LAUREATE EDUCATION, INC.
Form SC 13E3
March 16, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13E-3

RULE 13e-3 TRANSACTION STATEMENT

(Pursuant to Section 13(e) of the Securities Exchange Act of 1934)

LAUREATE EDUCATION, INC.

(Name of the Issuer)

Laureate Education, Inc. **Douglas L. Becker** **The persons listed on Schedule I hereto**

(Name of Person(s) Filing Statements)

Common Stock, par value $.01 per share

(Title of Class of Securities)

518613104

(CUSIP Number of Class of Securities)

Robert W. Zentz, Esq.
Senior Vice President and General Counsel
Laureate Education, Inc.
1001 Fleet Street
Baltimore, Maryland 21202
(410) 843-8043

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Person(s) Filing Statement)

Copies to:

R.W. Smith, Jr., Esq. **Jason C. Harmon, Esq.** **DLA Piper US LLP** **6225 Smith Avenue** **Baltimore, MD 21209** **(410) 580-3000**	**Robert B. Robbins, Esq.** **Thomas J. Plotz, Esq.** **Pillsbury Winthrop Shaw Pittman LLP** **2300 N Street, N.W.** **Washington, D.C. 20037** **(202) 663-8000**	**Jeffrey R. Patt** **Katten Muchin Rosenman LLP** **525 West Monroe** **Chicago, IL 60661** **(312) 902-5200**	**David J. Sorkin, Esq.** **Simpson Thacher & Bartlett LLP** **425 Lexington Avenue** **New York, NY 10017** **(212) 455-2000**

This statement is filed in connection with (check the appropriate box):

x	a.	The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C or Rule 13e-3(c) under the Securities Exchange Act of 1934.
o	b.	The filing of a registration statement under the Securities Act of 1933.
o	c.	A tender offer.
o	d.	None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies: x

Check the following box if the filing is a final amendment reporting the results of the transaction: o

Calculation of Filing Fee

Transaction Valuation*	**Amount of Filing Fee****
$3,336,768,985	**$102,439**

* Calculated solely for purposes of determining the filing fee. The transaction value was determined based upon the sum of (a) $60.50 per share of 51,881,859 shares of the Company s Common Stock, (b) $60.50 per share of 166,000 shares of the Company s Common Stock underlying performance share units and (c) $60.50 minus the weighted average exercise price of $24.369 per share underlying options to purchase 5,200,507 shares of the Company s Common Stock, all with an exercise price of less than $60.50.

** The filing fee, calculated in accordance with Exchange Act Rule 0-11(c)(1), was calculated by multiplying the transaction value by 0.0000307.

x Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: $102,439
Form or Registration No.: Schedule 14A
Filing Party: Laureate Education, Inc.
Date Filed: March 16, 2007

Schedule I

R. Christopher Hoehn-Saric

Steven M. Taslitz

Eric D. Becker

Wengen Alberta, Limited Partnership

L Curve Sub Inc.

Bregal Europe Co-Investment L.P.

Citigroup Private Equity LP

KKR 2006 Limited

S.A.C. Capital Management, LLC

Snow, Phipps & Guggenheim, LLC

Sterling Capital Partners II, L.P.

INTRODUCTION

This Rule 13e-3 Transaction Statement on Schedule 13E-3, together with the exhibits hereto (the Transaction Statement), is being filed by (1) Laureate Education, Inc., a Maryland corporation (Laureate or the Company), the issuer of the Company s common stock that is subject to the Rule 13e-3 transaction, (2) Douglas L. Becker, an individual and a director and the Chairman of the Board of Directors and Chief Executive Officer of Laureate, (3) R. Christopher Hoehn-Saric, an individual and a director of Laureate, (4) Steven M. Taslitz, an individual, (5) Eric D. Becker, an individual and brother of Douglas L. Becker, who along with Douglas Becker and Messrs. Hoehn-Saric and Taslitz, is a founding member of Sterling Partners, (6) Sterling Capital Partners II, L.P., a Delaware limited partnership, (7) Wengen Alberta, Limited Partnership, an Alberta limited partnership (Parent), (8) L Curve Sub Inc., a Maryland corporation and a direct subsidiary of Parent (Merger Sub), (9) Bregal Europe Co-Investment L.P., a Scottish limited partnership, (10) Citigroup Private Equity LP, a Delaware limited partnership, (11) KKR 2006 Limited, a Cayman Islands exempted company, (12) S.A.C. Capital Management, LLC, a Delaware limited liability company, and (13) Snow, Phipps & Guggenheim, LLC, a Delaware limited liability company (collectively, the Filing Persons).

Pursuant to the Agreement and Plan of Merger dated as of January 28, 2007 (the Merger Agreement), by and among the Company, Parent and Merger Sub, Merger Sub will merge (the Merger) with and into the Company, the separate corporate existence of Merger Sub will cease and the Company will continue as the surviving corporation. Upon completion of the Merger, each share of the Company s common stock issued and outstanding as of the effective time of the Merger (other than shares of the Company s common stock owned by Parent immediately prior to the effective time of the Merger, including shares acquired by Parent from Douglas L. Becker, Eric D. Becker, Messrs. Hoehn-Saric and Taslitz and certain trusts affiliated with them) will be converted into the right to receive $60.50 in cash. Except as otherwise agreed by Parent and a holder of options to acquire shares of the Company s common stock or of unvested restricted shares, or as otherwise provided in the Merger Agreement, to the extent applicable, outstanding options, unvested restricted shares and performance share units will, as of the effective time of the Merger, be treated as follows:

all outstanding options to acquire shares of the Company s common stock will be canceled and, in exchange for such cancellation, each holder will be entitled to receive from the surviving corporation promptly following the effective time of the Merger a cash payment equal to the number of shares of the Company s common stock underlying the holder s option or options multiplied by the amount by which $60.50 exceeds the exercise price for each share of the Company s common stock underlying the option or options, without interest and less any applicable withholding taxes;

each unvested Company restricted share outstanding immediately prior to the effective time of the Merger will vest and become free of restrictions and will be canceled and converted into the right to receive $60.50, without interest and less any applicable withholding taxes, in the Merger; and

the performance share units and, to the extent not previously exercised, options to purchase shares of the Company s common stock held by Mr. Becker, and, to the extent not previously exercised, options to purchase shares of the Company s common stock held by Mr. Hoehn-Saric, are expected to be canceled in exchange for the surviving corporation establishing a new deferred compensation plan for each of Messrs. Becker and Hoehn-Saric, under which plans these two individuals will have the right to receive cash payments in the future, which plans will have an aggregate initial value of approximately $126.7 million, assuming Messrs. Becker and Hoehn-Saric do not exercise any options to purchase shares of the Company s common stock prior to the consummation of the merger.

The Merger Agreement provides that, in connection with the consummation of the Merger, specified unvested options to purchase shares of the Company s common stock and specified unvested Company restricted shares will be canceled without payment therefor and, in lieu of making the payments described above, the surviving corporation will establish a retention bonus award plan, pursuant to which each holder of such canceled option or restricted share will be entitled to receive a cash payment, without interest and less any applicable withholding taxes, equivalent to the amount the holder otherwise would have received for such award promptly following the effective time of the Merger in respect to such canceled options and restricted shares, provided that the holder remains employed by the surviving corporation through the first (or second, for certain employees) anniversary of the effective time of the Merger.

Concurrently with the filing of this Transaction Statement, the Company is filing with the Securities and Exchange Commission a preliminary Proxy Statement (the Proxy Statement) under Regulation 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act), relating to the special meeting of the stockholders of the Company at which the stockholders of the Company will consider and vote upon a proposal to approve the Merger and the Merger Agreement. The approval of the Merger and the Merger Agreement requires the affirmative vote of the holders of a majority of the shares of the Company s common stock outstanding as of the close of business on the record date relating to the special meeting of stockholders.

The cross references below are being supplied pursuant to General Instruction G to Schedule 13E-3 and show the location in the Proxy Statement of the information required to be included in response to the items of Schedule 13E-3. The information contained in the Proxy Statement, including all annexes thereto, is incorporated in its entirety herein by this reference, and the responses to each Item in this Transaction Statement are qualified in their entirety by the information contained in the Proxy Statement and the annexes thereto. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Proxy Statement. All information contained in this Transaction Statement concerning any of the Filing Persons has been provided by such Filing Person and none of the Filing Persons, including the Company, takes responsibility for the accuracy of any information not supplied by such Filing Person.

The filing of this Transaction Statement shall not be construed as an admission by any of the Filing Persons or by any affiliate of a Filing Person, that Laureate is controlled by any other Filing Person or that any Filing Person is an affiliate of Laureate within the meaning of Rule 13e-3 under Section 13(e) of the Exchange Act.

TABLE OF CONTENTS

Item 1. Summary Term Sheet

Regulation M-A Item 1001

The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet
Questions and Answers about the Special Meeting and the Merger

Item 2. Subject Company Information

Regulation M-A Item 1002

(a) **Name and Address**. The Company s name and the address and telephone number of its principal executive office are as follows:

Laureate Education, Inc.
1001 Fleet Street
Baltimore, Maryland 21202
(410) 843-6100

(b) **Securities**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Questions and Answers about the Special Meeting and the Merger
The Special Meeting Record Date

(c) **Trading Market and Price**. The information set forth in the Proxy Statement under the caption Important Information About Laureate Market Price and Dividend Data is incorporated herein by reference.

(d) **Dividends**. The information set forth in the Proxy Statement under the caption Important Information About Laureate Market Price and Dividend Data is incorporated herein by reference.

(e) **Prior Public Offerings**. None.

(f) **Prior Stock Purchases**. The information set forth in the Proxy Statement under the caption Important Information About Laureate Prior Stock Purchases is incorporated herein by reference.

Item 3. Identity and Background of Filing Person(s)

Regulation M-A Item 1003

(a) **Name and Address**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet The Merger and the Merger Agreement
The Parties to the Merger
Annex E Information Relating to Laureate Directors and Executive Officers, the Sponsors, the Sterling Founders and certain trusts affiliated with the Sterling Founders

(b) **Business and Background of Entities**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet The Merger and the Merger Agreement
The Parties to the Merger

Important Information About Laureate
Annex E Information Relating to Laureate Directors and Executive Officers, the Sponsors, the Sterling Founders and certain trusts affiliated with the Sterling Founders

(c) **Business and Background of Natural Persons**. The information set forth in the Proxy Statement as Annex E Information Relating to Laureate Directors and Executive Officers, the Sponsors, the Sterling Founders and certain trusts affiliated with the Sterling Founders is incorporated herein by reference.

Item 4. Terms of the Transaction

Regulation M-A Item 1004

(a) **Material Terms**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet
Questions and Answers about the Special Meeting and the Merger
The Special Meeting
Special Factors
The Merger and the Merger Agreement
Annex A Agreement and Plan of Merger

(c) **Different Terms**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet
Questions and Answers about the Special Meeting and the Merger
Special Factors Certain Effects of the Merger
Special Factors Financing of the Merger
Special Factors Interests of the Company s Directors and Executive Officers in the Merger
The Merger and the Merger Agreement Treatment of Options, Restricted Shares and Performance Share Units

(d) **Appraisal Rights**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet Other Important Considerations
The Special Meeting No Dissenters Rights

The Merger and the Merger Agreement Merger Consideration
No Dissenters Rights

(e) **Provisions for Unaffiliated Security Holders**. Certain members of senior management have, by reason of their position as such, access to certain corporate files of the Company. There have been no provisions in connection with this transaction to grant unaffiliated security holders access to the corporate files of the Filing Persons or to obtain counsel or appraisal services at the expense of the Filing Persons.

(f) **Eligibility for Listing or Trading**. Not applicable.

Item 5. Past Contacts, Transactions, Negotiations and Agreements

Regulation M-A 1005

(a) **Transactions**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet
Special Factors Background of the Merger
Special Factors Interests of the Company s Directors and Executive Officers in the Merger

Special Factors Certain Relationships Between Parent and Laureate

(b) **Significant Corporate Events**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet
Special Factors Background of the Merger
Special Factors Interests of the Company s Directors and Executive Officers in the Merger

(c) **Negotiations or Contacts**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet
Special Factors Background of the Merger
Special Factors Interests of the Company s Directors and Executive Officers in the Merger

(e) **Agreements Involving the Subject Company s Securities**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet
Questions and Answers about the Special Meeting and the Merger
The Special Meeting
The Voting Agreement
Special Factors Interests of the Company s Directors and Executive Officers in the Merger
Annex B Voting Agreement

Citigroup Inc., an affiliate of Citigroup Private Equity LP, and its affiliates are engaged in a wide range of financial services and businesses (including investment management, financing, securities trading, corporate and investment banking and research), which may in the ordinary course of business include providing financial services to the Company.

Item 6. Purposes of the Transaction and Plans or Proposals

Regulation M-A Item 1006

(b) **Use of Securities Acquired**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet   Other Important Considerations
Questions and Answers about the Special Meeting and the Merger
Special Factors   Purposes, Reasons and Plans for Laureate after the Merger
Special Factors   Certain Effects of the Merger
Special Factors   Financing of the Merger

Special Factors Interests of the Company s Directors and Executive Officers in the Merger

The Merger and the Merger Agreement The Merger
The Merger and the Merger Agreement Treatment of Options, Restricted Shares and Performance Share Units
Annex A Agreement and Plan of Merger

(c)(1)-(8) **Plans**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet Other Important Considerations
Questions and Answers about the Special Meeting and the Merger
Special Factors Background of the Merger
Special Factors Purposes, Reasons and Plans for Laureate after the Merger
Special Factors Certain Effects of the Merger

Special Factors Delisting and Deregistration of the Company s Common Stock
Special Factors Financing of the Merger
Special Factors Interests of the Company s Directors and Executive Officers in the Merger
The Merger and the Merger Agreement
Annex A Agreement and Plan of Merger

Item 7. Purposes, Alternatives, Reasons and Effects

Regulation M-A Item 1013

(a) **Purposes**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet Other Important Considerations
Questions and Answers about the Special Meeting and the Merger
Special Factors Background of the Merger
Special Factors Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors; Fairness of the Merger
Special Factors Purposes and Reasons of the Sterling Founders, certain affiliated trusts and SCP II
Special Factors Purposes and Reasons of Parent, Merger Sub, and the Sponsors
Special Factors Purposes, Reasons and Plans for Laureate after the Merger

(b) **Alternatives**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Special Factors Background of the Merger
Special Factors Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors; Fairness of the Merger
Special Factors Purposes, Reasons and Plans for Laureate after the Merger

Special Factors Effects on the Company if the Merger is Not Consummated

(c) **Reasons**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet Other Important Considerations
Questions and Answers about the Special Meeting and the Merger
Special Factors Background of the Merger
Special Factors Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors; Fairness of the Merger

Special Factors Purposes and Reasons of the Sterling Founders, certain affiliated trusts and SCP II
Special Factors Purposes and Reasons of Parent, Merger Sub, and the Sponsors
Special Factors Opinions of the Special Committee s Financial Advisors
Special Factors Purposes, Reasons and Plans for Laureate after the Merger

(d) **Effects**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet Other Important Considerations
Questions and Answers about the Special Meeting and the Merger
Special Factors Background of the Merger
Special Factors Purposes, Reasons and Plans for Laureate after the Merger
Special Factors Certain Effects of the Merger
Special Factors Effects on the Company if the Merger is Not Consummated
Special Factors Material U.S. Federal Income Tax Consequences of the Merger to Our Stockholders
The Merger and the Merger Agreement
Annex A Agreement and Plan of Merger

Item 8. Fairness of the Transaction

Regulation M-A 1014

(a) **Fairness**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet Other Important Considerations
Questions and Answers about the Special Meeting and the Merger
Special Factors Background of the Merger
Special Factors Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors; Fairness of the Merger
Special Factors Position of the Sterling Founders, certain affiliated trusts and SCP II as to Fairness
Special Factors Position of Parent, Merger Sub and the Sponsors as to Fairness
Special Factors Opinions of the Special Committee s Financial Advisors
Annex C Opinion of Morgan Stanley & Co. Incorporated
Annex D Opinion of Merrill Lynch, Pierce, Fenner and Smith Incorporated

(b) **Factors Considered in Determining Fairness**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet Other Important Considerations
Questions and Answers about the Special Meeting and the Merger
Special Factors Background of the Merger
Special Factors Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors; Fairness of the Merger
Special Factors Opinions of the Special Committee s Financial Advisors

Special Factors	Purposes and Reasons of the Sterling Founders, certain affiliated trusts and SCP II
Special Factors	Purposes and Reasons of Parent, Merger Sub, and the Sponsors
Special Factors	Purposes, Reasons and Plans for Laureate after the Merger
Special Factors	Interests of the Company s Directors and Executive Officers in the Merger

Annex C Opinion of Morgan Stanley & Co. Incorporated
Annex D Opinion of Merrill Lynch, Pierce, Fenner and Smith Incorporated

(c) **Approval of Security Holders**. The transaction is not structured so that the approval of at least a majority of unaffiliated security holders is required. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet Other Important Considerations
Questions and Answers about the Special Meeting and the Merger

The Special Meeting Voting Rights; Quorum; Vote Required for Approval
Special Factors Reasons for the Merger; Recommendation of the Special Committee and Our Board of Directors; Fairness of the Merger

The Merger and the Merger Agreement

(d) **Unaffiliated Representative**. An unaffiliated representative was not retained to act solely on behalf of unaffiliated security holders for purposes of negotiating the terms of the transaction or preparing a report concerning the fairness of the transaction. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet Other Important Considerations
Special Factors Background of the Merger
Special Factors Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors; Fairness of the Merger
Special Factors Position of the Sterling Founders, certain affiliated trusts and SCP II as to Fairness
Special Factors Position of Parent, Merger Sub and the Sponsors as to Fairness
Special Factors Purposes, Reasons and Plans for Laureate after the Merger
Special Factors Opinions of the Special Committee s Financial Advisors
Annex C Opinion of Morgan Stanley & Co. Incorporated
Annex D Opinion of Merrill Lynch, Pierce, Fenner and Smith Incorporated

(e) **Approval of Directors**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet Other Important Considerations
Questions and Answers about the Special Meeting and the Merger
Special Factors Background of the Merger
Special Factors Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors; Fairness of the Merger
Special Factors Purposes, Reasons and Plans for Laureate after the Merger
Special Factors Interests of the Company s Directors and Executive Officers in the Merger

(f) **Other Offers**. None.

Item 9. Reports, Opinions, Appraisals and Certain Negotiations

Regulation M-A Item 1015

(a) **Report, Opinion or Appraisal**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet	Other Important Considerations
Special Factors	Background of the Merger
Special Factors	Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors; Fairness of the Merger
Special Factors	Purposes, Reasons and Plans for Laureate after the Merger

Special Factors Opinions of the Special Committee s Financial Advisors
The Merger and the Merger Agreement Representations and Warranties
Important Information About Laureate Projected Financial Information
Annex C Opinion of Morgan Stanley & Co. Incorporated
Annex D Opinion of Merrill Lynch, Pierce, Fenner and Smith Incorporated

(b) **Preparer and Summary of the Report, Opinion or Appraisal**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet Other Important Considerations
Special Factors Background of the Merger
Special Factors Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors; Fairness of the Merger
Special Factors Purposes, Reasons and Plans for Laureate after the Merger
Special Factors Opinions of the Special Committee s Financial Advisors
The Merger and the Merger Agreement Representations and Warranties

Annex C Opinion of Morgan Stanley & Co. Incorporated
Annex D Opinion of Merrill Lynch, Pierce, Fenner and Smith Incorporated

(c) **Availability of Documents**. The reports, opinions or appraisals referenced in this Item 9 will be made available for inspection and copying at the principal executive offices of the Company during its regular business hours by any interested holder of shares of the Company s common stock or representative of the interested holder who has been so designated in writing.

Item 10. Source and Amounts of Funds or Other Consideration

Regulation M-A Item 1007

(a) **Source of Funds**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet Other Important Considerations
Special Factors Background of the Merger
Special Factors Financing of the Merger
Special Factors Fees and Expenses of the Merger
The Merger and the Merger Agreement
Annex A Agreement and Plan of Merger

(b) **Conditions**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet   The Merger and the Merger Agreement
Questions and Answers about the Special Meeting and the Merger
Special Factors   Background of the Merger
Special Factors   Certain Effects of the Merger
Special Factors   Effects on the Company if the Merger is Not Consummated
Special Factors   Financing of the Merger
The Merger and the Merger Agreement
Annex A   Agreement and Plan of Merger

(c) **Expenses**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet   The Merger and the Merger Agreement
Special Factors   Background of the Merger
Special Factors   Financing of the Merger
Special Factors   Fees and Expenses of the Merger

The Merger and the Merger Agreement   Termination Fees
Annex A   Agreement and Plan of Merger

(d) **Borrowed Funds**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet   Other Important Considerations
Special Factors   Background of the Merger
Special Factors   Financing of the Merger
The Merger and the Merger Agreement   Marketing Period
The Merger and the Merger Agreement   Termination Fees
Annex A   Agreement and Plan of Merger

Item 11. Interest in Securities of the Subject Company

Regulation M-A Item 1008

(a) **Securities Ownership**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet   Other Important Considerations

Special Factors   Interests of the Company s Directors and Executive Officers in the Merger
Important Information About Laureate   Security Ownership of Certain Beneficial Owners and Management

(b) **Securities Transactions**. Annex A hereto and the information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Important Information About Laureate   Security Ownership of Certain Beneficial Owners and Management
Important Information About Laureate   Prior Stock Purchases

Item 12. The Solicitation or Recommendation

Regulation M-A Item 1012

(d) **Intent to Tender or Vote in a Going-Private Transaction**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet   Other Important Considerations
Questions and Answers about the Special Meeting and the Merger
The Special Meeting   Voting Rights; Quorum; Vote Required for Approval
Special Factors   Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors; Fairness of the Merger
Special Factors   Purposes and Reasons of the Sterling Founders, certain affiliated trusts and SCP II
Special Factors   Purposes and Reasons of Parent, Merger Sub, and the Sponsors
Special Factors   Purposes, Reasons and Plans for Laureate after the Merger
Special Factors   Interests of the Company s Directors and Executive Officers in the Merger
The Voting Agreement
Annex B   Voting Agreement

(e) **Recommendations of Others**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet Other Important Considerations
Questions and Answers about the Special Meeting and the Merger
Special Factors Background of the Merger
Special Factors Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors; Fairness of the Merger
Special Factors Purposes and Reasons of the Sterling Founders, certain affiliated trusts and SCP II
Special Factors Purposes and Reasons of Parent, Merger Sub, and the Sponsors
Special Factors Purposes, Reasons and Plans for Laureate after the Merger

Item 13. Financial Information

Regulation M-A Item 1010

(a) **Financial Statements**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Important Information About Laureate Historical Selected Consolidated Financial Data
Important Information About Laureate Ratio of Earnings to Fixed Charges
Important Information About Laureate Book Value Per Share
Where You Can Find More Information

(b) **Pro Forma Information**. Not applicable.

Item 14. Persons/Assets, Retained, Employed, Compensated or Used

Regulation M-A Item 1009

(a) **Solicitations or Recommendations**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet
Questions and Answers about the Special Meeting and the Merger
The Special Meeting Solicitation of Proxies
Special Factors Background of the Merger

Special Factors   Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors; Fairness of the Merger
Special Factors   Interests of the Company s Directors and Executive Officers in the Merger
Special Factors   Fees and Expenses of the Merger

(b) **Employees and Corporate Assets**. The information set forth in the Proxy Statement under the following captions is incorporated herein by reference:

Summary Term Sheet
Questions and Answers about the Special Meeting and the Merger
Special Factors   Background of the Merger
Special Factors   Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors; Fairness of the Merger
Special Factors   Interests of the Company s Directors and Executive Officers in the Merger

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QUESTIONS AND ANSWERS

The following are answers to some questions that you, as a stockholder of Cousins Properties Incorporated, a Georgia corporation (which we refer to as Cousins), or a stockholder of Parkway Properties, Inc., a Maryland corporation (which we refer to as Parkway), may have regarding the proposed transactions between Cousins and Parkway and the other matters being considered at the special meeting of Cousins and at the special meeting of Parkway. Cousins and Parkway urge you to carefully read this joint proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the Merger and the other matters being considered at the special meetings. Additional important information is also contained in the annexes to and the documents incorporated by reference into this joint proxy statement/prospectus.

Q: What is the Merger?

A: Cousins and Parkway have agreed to a series of transactions, pursuant to the terms of an agreement and plan of merger, dated as of April 28, 2016 (which we refer to, as amended from time to time, as the Merger Agreement), by and among Cousins, Parkway, Parkway Properties LP, a Delaware limited partnership (which we refer to as Parkway LP) and Clinic Sub Inc., a Maryland corporation (which we refer to as Merger Sub). Merger Sub is a wholly owned subsidiary of Cousins. A copy of the Merger Agreement is attached as Annex A to this joint proxy statement/prospectus.

Pursuant to the Merger Agreement, Parkway will merge with and into Merger Sub, with Merger Sub continuing its existence as a wholly owned subsidiary of Cousins (which we refer to as the Merger).

In connection with the Merger, each Parkway common stockholder will have the right to receive 1.63 newly issued shares of Cousins common stock, par value $1 per share (which we refer to, both before and after giving effect to the Merger and other transactions contemplated thereby as Cousins common stock), for each share of Parkway common stock, par value $.001 per share (which we refer to as Parkway common stock), that they own immediately prior to the effective time of the Merger (which we refer to as the exchange ratio). The exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing of the Merger.

Furthermore, in connection with the Merger, each share of Parkway limited voting stock, par value $.001 per share (which we refer to as Parkway limited voting stock and, collectively with the Parkway common stock, the Parkway common and limited voting stock), will be converted into 1.63 newly issued shares of Cousins limited voting preferred stock, par value $1 per share (which we refer to as Cousins limited voting preferred stock), having terms materially unchanged from the terms of the Parkway limited voting stock.

In addition, each limited partner of Parkway LP will continue to be entitled, prior to the effective time of the Merger, to redeem or exchange its partnership interests in Parkway LP for shares of Parkway common stock, pursuant to the terms of the second amended and restated partnership agreement of Parkway LP, which will be amended pursuant to the terms of the Merger Agreement (which we refer to, as amended from time to time, as the Parkway Partnership Agreement). If partnership interests are so redeemed or exchanged prior to the effective time of the Merger, the shares of Parkway common stock will in turn be converted into the right to receive a number of newly issued shares of Cousins common stock in the Merger equal to the exchange ratio, upon the terms and subject to the conditions of the Merger Agreement. Each limited partner of Parkway LP that does not elect to redeem or exchange its partnership interests for shares of Parkway common stock in connection with the Merger will retain its limited partnership interests in Parkway LP and receive pro rata limited partnership interests in the operating partnership of Cousins in connection with the Separation, the UPREIT Reorganization and the Spin-Off.

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Q: What is the Separation?

A: Immediately following the effective time of the Merger, Cousins will effect a reorganization, on the terms and subject to the conditions of the Merger Agreement, pursuant to which Cousins will separate certain of its assets relating to the ownership of real properties in Houston, Texas (which we refer to as the Houston Business) from the remainder of its business (which we refer to as the Separation) and transfer such assets to a new real estate investment trust (which we refer to as a REIT), called Parkway, Inc. (which we refer to as New Parkway in this joint proxy statement/prospectus or HoustonCo in the annexes attached hereto).

Q: What is the UPREIT Reorganization?

A: In connection with the Merger and the Separation, Cousins and Parkway will reorganize their combined businesses through a series of transactions (which we refer to as the UPREIT Reorganization) such that, after the completion of the Merger, the Separation, the UPREIT Reorganization and the Spin-Off (as hereinafter defined) both Cousins and New Parkway will operate as umbrella partnership real estate investment trusts (which we refer to as UPREITs). This means that substantially all of the properties of each company will be held through the operating partnership of that company.

To that end, pursuant to the UPREIT Reorganization, Parkway has formed a new partnership, Cousins Properties LP, a Delaware limited partnership (which we refer to as Cousins LP), to which Cousins and Parkway will transfer certain assets and through which Cousins will operate substantially all of its business after the effective time of the Merger.

Parkway currently operates as an UPREIT, through its operating partnership, Parkway LP. Pursuant to the UPREIT Reorganization, a newly formed Delaware limited partnership, Parkway Operating Partnership LP (which we refer to as New Parkway LP in this joint proxy statement/prospectus or Houston Sub LP in Annex A attached hereto), a subsidiary of Parkway LP, will become the operating partnership of New Parkway, through which New Parkway will operate substantially all of its business after the Spin-Off.

Q: What is the Spin-Off?

A: After the Separation and the UPREIT Reorganization, Cousins will distribute pro rata to its stockholders all of the outstanding shares of common stock and limited voting stock of New Parkway (which we refer to as the Spin-Off). Cousins, or a subsidiary of Cousins, will retain all of the shares of nonvoting preferred stock of New Parkway, upon the terms and subject to the conditions of the Merger Agreement. New Parkway is expected to have outstanding shares of preferred stock with a liquidation preference of $5 million, a fixed market-rate dividend and no voting rights, other than as required by law. Cousins and Parkway will enter into all agreements necessary to effect the Spin-Off, including a Separation and Distribution Agreement (as hereinafter defined), in each case on the terms and subject to the conditions of the Merger Agreement.

Continuing holders of shares of Cousins common stock will be entitled to receive one share of New Parkway common stock for each share of Cousins common stock held by such stockholder as of the close of business on the record date of the Spin-Off. Legacy holders of shares of Parkway common stock or limited voting stock who, as of the close of business on the record date of the Spin-Off, continue to hold the Cousins shares they received in the Merger will be entitled to receive 1.63 shares of New Parkway common stock or limited voting stock for each share of Parkway common stock or limited voting stock, respectively, held by such stockholders immediately prior to the effective time of the Merger. In addition, each limited partner of Parkway LP that does not redeem or exchange its partnership interests for shares of Parkway common stock in connection with the Merger will retain its limited partnership interests in Parkway LP and receive pro rata limited partnership interests in the operating partnership of Cousins in connection with the Separation, the UPREIT Reorganization and the Spin-Off.

Upon completion of the Merger, the Separation, the UPREIT Reorganization and the Spin-Off, we estimate that legacy Cousins common stockholders will own approximately 53% of the common stock of each of Cousins and New Parkway and legacy Parkway common stockholders will own approximately 47% of the common stock of each of Cousins and New Parkway. Legacy holders of Parkway limited voting stock will own 100% of each of the Cousins limited voting preferred stock and the New Parkway limited voting stock.

You are not being asked to take any action relating to the Separation, the UPREIT Reorganization or the Spin-Off.

Q: Why will Cousins and New Parkway be structured as UPREITs following the transactions?

A: The parties believe that the UPREIT structure, by which each of Cousins and New Parkway will own substantially all of their respective assets and conduct substantially all of their respective operations through an operating partnership following completion of the Merger, the Separation, the UPREIT Reorganization and the Spin-Off, will give each of Cousins and New Parkway greater flexibility to acquire assets using a tax-deferred acquisition currency.

Q: What happens if the market price of shares of Cousins common stock or Parkway common stock changes before the closing of the Merger?

A: No change will be made to the exchange ratio of 1.63 if the market price of shares of Cousins common stock or Parkway common stock changes before the Merger. Because the exchange ratio is fixed, the value of the consideration to be received by Parkway stockholders in the Merger will depend on the market price of shares of Cousins common stock at the time of the Merger.

Q: Why am I receiving this joint proxy statement/prospectus?

A: The Merger cannot be completed, unless:

the holders of Cousins common stock vote to approve the issuance of Cousins common stock to Parkway stockholders in connection with the Merger (which we refer to as the Cousins Issuance Proposal);

the holders of Cousins common stock vote to amend the Restated and Amended Articles of Incorporation of Cousins (which we refer to as the Cousins Articles) to increase the number of authorized shares of Cousins common stock, effective at the effective time of the Merger (which we refer to as the Cousins Articles

Amendment Proposal); and

the holders of Parkway common and limited voting stock vote to approve the Merger, on the terms and subject to the conditions of the Merger Agreement, and the transactions contemplated thereby (which we refer to as the Parkway Merger Proposal).

Each of Cousins and Parkway will hold separate special meetings of their stockholders to obtain these approvals and approvals for other related proposals as described herein.

This joint proxy statement/prospectus contains important information about the Merger and the other proposals being voted on at the special meetings, and you should read it carefully. It is a joint proxy statement because the Cousins board of directors is soliciting proxies from its stockholders and the Parkway board of directors is soliciting proxies from its stockholders. It is a prospectus because Cousins will issue shares of its common stock. The enclosed voting materials allow you to vote your shares without attending your respective meeting.

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Holders of voting stock of Cousins and Parkway do not need to take any action at the Cousins special meeting or Parkway special meeting relating to the Separation, the UPREIT Reorganization or the Spin-Off. The Separation, the UPREIT Reorganization and the Spin-Off will only occur if the Merger is completed.

Your vote is important. We encourage you to vote as soon as possible.

Q: Why is Cousins proposing the Merger?

A: Among other reasons, the Cousins board of directors approved the Merger Agreement and recommended the approval of the Cousins Issuance Proposal and the Cousins Articles Amendment Proposal based on a number of strategic and financial benefits to Cousins, including the potential for Cousins, following the Merger and the Spin-Off, to be a leading REIT in the growing Sun Belt market and the improved cost of capital for Cousins future growth opportunities following the Merger and the Spin-Off. For more information, see The Merger Cousins Reasons for the Merger; Recommendations of the Cousins Board of Directors.

Q: Why is Parkway proposing the Merger?

A: Among other reasons, the Parkway board of directors approved the Merger Agreement and recommended its approval by Parkway stockholders based on a number of strategic and financial benefits, including the potential for Cousins to create additional value to stockholders due to its larger size and stronger balance sheet and the premium Parkway stockholders will receive in the Merger. For more information, see The Merger Parkway s Reasons for the Merger; Recommendations of the Parkway Board of Directors.

Q: When and where will the special meetings be held?

A: The Cousins special meeting will be held at 191 Peachtree Street NE, Suite 500, Atlanta, Georgia 30303 on August 23, 2016, at 2:00 PM, EDT. The Parkway special meeting will be held at 3344 Peachtree Road NE, Atlanta, Georgia 30326, on August 23, 2016, at 2:00 PM, EDT.

Q: How do I vote?

A: *Cousins*. If you are a holder of record of Cousins common stock as of the record date for the Cousins special meeting, you may vote by:

accessing the Internet website specified on your proxy card;

calling the toll-free number specified on your proxy card; or

signing and returning the enclosed proxy card in the postage-paid envelope provided.

If you hold Cousins common stock in the name of a broker, bank or nominee, please follow the voting instructions provided by your broker, bank or nominee to ensure that your shares are represented at your special meeting. If you received voting instruction cards from a trustee of any retirement plan of Cousins or its subsidiaries in which you are a participant, please follow the instructions on those cards to ensure that shares of stock or beneficial interest allocated to your plan account are represented at your special meeting.

Parkway. If you are a holder of record of Parkway common or limited voting stock as of the record date for the Parkway special meeting, you may vote on the applicable proposals by:

accessing the Internet website specified on your proxy card;

calling the toll-free number specified on your proxy card; or

signing and returning the enclosed proxy card in the postage-paid envelope provided.

If you hold shares of Parkway common stock in the name of a broker, bank or nominee, please follow the voting instructions provided by your broker, bank or nominee to ensure that your shares are represented at your special meeting.

Q: What am I being asked to vote upon?

A: *Cousins*. Cousins stockholders are being asked to vote to approve the Cousins Issuance Proposal, to approve the Cousins Articles Amendment Proposal and to approve a proposal to adjourn the Cousins special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Cousins Issuance Proposal and the Cousins Articles Amendment Proposal, if there are insufficient votes at the time of such adjournment to approve such proposals (which we refer to as the Cousins Adjournment Proposal).

Parkway. Holders of Parkway common and limited voting stock are being asked to vote to approve the Parkway Merger Proposal. Holders of Parkway common stock are also being asked to approve, by advisory (nonbinding) vote, the compensation that may be paid or become payable to the named executive officers of Parkway in connection with the Merger (which we refer to as the Parkway Compensation Proposal) and to approve a proposal to adjourn the Parkway special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Parkway Merger Proposal, if there are insufficient votes at the time of such adjournment to approve such proposal (which we refer to as the Parkway Adjournment Proposal).

The Merger cannot be completed without the approval by Cousins stockholders of the Cousins Issuance Proposal and the Cousins Articles Amendment Proposal and the approval by Parkway common and limited voting stockholders, voting together as a single class, of the Parkway Merger Proposal.

Holders of voting stock of Cousins and Parkway do not need to take any action at the Cousins or Parkway special meetings relating to the Separation, the UPREIT Reorganization or the Spin-Off. The Separation, the UPREIT Reorganization and the Spin-Off will only occur if the Merger is completed.

Q: What vote is required to approve each proposal?

A: *Cousins*.

The Cousins Issuance Proposal requires the affirmative vote of the majority of the votes cast by Cousins common stockholders, assuming a quorum is present.

The Cousins Articles Amendment Proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Cousins common stock, assuming a quorum is present.

The Cousins Adjournment Proposal requires approval by the affirmative vote of holders of a majority of the shares of Cousins common stock represented, in person or by proxy, at the Cousins special meeting and entitled to vote on the proposal, whether or not a quorum is present.

Parkway.

The Parkway Merger Proposal requires the affirmative vote of the holders of a majority of the outstanding Parkway common and limited voting stock, voting together as a single class.

The Parkway Compensation Proposal requires the affirmative vote of the holders of a majority of the votes cast by holders of Parkway common stock, assuming a quorum is present; however, such vote is advisory (nonbinding) only, assuming a quorum is present.

The Parkway Adjournment Proposal requires the affirmative vote of the holders of a majority of the votes cast by holders of Parkway common stock at the Parkway special meeting, assuming a quorum is present. If a quorum is not present, the holders of a majority of Parkway common stock present in person or by proxy at the Parkway special meeting may adjourn the meeting.

Q: How do the boards of directors of Cousins and Parkway recommend that I vote?

A: *Cousins*. The Cousins board of directors unanimously recommends that holders of Cousins common stock vote **FOR** the Cousins Issuance Proposal, **FOR** the Cousins Articles Amendment Proposal and **FOR** the Cousins Adjournment Proposal.

Parkway. The Parkway board of directors unanimously recommends that holders of Parkway common and limited voting stock vote **FOR** the Parkway Merger Proposal and that the holders of Parkway common stock vote **FOR** the Parkway Compensation Proposal and **FOR** the Parkway Adjournment Proposal.

Q: How many votes do I have?

A: *Cousins*. You are entitled to one vote for each share of Cousins common stock that you owned as of the close of business on the record date. As of the close of business on July 15, 2016, the record date for the Cousins special meeting, there were 220,498,824 outstanding shares of Cousins common stock, approximately 3.17% of which were beneficially owned by Cousins directors and executive officers and their affiliates.

Parkway. You are entitled to one vote for each share of Parkway common or limited voting stock that you owned as of the close of business on the record date. As of the close of business on July 15, 2016, the record date for the Parkway special meeting, there were 111,768,031 outstanding shares of Parkway common stock, 7.9% of which were beneficially owned by the directors and executive officers of Parkway. As of the close of business on July 15, 2016, the record date for the Parkway special meeting, there were approximately 4,213,104 outstanding shares of Parkway limited voting stock, all of which are beneficially owned by a director of Parkway. The holder of Parkway limited voting stock is not entitled to vote on the Parkway Compensation Proposal and the Parkway Adjournment Proposal.

Q: What constitutes a quorum?

A: *Cousins*. Stockholders who hold a majority of the Cousins common stock outstanding on the record date and who are entitled to vote must be present or represented by proxy to constitute a quorum at the Cousins special meeting.

Parkway. Stockholders who hold a majority of the total number of shares of Parkway common and limited voting stock issued and outstanding on the record date and who are entitled to vote must be present in person or represented by proxy to constitute a quorum at the Parkway special meeting.

Q: Have any stockholders already agreed to approve the Merger?

A: Yes. Pursuant to a voting agreement, TPG VI Pantera Holdings, L.P. (which we refer to as TPG Pantera) and TPG VI Management, LLC (which we refer to collectively with TPG Pantera as the TPG Parties), which, as of April 28, 2016, collectively beneficially owned approximately 21.2% of Parkway s outstanding common stock, have agreed to vote in favor of the Merger, on the terms and subject to the conditions of the

Merger Agreement, and the transactions contemplated thereby, and against actions or agreements that would reasonably be expected to result in a failure of a closing condition set forth in the Merger Agreement to be fulfilled, alternative acquisitions, any action that would reasonably be expected to materially delay, materially postpone or materially adversely affect the consummation of the transactions contemplated by the Merger or would dilute in any material respect the benefit of such transactions to Cousins or its stockholders, subject to the terms and conditions of the voting agreement. For more information, see The Merger Agreements with the TPG Parties Voting Agreement.

Q: If my shares of common stock are held in street name by my broker, will my broker vote my shares for me?

A: If you hold your shares of common stock in a stock brokerage account or if your shares of common stock are held by a bank or nominee (that is, in street name), you must provide the record holder of your shares with instructions on how to vote your shares of common stock. Please follow the voting instructions provided by your broker, bank or nominee. Please note that you may not vote shares of common stock held in street name by returning a proxy card directly to Cousins or Parkway or by voting in person at either special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or nominee. Further, brokers who hold shares of Cousins common stock or Parkway common stock on behalf of their customers may not give a proxy to Cousins or Parkway to vote those shares without specific instructions from their customers.

Q: What will happen if I fail to instruct my broker, bank or nominee how to vote?

A: *Cousins*. If you are a Cousins stockholder and you do not instruct your broker, bank or nominee on how to vote your shares of common stock, your broker may not vote your shares on the Cousins Issuance Proposal, the Cousins Articles Amendment Proposal or the Cousins Adjournment Proposal. This will have the same effect as a vote against the Cousins Articles Amendment Proposal, and will have no effect on the Cousins Issuance Proposal, assuming a quorum is present, or the Cousins Adjournment Proposal.

Parkway. If you are a Parkway stockholder and you fail to instruct your broker, bank or nominee to vote your shares of Parkway common and limited voting stock, as applicable, your broker may not vote your shares on the Parkway Merger Proposal, the Parkway Compensation Proposal or the Parkway Adjournment Proposal. This will have the same effect as a vote against the Parkway Merger Proposal, but it will have no effect on the Parkway Compensation Proposal or the Parkway Adjournment Proposal, assuming a quorum is present. If a quorum is not present, the holders of a majority of Parkway common stock present in person or by proxy at the Parkway special meeting may adjourn the meeting.

Q: What will happen if I fail to vote or I abstain from voting?

A: *Cousins*. If you are a Cousins stockholder and fail to vote or abstain from voting, it will have the same effect as a vote against the Cousins Articles Amendment Proposal, but it will have no effect on the Cousins Issuance Proposal, assuming a quorum is present, or the Cousins Adjournment Proposal. If you are a Cousins stockholder and you attend the Cousins special meeting and fail to vote or abstain from voting, it will have the same effect as a vote against the Cousins Articles Amendment Proposal and the Cousins Adjournment Proposal, but it will have no effect on the Cousins Issuance Proposal, assuming a quorum is present.

Parkway. If you are a Parkway stockholder and fail to vote or abstain from voting, it will have the same effect as a vote against the Parkway Merger Proposal, but it will have no effect on the Parkway Compensation

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Proposal or the Parkway Adjournment Proposal, assuming a quorum is present. If a quorum is not present, the holders of a majority of Parkway common stock present in person or by proxy at the Parkway special meeting may adjourn the meeting.

Q: What if I return my proxy card without indicating how to vote?

A: If you sign and return your proxy card without indicating how to vote on any particular proposal, your shares of Cousins common stock, Parkway common stock or Parkway limited voting stock will be voted in accordance with the recommendation of the Cousins board of directors or Parkway board of directors, as applicable, with respect to such proposal.

Q: Can I change my vote after I have returned a proxy or voting instruction card?

A: Yes. You can change your vote at any time before your proxy is voted at your special meeting. You can do this in one of three ways:

- you can send a signed notice of revocation;
- you can grant a new, valid proxy bearing a later date; or
- if you are a holder of record, you can attend your special meeting and vote in person, which will automatically cancel any proxy previously given, or you may revoke your proxy in person, but your attendance alone will not revoke any proxy that you have previously given.

Attending the Cousins special meeting or the Parkway special meeting without voting will not, by itself, revoke your proxy. If your shares of Cousins common stock or Parkway common stock are held by a bank, broker or nominee, you should follow the instructions provided by the bank, broker or nominee.

If you choose either of the first two methods, you must submit your notice of revocation or your new proxy to the secretary of Cousins or secretary of Parkway, as appropriate, no later than the beginning of the applicable special meeting. If your shares of Cousins common stock or Parkway common stock are held in street name by your broker, bank or nominee, you should contact your broker, bank or nominee to change your vote. If your shares of Cousins common stock are held through a Cousins retirement plan, you should contact the trustee for the plan to change your vote.

Q: What are the material U.S. federal income tax consequences of the Merger and the Spin-Off to U.S. holders of Parkway common stock?

A: The obligation of the parties to consummate the Merger is subject to the receipt by Cousins and Parkway of the opinions of their respective counsels to the effect that, on the basis of facts, representations and assumptions set forth in such opinions, the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (which we refer to as the Code). If the Merger so qualifies, then a U.S. holder of Parkway common stock generally will not recognize any gain or loss upon receipt of shares of Cousins common stock in exchange for Parkway common stock in the Merger (other than gain or loss with respect to cash received in lieu of a fractional share of Cousins common stock, if any).

The particular consequences of the Merger to each Parkway stockholder depend on such holder s particular facts and circumstances. Parkway stockholders are urged to consult their tax advisors to understand fully the consequences to them of the Merger in their specific circumstances. For more information, see Material U.S. Federal Income Tax Consequences Material U.S. Federal Income Tax Consequences of the Merger.

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While the Merger generally is not expected to result in the recognition of gain or loss for stockholders of either Parkway or Cousins, the distribution of shares of New Parkway common stock in the Spin-Off will be treated as a taxable distribution to Cousins stockholders for U.S. federal income tax purposes. An amount equal to the fair market value of the shares of New Parkway common stock received by you in the Spin-Off will generally be treated as a taxable dividend to the extent of your ratable share of any current or accumulated earnings and profits of Cousins (including gain recognized by Cousins in connection with the Separation and the Spin-Off), with the excess treated first as a non-taxable return of capital to the extent of your tax basis in Cousins common stock and any remaining excess treated as capital gain.

The particular consequences of the Spin-Off to each Cousins stockholder (including stockholders who received shares of Cousins stock in exchange for shares of Parkway stock pursuant to the Merger) depend on such holder s particular facts and circumstances, and thus you are urged to consult your tax advisor to understand fully the consequences to you of the Spin-Off in your specific circumstances. For more information, see Material U.S. Federal Income Tax Consequences Material U.S. Federal Income Tax Consequences of the Spin-Off to U.S. Stockholders.

Q: Are there any conditions to closing of the Merger that must be satisfied for the Merger to be completed?

A: Yes. In addition to the approvals of the stockholders of each of Cousins and Parkway described herein, there are a number of conditions that must be satisfied or waived for the Merger to be consummated. For more information, see The Merger The Merger Agreement Conditions to Completion of the Merger.

Q: When do you expect the Merger and the Spin-Off to be completed?

A: Cousins and Parkway are working to complete the Merger and the Spin-Off in the fourth quarter of 2016. However, the Merger and the Spin-Off are subject to various conditions, and it is possible that factors outside the control of Cousins and Parkway could result in the Merger and the Spin-Off being completed at a later time, or not at all. There may be a substantial amount of time between the respective Cousins special meeting and Parkway special meeting and the completion of the Merger and the Spin-Off. Cousins and Parkway hope to complete the Merger and the Spin-Off as soon as reasonably practicable following the satisfaction of all applicable conditions.

The Merger is expressly conditioned on the readiness of the Spin-Off and the effectiveness of the Registration Statement on Form 10 that New Parkway has filed with the SEC (which we refer to as the New Parkway Form 10). This may further delay consummation of the Merger.

You are not being asked to take any action relating to the Separation, the UPREIT Reorganization or the Spin-Off.

Q: Are Parkway and Cousins stockholders entitled to appraisal rights in connection with the Merger?

A: No. Holders of Parkway common stock will not be entitled to appraisal rights or dissenters rights in the Merger under Section 3-202 of the Maryland General Corporation Law (which we refer to as the MGCL) because Parkway common stock is listed on a national securities exchange. Holders of Parkway limited voting stock do not have appraisal rights because they are denied the rights of objecting stockholders under the MGCL pursuant to the articles supplementary to the Articles of Incorporation of Parkway, as supplemented and amended (which we refer to as the Parkway Articles) that established the class of Parkway limited voting stock. Under Section 14-2-1302 of the Georgia Business Corporations Code (which we refer to as the GBCC), holders of Cousins common stock do not have the right to receive the appraised value of their shares in connection with the Merger. For more information, see The Merger No Appraisal or Dissenters Rights.

Q: What do I need to do now?

A: Carefully read and consider the information contained in and incorporated by reference into this joint proxy statement/prospectus, including its annexes.

In order for your shares to be voted at the Cousins special meeting or the Parkway special meeting:

- you can attend the applicable special meeting in person;

- you can vote through the Internet or by telephone by following the instructions included on your proxy card; or

- you can indicate on the enclosed proxy or voting instruction card how you would like to vote and return the card in the accompanying postage-paid envelope.

Holders of voting stock of Cousins and Parkway do not need to take any action at the Cousins or Parkway special meetings relating to the Separation, the UPREIT Reorganization or the Spin-Off. The Separation, the UPREIT Reorganization and the Spin-Off will only occur if the Merger is completed.

Q: Do I need to do anything with my share certificates now?

A: *Parkway.* **No. You should not submit your share certificates at this time.** After the Merger is completed, if you held certificates representing Parkway common stock immediately prior to the effective time of the Merger, American Stock Transfer & Trust Company, the exchange agent for Cousins (which we refer to as the Exchange Agent), will send you a letter of transmittal and instructions for exchanging your shares of Parkway common stock for the Merger consideration of 1.63 shares of Cousins common stock. Upon surrender of the certificates for cancellation along with the executed letter of transmittal and other required documents described in the instructions, a holder of shares of Parkway common stock will receive the Merger consideration of 1.63 shares of Cousins common stock.

Holders of shares of Parkway common stock in book-entry form immediately prior to the effective time of the Merger will not need to take any action to receive the Merger consideration of 1.63 shares of Cousins common stock. Holders of shares of Parkway limited voting stock in book-entry form immediately prior to the effective time of the Merger will not need to take any action to receive the Merger consideration of 1.63 shares of Cousins limited voting preferred stock.

