seek or obtain any recovery or judgment against any of either Seller's other assets (if any) or against any of either Seller's partners or members (or their constituent partners or members) or any director, officer, employee or shareholder of any of the foregoing. Buyer agrees that Sellers shall have no liability to Buyer for any breach of any covenants, liabilities, obligations, representations or warranties hereunder or under any other agreement, document, certificate or instrument delivered by Sellers to Buyer, or under any law applicable to the Property or the transactions contemplated hereunder unless the valid claims for all such breaches collectively aggregate more than One Hundred Fifty Thousand Dollars (\$150,000), following which event the full amount of such valid claims shall be actionable up to the cap set forth in the following sentence. Further, Buyer agrees that any recovery against Sellers for any breach of Sellers' covenants, liabilities, obligations, representations or warranties hereunder or under any other agreement, document, certificate or instrument delivered by Sellers to Buyer, or under any law applicable to the Property or the transactions contemplated hereby, shall be limited to Buyer's actual damages not in excess of Three Million Five Hundred Thousand Dollars (\$3,500,000) in the aggregate, and that in no event shall Buyer be entitled to seek or obtain any other damages of any kind, including, without limitation, any consequential, indirect or punitive damages. This Section 10.3 shall survive the Closing or any earlier termination of this Agreement.

11. Notices. All notices and other communications provided for herein shall be in writing and shall be sent to the address set forth below (or such other address as a party may hereafter designate for itself by notice to the other parties as required hereby) for the party for whom such notice or communication is intended:

If to Sellers: c/o AEW Capital Management
2 Seaport Lane
Boston, Massachusetts 02210
Fax No.: (617) 261-9555
e-mail: jyoung@AEW.com
Attention: James Young

With a copy to: c/o AEW Capital Management
2 Seaport Lane
Boston, Massachusetts 02210
Fax No.: (617) 261-9555
e-mail: jfinnegan@AEW.com
Attention: James Finnegan, General Counsel

and: Sullivan & Worcester LLP
One Post Office Square
Boston, Massachusetts 02109
Fax No: (617) 338-2880
e-mail: jsteiner@sandw.com
Attention: John M. Steiner

If to Buyer: c/o Cousins Properties Incorporated
191 Peachtree Street, NE
Suite 500
Atlanta, Georgia 30303
Fax No.: (404) 407-1999
and (404) 407-1641
email: colinconnolly@cousinsproperties.com
and pamroper@cousinsproperties.com
Attention: Colin Connolly and Pamela F. Roper

With a copy to: King & Spalding LLP
1180 Peachtree Street, NE
Atlanta, Georgia 30309
Fax No.: (404) 572-5131
e-mail: tgoodwin@kslaw.com
Attention: Timothy J. Goodwin

Any such notice or communication shall be sufficient if sent by registered or certified mail, return receipt requested, postage prepaid; by reputable overnight courier service, postage prepaid; or by

facsimile or e-mail (in the form of a .pdf attachment thereto), with an original by reputable overnight courier service. Any such notice or communication shall be effective when delivered or when delivery is refused. Attorneys may give notices on behalf of the party or parties whom they represent.

12. Brokers. Buyer represents to Sellers and each Seller represents to Buyer that it has not dealt with any broker or agent in connection with the transaction contemplated hereby other than Eastdil Secured, LLC (“Broker”). Sellers shall pay Broker a commission pursuant to a separate agreement, if, as and when the Closing occurs, but not otherwise. Each party shall indemnify, defend and hold harmless each other party from and against all loss, cost and expense (including reasonable attorneys’ fees) arising out of a breach of its representations or undertakings set forth in this Section 12. This Section 12 shall survive the Closing or any earlier termination of this Agreement.

13. Escrow Agent.

13.1. Obligations of Escrow Agent. Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties or obligations shall be read into this Agreement against Escrow Agent.