Cousins. If you are a Cousins stockholder, you are not required to take any action with respect to your Cousins stock certificates. Such certificates will continue to represent shares of Cousins after the Merger.

Q: Do I need identification to attend the Cousins or Parkway special meetings in person?

A: Yes. Please bring proper identification, together with proof that you are a record owner of Cousins common stock or Parkway common or limited voting stock. If your shares are held in street name or through a Cousins retirement plan, please bring acceptable proof of ownership, such as a letter from your broker or an account statement stating or showing that you beneficially owned shares of Cousins common stock or Parkway common stock, as applicable, on the applicable record date.

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Q: Who can help answer my questions?

A: Cousins stockholders or Parkway stockholders who have questions about the Merger or the other matters to be voted on at the special meetings or who desire additional copies of this joint proxy statement/prospectus or additional proxy or voting instruction cards should contact:

if you are a Cousins stockholder:	if you are a Parkway stockholder:
Georgeson	**Alliance Advisors, LLC**
1290 Avenue of the Americas, 9th Floor	200 Broadacres Drive, 3rd Floor
New York, New York 10104	Bloomfield, New Jersey 07003
Call Toll-Free: (800) 213-0473	Call Toll-Free: (855) 973-0096
Email: COUSINS@georgeson.com	Email: PKY@allianceadvisorsllc.com

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SUMMARY

This summary highlights information contained elsewhere in this joint proxy statement/prospectus and may not contain all of the information that is important to you. Cousins and Parkway urge you to read carefully this joint proxy statement/prospectus, including the attached annexes, and the other documents to which we have referred you because this section does not provide all of the information that might be important to you with respect to the Merger and the related matters being considered at the applicable special meeting. See also Where You Can Find More Information. We have included page references to direct you to a more complete description of the topics presented in this summary.

Information about the Companies

Cousins Properties Incorporated (See page 75)

Cousins, a Georgia corporation, is a self-administered and self-managed REIT for U.S. federal income tax purposes. As of the date of this joint proxy statement/prospectus, Cousins manages a 15.4 million square foot office and mixed-use portfolio and is consistently looking to execute attractive investment opportunities that create exceptional value for all of its stakeholders. Cousins primarily invests in Class A office towers and mixed-use developments in high-growth Sun Belt markets, including Atlanta, Georgia; Charlotte, North Carolina; and Austin, Dallas and Houston, Texas.

After the Merger and the Spin-Off, assuming certain asset sales are consummated in accordance with the Merger Agreement, Cousins portfolio is expected to encompass 41 high-quality properties comprising 18.4 million square feet of rentable space in Atlanta, Georgia; Austin, Texas; Charlotte, North Carolina; Phoenix, Arizona; and Orlando and Tampa, Florida. Cousins will operate in markets that are currently experiencing rent, employment and population growth ahead of the U.S. national average, and with low levels of new office space construction for such markets. Consistent with Cousins current strategy, Cousins expects to remain focused on maintaining its conservative, simple balance sheet.

The principal offices of Cousins are located at 191 Peachtree Street NE, Suite 500, Atlanta, Georgia 30303, and its telephone number is (404) 407-1000.

Cousins common stock is listed on the New York Stock Exchange (which we refer to as the NYSE), trading under the symbol CUZ.

Additional information about Cousins and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. For more information, see Where You Can Find More Information.

Cousins Properties LP (See page 75)

Cousins LP, a Delaware limited partnership, will function as the operating partnership of Cousins following consummation of the Merger and the UPREIT Reorganization. As the operating partnership of Cousins, Cousins LP will conduct substantially all of Cousins business, hold substantially all of Cousins consolidated assets and generate substantially all of Cousins revenues. At the effective time of the Merger, Cousins will hold the general partner interest in Cousins LP, as well as approximately 98% of the pro forma limited partnership interests of Cousins LP.

Clinic Sub Inc. (See page 75)

Clinic Sub Inc., a Maryland corporation, is a direct, wholly owned subsidiary of Cousins. Clinic Sub Inc. was formed by Cousins solely for the purpose of engaging in the transactions contemplated by the Merger

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Agreement. Clinic Sub Inc. has not conducted any business activities, has no assets, liabilities or obligations and has conducted its operations solely as contemplated by the Merger Agreement. Its principal executive offices are located at c/o Cousins Properties Incorporated, 191 Peachtree Street NE, Suite 500, Atlanta, Georgia 30303, and its telephone number is (404) 407-1000.

Parkway Properties, Inc. (See page 76)

Parkway is a Maryland corporation that has elected to be taxed as a REIT under the Code. Parkway is a fully integrated, self-administered and self-managed REIT specializing in the acquisition, ownership, development and management of quality office properties in higher growth submarkets in the Sun Belt region of the United States. Parkway owned or had an interest in 34 office properties located in six states with an aggregate of approximately 14.0 million square feet of leasable space as of April 1, 2016. Fee-based real estate services are offered through wholly owned subsidiaries of Parkway (including Eola Office Partners, LLC), which in total managed and/or leased approximately 2.7 million square feet primarily for third-party owners as of April 1, 2016 (which we refer to as the Third-Party Services Business).

Parkway s most significant asset is its ownership interest in Parkway LP, which, together with its subsidiaries, conducts substantially all of Parkway s business, holds substantially all of Parkway s consolidated assets and generates substantially all of Parkway s revenues. Through a wholly owned subsidiary of Parkway, Parkway is the sole general partner of Parkway LP and, as of March 31, 2016, directly owned 111,602,419 common limited partnership units and indirectly owned 110,858 general partnership units, or approximately 95.9%, of the outstanding partnership interests of Parkway LP.

Parkway was incorporated in the state of Maryland in 1996, and Parkway LP was formed in the state of Delaware in 1997. Parkway s principal executive offices are located at 390 North Orange Avenue, Suite 2400, Orlando, Florida 32801, and its telephone number is (407) 650-0593.

Parkway common stock is listed on the NYSE, trading under the symbol PKY.

Shares of Parkway limited voting stock are not listed on any exchange.

Additional information about Parkway and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus and Where You Can Find More Information.

Parkway Properties LP (See page 76)

Parkway LP, a Delaware limited partnership, together with its subsidiaries, conducts substantially all of Parkway s business, holds substantially all of Parkway s consolidated assets and generates substantially all of Parkway s revenues. Through a wholly owned subsidiary of Parkway, Parkway is the sole general partner of Parkway LP and, as of March 31, 2016, directly owned 111,602,419 common limited partnership units and indirectly owned 110,858 general partnership units, or approximately 95.9%, of the outstanding partnership interests of Parkway LP.

In connection with the Separation, the UPREIT Reorganization and the Spin-Off, the Parkway Partnership Agreement will be amended to, among other things, include provisions that are customary for UPREIT partnerships, and New Parkway LP will become the operating partnership of New Parkway. Following the Separation, the UPREIT Reorganization and the Spin-Off, the sole asset of Parkway LP will be an approximately 47.5% limited partner interest in New Parkway LP. For more information, see The Merger Agreements to be Entered into in Connection with the Merger, the Separation and the UPREIT Reorganization Amendment to the Parkway Partnership Agreement and The

Merger The Separation and the UPREIT Reorganization.

Parkway, Inc. (See page 76)

New Parkway, a Maryland corporation, is currently a wholly owned subsidiary of Parkway.

At the effective time of the Merger, New Parkway will be led by Mr. James R. Heistand, the chief executive officer of Parkway, and several members of the existing Parkway senior management team. Mr. James A. Thomas, the current chairman of the Parkway board of directors, will become chairman of the New Parkway board of directors at the effective time of the Merger.

Following the Separation, the UPREIT Reorganization and the Spin-Off, it is expected that New Parkway will commence operations with five Class A office assets encompassing 8.7 million rentable square feet in the Galleria, Greenway and Westchase submarkets of Houston, Texas. Through the Merger, the Separation, the UPREIT Reorganization and the Spin-Off, New Parkway will also succeed to the Third-Party Services Business. At the effective time of the Spin-Off, New Parkway s most significant asset will be its direct and indirect ownership of approximately 98% of the limited partnership interests of New Parkway LP, which, together with its subsidiaries, will conduct substantially all of New Parkway s business, hold substantially all of New Parkway s consolidated assets and generate substantially all of New Parkway s revenues.

In connection with the Merger Agreement, Parkway and Parkway LP have entered into a debt commitment letter (which we refer to as the Commitment Letter) with Wells Fargo Bank, National Association, Wells Fargo Securities, LLC (which we refer to as Wells Fargo Securities), Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated (which we refer to as BofA Merrill Lynch) and JPMorgan Chase Bank, N.A. (which we refer to collectively as the Lenders) in which the Lenders have agreed, among other things, to provide to New Parkway LP (i) a senior secured loan facility in an aggregate principal amount of up to $350 million (which we refer to as the New Parkway Term Loan), and (ii) a senior secured revolving credit facility in an aggregate principal amount of up to $50 million, that may be increased to $100 million subject to the satisfaction of certain conditions (which we refer to as the New Parkway Revolving Credit Facility, and together with the New Parkway Term Loan, the New Parkway Credit Facilities). For more information, see Information about the Companies.

Parkway Operating Partnership LP (See page 77)

New Parkway LP, a Delaware limited partnership, will function as the operating partnership of New Parkway following consummation of the Separation, the UPREIT Reorganization and the Spin-Off. As the operating partnership of New Parkway, New Parkway LP will conduct substantially all of New Parkway s business, hold substantially all of New Parkway s consolidated assets and generate substantially all of New Parkway s revenues. At the effective time of the Spin-Off, New Parkway will hold, directly and indirectly, approximately 98% of the partnership interests of New Parkway LP.

Risk Factors (See page 57)

Before voting at the Cousins special meeting or the Parkway special meeting, you should carefully consider all of the information contained in or incorporated by reference into this joint proxy statement/prospectus, as well as the specific factors under the heading Risk Factors beginning on page 57, including the risks that:

- the Merger is subject to a number of conditions, including the readiness of the Spin-Off and the effectiveness of the New Parkway Form 10, and may not be completed on the terms or timeline currently contemplated, or at all;

the exchange ratio is fixed and will not be adjusted in the event of any change in the stock prices of either Cousins or Parkway;

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- Cousins and Parkway may be unable to successfully integrate their businesses in order to realize the anticipated benefits of the Merger;
- Cousins and Parkway stockholders will be diluted by the Merger;
- Cousins and Parkway expect to incur substantial costs in connection with the Merger and the Spin-Off;
- Cousins may incur adverse tax consequences if Cousins or Parkway has failed or fails to qualify as a REIT for U.S. federal income tax purposes;
- the Spin-Off will be a taxable transaction for Cousins and its stockholders following the Merger; and
- the Spin-Off of New Parkway may not deliver its intended results, due to a number of risks and uncertainties.

The Merger

The Merger Agreement (See page 151)

Cousins and Parkway have entered into the Merger Agreement attached as Annex A to this joint proxy statement/prospectus. The Cousins board of directors and the Parkway board of directors have both unanimously approved the combination of Cousins and Parkway and the Spin-Off of New Parkway. Cousins and Parkway encourage you to read the entire Merger Agreement carefully because it is the principal legal document governing the Merger.

Form of the Merger (See page 152)

Pursuant to the Merger Agreement, Parkway will merge with and into Merger Sub, with Merger Sub continuing its existence as a wholly owned subsidiary of Cousins.

We expect that the legacy stockholders of Cousins and the legacy common stockholders of Parkway will own approximately 53% and 47%, respectively, of the outstanding shares of Cousins common stock. Legacy holders of Parkway limited voting stock will own 100% of Cousins limited voting preferred stock.

Consideration to Common Stockholders in the Merger and the Spin-Off (See page 152)

Upon the terms of the Merger Agreement, upon consummation of the Merger, holders of Parkway common stock will have the right to receive 1.63 newly issued shares of Cousins common stock for each share of Parkway common stock they own immediately prior to the effective time of the Merger, with cash paid in lieu of fractional shares. The exchange ratio in the Merger is fixed and will not be adjusted for changes in the market value of Parkway common stock or Cousins common stock. Because of this, the implied value of the consideration to Parkway stockholders in the Merger will fluctuate between now and the completion of the Merger. Based on the closing price of Cousins common stock on the NYSE of $10.71 on April 28, 2016, the last trading day before public announcement of the Merger, the exchange ratio represented approximately $17.46 in Cousins common stock for each share of Parkway common stock. Based on the closing price of Cousins common stock on the NYSE of $11.05 on July 21, 2016, the latest practicable date before the date of this joint proxy statement/prospectus, the exchange ratio represented approximately $18.01 in Cousins common stock for each share of Parkway common stock. For more information, see Comparative Stock Prices and Dividends.

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The following table presents trading information for Cousins common stock and Parkway common stock on April 28, 2016, the last trading day before public announcement of the Merger, and July 21, 2016, the latest practicable date before the date of this joint proxy statement/prospectus. Trading information for Parkway common stock adjusted by the exchange ratio of 1.63 is also provided for each of these dates.

	Cousins Common Stock (Close)	Parkway Common Stock (Close)	Parkway Common Stock (adjusted by exchange ratio) (Close)
April 28, 2016	$ 10.71	$ 15.45	$ 17.46
July 21, 2016	$ 11.05	$ 17.89	$ 18.01

The market prices of Cousins common stock and Parkway common stock fluctuate. As a result, we urge you to obtain current market quotations of Cousins common stock and Parkway common stock.

Treatment of Parkway Limited Voting Stock in the Merger (See page 152)

Prior to the effective time of the Merger, Cousins will adopt an amendment to the Cousins Articles in substantially the form of Exhibit E to the Merger Agreement, which amendment will become effective upon the effective time of the Merger and will authorize a class of Cousins limited voting preferred stock having rights, privileges, powers and preferences materially unchanged from the terms of the Parkway limited voting stock prior to the Merger. In connection with the Merger, each share of Parkway limited voting stock will be converted into 1.63 newly issued shares of Cousins limited voting preferred stock.

Treatment of Parkway Stock Options and Other Equity-Based Awards in the Merger (See page 152)

At the effective time of the Merger, upon the terms and subject to the conditions of the Merger Agreement, outstanding Parkway equity awards will be adjusted as follows:

Restricted Stock Units. Certain Parkway restricted stock unit (which we refer to as RSU) awards will be fully vested and converted into the right to receive a number of shares of Cousins common stock determined based on the exchange ratio. For purposes of such conversion, any performance conditions will be deemed to be satisfied at the maximum level. Certain other Parkway RSU awards will be converted into RSU awards in respect of a number of shares of Cousins common stock determined based on the exchange ratio, and will generally vest in four equal annual installments, commencing on the closing date and concluding on the third anniversary thereof.

Stock Options. Each outstanding Parkway stock option will be converted automatically into an option to purchase a number of shares of Cousins common stock determined based on the exchange ratio.

LTIP Units. Certain outstanding Parkway LP profits interest units (which we refer to as LTIP Units) will be converted into Cousins RSU awards on the terms described above for the modified RSU awards. Certain other LTIP Units will be fully vested and converted into common units of Parkway LP on a one-for-one basis, and for purposes of such conversion, any performance conditions will be deemed to be satisfied at the maximum level. Certain other LTIP Units are anticipated to be forfeited to the extent that the applicable performance conditions are not satisfied as of the effective time of the Merger.

Treatment of Cousins and Parkway Stock Options and Other Equity-Based Awards in the Spin-Off (See page 148)

Pursuant to the Merger Agreement, as of the effective time of the Spin-Off, outstanding Cousins equity awards are expected to be adjusted as follows:

Restricted Stock Units Held by Parkway Employees Transferring to New Parkway. For individuals who are employees of Parkway prior to the effective time of the Merger and who are transferring to New

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Parkway, their Parkway RSU awards that converted into Cousins RSU awards under the Merger Agreement will be converted into, or exchanged for, RSUs of substantially equivalent value in respect of the common stock of New Parkway, with terms and conditions substantially similar to the terms applicable to the Parkway RSU awards prior to the effective time of the Merger.

Restricted Stock Units Held by Parkway Employees Not Transferring to New Parkway or Remaining with Cousins. For individuals who are employees of Parkway prior to the effective time of the Merger and who are not transferring to New Parkway but will not be offered employment with Cousins, their Parkway RSU awards that converted into Cousins RSU awards under the Merger Agreement will be fully vested upon the distribution and treated in the same manner as common stock held by Cousins stockholders generally.

Stock Options Held by Parkway Employees Transferring to New Parkway. For individuals who are employees of Parkway prior to the effective time of the Merger and who are transferring to New Parkway, their Parkway stock options that converted into Cousins stock options under the Merger Agreement will be converted into, or exchanged for, stock options of substantially equivalent value in respect of the common stock of New Parkway, with terms and conditions substantially similar to the terms applicable to the Parkway stock options prior to the effective time of the Merger.

Stock Options Held by Parkway Employees Not Transferring to New Parkway or Remaining with Cousins. For individuals who are employees of Parkway prior to the effective time of the Merger and who are not transferring to New Parkway but will not be offered employment with Cousins, their Parkway stock options that converted into Cousins stock options under the Merger Agreement will be fully vested upon the distribution and divided on a proportional basis into fully vested options in respect of Cousins common stock and fully vested options in respect of the common stock of New Parkway, which in each case will be exercisable for the remaining term of such stock option.

Equity Awards Held by Legacy Cousins Employees Remaining with Cousins. For individuals who are employees of Cousins prior to the effective time of the Merger and who will remain with Cousins following the distribution, their Cousins equity awards will remain fully denominated in respect of Cousins common stock, with the number of shares subject thereto adjusted in the distribution to preserve the value of the award.

Treatment of Parkway LP Units in the Merger and the Spin-Off (See page 152)

Each limited partner of Parkway LP will continue to be entitled, prior to the effective time of the Merger, to redeem or exchange its partnership interests (including LTIP Units) in Parkway LP for shares of Parkway common stock, which if so redeemed or exchanged prior to the effective time of the Merger, will in turn be converted in the Merger into the right to receive a number of newly issued shares of Cousins common stock equal to the exchange ratio, upon the terms and subject to the conditions of the Merger Agreement. Each limited partner of Parkway LP that does not elect to redeem or exchange its partnership interests for shares of Parkway common stock in connection with the Merger will retain its limited partnership interests in Parkway LP and receive pro rata limited partnership interests in Cousins LP in connection with the Separation, the UPREIT Reorganization and the Spin-Off.

Recommendations of the Cousins Board of Directors (See page 96)

After careful consideration, the Cousins board of directors, on April 28, 2016, unanimously approved the Merger Agreement and the transactions contemplated thereby, including the Merger, the Separation, the UPREIT Reorganization, and the Spin-Off, and declared the Merger Agreement and such transactions (including the Cousins Issuance Proposal and the Cousins Articles Amendment Proposal) to be advisable and in the best interest of Cousins and the stockholders of Cousins.

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The Cousins board of directors unanimously recommends that holders of Cousins common stock vote **FOR** the Cousins Issuance Proposal, **FOR** the Cousins Articles Amendment Proposal and **FOR** the Cousins Adjournment Proposal.

For the factors considered by the Cousins board of directors in reaching its decision to approve the Merger Agreement and the recommendations of the Cousins board of directors, see The Merger Cousins Reasons for the Merger; Recommendations of the Cousins Board of Directors.

Recommendation of the Parkway Board of Directors (See page 100)

After careful consideration, the Parkway board of directors, on April 28, 2016, unanimously approved the Merger Agreement and the transactions contemplated thereby, including the Merger, the Separation, the UPREIT Reorganization, and the Spin-Off, and declared the Merger Agreement and such transactions to be advisable and in the best interest of Parkway and the stockholders of Parkway.

The Parkway board of directors unanimously recommends that the Parkway stockholders vote **FOR** the Parkway Merger Proposal, **FOR** the Parkway Compensation Proposal and **FOR** the Parkway Adjournment Proposal.

For the factors considered by the Parkway board of directors in reaching its decision to approve the Merger Agreement and the recommendations of the Parkway board of directors, see The Merger Parkway s Reasons for the Merger; Recommendations of the Parkway Board of Directors.

Opinion of Cousins Financial Advisor (See page 103)

Opinion of Goldman, Sachs & Co.

At a meeting of the Cousins board of directors held on April 28, 2016, Goldman, Sachs & Co. (which we refer to as Goldman Sachs), Cousins financial advisor, rendered to the Cousins board of directors its oral opinion, subsequently confirmed in a written opinion dated April 28, 2016, to the effect that, as of the date of its written opinion and based upon and subject to the factors and assumptions set forth in Goldman Sachs written opinion, the exchange ratio of 1.63 shares of Cousins common stock to be issued for each share of Parkway common stock pursuant to the Merger Agreement was fair, from a financial point of view, to Cousins.

The full text of the written opinion of Goldman Sachs, dated April 28, 2016, which sets forth assumptions made, procedures followed, matters considered, qualifications and limitations on the review undertaken in connection with the opinion, is attached to this joint proxy statement/prospectus as Annex B. The summary of the Goldman Sachs opinion contained in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of Goldman Sachs written opinion. Goldman Sachs advisory services and opinion were provided for the information and assistance of the Cousins board of directors in connection with its consideration of the Merger, and the opinion does not constitute a recommendation as to how any holder of Cousins common stock should vote with respect to the Cousins Issuance Proposal, the Cousins Articles Amendment Proposal or any other matter.

For more information, see The Merger Opinion of Cousins Financial Advisor Opinion of Goldman, Sachs & Co. and Annex B.

Opinions of Parkway s Financial Advisors (See page 112)

Opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated

Parkway has engaged BofA Merrill Lynch as a financial advisor in connection with the Merger. In connection with the Merger, BofA Merrill Lynch delivered a written opinion, dated April 28, 2016, to the

Parkway board of directors as to the fairness, from a financial point of view and as of such date, to the holders of Parkway common stock of the exchange ratio provided for in the Merger. The full text of BofA Merrill Lynch s written opinion, dated April 28, 2016, is attached as Annex C to this joint proxy statement/prospectus and sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken by BofA Merrill Lynch in rendering its opinion. **BofA Merrill Lynch delivered its opinion to the Parkway board of directors for the benefit and use of the Parkway board of directors (in its capacity as such) in connection with and for purposes of its evaluation of the exchange ratio from a financial point of view. BofA Merrill Lynch s opinion did not address any related transactions or other terms, aspects or implications of the Merger and no opinion or view was expressed as to the relative merits of the Merger or related transactions in comparison to other strategies or transactions that might be available to Parkway or in which Parkway might engage or as to the underlying business decision of Parkway to proceed with or effect the Merger or any related transactions. BofA Merrill Lynch also expressed no opinion or recommendation as to how any stockholder should vote or act in connection with the Merger, any related transactions or any other matter.**

Opinion of Wells Fargo Securities, LLC

Parkway also engaged Wells Fargo Securities as a financial advisor in connection with the Merger. In connection with the Merger, Wells Fargo Securities rendered an opinion, dated April 28, 2016, to the Parkway board of directors as to the fairness, from a financial point of view and as of such date, to the holders of Parkway common stock of the exchange ratio provided for in the Merger. The full text of Wells Fargo Securities written opinion is attached as Annex D to this joint proxy statement/prospectus and is incorporated in this document by reference. The written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken by Wells Fargo Securities in rendering its opinion. **The opinion was addressed to the Parkway board of directors (in its capacity as such) for its information and use in connection with its evaluation of the exchange ratio from a financial point of view and did not address any related transactions or any other terms, aspects or implications of the Merger. Wells Fargo Securities opinion did not address the merits of the underlying decision by Parkway to enter into the Merger Agreement or the relative merits of the Merger or related transactions compared with other business strategies or transactions available or that have been or might be considered by Parkway or the Parkway board of directors or in which Parkway might engage. Wells Fargo Securities opinion does not constitute a recommendation to the Parkway board of directors or any other person or entity in respect of the Merger or any related transactions, including as to how any stockholder should vote or act in connection with the Merger, any related transactions or any other matters.**

Interests of Cousins Directors and Executive Officers in the Merger (See page 139)

Pursuant to the Merger Agreement, at the effective time of the Merger, the Cousins board of directors will have nine members, including five directors, Mr. Taylor Glover, Mr. Larry Gellerstedt, Mr. Robert Chapman, Ms. Donna Hyland and Ms. Lillian Giornelli, designated by the Cousins board of directors prior to the effective time of the Merger, with Mr. Taylor Glover continuing as the chairman of the Cousins board of directors. In addition, at the effective time of the Merger, the New Parkway board of directors will have seven members, including three directors, Mr. R. Dary Stone, Mr. James H. Hance Jr. and Mr. Craig B. Jones, designated by the Cousins board of directors prior to the effective time of the Merger.

Pursuant to the Merger Agreement, at the effective time of the Merger, the senior leadership team of Cousins will include Mr. Larry Gellerstedt as president and chief executive officer, Mr. Gregg Adzema as executive vice president and chief financial officer, Mr. John McColl as executive vice president, Mr. Colin Connolly as executive vice president and chief operating officer, Ms. Pamela Roper as senior vice president, general counsel and corporate secretary and Mr. Jay Harris as senior vice president, chief accounting officer, treasurer and assistant corporate secretary. None of the senior leadership team of Cousins will hold positions with New Parkway following the Merger and the Spin-Off.

Interests of Parkway Directors and Executive Officers in the Merger (See page 139)

Pursuant to the Merger Agreement, at the effective time of the Merger, the Cousins board of directors will have nine members, including three directors, Ms. Brenda J. Mixson, Mr. Charles T. Cannada and Mr. Edward M. Casal, designated by the Parkway board of directors prior to the effective time of the Merger, and one director, Mr. Kelvin L. Davis, designated by TPG Pantera pursuant to the Cousins stockholders agreement (as hereinafter defined). For more information, see The Merger Agreements with the TPG Parties Cousins Stockholders Agreement. In addition, at the effective time of the Merger, the New Parkway board of directors will have seven members, including (i) two directors who were members of the Parkway board of directors as of April 28, 2016 (and not representatives of the TPG Parties), one of whom will be Mr. James A. Thomas, Parkway s current chairman of the board, serving as chairman of the New Parkway board of directors, and the other of whom will be Mr. James R. Heistand, president and chief executive officer of New Parkway, and (ii) two directors, Mr. Avi Banyasz and Mr. Frank J. Tripp Johnson, designated by TPG Pantera pursuant to the New Parkway stockholders agreement (as hereinafter defined). For more information, see The Merger Agreements with the TPG Parties New Parkway Stockholders Agreement.

Parkway has entered into employment agreements with certain executive officers, pursuant to which such executive officers may become entitled to certain payments of benefits upon the consummation of a change in control and/or upon a related qualifying termination of employment. For more information, see The Merger Interests of Parkway Directors and Executive Officers in the Merger.

In connection with the Merger, certain executive officers and directors of Parkway who own stock options, RSUs and LTIP Units of Parkway, in some cases, will have such securities converted into the right to receive options to purchase Cousins common stock, Cousins RSUs, Cousins common stock or common units of Parkway LP. For more information, see The Merger Interests of Parkway Directors and Executive Officers in the Merger Treatment of Outstanding Equity Awards.

None of the senior leadership team of New Parkway will hold positions with Cousins following the Merger and the Spin-Off.

In addition, concurrently with execution of the Merger Agreement, Parkway and Parkway LP entered into a letter agreement with Mr. Thomas and certain other unitholders of Parkway LP that are affiliated with Mr. Thomas (which we refer to as the Thomas Investors), pursuant to which Mr. Thomas will have certain interests in New Parkway that are different from, or in addition to, those of others stockholders, including with respect to certain governance rights, registration rights, and tax protection agreements. For more information, see The Merger Thomas Letter Agreement.

Directors and Management Following the Merger (See page 147)

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions of the Merger Agreement, at the effective time of the Merger, the Cousins board of directors will have nine members, with Mr. Taylor Glover continuing as the chairman of the Cousins board of directors. The Cousins board of directors at the effective time of the Merger will consist of five directors, Mr. Taylor Glover, Mr. Larry Gellerstedt, Mr. Robert Chapman, Ms. Donna Hyland and Ms. Lillian Giornelli, designated by the Cousins board of directors prior to the effective time of the Merger, three directors, Ms. Brenda J. Mixson, Mr. Charles T. Cannada and Mr. Edward M. Casal, designated by the Parkway board of directors prior to the effective time of the Merger and one director, Mr. Kelvin L. Davis, designated by TPG Pantera pursuant to the Cousins stockholders agreement (as hereinafter defined). For more information, see The Merger Agreements with the TPG Parties Cousins Stockholders Agreement.

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions of the Merger Agreement, at the effective time of the Merger, the senior leadership team of Cousins will include Mr. Larry

Gellerstedt as president and chief executive officer, Mr. Gregg Adzema as executive vice president and chief financial officer, Mr. John McColl as executive vice president, Mr. Colin Connolly as executive vice president and chief operating officer, Ms. Pamela Roper as senior vice president, general counsel and corporate secretary and Mr. Jay Harris as senior vice president, chief accounting officer, treasurer and assistant corporate secretary. None of the senior leadership team of Cousins will hold positions with New Parkway following the Merger and the Spin-Off.

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions of the Merger Agreement, at the effective time of the Merger, the New Parkway board of directors will have seven members. The New Parkway board of directors at the effective time of the Merger will consist of three directors, Mr. R. Dary Stone, Mr. James H. Hance Jr. and Mr. Craig B. Jones, designated by the Cousins board of directors prior to the effective time of the Merger, two directors, Mr. James A. Thomas and Mr. James R. Heistand, designated by the Parkway board of directors prior to the effective time of the Merger and two directors, Mr. Avi Banyasz and Mr. Frank J. Tripp Johnson, designated by TPG Pantera pursuant to the New Parkway stockholders agreement (as hereinafter defined). For more information, see The Merger Agreements with the TPG Parties New Parkway Stockholders Agreement.

On June 29, 2016, with respect to the designation of Mr. Craig B. Jones, Cousins and Parkway agreed to waive a requirement in the Merger Agreement that each of the directors appointed by Cousins to the New Parkway board of directors must have been a member of the Cousins board of directors as of April 28, 2016.

At the effective time of the Merger, the senior leadership team of New Parkway will include Mr. James R. Heistand as chief executive officer and other senior management of Parkway in key executive roles. Mr. James A. Thomas, the current chairman of the Parkway board of directors, will be the chairman of the New Parkway board of directors at the effective time of the Merger.

None of the senior leadership team of New Parkway will hold positions with Cousins following the Merger and the Spin-Off.

For more information, see The Merger Directors and Management Following the Merger and The Merger Agreements with the TPG Parties.

The Separation (See page 163)

Immediately following the effective time of the Merger, Cousins will effect the Separation, a series of reorganization transactions, on the terms and subject to the conditions of the Merger Agreement, pursuant to which Cousins will separate the Houston Business and the Third-Party Services Business from the remainder of the combined businesses.

The UPREIT Reorganization (See page 163)

In connection with the Merger and the Separation, Cousins and Parkway will reorganize their combined businesses through the UPREIT Reorganization such that, after the completion of the Merger, the Separation, the UPREIT Reorganization and the Spin-Off, both Cousins and New Parkway will operate as UPREITs. This means that substantially all of the properties of Cousins and Parkway will be held through an operating partnership of each company.

To that end, pursuant to the UPREIT Reorganization, Parkway has formed a new operating partnership, Cousins LP, through which Cousins will operate substantially all of its business after the effective time of the Merger.

Parkway currently operates as an UPREIT, through its operating partnership, Parkway LP. Pursuant to the UPREIT Reorganization, New Parkway LP will become the operating partnership of New Parkway, through which New Parkway will operate substantially all of its business after the effective time of the Spin-Off.

The Spin-Off (See page 166)

New Parkway s charter will provide for three classes of stock: voting common stock, nonvoting preferred stock and limited voting stock. After the Separation and the UPREIT Reorganization, in the Spin-Off, Cousins will distribute (1) pro rata to its common stockholders, including legacy Cousins common stockholders and legacy Parkway common stockholders, all of the outstanding shares of common stock of New Parkway and (2) pro rata to its limited voting stockholders, which are composed of legacy Parkway limited voting stockholders, all of the outstanding shares of limited voting stock of New Parkway. The Spin-Off will occur on the first business day following the closing of the Merger. Cousins, or a subsidiary of Cousins, will retain all of the nonvoting preferred stock of New Parkway, upon the terms and subject to the conditions of the Merger Agreement. New Parkway is expected to have outstanding shares of preferred stock with a liquidation preference of $5 million, a fixed market-rate dividend and no voting rights, other than as required by law.

Cousins and Parkway will enter into all agreements necessary to effect the Spin-Off, including a Separation and Distribution Agreement (as hereinafter defined), in each case, on the terms and subject to the conditions of the Merger Agreement.

Continuing holders of shares of Cousins common stock will be entitled to receive one share of New Parkway common stock for each share of Cousins common stock held by such stockholder as of the close of business on the record date of the Spin-Off. Legacy holders of shares of Parkway common stock who, as of the close of business on the record date of the Spin-Off, continue to hold the Cousins shares they received in the Merger will be entitled to receive 1.63 shares of New Parkway common stock for each share of Parkway common stock held by such stockholders immediately prior to the effective time of the Merger. In addition, each limited partner of Parkway LP that does not redeem or exchange its partnership interests for shares of Parkway common stock in connection with the Merger will retain its limited partnership interests in Parkway LP and receive pro rata limited partnership interests in Cousins LP in connection with the Separation, the UPREIT Reorganization and the Spin-Off.

Legacy holders of shares of Parkway limited voting stock who, as of the close of business on the record date of the Spin-Off, continue to hold the Cousins shares they received in the Merger will be entitled to receive 1.63 shares of New Parkway limited voting stock for each share of Parkway limited voting stock held by such stockholders immediately prior to the effective time of the Merger. Under the articles of incorporation of New Parkway, the terms of the New Parkway limited voting stock will be substantially identical to the terms of the Cousins limited voting preferred stock, as set forth in Exhibit E to the Merger Agreement.

Upon completion of the Merger, the Separation, the UPREIT Reorganization and the Spin-Off, we estimate that legacy Cousins common stockholders will own approximately 53% of the common stock of each of Cousins and New Parkway, and legacy Parkway stockholders will own approximately 47% of the common stock of each of Cousins and New Parkway. Legacy holders of Parkway limited voting stock will own 100% of each of the Cousins limited voting preferred stock and the New Parkway limited voting stock.

Accounting Treatment (See page 149)

Cousins and Parkway prepare their financial statements, respectively, in accordance with accounting principles generally accepted in the United States (which we refer to as GAAP). The Merger will be accounted for by applying the purchase method of accounting, with Cousins treated as the acquirer. For more information, see The Merger Accounting Treatment.

Regulatory Approvals (See page 149)

In connection with the issuance of Cousins common stock in the Merger, pursuant to the Merger Agreement, as a condition to the closing of the Merger, Cousins must file a registration statement with the SEC under the Securities Act, of which this joint proxy statement/prospectus forms a part, that is declared effective by the SEC. As a condition to the closing of the Merger, New Parkway must file the New Parkway Form 10, and the New Parkway Form 10 must be declared effective by the SEC, with no stop order in effect with respect to the New Parkway Form 10 and no proceedings for such purpose pending or threatened by the SEC.

Closing; Effective Time of the Merger (See page 153)

Cousins and Parkway are working to complete the Merger and the Spin-Off in the fourth quarter of 2016. However, the Merger and the Spin-Off are subject to various conditions, and it is possible that factors outside the control of both companies could result in the Merger and the Spin-Off being completed at a later time, or not at all. There may be a substantial amount of time between the respective Cousins and Parkway special meetings and the completion of the Merger and the Spin-Off. Cousins and Parkway hope to complete the Merger and the Spin-Off as soon as reasonably practicable following the satisfaction of all applicable conditions. For more information, see Risk Factors Risks Relating to the Merger.

The Merger is expressly conditioned on the readiness of the Spin-Off and the effectiveness of the New Parkway Form 10, on which securities to be distributed in the Spin-Off will be registered. This may further delay consummation of the Merger.

Cousins stockholders and Parkway stockholders are not being asked to take any action relating to the Separation, the UPREIT Reorganization or the Spin-Off.

Conditions to Completion of the Merger (See pages 173)

As more fully described in this joint proxy statement/prospectus and in the Merger Agreement, the completion of the Merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include:

- receipt of the requisite approvals of Cousins stockholders and Parkway stockholders;

- the approval for listing on the NYSE of shares of Cousins common stock to be issued or reserved for issuance in connection with the Merger;

- the SEC having declared effective the registration statement of which this joint proxy statement/prospectus forms a part;

- the absence of an injunction or law prohibiting the Merger;

the Spin-Off being fully ready to be consummated contemporaneously with the closing of the Merger, including that the SEC shall have declared the New Parkway Form 10 effective and the Spin-Off will close on the business day following the closing of the Merger;

the correctness of all representations and warranties made by the parties in the Merger Agreement and performance by the parties of their obligations under the Merger Agreement (subject in most cases to materiality or material adverse effect qualifications), and receipt of an officer s certificate from each party attesting thereto;

receipt by each of Cousins and Parkway of an opinion to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code; and

the receipt by each of Cousins and Parkway of an opinion regarding such party s qualification as a REIT.

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We cannot be certain when, or if, the conditions to the Merger will be satisfied or waived, or that the Merger will be completed.

As more fully described in this joint proxy statement/prospectus and in the Merger Agreement, the completion of the Spin-Off depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include:

- the effectiveness of the New Parkway Form 10, with no stop order in effect with respect thereto, and no proceedings for such purpose pending before or threatened by the SEC;
- the receipt by Cousins of solvency and surplus opinions;
- the acceptance for listing on the NYSE of shares of New Parkway common stock to be issued or reserved for issuance in connection with the Spin-Off, subject to official notice of distribution;
- the mailing of the information statement that is a part of the New Parkway Form 10;
- the execution of all ancillary documents required by the Spin-Off;
- the absence of injunction or law preventing consummation, or limiting the benefits, of the Spin-Off;
- the consummation of the Merger, the Separation and the UPREIT Reorganization; and
- the entering into by New Parkway LP, of its credit facility, pursuant to which New Parkway LP shall cause $200 million to be distributed to its partners, which funds will then be contributed to Cousins LP.

No Solicitation (See page 174)

Cousins and Parkway are subject to a customary no-shop provision that requires them to refrain from, and to cease discussions or solicitations with respect to, alternate transactions and subjects them to certain restrictions in considering and negotiating alternate transactions. If either of the parties receives a superior proposal (as hereinafter defined), the receiving party may provide nonpublic information to the proposing party and engage in discussions or negotiations with the party making such a proposal. Each party shall promptly notify the other party of any proposal for an alternative transaction within 24 hours and provide the other party with a copy of such proposal.

In response to a superior proposal, the board of directors of the party receiving such a proposal may change its recommendation with respect to such party s stockholder vote, and such party may terminate the Merger Agreement in order to accept such proposal. Prior to effecting such change, the board of directors of the party receiving the superior proposal must provide the other party with notice, reasons for such action and five days of good-faith negotiations to counter such proposal.

Termination of the Merger Agreement (See page 177)

The Merger Agreement may be terminated prior to the effective time of the Merger, whether before or after the required approvals of the Cousins stockholders and Parkway stockholders are obtained:

- by mutual written consent of Cousins and Parkway;

- by either Cousins or Parkway, if the Merger is not consummated by December 31, 2016, which either party may extend to March 31, 2017 if the only closing condition not yet satisfied relates to the readiness of the Spin-Off;

- by either Cousins or Parkway, if a court or other governmental entity issues a final and nonappealable order prohibiting the Merger;

- by either Cousins or Parkway, if the required approvals of either the Cousins stockholders or the Parkway stockholders are not obtained;

by either Cousins or Parkway, if there is a breach of the representations or covenants of the other party that would result in the failure of the related closing condition to be satisfied, subject to a cure period;

by Cousins, if the Parkway board of directors changes its recommendation regarding approval of the Parkway Merger Proposal;

by Parkway, if the Cousins board of the directors changes its recommendation in favor of the Cousins Issuance Proposal and the Cousins Articles Amendment Proposal;

by either Cousins or Parkway, to enter into a superior proposal (as hereinafter defined), subject to compliance with certain terms of the Merger Agreement; and

by either Cousins or Parkway upon a material breach of the other party s nonsolicitation obligations under the Merger Agreement, subject to a five-day cure period.

Expenses and Termination Fees (See page 178)

Generally, all fees and expenses incurred in connection with the Merger and the transactions contemplated by the Merger Agreement will be paid by the party incurring those expenses. For more information, see The Merger The Merger Agreement Fees and Expenses. The Merger Agreement further provides that, upon termination of the Merger Agreement under certain circumstances, each party may be obligated to pay the other party a termination fee of $65 million and either party may be obligated to reimburse $20 million of the expenses of the other party. For more information, see The Merger The Merger Agreement Termination of the Merger Agreement.

No Appraisal or Dissenters Rights (See page 151)

Under Maryland and Georgia law, the holders of Parkway common and limited voting stock and Cousins common stock, respectively, are not entitled to appraisal rights in connection with the Merger. For more information, see The Merger No Appraisal or Dissenters Rights.

Agreements with the TPG Parties (See page 180)

Concurrently with the execution of the Merger Agreement, Cousins entered into a voting agreement with the TPG Parties, pursuant to which the TPG Parties agreed to vote all of their shares of Parkway common stock in favor of the Parkway Merger Proposal and the other actions contemplated by the Merger Agreement and against actions or agreements that would reasonably be expected to result in the failure of a closing condition set forth in the Merger Agreement, alternative acquisitions, any action that would reasonably be expected to materially delay, materially postpone or materially adversely affect the consummation of the transactions contemplated by the Merger or would dilute in any material respect the benefit of such transactions to Cousins or its stockholders. As of April 28, 2016, the TPG Parties held 23,663,397 shares of Parkway common stock, or approximately 21.2% of the common stock issued and outstanding.

Concurrently with the execution of the Merger Agreement, Cousins entered into a stockholders agreement with the TPG Parties (which we refer to as the Cousins stockholders agreement) in order to establish various arrangements with respect to governance of Cousins after the effective time of the Merger and certain rights with respect to shares of

Cousins common stock which will be beneficially owned by the TPG Parties following the effective time of the Merger. Effectiveness of the Cousins stockholders agreement is conditioned on the closing of the Merger.

Pursuant to the Cousins stockholders agreement, upon the terms and subject to the conditions thereof, TPG Pantera will have the right to nominate one director for inclusion on the Cousins board of directors and certain of its committees so long as TPG Pantera (together with its affiliates, other than portfolio companies of TPG Pantera or its affiliates) beneficially owns at least 5% of outstanding shares of Cousins common stock. The agreement will also grant the TPG Parties certain registration rights, and will subject TPG Pantera and its affiliates (other than portfolio companies of TPG Pantera or its affiliates) and any non-private equity business of any of TPG Pantera s affiliates to a standstill that will allow TPG Pantera or such affiliates to acquire up to 15% of the outstanding shares of Cousins common stock, subject to the terms and upon the conditions of the Cousins stockholders agreement.

In addition, in connection with the Merger Agreement, the Cousins board of directors granted to the TPG Parties an exemption from the ownership limit included in the Cousins Articles, establishing for the TPG Parties an aggregate substitute in lieu of the ownership limit to permit them to constructively and beneficially own (without duplication) (i) during the term of the standstill provided by the Cousins stockholders agreement, up to 15% of Cousins outstanding voting securities, subject to the terms and conditions thereof, and (ii) following the term of the standstill provided by the Cousins stockholders agreement, shares of Cousins common stock held by the TPG Parties at the expiration of the standstill, subject to the terms, conditions, limitations, reductions and terminations set forth in an executed investor representation letter to be entered into prior to the effective time of the Merger.

In addition, at the effective time of the Merger, New Parkway will enter into a stockholders agreement with the TPG Parties (which we refer to as the New Parkway stockholders agreement), pursuant to which TPG Pantera will have the right to nominate two directors to the New Parkway board of directors for so long as TPG Pantera (together with its affiliates, other than portfolio companies of TPG Pantera or its affiliates) beneficially owns at least 5% of New Parkway common stock (or up to three directors if they beneficially own at least 30% of New Parkway common stock) and one director to the New Parkway board of directors for so long as TPG Pantera (together with its affiliates, other than portfolio companies of TPG Pantera or its affiliates) own at least 2.5% of New Parkway common stock. The agreement will also grant the TPG Parties certain registration and preemptive rights.

For more information, see The Merger Agreements with the TPG Parties.

Thomas Letter Agreement (See Page 183)

Concurrently with the execution of the Merger Agreement, Parkway and Parkway LP entered into the Thomas Letter Agreement with the chairman of the Parkway board of directors, Mr. James A. Thomas, and certain unitholders of Parkway LP who are affiliated with Mr. Thomas (together with Mr. Thomas, the Thomas Parties). The Thomas Letter Agreement supplements and amends an existing letter agreement among the parties relating to certain governance rights of Mr. Thomas, certain tax protection arrangements, and registration rights. The Thomas Letter Agreement will be binding on New Parkway and the successor to Parkway LP following the Merger and the Spin-Off, and, in general, will not be binding upon Cousins, Cousins LP or any of their subsidiaries.

Agreements to be Entered into in Connection with the Merger, the Separation and the UPREIT Reorganization (See page 184)

Prior to the effective time of the Merger, Parkway, as general partner of Cousins LP, and Parkway LP, as limited partner of Cousins LP, will execute the partnership agreement of Cousins LP which, immediately following the effective time of the Merger, will be amended and restated by Cousins as general partner and certain persons as limited partners. Cousins LP will function as the operating partnership of Cousins and will allow Cousins to operate as an UPREIT following the Merger and the UPREIT Reorganization.

In addition, immediately following the Spin-Off, New Parkway, as holder of the majority in interest of the limited partnership units of Parkway LP, and Parkway Properties General Partners, Inc., a Delaware corporation (which we refer to as Parkway GP), as general partner of Parkway LP, will enter into an amendment to the

Parkway Partnership Agreement. Parkway LP will hold, as its sole asset, an approximately 47.5% limited partner interest in New Parkway LP. New Parkway LP will function as the operating partnership of New Parkway and will allow New Parkway to operate as an UPREIT following consummation of the Merger, the Separation, the UPREIT Reorganization and the Spin-Off.

Material U.S. Federal Income Tax Consequences of the Merger (See page 196)

The Merger is intended to be non-taxable to stockholders, provided it qualifies as a reorganization within the meaning of Section 368(a) of the Code. U.S. holders of Parkway common stock are not expected to recognize any gain or loss for U.S. federal income tax purposes on the receipt of shares of Cousins common stock in exchange for Parkway common stock in the Merger, except with respect to any cash received in lieu of fractional shares of Cousins common stock. The obligations of Parkway and Cousins to complete the Merger are subject to, among other conditions described in this joint proxy statement/prospectus, the receipt by each of Parkway and Cousins of the opinion of its counsel to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code**.**

You should read Material U.S. Federal Income Tax Consequences Material U.S. Federal Income Tax Consequences of the Merger for a more complete discussion of the U.S. federal income tax considerations relevant to the Merger. The tax consequences of the Merger to you will depend on your particular tax situation. **You should consult your tax advisor to determine the particular tax consequences of the Merger to you.**

Material U.S. Federal Income Tax Consequences of the Spin-Off to U.S. Stockholders (See page 197)

While the Merger generally is not expected to result in the recognition of gain or loss for stockholders of either Parkway or Cousins, the distribution of shares of New Parkway common stock in the Spin-Off will be treated as a taxable distribution to Cousins stockholders for U.S. federal income tax purposes. An amount equal to the fair market value of the shares of New Parkway common stock received by Cousins stockholders in the Spin-Off will generally be treated as a taxable dividend to the extent of your ratable share of any current or accumulated earnings and profits of Cousins (including gain recognized by Cousins in connection with the Separation and the Spin-off), with the excess treated first as a non-taxable return of capital to the extent of your tax basis in Cousins common stock and any remaining excess treated as capital gain.

The particular consequences of the Spin-Off to each Cousins stockholder depend on such holder s particular facts and circumstances, and thus you are urged to consult your tax advisor to understand fully the consequences to you of the Spin-Off in your specific circumstances. For more information, see Material U.S. Federal Income Tax Consequences of the Spin-Off to U.S. Stockholders.

The Cousins Special Meeting (See page 199)

The Cousins special meeting will be held at 191 Peachtree Street NE, Suite 500, Atlanta Georgia 30303, at 2:00 PM EDT, on August 23, 2016. You may vote at the Cousins special meeting if you owned shares of Cousins common stock at the close of business on July 15, 2016, the record date for the Cousins special meeting. On that date, there were 220,498,824 shares of Cousins common stock outstanding and entitled to vote. You may cast one vote for each share of Cousins common stock that you owned on that date.

At the Cousins special meeting, Cousins stockholders will be asked to consider and vote upon:

the Cousins Issuance Proposal;

the Cousins Articles Amendment Proposal; and

the Cousins Adjournment Proposal.

The approval of the Cousins Issuance Proposal and the Cousins Articles Amendment Proposal is a condition to the completion of the Merger.

The Cousins Issuance Proposal requires approval by the affirmative vote of the majority of the votes cast by Cousins common stockholders, assuming a quorum is present. The Cousins Articles Amendment Proposal requires approval by the affirmative vote of the holders of a majority of the outstanding shares of Cousins common stock, assuming a quorum is present. The Cousins Adjournment Proposal requires approval by the affirmative vote of holders of a majority of the Cousins common stock represented, in person or by proxy, at the Cousins special meeting and entitled to vote on the proposal, whether or not a quorum is present.

On the record date, approximately 3.17% of the outstanding shares of Cousins common stock was held by Cousins directors and executive officers and their affiliates. Cousins currently expects that the Cousins directors and executive officers will vote their shares in favor of the Cousins Issuance Proposal, the Cousins Articles Amendment Proposal and the Cousins Adjournment Proposal, although none has entered into any agreements obligating them to do so.

The Cousins board of directors unanimously recommends that Cousins stockholders vote **FOR** all of the proposals set forth above. For more information, see The Cousins Special Meeting.

Cousins stockholders do not need to take any action at the Cousins special meeting relating to the Separation, the UPREIT Reorganization or the Spin-Off. The Separation, the UPREIT Reorganization and the Spin-Off will only occur if the Merger is completed.

The Parkway Special Meeting (See page 206)

The Parkway special meeting will be held at 3344 Peachtree Road NE, Atlanta, Georgia 30326, at 2:00 PM EDT on August 23, 2016. You may vote at the Parkway special meeting if you owned Parkway common or limited voting stock at the close of business on July 15, 2016, the record date for the Parkway special meeting. On that date, there were 111,768,031 shares of Parkway common stock outstanding and entitled to vote and 4,213,104 shares of Parkway limited voting stock outstanding and entitled to vote. Each share of Parkway common stock is entitled to cast one vote on all matters that come before the Parkway special meeting. Each share of Parkway limited voting stock is entitled to cast one vote on the Parkway Merger Proposal only and shall vote as a single class with the holders of Parkway common stock on such proposal.

At the Parkway special meeting, stockholders of Parkway will be asked to consider and vote upon:

- the Parkway Merger Proposal;
- the Parkway Compensation Proposal; and
- the Parkway Adjournment Proposal.

The approval of the Parkway Merger Proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Parkway common and limited voting stock, voting together as a single class. The approval of the Parkway Compensation Proposal requires the affirmative vote of the holders of a majority of the votes cast by holders of Parkway common stock, assuming a quorum is present. The Parkway Adjournment Proposal requires the affirmative vote of the holders of a majority of the votes cast by holders of Parkway common stock, assuming a quorum is present. If a quorum is not present, the holders of a majority of Parkway common stock present in person or by proxy at the Parkway special meeting may adjourn the meeting.

On the record date, approximately 7.9% of the outstanding shares of Parkway common stock was held by Parkway directors and executive officers and their affiliates. On the record date, 100% of the outstanding shares of Parkway limited voting stock were held by a director of Parkway and his affiliates. Parkway currently expects that the directors and executive officers of Parkway will vote their shares in favor of the Parkway Merger Proposal, the Parkway Compensation Proposal and the Parkway Adjournment Proposal, although none has entered into any agreements obligating them to do so. In addition, the TPG Parties, who currently have the right to designate up to four directors on the Parkway board of directors, have entered into a voting agreement with Cousins pursuant to which they have agreed to vote all of their shares of Parkway common stock in favor of the Parkway Merger Proposal. For more information, see The Merger Agreements with the TPG Parties Voting Agreement.

The Parkway board of directors unanimously recommends that Parkway stockholders vote **FOR** all of the proposals set forth above. For more information, see The Parkway Special Meeting.

Parkway stockholders do not need to take any action at the Parkway special meeting relating to the Separation, the UPREIT Reorganization or the Spin-Off. The Separation, the UPREIT Reorganization and the Spin-Off will only occur if the Merger is completed.

Business and Properties New Parkway (See page 274)

General (See page 274)

New Parkway will be a self-managed office REIT, engaged in the ownership, acquisition, development and leasing of Class A office properties focused on attractive Houston, Texas submarkets. Upon completion of the Separation, its portfolio will consist of five Class A assets comprising 19 buildings and totaling approximately 8.7 million rentable square feet in the Greenway, Galleria and Westchase submarkets of Houston, providing geographic focus and significant operational scale and efficiencies. New Parkway believes that the creation of a geographically focused REIT with a strong balance sheet and targeted internal value-creation opportunities will generate attractive risk-adjusted returns for its stockholders while providing a platform for external growth opportunities over the longer term.

New Parkway s mission will be to own and operate high-quality office properties located in attractive submarkets in Houston, with a primary focus on unlocking value within its existing portfolio through implementing active and creative leasing strategies, leveraging its scale to increase pricing power in lease and vendor negotiations and targeting redevelopment and asset repositioning opportunities. New Parkway expects to maintain a conservative balance sheet with low leverage and ample liquidity, which New Parkway expects will allow it to access multiple sources of capital. New Parkway believes that this strategy will support both its internal growth initiatives and its patient and disciplined approach to pursuing new investment opportunities at the appropriate times. New Parkway believes this strategy, combined with its highly experienced management team that has a successful history of operating a publicly traded REIT, significant expertise in the Houston, Texas office sector and extensive relationships with industry participants, positions it for long-term external and internal growth.

Competitive Strengths (See page 274)

Accomplished management team with a demonstrated track record of acquiring, operating and repositioning assets and managing a public office REIT. New Parkway s management team, led by Mr. James R. Heistand, will have extensive experience in the office real estate industry, including in the operations, leasing, acquisition and disposition of office assets through all stages of the real estate cycle, and will have a proven track record of executing business strategies and delivering strong results for stockholders. Since joining Parkway in the fourth quarter of 2011 through March 31, 2016, this management team has acquired $3.9 billion of high-quality, Class A office assets and disposed of approximately $2.6 billion of non-core assets resulting in approximately $290.0 million of net gains. During this time, this management team also realized significant portfolio-wide operational improvements as evidenced by a 45.8% increase in average in-place rents and an increase in the leased percentage of the portfolio from 84.9% to 90.8%.

Houston focus with local and regional expertise. New Parkway will focus on owning and operating office properties in Houston, Texas, which is a region New Parkway believes is well-positioned for economic recovery. New Parkway believes its position as a pure-play Houston real estate company allows it to have a targeted focus on property performance that otherwise could be diluted in a company with more geographically diverse holdings. Additionally, New Parkway s management and property-level teams have in-depth knowledge of the Houston real estate market and an extensive network of long-standing relationships with leading local and regional industry participants that New Parkway believes will drive its ability to identify and capitalize on internal and external value-creation opportunities and attractive acquisition opportunities as well as identify opportunities with potential joint venture partners, as such opportunities arise from time to time, which may include preliminary conceptual discussions prior to the closing of the Merger.

High-quality portfolio of Class-A office assets concentrated in desirable, resilient Houston submarkets. New Parkway will own five Class A assets comprising 19 buildings and totaling approximately 8.7 million square feet in the Greenway, Galleria and Westchase submarkets, which are among the most desirable submarkets in Houston. New Parkway expects to be the largest landlord in each of these submarkets, owning 72% of the Class A office inventory in Greenway, 18% in Galleria, and 17% in Westchase based on square footage as of March 31, 2016.

High-quality, creditworthy customer base with limited near-term lease maturities. New Parkway s diversified customer base will generally consist of high-quality and creditworthy customers. As of March 31, 2016, nearly 50% of New Parkway s customers based on annual base rent had investment grade credit ratings from major credit rating agencies. Further, with a weighted average remaining lease term of approximately six years as of March 31, 2016, New Parkway s portfolio will have limited near-term lease maturities, which New Parkway believes will provide stable cash flows with minimal decline in contractual revenue over the next several years.

Flexible and conservative capital structure. New Parkway believes its flexible and conservative capital structure will provide it with an advantage over many of its private and public competitors. Upon completion of the Distribution, New Parkway will have limited near-term debt maturities, approximately $150 million in cash and cash equivalents and $50 million of additional liquidity, all of which will provide financial flexibility, support ongoing capital improvement needs and reinforce its business and growth strategies of unlocking the value in its portfolio through leasing and asset repositioning.

Business and Growth Strategies (see page 276)

Maximize cash flow growth and value through proactive asset management and leasing. New Parkway believes it is well-positioned to drive growth in cash flow and maximize the value of its portfolio with proactive, creative and aggressive leasing and asset management. New Parkway believes that it will be able to leverage its broad existing customer relationships, leading market position and deep financial flexibility to attract new, high-quality customers, increase occupancy over the long-term and maximize customer retention rates at its properties.

Focus on unlocking value through repositioning and redeveloping existing properties. New Parkway expects that its management team will devote attention to internal value-creating investment opportunities that are intended to generate attractive growth in revenues and cash flow, enhancing the value of its portfolio. Specifically, New Parkway expects to leverage its real estate expertise to reposition and redevelop its existing properties, as well as properties that New Parkway may acquire in the future, with the objective of increasing occupancy, rental rates and risk-adjusted returns on its invested capital.

Maintain a conservative, flexible balance sheet with adequate liquidity to fund near-term growth opportunities. New Parkway will maintain a conservative capital structure that will provide resources and

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flexibility to position it for both internal and external growth. New Parkway will focus on maintaining sufficient liquidity with minimal short-term debt maturities, allowing it to pursue value enhancement strategies within its portfolio and to support acquisition activities as they may arise from time to time. Initially, New Parkway expects to maintain a mix of property-level secured indebtedness as well as corporate debt secured by a pool of assets.

Pursue acquisitions with a patient, prudent approach. While New Parkway s initial focus will be to unlock internal embedded growth in its existing portfolio, New Parkway intends to take advantage of current and future market dislocation in Houston to capitalize on emerging acquisition opportunities within New Parkway s current submarkets as well as other Houston submarkets, if such assets meet its investment criteria.

New Parkway s Portfolio (see page 277)

New Parkway s portfolio will consist of five Class A office assets located in the Galleria, Greenway and Westchase submarkets in Houston, Texas, comprising 19 buildings and totaling approximately 8.7 million square feet. As of March 31, 2016, its portfolio had an occupancy rate of 86.0%.

The following table sets forth the occupancy rates by property for New Parkway s portfolio as of March 31, 2016:

Office Property	Ownership Interest	Total Rentable Square Feet (in thousands)	Occupancy %	Weighted Average Rental Rate per Rentable Square Foot	% of Leases Expiring in 2016[(1)]	Year Built
Phoenix Tower	100%	630	82.1%	$ 17.68	4.1%	1984
CityWestPlace	100%	1,472	77.0%	22.60	5.1%	1993-2001
San Felipe Plaza	100%	980	84.7%	21.60	6.4%	1984
Greenway Plaza	100%	4,348	87.3%	16.07	3.8%	1969-1981
Post Oak Central	100%	1,280	95.0%	18.43	2.6%	1974-1980
		8,710	86.0%	$ 18.17	4.1%	

(1) The percentage of leases expiring in 2016 represents the ratio of square feet under leases expiring in 2016 divided by total rentable square feet.

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Top 20 Customers (see page 277)

As of March 31, 2016, New Parkway s top 20 customers (identified by industry) based on annualized rent are as follows:

Customer (identified by industry)	Expiration Date	Occupied Square Footage (in thousands)	Annualized Rental Revenue (in thousands)(1)	Percentage of Total Annualized Rental Revenue
Energy	2026	961	$ 14,004	10.3%
Energy	2016, 2032	582	13,994	10.3%
Energy	2019	524	9,328	6.9%
Financial Services	2023	391	6,525	4.8%
Energy	2023	176	4,378	3.2%
Financial Services	2016, 2019	219	3,926	2.9%
Technology	2026	216	3,525	2.6%
Energy	2023	250	3,312	2.4%
Energy	2017, 2025	167	3,251	2.4%
Energy	2023	199	3,006	2.2%
Energy	2018	130	2,171	1.6%
Energy	2020	135	2,094	1.5%
Financial Services	2021	92	1,888	1.4%
Real Estate	2025	87	1,713	1.3%
Energy	2018, 2021	87	1,513	1.1%
Energy	2016, 2022	83	1,397	1.0%
Energy	2017	76	1,289	0.9%
Energy	2020	71	1,270	0.9%
Financial Services	2016, 2017	84	1,267	0.9%
Energy	2024	99	1,188	0.9%

(1) Annualized rental revenue represents the rental rate per square foot, multiplied by the number of square feet leased by the customer. Annualized rental revenue is defined as rental revenue less operating expense reimbursements.

Rights of Parkway Stockholders Will Change as a Result of the Merger (See page 289)

Parkway stockholders will have different rights once they become stockholders of Cousins, due to differences between the governing documents of Cousins and Parkway. These differences are described in detail under Comparison of Rights of Cousins Stockholders and Parkway Stockholders.

In addition, in connection with the Spin-Off, New Parkway stockholders will have different rights under New Parkway s articles of incorporation and bylaws once they become stockholders of New Parkway.

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SELECTED HISTORICAL FINANCIAL DATA COUSINS

The following tables set forth selected consolidated financial information for Cousins as of and for each of the five years ended December 31, 2015, 2014, 2013, 2012 and 2011 and as of and for each of the three months ended March 31, 2016 and 2015. All references to fiscal years, unless otherwise noted, refer to the twelve-month fiscal year.

The selected consolidated financial information for Cousins as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013 was derived from the audited consolidated financial statements of Cousins contained in Cousins Annual Report on Form 10-K filed with the SEC on February 10, 2016, which is incorporated by reference into this joint proxy statement/prospectus. The summary consolidated financial data as of December 31, 2013, 2012 and 2011, and for the years ended December 31, 2012 and 2011, were derived from Cousins audited consolidated financial statements not included or incorporated by reference into this joint proxy statement/prospectus.

The selected historical financial information as of March 31, 2016 and for each of the three-month periods ended March 31, 2016 and March 31, 2015 was derived from Cousins unaudited consolidated financial statements as of and for the quarter ended March 31, 2016 contained in Cousins Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, filed with the SEC on May 4, 2016, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical financial information as of March 31, 2015 was derived from unaudited consolidated financial statements not included or incorporated by reference into this joint proxy statement/prospectus.

The following information should be read together with the consolidated financial statements of Cousins, the notes related thereto and the related reports of management on the financial condition and performance of Cousins, all of which are contained in the reports of Cousins filed with the SEC and incorporated herein by reference. For more information, see Where You Can Find More Information.

	Three Months Ended March 31,		For the Years Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
	(in thousands, except per share amounts)						
Rental property revenues	$ 88,476	$ 90,033	$ 373,068	$ 343,910	$ 194,420	$ 114,208	$ 94,704
Fee income	2,199	1,816	7,297	12,519	10,891	17,797	13,821
Other	576	127	1,278	4,954	5,430	4,841	9,600
Total revenues	91,251	91,976	381,643	361,383	210,741	136,846	118,125
Rental property operating expenses	35,609	37,954	156,157	155,934	90,498	50,329	40,817
Reimbursed expenses	870	1,111	3,430	3,652	5,215	7,063	6,208
General and administrative expenses	8,492	3,595	17,099	19,969	22,460	23,208	24,166
Interest expense	7,414	7,677	30,723	29,110	21,709	23,933	26,677
Depreciation and amortization	31,969	36,147	135,416	140,018	76,277	39,424	30,666
Impairment losses						488	96,818
Other	125	440	1,299	4,674	11,177	7,922	9,951

Total expenses	84,479	86,924	344,124	353,357	227,336	152,367	235,303

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	Three Months Ended March 31, 2016	2015	For the Years Ended December 31, 2015	2014	2013	2012	2011
	(in thousands, except per share amounts)						
Loss on extinguishment of debt and interest rate swaps						(94)	
Benefit (provision) for income taxes from operations				20	23	(91)	186
Income (loss) from unconsolidated joint ventures	1,834	1,611	8,302	11,268	67,325	39,258	(18,299)
Gain on sale of investment properties	14,190	1,105	80,394	12,536	61,288	4,053	3,494
Income (loss) from continuing operations	22,796	7,768	126,215	31,850	112,041	27,605	(131,797)
Income (loss) from discontinued operations		(565)	(586)	21,158	14,788	20,314	8,330
Net income (loss)	22,796	7,203	125,629	53,008	126,829	47,919	(123,467)
Net income attributable to noncontrolling interests			(111)	(1,004)	(5,068)	(2,191)	(4,958)
Preferred share original issuance costs				(3,530)	(2,656)		
Preferred dividends				(2,955)	(10,008)	(12,907)	(12,907)
Net income (loss) available to common stockholders	$ 22,796	$ 7,203	$ 125,518	$ 45,519	$ 109,097	$ 32,821	$ (141,332)
Net income (loss) from	$ 0.11	$ 0.04	$ 0.58	$ 0.12	$ 0.66	$ 0.12	$ (1.44)

continuing operations attributable to controlling interest per common share basic and diluted							
Net income (loss) per common share basic and diluted	$ 0.11	$ 0.03	$ 0.58	$ 0.22	$ 0.76	$ 0.32	$ (1.36)
Dividends declared per common share	$ 0.08	$ 0.08	$ 0.32	$ 0.30	$ 0.18	$ 0.18	$ 0.18
Total assets [2]	$ 2,610,408	$ 2,681,758 [1]	$ 2,595,320 [1]	$ 2,664,295 [1]	$ 2,270,493 [1]	$ 1,122,701 [1]	$ 1,234,395 [1]
Notes payable [2]	$ 767,811	$ 845,045 [1]	$ 718,810 [1]	$ 789,309 [1]	$ 627,381 [1]	$ 423,869 [1]	$ 538,302 [1]
Total liabilities [2]	$ 934,124	$ 1,021,726	$ 914,388	$ 993,872	$ 814,234	$ 481,289	$ 595,377
Stockholders investment [2]	$ 1,675,526	$ 1,662,935	$ 1,683,415	$ 1,673,458	$ 1,457,401	$ 620,342	$ 603,692
Total Equity [2]	$ 1,676,284	$ 1,662,935	$ 1,683,415	$ 1,673,458	$ 1,458,972	$ 642,953	$ 637,395
Common shares outstanding [2]	210,107	216,602	211,513	216,513	189,666	104,090	103,702

(1) In the first quarter of 2016, Cousins adopted Accounting Standards Update 2015-03, Simplifying the Presentation of Debt Costs, and, accordingly, began recording deferred financing costs related to its mortgage notes payable as a reduction to the carrying amount of its notes payable on its consolidated balance sheet. Amounts included in this table for total assets and notes payable for periods prior to 2016 have been adjusted from amounts previously reported, to reflect the retrospective adoption of the new standard.

(2) As of the end of the period presented.

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SELECTED HISTORICAL FINANCIAL DATA PARKWAY

The following tables set forth selected consolidated financial information for Parkway as of and for each of the five years ended December 31, 2015, 2014, 2013, 2012 and 2011 and as of and for each of the three months ended March 31, 2016 and March 31, 2015. All references to fiscal years, unless otherwise noted, refer to the twelve-month fiscal year.

The selected consolidated financial information for Parkway as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013 was derived from the consolidated financial statements of Parkway, contained in Parkway s Annual Report on Form 10-K filed with the SEC on February 25, 2016, which is incorporated by reference into this joint proxy statement/prospectus. The summary consolidated financial data as of December 31, 2013, 2012 and 2011, and for the years ended December 31, 2012 and 2011, were derived from Parkway s audited consolidated financial statements not included or incorporated by reference into this joint proxy statement/prospectus.

The selected historical financial information as of March 31, 2016 and for each of the three-month periods ended March 31, 2016 and March 31, 2015 was derived from Parkway s unaudited consolidated financial statements as of and for the quarter ended March 31, 2016, contained in Parkway s Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, filed with the SEC on May 5, 2016, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical financial information as of March 31, 2015 was derived from unaudited consolidated financial statements not included or incorporated by reference into this joint proxy statement/prospectus.

The following information should be read together with the consolidated financial statements of Parkway, the notes related thereto, and the related reports of management on the financial condition and performance of Parkway, all of which are contained in the reports of Parkway filed with the SEC and incorporated herein by reference. For more information, see Where You Can Find More Information.

	For the Three Months Ended March 31,		For the Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
	(in thousands, except per share data)						
Operating Data:							
Revenues:							
Income from office properties	$ 109,628	$ 116,915	$ 452,597	$ 418,007	$ 273,434	$ 190,718	$ 130,401
Management company income	1,436	2,765	10,321	22,140	18,145	19,778	16,896
Sale of condominium units		4	11,065	16,554			
Total revenues	111,064	119,684	473,983	456,701	291,579	210,496	147,297
Expenses and other							
Property operating expenses	42,933	44,994	173,241	168,071	108,867	76,835	55,247
Management company expenses	674	2,720	9,935	20,280	19,399	17,237	13,337
Cost of sales condominium units		202	11,120	13,199	15		
Depreciation and amortization	41,940	49,136	190,387	182,955	118,031	74,626	49,119
Impairment loss on real estate		1,000	5,400	11,700		5,700	6,420
Impairment loss on management contracts and goodwill				4,750		41,967	

Impairment loss on mortgage loan receivable							9,235
Change in fair value of contingent consideration						216	(13,000)
General and administrative	6,999	8,884	31,194	32,660	25,653	16,420	18,805
Acquisition costs		471	2,074	3,463	13,126	2,791	17,219
Total expenses and other	$ 92,546	$ 107,407	$ 423,351	$ 437,078	$ 285,091	$ 235,792	$ 156,382
Operating income (loss)	$ 18,518	$ 12,277	$ 50,632	$ 19,623	$ 6,488	$ (25,296)	$ (9,085)

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	For the Three Months Ended March 31,		For the Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
	(in thousands, except per share data)						
Other income and expenses:							
Interest and other income	244	170	903	1,452	2,236	272	938
Equity in earnings (losses) of unconsolidated joint ventures	249	162	2,204	(967)	178		57
Gain on sale of in-substance real estate				6,289			
Net gains on sale of real estate	63,020	14,316	110,732	76,378		48	743
Gain on sale of unconsolidated property			9,698				
Recovery of loss on mortgage loan receivable						500	
Gain (Loss) on extinguishment of debt		79	(6,062)	(2,405)			
Interest expense	(16,915)	(19,198)	(71,481)	(66,095)	(45,622)	(34,352)	(29,929)
Income (loss) before income taxes	65,116	7,806	96,626	34,275	(36,720)	(58,828)	(37,276)
Income tax benefit (expense)	(575)	(192)	(1,903)	(139)	1,405	(261)	(56)
Income (loss) from continuing operations	64,541	7,614	94,723	34,136	(35,315)	(59,089)	(37,332)
Discontinued operations:							
Income (loss) from discontinued operations				(391)	(9,215)	3,170	(192,496)
Gain on sale of real estate from discontinued operations				10,463	32,493	12,938	17,825
Total discontinued operations (2)				10,072	23,278	16,108	(174,671)
Net income (loss)	64,541	7,614	94,723	44,208	(12,037)	(42,981)	(212,003)
Net (income) loss attributable to noncontrolling interests real estate partnerships	(493)	9	(24,441)	824	(7,904)	3,317	85,105
Net (income) loss attributable to noncontrolling interests unit holders	(2,655)	(348)	(2,947)	(2,089)	291	269	(5)
Net income (loss) for Parkway Properties, Inc.	61,393	7,275	67,335	42,943	(19,650)	(39,395)	(126,903)
Dividends on preferred stock					(3,433)	(10,843)	(10,052)
Dividends on convertible preferred stock						(1,011)	
					(6,604)		

Dividends on preferred stock redemption							
Net income (loss) attributable to common stockholders	$ 61,393	$ 7,275	$ 67,335	$ 42,943	$ (29,687)	$ (51,249)	$ (136,955)
Amounts attributable to common stockholders:							
Income (loss) from continuing operations	$ 61,393	$ 7,275	$ 67,335	$ 33,223	$ (39,522)	$ (62,537)	$ (38,502)
Discontinued operations				9,720	9,835	11,288	(98,453)
Net income (loss) attributable to common stockholders	$ 61,393	$ 7,275	$ 67,335	$ 42,943	$ (29,687)	$ (51,249)	$ (136,955)
Net income (loss) per common share attributable to Parkway Properties, Inc.							
Basic:							
Income (loss) from continuing operations attributable to Parkway Properties, Inc.	$ 0.55	$ 0.07	$ 0.60	$ 0.33	$ (0.60)	$ (1.98)	$ (1.79)
Discontinued operations				0.09	0.15	0.36	(4.58)
Net income (loss) attributable to Parkway Properties, Inc.	$ 0.55	$ 0.07	$ 0.60	$ 0.42	$ (0.45)	$ (1.62)	$ (6.37)
Diluted:							
Income (loss) from continuing operations attributable to Parkway Properties, Inc.	$ 0.55	$ 0.07	$ 0.60	$ 0.33	$ (0.60)	$ (1.98)	$ (1.79)
Discontinued operations				0.09	0.15	0.36	(4.58)
Net income (loss) attributable to Parkway Properties, Inc.	$ 0.55	$ 0.07	$ 0.60	$ 0.42	$ (0.45)	$ (1.62)	$ (6.37)
Dividends per common share	$ 0.1875	$ 0.1875	$ 0.75	$ 0.75	$ 0.6375	$ 0.375	$ 0.30
Weighted average shares outstanding:							
Basic	111,658	111,216	111,490	101,913	66,336	31,542	21,497
Diluted	116,687	116,531	116,691	107,319	66,336	31,542	21,497

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Balance Sheet Data:

	As of 3/31/16	As of 3/31/15	As of 12/31/15	As of 12/31/14 (in thousands)	As of 12/31/13	As of 12/31/12	As of 12/31/11
Total real estate related investments, net	$ 2,890,321	$ 3,100,478	$ 3,023,249	$ 3,024,271	$ 2,316,795	$ 1,562,717	$ 921,937
Total assets	3,627,616	3,745,876 (1)	3,609,281 (1)	3,694,529 (1)	2,917,877 (1)	1,899,428 (1)	1,631,151 (1)
Notes payable to banks	543,196	585,772 (1)	542,880 (1)	475,283 (1)	299,435 (1)	258,570 (1)	130,526 (1)
Mortgage notes payable	1,234,599	1,295,379 (1)	1,235,502 (1)	1,335,482 (1)	1,093,435 (1)	602,136(1)	494,647 (1)
Total liabilities	1,951,608	2,086,528	1,973,070	2,015,213	1,582,356	943,422	1,001,114
Preferred stock						128,942	128,942
Noncontrolling interests	249,547	275,629	247,512	286,543	318,921	261,992	258,428
Total Parkway Properties, Inc. stockholders equity	1,426,461	1,383,719	1,388,699	1,392,773	1,016,600	694,014	371,609

(1) In the first quarter of 2016, Parkway adopted Accounting Standards Update 2015-03, Simplifying the Presentation of Debt Costs, and, accordingly, began recording, deferred financing costs related to its mortgage notes payable and notes payable to banks as a reduction to the carrying amount on its consolidated balance sheet. Amounts included in this table for total assets, mortgage notes payable, and notes payables to banks for periods prior to 2016 have been adjusted from amounts previously reported, to reflect the retrospective adoption of the new standard.

(2) Parkway adopted of ASU 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity effective January 1, 2014.

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SUMMARY HISTORICAL COMBINED FINANCIAL DATA PARKWAY HOUSTON

The following tables set forth the summary historical combined financial data of the portion of the Houston Business currently owned by Parkway, the Third-Party Services Business, and certain other assets owned by subsidiaries of Parkway (which we refer to, collectively, as Parkway Houston), which was carved out from the financial information of Parkway. The summary historical financial data set forth below as of December 31, 2015, 2014 and 2013, and for the years ended December 2015, 2014 and 2013 has been derived from Parkway Houston s audited combined financial statements, which are included elsewhere in this joint proxy statement/prospectus. The income statement data for the three months ended March 31, 2016 and 2015 and the balance sheet data as of March 31, 2016 have been derived from Parkway Houston s unaudited interim combined financial statements included elsewhere in this joint proxy statement/prospectus. Parkway Houston s unaudited interim combined financial statements as of March 31, 2016 and for the three months ended March 31, 2016 were prepared on the same basis as Parkway Houston s audited combined financial statements as of December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015 and, in the opinion of management, include all adjustments, consisting only of normal, recurring adjustments, necessary to present fairly Parkway Houston s financial position and results of operations for these periods. The interim results of operations are not necessarily indicative of operations for a full fiscal year.

The summary historical combined financial data set forth below does not indicate results expected for any future periods. The summary historical combined financial data is qualified in its entirety by, and should be read in conjunction with, Selected Historical Combined Financial Data Parkway Houston, Management s Discussion and Analysis of Financial Condition and Results of Operations New Parkway and Parkway Houston s combined financial statements and related notes thereto included elsewhere in this joint proxy statement/prospectus.

	Three Months Ended March 31,		Year Ended December 31,		
	2016	2015	2015	2014	2013
Income Statement Data (in thousands):					
Total revenues	$ 30,434	$ 27,524	$ 129,461	$ 163,697	$ 38,491
Depreciation and amortization	(11,365)	(13,237)	(55,570)	(64,012)	(10,465)
Other operating expenses	(15,952)	(15,107)	(72,203)	(106,760)	(40,038)
Operating income (loss)	3,117	(820)	1,688	(7,075)	(12,012)
Interest and other income	61	61	246	244	1,663
Interest expense	(3,953)	(4,045)	(16,088)	(16,252)	(3,296)
Income tax (expense) benefit	(493)	(173)	(1,635)	180	1,276
Net loss	(1,268)	(4,977)	(15,789)	(22,903)	(12,369)
Net (income) loss attributable to noncontrolling interests		7	7	(148)	
Net loss attributable to Parkway Houston	$ (1,268)	$ (4,970)	$ (15,782)	$ (23,051)	$ (12,369)
Cash Flow Data (in thousands):					
Operating activities	$ (5,528)	$ (10,274)	$ 12,856	$ 3,192	$ 3,599
Investing activities	(3,621)	(5,503)	(46,421)	(4,360)	(623)

Financing activities	9,126	18,157	37,534	(1,264)	4,793
Other Financial Data (in thousands):					
FFO	$ 10,097	$ 8,267	$ 39,788	$ 40,961	$ (1,904)
EBITDA	14,543	12,485	57,511	57,033	116
NOI	15,590	14,352	63,122	68,316	11,846

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	As of March 31, 2016	As of December 31, 2015	2014	2013
Balance Sheet Data (in thousands):				
Total real estate related investments, net	$ 748,950	$ 752,653	$ 738,846	$ 757,848
Total assets	860,849	865,731	866,496	903,165
Mortgage notes payable, net	394,136	396,901	407,211	414,656
Total liabilities	442,159	456,665	485,535	503,130
Parkway equity	418,690	409,066	380,053	396,985
Noncontrolling interests			908	3,050

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Funds From Operations (FFO)

Parkway Houston s management believes that FFO is an appropriate measure of performance for a REIT and computes this measure in accordance with the National Association of Real Estate Investment Trusts (which we refer to as NAREIT) definition of FFO (including any guidance that NAREIT releases with respect to the definition). FFO is defined by NAREIT as net income (computed in accordance with United States generally accepted accounting principles (which we refer to as GAAP)), reduced by preferred dividends, excluding gains or losses from sale of previously depreciable real estate assets, impairment charges related to depreciable real estate under GAAP, plus depreciation and amortization related to depreciable real estate. Further, Parkway Houston does not adjust FFO to eliminate the effects of non-recurring charges. Parkway Houston believes that FFO is a meaningful supplemental measure of its operating performance because historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time, as reflected through depreciation and amortization expenses. However, since real estate values have historically risen or fallen with market and other conditions, many industry investors and analysts have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient. Thus, NAREIT created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. Parkway Houston believes that the use of FFO, combined with the required GAAP presentations, has been beneficial in improving the understanding of operating results of REITs by the investing public and making comparisons of operating results among such companies more meaningful. FFO as reported by Parkway Houston may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition. FFO does not represent cash generated from operating activities in accordance with GAAP and is not an indication of cash available to fund cash needs. FFO should not be considered an alternative to net income as an indicator of its operating performance or as an alternative to cash flow as a measure of liquidity.

The following table reconciles net loss attributable to Parkway Houston to FFO for the three months ended March 31, 2016 and 2015 and for the years ended December 31, 2015, 2014 and 2013 (in thousands):

	Three Months Ended March 31,		Year Ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited)			(unaudited)	
Net loss attributable to Parkway Houston	$ (1,268)	$ (4,970)	$ (15,782)	$ (23,051)	$ (12,369)
Depreciation and amortization	11,365	13,237	55,570	64,012	10,465
FFO	$ 10,097	$ 8,267	$ 39,788	$ 40,961	$ (1,904)

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Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

Parkway Houston believes that using EBITDA as a non-GAAP financial measure helps investors and its management analyze its ability to service debt and pay cash distributions. Parkway Houston defines EBITDA as net loss attributable to Parkway Houston before interest expense, income tax expense (benefit) and depreciation and amortization.

The following table reconciles net loss attributable to Parkway Houston to EBITDA for the three months ended March 31, 2016 and 2015 and for the years ended December 31, 2015, 2014, and 2013 (in thousands):

	Three Months Ended March 31,		Year Ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited)			(unaudited)	
Net loss attributable to Parkway Houston	$ (1,268)	$ (4,970)	$ (15,782)	$ (23,051)	$ (12,369)
Interest expense	3,953	4,045	16,088	16,252	3,296
Depreciation and amortization	11,365	13,237	55,570	64,012	10,465
Income tax expense (benefit)	493	173	1,635	(180)	(1,276)
EBITDA	$ 14,543	$ 12,485	$ 57,511	$ 57,033	$ 116

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Net Operating Income (NOI)

Parkway Houston defines NOI as income from office properties less property operating expenses. Parkway Houston considers NOI to be a useful performance measure to investors and management because it reflects the revenues and expenses directly associated with owning and operating its properties and the impact to operations from trends in occupancy rates, rental rates and operating costs not otherwise reflected in net income.

The following table reconciles net loss attributable to Parkway Houston to NOI for the three months ended March 31, 2016 and 2015 and for the years ended December 31, 2015, 2014 and 2013 (in thousands):

	Three Months Ended March 31,		Year Ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited)		(unaudited)		
Net loss attributable to Parkway Houston	$ (1,268)	$ (4,970)	$ (15,782)	$ (23,051)	$ (12,369)
Interest expense	3,953	4,045	16,088	16,252	3,296
Depreciation and amortization	11,365	13,237	55,570	64,012	10,465
Management company expenses	781	2,785	9,362	27,038	23,638
Income tax expense (benefit)	493	173	1,635	(180)	(1,276)
General and administrative	1,632	1,631	6,336	6,917	7,267
Sale of condominium units		(4)	(11,063)	(16,554)	
Cost of sales - condominium units		202	11,120	13,199	14
Net income (loss) attributable to noncontrolling interests		(7)	(7)	148	
Impairment loss on management contracts				4,750	
Management company income	(1,305)	(2,679)	(9,891)	(23,971)	(17,526)
Interest and other income	(61)	(61)	(246)	(244)	(1,663)
NOI	$ 15,590	$ 14,352	$ 63,122	$ 68,316	$ 11,846

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SUMMARY HISTORICAL COMBINED FINANCIAL DATA COUSINS HOUSTON

The following tables set forth the summary historical combined financial and other data of the portion of the Houston Business currently owned by Cousins (which we refer to, collectively, as Cousins Houston), which was carved out from the financial information of Cousins, as described below. The summary historical combined financial data set forth below as of December 31, 2015 and 2014, for the years ended December 31, 2015 and 2014 and for the period from February 7, 2013 (date of inception) to December 31, 2013 has been derived from Cousins Houston s audited combined financial statements, which are included elsewhere in this joint proxy statement/prospectus. The income statement data for each of the three months ended March 31, 2016 and 2015 and the balance sheet data as of March 31, 2016 have been derived from Cousins Houston s unaudited interim combined financial statements included elsewhere in this joint proxy statement/prospectus. The summary historical combined financial data as of December 31, 2013 was derived from financial information not included in this joint proxy statement/prospectus. Cousins Houston s unaudited interim combined financial statements as of March 31, 2016 and 2015 and for the three months ended March 31, 2016 and 2015 were prepared on the same basis as Cousins Houston s audited combined financial statements as of December 31, 2015 and 2014, for the years ended December 31, 2015 and 2014 and for the period from February 7, 2013 (date of inception) to December 31, 2013 and, in the opinion of management, include all adjustments, consisting only of normal, recurring adjustments, necessary to present fairly Cousins Houston s financial position and results of operations for these periods. The interim results of operations are not necessarily indicative of operations for a full fiscal year.

The summary historical combined financial data set forth below does not indicate results expected for any future periods. The summary historical combined financial data is qualified in its entirety by, and should be read in conjunction with, Selected Historical Combined Financial Data Cousins Houston, Management s Discussion and Analysis of Financial Condition and Results of Operations New Parkway and Cousins Houston s combined financial statements and related notes thereto included elsewhere in this joint proxy statement/prospectus.

	Three Months Ended March 31,		Year Ended December 31,		Period from February 7, 2013 (date of inception) to December 31,
	2016	2015	2015	2014	2013
Income Statement Data (in thousands):					
Rental property revenues	$ 43,269	$ 43,211	$ 177,890	$ 184,536	$ 72,696
Other revenues	186	79		31	11
Rental property operating expenses	(17,926)	(18,113)	(74,162)	(79,625)	(31,759)
General and administrative expenses	(3,177)	(1,322)	(6,328)	(7,347)	(3,793)
Depreciation and amortization	(15,428)	(17,586)	(63,791)	(77,760)	(29,146)
Interest expense	(1,974)	(2,010)	(7,988)	(8,127)	(2,618)
Acquisition and related costs					(3,858)

Net income	$ 4,950	$ 4,259	$ 25,621	$ 11,708	$ 1,533

	As of March 31, 2016	2015	As of December 31, 2014	2013
Balance Sheet Data (in thousands):				
Operating properties, net	$ 1,083,270	$ 1,086,451	$ 1,077,290	$ 1,087,181
Total assets	1,185,493	1,188,236	1,188,355	1,220,551
Note payable	180,124	180,937	184,097	187,120
Total liabilities	246,582	271,364	278,558	283,604
Equity	938,911	916,872	909,797	936,947

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	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Year Ended December 31, 2015	Year Ended December 31, 2014	Period from February 7, 2013 (date of inception) to December 31, 2013
Cash Flow Data (in thousands):					
Operating activities	$ (6,241)	$ 468	$ 76,395	$ 80,220	$ 41,770
Investing activities	(8,737)	(15,318)	(55,085)	(37,478)	(1,164,245)
Financing activities	16,231	14,166	(21,885)	(42,058)	1,122,475
Other Financial Data (in thousands):					
FFO	$ 20,378	$ 21,845	$ 89,412	$ 89,468	$ 30,679
EBITDA	22,352	23,855	97,400	97,595	33,297
NOI	25,343	25,098	103,728	104,911	40,937

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Funds From Operations (FFO)

Cousins Houston s management believes that FFO is an appropriate measure of performance for a REIT and computes this measure in accordance with the NAREIT definition of FFO (including any guidance that NAREIT releases with respect to the definition). FFO is defined by NAREIT as net income (computed in accordance with GAAP), reduced by preferred dividends, excluding gains or losses from sale of previously depreciable real estate assets, impairment charges related to depreciable real estate under GAAP, plus depreciation and amortization related to depreciable real estate. Further, Cousins Houston does not adjust FFO to eliminate the effects of non-recurring charges. Cousins Houston believes that FFO is a meaningful supplemental measure of its operating performance because historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time, as reflected through depreciation and amortization expenses. However, since real estate values have historically risen or fallen with market and other conditions, many industry investors and analysts have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient. Thus, NAREIT created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. Cousins Houston believes that the use of FFO, combined with the required GAAP presentations, has been beneficial in improving the understanding of operating results of REITs by the investing public and making comparisons of operating results among such companies more meaningful. FFO as reported by Cousins Houston may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition. FFO does not represent cash generated from operating activities in accordance with GAAP and is not an indication of cash available to fund cash needs. FFO should not be considered an alternative to net income as an indicator of its operating performance or as an alternative to cash flow as a measure of liquidity.

The following table reconciles net income to FFO of Cousins Houston for the three months ended March 31, 2016 and 2015, the years ended December 31, 2015 and 2014, and the period from February 7, 2013 (date of inception) to December 31, 2013 (in thousands):

	Three Months Ended March 31,		Year Ended December 31,		Period from February 7, 2013 (date of inception) to December 31,
	2016	2015	2015	2014	2013
	(unaudited)		(unaudited)		(unaudited)
Net income	$ 4,950	$ 4,259	$ 25,621	$ 11,708	$ 1,533
Depreciation and amortization	15,428	17,586	63,791	77,760	29,146
FFO	$ 20,378	$ 21,845	$ 89,412	$ 89,468	$ 30,679

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

Cousins Houston believes that using EBITDA as a non-GAAP financial measure helps investors and its management analyze its ability to service debt and pay cash distributions. Cousins Houston defines EBITDA as net income before interest expense and depreciation and amortization.

The following table reconciles net income to EBITDA of Cousins Houston for the three months ended March 31, 2016 and 2015, for the years ended December 31, 2015 and 2014, and the period from February 7, 2013 (date of inception) to December 31, 2013 (in thousands):

	Three Months Ended March 31,		Year Ended December 31,		Period from February 7, 2013 (date of inception) to December 31,
	2016	**2015**	**2015**	**2014**	**2013**
	(unaudited)			(unaudited)	
Net income	$ 4,950	$ 4,259	$ 25,621	$ 11,708	$ 1,533
Interest expense	1,974	2,010	7,988	8,127	2,618
Depreciation and amortization	15,428	17,586	63,791	77,760	29,146
EBITDA	$ 22,352	$ 23,855	$ 97,400	$ 97,595	$ 33,297

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Net Operating Income (NOI)

Cousins Houston defines NOI as rental property revenues less rental property operating expenses. Cousins Houston considers NOI to be a useful performance measure to investors and management because it reflects the revenues and expenses directly associated with owning and operating its properties and the impact to operations from trends in occupancy rates, rental rates and operating costs not otherwise reflected in net income.

The following table reconciles net income to NOI of Cousins Houston for the three months ended March 31, 2016 and 2015, for the years ended December 31, 2015 and 2014, and the period from February 7, 2013 (date of inception) to December 31, 2013 (in thousands):

	Three Months Ended March 31,		Year Ended December 31,		Period from February 7, 2013 (date of inception) to December 31, 2013
	2016	2015	2015	2014	2013
Net income	$ 4,950	$ 4,259	$ 25,621	$ 11,708	$ 1,533
Other income	(186)	(79)		(31)	(11)
General and administrative expenses	3,177	1,322	6,328	7,347	3,793
Depreciation and amortization	15,428	17,586	63,791	77,760	29,146
Interest expense	1,974	2,010	7,988	8,127	2,618
Acquisition and related expenses					3,858
NOI	$ 25,343	$ 25,098	$ 103,728	$ 104,911	$ 40,937

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SUMMARY UNAUDITED PRO FORMA CONDENSED CONSOLIDATED

FINANCIAL INFORMATION COUSINS

The following tables show summary unaudited pro forma condensed consolidated financial information about the combined financial condition and operating results of Cousins and Parkway after giving effect to the Merger and the Spin-Off. The unaudited pro forma combined condensed financial information assumes that the Merger is accounted for by applying the purchase method of accounting with Cousins treated as the acquirer. The unaudited pro forma combined condensed balance sheet data gives effect to the Merger and the Spin-Off as if they had occurred on March 31, 2016. The unaudited pro forma combined condensed statement of operations data gives effect to the Merger and the Spin-Off as if they had become effective at January 1, 2015, based on the most recent valuation data available. The summary unaudited pro forma combined condensed financial information listed below has been derived from and should be read in conjunction with (i) the more detailed unaudited pro forma combined condensed financial statements of Cousins, including the notes thereto, appearing elsewhere in this joint proxy statement/prospectus and (ii) the consolidated financial statements and the related notes of both Cousins and Parkway contained in their respective Quarterly Reports on Form 10-Q for the period ended March 31, 2016 and in their respective Annual Reports on Form 10-K for the year ended December 31, 2015, all of which are incorporated by reference into this joint proxy statement/prospectus. For more information, see Unaudited Pro Forma Condensed Consolidated Financial Statements and Where You Can Find More Information.

The unaudited pro forma combined condensed financial information is presented for illustrative purposes only and is not necessarily indicative of the combined operating results or financial position that would have occurred if such transactions had been consummated on the dates and in accordance with the assumptions described herein, nor is it necessarily indicative of the future operating results or financial position of Cousins. The unaudited pro forma combined condensed income statement does not give effect to any transaction or integration costs relating to the Merger and the Spin-Off. In addition, as explained in more detail in the accompanying notes to the unaudited pro forma combined condensed financial information, the preliminary allocation of the pro forma purchase price reflected in the unaudited pro forma combined condensed financial information is subject to adjustment and may vary significantly from the definitive allocation of the final purchase price that will be recorded subsequent to completion of the Merger and the Spin-Off. The determination of the final purchase price will be based on the number of shares of Parkway common stock outstanding and the trading price of Cousins common stock at closing.

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COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

AS OF MARCH 31, 2016

(in thousands, except share data)

	Merged Cousins Pro Forma Total	Post-Spin-Off Merged Cousins Pro Forma Total
Assets:		
Real estate assets:		
Operating properties, net of accumulated depreciation	$ 5,410,502	$ 3,730,703
Projects under development	52,295	51,770
Land	29,603	23,768
	5,492,400	3,806,241
Cash	244,870	76,570
Restricted Cash	4,929	4,929
Notes and accounts receivable, net of allowance for doubtful accounts	25,548	19,472
Deferred rents receivable	70,790	46,368
Investment in unconsolidated joint ventures	167,902	167,902
Intangible assets, net of accumulated amortization	702,379	509,027
Other assets	90,435	86,840
Total assets	$ 6,799,253	$ 4,717,349
Liabilities:		
Notes payable	$ 2,529,606	$ 1,723,767
Accounts payable and accrued expenses	199,434	168,895
Deferred income	30,061	29,978
Intangible liabilities, net of accumulated amortization	146,486	86,545
Other liabilities	54,201	43,560
Total liabilities	2,959,788	2,052,745
Commitments and contingencies		
Equity:		
Stockholders investment:		
Preferred stock, $1 par value, 6,867,360 shares issued and outstanding, pro forma	6,867	6,867
Common stock, $1 par value, 404,245,000 shares issued and outstanding, pro forma	404,245	404,245
Additional paid-in capital	3,510,561	3,510,561

Treasury stock at cost, 10,329,082 shares historical in 2016	(148,373)	(148,373)
Distributions in excess of cumulative net income	(187,955)	(1,281,136)
Total stockholders equity	3,585,345	2,492,164
Nonredeemable noncontrolling interests	254,120	172,440
Total equity	3,839,465	2,664,604
Total liabilities and equity	$ 6,799,253	$ 4,717,349

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COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2016

(in thousands, except share data)

	Merged Cousins Pro Forma Total Before Discontinued Operations	Post-Spin-Off Merged Cousins Pro Forma Total
Revenues:		
Rental property revenues	$ 201,637	$ 129,365
Fee income	3,635	2,330
Other	820	648
	206,092	132,343
Costs and expenses:		
Rental property operating expenses	78,622	47,050
Reimbursed expenses	870	870
Management company expenses	674	
General and administrative expenses	15,491	10,682
Interest expense	24,941	18,198
Depreciation and amortization	73,294	50,767
Acquisition and related costs	19	19
Other	106	106
	194,017	127,692
Income from continuing operations before taxes, unconsolidated joint ventures, and sale of investment properties	12,075	4,651
Income tax expense	(575)	(82)
Income from unconsolidated joint ventures	2,114	2,114
Income from continuing operations before gain on sale of investment properties	13,614	6,683
Gain on sale of investment properties	77,210	77,210
Net income	90,824	83,893
Net income attributable to noncontrolling interests	(3,317)	(2,997)
Net income available to common stockholders	$ 87,507	$ 80,896

Net income	$	90,824	$	83,893
Other comprehensive income				
Comprehensive income		90,824		83,893
Comprehensive income attributable to noncontrolling interests		(2,959)		(2,639)
Comprehensive income attributable to common stockholders	$	87,865	$	81,254
Per common share information basic and diluted:				
Net income available to common stockholders	$	0.22	$	0.21
Weighted average shares basic		393,916		393,916
Weighted average shares diluted		401,785		401,785

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COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

(in thousands, except share data)

	Merged Cousins Pro Forma Total Before Discontinued Operations	Post-Spin-Off Merged Cousins Pro Forma Total
Revenues:		
Rental property revenues	$ 827,817	$ 550,956
Fee income	17,618	7,727
Sale of condominium units	11,065	
Other	2,181	2,235
	858,681	560,918
Costs and expenses:		
Rental property operating expenses	329,717	210,743
Reimbursed expenses	3,430	3,430
Management company expenses	9,935	
Cost of sales condominium units	11,120	
Loss on extinguishment of debt	6,062	6,062
General and administrative expenses	48,293	35,629
Interest expense	99,742	73,299
Depreciation and amortization	312,323	219,070
Acquisition and related costs	2,373	2,373
Other	6,400	6,400
	829,395	557,006
Income from continuing operations before taxes, unconsolidated joint ventures, and sale of investment properties	29,286	3,912
Benefit for income taxes from operations	(1,903)	(268)
Income from unconsolidated joint ventures	10,595	10,595
Income from continuing operations before gain on sale of investment properties	37,978	14,239
Gain on sale of investment properties	200,824	200,824

Income from continuing operations		238,802		215,063
Loss from discontinued operations:				
Loss from discontinued operations		(35)		(35)
Loss on sale from discontinued operations		(551)		(551)
		(586)		(586)
Net income		238,216		214,477
Net income attributable to noncontrolling interests		(28,370)		(26,759)
Net income available to common stockholders	$	209,846	$	187,718
Net income	$	238,216	$	214,477
Other comprehensive income				
Comprehensive income		238,216		214,477
Comprehensive income attributable to noncontrolling interests		(29,854)		(28,243)
Comprehensive income attributable to common stockholders	$	208,362	$	186,234
Per common share information basic and diluted:				
Net income available to common stockholders	$	0.53	$	0.48
Weighted average shares basic		393,916		393,916
Weighted average shares diluted		401,785		401,785

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SUMMARY UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS NEW PARKWAY

The following tables show summary unaudited pro forma combined financial information about the combined financial condition and operating results of New Parkway after giving effect to the Merger, Separation, UPREIT Reorganization and the Spin-Off. The Merger will be accounted for as a purchase, as that term is used under GAAP, for accounting and financial reporting purposes. The unaudited pro forma combined balance sheet data gives effect to the Separation as if it had occurred on March 31, 2016. The unaudited pro forma combined statements of operations data gives effect to the Separation and the payoff of the mortgage debt secured by CityWestPlace I & II by Parkway as if it had occurred on January 1, 2015. The summary unaudited pro forma combined financial information listed set forth below has been derived from, is qualified in its entirety by and should be read in conjunction with (i) the more detailed unaudited pro forma combined financial statements of New Parkway, including the notes thereto, appearing elsewhere in this joint proxy statement/prospectus and (ii) the combined financial statements and related notes thereto of each of Cousins Houston and Parkway Houston for the year ended December 31, 2015 and the three months ended March 31, 2016 appearing elsewhere in this joint proxy statement/prospectus. For more information, see Unaudited Pro Forma Condensed Consolidated Financial Statements New Parkway and Where You Can Find More Information.

The summary unaudited pro forma combined financial information set forth below is presented for illustrative purposes only and is not necessarily indicative of the combined operating results or financial position that would have occurred if such transactions had been consummated on the dates and in accordance with the assumptions described herein, nor is it necessarily indicative of the future operating results or financial position of New Parkway. The unaudited pro forma combined financial statements do not give effect to the potential impact of current financial conditions, any anticipated synergies, operating efficiencies or cost savings that may result from the transactions described above.

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PARKWAY, INC.