13.2. Reliance by Escrow Agent. Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes, and any statement or assertion contained in such writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instrument in connection with the provisions of this Agreement has been duly authorized to do so. Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited in escrow, nor as to the identity, authority, or right of any person executing the same, and Escrow Agent’s duties under this Agreement shall be limited to those provided in this Agreement.

13.3. Disputes Involving Escrow Agent. If the parties (including Escrow Agent) shall be in disagreement about the interpretation of this Agreement, or about their respective rights and obligations hereunder, or the propriety of any action contemplated by Escrow Agent, or the application of the Deposit, Escrow Agent shall hold the Deposit until the receipt of written instructions from both Buyer and Sellers or a final order of a court of competent jurisdiction. In addition, Escrow Agent may (but shall not be required to) file an action in interpleader to resolve the disagreement.

13.4. Counsel for Escrow Agent. Escrow Agent may consult with counsel of its own choice and have full and complete authorization and protection in accordance with the opinion of such counsel. Escrow Agent shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind, unless caused by its negligence or willful misconduct.

13.5. Indemnification of Escrow Agent. Unless Escrow Agent discharges any of its duties under this Agreement in a negligent manner or is guilty of willful misconduct with regard thereto, Sellers and Buyer shall indemnify, defend and hold harmless Escrow Agent from and against any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or other

expenses, fees, or charges of any character or nature, which it may incur or which it may be threatened with by reason of its acting as Escrow Agent under this Agreement. As between Sellers, on the one hand, and Buyer, on the other hand, if Escrow Agent incurs any costs or expenses in connection with any dispute between Sellers and Buyer, the party (or parties) which do not substantially prevail in such dispute shall be responsible for all such costs and expenses.

13.6 IRS Real Estate Sales Reporting . Escrow Agent shall act as “the person responsible for closing” the transactions contemplated hereby pursuant to Section 6045(e) of the Internal Revenue Code of 1986, as amended. In connection therewith, the Escrow Agent shall prepare and file all informational returns, including IRS Form 1099-S and shall otherwise comply with the provisions of said Section 6045(e).

13.7 Survival . This Section 13 shall survive the Closing or any earlier termination of this Agreement.

14. Miscellaneous .

14.1. Assignability . Buyer may not assign or transfer any of its right, title or interest under this Agreement (including, without limitation, any of its liabilities or obligations hereunder) to any other party without Sellers’ prior written consent, which consent may be granted or withheld by Sellers in their sole discretion. Notwithstanding the foregoing, subject to the remaining provisions of this Section 14.1 , Buyer may assign or transfer its right, title and interest under this Agreement to a wholly-owned or controlled subsidiary of Buyer or of Cousins Properties Incorporated without Sellers’ prior consent. No assignment or transfer by Buyer will be permitted if such assignment or transfer would, in Sellers’ opinion, cause the transactions contemplated by this Agreement to violate any provision of applicable law, including, without limitation, ERISA. Furthermore, no assignment or transfer by Buyer of its liabilities or obligations under this Agreement (regardless of whether or not Sellers shall have consented to the same) shall relieve Buyer named herein from any of its liabilities or obligations hereunder, and Buyer named herein shall remain primarily liable to Sellers for the performance of any such liabilities or obligations notwithstanding any such assignment or transfer. Buyer shall provide written notice to Sellers of any proposed assignment or transfer of any of its right, title or interest under this Agreement no later than five (5) business days prior to the Closing Date.

14.2. Merger . Unless expressly made to survive, all obligations and covenants of Sellers contained herein shall be deemed to have been merged into the Deeds and shall not survive the Closing. Notwithstanding any of the provisions of this Agreement to the contrary, from and after the Closing, Buyer shall be deemed to have waived and released any claims based upon a breach of any of Seller’s representations or warranties or any of Seller’s obligations of which Buyer had notice on or before the Closing.

14.3 Governing Law; Bind and Inure . This Agreement shall be governed by the law of the State of Georgia and shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and personal representatives.