UNAUDITED PRO FORMA COMBINED BALANCE SHEET

AS OF MARCH 31, 2016

(in thousands, except share data)

(Unaudited)

Assets	
Real estate related investments:	
Office properties, net	$ 1,734,079
Cash and cash equivalents	168,300
Receivables and other assets	58,553
Intangible assets, net	129,410
Management contract intangibles, net	189
Total assets	$ 2,090,531
Liabilities	
Mortgage notes payable, net	$ 459,164
Notes payable to banks, net	346,675
Accounts payable and other liabilities	53,998
Below market leases, net	59,941
Total liabilities	$ 919,778
Equity	
Stockholders equity:	
Common stock $.001 par value, 404,245,000 shares pro forma	404
Limited voting stock $.001 par value, 6,867,360 shares pro forma	7
Non-voting preferred stock $100,000 liquidation preference, 50 shares pro forma	5,000
Additional paid in capital	1,083,662
Total stockholders equity	1,089,073
Noncontrolling interests	81,680
Total equity	1,170,753
Total liabilities and equity	$ 2,090,531

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PARKWAY, INC.

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2016

(In thousands, except per share data)

(Unaudited)

Revenues	
Income from office properties	$ 72,272
Management company income	1,305
Total revenues	73,577
Expenses	
Property operating expenses	31,465
Management company expenses	781
Depreciation and amortization	22,527
General and administrative	4,809
Total expenses	59,582
Operating income	13,995
Other income and expenses	
Interest and other income	186
Interest expense	(7,680)
Income (loss) before income taxes	6,501
Income tax expense	(493)
Net income (loss)	6,008
Net (income) attributable to noncontrolling interests	(119)
Net income (loss) attributable to controlling interests	5,889
Dividends on non-voting preferred stock	(75)
Net income (loss) attributable to common stockholders	$ 5,814
Weighted average shares outstanding - Basic	404,245
Weighted average shares outstanding - Diluted	412,114
Basic and Diluted earnings per share	$ 0.01

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PARKWAY, INC.

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

(In thousands, except per share data)

(Unaudited)

Revenues	
Income from office properties	$ 276,861
Management company income	9,891
Sale of condominium units	11,063
Total revenues	297,815
Expenses	
Property operating expenses	119,547
Management company expenses	9,362
Cost of sales - condominium units	11,120
Depreciation and amortization	93,253
General and administrative	12,664
Total expenses	245,946
Operating income	51,869
Other income and expenses	
Interest and other income	1
Interest expense	(30,111)
Income (loss) before income taxes	21,759
Income tax expense	(1,635)
Net income (loss)	20,124
Net (income) loss attributable to noncontrolling interests	(389)
Net income (loss) attributable to controlling interests	19,735
Dividends on non-voting preferred stock	(300)
Net income (loss) attributable to common stockholders	$ 19,435
Weighted average shares outstanding - Basic	404,245

Weighted average shares outstanding - Diluted		412,114
Basic and diluted earnings per share	$	0.05

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EQUIVALENT AND COMPARATIVE PER SHARE INFORMATION

The following table sets forth, for the three months ended March 31, 2016 and the year ended December 31, 2015, selected per share information for Cousins common stock on a historical and pro forma combined basis and for Parkway common stock on a historical and pro forma equivalent basis. You should read the table below together with the historical consolidated financial statements and related notes of Cousins and Parkway contained in their respective Quarterly Reports on Form 10-Q for the period ended March 31, 2016 and Annual Reports on Form 10-K for the year ended December 31, 2015, all of which are incorporated by reference into this joint proxy statement/prospectus. For more information, see Where You Can Find More Information.

The Cousins pro forma combined earnings per share were calculated using the methodology as described above under the heading Unaudited Pro Forma Combined Condensed Financial Information Giving Effect to the Merger and the Spin-Off, and are subject to all the assumptions, adjustments and limitations described thereunder. The unaudited pro forma combined condensed balance sheet data gives effect to the Merger and the Spin-Off, as indicated, as if they had occurred on March 31, 2016. The unaudited pro forma combined statements of operations data gives effect to the Merger and the Spin-Off, as indicated, as if they had become effective at January 1, 2015, based on the most recent valuation data available. The Parkway pro forma equivalent per common share amounts were calculated by multiplying the Cousins pro forma combined per share amounts by the exchange ratio of 1.63. You should not rely on the pro forma amounts as being indicative of the financial position or results of operations of Cousins that actually would have occurred had the Merger been completed as of the date indicated above, nor is it necessarily indicative of the future operating results or financial position of the Cousins.

	Cousins						Parkway					
	Historical		Pro Forma for Merger		Pro Forma for Merger and Spin-Off		Historical		Pro Forma for Merger		Pro Forma for Merger and Spin-Off	
	Three Months Ended March 31, 2016	Year Ended December 31, 2015	Three Months Ended March 31, 2016	Year Ended December 31, 2015	Three Months Ended March 31, 2016	Year Ended December 31, 2015	Three Months Ended March 31, 2016	Year Ended December 31, 2015	Three Months Ended March 31, 2016	Year Ended December 31, 2015	Three Months Ended March 31, 2016	Year Ended Decemb 31, 2015
ngs hare	$ 0.11	$ 0.58	$ 0.22	$ 0.53	$ 0.21	$ 0.48	$ 0.55	$ 0.60	$ 0.36	$ 0.86	$ 0.34	$ 0.7
ed ngs hare	$ 0.11	$ 0.58	$ 0.22	$ 0.53	$ 0.21	$ 0.48	$ 0.55	$ 0.60	$ 0.36	$ 0.86	$ 0.34	$ 0.7
ends red hare	$ 0.08	$ 0.32	$ 0.08 (1)	$ 0.32 (1)	$ 0.08 (1)	$ 0.32 (1)	$ 0.1875	$ 0.7500	$ 0.1304 (2)	$ 0.5216 (2)	$ 0.1304 (2)	$ 0.521
per od	$ 7.97		$ 9.10		$ 6.33		$ 12.76		$ 14.83		$ 10.32	

(1) Dividends are declared and paid at the discretion of the Cousins board of directors. The Cousins board of directors may change Cousins dividend policy at any time and there can be no assurance as to amount or timing of dividends in the future.
(2) Dividends are declared and paid at the discretion of the Parkway board of directors. The Parkway board of directors may change Parkway s dividend policy at any time and there can be no assurance as to amount or timing of dividends in the future.

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RISK FACTORS

In addition to the other information included and incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in Cautionary Statement Regarding Forward-Looking Statements, you should carefully consider the following risks before deciding how to vote. In addition, you should read and consider the risks associated with each of the businesses of Cousins and Parkway because these risks will also affect Cousins following completion of the transactions. These risks can be found in the respective Annual Reports on Form 10-K for the year ended December 31, 2015 and Quarterly Reports on Form 10-Q for the quarter ended March 31, 2016 of Cousins and Parkway, each of which is filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. For more information, see Where You Can Find More Information.

Risks Relating to the Merger

The Merger may not be completed on the terms or timeline currently contemplated, or at all.

The completion of the Merger is subject to certain conditions, including: (1) approval by Cousins common stockholders of the Cousins Issuance Proposal and the Cousins Articles Amendment Proposal, and Parkway s common and limited voting stockholders of the Parkway Merger Proposal; (2) the Spin-Off being fully ready to be consummated contemporaneously with the Merger, including the effectiveness of the New Parkway Form 10; (3) approval for listing on the NYSE of Cousins common stock to be issued in the Merger or reserved for issuance in connection therewith; (4) no injunction or law prohibiting the Merger; (5) accuracy of each party s representations, subject in most cases to materiality or material adverse effect qualifications; (6) material compliance with each party s covenants; (7) receipt by each of Cousins and Parkway of an opinion to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code and of an opinion that each of Cousins and Parkway will qualify as a REIT under the Code; and (8) effectiveness of the registration statement of which this joint proxy statement/prospectus is a part. Cousins and Parkway cannot provide assurances that the Merger will be consummated on the terms or timeline currently contemplated, or at all.

The exchange ratio is fixed and will not be adjusted in the event of any change in the stock prices of either Cousins or Parkway.

At the effective time of the Merger, each share of Parkway common stock will be converted into the right to receive 1.63 newly issued shares of Cousins common stock, with cash paid in lieu of fractional shares, and each share of Parkway limited voting stock will be converted into the right to receive 1.63 newly issued shares of Cousins limited voting preferred stock. The exchange ratio is fixed in the Merger Agreement, and while it will be adjusted in certain limited circumstances, including a recapitalization, stock split, stock dividend or distribution, merger, subdivision, issuer tender or exchange offer or other similar transaction involving Cousins or Parkway, the exchange ratio will not be adjusted for changes in the market price of either Cousins common stock or Parkway common stock. Changes in the price of Cousins common stock prior to the Merger will affect the market value of the Merger consideration that Parkway stockholders will receive on the closing of the Merger. Stock price changes may result from a variety of factors (many of which are beyond the control of Cousins and Parkway), including the following factors:

- changes in the respective businesses, operations, assets, liabilities and prospects of either company;

changes in market assessments of the business, operations, financial position and prospects of either company;

market assessments of the likelihood that the Merger will be completed;

interest rates, general market and economic conditions and other factors, including changes in prices of commodities such as crude oil, generally affecting the price of Cousins common stock and Parkway common stock;

- federal, state and local legislation, governmental regulation and legal developments in the businesses in which Cousins and Parkway operate; and

- other factors beyond the control of Cousins or Parkway, including those described under this heading Risk Factors.

The price of Cousins common stock at the closing of the Merger may vary from its price on the date the Merger Agreement was executed, on the date of this joint proxy statement/prospectus and on the date of the special meetings of Cousins and Parkway. As a result, the market value of the Merger consideration represented by the exchange ratio will also vary. For example, based on the range of closing prices of Cousins common stock during the period from April 28, 2016, the last trading day before public announcement of the Merger, through July 21, 2016, the latest practicable date before the date of this joint proxy statement/prospectus, the exchange ratio of 1.63 represented a market value per share of Parkway common stock ranging from a low of $16.33 to a high of $18.04.

Because the Merger will be completed after the date of the special meetings, at the time of your special meeting, you will not know the exact market value of the Cousins common stock that Parkway stockholders will receive upon completion of the Merger. You should consider the following two risks:

- if the price of Cousins common stock increases between the date the Merger Agreement was signed or the date of the Parkway special meeting and the closing of the Merger, Parkway stockholders will receive shares of Cousins common stock that have a market value upon completion of the Merger that is greater than the market value of such shares calculated pursuant to the exchange ratio on the date the Merger Agreement was signed or on the date of the Cousins special meeting, respectively; and

- if the price of Cousins common stock declines between the date the Merger Agreement was signed or the date of the Parkway special meeting and the closing of the Merger, including for any of the reasons described above, Parkway stockholders will receive shares of Cousins common stock that have a market value upon completion of the Merger that is less than the market value of such shares calculated pursuant to the exchange ratio on the date the Merger Agreement was signed or on the date of the Parkway special meeting, respectively.

Therefore, while the number of shares of Cousins common stock to be issued per share of Parkway common or limited voting stock is fixed, Parkway stockholders cannot be sure of the market value of the consideration they will receive upon completion of the Merger.

Cousins and Parkway stockholders will be diluted by the Merger.

The Merger will dilute the ownership position of Cousins stockholders and result in Parkway stockholders having an ownership stake in Cousins that is smaller than their current stake in Parkway. Upon completion of the Merger, legacy Cousins stockholders will own approximately 53% of the issued and outstanding shares of Cousins common stock, and legacy Parkway stockholders will own approximately 47% of the issued and outstanding shares of Cousins common stock. Additionally, because Cousins is issuing shares of Cousins limited voting preferred stock to holders of Parkway limited voting stock in the Merger, and Cousins limited voting preferred stock will vote as a single class with Cousins common stock on certain matters, each outstanding share of Cousins common stock after the completion of the Merger will represent a smaller percentage of the voting power of Cousins than if such shares of limited voting preferred stock had not been issued in the Merger. Consequently, Cousins stockholders and Parkway stockholders, as a general matter, will have less influence over the management and policies of Cousins after the effective time of the Merger than they currently exercise over the management and policies of Cousins and Parkway, respectively.

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Failure to complete the Merger could adversely affect the stock prices and the future business and financial results of Cousins and Parkway.

If the Merger is not completed, the ongoing businesses of Cousins or Parkway may be adversely affected and Cousins and Parkway will be subject to numerous risks, including the following:

- Cousins or Parkway being required, under certain circumstances, to pay the other party a termination fee of $65 million or reimburse the other party for $20 million of its expenses in connection with the Merger;

- each of Cousins and Parkway having to pay substantial costs relating to the Merger, such as legal, accounting, financial advisor, filing, printing and mailing fees and integration costs that have already been incurred or will continue to be incurred until the closing of the Merger;

- the management of each of Cousins and Parkway focusing on the Merger instead of on pursuing other opportunities that could be beneficial to the companies, in each case, without realizing any of the benefits of having the Merger completed; and

- reputational harm due to the adverse perception of any failure to successfully complete the Merger.

If the Merger is not completed, Cousins and Parkway cannot assure their stockholders that these risks will not materialize and will not materially affect the business, financial results and stock prices of Cousins or Parkway.

The Merger Agreement contains provisions that could discourage a potential competing acquirer of either Cousins or Parkway or could result in any competing proposal being at a lower price than it might otherwise be.

The Merger Agreement contains provisions that, subject to limited exceptions, restrict the ability of each of Cousins and Parkway to initiate, solicit, knowingly encourage or facilitate competing third-party proposals to effect, among other things, a merger, reorganization, share exchange, consolidation or the purchase or sale of 20% or more of the consolidated assets or Cousins or Parkway. In addition, either Cousins or Parkway generally has an opportunity to offer to modify the terms of the Merger Agreement in response to any competing acquisition proposal (as hereinafter defined) that may be made to the other party before the boards of directors of Cousins or Parkway, as the case may be, may withdraw or modify its recommendation in response to such competing acquisition proposal or terminate the Merger Agreement to enter into such a competing acquisition proposal. In some circumstances, on termination of the Merger Agreement, one of the parties may be required to pay a substantial termination fee or expense reimbursement fee to the other party. For more information, see The Merger The Merger Agreement Termination of the Merger Agreement Termination Fees and Expense Reimbursement.

These provisions could discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of Cousins or Parkway from considering or proposing such an acquisition, even if it were prepared to pay consideration with a higher per share cash or market value than that market value proposed to be received or realized in the Merger, or might result in a potential competing acquirer proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee or expense reimbursement fee that may become payable in certain circumstances under the Merger Agreement.

The pendency of the Merger could adversely affect the business and operations of Cousins and Parkway.

In connection with the pending Merger, some customers or vendors of each of Cousins and Parkway may delay or defer decisions, which could adversely affect the revenues, earnings, funds from operations, cash flows and expenses of Cousins and Parkway, regardless of whether the Merger is completed. Similarly, current and prospective employees of Cousins and Parkway may experience uncertainty about their future roles with Cousins following the Merger, which may materially adversely affect the ability of each of Cousins and Parkway to attract and retain key personnel during the pendency of the Merger. In addition, due to operating covenants in the Merger Agreement, each of Cousins and Parkway may be unable (without the other party s prior written consent), during the pendency of the Merger, to pursue strategic transactions, undertake significant capital projects, undertake certain significant financing transactions and otherwise pursue other actions, even if such actions would prove beneficial.

Some of the directors and executive officers of Cousins and directors and executive officers of Parkway have interests in seeing the Merger completed that are different from, or in addition to, those of the other Cousins stockholders and Parkway stockholders.

Certain of the directors and executive officers of Cousins and Parkway have interests in the Merger that are different from other Cousins and Parkway stockholders. Some of these interests include:

Pursuant to the Merger Agreement, at the effective time of the Merger, Mr. Taylor Glover will continue as the chairman of the Cousins board of directors and the Cousins board of directors will include five directors, Mr. Taylor Glover, Mr. Larry Gellerstedt, Mr. Robert Chapman, Ms. Donna Hyland and Ms. Lillian Giornelli, designated by the Cousins board of directors prior to the effective time of the Merger, three directors, Ms. Brenda J. Mixson, Mr. Charles T. Cannada and Mr. Edward M. Casal, designated by the Parkway board of directors prior to the effective time of the Merger and one director, Mr. Kelvin L. Davis, designated by TPG Pantera pursuant to the Cousins stockholders agreement;

At the effective time of the Merger, the New Parkway board of directors will have seven members, including three directors, Mr. R. Dary Stone, Mr. James Hance Jr. and Mr. Craig Jones, designated by the Cousins board of directors prior to the effective time of the Merger, two directors, Mr. James A. Thomas and Mr. James R. Heistand, designated by the Parkway board of directors prior to the effective time of the Merger and two directors, Mr. Avi Banyasz and Mr. Frank J. Tripp Johnson, designated by TPG Pantera pursuant to the New Parkway stockholders agreement;

In connection with the Merger, certain executive officers and directors of Parkway that own stock options, RSUs and LTIP Units of Parkway, in some cases, will have such securities converted into the right to receive options to purchase Cousins common stock, Cousins RSUs, Cousins common stock or common units of Parkway LP. For more information, see The Merger Interests of Parkway Directors and Executive Officers in the Merger. These interests may influence the directors and executive officers of Cousins and Parkway and their vote on the applicable stockholder proposals; and

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions of the Merger Agreement, at the effective time of the Merger, the senior leadership team of Cousins will include Mr. Larry Gellerstedt as president and chief executive officer, Mr. Gregg Adzema as executive vice president and chief financial officer, Mr. John McColl as executive vice president, Mr. Colin Connolly as executive vice president and chief operating officer, Ms. Pamela Roper as senior vice president, general counsel and corporate secretary and Mr. Jay Harris as senior vice president, chief accounting officer, treasurer and assistant corporate secretary. None of the senior leadership team of Cousins will hold positions with New Parkway following the Merger and the Spin-Off.

Additionally, Parkway has entered into employment agreements with certain executive officers, pursuant to which such executive officers may become entitled to certain payments of benefits upon the consummation of a change in control and/or upon a related qualifying termination of employment. For more information, see The Merger Interests of Parkway Directors and Executive Officers in the Merger.

The TPG Parties and Mr. James A. Thomas, the chairman of the Parkway board of directors, are significant stockholders in Parkway and may have interests that differ from Parkway s other stockholders.

The TPG Parties and Mr. James A. Thomas, the chairman of the Parkway board of directors, are significant stockholders in Parkway on a fully diluted basis. In connection with the Merger, the TPG Parties entered into the

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Cousins stockholders agreement and will enter into the New Parkway stockholders agreement that grant them certain rights, including, among other things, the right to nominate a specified number of directors to the Cousins board of directors and to the New Parkway board of directors following the Merger and the Spin-Off based on their ownership interest in the respective companies. Mr. Thomas, and certain other holders of units of Parkway LP that are affiliated with him, have entered into a letter agreement with Parkway and Parkway LP that provides, among other things, that Parkway will cause Mr. Thomas to be appointed chairman of New Parkway and that Parkway will modify certain existing tax protection agreements in favor of Mr. Thomas. Therefore, the interests of the TPG Parties and Mr. Thomas may differ from the interests of Parkway s other stockholders and, given their significant ownership in Parkway, they may have significant influence on the Parkway Merger Proposal.

If the Merger is not consummated by December 31, 2016 (unless extended under certain circumstances), either Cousins or Parkway may terminate the Merger Agreement.

Either Cousins or Parkway may terminate the Merger Agreement if the Merger has not been consummated by December 31, 2016, subject to an extension to March 31, 2017, if the sole condition to closing that has not been satisfied is full readiness of the Spin-Off. However, this termination right will not be available to a party if that party failed to fulfill its obligations under the Merger Agreement and that failure was the cause of, or resulted in, the failure to consummate the Merger. For more information, see The Merger The Merger Agreement Termination of the Merger Agreement Termination Fees and Expense Reimbursement.

If the Merger does not qualify as a reorganization within the meaning of Section 368(a) of the Code, holders of Parkway common stock may be required to pay substantial U.S. federal income taxes.

Although Cousins and Parkway intend that the Merger qualify as a reorganization within the meaning of Section 368(a) of the Code, it is possible that the Internal Revenue Service (which we refer to as the IRS) may assert that the Merger fails to qualify as such. If the IRS were to be successful in any such contention, or if for any other reason the Merger were to fail to qualify as a reorganization, each U.S. holder of Parkway common stock would recognize gain or loss with respect to all such U.S. holder s shares of Parkway common stock based on the difference between (i) that U.S. holder s tax basis in such shares and (ii) the aggregate cash and the fair market value of the Cousins common stock received. For more information, see Material U.S. Federal Income Tax Consequences of the Merger.

Risks Relating to the Spin-Off

There can be no assurance that the Spin-Off of New Parkway will occur, and until it is fully ready to be consummated, the Merger Agreement cannot be consummated.

It is the intention of Cousins and Parkway for, and the Merger Agreement contains covenants relating to the steps to be taken by, Cousins and Parkway to enable the Spin-Off of New Parkway to be completed the business day following the closing of the Merger. However, there can be no assurance that the Spin-Off will occur within that time frame, or at all. It is a condition to the closing of the Merger that the Spin-Off be in a state of readiness to be consummated simultaneously with the closing of the Merger. Accordingly, if the Spin-Off is delayed, or preparations are not complete, the Merger may not be consummated. Additionally, if the Spin-Off is not fully ready to be consummated by March 31, 2017, either party may terminate the Merger Agreement.

The Spin-Off may not deliver its intended results.

There are several risks and uncertainties related to the Spin-Off, including but not limited to:

whether Cousins will be able to effect the Separation and the UPREIT Reorganization;

whether Cousins will be able to obtain the required regulatory approvals for the Spin-Off or the timing of such approvals;

- whether New Parkway will qualify as a REIT, which involves the application of highly technical and complex provisions of the Code, as well as various factual determinations not entirely within the control of the parties;

- whether changes in legislation, treasury regulations or IRS interpretations may adversely affect Cousins ability to engage in the Separation or the UPREIT Reorganization, or whether stockholders of New Parkway will benefit from New Parkway qualifying as a REIT;

- whether New Parkway is able to complete financings and/or refinancing related to the Spin-Off within an acceptable time frame and on acceptable terms, if at all;

- whether New Parkway may be able to conduct and expand its business following the Spin-Off;

- whether there could be legal or other challenges to the Spin-Off, including changes in legal, regulatory, market and other circumstances that could lead to the Spin-Off not being pursued; and

- whether New Parkway and/or its customers experience financial difficulties from interest rates, general market and economic conditions and other factors, including changes in prices of commodities such as crude oil.

Any one or more of these risks and uncertainties, or any other complexity or aspect of the Spin-Off or its implementation, may cause the Spin-Off to fail or prevent the Spin-Off from being able to be completed. If the Spin-Off is not completed, the Merger may fail to close, as described above.

If the Spin-Off of New Parkway is consummated, the distribution of shares of New Parkway common stock will not qualify for tax-free treatment and will be treated as a taxable distribution to you for U.S. federal income tax purposes.

If the Spin-Off of New Parkway is consummated, the distribution of shares of New Parkway common stock will not qualify for tax-deferred treatment and will be treated as a taxable distribution to Cousins stockholders for U.S. federal income tax purposes. An amount equal to the fair market value of the shares of New Parkway common stock received by you on the distribution date in the Spin-Off will generally be treated as a taxable dividend to the extent of your ratable share of any current or accumulated earnings and profits of Cousins (including gain recognized by Cousins in connection with the Separation and the Spin-Off), with the excess treated first as a non-taxable return of capital to the extent of your tax basis in Cousins common stock and any remaining excess treated as capital gain. Your tax basis in shares of Cousins common stock held at the time of the distribution will be reduced (but not below zero) to the extent the fair market value of shares of New Parkway common stock distributed by Cousins to you in the Spin-Off exceeds your ratable share of Cousins current and accumulated earnings and profits. Your holding period for such Cousins shares will not be affected by the distribution. Cousins will not be able to advise you of the amount of earnings and profits of Cousins until after the end of the calendar year in which the Spin-Off occurs. However, Cousins anticipates that it will recognize a substantial amount of gain for tax purposes in connection with the Separation that will have the effect of substantially increasing its earnings and profits for the year in which the Spin-Off occurs. In addition, Cousins or other applicable withholding agents may be required or permitted to withhold at the applicable rate on all or a portion of the distribution payable to non-U.S. stockholders, and any such withholding would be satisfied by

Cousins or such agent by withholding and selling a portion of the shares of New Parkway common stock that otherwise would be distributable to non-U.S. stockholders or by withholding from other property held in the non-U.S. stockholder s account with the withholding agent.

Although Cousins will be ascribing a value to the shares of New Parkway common stock in the distribution for tax purposes, this valuation is not binding on the IRS or any other tax authority. These taxing authorities could ascribe a higher valuation to those shares, particularly if shares of New Parkway common stock trade at prices significantly above the value ascribed to those shares by Cousins in the period following the distribution.

Such a higher valuation may cause a larger reduction in the tax basis of your Cousins shares or may cause you to recognize additional dividend or capital gain income. You should consult your own tax advisor as to the particular tax consequences of the distribution to you.

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Cousins could incur a corporate tax liability in connection with the Separation.

Cousins anticipates that it will recognize a significant amount of gain for U.S. federal income tax purposes in connection with the Separation. However, Cousins anticipates that most of the gain it recognizes in connection with the Separation will be able to be offset, for U.S. federal income tax purposes, with net operating losses of Parkway that it will succeed to in the Merger, such that most of such gain will not be subject to U.S. federal income tax, but there can be no assurance that the IRS will not contend, perhaps successfully, that some or all of those losses are not available to offset such gain. If the IRS were successful in making such contention, Cousins could incur a significant corporate income tax liability in connection with the Separation and the Spin-Off, which may have a material adverse effect on Cousins business, financial condition and results of operations.

New Parkway may be unable to obtain the financing required to consummate the Spin-Off.

In connection with the Merger and the Spin-Off, Parkway and Parkway LP have entered into a Commitment Letter pursuant to which certain Lenders have, among other things, agreed to provide to a subsidiary of Parkway (which subsidiary will be New Parkway LP), the New Parkway Term Loan with an aggregate principal amount of up to $350 million, and the New Parkway Revolving Credit Facility with an aggregate principal amount of up to $50 million, that may be increased to $100 million subject to the satisfaction of certain conditions. The funding of the New Parkway Credit Facilities is contingent on the closing of the Merger and certain other conditions set forth in the Commitment Letter, including the completion by the financial institutions of certain confirmatory due diligence. There can be no assurance that the conditions to the funding of the New Parkway Credit Facilities will be satisfied or that, if the New Parkway Credit Facilities become unavailable, Cousins, Parkway and New Parkway will be able to obtain alternative financing on similar terms or at all. If the New Parkway Credit Facilities become unavailable, and Cousins, Parkway and New Parkway are unable to obtain alternative financing, the parties may not be able to consummate the UPREIT Reorganization and a condition to the consummation of the Merger and the Spin-Off may not be satisfied. In addition, if the New Parkway Credit Facilities become unavailable, and Cousins, Parkway and New Parkway are unable to obtain alternative financing, Parkway LP may be unable to repay certain indebtedness of Parkway LP (which we refer to as the Parkway Credit Facilities). If the Parkway Credit Facilities are not repaid, the consummation of the Merger will result in an event of default thereunder.

Following the Spin-Off, New Parkway will have a substantial amount of indebtedness and may need to incur more in the future.

After the Spin-Off, New Parkway is expected to have a substantial amount of outstanding indebtedness under the New Parkway Credit Facilities. The amount of such indebtedness could have material adverse consequences for New Parkway, including:

- hindering New Parkway s ability to adjust to changing market, industry or economic conditions;
- limiting New Parkway s ability to access the capital markets to raise additional equity or refinance maturing debt on favorable terms or to fund acquisitions or emerging businesses;
- limiting the amount of free cash flow available to New Parkway for future operations, acquisitions, dividends, stock repurchases or other use;

- making New Parkway more vulnerable to economic or industry downturns, including changes in interest rate and changes in prices of commodities such as crude oil; and

- placing New Parkway at a competitive disadvantage compared to less leveraged competitors.

Moreover, to respond to competitive challenges, New Parkway may be required to raise substantial additional capital to execute its business strategy. New Parkway s ability to arrange additional financing will depend on, among other factors, its financial position and performance, as well as prevailing market conditions and other factors beyond its control. If New Parkway is able to obtain additional financing, its credit ratings could be further adversely affected, which could further raise borrowing costs and further limit future access to capital and its ability to satisfy its obligations under the New Parkway Credit Facilities.

Following the Spin-Off, New Parkway will be subject to various covenants that may limit its ability to take certain actions and would require New Parkway to meet certain financial maintenance tests. Failure to comply with these terms could have an adverse effect on the financial condition of New Parkway.

Pursuant to the Commitment Letter, certain Lenders have agreed to provide to New Parkway the New Parkway Term Loan and New Parkway Revolving Credit Facility. The credit agreement governing the New Parkway Credit Facilities is expected to contain restrictions on the amount of debt New Parkway may incur and other restrictions on its operations. These restrictions, as well as any additional restrictions to which New Parkway may become subject to in connection with additional financings or refinancings, could restrict its ability to pursue business initiatives, effect certain transactions or make other changes to its business that may otherwise be beneficial to it, which could adversely affect its results of operations. In addition, violations of these covenants could cause declaration of defaults under, and acceleration of, any related indebtedness, which would result in adverse consequences to New Parkway s financial condition. The credit agreement governing the New Parkway Credit Facilities is expected to contain cross-acceleration provisions that give the Lenders the right to declare a default if New Parkway is in default resulting in (or permitting the) acceleration of other debt in excess of certain amounts. In the event of a default, New Parkway may be required to repay such debt with capital from other sources, which may not be available to it on attractive terms, or at all, which would have a material adverse effect on New Parkway s business, financial condition and results of operations.

Following the Spin-Off, New Parkway s ability to refinance its indebtedness or dispose of certain assets may be adversely affected by the tax considerations of certain holders of Parkway LP units.

Mr. James A. Thomas and the Thomas Investors have significant deferred tax liabilities with respect to certain assets that will be owned by New Parkway. Concurrently with the execution of the Merger Agreement, Parkway and Parkway LP entered into a letter agreement with the Thomas Investors (which we refer to as the Thomas Letter Agreement) that, among other things, extended until October 2021 the period during which New Parkway would be required to provide debt guaranty or contribution opportunities to the Thomas Investors. For more information, see The Merger Thomas Letter Agreement. Although the Thomas Letter Agreement only requires that New Parkway use commercially reasonable efforts to provide replacement debt guaranty or contribution opportunities if the existing opportunities are no longer available, and the Parkway Partnership Agreement does not require the general partner to take into account the tax consequences of individual limited partners in its decisions regarding financing and individual asset sales, so long as the general partner acts in good faith, the New Parkway board of directors may nevertheless be influenced by the adverse tax consequences to the Thomas Investors when deciding how to refinance or sell New Parkway s assets, because of Mr. Thomas role as chairman of the board and the magnitude of the consequences for the Thomas Investors.

New Parkway may co-invest in joint ventures with third parties. Any joint venture investments of New Parkway could be adversely affected by the capital markets, lack of sole decision-making authority, reliance on joint venture partners financial condition and any disputes that may arise between New Parkway and its joint venture partners.

New Parkway may co-invest with third parties through partnerships, joint ventures or other structures in which it acquires noncontrolling interests in, or share responsibility for, managing the affairs of a property, partnership, co-tenancy or other entity. New Parkway, Parkway and Cousins may market minority interests in certain of New Parkway s properties prior to the effective time of the Merger. If New Parkway enters into any such joint venture or similar ownership structure, it may not be in a position to exercise sole decision-making authority regarding the properties owned through such joint ventures or similar ownership structure. In addition,

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investments in joint ventures may, under certain circumstances, involve risks not present when a third party is not involved, including potential deadlocks in making major decisions, restrictions on New Parkway s ability to exit the joint venture, reliance on joint venture partners and the possibility that a joint venture partner might become bankrupt or fail to fund its share of required capital contributions, thus exposing New Parkway to liabilities in excess of its share of the joint venture or jeopardizing its REIT status. The funding of New Parkway s capital contributions to such joint ventures may be dependent on proceeds from asset sales, credit facility advances or sales of equity securities. Joint venture partners may have business interests or goals that are inconsistent with New Parkway s business interests or goals, and may be in a position to take actions contrary to its policies or objectives. New Parkway may, in specific circumstances, be liable for the actions of its joint venture partners. In addition, any disputes that may arise between New Parkway and joint venture partners may result in litigation or arbitration that would increase its expenses. Any of the foregoing may have a material adverse effect on New Parkway s business, financial condition and results of operations.

Risks Relating to Cousins after Completion of the Merger and the Spin-Off

Cousins expects to incur substantial expenses related to the Merger and the Spin-Off.

Cousins expects to incur substantial expenses in completing the Merger and integrating the business, operations, networks, systems, technologies, policies and procedures of Cousins and Parkway, as well as in the Separation, the UPREIT Reorganization and the Spin-Off. There are a large number of systems that must be integrated or separated in the Merger, the Separation, the UPREIT Reorganization and the Spin-Off, including leasing, billing, management information, purchasing, accounting and finance, sales, payroll and benefits, fixed asset, lease administration and regulatory compliance. While Cousins and Parkway have assumed that a certain level of transaction and integration expenses would be incurred, there are a number of factors beyond their control that could affect the total amount or the timing of their integration expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. The expenses in connection with the Merger, the Separation, the UPREIT Reorganization and the Spin-Off are expected to be significant, although the aggregate amount and timing of such charges are uncertain at present.

Following the Merger and the Spin-Off, Cousins may be unable to integrate the business of Parkway successfully, separate the business of New Parkway successfully or realize the anticipated synergies and related benefits of the Merger and the Spin-Off or do so within the anticipated time frame.

The Merger involves the combination of two companies which currently operate as independent public companies. The Separation, the UPREIT Reorganization and the Spin-Off involve the separation, reorganization and distribution of combined assets of two companies that currently operate as independent public companies. Cousins will be required to devote significant management attention and resources to integrating the business practices and operations of Parkway, and each of Cousins and Parkway will be required to devote significant management attention and resources to the Separation, the UPREIT Reorganization and the Spin-Off. Potential difficulties Cousins, Parkway or New Parkway may encounter in the integration process or in the Separation, the UPREIT Reorganization and the Spin-Off include the following:

- the inability to successfully combine the businesses of Cousins and Parkway and separate the business of New Parkway in a manner that permits Cousins to achieve the cost savings anticipated to result from the Merger, which would result in some anticipated benefits of the Merger not being realized in the time frame currently anticipated or at all;

lost sales and tenants as a result of certain tenants of either of Cousins or Parkway deciding not to do business with Cousins or New Parkway;

the complexities associated with managing Cousins out of several different locations and integrating personnel from the two companies, as well as complexities associated with the separation of personnel at New Parkway and integrating personnel from Cousins and Parkway in New Parkway;

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- the additional complexities of combining two companies with different histories, cultures, regulatory restrictions, markets and customer bases;

- the failure by Cousins or New Parkway to retain key employees of either of the two companies;

- potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the Merger and the Spin-Off; and

- performance shortfalls at one or both of the two companies as a result of the diversion of management s attention caused by completing the Merger and integrating the companies operations.

For all these reasons, you should be aware that it is possible that the integration process or the Separation, the UPREIT Reorganization and the Spin-Off could result in the distraction of Cousins , Parkway s or New Parkway s management, the disruption of Cousins or New Parkway s ongoing business or inconsistencies in Cousins or New Parkway s services, standards, controls, procedures and policies, any of which could adversely affect the ability of Cousins or New Parkway to maintain relationships with tenants, customers, vendors and employees or to achieve the anticipated benefits of the Merger, or could otherwise adversely affect the business and financial results of Cousins or New Parkway.

Following the Merger and the Spin-Off, Cousins or New Parkway may be unable to retain key employees.

The success of Cousins after the Merger will depend in part upon its ability to retain key Cousins and Parkway employees. The success of New Parkway after the Spin-Off will depend in part upon its ability to retain key Cousins and Parkway employees. Key employees may depart either before or after the Merger or Spin-Off because of issues relating to the uncertainty and difficulty of separation or integration or a desire not to remain with Cousins or New Parkway following the Merger or Spin-Off. Accordingly, no assurance can be given that Cousins, Parkway or, following the Merger and the Spin-Off, Cousins or New Parkway will be able to retain key employees to the same extent as in the past.

The Merger will result in changes to the Cousins board of directors that may affect the strategy of Cousins after the Merger. After the Spin-Off, New Parkway will have a different board of directors than either Cousins or Parkway prior to the Merger.

If the parties complete the Merger, the composition of the Cousins board of directors will change from the current boards of Cousins and Parkway. At the effective time of the Merger, the Cousins board of directors will have nine members, with Mr. Taylor Glover continuing as the chairman of the Cousins board of directors. The Cousins board of directors at the effective time of the Merger will consist of five directors, Mr. Taylor Glover, Mr. Larry Gellerstedt, Mr. Robert Chapman, Ms. Donna Hyland and Ms. Lillian Giornelli, designated by the Cousins board of directors prior to the effective time of the Merger, three directors, Ms. Brenda J. Mixson, Mr. Charles T. Cannada and Mr. Edward M. Casal, designated by the Parkway board of directors prior to the effective time of the Merger and one director, Mr. Kelvin L. Davis, designated by TPG Pantera pursuant to the Cousins stockholders agreement, as described below. For more information, see The Merger Agreements with the TPG Parties Cousins Stockholders Agreement.

If the parties complete the Spin-Off, the composition of the New Parkway board of directors will change from the current boards of Cousins and Parkway. Following the Spin-Off, the New Parkway board of directors will have seven members. The New Parkway board of directors at the effective time of the Merger will consist of three directors, Mr.

R. Dary Stone, Mr. James Hance Jr. and Mr. Craig B. Jones, designated by the Cousins board of directors prior to the effective time of the Merger, two directors, Mr. James A. Thomas and Mr. James R. Heistand, designated by the Parkway board of directors prior to the effective time of the Merger and two directors, Mr. Avi Banyasz and Mr. Frank J. Tripp Johnson, designated by TPG Pantera pursuant to the New Parkway stockholders agreement, as described below. For more information, see The Merger Agreements with the TPG Parties New Parkway Stockholders Agreement.

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The future results of Cousins will suffer if Cousins does not effectively manage its operations following the Merger and the Spin-Off.

Following the Merger, Cousins may continue to expand its operations through additional acquisitions, development opportunities and other strategic transactions, some of which involve complex challenges. The future success of Cousins will depend, in part, upon the ability of Cousins to manage its expansion opportunities, which poses substantial challenges for Cousins to integrate new operations into its existing business in an efficient and timely manner, to successfully monitor its operations, costs, regulatory compliance and service quality and to maintain other necessary internal controls. Cousins cannot assure you that its expansion or acquisition opportunities will be successful, or that it will realize its expected operating efficiencies, cost savings, revenue enhancements, synergies or other benefits.

The trading price of shares of Cousins common stock and New Parkway common stock following the Merger and the Spin-Off may be affected by factors different from those affecting the price of shares of Cousins common stock or Parkway common stock before the Merger and the Spin-Off.

If the Merger is completed, legacy Cousins stockholders will become holders of approximately 53% of the outstanding shares of Cousins common stock and legacy Parkway stockholders will become holders of approximately 47% of the outstanding shares of Cousins common stock. If the Spin-Off is completed, legacy Cousins stockholders will become holders of approximately 53% of the outstanding shares of the common stock of New Parkway, and legacy Parkway stockholders will become holders of approximately 47% of the outstanding shares of common stock of New Parkway. The results of operations of Cousins and New Parkway, as well as the trading price of Cousins common stock and New Parkway common stock, after the Merger and the Spin-Off may be affected by factors different from those currently affecting Cousins or Parkway s results of operations and the trading prices of Cousins common stock and Parkway common stock. These factors include:

- a greater number of shares of Cousins common stock outstanding, as compared to the number shares of Cousins common stock outstanding;
- different stockholders in both Cousins and New Parkway; and
- Cousins and New Parkway owning different assets and maintaining different capitalizations.

Accordingly, the historical trading prices and financial results of Cousins and Parkway may not be indicative of these matters for Cousins and New Parkway after the Merger and the Spin-Off. For more information, see Where You Can Find More Information.

At the effective time of the Merger, the TPG Parties will become significant stockholders of Cousins and may have conflicts of interest with Cousins in the future.

At the effective time of the Merger, the TPG Parties will own approximately 9.5% of outstanding shares of Cousins common stock, based on their ownership of 23,663,397 shares of common stock of Parkway, or approximately 21.2%, as of April 28, 2016. This concentration of ownership in one stockholder could potentially be disadvantageous to the interests of other Cousins stockholders. In addition, if the TPG Parties were to sell or otherwise transfer all or a large percentage of their holdings, Cousins stock price could decline, and Cousins could find it difficult to raise capital, if needed, through the sale of additional equity securities.

The interests of the TPG Parties may differ from the interests of other Cousins stockholders in material respects. For example, the TPG Parties may have an interest in directly or indirectly pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their other equity investments, even though such transactions might involve risks to Cousins. The TPG Parties are in the business of making or advising on investments in companies, and may, from time to time in the future, acquire interests in, or provide advice to, businesses that directly or indirectly compete with certain portions of Cousins business. They may also pursue acquisition opportunities that may be complementary to Cousins business, and, as a result, those acquisition opportunities may not be available to Cousins. The ability of the TPG Parties to influence the Cousins board of directors following the Merger might involve risks to Cousins, as the TPG Parties may have an interest in directly or indirectly pursuing acquisitions, divestitures, financings or other transactions that, in the TPG Parties judgment, could enhance the TPG Parties or their affiliates other equity investments, even though such transactions might involve risks to Cousins. For more information, see The Merger Agreements with the TPG Parties Cousins Stockholders Agreement.

The Cousins stockholders agreement with the TPG Parties grants TPG Pantera certain rights that may restrain Cousins ability to take various actions in the future.

In connection with the signing of the Merger Agreement, Cousins and the TPG Parties entered into the Cousins stockholders agreement, pursuant to which Cousins granted TPG Pantera certain board rights that could allow TPG Pantera to influence the Cousins board of directors. Under the Cousins stockholders agreement, and subject to the terms and conditions of the Cousins stockholders agreement, for so long as TPG Pantera (together with its affiliates, other than portfolio companies of TPG Pantera or its affiliates) beneficially owns at least 5% of Cousins common stock on an as-converted basis, TPG Pantera will have the right to nominate one director to the Cousins board of directors. In addition, for so long as TPG Pantera (together with its affiliates, other than portfolio companies of TPG Pantera or its affiliates) beneficially owns at least 5% of Cousins common stock on an as-converted basis, TPG Pantera will have the right to have its nominee to the Cousins board of directors appointed to the Investment and the Compensation, Succession, Nominating and Governance Committees of the Cousins board of directors. For more information, see The Merger Agreements with the TPG Parties Cousins Stockholders Agreement.

Counterparties to certain significant agreements with Cousins or Parkway may exercise contractual rights under such agreements in connection with the Merger, the Separation, the UPREIT Reorganization and the Spin-Off.

Cousins and Parkway are each party to certain agreements that give the counterparty certain rights following a change in control, including in some cases the right to terminate the agreement. Under some such agreements, the Merger, the Separation, the UPREIT Reorganization or the Spin-Off will constitute a change in control and therefore the counterparty may exercise certain rights under the agreement during the pendency of the Separation, the UPREIT Reorganization or upon the closing of the Merger or the Spin-Off. Certain Cousins and Parkway funds, joint ventures, management and servicing contracts, leases and debt obligations have agreements subject to such provisions. Any such counterparty may request modifications of its respective agreements as a condition to granting a waiver or consent under its agreement. There is no assurance that such counterparties will not exercise their rights under the agreements, including termination rights where available, that the exercise of any such rights will not result in a material adverse effect or that any modifications of such agreements will not result in a material adverse effect.

Risks Relating to the Status of Cousins and Parkway as REITs

Cousins may incur adverse tax consequences if Parkway has failed or fails to qualify as a REIT for U.S. federal income tax purposes.

It is a condition to the obligation of Cousins to complete the Merger that Parkway receive an opinion of counsel to the effect that, commencing with Parkway s taxable year ended December 31, 2010 and through the effective time of the Merger, Parkway has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code. The opinion will be subject to customary exceptions, assumptions and qualifications and will be based on customary representations made by Parkway, and if any such representations are or become inaccurate or incomplete, such opinion may be invalid and the conclusions reached therein could be jeopardized. In addition, the opinion will not be binding on the IRS or any court, and there can be no assurance that the IRS will not take a contrary position or that such position would not be sustained. If Parkway has failed or fails to qualify as a REIT for U.S. federal income tax purposes and the Merger is completed, Cousins generally would succeed to and may incur significant tax liabilities and Cousins could possibly fail to qualify as a REIT. In addition, if Parkway has failed or fails to qualify as a REIT for U.S. federal income tax purposes and the Merger is completed, for the five-year period following the effective time of the Merger, upon a taxable disposition of any of Parkway s assets, Cousins generally would be subject to corporate level tax with respect to any gain in such asset at the time of the Merger.

REITs are subject to a range of complex organizational and operational requirements.

As REITs, each of Cousins and Parkway must distribute to its stockholders with respect to each taxable year at least 90% of its REIT taxable income (which does not equal net income, as calculated in accordance with GAAP), without regard to the deduction for dividends paid and excluding net capital gain. A REIT must also meet certain requirements with respect to the nature of its income and assets and the ownership of its stock. For any taxable year that Cousins or Parkway fails to qualify as a REIT, it will not be allowed a deduction for dividends paid to its stockholders in computing taxable income, and thus would become subject to U.S. federal income tax as if it were a regular taxable corporation. In such an event, Cousins or Parkway, as the case may be, could be subject to potentially significant tax liabilities. Unless entitled to relief under certain statutory provisions, Cousins or Parkway, as the case may be, would also be disqualified from treatment as a REIT for the four taxable years following the year in which it lost its qualification, and dispositions of assets within five years after requalifying as a REIT could give rise to gain that would be subject to corporate income tax. If Cousins or Parkway failed to qualify as a REIT, the market price of Cousins common stock may decline, and Cousins may need to reduce substantially the amount of distributions to its stockholders because of its potentially increased tax liability.

The tax on prohibited transactions will limit Cousins ability to engage in certain transactions which would be treated as prohibited transactions for U.S. federal income tax purposes.

Net income that Cousins derives from a prohibited transaction will be subject to a 100% tax. The term prohibited transaction generally includes a sale or other disposition of property that is held primarily for sale to customers in the ordinary course of Cousins trade or business. Cousins might be subject to this tax if it were to dispose of its property, including historic Parkway properties, in a manner that was treated as a prohibited transaction for U.S. federal income tax purposes.

Risks Relating to an Investment in Cousins Common Stock following the Merger and the Spin-Off

The market price of Cousins common stock may decline as a result of the Merger and the Spin-Off.

The market price of Cousins common stock may decline as a result of the Merger and the Spin-Off if Cousins does not achieve the perceived benefits of the Merger and the Spin-Off or the effect of the Merger and the Spin-Off on Cousins financial results is not consistent with the expectations of financial or industry analysts.

In addition, upon consummation of the Merger and the Spin-Off, Cousins stockholders and Parkway stockholders will own interests in Cousins, which will operate an expanded business with a different mix of properties, risks and liabilities. Current stockholders of Cousins and Parkway may not wish to continue to invest in Cousins, or for other reasons may wish to dispose of some or all of their shares of Cousins common stock. If, following the effective time of the Merger, large amounts of Cousins common stock are sold, the price of Cousins common stock could decline.

After the Merger and the Spin-Off is completed, Parkway stockholders who receive shares of Cousins common and limited voting preferred stock in the Merger and shares of New Parkway common and limited voting stock in the Spin-Off will have different rights that may be less favorable than their current rights as Parkway stockholders.

After the effective time of the Merger, Parkway stockholders who receive shares of Cousins common and limited voting preferred stock in the Merger will have different rights, which may be less favorable than their

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current rights as Parkway stockholders. For example, the Cousins Articles provide for a supermajority vote for transactions in which Cousins merges with or into another corporation, which may discourage takeover attempts and deprive stockholders from receiving a premium for their shares. For more information, see Comparison of Rights of Cousins Stockholders and Parkway Stockholders.

The rights of New Parkway common stockholders and limited voting stockholders will be provided for in New Parkway s articles of incorporation and bylaws.

Following the Merger and the Spin-Off, Cousins may not continue to pay dividends at or above the rate currently paid by Cousins or Parkway.

Following the Merger and the Spin-Off, and on the terms and subject to the conditions of the Merger Agreement, the stockholders of Cousins may not receive dividends at the same rate that they did as stockholders of Cousins or Parkway prior to the Merger for various reasons, including the following:

- Cousins may not have enough cash to pay such dividends due to changes in Cousins cash requirements, capital spending plans, cash flow or financial position;

- decisions on whether, when and in what amounts to pay any future dividends will remain at all times entirely at the discretion of the Cousins board of directors, which reserves the right to change Cousins dividend practices at any time and for any reason; and

- the amount of dividends that Cousins subsidiaries may distribute to Cousins may be subject to restrictions imposed by state law and restrictions imposed by the terms of any current or future indebtedness that these subsidiaries may incur.

Stockholders of Cousins will have no contractual or other legal right to dividends that have not been declared by the Cousins board of directors.

Other Risks

Prior to the effective time of the Merger, Parkway is planning to effect certain asset sales, and cannot guarantee that such asset sales will be consummated on favorable terms or at all.

In connection with the Merger, and on the terms and subject to the conditions of the Merger Agreement, Parkway has agreed to use commercially reasonable efforts to sell certain properties in Jacksonville and Miami, Florida and Philadelphia, Pennsylvania. There can be no guarantee that Parkway will be able to effect these asset sales on favorable terms or at all, which may have an adverse effect on the business, operations, leverage or liquidity of Cousins after the effective time of the Merger.

Following the Merger, Cousins will have a substantial amount of indebtedness and may need to incur more in the future.