14.4. Recording. Neither this Agreement nor any notice or memorandum hereof shall be recorded in any public record. A violation of this prohibition by Buyer shall constitute a material breach by Buyer of its obligations hereunder and shall entitle Sellers to terminate this Agreement and retain the Deposit.

14.5. Time of the Essence. Time is of the essence of this Agreement.

14.6. Headings. The headings preceding the text of the sections, paragraphs and subparagraphs hereof are inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

14.7. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14.8. Exhibits. All Exhibits which are referred to herein and which are attached hereto are expressly made and constitute a part of this Agreement.

14.9. Submission not an Offer or Option. The submission of this Agreement or a summary of some or all of its provisions for examination or negotiation by Buyer or Sellers does not constitute an offer by Sellers or Buyer to enter into an agreement to sell or purchase the Property, and no party shall be bound to the other with respect to any such purchase and sale until this Agreement is executed and delivered by Sellers and Buyer.

14.10. Entire Agreement; Amendments. This Agreement and the Exhibits hereto, together with the Access Agreement, set forth all of the promises, covenants, agreements, conditions and undertakings between the parties hereto with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, except as contained herein. This Agreement may not be changed orally but only by an agreement in writing, duly executed by or on behalf of the party or parties against whom enforcement of any waiver, change, modification, consent or discharge is sought.

14.11. Attorneys' Fees. Except as otherwise provided in this Agreement, each party to this Agreement will bear its own costs (including attorneys' fees) incurred in connection with any litigation, arbitration or similar proceeding between the parties arising out of a dispute related to this Agreement, the Property or the transactions contemplated by this Agreement. Each party waives rights to recover attorneys' fees and other costs, if any, that otherwise would be available by statute or as a matter of law (except as otherwise provided in this Agreement).

14.12. Submission to Jurisdiction; Jury Waiver. BUYER AND EACH SELLER HEREBY SUBMITS TO THE EXCLUSIVE JURISDICTION OF (A) THE SUPERIOR COURT OF FULTON COUNTY, GEORGIA OR (B) THE U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF GEORGIA, AND WAIVES THE RIGHT TO A JURY IN ANY LITIGATION IN CONNECTION WITH THIS AGREEMENT, OR THE PROPERTY, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

14.13. No Presumption Against Drafter. This Agreement has been extensively negotiated by Sellers and Buyer and none of the provisions set forth herein shall be construed narrowly against either party on the account of the fact that such party (or its attorney) drafted such provision.

14.14. Enforceability. The determination that any provision of this Agreement is invalid or unenforceable will not affect the validity or enforceability of the remaining provisions or of that provision under other circumstances. Any invalid or unenforceable provision will be enforced to the maximum extent permitted by law.

14.15. Joint and Several Liability. Prior to the Closing, each Seller shall be severally liable for the liabilities and obligations of Sellers under this Agreement, such that (a) if any duty or obligation hereunder applies to the portion of the Property owned by either Seller, then such Seller shall be individually liable for performing such duty or obligation and (b) if any duty or obligation hereunder does not apply to any particular portion of the Property, then each Seller shall be individually liable for performing such duty or obligation. From and after the Closing, each Seller shall be jointly and severally liable for the liabilities and obligations of all Sellers under this Agreement.

14.16. Time Periods. If the time period by which any right, option or election under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which Closing must be held, expires or falls on a Saturday, Sunday, or U.S. holiday, then such time period shall automatically be extended to the next business day.