Cousins has substantial indebtedness, and in connection with the Merger and the Spin-Off may incur additional indebtedness. The incurrence of new indebtedness could have adverse consequences on Cousins business following the Merger and the Spin-Off, such as:

requiring Cousins to use a substantial portion of its cash flow from operations to service its indebtedness, which would reduce the available cash flow to fund working capital, capital expenditures, development projects, and other general corporate purposes and reduce cash for distributions;

limiting Cousins ability to obtain additional financing to fund Cousins working capital needs, acquisitions, capital expenditures, or other debt service requirements or for other purposes;

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- increasing the costs to Cousins of incurring additional debt;
- increasing Cousins exposure to floating interest rates;
- limiting Cousins ability to compete with other companies that are not as highly leveraged, as Cousins may be less capable of responding to adverse economic and industry conditions;
- restricting Cousins from making strategic acquisitions, developing properties, or exploiting business opportunities;
- restricting the way in which Cousins conducts its business because of financial and operating covenants in the agreements governing Cousins existing and future indebtedness;
- exposing Cousins to potential events of default (if not cured or waived) under covenants contained in Cousins debt instruments that could have a material adverse effect on Cousins business, financial condition, and operating results;
- increasing Cousins vulnerability to a downturn in general economic conditions; and
- limiting Cousins ability to react to changing market conditions in its industry.

The impact of any of these potential adverse consequences could have a material adverse effect on Cousins results of operations, financial condition, and liquidity.

The historical and unaudited pro forma combined condensed financial information included elsewhere in this joint proxy statement/prospectus may not be representative of Cousins results after the Merger and the Spin-Off, and accordingly, you have limited financial information on which to evaluate Cousins.

The unaudited pro forma combined condensed financial information included elsewhere in this joint proxy statement/prospectus has been presented for informational purposes only and is not necessarily indicative of the financial position or results of operations that actually would have occurred had the Merger and the Spin-Off been completed as of the dates indicated, nor is it indicative of the future operating results or financial position of Cousins after the Merger and the Spin-Off. The unaudited pro forma combined condensed financial information reflects adjustments, which are based upon preliminary estimates, to allocate the purchase price to Parkway s assets and liabilities. The purchase price allocation reflected in the unaudited pro forma combined condensed financial information included elsewhere in this joint proxy statement/prospectus is preliminary, and the final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Parkway as of the date of the completion of the Merger. The unaudited pro forma combined condensed financial information does not reflect future events that may occur after the Merger and the Spin-Off, including the costs related to the planned integration of the two companies and any future nonrecurring charges resulting from the Merger and the Spin-Off, and does not consider potential impacts of current market conditions on revenues or expense efficiencies. The unaudited pro forma combined condensed financial information presented elsewhere in this joint proxy statement/prospectus is based in part on certain assumptions regarding the Merger and the Spin-Off that Cousins and Parkway believe are reasonable under the circumstances. Cousins and Parkway cannot assure you that the assumptions will prove to be accurate over time.

The business of New Parkway could be adversely affected by a decline in commodity prices, particularly a decline in the price of crude oil.

Following the Spin-Off, New Parkway is expected to own approximately 8.7 million rentable square feet of commercial real estate in Houston, Texas. The Houston market is economically dependent on the petroleum industry. A key economic variable that affects the petroleum industry is the price of crude oil, which can be influenced by general economic conditions, industry inventory levels, production quotas imposed by the Organization of Petroleum Exporting Countries, weather-related damage and disruptions, competing fuel prices and geopolitical risk. If the Houston market faces significant exposure to fluctuations in global crude oil prices, particularly for extended periods of time, or oil prices remain at historically low levels, the Houston market may experience business layoffs, downsizing, consolidations, industry slowdowns and other similar factors. These potential risks to customers of New Parkway could negatively impact commercial real estate fundamentals and result in lower occupancy, an increased market for sublease space, lower rental rates and declining values in the real estate portfolio of New Parkway, which may have a material adverse effect on the business, financial condition and results of operations of New Parkway.

Cousins, Parkway and New Parkway face other risks.

The risks listed above are not exhaustive, and you should be aware that, following the Merger and the Spin-Off, Cousins will face various other risks, including those discussed in reports filed by Cousins and Parkway with the SEC. For more information, see Where You Can Find More Information.

You should be aware that, following the Spin-Off, New Parkway will face various other risks that New Parkway will discuss in its reports and filings with the SEC, which are not incorporated by reference into this joint proxy statement/prospectus.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws. These forward-looking statements, which are based on current expectations, estimates and projections about the industry and markets in which Cousins and Parkway operate and beliefs of and assumptions made by Cousins management and Parkway s management, involve uncertainties that could significantly affect the financial or operating results of Cousins, Parkway or New Parkway. Words such as expects, anticipates, intends, plans, believes, seeks, estimates, will, variations of such words and similar expressions are intended identify such forward-looking statements. Such forward-looking statements include, but are not limited to, statements about the benefits of the proposed transactions involving Cousins and Parkway, including future financial and operating results, plans, objectives, expectations and intentions. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future including statements relating to creating value for stockholders, benefits of the proposed transactions to tenants, employees, stockholders and other constituents of the combined company, integrating our companies, cost savings and the expected timetable for completing the proposed transactions are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and, therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to, those set forth under Risk Factors beginning on page 57 as well as the following:

- risks associated with the ability to consummate the Merger;
- risks associated with the fixed exchange ratio;
- risks associated with the dilution of Cousins and Parkway stockholders in the Merger;
- risks associated with the failure to consummate the Merger;
- risks associated with provisions in the Merger Agreement that could discourage a potential competing acquirer of either Cousins or Parkway;
- risks associated with the pendency of the Merger adversely affecting the business of Cousins and Parkway;
- risks associated with the different interests in the Merger of certain directors and executive officers of Cousins and Parkway;

risks associated with the different interests in the Merger of certain significant stockholders of Parkway;

risks associated with the ability of Cousins and Parkway to terminate the Merger if the Merger is not consummated by an outside date;

risks associated with the failure of the Merger to qualify as a reorganization within the meaning of Section 368(a) of the Code;

risks relating to the consummation of the Spin-Off;

risks relating to the viability of New Parkway after the Spin-Off;

risks relating to the taxable nature of the Spin-Off for Cousins and its stockholders;

risks relating to the inability of New Parkway to obtain the financing required for the Spin-Off;

risks relating to the substantial indebtedness of New Parkway following the Spin-Off;

risks relating to the requirement that New Parkway comply with various restrictive covenants following the Spin-Off;

risks related to the potential for New Parkway to co-invest with third parties;

risks relating to the incurrence of substantial expenses in the Merger and the Spin-Off;

risks relating to the failure to integrate the businesses of Cousins and Parkway or the failure to successfully execute the Spin-Off;

risks relating to the inability of Cousins or New Parkway to retain key employees after the Merger and the Spin-Off;

risks relating to change in board composition after the Merger and the Spin-Off;

risks relating to the ability of Cousins to effectively manage its expanded operations following the Merger;

risks relating to the trading price of Cousins common stock and New Parkway common stock following the Merger and the Spin-Off;

risks relating to termination rights granted to counterparties pursuant to certain contractual agreements of Cousins and Parkway;

risks relating to the size of the TPG Parties investment in Cousins following the Merger;

risks relating to the TPG Parties ability to influence the Cousins board of directors;

risks relating to certain contractual rights of counterparties to agreements with Cousins or Parkway;

risks relating to the failure of Cousins or Parkway to qualify as a REIT;

risks relating to the complex organizational and operational requirements of REITs;

- risks relating to a decline in the market price of Cousins common stock as a result of the Merger and the Spin-Off;

- risks relating to a difference in rights of stockholders at Cousins and Parkway;

- risks relating to the ability of Cousins to pay dividends following the Merger and the Spin-Off;

- risks associated with the ability to consummate certain asset sales contemplated by Parkway and the timing of the closing of such proposed asset sales;

- risks relating to Cousins indebtedness after the Merger and the Spin-Off;

- risks relating to the use of pro forma financial information;

- risks relating to the dependency of New Parkway s business on certain commodity prices; and

- those additional risks and factors discussed in reports filed with the Securities and Exchange Commission (which we refer to as the SEC) by Cousins and Parkway from time to time, including those discussed under the heading Risk Factors in their respective most recently filed reports on Forms 10-K and 10-Q.

Neither Cousins nor Parkway undertakes any duty to update any forward-looking statements appearing in this document, except as may be required by applicable securities laws.

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INFORMATION ABOUT THE COMPANIES

Cousins Properties Incorporated

191 Peachtree Street NE, Suite 500

Atlanta, Georgia 30303

(404) 407-1000

Cousins, a Georgia corporation, is a self-administered and self-managed REIT for U.S. federal income tax purposes. As of the date of this joint proxy statement/prospectus, Cousins manages a 15.4 million square foot office and mixed-use portfolio and is consistently looking to execute attractive investment opportunities that create exceptional value for all of its stakeholders. Cousins primarily invests in Class A office towers and mixed-use developments in high-growth Sun Belt markets, including Atlanta, Georgia; Charlotte, North Carolina; and Austin, Dallas and Houston, Texas.

After the Merger and the Spin-Off, assuming certain asset sales are consummated in accordance with the Merger Agreement, Cousins portfolio is expected to encompass 41 high-quality properties comprising 18.4 million square feet of rentable space in Atlanta, Georgia; Austin, Texas; Charlotte, North Carolina; Phoenix, Arizona; and Orlando and Tampa, Florida. Cousins will operate in markets that are currently experiencing rent, employment and population growth ahead of the U.S. national average, and with low levels of new office space construction for such markets. Consistent with Cousins current strategy, Cousins expects to remain focused on maintaining its conservative, simple balance sheet.

The principal offices of Cousins are located at 191 Peachtree Street NE, Suite 500, Atlanta, Georgia 30303 and its telephone number is (404) 407-1000.

Cousins common stock is listed on the NYSE, trading under the symbol CUZ.

Additional information about Cousins and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. For more information, see Where You Can Find More Information.

Cousins Properties LP

Cousins LP, a Delaware limited partnership, will function as the operating partnership of Cousins following consummation of the Merger and the UPREIT Reorganization. As the operating partnership of Cousins, Cousins LP will conduct substantially all of Cousins business, hold substantially all of Cousins consolidated assets and generate substantially all of Cousins revenues. At the effective time of the Merger, Cousins will hold the general partner interest in Cousins LP, as well as approximately 98% of the pro forma limited partnership interests of Cousins LP.

Clinic Sub Inc.

Clinic Sub Inc., a Maryland corporation, is a direct, wholly owned subsidiary of Cousins. Clinic Sub Inc. was formed by Cousins solely for the purpose of engaging in the transactions contemplated by the Merger Agreement. Clinic Sub Inc. has not conducted any business activities, has no assets, liabilities or obligations and has conducted its operations solely as contemplated by the Merger Agreement. Its principal executive offices are located at c/o Cousins Properties Incorporated, 191 Peachtree Street NE, Suite 500, Atlanta, Georgia 30303, and its telephone number is

(404) 407-1000.

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Parkway Properties, Inc.

390 North Orange Avenue, Suite 2400

Orlando, Florida 32801

(407) 650-0593

Parkway is a Maryland corporation that has elected to be taxed as a REIT under the Code. Parkway currently is a fully integrated, self-administered and self-managed REIT specializing in the acquisition, ownership, development and management of quality office properties in higher growth submarkets in the Sun Belt region of the United States. Parkway owned or had an interest in 34 office properties located in six states with an aggregate of approximately 14.0 million square feet of leasable space as of April 1, 2016. Fee-based real estate services are offered through the Third-Party Services Business, which in total managed and/or leased approximately 2.7 million square feet primarily for third-party owners as of April 1, 2016.

Parkway s most significant asset is its ownership interest in Parkway LP, which, together with its subsidiaries, conducts substantially all of Parkway s business, holds substantially all of Parkway s consolidated assets and generates substantially all of Parkway s revenues. Through a wholly owned subsidiary of Parkway, Parkway is the sole general partner of Parkway LP and, as of March 31, 2016, directly owned 111,602,419 common limited partnership units and indirectly owned 110,858 general partnership units, or approximately 95.9%, of the outstanding partnership interests of Parkway LP.

Parkway was incorporated in the state of Maryland in 1996, and Parkway LP was formed in the state of Delaware in 1997. Parkway s principal executive offices are located at 390 North Orange Avenue, Suite 2400, Orlando, Florida 32801, and its telephone number is (407) 650-0593.

Parkway common stock is listed on the NYSE, trading under the symbol PKY.

Parkway limited voting stock is not listed on any exchange.

Additional information about Parkway and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus and Where You Can Find More Information.

Parkway Properties LP

Parkway LP, a Delaware limited partnership, together with its subsidiaries, conducts substantially all of Parkway s business, holds substantially all of Parkway s consolidated assets and generates substantially all of Parkway s revenues. Through a wholly owned subsidiary of Parkway, Parkway is the sole general partner of Parkway LP and, as of March 31, 2016, directly owned 111,602,419 common limited partnership units and indirectly owned 110,858 general partnership units, or approximately 95.9%, of the outstanding partnership interests of Parkway LP.

In connection with the Separation, the UPREIT Reorganization and the Spin-Off, the Parkway Partnership Agreement will be amended to, among other things, include provisions that are customary for UPREIT partnerships, and New Parkway LP will become the operating partnership of New Parkway. Following the Separation, the UPREIT Reorganization, and Spin-Off, the sole asset of Parkway LP will be an approximately 47.5% limited partner interest in New Parkway LP. For more information, see The Merger Agreements to be Entered into in Connection with the Merger, the Separation and the UPREIT Reorganization Amendment to the Parkway Partnership Agreement and The

Merger The Separation and the UPREIT Reorganization.

Parkway, Inc.

New Parkway, a Maryland corporation, is currently a wholly owned subsidiary of Parkway.

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At the effective time of the Merger, New Parkway will be led by Mr. James R. Heistand, the chief executive officer of Parkway, and several members of the existing Parkway senior management team. Mr. James A. Thomas, the current chairman of the Parkway board of directors, will become chairman of the New Parkway board of directors at the effective time of the Merger.

Following the Separation, the UPREIT Reorganization and the Spin-Off, it is expected that New Parkway will commence operations with five Class A office assets encompassing 8.7 million rentable square feet in the Galleria, Greenway and Westchase submarkets of Houston, Texas. Through the Merger, the Separation, the UPREIT Reorganization and the Spin-Off, New Parkway will also succeed to the Third-Party Services Business. At the effective time of the Spin-Off, New Parkway s most significant asset will be its direct and indirect ownership of approximately 98% of the limited partnership interests of New Parkway LP, which, together with its subsidiaries, will conduct substantially all of New Parkway s business, hold substantially all of New Parkway s consolidated assets and generate substantially all of New Parkway s revenues.

Parkway and Parkway LP have entered into the Commitment Letter with certain Lenders in which the Lenders have, among other things, agreed to provide to a subsidiary of New Parkway (which subsidiary will be New Parkway LP) the New Parkway Term Loan with an aggregate principal amount of up to $350 million, and the New Parkway Revolving Credit Facility with an aggregate principal amount of up to $50 million, that may be increased to $100 million subject to the satisfaction of certain conditions. The proceeds of the New Parkway Term Loan will be used to fund a $200 million distribution to the partners of New Parkway LP, including, directly and indirectly, Cousins, which will be used to fund a portion of the repayment of approximately $550 million outstanding under Parkway s existing credit facilities. The proceeds of the New Parkway Revolving Credit Facility retained by New Parkway LP will be used for the general corporate purposes of New Parkway LP following the Spin-Off. The proceeds of the New Parkway Revolving Credit Facility distributed by New Parkway LP to Cousins will be used for the general corporate purposes of Cousins following the Separation and the Spin-Off. The funding of the New Parkway Credit Facilities is contingent on the closing of the Merger and certain other conditions set forth in the Commitment Letter.

Parkway Operating Partnership LP

New Parkway LP, a Delaware limited partnership, will function as the operating partnership of New Parkway following consummation of the Separation, the UPREIT Reorganization and the Spin-Off. As the operating partnership of New Parkway, New Parkway LP will conduct substantially all of New Parkway s business, hold substantially all of New Parkway s consolidated assets and generate substantially all of New Parkway s revenues. At the effective time of the Spin-Off, New Parkway will hold, directly and indirectly, approximately 98% of the partnership interests of New Parkway LP.

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THE MERGER

The following is a discussion of the Merger and the material terms of the Merger Agreement by and between Cousins and Parkway. You are urged to read the Merger Agreement carefully and in its entirety, a copy of which is attached as Annex A to this joint proxy statement/prospectus and incorporated by reference into this joint proxy statement/prospectus.

Background of the Merger

Each of the Cousins board of directors and Parkway board of directors, acting independently and with the advice of their respective management teams, periodically and in the ordinary course of business, reviews and assesses the performance, business, strategic direction and prospects of Cousins and Parkway, respectively, in light of the current business and economic environment, as well as developments in the office REIT sector, the broader commercial real estate market and the conditions of the capital markets in connection with consideration of their respective long-term business strategies to enhance value for their respective stockholders. From time to time, the boards of directors and management teams of Cousins and Parkway have evaluated and considered a variety of potential financial and strategic options in light of industry developments, changing economic and market conditions and challenges facing participants in the commercial real estate industry.

In this regard, members of the management teams of both Cousins and Parkway from time to time have met or otherwise communicated informally with representatives of other real estate companies and investors regarding industry trends and issues and the performance, business, strategic direction and prospects of their respective companies, including on occasion discussing the possible benefits and issues arising from potential business combinations or other strategic transactions. Cousins was among the companies with which members of Parkway s management team had informal communications from time to time, including on an informal basis at industry events and elsewhere, and each of Cousins and Parkway was generally familiar with the businesses and operations of the other company. The management teams of Cousins and Parkway regularly updated the members of their respective boards of directors on the status of these communications, both individually and in executive sessions at regularly scheduled board meetings.

On December 10, 2013, the Cousins board of directors met. In an executive session at the meeting, Mr. Larry Gellerstedt, president and chief executive officer of Cousins, reviewed and discussed with the directors the potential trend toward consolidation in the Sun Belt office REIT sector. In light of this potential trend, Mr. Gellerstedt reviewed and discussed with the directors the strategic advantages of a potential transaction that would result in Cousins becoming a larger and more diverse company with an expanded portfolio, greater tenant and geographic diversity and enhanced access to capital markets. Mr. Gellerstedt identified Parkway as a potential counterparty for a business combination transaction with Cousins based on its portfolio of Sun Belt office properties. Mr. Gellerstedt reviewed and discussed with the directors, on a preliminary basis, his views on a potential business combination transaction with Parkway, including with respect to, among other things, the pro forma portfolio of the combined company and the potential structure, terms and benefits of a transaction. Mr. Gellerstedt reviewed and discussed with the directors his view that, in order to achieve Cousins strategic objectives in connection with a potential business combination transaction with Parkway, the combined company would have to sell certain of Parkway s real estate assets located in certain markets in which Cousins did not then own real estate assets. Following discussion, the Cousins board of directors directed Cousins to continue reviewing a potential business combination transaction with Parkway.

On January 28, 2014, Mr. Gellerstedt met with Mr. James R. Heistand, president and chief executive officer of Parkway, in order to discuss industry trends and issues and the performance, business, strategic direction and prospects of their respective companies. During the meeting, Mr. Heistand informally conveyed interest in exploring a potential business combination with Cousins.

Following this meeting and over the next three months, Cousins continued reviewing a potential business combination transaction with Parkway. During this period, Mr. Gellerstedt regularly updated the members of the

Cousins board of directors on the status of this review, both individually and in executive sessions at regularly scheduled meetings of the Cousins board of directors and the members of the Cousins board of directors expressed support for continuing this review.

On May 6, 2014, the Cousins board of directors met. In an executive session at the meeting, Mr. Gellerstedt reviewed and discussed with the directors preliminary perspectives on a potential business combination transaction with Parkway, including with respect to, among other things, the potential structure, terms and benefits of a transaction. Following discussion, the Cousins board of directors directed Cousins to continue reviewing a potential business combination transaction with Parkway and to enter into discussions with Parkway about a potential business combination transaction.

Later on May 6, 2014, Mr. Gellerstedt met with Mr. Heistand to discuss industry trends and issues and the strategic direction of their respective companies. During the meeting, Mr. Heistand again informally conveyed interest in exploring a potential business combination transaction with Cousins, and Messrs. Heistand and Gellerstedt discussed the potential benefits of a business combination transaction involving the two companies.

During May and June 2014, representatives of Cousins and Parkway had further discussions by phone and in person regarding a potential business combination transaction involving the two companies that would be structured with a proposed exchange ratio that would reflect an at-the-market transaction based on the unaffected market prices of Cousins common stock and Parkway common stock and no payment of a control premium to stockholders of Cousins or Parkway. During this period, Messrs. Gellerstedt and Heistand regularly updated the members of their respective boards of directors on the status of these discussions, both individually and in executive sessions at regularly scheduled board meetings and the members of their respective boards of directors expressed continued support for these discussions. In addition, the members of the Cousins board of directors expressed support for representatives of Cousins sending Parkway a non-binding term sheet with respect to a potential business combination transaction involving the two companies that would be structured with a proposed exchange ratio that would reflect an at-the-market transaction based on the unaffected market prices of Cousins common stock and Parkway common stock and no payment of a control premium to stockholders of Cousins or Parkway.

On June 9, 2014, representatives of Cousins sent Parkway a non-binding term sheet, consistent with the terms discussed by the members of the Cousins board of directors, with respect to a potential business combination transaction involving the two companies that would be structured with a proposed exchange ratio that would reflect an at-the-market transaction based on the unaffected market prices of Cousins common stock and Parkway common stock and no payment of a control premium to stockholders of Cousins or Parkway.

On June 19, 2014, Messrs. Gellerstedt, Heistand and Taylor Glover, the non-executive independent chairman of the Cousins board of directors, met in person to discuss the potential structure, terms and benefits of a business combination transaction, including the potential pro forma business plans of the combined company, governance and operational matters and the potential management team of the combined company. Mr. Heistand informed Messrs. Gellerstedt and Glover that the Parkway board of directors and the TPG Parties, in their role as stockholders of Parkway (at the time, the TPG Parties held 23.9% of the outstanding shares of Parkway common stock), would not support a business combination transaction between Cousins and Parkway that did not involve a control premium paid to Parkway stockholders. Messrs. Gellerstedt and Glover reiterated that Cousins was interested in pursuing a potential business combination transaction that would be structured with a proposed exchange ratio that would reflect an at-the-market transaction based on the unaffected market prices of Cousins common stock and Parkway common stock and no payment of a control premium to stockholders of Cousins or Parkway.

During late June through August 2014, representatives of Cousins and Parkway held further informal discussions by phone and in person regarding a potential business combination transaction involving the two companies. During this period, Cousins continued to require that any such transaction between the two companies must be structured as an at-market transaction, while representatives of Parkway continued to state that the Parkway board of directors and the TPG Parties, in their role as stockholders of Parkway, would not support a business combination transaction between Cousins and Parkway that did not involve a control premium paid to Parkway stockholders.

On August 20, 2014, Messrs. Heistand and Gellerstedt spoke telephonically and mutually determined to terminate discussions regarding a potential business combination transaction given the inability to reach an agreement on an approach with respect to transaction consideration.

In early 2015, the Parkway board of directors held a series of meetings and decided to explore possible sale or business combination transactions in order to enhance stockholder value, including through a potential third-party solicitation process for indications of interest in a potential sale and/or business combination transaction (which we refer to as a third-party solicitation process). In taking this step, the Parkway board of directors took into consideration its view that the value of Parkway s real estate asset portfolio, which had been substantially reconstituted since 2011, was achieving historically high rental rates and low capitalization rates in markets in which it was operating, with the exception of the Houston market, which the Parkway board of directors expected, given the impact of declining crude oil prices on the Houston economy, would have a negative effect on the overall strong performance of Parkway in the short-to-medium term. The Parkway board of directors believed that, despite what they viewed as strong performance in all of Parkway s markets other than Houston, Parkway s access to capital would be limited by the negative effects of the Houston market on Parkway s stock price.

During this period, from time to time, Parkway s management and representatives engaged in informal discussions with four publicly traded REITs, one of which was Cousins, regarding potential strategic transaction opportunities. These four publicly traded REITs were identified based on their likely interest in a potential strategic transaction with Parkway, as well as their expected capacity to consummate such a transaction with Parkway. During this period, Messrs. Gellerstedt and Heistand regularly updated the members of their respective boards of directors on the status of these discussions, both individually and in executive sessions at regularly scheduled board meetings and the members of their respective boards of directors expressed continued support for these discussions.

On April 16, 2015, the Parkway board of directors held a special meeting to interview four investment banks, including BofA Merrill Lynch and Wells Fargo Securities, regarding their possible engagement as financial advisors to Parkway in its consideration of potential strategic options, including a potential third-party solicitation process. After these discussions, Mr. Jeremy R. Dorsett, executive vice president and general counsel of Parkway, reviewed the duties of Parkway s directors under Maryland law with respect to considering possible sale or business combination transactions in order to enhance stockholder value, including through a potential third-party solicitation process, and the directors engaged in discussions with Mr. Dorsett regarding their duties. After these discussions, the Parkway board of directors met in executive session in order to discuss further, among other things, general strategy with respect to possible sale or business combination transactions in order to enhance stockholder value, including a potential third-party solicitation process.

On April 29, 2015, the Parkway board of directors held a telephonic meeting to resume its discussion of the possible engagement of one or more financial advisors to assist Parkway in evaluating potential strategic options, including a possible sale or business combination transaction through a potential third-party solicitation process. Mr. Heistand also provided updates on recent informal discussions between Parkway s management and representatives of the four publicly traded REITs, one of which was Cousins, regarding potential strategic transaction opportunities. The directors engaged in discussions regarding these matters with Messrs. Heistand and Dorsett and a representative of Hogan Lovells US LLP (which we refer to as Hogan Lovells), Parkway s legal counsel.

On May 14, 2015, the Parkway board of directors held its regular quarterly meeting. Among other things, the directors met in executive session to receive and discuss additional updates provided by Mr. Heistand regarding potential strategic transaction opportunities. A representative of Hogan Lovells present for the meeting reviewed the duties of the directors under Maryland law with respect to considering possible sale or business combination transactions in order to enhance stockholder value, including through a potential third-party solicitation process, and the directors engaged in discussions with the representative regarding their duties. The directors also resumed their discussion of the possible engagement of one or more financial advisors to assist Parkway in evaluating potential strategic options, including a possible sale or business combination transaction through a potential third-party solicitation process, and discussed the scope of each contemplated engagement and associated fee structures. After discussion, the Parkway board of directors approved the engagements of BofA Merrill Lynch and Wells Fargo Securities as financial advisors to assist Parkway in the exploration of potential strategic options, including a possible sale or business combination transaction through a potential third-party solicitation process.

At various times from May 15 to May 27, 2015, BofA Merrill Lynch and Wells Fargo Securities discussed with members of Parkway s management strategy and process for soliciting third-party indications of interest, and assisted Parkway s management in the preparation of marketing materials regarding Parkway and its businesses and in uploading to an electronic data room certain materials and information about Parkway to be shared confidentially with prospective bidders.

On May 28, 2015, the Parkway board of directors held a telephonic meeting with Mr. Dorsett, Mr. David R. O Reilly, executive vice president and chief financial officer of Parkway, and representatives of BofA Merrill Lynch and Wells Fargo Securities. With these members of management and representatives, the directors discussed the third-party solicitation process, a list of prospective bidders, the due diligence process and the potential timeline for inviting, receiving, evaluating and accepting bids. The directors directed Parkway and its financial advisors to contact a range of prospective bidders, including publicly traded REITs, private investment firms and institutional investors, for proposals for a possible acquisition of, or business combination transactions with, Parkway. These prospective bidders were identified based on their likely interest in a potential business combination transaction with Parkway, as well as their expected capacity to consummate such a transaction with Parkway.

During early June 2015, in accordance with the directives of the Parkway board of directors, representatives of BofA Merrill Lynch and Wells Fargo Securities began to contact prospective bidders regarding Parkway s third-party solicitation process. During June 2015, 57 prospective bidders were contacted, including Cousins, other publicly traded REITs, private investment firms and institutional investors. These prospective bidders were identified based on their likely interest in a potential business combination transaction with Parkway, as well as their expected capacity to consummate such a transaction with Parkway. In the course of discussions with various prospective bidders during June 2015, Parkway, with input from its financial advisors, assessed the level of interest of each prospective bidder in continuing to participate in the third-party solicitation process, and Parkway ultimately entered into confidentiality agreements with 20 parties, including Cousins on June 15, 2015. The confidentiality agreements generally provided for restrictions on the use and disclosure of confidential due diligence materials shared by Parkway and included customary standstill restrictions.

In addition, during early June 2015, Parkway s management, with the assistance of BofA Merrill Lynch and Wells Fargo Securities, continued to prepare materials regarding Parkway and its businesses, upload additional confidential due diligence materials to an electronic data room for prospective bidders and provide access to the electronic data room to prospective bidders that had entered into confidentiality agreements with Parkway.

On June 12, 2015, the Parkway board of directors held a telephonic meeting with Messrs. O Reilly and Dorsett and representatives of BofA Merrill Lynch and Wells Fargo Securities in attendance. The directors discussed the affiliation of Mr. Edward M. Casal, a Parkway director who was not present for the meeting, with one of the prospective bidders that had executed a confidentiality agreement and was expected to participate in the third-party solicitation process. Prior to the meeting, Mr. Casal had expressed his intention to be recused from the Parkway board of directors and all committee assignments during the course of the third-party solicitation process and any potential strategic transaction involving the party with which he was affiliated. After these discussions, Mr. Heistand provided updates on the third-party solicitation process, including discussion of the parties that entered into confidentiality agreements and their commencement of due diligence. The directors engaged in discussions with the members of Parkway s management team and Parkway s financial advisors regarding, among other things, the list of prospective bidders and their stated levels of interest, timing considerations and overall process.

Also on June 12, 2015, Mr. Heistand called Mr. Gellerstedt and the two discussed, at a high level, the status and anticipated timing for Parkway s third-party solicitation process, as well as structuring options for a potential transaction.

On June 15, 2015, Parkway granted Cousins and its representatives access to its electronic data room and representatives of Cousins and Parkway met in person to discuss a potential business combination transaction in which Cousins would acquire all of Parkway s outstanding common stock in a merger for consideration consisting of Cousins common stock.

In addition, during the weeks of June 15 and June 22, 2015, at the direction of the Parkway board of directors, representatives of BofA Merrill Lynch and Wells Fargo Securities also conducted in-person meetings with 11 of the prospective bidders, including publicly traded REITs, private investment firms and institutional investors, that had expressed interest in holding an in-person meeting regarding a potential strategic transaction with Parkway.

On or around June 16, 2015, representatives of Cousins informed representatives of Parkway that Cousins was terminating conversations with Parkway, as Cousins was no longer interested in pursuing a potential business combination transaction with Parkway because Parkway held a significant number of real estate assets in markets in which Cousins did not then own real estate assets.

On or around June 19, 2015, Mr. Heistand contacted Mr. Gellerstedt to determine whether Cousins would be interested in exploring a two-step business combination transaction in which Parkway would sell certain of its real estate assets in markets in which Cousins did not then own real estate assets, following which Cousins would acquire all of Parkway s outstanding common stock in a merger for consideration consisting of Cousins common stock and cash proceeds from the real estate asset sales (which we refer to as a two-step asset sale/merger transaction). The representatives of Cousins indicated that Cousins would be interested in resuming discussions with Parkway in order to explore a two-step asset sale/merger transaction. From around June 19, 2015 until September 1, 2015, representatives of Cousins and Parkway participated in a series of meetings and telephonic discussions in order to discuss matters related to a two-step asset sale/merger transaction, including, among other things, due diligence matters and the potential structure, terms and benefits of such a transaction. During this period, the management teams of Cousins and Parkway regularly updated the members of their respective boards of directors on the status of these discussions, both individually and in executive sessions at regularly scheduled board meetings and the members of their respective boards of directors expressed continued support for these discussions.

Also on June 19, 2015, certain media outlets reported that Parkway was engaged in discussions regarding potential entity-level transactions or asset sales and that Cousins was one of the most likely bidders.

On June 22, 2015, Cousins retained Wachtell, Lipton, Rosen & Katz (which we refer to as Wachtell Lipton) as its legal advisor and Goldman Sachs as its financial advisor in connection with a potential business combination transaction involving Parkway.

On June 25, 2015, the Parkway board of directors held a special meeting. Mr. Dorsett and an observer designated by the TPG Parties were also present for the meeting. Mr. Heistand provided updates on the third-

party solicitation process, and BofA Merrill Lynch and Wells Fargo Securities, after joining the meeting by telephone, summarized their meetings with prospective bidders and relayed feedback received from such prospective bidders. The directors discussed various matters with the members of Parkway s management team and Parkway s financial advisors, including, with respect to each bidder, the probability of success, potential impediments to a transaction, available capital resources and process timeline. After these discussions, the representatives of Parkway s financial advisors were excused from the meeting and the Parkway board of directors continued its discussion of the voluntary recusal of Mr. Casal from the Parkway board of directors and all committee assignments and the reassignment of other directors to fill the committee vacancies. Mr. Casal was not present at the meeting. After discussion, the Parkway board of directors determined that it was in the best interests of Parkway that Mr. Casal cease being involved in the activities of the investment committee and the governance committee and appointed other board members to fill the resulting committee vacancies. Accordingly, thereafter, Mr. Casal did not attend any meetings of the Parkway board of directors or its committees until his affiliate was no longer involved in the third-party solicitation process.

During June 2015, in accordance with the directives of the Parkway board of directors, Parkway s financial advisors conducted follow-up calls with prospective bidders and responded to several requests by prospective bidders for additional due diligence materials on Parkway in connection with Parkway s third-party solicitation process.

On July 2, 2015, in accordance with the directives of the Parkway board of directors, BofA Merrill Lynch and Wells Fargo Securities sent process letters on behalf of Parkway to each prospective bidder that had entered into a confidentiality agreement with Parkway in connection with Parkway s third-party solicitation process, including Cousins, requesting that each such party submit a proposal with respect to a potential strategic transaction involving Parkway.

On July 22, 2015, in a series of separate telephonic conversations, members of Cousins management team updated all of the members of the Cousins board of directors on the status of discussions with Parkway in connection with Parkway s third-party solicitation process. During these calls, members of Cousins management team reviewed and discussed with the individual directors the strategic rationale for a potential two-step asset sale/merger transaction. In addition, during these calls, members of Cousins management team reviewed and discussed with the individual directors a preliminary financial analysis prepared by Goldman Sachs of a potential two-step asset sale/merger transaction. Following these discussions, the members of the Cousins board of directors expressed their support for continued discussions with representatives of Parkway and directed members of Cousins management team to send Parkway a non-binding proposal with respect to a potential two-step asset sale/merger transaction, consistent with the terms discussed with the directors on these calls.

From July 21 to July 23, 2015, Parkway received non-binding proposals from six bidders with respect to a potential strategic transaction involving Parkway, including:

- a non-binding proposal, dated July 22, 2015, from Cousins with respect to a potential two-step asset sale/merger transaction in which Parkway would first sell certain real estate assets in Jacksonville, Orlando and Tampa, Florida and Houston, Texas (with such sales indicatively valued at approximately $10.67 per share in the aggregate, based on due diligence materials provided by Parkway), and then Cousins would acquire all of Parkway s outstanding common stock in a merger for per share consideration consisting of 0.8971 of a share of Cousins common stock (valued at $9.43 per share based on the 30-day volume-weighted average price of Cousins common stock as of July 21, 2015), such proposal representing a total value of approximately $20.10 per share of Parkway s outstanding common stock;

a non-binding oral proposal, received on or around July 22, 2015, from the U.S. investment management division of a global insurance company (which we refer to as Company A), which proposed to acquire all of Parkway s outstanding common stock for $20.00 per share in cash, subject to, among other things, the satisfaction of certain financing conditions and the receipt of approval from the board of directors of Company A s parent company;

a non-binding proposal, dated July 21, 2015, from an NYSE-listed office REIT (which we refer to as Company B) to acquire all of Parkway s outstanding common stock for $19.25 per share in cash, subject to, among other things, Parkway s sale of certain real estate assets in Jacksonville and Orlando, Florida, Austin and Houston, Texas, Charlotte, North Carolina, and Philadelphia, Pennsylvania;

a non-binding proposal, dated July 21, 2015, from an NYSE-listed office REIT to purchase certain of Parkway s real estate assets in Atlanta, Georgia, Orlando and Tampa, Florida, Charlotte, North Carolina, and Austin, Texas for an aggregate purchase price of up to approximately $1.6 billion in cash, with such cash purchase price to be paid from cash on hand, a revolving credit facility and potential equity and debt offerings;

a non-binding proposal, dated July 21, 2015, from an NYSE-listed office REIT to purchase, for a combination of cash, stock and assumed debt valued at approximately $1.25 billion in the aggregate, certain of Parkway s real estate assets in Austin and Houston, Texas, and Philadelphia, Pennsylvania; and

a non-binding oral indication of interest, received on or around July 22, 2015, from a global private investment firm, which was unwilling to submit a written proposal at that time given its ongoing due diligence review, but expressed interest in a potential acquisition of all of Parkway s outstanding common stock for potentially as much as $20.00 per share in cash.

The other 14 parties that had entered into confidentiality agreements with Parkway ultimately did not submit proposals in connection with Parkway s third-party solicitation process.

On July 23, 2015, the Parkway board of directors held a telephonic meeting, with members of Parkway s management team and representatives of BofA Merrill Lynch and Wells Fargo Securities in attendance, to discuss the six non-binding proposals received in the first round of Parkway s third-party solicitation process. Mr. Heistand provided updates on the third-party solicitation process, and Parkway s financial advisors discussed the six non-binding proposals received and potential next steps for the second round of the process. The directors engaged in discussions with the members of Parkway s management team and Parkway s advisors regarding the bidders, including, among other things, the potential merits and disadvantages of each non-binding proposal and Parkway s strategy for the second round. After discussion, the Parkway board of directors recommended that Parkway s management and financial advisors contact Cousins, Company A and Company B for additional information regarding the terms of their non-binding proposals, as the Parkway board of directors determined that these three proposals were most likely to be value-enhancing for Parkway stockholders relative to the other proposals received in the third-party solicitation process.

Through late July 2015 and early August 2015, Parkway continued to discuss the terms of the non-binding proposals received from each of Cousins, Company A and Company B.

On August 5, 2015, Company B submitted a revised non-binding proposal to purchase certain of Parkway s real estate assets in Atlanta, Georgia for $585 million in cash. This proposal was not accepted by the Parkway board of directors, which determined that asset-level sales of core properties in Atlanta would not be value-enhancing for Parkway stockholders relative to the other proposals for entity-level transactions presented in the third-party solicitation process. Throughout Parkway s third-party solicitation process, Company B did not improve its initial proposal, and negotiations between Parkway and Company B did not progress further.

In addition, on August 5, 2015, Cousins and Parkway amended their confidentiality agreement to permit the provision to Parkway of confidential due diligence materials on Cousins. Following the execution of the amendment to the confidentiality agreement, representatives of Cousins began sending representatives of Parkway certain due diligence information on Cousins.

On August 13, 2015, the Parkway board of directors held a telephonic meeting, with members of Parkway s management team and representatives of BofA Merrill Lynch and Wells Fargo Securities in attendance, to discuss whether Parkway should conduct a separate process to consider transactions involving the potential disposition of Parkway s real estate assets in Florida and Houston, Texas, in order to satisfy the conditions of Cousins proposal for a two-step asset sale/merger transaction or to mitigate the financing issues raised by Company A s proposal. The members of Parkway s management team and Parkway s financial advisors discussed with the Parkway directors preliminary financial perspectives regarding the potential disposition of Parkway s real estate assets in Florida and Houston. The Parkway directors discussed that, in addition to some parties that had participated in the third-party solicitation process, eight other investors recently had entered into confidentiality agreements with Parkway and expressed interest in the potential purchase of Parkway s real estate assets in Florida or Houston. The Parkway directors directed Parkway s management, with the assistance of Parkway s financial advisors, to contact prospective investors regarding the potential purchase of Parkway s real estate assets in Florida or Houston.

Later that day, at the direction of Parkway s board of directors, Parkway s management, with the assistance of Parkway s financial advisors, prepared materials regarding Parkway s real estate assets in Florida and Houston and began to contact prospective investors, including the eight prospective investors that previously expressed interest, as well as publicly traded REITs, private investment firms and institutional investors, regarding the potential purchase of such real estate assets. These prospective investors were identified based on their likely interest in such a transaction, as well as their expected capacity to consummate such a transaction. A total of 19 prospective investors, including some parties that had executed confidentiality agreements in June 2015 to participate in Parkway s third-party solicitation process, were contacted to discuss Parkway s potential real estate asset-level sales in these markets. Over the next several days, prospective investors commenced due diligence reviews and communicated with Parkway s management and financial advisors regarding potential real estate asset purchases.

On August 20, 2015, Cousins submitted a revised non-binding proposal for a business combination transaction with Parkway based on Cousins continued due diligence review of Parkway. Cousins revised non-binding proposal contemplated a two-step asset sale/merger transaction in which Parkway would first sell its real estate assets in Jacksonville, Orlando and Tampa, Florida, Houston, Texas and Philadelphia, Pennsylvania and then Cousins would acquire all of Parkway s outstanding common stock in a merger for consideration consisting of 0.8230 of a share of Cousins common stock.

Also on August 20, 2015, Company A submitted a revised non-binding proposal for a business combination transaction with Parkway based on Company A s continued due diligence review of Parkway. Company A s revised non-binding proposal contemplated that Company A would acquire Parkway s real estate assets in Orlando and Tampa, Florida and Houston, Texas for an aggregate purchase price of $1.78 billion in cash, and that Parkway and Company A would form a joint venture with respect to Parkway s real estate assets in Jacksonville, Florida, which would be owned 10% by Company A and 90% by a third party. Company A noted that its revised non-binding proposal remained subject to certain financing conditions and corporate approval by its parent company.

In late August 2015, there was general market volatility and the share prices of both Parkway and Cousins declined to 52-week lows, and the price of global crude oil declined to a multi-year low.

On September 1, 2015, Mr. Gellerstedt called Mr. Heistand to inform him that Cousins expected to withdraw from Parkway s third-party solicitation process because, in Cousins view, market volatility and recent changes in Cousins and Parkway s relative stock prices (each of which, in Cousins view, was driven in part by the continued decline in global crude oil prices) had negatively impacted the rationale for a transaction, and changes in market conditions (driven in part by volatility in the global crude oil market) had added uncertainty to Parkway s ability to execute on the contemplated pre-closing real estate asset sales on terms acceptable to the parties. On September 2, 2015, Cousins delivered to Parkway written notice of its decision to withdraw from Parkway s third-party solicitation process.

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Following Cousins withdrawal from Parkway s third-party solicitation process, Parkway continued to pursue a potential transaction with Company A. On September 8, 2015, the Parkway board of directors held a telephonic meeting, with members of the management team and representatives of BofA Merrill Lynch and Wells Fargo Securities in attendance. Mr. Heistand and the financial advisors provided updates on the third-party solicitation process and discussed Cousins withdrawal from the process, Company A s continued interest in the process and ongoing due diligence and updates regarding two other bidders. Parkway s financial advisors discussed the state of the financial markets since the last meeting of the Parkway board of directors, including, among other things, the recent decline in and greater volatility of U.S. equity prices, decline in commodity prices and concerns regarding China s economy. Parkway s financial advisors also discussed preliminary financial perspectives regarding Parkway s Houston real estate assets, discussed the outlook for crude oil prices and reviewed potential strategic alternatives to the third-party solicitation process, such as sales or joint ventures, as well as potential uses of any proceeds from those alternative transactions such as deleveraging Parkway, executing a share repurchase program or redeploying proceeds to value-added real estate assets.

On October 3, 2015, members of Parkway s management team met in person with members of Company A s management team. The parties discussed Company A s available capital, efforts to raise additional capital for the potential transaction and structuring options, including potential real estate asset sales or joint ventures.

On October 12, 2015, the Parkway board of directors held a telephonic meeting with members of Parkway s management team to discuss updates on Parkway s third-party solicitation process. The members of Parkway s management team summarized their recent meeting with Company A s management team, including attempts by the parties to structure a potential transaction and discussions of Company A s efforts to raise equity in connection with the potential transaction, and noted that Company A had not obtained corporate approval to proceed with any entity-level transaction at that time. Parkway s management team also offered its view that, as a result of recent declines in and volatility of global crude oil prices, Parkway had been unable to obtain bids for potential purchases of its real estate assets in Houston, Texas and Florida that would be value enhancing for its stockholders. Based on these developments, Parkway s management team recommended that Parkway terminate its process of seeking bids for potential purchases of its real estate assets in Houston, Texas and Florida, as well as its third-party solicitation process, and forego a potential sale or business combination transaction at that time, but to continue to maintain informal communications with representatives of Cousins and Company A. After discussion, the directors determined to terminate Parkway s real estate asset sale process and third-party solicitation process, but to continue to maintain informal communications with representatives of Cousins and Company A.

On October 13, 2015, Mr. Heistand met in person with Mr. Gellerstedt and the two informally discussed Parkway s and Cousins mutual interest in continuing to explore potential strategic options in the future.

On October 14, 2015, Parkway closed its electronic data room and began to send letters to the parties that had entered into confidentiality agreements with Parkway, instructing such parties to return or destroy the confidential due diligence materials previously provided through the process.

On November 4, 2015, at Mr. Gellerstedt s invitation, Mr. Heistand, Mr. M. Jayson Lipsey, executive vice president and chief operating officer of Parkway, and Mr. Jason A. Bates, executive vice president and chief investment officer of Parkway, met in person with Mr. Gellerstedt and Mr. Colin Connolly, executive vice president and chief investment officer of Cousins. The parties discussed recent developments affecting their respective businesses, as well as the office REIT sector, the broader commercial real estate market and capital markets conditions, including recent declines in and volatility of global crude oil prices and U.S. equity prices as well as options for a potential combination of Parkway and Cousins, general strategy, growth opportunities and potential real estate asset sales. In order to address Cousins concerns, as expressed on September 1, 2015, that changes in market conditions had added uncertainty to Parkway s ability to execute on previously contemplated pre-closing real estate asset sales on terms acceptable to the parties, the representatives of Cousins and Parkway discussed a potential transaction structure in which Cousins would acquire all of Parkway s outstanding common stock in a merger for consideration consisting of shares of Cousins common stock and Parkway would be required to seek to sell certain of its real estate assets in markets in which Cousins did not then own real estate assets, but the closing of the merger would not be conditioned on the consummation of any such real estate asset sales (which we refer to as the stock-for-stock business combination transaction).

From November 4, 2015 until December 2, 2015, representatives of Cousins and Parkway participated in a series of meetings and telephonic discussions in order to discuss matters related to such a potential stock-for-stock business combination transaction, including, among other things, the potential structure, terms and benefits of a transaction, including transaction consideration, the business plans of the combined company, governance and operational matters and the management team of the combined company. During this period, members of the management teams of Cousins and Parkway regularly updated the members of their respective boards of directors on the status of these discussions, both individually and in executive sessions at regularly scheduled board meetings and the members of their respective boards of directors expressed continued support for these discussions.

On November 10, 2015, Parkway and Cousins again resumed providing certain due diligence materials to each other.

On November 20, 2015, the Cousins board of directors held a meeting. At the meeting, Mr. Gellerstedt reported to the Cousins board of directors on the status of discussions with Parkway. Representatives of Goldman Sachs reviewed with the Cousins board of directors their financial analysis of a potential stock-for-stock business combination transaction, which would result in the combined company being structured as an UPREIT and which would not be conditioned on the consummation of any real estate asset sales by Parkway, but would require Parkway to seek to sell certain real estate assets in Houston, Texas, Philadelphia, Pennsylvania and Jacksonville, Miami and Orlando, Florida. In addition, the Cousins board of directors discussed potential transaction terms and the potential benefits of such a transaction and reviewed current market pricing, portfolio characteristics of Parkway and the pro forma market concentration and distribution of the combined company. Furthermore, the Cousins board of directors also reviewed and discussed the strategy for short-term actions to reduce the Houston portfolio of the combined company. Representatives of Wachtell Lipton and Goldman Sachs reviewed and discussed with the directors a proposed non-binding term sheet for a potential business combination transaction. In addition, representatives of Wachtell Lipton discussed with the members of the Cousins board of directors the legal standards applicable to its decisions and actions with respect to a potential business combination transaction. Following these discussions, the members of the Cousins board of directors expressed their support for continued discussions with representatives of Parkway and directed Mr. Gellerstedt to send Parkway a non-binding proposal for a stock-for-stock business combination transaction consistent with the terms discussed with the directors.

Later that same day, at the direction of the Cousins board of directors, representatives of Cousins sent a non-binding term sheet to Parkway, which proposed a stock-for-stock business combination transaction in which Cousins would acquire all of Parkway s outstanding common stock in a merger for consideration consisting of 1.68 shares of Cousins common stock for each outstanding share of Parkway common stock. The non-binding term sheet noted that the merger would not be conditioned on Parkway selling any real estate assets prior to closing of the merger, but that any definitive merger agreement would require Parkway to seek to sell certain real estate assets in Houston, Texas, Philadelphia, Pennsylvania and Jacksonville, Miami and Orlando, Florida. The non-binding term sheet contemplated that following the merger, the combined company would be structured as an UPREIT. The non-binding term sheet also proposed certain deal protections, including a mutual termination fee of 5.0% of Parkway s equity value and certain no-shop and force the vote provisions.

Later in the day on November 20, 2015, Parkway again granted Cousins and its representatives access to an electronic data room containing due diligence information on Parkway.

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On the morning of November 23, 2015, the Parkway board of directors held a telephonic meeting, with members of Parkway s management team and representatives of BofA Merrill Lynch and Wells Fargo Securities in attendance, to discuss the non-binding term sheet received from Cousins. The members of Parkway s management team provided a detailed summary of the non-binding term sheet and Parkway s financial advisors discussed with the Parkway board of directors preliminary financial perspectives regarding Parkway, Cousins and the proposed business combination transaction.

Later that day, Messrs. Heistand and Gellerstedt, Cousins chairman Mr. Taylor Glover and a representative of the TPG Parties met in person. Mr. Heistand initiated the meeting as an opportunity for Cousins to meet and assess the TPG Parties willingness to support a potential business combination transaction involving Parkway and Cousins.

On November 25, 2015, the Parkway board of directors held a telephonic meeting with members of Parkway s management team to resume discussion and evaluation of Cousins non-binding term sheet. The members of Parkway s management team provided an overview of additional materials on the non-binding term sheet, which included discussion of potential benefits of a combined company and other potential considerations. The members of Parkway s management team also provided a detailed comparison of the two companies Houston portfolios and a discussion of the Atlanta and Charlotte markets. The directors engaged in discussions with the management team regarding these matters. After these discussions, the members of Parkway s management team, except for Mr. Heistand, were excused from the meeting and the Parkway board of directors continued in executive session to discuss the potential combination of Parkway and Cousins. Among other things, the directors discussed the proposed exchange ratio, current dividend payout ratio, current leverage levels and potential efficiencies associated with the greater scale of a combined company, the concentration of both companies real estate assets in Houston and Atlanta and potential risks that such concentration might pose for the combined company and several aspects of the companies respective portfolios, including asset quality, tenant quality/credit, lease rollover and re-tenanting cost. At the directors request, Mr. Heistand discussed alternative strategic options for Parkway if Parkway were not to consummate a potential business combination transaction with Cousins. The Parkway board of directors directed the members of Parkway s management team to continue conducting a due diligence review of Cousins.

Later that day, Mr. Heistand called Mr. Gellerstedt to provide an update regarding the recent discussions of the Parkway board of directors.

On December 2, 2015, Mr. Heistand informed Mr. Gellerstedt that the Parkway board of directors and the TPG Parties, in their role as stockholders of Parkway, had each expressed concerns that the potential stock-for-stock business combination transaction would result in Parkway s legacy stockholders having increased exposure to Houston and that, as such, Parkway would need additional time to conduct due diligence before entering into any such transaction. Following this conversation, Mr. Gellerstedt updated certain members of the Cousins board of directors, individually, on the conversation with Mr. Heistand, and such members of the Cousins board of directors recommended that Cousins terminate negotiations with Parkway regarding a potential business combination transaction because (1) such directors had concerns that a near-term sale of certain of the Houston real estate assets of the combined company might not be value enhancing for stockholders of the combined company, and that changes in market conditions (driven in part by volatility in the global crude oil market) had added uncertainty to the ability to execute on such a sale on terms acceptable to the parties and (2) in their view, market volatility and recent changes in Cousins and Parkway s relative stock prices (each of which, in the view of the Cousins directors, was driven in part by the continued decline in global crude oil prices) had negatively impacted the rationale for a transaction. Following these conversations, Mr. Gellerstedt informed Mr. Heistand that Cousins was terminating negotiations with Parkway regarding a potential business combination transaction.

From time to time, Parkway s management team continued to engage in discussions with Company A s management team regarding one or more potential transactions between the companies, including potential real estate asset sales and joint ventures and the proposed structuring of such transactions. On December 8, 2015, Mr. Heistand met with members of Company A s management team to discuss potential transaction structures and Company A s continued efforts to raise equity and obtain corporate approval for a possible transaction.

In early February 2016, following periodic discussions, Company A informed Parkway that it did not intend to make a proposal for a potential acquisition or other transaction involving Parkway. Company A indicated that it had been unable to obtain corporate approval from its parent company for an entity-level transaction.

From time to time between August 2015 and February 2016, Parkway s management team and financial advisors continued to review potential strategic options, including a potential transaction structure in which Cousins would acquire Parkway in a stock-for-stock merger, followed by the simultaneous spin-off of the Houston-based real estate assets of the combined company into a new publicly traded REIT, New Parkway, which transaction would result in Cousins and New Parkway each being structured as an UPREIT (which we refer to as a two-step merger/spin transaction). On February 4, 2016, Parkway s management team and financial advisors discussed preliminary financial perspectives regarding a two-step merger/spin transaction.

On February 10, 2016, Mr. Lipsey and Mr. Connolly had a conversation, and proposed re-initiating conversations in order to explore informally Cousins interest in a potential two-step merger/spin transaction.

From February 10, 2016 until March 7, 2016, representatives of Cousins and Parkway held several informal, high-level telephonic discussions regarding the potential structuring of a two-step merger/spin transaction. During this period, Cousins did not conduct any due diligence on Parkway and did not prepare any substantive financial analysis of a two-step merger/spin transaction.

On February 18, 2016, the Parkway board of directors held its regular quarterly meeting in person. Among other things, the directors discussed various strategic alternatives, including the potential two-step merger/spin transaction with Cousins.

On March 3, 2016, the Parkway board of directors held a telephonic meeting, with members of Parkway s management team and representatives of BofA Merrill Lynch and Wells Fargo Securities in attendance, to discuss the potential two-step merger/spin transaction with Cousins. Parkway s financial advisors discussed with the Parkway board of directors the potential two-step merger/spin transaction with Cousins, and the directors engaged in discussions with input from the members of Parkway s management regarding financial matters pertaining to Parkway, Cousins and the combined company, the proposed merger and spin-off and potential alternative strategic options for Parkway, such as a share repurchase program. In connection with these discussions, the Parkway board of directors requested that the members of Parkway s management team continue analyzing the potential two-step merger/spin transaction with Cousins.

On March 4, 2016, Mr. Heistand called Mr. Gellerstedt and the two informally discussed at a high-level the potential benefits of a two-step merger/spin transaction.

From March 7, 2016 until the execution of the Merger Agreement, representatives of Cousins and Parkway participated in a series of meetings and telephonic discussions in order to discuss matters related to a potential two-step merger/spin transaction, including, among other things, due diligence matters and the potential structure, terms and benefits of a transaction, including transaction consideration, the timing of the spin-off, the taxability of the transaction, the business plans of the combined company, governance and operational matters and the management team of the combined company. As part of these discussions, Cousins gave clear direction to Parkway that the Cousins board of directors would not consider any proposed terms for a potential transaction until fully approved by the Parkway board of directors and Cousins had assurance of the support of the TPG Parties. During this period, Mr. Gellerstedt regularly updated the members of the Cousins board of directors individually on the status of discussions with Parkway, and the members of the Cousins board of directors expressed continued support for these discussions.

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On March 21, 2016, the Parkway board of directors held a telephonic meeting, with members of Parkway s management team and representatives of BofA Merrill Lynch and Wells Fargo Securities in attendance, to discuss updates regarding the potential two-step merger/spin transaction with Cousins. The directors again discussed various aspects of the potential transaction, including, among other things, proposed real estate asset sales, transaction structure, expected tax consequences, anticipated transaction costs, financial information pertaining to the combined company and New Parkway, potential cash net operating income growth of the combined company and New Parkway and the roll-out strategy for New Parkway. In connection with these discussions, the Parkway board of directors requested additional materials from the members of Parkway s management team regarding the potential two-step merger/spin transaction with Cousins, including with respect to the proposed governance and pro forma balance sheet for New Parkway.

On March 22, 2016, Mr. Gellerstedt called Mr. Heistand and the two discussed the potential two-step merger/spin transaction, recent discussions of the Parkway board of directors and Cousins board of directors, potential governance arrangements and related matters. Mr. Heistand indicated that Parkway intended to submit a non-binding term sheet to Cousins with respect to a potential two-step merger/spin transaction.

On the afternoon of March 24, 2016, the Parkway board of directors held a telephonic meeting with members of Parkway s management team to continue discussion of the potential two-step merger/spin transaction with Cousins. Among other things, the directors discussed a proposed non-binding term sheet and potential governance arrangements for the combined company and New Parkway, as well as the appropriate cash and leverage levels for each company. In executive session, after discussion, the Parkway board of directors unanimously approved and authorized the members of Parkway s management team to send a non-binding term sheet to Cousins.

Later that day, Parkway sent a non-binding term sheet to Cousins, which Parkway indicated had been approved by its board of directors and had the support of the TPG Parties. The term sheet proposed that Cousins would acquire Parkway in a stock-for-stock merger, for consideration consisting of 1.68 shares of Cousins common stock for each outstanding share of Parkway common stock and contemplated a simultaneous spin-off of the Houston-based real estate assets of the combined company into a new publicly traded REIT, which would result in Cousins and New Parkway each being structured as an UPREIT. In addition, the term sheet contemplated that Cousins would continue to be led by Mr. Gellerstedt and Cousins existing management team, Cousins board of directors would initially consist of five directors designated by the Cousins board of directors, three directors designated by the Parkway board of directors and one director designated by TPG Pantera, and New Parkway s board of directors would initially consist of three directors designated by the Cousins board of directors, two directors designated by the Parkway board of directors and two directors designated by TPG Pantera. The term sheet also proposed that the TPG Parties would receive certain registration rights and preemptive rights at Cousins and New Parkway following the merger, in each case consistent with the TPG Parties existing rights with respect to Parkway pursuant to the TPG Parties existing stockholders agreement with Parkway.

Following receipt of the term sheet, Mr. Gellerstedt consulted a number of Cousins directors individually and determined to counter Parkway s proposal orally, subject to full discussion with and approval by the Cousins board of directors.

On March 25, 2016, Mr. Heistand called Mr. Gellerstedt and the two discussed Parkway s non-binding term sheet. Mr. Gellerstedt orally responded to Mr. Heistand with a proposed exchange ratio of 1.51 shares of Cousins common stock for each outstanding share of Parkway common stock (which reflected the trading ratio between Cousins common stock and Parkway common stock as of the close of trading on March 24, 2016). Mr. Gellerstedt also discussed certain other aspects of Parkway s non-binding term sheet, including the TPG Parties proposed post-closing rights with Cousins and New Parkway, the timing and conditionality of the Houston spin-off, the tax treatment of the spin-off and the proposed post-closing governance provisions.

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On March 29, 2016, the Cousins board of directors held a meeting. At the meeting, members of Cousins management team and representatives of Wachtell Lipton and Goldman Sachs reported to the Cousins board of directors on the status of discussions with Parkway. The members of Cousins management team and the representatives of Wachtell Lipton and Goldman Sachs reviewed and discussed with the directors the non-binding term sheet delivered by representatives of Parkway and reviewed and discussed with the directors the strategic rationale for the potential two-step merger/spin transaction. In addition, the members of Cousins management team reviewed and discussed with the directors the portfolio mix, operations and potential strategies of Cousins and New Parkway following the potential two-step merger/spin transaction. In addition, representatives of Wachtell Lipton discussed with the members of the Cousins board of directors the legal standards applicable to its decisions and actions with respect to a potential business combination transaction. Following discussion, the Cousins board of directors approved Cousins continued review and investigation of a potential two-step merger/spin transaction with Parkway and approved Cousins entering into a non-binding term sheet with Parkway with terms consistent with those discussed at the meeting.

Following that meeting, on March 29, 2016, Cousins delivered to Parkway a revised non-binding term sheet providing for, among other things, a proposed exchange ratio of 1.60 shares of Cousins common stock for each outstanding share of Parkway common stock, a potentially delayed Houston spin-off and requirement that it qualify as a tax-free transaction, a voting agreement by the TPG Parties and significant changes to the proposed governance arrangements.

On April 1, 2016, the Parkway board of directors held a telephonic meeting, with members of Parkway s management team and representatives of BofA Merrill Lynch, Wells Fargo Securities and Hogan Lovells in attendance, to continue discussion of the potential transaction, including the revised non-binding term sheet from Cousins. The financial advisors discussed with the directors various financial aspects of the proposed transaction. The directors also engaged in discussions with the management team and Parkway s legal and financial advisors regarding material changes in Cousins term sheet. After discussions, the Parkway board of directors determined that the tax-free treatment to Cousins stockholders should not be a condition to consummating the potential transaction, consummation of the Houston spin-off should not be meaningfully delayed following consummation of the merger and New Parkway should not have less than $150 million in cash on its balance sheet immediately following the spin-off. In executive session, after discussion, the Parkway board of directors unanimously approved and authorized the members of Parkway s management team to send a revised non-binding term sheet to Cousins incorporating these positions.

Later that day, Parkway delivered to Cousins a revised non-binding term sheet, which provided for a potential stock-for-stock merger of Parkway into Cousins with a proposed exchange ratio of 1.66 shares of Cousins common stock for each outstanding share of Parkway common stock, a contemporaneous spin-off of the Houston real estate assets, no condition that the spin-off would qualify as a tax-free transaction and a requirement that New Parkway s initial balance sheet have at least $150 million cash on hand. The revised non-binding term sheet noted that all governance arrangements remained open for discussion by the parties.

On April 3, 2016, each of Parkway and Cousins opened its electronic data room for continued due diligence.

Also on April 3, 2016, Mr. Heistand called Mr. Gellerstedt and the two discussed the potential transaction and recent discussions of the Parkway board of directors, including that the tax-free treatment to Cousins stockholders could not be a condition to consummating the potential transaction, consummation of the Houston spin-off should not be meaningfully delayed following consummation of the merger and New Parkway should not have less than $150 million in cash on its opening balance sheet.

On April 5, 2016, a group of Parkway directors unaffiliated with the TPG Parties, which consisted of chairman Mr. James A. Thomas, Mr. Charles T. Cannada, Ms. Laurie L. Dotter, Ms. Brenda J. Mixson and Mr. Heistand, held a telephonic meeting to discuss proposed governance arrangements for the TPG Parties in connection with the potential transaction. After discussions, this group approved parameters for the governance

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of New Parkway and authorized the TPG Parties to negotiate directly with Cousins regarding the TPG Parties governance rights in both Cousins and New Parkway following the proposed transaction and a possible voting agreement by the TPG Parties in support of the potential transaction with Cousins. After the meeting, a representative of Hogan Lovells communicated these parameters and instructions to representatives of the TPG Parties. On April 6, 2016, Mr. Gellerstedt and a representative of the TPG Parties had a telephone meeting regarding the proposed governance arrangements for the TPG Parties and a possible voting agreement in connection with the potential merger of Cousins and Parkway.

Also on April 6, 2016, Cousins delivered to Parkway a revised non-binding term sheet, which provided revised terms with respect to, among other things, a potential stock-for-stock merger of Parkway into Cousins, a proposed exchange ratio of 1.60 shares of Cousins common stock for each outstanding share of Parkway common stock, the contemporaneous spin-off of New Parkway and governance arrangements for the combined company and for New Parkway. The revised non-binding term sheet also removed other provisions to which Parkway had objected, including the delay of the spin-off of New Parkway and the condition that the spin-off qualify as a tax-free transaction, and provided that New Parkway would have $150 million in cash on its pro form a balance sheet following the spin-off.

On April 7, 2016, the Parkway board of directors held a telephonic meeting with members of Parkway s management team and representatives of Hogan Lovells to continue discussion of the potential transaction, including Cousins further revised non-binding term. The directors discussed, among other things, Mr. Heistand s recent discussions with Mr. Gellerstedt, governance arrangements for the combined company and New Parkway, including additional governance proposals of the TPG Parties and other terms of the potential transaction. The directors also engaged in discussions with the members of Parkway s management team and the representatives of Hogan Lovells regarding proposed revisions to the non-binding term sheet. After discussion, the Parkway board of directors unanimously approved and authorized the management team to send a revised non-binding term sheet to Cousins.

Later that day, Parkway delivered to Cousins a revised non-binding term sheet, which provided further revised terms with respect to, among other things, a potential stock-for-stock merger of Parkway into Cousins with a proposed exchange ratio of 1.64 shares of Cousins common stock for each outstanding share of Parkway common stock, the contemporaneous spin-off of New Parkway and governance arrangements for the combined company and for New Parkway.

On April 7 and April 8, 2016, representatives of Cousins held several calls with representatives of Parkway to discuss Parkway s latest non-binding term sheet. The representatives of Cousins noted that Cousins would not agree to an exchange ratio greater than 1.63 shares of Cousins common stock for each outstanding share of Parkway common stock.

Also on April 7 and April 8, 2016, Mr. Heistand contacted members of the Parkway board of directors to provide an update regarding discussions with Cousins as to the terms of the potential transaction, including the proposed exchange ratio. On April 8, 2016, the Parkway board of directors determined to send a revised non-binding term sheet to Cousins proposing, among other things, an exchange ratio of 1.63 shares of Cousins common stock for each outstanding share of Parkway common stock in connection with the potential merger.

On April 9, 2016, Parkway delivered to Cousins a revised non-binding term sheet, which provided for the potential stock-for-stock merger of Parkway into Cousins with the exchange ratio of 1.63 shares of Cousins common stock for each outstanding share of Parkway common stock and the contemporaneous spin-off of New Parkway. In addition, the term sheet contemplated that Cousins would continue to be led by Mr. Gellerstedt and the existing Cousins management team, Cousins board of directors would initially consist of five directors designated by the Cousins board of directors, three directors designated by the Parkway board of directors and one director designated by TPG Pantera, and New Parkway s board of directors would initially consist of three directors designated by the Cousins board of directors, two directors designated by the Parkway board of directors and two directors designated by TPG Pantera. The term sheet also proposed that the TPG Parties would receive certain registration rights at Cousins and certain registration rights and preemptive rights at New Parkway following the merger and the spin-off, in each case consistent with the TPG Parties existing rights with respect to Parkway pursuant to the TPG Parties existing stockholders agreement with Parkway. On that date, the parties each accepted and agreed to this non-binding term sheet. The management teams of Parkway and Cousins contacted their respective board members to inform them of the parties acceptance of the term sheet and received their authorization to proceed with negotiations of the proposed transactions and related agreements.

Later on April 9, 2016, Wachtell Lipton, on behalf of Cousins, provided an initial draft of the merger agreement to Parkway and Hogan Lovells. On April 15, 2016, Hogan Lovells, on behalf of Parkway, provided initial comments on the draft merger agreement to Cousins and Wachtell Lipton. Over the next few weeks, Cousins, Parkway and their respective legal representatives continued to negotiate the terms of the merger agreement and related transaction documents and to finalize their respective due diligence reviews. Representatives of Cousins and Parkway exchanged several drafts of the merger agreement and related transaction documents and held several conference calls to discuss these drafts and identify items to be discussed between Cousins and Parkway, including deal protection provisions, termination rights, interim operating covenants, conditions of certain real estate asset sales, structuring of the reorganization and spin-off, the financing of New Parkway and the terms of a voting agreement that would obligate the TPG Parties to vote their shares in favor of the merger, subject to certain exceptions. During April 2016, the parties continued discussions on these and other items and made significant progress in drafting the merger agreement and related transaction documents and conducting their respective due diligence. Throughout this process, each of the management teams of Parkway and Cousins informed the members of its respective board of directors regarding key developments on an ongoing basis.

Concurrently with these discussions, the TPG Parties and their legal counsel engaged in negotiations with each of Cousins and Parkway regarding the proposed transaction and exchanged several drafts of the voting agreement and the stockholders agreements for Cousins and New Parkway. The parties negotiated these agreements consistent with the agreed-upon non-binding term sheet.

Also in early- to mid-April 2016, in connection with evaluating the potential Houston spin-off, Parkway management discussed with the members of the Parkway board of directors certain matters relating to the expected capitalization of, and proposed financing for, New Parkway. During the course of these discussions, Parkway management indicated that it believed it would be beneficial if BofA Merrill Lynch and Wells Fargo Securities and/or certain of their respective affiliates were to arrange and/or provide the proposed financing for New Parkway, particularly given BofA Merrill Lynch s and Wells Fargo Securities familiarity with Parkway and the assets to be included in the Houston spin-off by virtue of their engagement in connection with the Merger and related transactions and as existing lenders to Parkway, Cousins and/or their respective affiliates. After considering the benefits and potential conflicts of interest that might arise, the Parkway board of directors concurred and authorized Parkway s management to request BofA Merrill Lynch s and Wells Fargo Securities participation in such financing. Thereafter, Cousins, Parkway and their respective legal counsels engaged in negotiations with the Lenders and their counsel regarding the proposed financing for New Parkway in connection with the Houston spin-off and exchanged several drafts of the merger agreement and related transaction documents, including drafts of the commitment letter and related documents associated with such financing.

Also throughout this process, Parkway and Mr. Thomas and their respective representatives engaged in negotiations regarding the modifications to the existing tax protection and governance arrangements in favor of Mr. Thomas and certain of his affiliates in connection with the proposed transaction. On April 11, 2016, representatives of Mr. Thomas sent to Parkway a draft of a letter agreement that proposed modifications to Mr. Thomas governance rights and tax protection arrangements in the event of a merger of Parkway and Cousins and a spin-off of the combined Houston real estate assets into a separate publicly traded REIT. Over the next two weeks, the parties exchanged drafts of the letter agreement and reached general agreement regarding the modifications to the governance rights and tax protection arrangements for the investors related to Mr. Thomas and the term of the proposed arrangements. Parkway provided a draft of the letter agreement to Cousins for its comments on April 25, 2016, after the letter agreement was presented to the Parkway board of directors, and representatives of Cousins provided comments to Parkway on such draft.

On April 22, 2016, the Parkway board of directors held a telephonic meeting, with members of Parkway s management team and representatives of Hogan Lovells in attendance, to discuss updates to and evaluate the proposed transaction, including the latest draft merger agreement, related transaction documents, summaries of such documents and negotiations between the parties, including the discussions relating to the proposed stockholders agreements for the TPG Parties and the letter agreement with Mr. Thomas and his affiliates. Mr. Heistand and other members of Parkway s management team provided an update on due diligence and the negotiation of documents in connection with the proposed transaction. The directors discussed, among other things, management s due diligence review of Cousins. Mr. O Reilly also provided a status update with respect to the proposed financing for New Parkway and members of the Parkway board of directors discussed these matters. Next, a representative of Hogan Lovells reviewed the duties of the directors under Maryland law with respect to considering the proposed transaction with Cousins and the directors engaged in discussions with the representative regarding their duties, including that the merger agreement was being negotiated to include deal protection provisions consistent with these duties, that disinterested members of the Parkway board of directors should independently consider any potential conflicts of interest of individual directors and that any change-in-control transaction should be approved by a majority of disinterested directors in addition to the full Parkway board of directors. Hogan Lovells then summarized the legal due diligence investigation of Cousins and discussed the draft merger agreement and related transaction documents. The directors also discussed, among other things, the structure of the transaction as a REIT-level stock-for-stock merger with a reorganization and spin-off of the Houston real estate assets, the proposed exchange ratio, merger mechanics, representations and warranties, interim operating covenants, closing conditions, termination rights and general provisions of the draft merger agreement. The directors, members of Parkway s management team and representatives of Hogan Lovells also discussed that, during negotiations, Parkway had rejected and indicated it would continue to reject Cousins proposal to include force the vote provisions in the draft merger agreement and that Parkway would continue to require fiduciary-out termination rights to allow either party to accept a superior proposal from a third party. The members of Parkway s management team indicated that these and other items remained subject to ongoing negotiations among the parties and that Parkway s management team would continue to inform the Parkway board of directors regarding developments on an ongoing basis.

In addition, on April 22, 2016, the audit committee of the Cousins board of directors held a meeting. At the meeting, among other things, representatives of Deloitte & Touche LLP (which we refer to as Deloitte & Touche) reviewed with the directors the results of their tax due diligence review of Parkway.

On April 22 and April 23, 2016, the parties continued to negotiate the final terms of the proposed transaction and the parties ultimately reached an agreement in principle on certain outstanding points, including agreement that the merger agreement would not contain a force the vote provision and would contain fiduciary-out termination rights to allow either party to accept a superior proposal from a third party and agreement to a termination fee in the amount of $65 million (following initial proposals ranging from $50 million to $115 million), and an expense reimbursement amount of $20 million (following initial proposals ranging from $5 million to $35 million). As of the morning of April 24, 2016, the draft merger agreement and related transaction documents were substantially complete.

On April 24, 2016, the Cousins board of directors held a meeting. At the meeting, representatives of Wachtell Lipton, Goldman Sachs and Cousins management team reported to the Cousins board of directors on the status of discussions with Parkway. Representatives of Wachtell Lipton discussed with the members of the Cousins board of directors the legal standards applicable to its decisions and actions with respect to the proposed two-step merger/spin transaction. Following discussion, the members of the Company s management and representatives of Deloitte & Touche and

Wachtell Lipton reviewed with the directors the results of their due diligence review of Parkway. In addition, the representatives of Wachtell Lipton discussed with the members of the Cousins board of directors the terms of the proposed merger agreement and related transaction documents. Representatives of Goldman Sachs then reviewed with the Cousins board of directors their preliminary financial analysis of a potential two-step merger/spin transaction. The Cousins board of directors discussed potential transaction terms and the potential benefits of such a merger/spin transaction and reviewed current market pricing, portfolio characteristics of Parkway and the pro forma market concentration and distribution of the combined company.

Thereafter, over the next few days, the parties continued to negotiate the final terms of the proposed transaction and finalize the related transaction documents. Representatives of Wachtell Lipton and Hogan Lovells continued to exchange drafts of the merger agreement and related transaction documents and held several telephone calls to discuss these drafts and finalize the few remaining outstanding points.

On April 27, 2016, the compensation committee of the Parkway board of directors held a telephonic meeting to discuss and evaluate the proposed treatment of equity awards for executives expected to be employed by New Parkway. Also that day, the compensation committee discussed the terms of and adopted, by unanimous written consent, a severance plan and retention plan and recommended such plans for approval by the Parkway board of directors.

On April 28, 2016, the Parkway board of directors held a telephonic conference, with members of Parkway s management team and representatives of BofA Merrill Lynch, Wells Fargo Securities and Hogan Lovells in attendance, to discuss updates regarding the potential transaction and for the Parkway board of directors to consider approving the proposed merger agreement and the transactions contemplated thereby. Representatives of Hogan Lovells summarized the terms of the merger agreement and related transaction documents and responded to questions from the directors. The directors also reviewed and discussed each of the proposed resolutions. Also at this meeting, the Parkway board of directors discussed and considered information previously provided by BofA Merrill Lynch and Wells Fargo Securities regarding certain material investment banking, commercial banking and similar financial services of each of BofA Merrill Lynch and Wells Fargo Securities to Cousins, including the general nature of such services and the aggregate amount of fees or revenues from such services, as well as the involvement of and estimated fees payable to BofA Merrill Lynch, Wells Fargo Securities and/or certain of their respective affiliates in connection with the proposed New Parkway Credit Facilities. During executive sessions, from which interested directors were excused during the portions applicable to them, the disinterested directors discussed any potential conflicts of interest in connection with the proposed transaction. The disinterested directors discussed the transaction generally and the related arrangements involving Mr. Heistand, Mr. Thomas and the TPG Parties and recommended that the full board approve the transaction. The meeting was temporarily adjourned and all members of the Parkway board of directors reconvened after the close of trading on April 28, 2016. At the reconvened meeting, the directors continued discussion and evaluation of the proposed transaction. BofA Merrill Lynch and Wells Fargo Securities reviewed with the Parkway board of directors their respective financial analyses and each separately rendered an oral opinion, confirmed by delivery of a written opinion dated April 28, 2016, to the Parkway board of directors to the effect that, as of that date and based on and subject to the assumptions, limitations and qualifications described in the opinion, the exchange ratio provided for in the Merger was fair, from a financial point of view, to the holders of Parkway common stock. After discussion, the Parkway board of directors unanimously determined that the Merger Agreement and other transaction documents were advisable and fair to and in the best interests of Parkway and its stockholders and approved the Merger, the Merger Agreement, the other transaction documents and the transactions contemplated thereby and further resolved to recommend to Parkway stockholders that they vote to approve the Merger.

On April 28, 2016, the Cousins board of directors held a meeting after the close of trading. At the meeting, representatives of Wachtell Lipton, Goldman Sachs and Cousins management team reported to the Cousins board of directors on the status of discussions with Parkway. Representatives of Wachtell Lipton discussed with the members of the Cousins board of directors the legal standards applicable to its decisions and actions with respect to the proposed two-step merger/spin transaction. In addition, the representatives of Wachtell Lipton

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discussed with the members of the Cousins board of directors the terms of the proposed merger agreement and related transaction documents. Representatives of Goldman Sachs then reviewed with the Cousins board of directors their financial analysis summarized below under Opinion of Cousins Financial Advisor Opinion of Goldman, Sachs & Co. and rendered the oral opinion of Goldman Sachs, confirmed by delivery of a written opinion dated April 28, 2016 to the Cousins board of directors to the effect that, as of that date and based on and subject to the assumptions, limitations and qualifications described in the opinion, the exchange ratio of 1.63 shares of Cousins common stock to be issued for each share of Parkway common stock pursuant to the Merger Agreement was fair, from a financial point of view, to Cousins. Following these discussions, the Cousins board of directors determined that the proposed two-step merger/spin transaction with Parkway was advisable to and in the best interests of Cousins and its stockholders and unanimously voted to approve the Merger Agreement. The Cousins board of directors also unanimously resolved to recommend that Cousins stockholders vote in favor of the adoption and approval of the Merger Agreement.

Later on April 28, 2016, representatives of Parkway and Cousins executed the Merger Agreement and related transaction documents. A joint press release announcing the Merger was released prior to the opening of trading on April 29, 2016.

Following the execution of the Merger Agreement, in accordance with the terms thereof, Parkway sent letters to the parties that had entered into confidentiality agreements with Parkway during its third-party solicitation process in 2015, which letters waived the standstill provisions of such agreements that otherwise would prohibit such parties from making an acquisition proposal to the Parkway board of directors.

Cousins Reasons for the Merger; Recommendations of the Cousins Board of Directors

After careful consideration, the Cousins board of directors, by a unanimous vote of all directors, at a meeting held on April 28, 2016, approved the Merger Agreement and the transactions contemplated thereby, including the Merger, the UPREIT Reorganization and the Spin-Off. In the course of evaluating the Merger Agreement and the transactions contemplated thereby, the Cousins board of directors consulted with Cousins management and Cousins legal and financial advisors and considered a number of factors that the Cousins board of directors believed supported its decision to approve the Merger Agreement and recommend adoption and approval by Cousins stockholders of the Cousins Issuance Proposal and the Cousins Articles Amendment Proposal, including the following material factors:

- its belief that the transactions contemplated by the Merger Agreement will result in two independent and internally-managed office REITs: (1) a larger and more diverse Cousins, which will continue its strategy of owning Class A office towers in high-growth urban Sun Belt markets, and (2) a new, well-capitalized New Parkway seeded with a Class A office portfolio and led by a seasoned management team;

- its views on macroeconomic and industry trends, including a potential trend towards consolidation in the Sun Belt office properties market to develop larger and more diverse companies with expanded portfolios, greater tenant and geographic diversity and enhanced access to capital markets;

- its belief that, following the Merger and the Spin-Off, Cousins will be a leading REIT in the growing Sun Belt market, and a larger and more diverse company with an expanded portfolio, greater tenant and geographic diversity and enhanced access to capital markets;

its expectation that, following the Merger and the Spin-Off, assuming certain asset sales are consummated in accordance with the Merger Agreement, Cousins will have a portfolio encompassing 41 high-quality properties comprising 18.4 million square feet of rentable space in Atlanta, Georgia, Austin, Texas, Charlotte, North Carolina, Phoenix, Arizona and Orlando and Tampa, Florida;

its expectation that, following the Merger and the Spin-Off, Cousins will operate in markets that are currently experiencing rent, employment and population growth ahead of the U.S. national average and low levels of new office space construction for such markets;

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its belief that the Spin-Off will allow Cousins and Parkway to unlock the value of their combined Houston assets through a new, separate publicly traded REIT, which it expects will be positioned to take advantage of an expected recovery in the energy sector;

its belief that the Spin-Off will provide Cousins stockholders with the ability to control their asset allocation decision, including the opportunity to invest in New Parkway;

its expectation that New Parkway will commence operations with five Class A office properties encompassing 8.7 million rentable square feet in the Galleria, Greenway and Westchase submarkets of Houston, Texas;

its belief that New Parkway will have a large roster of tenants, with limited near-term lease expirations;

its expectation that New Parkway will have a conservative balance sheet with $150 million of cash surplus on hand, plus an additional $50 million undrawn under the New Parkway Credit Facilities;

that, pursuant to the terms and conditions of the Merger Agreement, New Parkway will distribute $200 million to a subsidiary of Cousins in the UPREIT Reorganization. For more information, see The Merger Agreement The Separation and the UPREIT Reorganization ;

its expectation that upon completion of the Merger and Spin-Off, legacy Cousins common stockholders will own approximately 53% of the common stock of both Cousins and New Parkway;

its expectation that Cousins and New Parkway will each be structured as an UPREIT following the Merger and the Spin-Off, which it believes will give each of Cousins and New Parkway greater flexibility to acquire assets using a tax-deferred acquisition currency;

its belief that the businesses of Cousins and Parkway are highly complementary and that the integration of the two companies, as well as the Separation, the UPREIT Reorganization and the Spin-Off of New Parkway, will be completed in a timely and efficient manner with minimal disruption to tenants and employees;

its expectation that the Merger and the Spin-Off will result in approximately $18 million of annual run-rate general and administrative savings, which are expected to be derived primarily by the elimination of duplicative operating costs in the markets where both companies have a presence;

its expectation that, following the Merger and the Spin-Off, Cousins and New Parkway will both realize immediate operational and leasing synergies through increased market scale, enabling each company to leverage pricing power in lease and vendor negotiations, to attract, hire and retain best-in-class local teams, to capitalize on emerging investment opportunities and to create flexibility to meet changing tenant space demands;

its expectation that the Merger and Spin-Off will be generally FFO neutral on a per share basis in 2017, when comparing Cousins on a standalone basis to Cousins and New Parkway, combined;

that, following the Merger and the Spin-Off, Cousins will continue to be led by Cousins president and chief executive officer, Mr. Larry Gellerstedt, and the existing Cousins senior management team, and New Parkway will be led by Parkway s president and chief executive officer, and several members of the existing Parkway senior management team;

that, following the Merger and the Spin-Off, the Cousins board of directors will be composed of nine members, five of whom will be designated by the Cousins board of directors, with Mr. Taylor Glover continuing as the chairman of the Cousins board of directors, and the New Parkway board of directors will be composed of seven members, three of whom will be designated by the Cousins board of directors, with Mr. James A. Thomas, current chairman of the Parkway board of directors, serving as chairman of the New Parkway board of directors;

that the TPG Parties, which owned approximately 21.2% of the outstanding shares of Parkway common stock as of the date of the Merger Agreement, have agreed to vote in favor of the transactions

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contemplated by the Merger Agreement, pursuant to the terms and conditions of the voting agreement. For more information, see Agreements with the TPG Parties Voting Agreement ;

that TPG Pantera and its affiliates will be subject to certain standstill obligations with respect to Cousins following the transactions contemplated by the Merger Agreement, pursuant to the terms and conditions of the Cousins stockholders agreement. For more information, see Agreements with the TPG Parties Cousins Stockholders Agreement ;

management s knowledge of Cousins business, financial condition, results of operations, industry and competitors;

management s knowledge of Parkway s business, financial condition, results of operations, industry and competitors, taking into account the results of Cousins due diligence review of Parkway;

management s knowledge of the prospective environment in which New Parkway will operate, including industry, economic and market conditions;

the Merger Agreement s provisions requiring Parkway to pay Cousins a termination fee of $65 million and an expense reimbursement payment of $20 million if the Merger Agreement is terminated under certain circumstances. For more information, see The Merger Agreement Termination of the Merger Agreement, The Merger Agreement No Solicitation and The Merger Agreement Stockholder Vote ;

the historical and then-current trading prices and volumes of each of the Cousins common stock and Parkway common stock;

the financial analyses presented to the Cousins board of directors by Goldman Sachs and the opinion of Goldman Sachs rendered to the Cousins board of directors to the effect that, as of April 28, 2016 and based upon and subject to the assumptions made, matters considered and limitations, qualifications and conditions set forth in such opinion, the exchange ratio of 1.63 shares of Cousins common stock to be issued for each share of Parkway common stock pursuant to the Merger Agreement was fair, from a financial point of view, to Cousins. For more information, see Opinion of Cousins Financial Advisor Opinion of Goldman, Sachs & Co. ; and

the other terms and conditions of the Merger Agreement.

The Cousins board of directors also considered a number of risks and other factors identified in its deliberations as weighing negatively against the Merger, the Separation, the UPREIT Reorganization and the Spin-Off, including the following:

the risk of not capturing all of the anticipated estimated annual savings and operational and leasing synergies and the risk that other anticipated benefits of the transactions might not be realized on the expected timeframe or at all;

the challenges of combining Cousins with Parkway and separating the Houston assets of Cousins following the Merger, and structuring both Cousins and New Parkway as UPREITs, including technical, operational, accounting and other challenges, and the risk of diverting management resources for an extended period of time to accomplish this combination and related separation;

the risk that New Parkway might not be able to complete the contemplated financings and/or refinancings related to the Spin-Off within an acceptable timeframe and on acceptable terms, if at all;

the restrictions on the conduct of Cousins business during the period between execution of the Merger Agreement and the consummation of the Merger. For more information, see The Merger Agreement Conduct of Business Pending the Merger ;

the fact that projections of future results of operations are necessarily estimates based on assumptions. For more information, see Cousins Unaudited Prospective Financial Information ;

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the possibility that the Merger, the Separation, the UPREIT Reorganization and the Spin-Off may not be completed, or that completion may be unduly delayed, including for reasons beyond the control of Cousins or Parkway;

the risk that the Cousins stockholders may fail to approve the Cousins Issuance Proposal or the Cousins Articles Amendment Proposal or that Parkway stockholders may fail to approve the Parkway Merger Proposal;

that the Spin-Off is expected to be taxable to Cousins stockholders;

the substantial costs to be incurred in connection with the Merger, the Separation, the UPREIT Reorganization and the Spin-Off, which the Cousins board of directors estimated, as of April 28, 2016, to be approximately $85 million, including the costs of integrating the businesses of Cousins and Parkway and separating New Parkway and the transaction expenses arising from the Merger, the Separation, the UPREIT Reorganization and the Spin-Off;

the risk that Cousins, Parkway or New Parkway may be unable to retain key employees;

the ownership dilution to legacy Cousins stockholders as a result of the issuance of Cousins common stock and Cousins limited voting preferred stock pursuant to the Merger Agreement;

the Merger Agreement s provisions imposing restrictions on Cousins from soliciting acquisition proposals and requiring Cousins to pay Parkway a termination fee of $65 million and/or an expense reimbursement payment of $20 million if the Merger Agreement is terminated under certain circumstances. For more information, see The Merger Agreement Termination of the Merger Agreement, The Merger Agreement No Solicitation and The Merger Agreement Stockholder Vote ;

the Merger Agreement s provisions permitting Parkway to terminate the Merger Agreement in order to enter into a superior proposal (as hereinafter defined) (subject to compliance with the provisions of the Merger Agreement regarding nonsolicitation of acquisition proposals), upon payment by Parkway to Cousins of a termination fee of $65 million. For more information, see The Merger Agreement Termination of the Merger Agreement ;

the risk that payment by Parkway to Cousins of a termination fee of $65 million and/or an expense reimbursement payment of $20 million if the Merger Agreement is terminated under certain circumstances may not be sufficient to fully compensate Cousins for its losses in such circumstances. For more information, see The Merger Agreement Termination of the Merger Agreement, The Merger Agreement No Solicitation and The Merger Agreement Stockholder Vote ;

the risk that failure to complete the Merger, the Reorganization, the Separation and the Spin-Off could negatively affect the price of Cousins common stock and future business and financial results of Cousins; and

the potential risk of diverting management focus and resources from operational matters and other strategic opportunities while working to implement the Merger.

In addition to considering the factors described above, the Cousins board of directors considered the fact that some of Cousins directors and executive officers have other interests in the Merger that are different from, or in addition to, the interests of Cousins stockholders generally, as discussed herein under Interests of Cousins Directors and Executive Officers in the Merger.

The Cousins board of directors concluded that the potentially negative factors associated with the Merger, the Separation, the UPREIT Reorganization and the Spin-Off were outweighed by the potential benefits that it expected the Cousins stockholders would achieve as a result of the Merger, the Separation, the UPREIT Reorganization and the Spin-Off. Accordingly, the Cousins board of directors determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, the Separation, the UPREIT Reorganization and the Spin-Off, are advisable, fair to, and in the best interests of, Cousins and its stockholders.

The foregoing discussion of the factors considered by the Cousins board of directors is not intended to be exhaustive, but, rather, includes the material factors considered by the Cousins board of directors. In reaching its decision to approve the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger, the Separation, the UPREIT Reorganization and the Spin-Off, the Cousins board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Cousins board of directors considered all these factors as a whole, including discussions with, and questioning of, Cousins management and Cousins financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination. The Cousins board of directors also relied on the experience of Goldman Sachs, its financial advisor.

This explanation of Cousins reasons for the Merger and other information presented in this section is forward-looking in nature and should be read in light of the sections herein entitled Risk Factors, beginning on page 57 and Cautionary Statement Concerning Forward-Looking Statements.

For the reasons set forth above, the Cousins board of directors unanimously declared that the Merger Agreement, the Merger, the Reorganization, the Separation, the Spin-Off and the other transactions contemplated by the Merger Agreement are advisable and fair to, and in the best interests of, Cousins and its stockholders and unanimously approved the Merger Agreement. The Cousins board of directors unanimously recommends to Cousins stockholders that they vote FOR the Cousins Issuance Proposal and FOR the Cousins Articles Amendment Proposal.

Parkway s Reasons for the Merger; Recommendations of the Parkway Board of Directors

After careful consideration, the Parkway board of directors, by a unanimous vote of all directors, at a meeting held on April 28, 2016, approved the Merger Agreement and the transactions contemplated thereby, including the Merger, the Separation, the UPREIT Reorganization, and the Spin-Off. In the course of evaluating the Merger Agreement and the transactions contemplated thereby, the Parkway board of directors consulted with Parkway s management and Parkway s legal and financial advisors and considered a number of factors that the Parkway board of directors believed supported its decision to approve the Merger Agreement and recommend adoption and approval by Parkway stockholders of the Merger Agreement, including the following material factors:

- *Strategic Considerations.* The Parkway board of directors believes that the Merger will provide a number of strategic and financial benefits that have the potential to create additional value for Parkway stockholders, including the following:
  - as a result of its larger size and stronger balance sheet, Cousins following the Merger and the Spin-Off is expected to have an improved credit profile, a lower cost of borrowing and enhanced access to capital compared to Parkway s current position;
  - Cousins following the Merger and the Spin-Off will have a substantial portfolio of properties in high growth submarkets in the Sun Belt region that would provide an enhanced competitive advantage across this region and drive opportunistic growth and capital deployment;

the combination of Cousins and Parkway will provide greater portfolio diversification and critical mass in attractive markets such as Austin, Texas and Charlotte, North Carolina;

the combination of Cousins and Parkway will provide to Parkway stockholders the ability to participate in a company with a strong development platform, which can be critical at various points in the real estate economic cycle;

the combination and separation of the Houston assets of Cousins and Parkway into a separate company with a strong balance sheet, which will provide an opportunity to maximize the value of Parkway s Houston investments because of the larger scale of the combined portfolio and the possibility of attracting investors interested in participating in the upside potential of the Houston market; and

the larger size of Cousins following the Merger and the Spin-Off, together with anticipated cost synergies, is expected to result in lower general and administrative expenses relative to its asset base.

Premium Over Share Trading Price. The value of shares of Cousins common stock that Parkway stockholders will receive in the Merger represents a premium of approximately 13%, based on the closing prices per share of Parkway common stock and Cousins common stock on April 28, 2016 (the last trading day before the Merger was announced);

Participation in Future Appreciation. The Merger consideration will be paid in shares of Cousins common stock, which will provide Parkway stockholders with the opportunity to participate in any potential appreciation of Cousins common stock following the Merger;

Best Available Strategic Alternative. The Parkway board of directors conducted the third-party solicitation process in mid-2015. In connection with that process and thereafter, the Parkway board of directors reviewed possible alternatives to the Merger and other transactions contemplated by the Merger Agreement and consulted with Parkway s financial advisors regarding the possible alternatives, including continuing to operate Parkway as an independent company or seeking a business combination with another party. After considering the alternatives, the Parkway board of directors believes that the Merger and the other transactions contemplated by the Merger Agreement are the best available option for Parkway and its stockholders;

New Parkway Spin-Off. The Parkway board of directors considers the Spin-Off of New Parkway as an integral part of the consideration offered to Parkway stockholders under the Merger Agreement. The Spin-Off will potentially unlock the value of certain Houston assets through a new, separate publicly traded REIT that is expected to be the largest landlord in Houston, Texas. New Parkway is expected to have a strong balance sheet and has high-growth potential through intense management of large-scale, top quality assets;

Superior Proposals. Upon receipt of a superior proposal (as hereinafter defined) by a third party as specified in the Merger Agreement, the Parkway board of directors has the ability to modify or withdraw its recommendation that Parkway stockholders vote in favor of the Merger, if failure to take such action would reasonably be expected to result in a breach of the directors duties to Parkway stockholders and after compliance with the requirements set forth in the Merger Agreement. The Parkway board of directors evaluated, in consultation with Parkway s legal and financial advisors, the termination fee of $65 million and the expense reimbursement of $20 million payable by Parkway in such circumstances, and determined that such fee and expense reimbursements are reasonable and will not unduly impede the ability of a third party to make a superior proposal;

Opinions of Financial Advisors. The Parkway board of directors considered the separate opinions, each dated April 28, 2016, of BofA Merrill Lynch and Wells Fargo Securities to the Parkway board of directors, as to the fairness from a financial point of view and as of such date, to the holders of Parkway common stock of the exchange ratio provided for in the Merger, which opinions were based on and subject to the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken as more fully described in the sections entitled Opinions of Parkway s Financial Advisors Opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Opinions of Parkway s Financial Advisors Opinion of Wells Fargo Securities, LLC ;

Familiarity with Businesses. The Parkway board of directors considered its knowledge of the business, operations, financial condition, earnings and prospects of both Parkway and Cousins, taking into account the results of Parkway s due diligence review of Cousins, as well as its knowledge of the current and prospective environment in which Parkway and Cousins operate, including economic and market conditions;

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Management Experience at Realizing Value Opportunities. The Parkway board of directors considered that New Parkway will be led by Mr. James. R. Heistand and several members of the existing Parkway senior management team, who have significant experience in all areas of real estate operation, financing and investment, as well as extensive relationships with real estate industry entrepreneurs, investors, owners and financiers and a track record of success built on identifying opportunities, assessing risk, structuring transactions with investment partners, and optimizing returns, including realizing the intrinsic value in undervalued real estate.

High Likelihood of Consummation. The Parkway board of directors deems it highly likely that the Merger will be completed in a timely manner given the likelihood that stockholder approvals would be obtained, the commitment of both parties to complete the business combination pursuant to their respective obligations under the Merger Agreement and the absence of any significant closing conditions under the Merger Agreement, other than the stockholder approvals, the full readiness for consummation of the Spin-Off and the effectiveness of the New Parkway Form 10.

The Parkway board of directors also considered various risks and other potentially negative factors concerning the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, including the following:

the Merger consideration is a fixed exchange ratio that will not fluctuate as a result of changes in the price of Parkway common stock or Cousins common stock prior to the effective time of the Merger, which means that the market value of the merger consideration could decrease prior to the effective time of the Merger if the trading price of Cousins common stock decreases;

under certain circumstances, the Cousins board of directors can modify or withdraw its recommendation that Cousins stockholders vote in favor of the Merger;

the obligation to pay Cousins a termination fee of $65 million and expense reimbursement of $20 million if the Merger Agreement is terminated under certain circumstances;

the possibility that the Merger or the other transactions contemplated by the Merger Agreement may not be completed, or that their completion may be delayed for reasons that are beyond the control of Parkway or Cousins, including the failure of Parkway stockholders or Cousins stockholders to approve the Merger, or the failure of Parkway or Cousins to satisfy other requirements that are conditions to closing the Merger;

the risk that failure to complete the Merger could negatively affect the price of Parkway common stock and/or the future business and financial results of Parkway;

the potential diversion of management focus and resources from operational matters and other strategic opportunities while working to implement the Merger;

the risk of not realizing all of the anticipated operating efficiencies, cost savings or other anticipated benefits of the Merger within the expected time frame or at all;

the substantial costs to be incurred in connection with the transaction, including the costs of integrating the businesses of Parkway and Cousins, and the transaction expenses arising from the Merger, the Separation, the UPREIT Reorganization and the Spin-Off, which the Parkway board of directors estimated, as of April 28, 2016, to be approximately $85 million;

the terms of the Merger Agreement placing certain limitations on the ability of Parkway to initiate, solicit or knowingly encourage or facilitate any inquiries or the making of any proposal or offer by or with a third party with respect to an acquisition proposal and to furnish nonpublic information or data to, or engage in discussions or negotiations with, a third party interested in pursuing an alternative business combination transaction (unless such third party has made an unsolicited bona fide written acquisition proposal (as hereinafter defined) that constitutes or is reasonably likely to result in a

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superior proposal (as hereinafter defined) and such third party enters into a confidentiality agreement with Parkway having provisions that are no less favorable to such party than those contained in the confidentiality agreement between Cousins and Parkway);

the restrictions on the conduct of Parkway s business between the date of the Merger Agreement and the effective time of the Merger;

the absence of appraisal rights for Parkway stockholders under Maryland law;

while the Merger is expected to qualify as a tax-free transaction to Parkway stockholders for U.S. federal income tax purposes, the Spin-Off will be a taxable transaction for shareholders of Cousins following the Merger, including the former Parkway stockholders; and

the other factors described herein under Risk Factors.

In addition to the factors described above, the Parkway board of directors considered the fact that some of Parkway s directors and executive officers have other interests in the Merger that are different from, or in addition to, the interests of Parkway s stockholders generally, as discussed herein under Interests of Parkway Directors and Executive Officers in the Merger.

The above discussion of the factors considered by the Parkway board of directors is not intended to be exhaustive, but does set forth material factors considered by the Parkway board of directors. In view of the wide variety of factors considered in connection with its evaluation of the Merger and the other transactions contemplated by the Merger Agreement and the complexity of these matters, the Parkway board of directors did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative or specific weight or values to any of these factors, and individual directors may have held varied views of the relative importance of the factors considered. The Parkway board of directors viewed its position and recommendation as being based on an overall review of the totality of the information available to it and overall considered these factors to be favorable to, and to support, its determination regarding the Merger.

This explanation of Parkway s reasons for the Merger and other information presented in this section is forward-looking in nature and should be read in light of the section titled Cautionary Statement Regarding Forward-Looking Statements.

For the reasons set forth above, the Parkway board of directors unanimously declared that the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement are advisable and fair to, and in the best interests of, Parkway and its stockholders and unanimously approved the Merger Agreement. The Parkway board of directors unanimously recommends to Parkway s stockholders that they vote FOR the approval and adoption of the Merger Agreement and the Merger, including the exchange ratio and stock conversion provisions, and the other transactions contemplated by the Merger Agreement.

Opinion of Cousins Financial Advisor

Opinion of Goldman, Sachs & Co.

At a meeting of the Cousins board of directors held on April 28, 2016, Goldman Sachs, Cousins financial advisor, rendered to the Cousins board of directors its oral opinion, subsequently confirmed in writing, to the effect that, as of the date of its written opinion and based upon and subject to the factors and assumptions set forth in Goldman Sachs written opinion, the exchange ratio of 1.63 shares of Cousins common stock to be issued for each share of Parkway common stock pursuant to the Merger Agreement was fair, from a financial point of view, to Cousins.