14.17. Confidentiality. Buyer and Sellers agree to hold all information related to this transaction in strict confidence and shall not disclose same to any person, except that (a) either party may disclose the same to directors, officers, employees and agents of each, as well as to consultants, banks or other third parties working with Sellers or Buyer in connection with the transaction who need to know such information for the purpose of consummating this transaction and (b) Buyer shall be entitled to make such disclosures in filings with the U.S. Securities and Exchange Commission as Buyer's legal counsel shall determine are advisable or required by law consistent with Buyer's past practices (by way of example and not limitation, 8K or other filings) and Buyer shall be entitled to make public disclosures about the transaction and prospective leasing of the Property; provided, however, any public disclosures regarding leasing at the Property shall include language indicating that any leases or amendments executed by Buyer shall not be effective unless and until the Closing occurs. This prohibition shall not be applicable to disclosure of information required by applicable law, rule or regulation. In no event shall either party knowingly and intentionally disclose or reference in any press release or similar public document the name of any direct or indirect owner of the other party, except that Buyer may disclose the name of each Seller's sole member in the FIRPTA certificate and Buyer may disclose that Sellers included "AEW Capital Management on behalf of an institutional client". Except as otherwise provided in this Section 14.17, any release to the public of information with respect to the matters set forth in this Agreement shall be made only in the form reasonably approved by Buyer and Seller and their

respective counsel. This Section 14.17 shall not survive the Closing, other than the limitation on disclosure of the names of the parties' direct or indirect owners.

14.18. Audit Cooperation. Buyer is a publicly-traded real estate investment trust and is subject to certain audit requirements with respect to property it acquires under applicable SEC rules and regulations. Sellers shall cooperate in good faith (at no cost to Sellers) with Buyer's auditor in the conduct of such audit and shall deliver to Buyer's accountants a letter substantially in the form of **Exhibit L** attached hereto; provided, however, in no event shall Sellers incur any liability or obligation whatsoever in connection therewith. This Section 14.18 shall expressly survive the Closing for no more than one (1) year.

14.19. Survival. This Section 14 shall survive the Closing or any earlier termination of this Agreement.

[Remainder of page intentionally left blank; Signature page follows]

IN WITNESS WHEREOF, the parties to this Agreement have executed and delivered this Agreement as of the Effective Date.

SELLERS:

FULCO PROP400 LLC,
a Delaware limited liability company

By: Fulco400 LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Title: _____

FULCO PROP56 LLC,
a Delaware limited liability company

By: Fulco56 LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Title: _____

BUYER:

COUSINS ACQUISITIONS ENTITY, LLC, a Georgia limited liability company

By: COUSINS PROPERTIES INCORPORATED, a Georgia corporation, its sole member

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT AND JOINDER BY ESCROW AGENT

Stewart Title Guaranty Company hereby: (a) acknowledges receipt of the foregoing Purchase and Sale Agreement, dated as of August 1, 2014, among Fulcoprop 400 LLC, Fulcoprop56 LLC and Cousins Acquisitions Entity, LLC (the “Agreement”), (b) agrees to hold and deliver the Deposit (as defined in the Agreement) in accordance with the terms and conditions of the Agreement and (c) agrees to perform all of its other obligations pursuant to and in accordance with the terms and conditions of the Agreement.

ESCROW AGENT:

STEWART TITLE GUARANTY COMPANY

By: _____
Name: _____
Title: _____

**CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Lawrence L. Gellerstedt III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cousins Properties Incorporated (the “Registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

/s/ Lawrence L. Gellerstedt III

Lawrence L. Gellerstedt III
President and Chief Executive Officer
Date: October 29, 2014

**CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Gregg D. Adzema, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cousins Properties Incorporated (the “Registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

/s/ Gregg D. Adzema

Gregg D. Adzema
Executive Vice President and Chief Financial Officer
Date: October 29, 2014

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and in connection with the Quarterly Report on Form 10-Q of Cousins Properties Incorporated (the “Registrant”) for the quarter ended September 30, 2014 , as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, the President and Chief Executive Officer of the Registrant, certifies that to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Lawrence L. Gellerstedt III

Lawrence L. Gellerstedt III
President and Chief Executive Officer
Date: October 29, 2014

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and in connection with the Quarterly Report on Form 10-Q of Cousins Properties Incorporated (the “Registrant”) for the quarter ended September 30, 2014 , as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, the Executive Vice President and Chief Financial Officer of the Registrant, certifies that to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Gregg D. Adzema

Gregg D. Adzema
Executive Vice President and Chief Financial Officer
Date: October 29, 2014