The full text of the written opinion of Goldman Sachs, dated April 28, 2016, which sets forth assumptions made, procedures followed, matters considered, qualifications and limitations on the review undertaken in connection with the opinion, is attached to this joint proxy statement/prospectus as Annex B. The summary of the Goldman Sachs opinion contained in this joint proxy statement/prospectus

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is qualified in its entirety by reference to the full text of Goldman Sachs written opinion. Goldman Sachs advisory services and opinion were provided for the information and assistance of the Cousins board of directors in connection with its consideration of the Merger, and the opinion does not constitute a recommendation as to how any holder of Cousins common stock should vote with respect to the Cousins Issuance Proposal, the Cousins Articles Amendment Proposal or any other matter.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

- the Merger Agreement;
- annual reports to stockholders and Annual Reports on Form 10-K of Cousins and Parkway, for the five fiscal years ended December 31, 2015;
- certain publicly available research analyst reports for Cousins and Parkway;
- certain internal financial analyses and forecasts for Parkway on a stand-alone basis prepared by its management, which are summarized below under Cousins Unaudited Prospective Financial Information and referred to as the Parkway Management Projections (as hereinafter defined); and
- certain internal financial analyses and forecasts for Cousins on a stand-alone basis as prepared by its management, which are summarized and referred to as the Cousins Standalone Projections below under Cousins Unaudited Prospective Financial Information, the Parkway Management Projections as adjusted by management of Cousins, which are summarized and referred to as the Parkway Adjusted Standalone Projections below under Cousins Unaudited Prospective Financial Information, certain financial analyses and forecasts for Cousins after giving effect to the Merger and the Spin-off, which are summarized and referred to as the New Cousins Projections below under Cousins Unaudited Prospective Financial Information, and certain financial analyses and forecasts for New Parkway, which are summarized and referred to as the New Parkway Projections below under Cousins Unaudited Prospective Financial Information, in each case, as approved for Goldman Sachs use by Cousins (which we refer to collectively, as the Projections) including certain cost savings projected by the management of Cousins to be realized by Cousins after giving effect to the Merger and the Spin-off, and New Parkway as a result of the Merger and the Spin-Off, as approved for Goldman Sachs use by Cousins (which we refer to as the Synergies).

Goldman Sachs also held discussions with members of the senior management of Cousins and Parkway regarding their assessment of the strategic rationale for, and the potential benefits of, the proposed transactions, the past and current business operations, financial condition and future prospects of Cousins, Parkway and the future prospects of Cousins following the Merger and the Spin-Off and New Parkway; reviewed the reported price and trading activity for the shares of Cousins common stock and the shares of Parkway common stock; compared certain financial and stock market information for Cousins and Parkway and certain financial information for Cousins following the Merger and the Spin-Off and New Parkway with similar financial and stock market information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the real estate investment trust industry; and performed other studies and analyses, and considered other factors, as it deemed appropriate.

For purposes of rendering its opinion, Goldman Sachs, with the consent of the Cousins board of directors, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by it, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed, with the consent of the Cousins board of directors, that the Projections, including the Synergies, had been reasonably prepared on a basis reflecting the best currently available estimates and judgments of Cousins management. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Cousins, Parkway, Cousins following the Merger and the Spin-Off, New Parkway or any of their respective subsidiaries and Goldman Sachs was not furnished with any such evaluation or appraisal. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the proposed transactions would be obtained without any adverse effect on Cousins, Parkway, Cousins following the Merger and the Spin-Off or New Parkway or on the expected benefits of the proposed transactions in any way meaningful to Goldman Sachs analysis. Goldman Sachs assumed that the proposed transactions would be consummated on the terms set forth in the Merger Agreement, without the waiver or modification of any term or condition, the effect of which would be in any way meaningful to its analysis.

Goldman Sachs opinion did not address the underlying business decision of Cousins to engage in the proposed transactions, or the relative merits of the proposed transactions as compared to any strategic alternatives that may be available to Cousins; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs opinion addressed only the fairness, from a financial point of view, to Cousins, as of April 28, 2016, of the exchange ratio pursuant to the Merger Agreement. Goldman Sachs did not express any view on, and its opinion did not address, any other term or aspect of the Merger Agreement or the proposed transactions, including the proposed Spin-Off, or any term or aspect of any other agreement or instrument contemplated by the Merger Agreement or entered into or amended in connection with the proposed transactions, including, the fairness of the proposed transactions to, or any consideration received in connection therewith by, the holders of any class of securities, creditors, or other constituencies of Cousins or the fairness of the consideration to be paid to any holder of shares of Parkway limited voting stock or units of Parkway LP; nor did Goldman Sachs express any view on, and its opinion did not address, the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Cousins or Parkway, or any class of such persons in connection with the proposed transactions, whether relative to the exchange ratio pursuant to the Merger Agreement or otherwise. Goldman Sachs did not express any opinion as to the prices at which shares of Cousins common stock or the shares of New Parkway common stock would trade at any time or as to the impact of the Merger on the solvency or viability of Cousins, Parkway, Cousins following the Merger and the Spin-Off or New Parkway or the ability of Cousins, Parkway, Cousins following the Merger and the Spin-Off or New Parkway to pay their respective obligations when they come due. Goldman Sachs opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to it as of, April 28, 2016 and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after April 28, 2016. Goldman Sachs advisory services and its opinion were provided for the information and assistance of the Cousins board of directors in connection with its consideration of the Merger and its opinion does not constitute a recommendation as to how any holder of shares of Cousins common stock should vote with respect to the Merger, the Cousins Issuance Proposal, the Cousins Articles Amendment Proposal or any other matter. Goldman Sachs opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses provided by Goldman Sachs to the Cousins board of directors in connection with Goldman Sachs rendering its opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before April 22, 2016 and is not necessarily indicative of current market conditions.

The estimates of the future performance of Cousins, Parkway, Cousins following the Merger and the Spin-Off and New Parkway underlying Goldman Sachs analyses are not necessarily indicative of future results or values, which may be significantly more or less favorable than those estimates.

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Implied Premia and Multiple Analysis

Goldman Sachs calculated an implied value of $16.92 for the exchange ratio of 1.63 shares of Cousins common stock to be paid for each share of Parkway common stock by multiplying the closing price of $10.38 per share of Cousins common stock on April 22, 2016 by the exchange ratio of 1.63. Goldman Sachs also calculated the premium (or discount) represented by both (i) the closing price of $15.06 for shares of Parkway common stock on April 22, 2016 (which Goldman Sachs calculated as 1.451x with the price per share of Cousins common stock on April 22, 2016) and (ii) the implied value of $16.92 for the exchange ratio (calculated as described above) in relation to:

the closing price per share of Parkway common stock as of April 22, 2016;

the average closing price per share of Parkway common stock over the 1-month, 2-month, 6-month and 12-month periods ended April 22, 2016;

the lowest and highest closing price per share of Parkway common stock over the 52-week period ended April 22, 2016; and

the volume weighted average price per share of Parkway common stock over the 1-month, 2-month, 6-month and 12-month periods ended April 22, 2016.

The results of those calculations are as follows:

Reference Price for the Parkway Shares	Implied Premium (Discount) Represented by April 22, 2016 Parkway Closing Price	Implied Premium (Discount) Represented by Implied Value of $16.92 for the Exchange Ratio
April 22, 2016 Closing Price of $15.06		12.3%
1-Month Average Closing Price of $15.27	(1.4)%	10.8%
2-Month Average Closing Price of $14.74	2.1%	14.8%
6-Month Average Closing Price of $15.03	0.2%	12.6%
12-Month Average Closing Price of $15.99	(5.8)%	5.8%
52-Week Lowest Closing Price of $11.97	25.8%	41.3%
52-Week Highest Closing Price of $18.53	(18.7)%	(8.7)%
1-Month VWAP of $15.27	(1.4)%	10.8%
2-Month VWAP of $14.73	2.2%	14.8%
6-Month VWAP of $15.02	0.2%	12.6%
12-Month VWAP of $15.98	(5.7)%	5.9%

In addition, Goldman Sachs calculated implied equity values for Parkway by using the closing price per share of Parkway common stock as of April 22, 2016, (which we refer to as the Implied Parkway Standalone Equity Value) and by using the implied value of the exchange ratio (which we refer to as the Implied Parkway Transaction Equity Value), multiplying those prices per share by the number of fully diluted outstanding shares of Parkway common stock as of April 22, 2016, excluding outstanding unvested time- and performance-based RSU awards, and outstanding unvested LTIP Units, calculated using information provided by Parkway s management. Goldman Sachs also calculated implied enterprise values for Parkway using the closing price per share of Parkway common stock as of April 22, 2016 (which we refer to as the Implied Parkway Standalone Enterprise Value) and using the implied value of the exchange ratio (which we refer to as the Implied Parkway Transaction Enterprise Value) by adding to the Implied Parkway Standalone Equity Value and the Implied Parkway Transaction Equity Value, respectively, the estimate of Parkway s net debt (defined as debt less cash) as of June 30, 2016, as reflected in the Projections.

Using the foregoing, Goldman Sachs calculated the following multiples:

Implied Parkway Standalone Enterprise Value and Implied Parkway Transaction Enterprise Value, as a multiple of estimated earnings before interest, taxes, depreciation and amortization, or EBITDA, of Parkway for 2017, as reflected in the Projections;

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Implied Parkway Standalone Equity Value and Implied Parkway Transaction Equity Value, as a multiple of estimated funds from operations, or FFO, of Parkway for 2017, as reflected in the Projections;

Implied Parkway Standalone Equity Value and Implied Parkway Transaction Equity Value, as a multiple of estimated funds available for distribution, or FAD, of Parkway for 2017, as reflected in the Projections; and

Estimated cash net operating income, or NOI, of Parkway for 2017, as reflected in the Projections, divided by the implied value of the real estate of Parkway, or the Implied Real Estate Value, derived by subtracting from the Implied Parkway Standalone Enterprise Value and Implied Parkway Transaction Enterprise Value, as applicable, the estimated net book value as of June 30, 2016 of Parkway s non-real estate assets (excluding cash), and non-debt liabilities, as reflected in the Projections.

The results of these calculations were as follows:

	Implied Multiples using April 22, 2016 Parkway Closing Price	Implied Multiples using Implied Value of $16.92 for the Exchange Ratio
Enterprise Value as a multiple of 2017E EBITDA	13.8x	14.9x
Equity Value as a multiple of 2017E FFO	11.1x	12.6x
Equity Value as a multiple of 2017E FAD	26.1x	29.6x
2017E NOI as a percentage of Implied Real Estate Value	7.0%	6.5%

Goldman Sachs also calculated an implied equity value for Cousins using the closing price per share of Cousins common stock as of April 22, 2016 (which we refer to as the Implied Cousins Standalone Equity Value) and multiplying the price per share by the number of fully diluted outstanding shares of Cousins common stock, calculated based on information provided by Cousins management. Goldman Sachs then calculated the implied pro forma ownership of Cousins following the Merger and the Spin-Off for legacy Parkway common stockholders using the relative values of the Implied Cousins Standalone Equity Value as compared to both the Implied Parkway Standalone Equity Value and Implied Parkway Transaction Equity Value. The results of these calculations were as follows:

	Implied Parkway Standalone Equity Value	Implied Parkway Transaction Equity Value
Implied Pro Forma Parkway Ownership	45%	48%

Illustrative Contribution Analyses

Goldman Sachs performed contribution analyses comparing (i) the estimated FFO and FAD per share for 2017 and 2018 for Cousins on a standalone basis, as reflected in the Projections, with upward and downward sensitivities to the estimated FFO and FAD per share, using an illustrative increase and decrease to total FFO and FAD for each year of up to $10 million, to, as applicable, and (ii) the estimated FFO and FAD per share for 2017 and 2018 for Parkway on a standalone basis, as reflected in the Projections, increased by 100% of the Synergies for 2017 and 2018, as applicable, with upward and downward sensitivities to the estimated FFO and FAD per share using an illustrative increase and decrease to total FFO and FAD for each year of up to $10 million. These analyses yielded the following ranges of implied exchange ratios:

	Implied Exchange Ratio Range	
2017E FFO	1.386x	1.709x
2017E FAD	1.198x	1.832x
2018E FFO	1.415x	1.715x
2018E FAD	1.320x	1.757x

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Illustrative Discounted Cash Flow and Implied Premia Analyses for Cousins and Parkway

Using the Projections, including the Synergies, Goldman Sachs performed illustrative discounted cash flow analyses, as of December 31, 2015, for each of Cousins and Parkway to derive a range of illustrative present values per share of common stock of each of Cousins and Parkway.

Using discount rates ranging from 8.20% to 10.20%, reflecting estimates of the cost of equity for Cousins derived by Goldman Sachs by application of the Capital Asset Pricing Model, Goldman Sachs derived a range of illustrative present values per share of Cousins common stock on a standalone basis, by discounting to present value as of December 31, 2015 (a) the dividends per share estimated to be paid by Cousins during the period from 2016 through 2018, as reflected in the Projections, and (b) illustrative terminal values per share as of December 31, 2018 (derived by applying illustrative FAD exit multiples ranging from 15.0x to 19.0x, a range selected by Goldman Sachs based on its review of the current and historical FAD multiples for the companies reflected in Selected Companies Analysis below and applying its professional judgment and experience, to a range of illustrative FAD amounts per share of Cousins common stock for 2019 derived by applying growth rates ranging from 5% to 9%, as per discussions with Cousins management, to estimated FAD amounts per share of Cousins for 2018, as reflected in the Projections). Goldman Sachs derived illustrative present values per share of Cousins common stock on a standalone basis ranging from $9.57 to $12.94. Goldman Sachs calculated that this range of illustrative present values per share represented implied premia/discounts to the closing share price of Cousins common stock as of April 22, 2016 ranging from a discount of 7.8% to a premium of 24.6%.

Using discount rates ranging from 8.71% to 10.71%, reflecting estimates of the cost of equity for Parkway derived by Goldman Sachs by application of the Capital Asset Pricing Model, Goldman Sachs derived a range of illustrative present values per share of Parkway common stock on a standalone basis by discounting to present value as of December 31, 2015 (a) the dividends per share estimated to be paid by Parkway during the period from 2016 through 2018, as reflected in the Projections, and (b) illustrative terminal values per share as of December 31, 2018 (derived by applying illustrative FAD exit multiples ranging from 17.0x to 21.0x, a range selected by Goldman Sachs based on its review of the current and historical FAD multiples for the companies reflected in Selected Companies Analysis and applying its professional judgment and experience, to a range of illustrative FAD amounts per share of Parkway common stock for 2019 derived by applying growth rates ranging from 5% to 9%, as per discussions with Cousins management, to estimated FAD amounts per share of Parkway for 2018, reflected in the Projections). Goldman Sachs then added to the result the implied value per share derived by applying a capitalization rate of 6.5% to the Synergies for 2017 and subtracting transaction costs, as estimated by Cousins management. Goldman Sachs derived illustrative present values per share of Parkway common stock on a standalone basis (adjusted to reflect Synergies) ranging from $16.03 to $20.45. Goldman Sachs calculated that this range of illustrative present values per share represented implied premia to the closing share price of Parkway common stock as of April 22, 2016 ranging from 6.4% to 35.8%.

Goldman Sachs then compared the derived range of illustrative present values per share of Cousins common stock on a standalone basis to the derived range of illustrative present values per share of Parkway common stock on a standalone basis (adjusted to reflect Synergies), to derive implied exchange ratios ranging from 1.581x to 1.674x.

Illustrative Value Creation

Goldman Sachs derived a range of illustrative values per share of Cousins common stock following the Merger and the Spin-Off by applying FFO multiples ranging from 10.5x to 14.5x, a range selected by Goldman Sachs based on its review of the current and historical FFO multiples for the companies reflected in Selected Companies Analysis and the historical FFO multiples for Parkway and Cousins and applying its professional judgment and experience, to estimated FFO amounts per share of Cousins following the Merger and the Spin-Off for 2017, as reflected in the

Projections, including the Synergies, and derived a range of illustrative values per share of New Parkway common stock by applying FFO multiples ranging from 6.5x to 10.5x, a range selected by

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Goldman Sachs in its professional judgment, to estimated FFO per share of New Parkway common stock for 2017. Goldman Sachs added these ranges to derive a range of illustrative values per share of Cousins common stock, giving effect to the Merger and the Spin-Off of $9.04 to $13.02. Goldman Sachs calculated that this range of illustrative values per share represented premia/discounts to the closing share price of the Cousins common stock as of April 22, 2016 ranging from a discount of $1.34 to a premium of $2.64.

Selected Companies Analysis

Goldman Sachs reviewed and compared financial and operating data relating to Cousins, Parkway, Cousins following the Merger and the Spin-Off and New Parkway, to corresponding data for the following selected publicly traded companies in the REIT industry:

Companies selected as comparable to Cousins and Parkway:

- Highwoods Properties, Inc.
- Columbia Property Trust, Inc.
- Piedmont Office Realty Trust, Inc.
- Parkway
- Cousins
- Brandywine Realty Trust

Company selected as comparable to Cousins following the Merger and the Spin-Off:

- Highwoods Properties, Inc.

Companies selected as comparable to New Parkway:

- Hudson Pacific Properties, Inc.
- Parkway
- Cousins

Brandywine Realty Trust

First Potomac Realty Trust

Although none of the selected companies are directly comparable to Cousins, Parkway, Cousins following the Merger and the Spin-Off or New Parkway, the companies included were selected because they are publicly traded REITs that own assets that are similar to those of Cousins, Parkway, Cousins following the Merger and the Spin-Off and New Parkway, as applicable, and therefore, for purposes of analysis, may be considered similar to Cousins, Parkway, Cousins following the Merger and the Spin-Off and New Parkway, as applicable.

For purposes of this analysis, Goldman Sachs calculated for the closing share price as a multiple of projected FFO and FAD per share for 2016 and 2017 for each company as published by SNL Financial.

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The results of these calculations are summarized below:

	FFO Multiples		FAD Multiples	
	2016	**2017**	**2016**	**2017**
Cousins/Parkway Comparable Companies				
High	14.4x	13.4x	27.9x	22.3x
Mean	12.5x	11.8x	20.4x	18.4x
Median	12.0x	11.3x	19.1x	18.1x
Low	11.6x	10.7x	17.5x	15.5x
Cousins following the Merger and the Spin-Off Comparable Company	14.4x	13.4x	21.1x	19.9x
New Parkway Comparable Companies				
High	17.2x	15.3x	51.7x	27.8x
Mean	12.2x	11.5x	25.3x	19.2x
Median	11.6x	10.9x	17.6x	16.0x
Low	8.5x	9.5x	11.9x	14.6x

Illustrative Discounted Cash Flow Analyses for Cousins following the Merger and the Spin-Off and New Parkway and Implied Premia to Cousins

Using the Projections and the Synergies, Goldman Sachs performed illustrative discounted cash flow analyses, as of December 31, 2015, for each of Cousins following the Merger and the Spin-Off and New Parkway to derive a range of illustrative present values per share of common stock of each such company.

Using discount rates ranging from 7.85% to 9.20%, reflecting estimates of the cost of equity for Cousins following the Merger and the Spin-Off derived by Goldman Sachs by application of the Capital Asset Pricing Model, Goldman Sachs derived a range of illustrative present values per share of Cousins common stock following the Merger and the Spin-Off by discounting to present value as of December 31, 2015 (a) the dividends per share estimated to be paid by Cousins following the Merger and the Spin-Off during the period from 2016 through 2018, as reflected in the Projections, including the Synergies, for the period after June 30, 2016, the assumed closing date of the transactions, and (b) illustrative terminal values per share as of December 31, 2018 (derived by applying illustrative FAD exit multiples ranging from 18.0x to 22.0x, a range selected by Goldman Sachs based on its review of the current and historical FAD multiples for the companies reflected in the Selected Companies Analysis and applying its professional judgment and experience, to a range of illustrative FAD amounts per share of Cousins following the Merger and the Spin-Off for 2019 derived by applying growth rates ranging from 5% to 9%, as per discussions with Cousins management, to estimated FAD amounts per share of Cousins following the Merger and the Spin-Off for 2018, as reflected in the Projections, including the Synergies). As a result of this analysis, Goldman Sachs derived illustrative present values per share of Cousins common stock following the Merger and the Spin-Off ranging from $7.47 to $9.64.

Using discount rates ranging from 10.02% to 14.02%, reflecting estimates of the cost of equity for New Parkway derived by Goldman Sachs by application of the Capital Asset Pricing Model, Goldman Sachs derived a range of illustrative present values per share of New Parkway common stock by discounting to present value as of December 31, 2015 (a) the dividends per share estimated to be paid by New Parkway during the period from 2016 through 2018, as reflected in the Projections, including the Synergies, for the period after June 30, 2016, the assumed closing date of the transactions, and (b) illustrative terminal values per share as of December 31, 2018 (derived by applying illustrative FAD exit multiples ranging from 15.0x to 19.0x, a range selected by Goldman Sachs based on its review of the current and historical FAD multiples for the companies reflected in Selected Companies Analysis and applying its professional judgment and experience, to a range of illustrative FAD amounts per share of New Parkway common stock for 2019 derived by applying growth rates ranging from 5% to 9%, as per discussions with Cousins management, to estimated FAD amounts per share of

New Parkway common stock for 2018, as reflected in the Projections, including the Synergies). As a result of this analysis, Goldman Sachs derived illustrative present values per share of New Parkway common stock ranging from $2.74 to $3.89.

Goldman Sachs added the derived range of illustrative present values per share of Cousins common stock following the Merger and the Spin-Off to the derived range of illustrative present values per share of New Parkway common stock to derive a range of illustrative present values per share of Cousins following the Merger and the Spin-Off of $10.21 to $13.54. Goldman Sachs calculated that this range of illustrative present values per share represented implied premia of 4.4% to 6.9% to the derived range of illustrative present values per share of Cousins common stock on a standalone basis as described in Illustrative Discounted Cash Flow and Implied Premia Analyses for Cousins and Parkway.

General

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment, after considering the results of all its analyses. No company used in the above analyses as a comparison is directly comparable to Cousins, Parkway, Cousins following the Merger and the Spin-Off or New Parkway.

Goldman Sachs prepared these analyses for purposes of providing its opinion to the Cousins board of directors as to the fairness, from a financial point of view, to Cousins, as of the date of the opinion, of the exchange ratio pursuant to the Merger Agreement. These analyses do not purport to be appraisals, nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon projections of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Cousins, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The exchange ratio was determined through arm s-length negotiations between Cousins and Parkway and was approved by the Cousins board of directors. Goldman Sachs provided advice to Cousins during these negotiations. Goldman Sachs did not, however, recommend any specific exchange ratio to Cousins or that any specific exchange ratio constituted the only appropriate exchange ratio for the Merger.

As described above, Goldman Sachs opinion was one of many factors taken into consideration by the Cousins board of directors in considering the proposed transactions. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the delivery of its fairness opinion to the Cousins board of directors and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex B to this joint proxy statement/prospectus.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of Cousins, Parkway and any of their respective affiliates and third parties, including TPG Global, LLC (which we refer to, together with its affiliates, as TPG), affiliates of which are significant shareholders of Parkway, and affiliates and portfolio companies of TPG, or any currency or commodity that may be involved in the transactions contemplated by the Merger Agreement.

Goldman Sachs has acted as financial advisor to Cousins in connection with, and has participated in certain of the negotiations leading to, the Merger. Goldman Sachs has provided certain financial advisory and/or underwriting services to Cousins and/or its affiliates from time to time, for which its Investment Banking Division has received, and may receive, compensation. Goldman Sachs has provided certain financial advisory and/or underwriting services to TPG and/or its affiliates from time to time for which its Investment Banking Division has received, and may receive, compensation, including, among others, having acted as a joint bookrunner with respect to a public offering of 39,200,000 shares of common stock of Sabre Holdings Corporation, a portfolio company of TPG, in April 2014; as a joint bookrunner with respect to a public offering of 65,000,000 shares of common stock of IMS Health, Inc., a portfolio company of TPG, in April 2014; as a joint bookrunner with respect to a public offering of 7,000,000 shares of common stock of Surgical Care Affiliates, Inc., a portfolio company of TPG, in March 2015; as a joint bookrunner with respect to a public offering of 24,000,000 shares of common stock of Sabre Corporation, a portfolio company of TPG, in May 2015; as financial advisor to TPG Global Management, LP, an affiliate of TPG, in connection with its acquisition of Life Time Fitness, Inc. in June 2015; and as a joint bookrunner with respect to a public offering of 11,500,000 shares of common stock of Evolent Heath, Inc., a portfolio company of TPG, in June 2015. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to Cousins and Parkway and their respective affiliates and to TPG and its affiliates and portfolio companies for which Goldman Sachs Investment Banking Division may receive compensation. Affiliates of Goldman Sachs also may have co-invested with TPG and its affiliates from time to time and may have invested in limited partnership units of affiliates of TPG from time to time and may do so in the future.

The Cousins board of directors selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the proposed transactions. Pursuant to an engagement letter between Cousins and Goldman Sachs, Cousins has agreed to pay Goldman Sachs for its services in connection with the Merger an aggregate fee of $9 million, all of which is contingent upon the consummation of the proposed transactions, and an additional $3 million of which is to be paid to Goldman Sachs at Cousins sole and absolute discretion. In addition, Cousins agreed to reimburse Goldman Sachs for certain of its expenses, including reasonable attorneys fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

Opinions of Parkway s Financial Advisors

Opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated

Parkway has engaged BofA Merrill Lynch as a financial advisor in connection with the Merger. BofA Merrill Lynch is an internationally recognized investment banking firm which is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Parkway selected BofA Merrill Lynch to act as a financial advisor in connection with the Merger on the basis of BofA Merrill Lynch s experience in similar transactions, its reputation in the investment community and its familiarity with Parkway and its business.

At an April 28, 2016 meeting of the Parkway board of directors held to evaluate the Merger, BofA Merrill Lynch rendered an oral opinion, confirmed by delivery of a written opinion dated April 28, 2016, to the Parkway board of directors to the effect that, as of that date and based on and subject to various assumptions, limitations and qualifications described in the opinion, the exchange ratio provided for in the Merger was fair, from a financial point of view, to the holders of Parkway common stock.

The full text of BofA Merrill Lynch s written opinion, dated April 28, 2016, delivered to the Parkway board of directors is attached as Annex C to this joint proxy statement/prospectus and is incorporated in this document by reference. The written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken by BofA Merrill Lynch in rendering its opinion. The following summary of BofA Merrill Lynch s opinion is qualified in its entirety by reference to the full text of the opinion. **BofA Merrill Lynch delivered its opinion to the Parkway board of directors for the benefit and use of the Parkway board of directors (in its capacity as such) in connection with and for purposes of its evaluation of the exchange ratio from a financial point of view. BofA Merrill Lynch s opinion did not address any related transactions or other terms, aspects or implications of the Merger and no opinion or view was expressed as to the relative merits of the Merger or related transactions in comparison to other strategies or transactions that might be available to Parkway or in which Parkway might engage or as to the underlying business decision of Parkway to proceed with or effect the Merger or any related transactions. BofA Merrill Lynch also expressed no opinion or recommendation as to how any stockholder should vote or act in connection with the Merger, any related transactions or any other matter.**

In connection with its opinion, BofA Merrill Lynch, among other things:

- reviewed certain publicly available business and financial information relating to Parkway and Cousins;

- reviewed certain internal financial and operating information with respect to the business, operations and prospects of Parkway furnished to or discussed with BofA Merrill Lynch by the management of Parkway, including certain financial forecasts relating to Parkway prepared by the management of Parkway (we refer to such forecasts as the Parkway Forecasts solely for purposes of this section entitled Opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated);

- reviewed certain internal financial and operating information with respect to the business, operations and prospects of Cousins furnished to or discussed with BofA Merrill Lynch by the management of Cousins, including certain financial forecasts relating to Cousins prepared by the management of Cousins and approved by the management of Parkway (we refer to such forecasts as the Cousins Forecasts solely for purposes of this section entitled Opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated);

- discussed the past and current business, operations, financial condition and prospects of Parkway with members of the senior managements of Parkway and Cousins, and discussed the past and current business, operations, financial condition and prospects of Cousins with members of the senior managements of Cousins and Parkway;

- reviewed the trading histories for Parkway common stock and Cousins common stock and a comparison of such trading histories with each other and the trading histories of other companies BofA Merrill Lynch deemed relevant;

- compared certain financial and stock market information of Parkway and Cousins with similar information of other companies BofA Merrill Lynch deemed relevant;

- considered the results of the efforts on behalf of Parkway to solicit, at the direction of the Parkway board of directors, indications of interest and definitive proposals from selected third parties with respect to a possible acquisition of all or a portion of Parkway;

- reviewed a draft, dated April 28, 2016, of the Merger Agreement; and

- performed such other analyses and studies and considered such other information and factors as BofA Merrill Lynch deemed appropriate.

BofA Merrill Lynch did not rely, for purposes of its opinion, on a comparison of the financial terms of the Merger to the financial terms of other transactions given, in its view, the lack of sufficient comparability or publicly available information with respect to other transactions similar to the Merger. In arriving at its opinion, BofA Merrill Lynch assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with BofA Merrill Lynch and relied upon the assurances of the managements of Parkway and Cousins that they were not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the Parkway Forecasts, BofA Merrill Lynch was advised by Parkway, and BofA Merrill Lynch assumed, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Parkway as to the future financial performance of Parkway and the other matters covered thereby. With respect to the Cousins Forecasts, BofA Merrill Lynch was advised by Cousins, and BofA Merrill Lynch assumed, with the consent of Parkway, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Cousins as to the future financial performance of Cousins and the other matters covered thereby. At the direction of Parkway, BofA Merrill Lynch relied upon the assessments of the managements of Parkway and Cousins as to, among other things, (i) the potential impact on Parkway and Cousins of certain market and other trends in and prospects for the real estate industry and related credit and financial markets, including in the Southeastern and Southwestern United States markets generally and the Houston, Texas market specifically, (ii) existing and future relationships, agreements and arrangements with, and the ability to attract and retain, key employees and tenants of Parkway and Cousins and (iii) the ability to integrate the businesses and operations of Parkway and Cousins as contemplated. BofA Merrill Lynch assumed, with the consent of Parkway, that there would be no developments with respect to any such matters that would have an adverse effect on Parkway, Cousins, the Merger or any related transactions (including the contemplated benefits thereof) or that otherwise would be meaningful in any respect to BofA Merrill Lynch s analyses or opinion.

BofA Merrill Lynch did not make and was not provided with any independent evaluation or appraisal of the assets or liabilities (contingent, derivative, off-balance sheet or otherwise) of Parkway, Cousins or any other entity, nor did BofA Merrill Lynch make any physical inspection of the properties or assets of Parkway, Cousins or any other entity. BofA Merrill Lynch assumed, with the consent of Parkway, that (i) the pro forma entities resulting from the Merger and related transactions would retain or acquire all assets, properties and rights necessary for their respective operations, (ii) appropriate reserves, indemnification arrangements or other provisions had been made with respect to liabilities that such pro forma entities and/or their respective subsidiaries would assume in connection with the Merger and related transactions and (iii) neither such pro forma entities nor any of their respective subsidiaries would directly or indirectly retain, assume or incur any liabilities that were contemplated to be excluded as a result of the Merger, related transactions or otherwise. BofA Merrill Lynch made no analysis of, nor did BofA Merrill Lynch express any opinion or view as to, the adequacy or sufficiency of allowances for credit losses with respect to leases or other matters and BofA Merrill Lynch was advised by the managements of Parkway and Cousins and therefore assumed, with the consent of Parkway, that any such allowances for credit losses with respect to leases were, and on a pro forma basis would be, in the aggregate appropriate to cover such losses. BofA Merrill Lynch also did not evaluate the solvency or fair value of Parkway, Cousins or any other entity under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch assumed, at the direction of Parkway, that the Merger and related transactions would be consummated in accordance with their respective terms and in compliance with all applicable laws, documents and other requirements, without waiver, modification or amendment of any material term, condition or agreement, and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the Merger and related transactions, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, would be imposed that would have an adverse effect on Parkway, Cousins, the Merger or related transactions (including the contemplated benefits thereof) or that otherwise would be meaningful in any respect to BofA Merrill Lynch s analyses or opinion. BofA Merrill Lynch also assumed, at the direction of Parkway, that the Merger would qualify for U.S. federal income tax purposes as a reorganization under the provisions of Section 368(a) of the Code, and that the contributions contemplated as part of the related transactions would qualify as contributions of property pursuant to Section 721 of the Code. BofA Merrill Lynch was advised by Parkway and Cousins, and BofA Merrill Lynch assumed, at the direction of Parkway, that each of Parkway and Cousins has operated in conformity with the requirements for qualification as a REIT for U.S. federal income tax purposes since its election to be taxed as a REIT and assumed, at the direction of Parkway, that the Merger and related transactions would not adversely affect such REIT status or the operations of the pro forma combined entity resulting from the Merger. BofA Merrill Lynch further assumed, at the direction of Parkway, that the final executed Merger Agreement would not differ in any material respect from the draft of the Merger Agreement reviewed by BofA Merrill Lynch.

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BofA Merrill Lynch expressed no view or opinion as to any related transactions or any terms or other aspects or implications of the Merger (other than the exchange ratio to the extent expressly specified in its opinion), including, without limitation, the form or structure of the Merger, the form or structure, or financial or other terms, of any related transactions or any terms, aspects or implications of any voting and support agreement, stockholders agreements or separation and distribution agreement or any governance or other arrangements, agreements or understandings entered into in connection with or related to the Merger, any related transactions or otherwise. BofA Merrill Lynch s opinion was limited to the fairness, from a financial point of view, of the exchange ratio to holders of Parkway common stock, without regard to individual circumstances of specific holders that may distinguish such holders or the securities of Parkway held by such holders (including any rights, preferences, restrictions or limitations that may be attributable to shares of Parkway common stock or other securities of Parkway), and BofA Merrill Lynch expressed no opinion or view with respect to, or the relative fairness of, any consideration received in connection with the Merger or related transactions by the holders of any other class of securities, creditors or other constituencies of any party. In addition, BofA Merrill Lynch expressed no opinion or view with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the Merger or related transactions or any related entities or class of such persons, relative to the exchange ratio or otherwise. BofA Merrill Lynch also expressed no opinion as to the actual value of Cousins common stock when issued or the prices at which Cousins common stock, Parkway common stock or any other securities (including, without limitation, the securities of New Parkway) would trade or otherwise be transferable at any time, including following announcement or consummation of the Merger and related transactions. BofA Merrill Lynch also expressed no view or opinion with respect to, and BofA Merrill Lynch relied at the direction of Parkway upon the assessments of Parkway and Cousins and their respective representatives regarding, legal, regulatory, accounting, tax and similar matters relating to Parkway and Cousins, their related entities and stockholders and the Merger and related transactions, as to which BofA Merrill Lynch understood that Parkway and Cousins obtained such advice as they deemed necessary from qualified professionals.

BofA Merrill Lynch s opinion was necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to BofA Merrill Lynch as of, the date of its opinion. As BofA Merrill Lynch noted in its opinion to the Parkway board of directors, the credit, financial and stock markets, and the industries and regions in which Parkway and Cousins operate, have experienced and continue to experience volatility and BofA Merrill Lynch expressed no opinion or view as to any potential effects of such volatility on Parkway, Cousins (or their respective businesses), the Merger or related transactions (including the contemplated benefits thereof). Although subsequent developments may affect BofA Merrill Lynch s opinion, BofA Merrill Lynch does not have any obligation to update, revise or reaffirm its opinion. The issuance of BofA Merrill Lynch s opinion was approved by BofA Merrill Lynch s Americas Fairness Opinion Review Committee. Except as described in this summary, the Parkway board of directors imposed no other instructions or limitations on the investigations made or procedures followed by BofA Merrill Lynch in rendering its opinion.

The following is a summary of the material financial analyses provided by BofA Merrill Lynch to the Parkway board of directors in connection with the Merger. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by BofA Merrill Lynch, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by BofA Merrill Lynch. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by BofA Merrill Lynch.** In calculating implied exchange ratio reference ranges as reflected in such analyses, BofA Merrill Lynch (a) compared the low-end of the approximate implied per share equity value reference ranges derived for Parkway from such analyses to the high-end of the approximate implied per share equity value reference ranges derived for Cousins from such analyses in order to calculate the low-end of the implied exchange ratio reference ranges and (b) compared the high-end of the approximate implied per share equity value reference ranges derived for Parkway from such

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analyses to the low-end of the approximate implied per share equity value reference ranges derived for Cousins from such analyses in order to calculate the high-end of the implied exchange ratio reference ranges.

Selected Public Companies Analyses. BofA Merrill Lynch performed separate selected public companies analyses of Parkway and Cousins in which BofA Merrill Lynch reviewed and compared financial and operating data relating to Parkway, Cousins and the selected publicly traded companies listed below.

Parkway. In performing a selected public companies analysis of Parkway, BofA Merrill Lynch reviewed publicly available financial and stock market information of Parkway and the following eight selected companies that BofA Merrill Lynch viewed as generally relevant as U.S. publicly traded office REITs with operations focused primarily in suburban markets (which we refer to for purposes of this section entitled Opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated as the selected Parkway REITs):

Brandywine Realty Trust

Columbia Property Trust, Inc.

Corporate Office Properties Trust

Cousins

Franklin Street Properties Corp.

Highwoods Properties, Inc.

Mack-Cali Realty Corporation

Piedmont Office Realty Trust, Inc.

BofA Merrill Lynch reviewed, among other things, closing stock prices on April 27, 2016 of the selected Parkway REITs as a multiple of calendar year 2016 and calendar year 2017 estimated funds from operations (which we refer to as FFO per share). Financial data of the selected Parkway REITs were based on publicly available consensus estimates. Financial data of Parkway were based on the Parkway Forecasts and publicly available consensus estimates.

The overall low to high calendar year 2016 and calendar year 2017 estimated FFO per share multiples observed for the selected Parkway REITs were 10.4x to 14.6x (with an average of 12.9x and a median of 12.8x) and 10.1x to 13.6x (with an average of 11.9x and a median of 11.8x), respectively. BofA Merrill Lynch noted that, based on the closing stock price of Parkway on April 27, 2016 and the Parkway Forecasts, the implied calendar year 2016 and calendar year 2017 estimated FFO per share multiples for Parkway were 12.5x and 11.7x, respectively. BofA Merrill Lynch then applied selected ranges of calendar year 2016 and calendar year 2017 estimated FFO per share multiples derived from the selected Parkway REITs of 11.5x to 13.5x and 11.0x to 13.0x, respectively, to corresponding data of Parkway based on the Parkway Forecasts. This analysis indicated approximate implied per share equity value reference ranges for Parkway, based on calendar year 2016 and calendar year 2017 estimated FFO per share multiples, of $14.17 and $16.64 and $14.49 and $17.72, respectively.

Cousins. In performing a selected public companies analysis of Cousins, BofA Merrill Lynch reviewed publicly available financial and stock market information of Cousins and the following eight selected companies that BofA Merrill Lynch viewed as generally relevant as U.S. publicly traded office REITs with operations focused primarily in suburban markets (which we refer to for purposes of this section entitled Opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated as the selected Cousins REITs):

Brandywine Realty Trust

Columbia Property Trust, Inc.

Corporate Office Properties Trust

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Franklin Street Properties Corp.

Highwoods Properties, Inc.

Mack-Cali Realty Corporation

Parkway

Piedmont Office Realty Trust, Inc.

BofA Merrill Lynch reviewed, among other things, closing stock prices on April 27, 2016 of the selected Cousins REITs as a multiple of calendar year 2016 and calendar year 2017 estimated FFO per share. Financial data of the selected Cousins REITs were based on publicly available consensus estimates. Financial data of Cousins were based on the Cousins Forecasts and publicly available consensus estimates.

The overall low to high calendar year 2016 and calendar year 2017 estimated FFO per share multiples observed for the selected Cousins REITs were 10.4x to 14.6x (with an average of 12.9x and a median of 12.8x) and 10.1x to 13.6x (with an average of 12.0x and a median of 11.8x), respectively. BofA Merrill Lynch noted that, based on the closing stock price of Cousins on April 27, 2016 and the Cousins Forecasts, the implied calendar year 2016 and calendar year 2017 estimated FFO per share multiples for Cousins were 12.2x and 10.8x, respectively. BofA Merrill Lynch then applied selected ranges of calendar year 2016 and calendar year 2017 estimated FFO per share multiples derived from the selected Cousins REITs of 11.0x to 13.0x and 10.0x to 12.0x, respectively, to corresponding data of Cousins based on the Cousins Forecasts. This analysis indicated approximate implied per share equity value reference ranges for Cousins, based on calendar year 2016 and calendar year 2017 estimated FFO per share multiples, of $9.61 to $11.35 and $9.88 to $11.85, respectively.

Utilizing the approximate implied per share equity value reference ranges derived for Parkway and Cousins described above, BofA Merrill Lynch calculated the following approximate implied exchange ratio reference ranges, as compared to the exchange ratio:

Implied Exchange Ratio Reference Ranges Based on:		Exchange Ratio
CY 2016E FFO	CY 2017E FFO	
1.25x 1.73x	1.22x 1.73x	1.63x

No company or business used in these analyses is identical or directly comparable to Parkway or Cousins. Accordingly, an evaluation of the results of these analyses is not entirely mathematical. Rather, these analyses involve complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies or businesses to which Parkway and Cousins were compared.

Net Asset Value Analyses. BofA Merrill Lynch performed separate net asset value analyses of Parkway and Cousins in which BofA Merrill Lynch reviewed Parkway s and Cousins respective assets and liabilities based on financial and other information and data, as described below.

Parkway. BofA Merrill Lynch performed a net asset value analysis of Parkway based on the Parkway Forecasts, Parkway s balance sheet as of December 31, 2015 and other information and data provided by Parkway s management. An estimated range of operating real estate values for Parkway was calculated on a property-by-property basis, taking into account, as applicable, discounted cash flow analyses, then-recent observable data from relevant markets and regions, including capitalization rates, and the cost basis of certain properties, which range implied nominal market capitalization rates for Parkway of 5.23% to 5.76%. Also taken into account, based on Parkway s balance sheet as of December 31, 2015 and other information and data provided by Parkway s management, were (i) the combined sale price for Parkway s assets sold in January 2016 and total estimated value of other assets to be sold, cash and cash equivalents and other tangible assets and (ii) the total estimated amount of Parkway s liabilities, including Parkway s outstanding indebtedness under unsecured term loans, revolving credit facility and secured debt, estimated marked-to-market debt adjustments and other tangible liabilities. This analysis indicated an approximate implied per share equity value reference range for Parkway of $16.63 to $19.64.

Cousins. BofA Merrill Lynch performed a net asset value analysis of Cousins based on the Cousins Forecasts, Cousins balance sheet as of December 31, 2015 and other information and data provided by Cousins management. An estimated range of operating real estate values for Cousins was calculated on a property-by-property basis, taking into account, as applicable, discounted cash flow analyses, then-recent observable data from relevant markets and regions, including capitalization rates, and the cost basis of certain properties, which range implied nominal market capitalization rates for Cousins of 6.44% to 6.95%. Also taken into account, based on Cousins balance sheet as of December 31, 2015 and other information and data provided by Cousins management, were (i) the sale price for Cousins property sold in January 2016 and the total estimated value of developments under construction, recently developed but not fully leased properties and future development projects for which start dates have been determined, Cousins Gateway Village property, land inventory (adjusted for the sale of certain land), cash and cash equivalents and other tangible assets and (ii) the total estimated amount of Cousins liabilities, including Cousins outstanding indebtedness under its revolving credit facility (adjusted for share repurchase activity during the three months ended March 31, 2016) and secured debt, estimated marked-to-market debt adjustments and other tangible liabilities. This analysis indicated an approximate implied per share equity value reference range for Cousins of $11.18 to $12.46.

Utilizing the approximate implied per share equity value reference ranges derived for Parkway and Cousins described above, BofA Merrill Lynch calculated the following approximate implied exchange ratio reference range, as compared to the exchange ratio:

Implied Exchange Ratio Reference Range	Exchange Ratio
1.33x 1.76x	1.63x

BofA Merrill Lynch noted that the approximate implied aggregate net asset value reference ranges for Parkway and Cousins derived from these analyses implied price per square footage ranges for Parkway and Cousins of approximately $270 to $298 and $236 to $255, respectively.

Dividend Discount Analyses. BofA Merrill Lynch performed separate dividend discount analyses of Parkway and Cousins to calculate ranges of implied present values of the distributable cash flows that Parkway and Cousins were forecasted to generate during the fiscal years ending December 31, 2016 through December 31, 2018 utilizing the Parkway Forecasts and the Cousins Forecasts, respectively. BofA Merrill Lynch derived implied terminal values by applying to Parkway s and Cousins respective fiscal year ending December 31, 2018 estimated FFO per share a range of terminal FFO per share multiples of 11.5x to 13.5x in the case of Parkway and 11.0x to 13.0x in the case of Cousins. Present values (as of December 31, 2015) of distributable cash flows and terminal values were then calculated by BofA Merrill Lynch using a cost of equity range of 9.2% to 11.3% in the case of Parkway and 8.9% to 10.8% in the case of Cousins. These analyses indicated approximate implied per share equity value reference ranges for Parkway and Cousins of $14.45 to $17.54 and $9.64 to $11.80, respectively.

Utilizing the approximate implied per share equity value reference ranges derived for Parkway and Cousins described above, BofA Merrill Lynch calculated the following approximate implied exchange ratio reference range, as compared to the exchange ratio:

Implied Exchange Ratio Reference Range	Exchange Ratio
1.22x 1.82x	1.63x

Other Factors. BofA Merrill Lynch also observed certain additional factors that were not considered part of BofA Merrill Lynch s financial analyses with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

the historical trading performance of Parkway common stock and Cousins common stock during the latest 12 months ended April 27, 2016, which indicated low and high closing prices for Parkway common stock during such period of approximately $11.54 and $18.68 per share and low and high closing prices for Cousins common stock during such period of approximately $7.53 and $10.96 per share, as compared to the closing price of Parkway common stock on April 27, 2016 of approximately $15.45 per share and the closing price of Cousins common stock on April 27, 2016 of approximately $10.69 per share; and

selected publicly available Wall Street research analysts calendar year 2016 net asset value per share estimates for Parkway and Cousins as reflected in selected publicly available Wall Street research analysts reports and other publicly available information, which indicated, among other things, an overall low to high estimated net asset value per share range for Parkway of approximately $15.69 to $20.40 per share (with an average of $17.44 per share and a median of $17.24 per share) and an overall low to high estimated net asset value per share range for Cousins of approximately $10.96 to $12.44 per share (with an average of $11.73 per share and a median of $11.79 per share), as compared to the closing price of Parkway common stock on April 27, 2016 of approximately $15.45 per share and the closing price of Cousins common stock of approximately $10.69 per share.

Miscellaneous

As noted above, the discussion set forth above is a summary of the material financial analyses and other factors reviewed by BofA Merrill Lynch with the Parkway board of directors in connection with the Merger and is not a comprehensive description of all analyses undertaken or factors considered by BofA Merrill Lynch. The preparation of a financial opinion or analyses is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description. BofA Merrill Lynch believes that the analyses summarized above must be considered as a whole. BofA Merrill Lynch further believes that selecting portions of its analyses considered or focusing on information presented in tabular format, without considering all analyses or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying BofA Merrill Lynch s analyses and opinion. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.

In performing its analyses, BofA Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of Parkway and Cousins. The estimates of the future performance of Parkway and Cousins in or underlying BofA Merrill Lynch s analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by BofA Merrill Lynch s analyses. These analyses were prepared solely as part of BofA Merrill Lynch s analysis of the fairness, from a financial point of view, of the exchange ratio provided for in the Merger and were provided to the Parkway board of directors in connection with its evaluation of the Merger. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or acquired or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular analysis described above are inherently subject to substantial uncertainty and should not be taken to be BofA Merrill Lynch s view of the actual value of Parkway or Cousins.

The type and amount of consideration payable in the transaction were determined through negotiations between Parkway and Cousins, rather than by any financial advisor, and were approved by the Parkway board of directors. The decision to enter into the Merger Agreement was solely that of the Parkway board of directors. As described above, BofA Merrill Lynch s opinion and analyses were only one of many factors considered by the Parkway board of directors in its evaluation of the Merger and should not be viewed as determinative of the views of the Parkway board of directors, management or any other party with respect to the Merger or the exchange ratio.

Parkway has agreed to pay BofA Merrill Lynch for its services as a financial advisor to Parkway in connection with the Merger an aggregate fee currently estimated to be approximately $7 million, of which $1.5 million was payable upon delivery of its opinion and the balance is contingent upon consummation of the Merger. In addition, at the request of the Parkway board of directors, BofA Merrill Lynch and certain of its affiliates expect to arrange and participate in the financing for New Parkway (or an affiliate thereof), for which services BofA Merrill Lynch and its affiliates will receive an aggregate fee currently estimated to be approximately $2.5 million, including acting as joint lead arranger, joint bookrunner and administrative agent for, and as a lender under, a senior secured credit facility of New Parkway (or an affiliate thereof). In addition, Parkway has agreed to reimburse BofA Merrill Lynch for its expenses incurred in connection with BofA Merrill Lynch s engagement and to indemnify BofA Merrill Lynch, any controlling person of BofA Merrill Lynch and each of their respective directors, officers, employees, agents and affiliates against specified liabilities, including liabilities under the federal securities laws.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of its businesses, BofA Merrill Lynch and its affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of Parkway, Cousins and certain of their respective affiliates.

BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Parkway and certain of its affiliates and have received or in the future may receive compensation for the rendering of these services, including (i) having acted or acting as a lender to Parkway, (ii) having acted or acting as a joint bookrunner on certain equity offerings for Parkway and (iii) having provided or providing certain treasury and trade management services and products to Parkway. From April 1, 2014 through March 31, 2016, BofA Merrill Lynch and its affiliates derived aggregate revenues from Parkway and its affiliates of approximately $5.5 million for investment and corporate banking services. In addition, BofA Merrill Lynch and/or certain of its affiliates currently lease or in the past have leased various properties from Parkway and, as of January 1, 2016, were one of Parkway s 20 largest tenants in terms of annualized rental revenue. BofA Merrill Lynch and certain of its affiliates may continue to maintain significant commercial (including vendor and/or customer) relationships with Parkway and certain of its affiliates in the future.

In addition, BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Cousins and certain of its affiliates and have received or in the future may receive compensation for the rendering of these services, including (i) having acted or acting as an administrative agent, co-lead arranger and bookrunner for, and as a lender to, Cousins, (ii) having acted or acting as a joint bookrunner on an equity offering for Cousins and (iii) having provided or providing certain treasury and trade management services and products to Cousins. From April 1, 2014 through March 31, 2016, BofA Merrill Lynch and its affiliates derived aggregate revenues from Cousins and its affiliates of approximately $2.5 million for investment and corporate banking services. BofA Merrill Lynch and/or certain of its affiliates also currently have a joint venture arrangement with respect to one of Cousins properties, currently lease or in the past have leased various properties from Cousins and, during the fiscal year ended December 31, 2015, were one of Cousins 20 largest office tenants in terms of annualized rental

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revenue. BofA Merrill Lynch and certain of its affiliates may continue to maintain significant commercial (including joint venture, vendor and/or customer) relationships with Cousins and certain of its affiliates in the future.

Opinion of Wells Fargo Securities, LLC

Parkway also has engaged Wells Fargo Securities as a financial advisor in connection with the Merger. As part of Wells Fargo Securities engagement, the Parkway board of directors requested that Wells Fargo Securities evaluate the fairness, from a financial point of view, to holders of Parkway common stock of the exchange ratio provided for in the Merger. On April 28, 2016, at a meeting of the Parkway board of directors held to evaluate the Merger, Wells Fargo Securities rendered an oral opinion, confirmed by delivery of a written opinion dated April 28, 2016, to the Parkway board of directors to the effect that, as of such date and based on and subject to various assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken stated in its opinion, the exchange ratio provided for in the Merger was fair, from a financial point of view, to the holders of Parkway common stock.

The full text of Wells Fargo Securities written opinion, dated April 28, 2016, to the Parkway board of directors is attached as Annex D to this joint proxy statement/prospectus and is incorporated herein by reference. The written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken by Wells Fargo Securities in rendering its opinion. The following summary is qualified in its entirety by reference to the full text of the opinion. The opinion was addressed to the Parkway board of directors (in its capacity as such) for its information and use in connection with its evaluation of the exchange ratio from a financial point of view and did not address any related transactions or any other terms, aspects or implications of the Merger. Wells Fargo Securities opinion did not address the merits of the underlying decision by Parkway to enter into the Merger Agreement or the relative merits of the Merger or related transactions compared with other business strategies or transactions available or that have been or might be considered by Parkway or the Parkway board of directors or in which Parkway might engage. Wells Fargo Securities opinion does not constitute a recommendation to the Parkway board of directors or any other person or entity in respect of the Merger or any related transactions, including as to how any stockholder should vote or act in connection with the Merger, any related transactions or any other matters.

The terms of the Merger and related transactions were determined through negotiations between Parkway and Cousins, rather than by any financial advisor, and the decision to enter into the Merger Agreement was solely that of the Parkway board of directors. Wells Fargo Securities did not recommend any specific form of consideration to the Parkway board of directors or that any specific form of consideration constituted the only appropriate consideration for the Merger. Wells Fargo Securities opinion was only one of many factors considered by the Parkway board of directors in its evaluation of the Merger and should not be viewed as determinative of the views of the Parkway board of directors, management or any other party with respect to the Merger or the exchange ratio.

In arriving at its opinion, Wells Fargo Securities, among other things:

- reviewed a draft, dated April 28, 2016, of the Merger Agreement, including the financial terms thereof;

- reviewed certain publicly available business, financial and other information regarding Parkway and Cousins, including information set forth in their respective annual reports on Form 10-K for the fiscal year ended December 31, 2015;

reviewed certain other business and financial information regarding Parkway and Cousins furnished to Wells Fargo Securities by and discussed with the managements of Parkway and Cousins, including financial forecasts and estimates relating to Parkway prepared by the management of Parkway (we refer to such financial forecasts and estimates as the Parkway Forecasts solely for purposes of this section entitled Opinion of Wells Fargo Securities, LLC) and financial forecasts and estimates relating to Cousins prepared by the management of Cousins and approved by the management of

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Parkway (we refer to such financial forecasts and estimates as the Cousins Forecasts solely for purposes of this section entitled Opinion of Wells Fargo Securities, LLC);

discussed with the managements of Parkway and Cousins the operations and prospects of Parkway and Cousins, including the historical financial performance and trends in the results of operations of Parkway and Cousins;

discussed with the managements of Parkway and Cousins the strategic rationale for the Merger and related transactions;

participated in discussions and negotiations among representatives of Parkway, Cousins and their respective advisors regarding the Merger and related transactions;

reviewed reported prices and trading activity for Parkway common stock and Cousins common stock;

analyzed the estimated net asset value of each of Parkway s and Cousins real estate portfolios and other assets based upon the financial forecasts and estimates referred to above and assumptions relating thereto discussed with and confirmed as reasonable by the managements of Parkway and Cousins;

compared certain financial data of Parkway and Cousins with similar data of certain publicly traded companies that Wells Fargo Securities deemed relevant in evaluating Parkway and Cousins;

analyzed the estimated present value of the future dividends per share of Parkway and Cousins based upon the financial forecasts and estimates referred to above and assumptions relating thereto discussed with and confirmed as reasonable by the managements of Parkway and Cousins; and

considered such other information, such as financial studies and analyses, as well as financial, economic and market criteria, and made such other inquiries, as Wells Fargo Securities deemed relevant.

Wells Fargo Securities did not rely, for purposes of its opinion, on a comparison of the proposed financial terms of the Merger to the financial terms of other transactions given, in Wells Fargo Securities view, the lack of sufficient comparability or publicly available information with respect to other transactions similar to the Merger. In connection with Wells Fargo Securities review, Wells Fargo Securities assumed and relied upon the accuracy and completeness of the financial and other information provided, discussed with or otherwise made available to Wells Fargo Securities, including all accounting, tax, regulatory and legal information, and Wells Fargo Securities did not make (and did not assume any responsibility for) any independent verification of such information. Wells Fargo Securities relied upon assurances of the managements of Parkway and Cousins that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial forecasts, estimates and other information relating to Parkway and Cousins that Wells Fargo Securities was directed to utilize in its analyses, Wells Fargo Securities was advised by the respective managements of Parkway and Cousins and Wells Fargo Securities assumed that they were reasonably prepared and reflected the best currently available estimates, judgments and assumptions of the managements of Parkway and Cousins, as the case may be, as to the future financial performance of Parkway and Cousins, as the case may be, and the other matters covered thereby. Wells Fargo Securities assumed no responsibility for, and expressed no view as to, such forecasts, estimates or other information utilized in Wells Fargo Securities analyses or the judgments or assumptions upon which they were based. Wells Fargo Securities also assumed that there had been no meaningful changes in the condition (financial or otherwise), results of operations, businesses or prospects of Parkway or Cousins since the respective dates of the most recent financial statements and other information provided to Wells Fargo Securities. Wells Fargo Securities relied, at the direction of Parkway, upon the assessments of the managements of Parkway and Cousins as to, among other things, (i) the potential impact on Parkway and Cousins of certain market and other trends in and prospects for the real estate industry and related credit and financial markets, including in the Southeastern and Southwestern United States markets generally and the Houston, Texas market specifically, (ii) existing and future relationships, agreements and arrangements with, and the ability to attract and retain, key employees and tenants of Parkway and Cousins and (iii) the ability to integrate the businesses and operations of Parkway and Cousins as contemplated. Wells Fargo

Securities assumed, with Parkway s consent, that there would be no developments with respect to any such matters that would have an adverse effect on Parkway, Cousins, the Merger or any related transactions (including the contemplated benefits thereof) or that otherwise would be meaningful in any respect to Wells Fargo Securities analyses or opinion.

In arriving at its opinion, Wells Fargo Securities did not conduct physical inspections of the properties or assets of Parkway, Cousins or any other entity, and Wells Fargo Securities did not make and was not provided with any evaluations or appraisals of the properties, assets or liabilities (contingent, derivative, off-balance sheet or otherwise) of Parkway, Cousins or any other entity. Wells Fargo Securities assumed, with Parkway s consent, that (i) the pro forma entities resulting from the Merger and related transactions would retain or acquire all assets, properties and rights necessary for their respective operations, (ii) appropriate reserves, indemnification arrangements or other provisions had been made with respect to liabilities that such pro forma entities and/or their respective subsidiaries would assume in connection with the Merger and related transactions and (iii) neither such pro forma entities nor any of their respective subsidiaries would directly or indirectly retain, assume or incur any liabilities that were contemplated to be excluded as a result of the Merger, related transactions or otherwise. Wells Fargo Securities also did not evaluate the solvency or fair value of Parkway, Cousins or any other entity under any state, federal or other laws relating to bankruptcy, insolvency or similar matters.

In rendering its opinion, Wells Fargo Securities assumed, at the direction of Parkway, that the final form of the Merger Agreement, when signed by the parties thereto, would not differ from the draft Merger Agreement reviewed by Wells Fargo Securities in any respect meaningful to Wells Fargo Securities analyses or opinion, that the Merger and related transactions would be consummated in accordance with the terms described in the Merger Agreement and related documents and in compliance with all applicable laws, documents and other requirements without amendment or waiver of any material terms or conditions and that, in the course of obtaining any necessary governmental, regulatory or third party consents, approvals or agreements for the Merger and related transactions, no delay, limitation or restriction, including any divestiture or other requirements, would be imposed or action would be taken that would have an adverse effect on Parkway, Cousins, the Merger or related transactions (including the contemplated benefits thereof) or that otherwise would be meaningful in any respect to Wells Fargo Securities analyses or opinion. Wells Fargo Securities also assumed, at the direction of Parkway, that the Merger would qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code, and that the contributions contemplated as part of the related transactions would qualify as contributions of property pursuant to Section 721 of the Code. Wells Fargo Securities was advised by Parkway and Cousins, and Wells Fargo Securities assumed, at the direction of Parkway, that each of Parkway and Cousins has operated in conformity with the requirements for qualification as a REIT for U.S. federal income tax purposes since its election to be taxed as a REIT and Wells Fargo Securities further assumed, at the direction of Parkway, that the Merger and related transactions would not adversely affect such REIT status or the operations of the pro forma combined entity resulting from the Merger.

Wells Fargo Securities did not express any opinion as to the actual value of Cousins common stock when issued pursuant to the Merger or the prices at which Cousins common stock, Parkway common stock or any other securities (including, without limitation, the securities of New Parkway) would trade or otherwise be transferable at any time, including following announcement or consummation of the Merger and related transactions. Wells Fargo Securities opinion was necessarily based on economic, market, financial and other conditions existing, and information made available to Wells Fargo Securities, as of the date of Wells Fargo Securities opinion. As Wells Fargo Securities noted in its opinion to the Parkway board of directors, the credit, financial and stock markets, and the industries and regions in which Parkway and Cousins operate, have experienced and continue to experience volatility and Wells Fargo Securities expressed no opinion or view as to any potential effects of such volatility on Parkway, Cousins (or their respective businesses), the Merger or related transactions (including the contemplated benefits thereof). Although subsequent developments may affect the matters set forth in its opinion, Wells Fargo Securities does not have any obligation to update, revise, reaffirm or withdraw its opinion or otherwise comment on or consider any such events occurring or coming to Wells Fargo Securities attention after the date of its opinion.

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Wells Fargo Securities opinion only addressed the fairness, from a financial point of view and as of the date of the opinion, to holders of Parkway common stock of the exchange ratio to the extent expressly specified in Wells Fargo Securities opinion, without regard to individual circumstances of specific holders that may distinguish such holders or the securities of Parkway held by such holders (including any rights, preferences, restrictions or limitations that may be attributable to shares of Parkway common stock or other securities of Parkway), and no opinion or view was expressed with respect to, or the relative fairness of, any consideration received in connection with the Merger or related transactions by holders of any class of securities, creditors or other constituencies of any party. Wells Fargo Securities opinion did not address any related transactions or any other terms, aspects or implications of the Merger, including, without limitation, the form or structure of the Merger, the form or structure, or financial or other terms, of any related transactions or any terms, aspects or implications of any voting and support agreement, stockholders agreements or separation and distribution agreement or any governance or other arrangements, agreements or understandings entered into in connection with or contemplated by the Merger, related transactions or otherwise. In addition, Wells Fargo Securities opinion did not address the fairness of the amount or nature of, or any other aspects relating to, any compensation to be received by any officers, directors or employees of any parties to the Merger or related transactions or any related entities, or class of such persons, relative to the exchange ratio or otherwise. Wells Fargo Securities opinion did not address the merits of the underlying decision by Parkway to enter into the Merger Agreement or the relative merits of the Merger or related transactions compared with other business strategies or transactions available or that have been or might be considered by Parkway or the Parkway board of directors or in which Parkway might engage. Wells Fargo Securities also did not express any opinion or view with respect to, and at the direction of Parkway relied upon the assessments of representatives of Parkway and Cousins regarding, accounting, tax, regulatory, legal or similar matters as to which Wells Fargo Securities understood that Parkway and Cousins obtained such advice as they deemed necessary from qualified professionals.

In connection with rendering its opinion, Wells Fargo Securities performed certain financial, comparative and other analyses as summarized below. This summary is not a complete description of the financial analyses performed and factors considered in connection with such opinion. In arriving at its opinion, Wells Fargo Securities did not ascribe a specific value to Parkway or Cousins but rather made its determinations as to the fairness, from a financial point of view, of the exchange ratio on the basis of various financial and comparative analyses taken as a whole. The preparation of a financial opinion is a complex process and involves various determinations as to the most appropriate and relevant methods of financial and comparative analyses and the application of those methods to the particular circumstances. Therefore, a financial opinion is not readily susceptible to summary description.

In arriving at its opinion, Wells Fargo Securities did not attribute any particular weight to any single analysis or factor considered but rather made qualitative judgments as to the significance and relevance of each analysis and factor relative to all other analyses and factors performed and considered and in the context of the circumstances of the particular transaction. Accordingly, the analyses must be considered as a whole, as considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying such opinion. The fact that any specific analysis has been referred to in the summary below is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary. No company is identical to Parkway or Cousins and an evaluation of Wells Fargo Securities analyses is not entirely mathematical; rather, such analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading or other values of the companies reviewed.

In performing its analyses, Wells Fargo Securities considered industry performance, general business and economic conditions and other matters existing as of the date of its opinion, many of which are beyond the control of Parkway, Cousins or any other parties to the Merger and related transactions. None of Parkway, Cousins, Wells Fargo Securities or any other person assumes responsibility if future results are different from those described whether or not any such difference is material. Any estimates contained in these analyses and the ranges of values resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of properties, businesses or securities do not purport to be appraisals or necessarily reflect the prices at which properties, businesses or securities may actually be sold or acquired. Accordingly, the assumptions and estimates used in, and the results derived from, the following analyses are inherently subject to substantial uncertainty.

The following is a summary of the material financial analyses provided on April 28, 2016 to the Parkway board of directors by Wells Fargo Securities in connection with its opinion. **Certain financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of such financial analyses.** In calculating implied exchange ratio reference ranges as reflected in such analyses, Wells Fargo Securities (a) compared the low-end of the approximate implied per share equity value reference ranges derived for Parkway from such analyses to the high-end of the approximate implied per share equity value reference ranges derived for Cousins from such analyses in order to calculate the low-end of the implied exchange ratio reference ranges and (b) compared the high-end of the approximate implied per share equity value reference ranges derived for Parkway from such analyses to the low-end of the approximate implied per share equity value reference ranges derived for Cousins from such analyses in order to calculate the high-end of the implied exchange ratio reference ranges.

Net Asset Value Analyses. Wells Fargo Securities performed separate net asset value analyses of Parkway and Cousins in which Wells Fargo Securities reviewed Parkway s and Cousins respective assets and liabilities based on financial and other information and data, as described below.

Parkway. Wells Fargo Securities performed a net asset value analysis of Parkway based on Parkway s balance sheet data as of March 31, 2016 and other information and data provided by Parkway s management. An estimated aggregate net asset value reference range for Parkway was calculated by taking into account, on an asset-by-asset basis, among other factors, the net operating income of each asset as provided by Parkway s management, market and submarket specific capitalization rates and the asset quality, tenant roster, portfolio location, current occupancy levels and lease maturity profiles of such assets. For purposes of its net asset value analysis, Wells Fargo Securities also took into account, based on Parkway s balance sheet as of March 31, 2016 and other information and data provided by Parkway s management, (i) the total estimated value of Parkway s cash, cash equivalents and other assets, and (ii) the total estimated amount of Parkway s liabilities, including corporate debt, pro rata share of mortgage debt and other liabilities and estimated debt marked-to-market. This analysis indicated an approximate implied per share equity value reference range for Parkway common stock of $16.58 to $19.55.

Cousins. Wells Fargo Securities performed a net asset value analysis of Cousins based on Cousins balance sheet data as of December 31, 2015 and March 31, 2016, publicly available information disclosed in Cousins public filings and other information and data provided by Cousins management. An estimated aggregate net asset value reference range for Cousins was calculated by taking into account, on an asset-by-asset basis, among other factors, the net operating income of each asset as provided by Cousins management, market and submarket specific capitalization rates and the asset quality, tenant roster, portfolio location, current occupancy levels and lease maturity profiles of such assets. For purposes of its net asset value analysis, Wells Fargo Securities also took into account, based on Cousins balance sheet as of March 31, 2016, publicly available information disclosed in Cousins public filings and other information and data provided by Cousins management, (i) the total estimated value of Cousins development projects in progress, cash, cash equivalents and other assets, and (ii) the total estimated amount of Cousins liabilities, including total debt and other liabilities and estimated debt marked-to-market. This analysis indicated an approximate implied per share equity value reference range for Cousins common stock of $10.46 to $12.07.

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Utilizing the approximate implied per share equity value reference ranges derived for Parkway and Cousins described above, Wells Fargo calculated the following approximate implied exchange ratio reference range, as compared to the exchange ratio:

Implied Exchange Ratio Reference Range	Exchange Ratio
1.37x 1.87x	1.63x

Selected Publicly Traded Companies Analyses. Wells Fargo Securities performed separate selected publicly traded companies analyses of Parkway and Cousins in which Wells Fargo Securities reviewed and compared financial and operating data relating to Parkway, Cousins and the selected publicly traded companies listed below.

Parkway. Wells Fargo Securities reviewed and compared financial and operating data relating to Parkway and the following 10 selected U.S. publicly traded office REITs with operations focused primarily in suburban markets that Wells Fargo Securities deemed generally relevant (which we refer to for purposes of this section entitled Opinion of Wells Fargo Securities, LLC as the selected Parkway REITs):

Brandywine Realty Trust

Columbia Property Trust, Inc.

Corporate Office Properties Trust

Cousins

Equity Commonwealth

First Potomac Realty Trust

Franklin Street Properties Corp.

Highwoods Properties, Inc.

Mack-Cali Realty Corporation

Piedmont Office Realty Trust, Inc.

Wells Fargo Securities reviewed closing stock prices on April 27, 2016 of the selected Parkway REITs as multiples of calendar year 2016 and calendar year 2017 estimated FFO per share and estimated FFO per share as adjusted for certain items, including primarily straight-line rent revenues, above market and below market lease amortization and recurring capital expenditures, as applicable (which we refer to for purposes of this section entitled Opinion of Wells Fargo Securities, LLC as AFFO per share). Estimated financial data of the selected Parkway REITs were based on public filings, publicly available research analysts consensus estimates and other publicly available information. Estimated financial data of Parkway was based on the Parkway Forecasts and publicly available research analysts consensus estimates. For purposes of this analysis, mean and median multiples were calculated excluding the highest multiple observed.

The overall low to high calendar year 2016 estimated FFO per share and AFFO per share multiples observed for the selected Parkway REITs were 8.4x to 27.8x (with a mean of 12.3x and a median of 12.4x) and 11.8x to 81.5x (with a mean of 20.0x and a median of 18.0x), respectively, and the overall low to high calendar year 2017 estimated FFO per share and AFFO per share multiples observed for the selected Parkway REITs were 9.5x to 26.9x (with a mean of 11.7x and a median of 11.8x) and 14.5x to 47.1x (with a mean of 19.0x and a median of 16.8x), respectively. Wells Fargo Securities then applied selected ranges of calendar year 2016 estimated FFO per share and AFFO per share multiples of 11.0x to 14.0x and 17.0x to 21.0x, respectively, and selected ranges of calendar year 2017 estimated FFO per share and AFFO per share multiples of 10.5x to 13.5x and 16.0x to 20.0x, respectively, derived from the selected Parkway REITs to corresponding data of Parkway based on the Parkway

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Forecasts. Based on this analysis, Wells Fargo Securities selected approximate implied per share equity value reference ranges for Parkway, based on calendar year 2016 estimated FFO per share and AFFO per share multiples, of $13.00 to $17.00 and, based on calendar year 2017 estimated FFO per share and AFFO per share multiples, of $13.00 to $17.00.

Cousins. Wells Fargo Securities reviewed and compared financial and operating data relating to Cousins and the following 10 selected U.S. publicly traded office REITs with operations focused primarily in suburban markets that Wells Fargo Securities deemed generally relevant (which we refer to for purposes of this section entitled Opinion of Wells Fargo Securities, LLC as the selected Cousins REITs):

Brandywine Realty Trust

Columbia Property Trust, Inc.

Corporate Office Properties Trust

Equity Commonwealth

First Potomac Realty Trust

Franklin Street Properties Corp.

Highwoods Properties, Inc.

Mack-Cali Realty Corporation

Parkway

Piedmont Office Realty Trust, Inc.

Wells Fargo Securities reviewed closing stock prices on April 27, 2016 of the selected Cousins REITs as multiples of calendar year 2016 and calendar year 2017 estimated FFO per share and estimated AFFO per share. Estimated financial data of the selected Cousins REITs were based on public filings, publicly available research analysts consensus estimates and other publicly available information. Estimated financial data of Cousins were based on the Cousins Forecasts and publicly available research analysts consensus estimates. For purposes of this analysis, mean and median multiples were calculated excluding the highest multiple observed.

The overall low to high calendar year 2016 estimated FFO per share and AFFO per share multiples observed for the selected Cousins REITs were 8.4x to 27.8x (with a mean of 12.4x and a median of 12.4x) and 11.8x to 81.5x (with a mean of 21.1x and a median of 18.3x), respectively, and the overall low to high calendar year 2017 estimated FFO per share and AFFO per share multiples observed for the selected Cousins REITs were 9.5x to 26.9x (with a mean of 11.7x and a median of 11.8x) and 14.5x to 47.1x (with a mean of 19.8x and a median of 16.8x), respectively. Wells Fargo Securities then applied selected ranges of calendar year 2016 estimated FFO per share and AFFO per share multiples of 11.5x to 14.5x and 17.0x to 21.0x, respectively, and selected ranges of calendar year 2017 estimated FFO per share and AFFO per share multiples of 10.5x to 13.5x and 16.0x to 20.0x, respectively, derived from the selected Cousins REITs to corresponding data of Cousins based on the Cousins Forecasts. Based on this analysis, Wells Fargo Securities selected approximate implied per share equity value reference ranges for Cousins, based on calendar year 2016 estimated FFO per share and AFFO per share multiples, of $10.00 to $12.00 and, based on calendar year 2017 estimated FFO per share and AFFO per share multiples, of $10.00 to $12.00.

Utilizing the approximate implied per share equity value reference ranges derived for Parkway and Cousins described above, Wells Fargo Securities calculated the following approximate implied exchange ratio reference ranges, as compared to the exchange ratio:

Implied Exchange Ratio Reference Ranges Based on: CY 2016E FFO and AFFO	Implied Exchange Ratio Reference Ranges Based on: CY 2017E FFO and AFFO	Exchange Ratio
1.08x 1.70x	1.08x 1.70x	1.63x

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Dividend Discount Analyses. Wells Fargo Securities performed separate dividend discount analyses of Parkway and Cousins to calculate ranges of implied present values of the distributable cash flows that Parkway and Cousins were forecasted to generate during the last nine months of the fiscal year ending December 31, 2016 through the full fiscal year ending December 31, 2018 utilizing the Parkway Forecasts and the Cousins Forecasts, respectively. Wells Fargo Securities derived implied terminal values by applying to Parkway s and Cousins respective fiscal year ending December 31, 2018 estimated FFO per share a range of latest 12 months terminal FFO per share multiples of 11.0x to 14.0x. Present values (as of March 31, 2016) of distributable cash flows and terminal values were then calculated by Wells Fargo Securities using a cost of equity range of 10.0% to 12.0%. These analyses indicated approximate implied per share equity value reference ranges for Parkway and Cousins of $13.85 to $17.97 and $9.52 to $12.45, respectively.

Utilizing the approximate implied per share equity value reference ranges derived for Parkway and Cousins described above, Wells Fargo Securities calculated the following approximate implied exchange ratio reference range, as compared to the exchange ratio:

Implied Exchange Ratio Reference Range	Exchange Ratio
1.11x 1.89x	1.63x

Other Information. Wells Fargo Securities observed certain additional information that was not considered part of Wells Fargo Securities financial analyses with respect to its opinion but was referenced for informational purposes, including selected publicly available Wall Street research analyst reports relating to Parkway and Cousins and other publicly available information, which indicated, to the extent publicly available, (i) share price targets for (a) Parkway common stock ranging from $15.00 per share to $18.00 per share (with a mean of $16.50 per share and a median of $16.50 per share) and (b) Cousins common stock ranging from $10.00 per share to $12.00 per share (with a mean of $10.75 per share and a median of $10.50 per share) and (ii) net asset value per share targets for (a) Parkway common stock ranging from $16.78 per share to $20.40 per share (with a mean of $17.93 per share and a median of $17.82 per share) and (b) Cousins common stock ranging from $11.05 per share to $12.44 per share (with a mean of $11.77 per share and a median of $11.58 per share).

General

Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Securities, LLC. Wells Fargo Securities is an internationally recognized investment banking firm which is regularly engaged in providing financial advisory services in connection with mergers and acquisitions. Parkway selected Wells Fargo Securities as a financial advisor in connection with the Merger because of its qualifications, reputation and experience generally and particularly in the real estate industry and its familiarity with Parkway and its business. The issuance of Wells Fargo Securities opinion was approved by an authorized committee of Wells Fargo Securities.

Parkway has agreed to pay Wells Fargo Securities for its financial advisory services in connection with the Merger an aggregate fee currently estimated to be approximately $8.5 million, a portion of which was payable upon delivery of its opinion and approximately $7 million of which is contingent upon consummation of the Merger. In addition, at the request of the Parkway board of directors, Wells Fargo & Company and certain of its affiliates expect to arrange and participate in the financing for New Parkway (or an affiliate thereof), for which services Wells Fargo & Company and such affiliates will receive an aggregate fee currently estimated to be approximately $2.4 million, including acting as joint lead arranger and joint bookrunner for, and as a lender under, a senior secured credit facility of New Parkway (or an affiliate thereof). Parkway also has agreed to reimburse certain of Wells Fargo Securities expenses, including fees and disbursements of Wells Fargo Securities counsel, and to indemnify Wells Fargo Securities and certain related parties against certain liabilities, including liabilities under the U.S. federal securities laws, that may arise out of Wells Fargo Securities engagement.

Wells Fargo Securities and its affiliates provide a full range of investment banking and financial advisory, securities trading, brokerage and lending services in the ordinary course of business, for which Wells Fargo Securities and such affiliates receive customary fees and, given certain policies and procedures designed to preserve the independence of Wells Fargo Securities research and credit analysts, the views of such analysts may differ from those reflected in Wells Fargo Securities analyses and opinion. In connection with unrelated matters, Wells Fargo Securities and its affiliates in the past have provided, currently are providing and in the future may provide investment banking and other financial services to Parkway, Cousins and certain of their respective affiliates for which Wells Fargo Securities and its affiliates have received and would expect to receive fees including, during the two-year period prior to the date of Wells Fargo Securities opinion, having acted or acting as (i) in the case of Parkway, (a) financial advisor to Parkway in connection with its acquisition of certain real estate assets, (b) joint bookrunning manager or selling agent for equity offerings of Parkway and (c) joint lead arranger, joint bookrunner and administrative agent for, and as a lender and/or letter of credit provider under, credit facilities of an affiliate of Parkway and (ii) in the case of Cousins, (a) debt placement agent and broker to Cousins for the acquisition and disposition of certain real estate assets, (b) sole bookrunning manager for an equity offering of Cousins and (c) co-documentation agent for, and as a lender under, a credit facility of Cousins. During the two-year period prior to the date of Wells Fargo Securities opinion, Wells Fargo Securities and its affiliates received or expected to receive for the services described in clauses (i)(a) through (c) and (ii)(a) through (c) above aggregate fees of approximately $6.5 million from Parkway and/or certain of its affiliates and approximately $1 million from Cousins, respectively. In addition, Wells Fargo Securities and/or certain of its affiliates currently lease or in the past have leased various properties from Parkway and, as of January 1, 2016, were one of Parkway s 20 largest tenants in terms of annualized rental revenue. Wells Fargo Securities and/or certain of its affiliates also currently lease or in the past have leased various properties from Cousins and, during the fiscal year ended December 31, 2015, were one of Cousins 20 largest office tenants in terms of annualized rental revenue. Wells Fargo Securities and certain of its affiliates may continue to maintain significant commercial (including vendor and/or customer) relationships with Parkway, Cousins and certain of their respective affiliates in the future. In the ordinary course of business, Wells Fargo Securities and its affiliates may actively trade, hold or otherwise effect transactions in the securities or financial instruments (including bank loans or other obligations) of Parkway, Cousins and certain of their respective affiliates for Wells Fargo Securities and its affiliates own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities or financial instruments.

Cousins Unaudited Prospective Financial Information

Cousins does not as a matter of course make public long-term projections as to future revenues, earnings or other results, except for annual FFO guidance, due to, among other reasons, the uncertainty of the underlying assumptions and estimates. In connection with the Merger, Cousins management prepared and provided to the Cousins board of directors in connection with its evaluation of the transaction, and to Goldman Sachs, its financial advisor, in connection its financial analyses described above under the section entitled Opinion of Cousins Financial Advisor Opinion of Goldman, Sachs & Co., certain nonpublic, internal financial projections regarding Cousins future operations for fiscal years 2016 through 2018, financial projections regarding Cousins future operations on a standalone basis for fiscal years 2016 through 2018, after giving effect to the Merger, the Spin-Off, the Separation, the UPREIT Reorganization and the proceeds of financing incurred in connection with the Merger and the Spin-Off, and financial projections regarding New Parkway s future operations for fiscal years 2016 through 2018, after giving effect to the Merger, the Spin-Off, the Separation, the UPREIT Reorganization and the proceeds of financing incurred in connection with the Merger and the Spin-Off. As described below, certain of these financial projections were also provided to Parkway and its financial advisors, BofA Merrill Lynch and Wells Fargo Securities, for their use and reliance in connection with their respective financial analyses and opinions. For more information, see Background of the Merger, Opinions of Parkway s Financial Advisors Opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Opinions of Parkway s Financial Advisors Opinion of Wells Fargo Securities, LLC. In addition, in connection with the Merger, Cousins management prepared and provided to the Cousins board of directors and Goldman Sachs certain nonpublic, internal financial projections regarding Parkway s projected future operations for fiscal years 2016 through 2018 for purposes of evaluating Parkway and the Merger, which were prepared based on the Parkway Management Projections (as hereinafter defined), as adjusted by Cousins management. For more information, see Parkway Unaudited Prospective Financial Information. Cousins has included below a summary of these projections for the purpose of providing stockholders and investors access to certain nonpublic information that was furnished to certain parties in connection with the Merger, and such information may not be appropriate for other purposes, and is not included to influence your decision, if you are a Cousins stockholder, to vote for the Cousins Issuance Proposal, the Cousins Articles Amendment Proposal, or, if you are a Parkway stockholder, to vote for the Parkway Merger Proposal or the Parkway Compensation Proposal.

These internal financial projections were not prepared with a view toward public disclosure, nor were they prepared with a view toward compliance with published guidelines established by the American Institute of Certified Public Accountants for preparation and presentations of financial projections. This information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this joint proxy statement/prospectus are cautioned not to place undue reliance on the prospective financial information. The prospective financial information included in this section of the joint proxy statement/prospectus has been prepared by, and is the responsibility of, Cousins management. Neither the independent registered public accounting firm of Cousins, nor any independent accountants, have examined, compiled or performed any procedures with respect to the accompanying prospective financial information and, accordingly, the independent registered accounting firm of Cousins does not express an opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information. The independent registered public accounting firm s report, contained in the Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference into this joint proxy statement/prospectus, relates to Cousins historical financial information. It does not extend to the unaudited prospective financial information and should not be read to do so. Furthermore, the unaudited prospective financial information does not take into account any circumstances or events occurring after the date it was prepared.

While presented with numeric specificity, these internal financial projections were based on numerous variables and assumptions (including, but not limited to, the assumption that each of Cousins and Parkway would not engage in any acquisitions other than the Merger, other than in connection with certain planned developments, and other assumptions related to industry performance and general business, economic, market and financial conditions and additional matters specific to Cousins and Parkway s businesses, as applicable) that are inherently subjective and uncertain and are beyond the control of Cousins management. Important factors that may affect actual results and cause these internal financial projections to not be achieved include, but are not limited to, risks and uncertainties relating to Cousins and Parkway s businesses (including their ability to achieve strategic goals, objectives and targets over applicable periods), industry performance, general business and economic conditions and other factors described in the sections entitled Cautionary Statement Regarding Forward-Looking Statements and Risk Factors, beginning on page 57. These internal financial projections also reflect numerous variables, expectations and assumptions available at the time they were prepared as to certain business decisions that are subject to change. As a result, actual results may differ materially from those contained in these internal financial projections. Accordingly, there can be no assurance that the projected results summarized below will be realized. Cousins stockholders and Parkway stockholders are urged to review the most recent SEC filings of Cousins for a description of the reported and anticipated results of operations and financial condition and capital resources during 2016, including in Management s Discussion and Analysis of Financial Condition and Results of Operations in Cousins Annual Report on Form 10-K for the year ended December 31, 2015, and subsequent quarterly reports on Form 10-Q, which are incorporated by reference into this joint proxy statement/prospectus.

The inclusion of a summary of these internal financial projections in this joint proxy statement/prospectus should not be regarded as an indication that any of Cousins, Parkway or their respective officers, directors, affiliates, advisors or other representatives considered these internal financial projections to necessarily be predictive of actual future events, and these internal financial projections should not be relied upon as such nor should the information contained in these internal financial projections be considered appropriate for other purposes. None of Cousins, Parkway or their respective officers, directors, affiliates, advisors or other representatives can give you any assurance that actual results will not differ materially from these internal financial projections. Cousins undertakes no obligation to update or otherwise revise or reconcile these internal financial projections to reflect circumstances existing after the date these internal financial projections were generated or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying these projections are shown to be in error. Since the projections cover multiple years, such information by its nature becomes less predictive with each successive year.

Cousins and Parkway may calculate certain non-GAAP financial metrics, including NOI, EBITDA, FFO and FAD, using different methodologies. Consequently, the financial metrics presented in each company s prospective financial information disclosures and in the sections of this joint proxy statement/prospectus with respect to the opinions of the financial advisors to Cousins and Parkway may not be directly comparable to one another.

Cousins has not made and makes no representation to Parkway or any stockholder in the Merger Agreement or otherwise, concerning these internal financial projections or regarding Cousins ultimate performance compared to the information contained in these internal financial projections or that the projected results will be achieved. Cousins urges all stockholders to review Cousins most recent SEC filings for a description of Cousins reported financial results.

Cousins Standalone Projections

The following is a summary of the unaudited Cousins prospective financial information for calendar years ended 2016 through 2018, prepared by Cousins management (which we refer to as the Cousins Standalone Projections). The Cousins Standalone Projections were prepared by Cousins management beginning on March 7, 2016, and are based solely on the information available to Cousins management at that time. The Cousins Standalone Projections were finalized on April 24, 2016.

The Cousins Standalone Projections were based on numerous variables and assumptions, including the variables and assumptions discussed above as well as the following material assumptions: (1) Cousins does not make any acquisitions throughout the projection period, other than in connection with certain planned developments; (2) Cousins completes planned developments of certain of its properties, including the headquarters of NCR Corporation, the headquarters of Dimensional Fund Advisors, the Avalon project in Alpharetta, Georgia and a development in Downtown Decatur, Georgia; (3) Cousins disposes of the American Cancer Society building in late 2017 and disposes of none of its properties in 2018; (4) Cousins refinances certain of its properties, including a mortgage on the Colorado Tower in 2016, based on a 65% loan to value (which we refer to as LTV), a mortgage loan on the Fifth Third Center in 2017, based on a 65% LTV and a refinancing of the 191 Peachtree mortgage loan in 2018, based on a 65% LTV; and (5) Cousins pays out a dividend that equates to 70% of funds available for distribution (which we refer to as FAD) over the projection period (see Footnote 4 to the table below for a definition of FAD). The Cousins Standalone Projections do not give effect to the Merger, the Spin-Off, the Separation, the UPREIT Reorganization or the proceeds of financing incurred in connection with the Merger and the Spin-Off.

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The Cousins Standalone Projections were provided to the Cousins board of directors and its financial advisor, Goldman Sachs, and to Parkway and its financial advisors, BofA Merrill Lynch and Wells Fargo Securities. For more information, see Background of the Merger. The following table presents a summary of the Cousins Standalone Projections, as prepared by Cousins management, with all figures rounded to the nearest million.

	Year Ended December 31,		
	2016E	2017E	2018E
		(in millions)	
Net Operating Income (NOI)(1)	$ 241	$ 267	$ 295
EBITDA(2)	$ 223	$ 250	$ 271
Funds from Operations (FFO)(3)	$ 184	$ 207	$ 225
Funds Available for Distribution (FAD)(4)	$ 99	$ 105	$ 153

(1) Cousins defines net operating income (NOI) as rental property revenues less rental property operating expenses, excluding other components of GAAP net income: fee income, reimbursed expenses, general and administrative expenses, interest expense, depreciation and amortization, acquisition and related costs and other costs and expenses. NOI is a non-GAAP financial measure and should not be considered as an alternative to net income as a measure of operating performance. Cousins does not provide guidance on NOI in its public filings.

(2) Cousins defines EBITDA as funds from operations plus consolidated and Cousins share of unconsolidated interest expense, non-real estate depreciation and amortization, income taxes, impairment losses, predevelopment charges, loss on debt extinguishment, gain on sale of third party business, participation interest income, acquisition and related costs and preferred stock dividends and original issuance costs. EBITDA is a non-GAAP financial measure and should not be considered as an alternative to operating income or net income as a measure of operating performance or cash flows or as a measure of liquidity. Cousins does not provide guidance on EBITDA in its public filings.

(3) Cousins defines Funds from Operations Available to Common Stockholders (FFO) in accordance with the National Association of Real Estate Investment Trusts definition, 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 or losses from sales of depreciable real property, plus depreciation and amortization of real estate assets, impairment losses on depreciable investment property and after adjustments for unconsolidated partnerships and joint ventures to reflect FFO on the same basis. FFO is a non-GAAP financial measure and should not be considered as an alternative to net income as a measure of operating performance.

(4) Cousins defines Funds Available for Distribution (FAD) as FFO, adjusted to exclude the effect of straight-line rent and above and below market lease amortization less 2nd generation tenant improvements and leasing costs and building capital expenditures, which are those expenditures necessary for operating and maintaining existing properties at historic performance levels. FAD is a non-GAAP financial measure and should not be considered as an alternative to net income as a measure of operating performance or cash provided by operating activities as a cashflow measurement. Cousins does not provide guidance on FAD in its public filings.

Parkway Adjusted Standalone Projections

The following is a summary of the Parkway Management Projections (as hereinafter defined), which were provided to Cousins management by Parkway s management, and thereafter adjusted by Cousins management (we refer to these projections, as adjusted by Cousins management, as the Parkway Adjusted Standalone Projections). For more information regarding the Parkway Management Projections, see Parkway Unaudited Prospective Financial Information. The Parkway Adjusted Standalone Projections were prepared by Cousins management beginning on

April 13, 2016, and are based solely on the information available to Cousins management at that time. The Parkway Adjusted Standalone Projections were finalized on April 24, 2016.

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The Parkway Adjusted Standalone Projections were also based on numerous variables and assumptions, including the variables and assumptions discussed above as well as the following material assumptions: (1) Parkway completes planned asset sales in Jacksonville and Miami, Florida, and Philadelphia, Pennsylvania; (2) Parkway does not engage in any further asset sales or acquisitions; (3) Parkway maintains net debt of $1.23 billion as of June 30, 2016; and (4) Parkway pays down or refinances existing debt of $161 million in 2016, $142 million in 2017 and $185 million in 2018. In addition, Cousins management adjusted the Parkway Management Projections to conform the metrics in the Parkway Management Projections to comparable metrics in certain Cousins projections, based on the definitions of certain terms used by Cousins in its own projections. The Parkway Adjusted Standalone Projections do not give effect to the Merger, the Spin-Off, the Separation, the UPREIT Reorganization or the proceeds of financing incurred in connection with the Merger and the Spin-Off.

The Parkway Adjusted Standalone Projections were provided to the Cousins board of directors and its financial advisor, Goldman Sachs, but were not provided to Parkway or its financial advisors, BofA Merrill Lynch and Wells Fargo Securities. For more information, see Background of the Merger. The following table presents a summary of the Parkway Adjusted Standalone Projections, as prepared by Cousins management.

	Year Ended December 31,		
	2016E	2017E (in millions)	2018E
Net Operating Income (NOI)(1)	$ 236.8	$ 248.7	$ 261.3
EBITDA(2)	$ 206.7	$ 216.6	$ 228.0
Funds from Operations (FFO)(3)	$ 144.3	$ 158.3	$ 174.1
Funds Available for Distribution (FAD)(4)	$ 56.6	$ 67.3	$ 109.4

(1) Cousins defines net operating income (NOI) as rental property revenues less rental property operating expenses, excluding other components of GAAP net income: fee income, reimbursed expenses, general and administrative expenses, interest expense, depreciation and amortization, acquisition and related costs and other costs and expenses. NOI is a non-GAAP financial measure and should not be considered as an alternative to net income as a measure of operating performance. Cousins does not provide guidance on NOI in its public filings.

(2) Cousins defines EBITDA as funds from operations plus consolidated and Cousins share of unconsolidated interest expense, non-real estate depreciation and amortization, income taxes, impairment losses, predevelopment charges, loss on debt extinguishment, gain on sale of third party business, participation interest income, acquisition and related costs and preferred stock dividends and original issuance costs. EBITDA is a non-GAAP financial measure and should not be considered as an alternative to operating income or net income as a measure of operating performance or cash flows or as a measure of liquidity. Cousins does not provide guidance on EBITDA in its public filings.

(3) Cousins defines Funds from Operations Available to Common Stockholders (FFO) in accordance with the National Association of Real Estate Investment Trusts definition, 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 or losses from sales of depreciable real property, plus depreciation and amortization of real estate assets, impairment losses on depreciable investment property and after adjustments for unconsolidated partnerships and joint ventures to reflect FFO on the same basis. FFO is a non-GAAP financial measure and should not be considered as an alternative to net income as a measure of operating performance.

(4) Cousins defines Funds Available for Distribution (FAD) as FFO, adjusted to exclude the effect of straight-line rent and above and below market lease amortization less 2nd generation tenant improvements and leasing costs

and building capital expenditures, which are those expenditures necessary for operating and maintaining existing properties at historic performance levels. FAD is a non-GAAP financial measure and should not be considered as an alternative to net income as a measure of operating performance or cash provided by operating activities as a cashflow measurement. Cousins does not provide guidance on FAD in its public filings.

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New Cousins Projections

The following is a summary of the unaudited prospective financial information reflecting a combination of Cousins and Parkway, for calendar years ended 2016 through 2018, prepared by Cousins management (which we refer to as the New Cousins Projections). The New Cousins Projections were prepared by Cousins management, beginning on March 7, 2016 and are based solely on the information available to Cousins management at that time. The New Cousins Projections were finalized on April 24, 2016,

The New Cousins Projections were based on numerous variables and assumptions, including the variables and assumptions discussed above as well as the following material assumptions: (1) the closing of the Merger and the Spin-Off on June 30, 2016; (2) certain levels of cash flows from Cousins and Parkway properties, based on existing leases and Cousins managements assumptions for new and renewal leases; (3) the incurrence by Cousins of an additional $4 million in incremental general and administrative expense to manage Parkway s portfolio; (4) a diluted share count of 402 million shares; (5) the absence of other acquisitions by Cousins throughout the projection period, other than the Merger and in connection with certain planned developments; (6) the maintenance by Parkway of net debt of $1.23 billion as of June 30, 2016; and (7) the transfer by New Parkway of $200 million in cash from the proceeds of financing incurred by New Parkway to Cousins in connection with the Spin-Off. The New Cousins Projections were prepared based on a combination of the Cousins Standalone Projections and the Parkway Adjusted Standalone Projections, excluding all Houston-based assets of Cousins and Parkway and any potential general and administrative expense synergies, prior to the assumed June 30, 2016 close. Following the assumed June 30, 2016 close, the New Cousins Projections give effect to the Merger, the Spin-Off, the Separation, the UPREIT Reorganization and the proceeds of financing incurred in connection with the Merger and the Spin-Off.

The New Cousins Projections were provided to the Cousins board of directors and its financial advisor, Goldman Sachs, but were not provided to Parkway or its financial advisors, BofA Merrill Lynch and Wells Fargo Securities. For more information, see Background of the Merger. The following table presents a summary of the New Cousins Projections, as prepared by Cousins management.

	Year Ended December 31,		
	2016E	**2017E**	**2018E**
		(in millions)	
Net Operating Income (NOI)(1)	$ 310.8	$ 331.6	$ 354.3
EBITDA(2)	$ 284.2	$ 312.7	$ 328.7
Funds from Operations (FFO)(3)	$ 217.0	$ 258.9	$ 265.5
Funds Available for Distribution (FAD)(4)	$ 91.6	$ 150.3	$ 189.0

(1) Cousins defines net operating income (NOI) as rental property revenues less rental property operating expenses, excluding other components of GAAP net income: fee income, reimbursed expenses, general and administrative expenses, interest expense, depreciation and amortization, acquisition and related costs and other costs and expenses. NOI is a non-GAAP financial measure and should not be considered as an alternative to net income as a measure of operating performance. Cousins does not provide guidance on NOI in its public filings.

(2) Cousins defines EBITDA as funds from operations plus consolidated and Cousins share of unconsolidated interest expense, non-real estate depreciation and amortization, income taxes, impairment losses, predevelopment charges, loss on debt extinguishment, gain on sale of third party business, participation interest income, acquisition and related costs and preferred stock dividends and original issuance costs. EBITDA is a non-GAAP

financial measure and should not be considered as an alternative to operating income or net income as a measure of operating performance or cash flows or as a measure of liquidity. Cousins does not provide guidance on EBITDA in its public filings.

(3) Cousins defines Funds from Operations Available to Common Stockholders (FFO) in accordance with the National Association of Real Estate Investment Trusts definition, 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 or losses from sales of depreciable real property, plus depreciation and amortization of real estate assets, impairment losses on depreciable investment property and after adjustments for unconsolidated partnerships and joint ventures to reflect FFO on the same basis. FFO is a non-GAAP financial measure and should not be considered as an alternative to net income as a measure of operating performance.

(4) Cousins defines Funds Available for Distribution (FAD) as FFO, adjusted to exclude the effect of straight-line rent and above and below market lease amortization less 2nd generation tenant improvements and leasing costs and building capital expenditures, which are those expenditures necessary for operating and maintaining existing properties at historic performance levels. FAD is a non-GAAP financial measure and should not be considered as an alternative to net income as a measure of operating performance or cash provided by operating activities as a cashflow measurement. Cousins does not provide guidance on FAD in its public filings.

New Parkway Projections

The following is a summary of the unaudited prospective financial information for New Parkway, for calendar years ended 2016 through 2018, prepared by Cousins management (which we refer to as the New Parkway Projections). The New Parkway Projections were prepared by Cousins management beginning on March 7, 2016, and are based solely on the information available to Cousins management at that time. The New Parkway Projections were finalized on April 24, 2016.

The New Parkway Projections were based on numerous variables and assumptions, including the variables and assumptions discussed above, as well as the following material assumptions: (1) certain levels of cash flows from Cousins and Parkway properties, based on existing leases and Cousins management s assumptions for new and renewal leases; (2) $14 million of general and administrative expenses at New Parkway; (3) a share count of 402 million shares; (4) the use of $150 million of cash to fund acquisitions; (5) the incurrence of a $350 million new term loan financing, and the transfer of $200 million of the proceeds of such financing to Cousins LP; (6) the refinancing of mortgage debt on San Felipe Plaza, based on a 65% LTV; and (7) a dividend per share of New Parkway common stock of $0.06. The New Parkway Projections give effect to the Merger, the Spin-Off, the Separation, the UPREIT Reorganization and the proceeds of financing incurred in connection with the Merger and the Spin-Off.

The New Parkway Projections were provided to the Cousins board of directors and its financial advisor, Goldman Sachs, but were not provided to Parkway or its financial advisors, BofA Merrill Lynch and Wells Fargo Securities. For more information, see Background of the Merger. The following table presents a summary of the New Parkway Projections, as prepared by Cousins management.

	Year Ended December 31,		
	2016E	**2017E**	**2018E**
		(in millions)	
Net Operating Income (NOI)[(1)]	$ 164.0	$ 179.9	$ 195.4
EBITDA[(2)]	$ 150.0	$ 165.9	$ 181.4
Funds from Operations (FFO)[(3)]	$ 127.0	$ 140.8	$ 156.1
Funds Available for Distribution (FAD)[(4)]	$ 71.2	$ 51.6	$ 92.4

(1) Cousins defines net operating income (NOI) as rental property revenues less rental property operating expenses, excluding other components of GAAP net income: fee income, reimbursed expenses, general and administrative expenses, interest expense, depreciation and amortization, acquisition and related costs and other costs and

expenses. NOI is a non-GAAP financial measure and should not be considered as an alternative to net income as a measure of operating performance. Cousins does not provide guidance on NOI in its public filings.

(2) Cousins defines EBITDA as funds from operations plus consolidated and Cousins share of unconsolidated interest expense, non-real estate depreciation and amortization, income taxes, impairment losses,

predevelopment charges, loss on debt extinguishment, gain on sale of third party business, participation interest income, acquisition and related costs and preferred stock dividends and original issuance costs. EBITDA is a non-GAAP financial measure and should not be considered as an alternative to operating income or net income as a measure of operating performance or cash flows or as a measure of liquidity. Cousins does not provide guidance on EBITDA in its public filings.

(3) Cousins defines Funds from Operations Available to Common Stockholders (FFO) in accordance with the National Association of Real Estate Investment Trusts definition, 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 or losses from sales of depreciable real property, plus depreciation and amortization of real estate assets, impairment losses on depreciable investment property and after adjustments for unconsolidated partnerships and joint ventures to reflect FFO on the same basis.

(4) Cousins defines Funds Available for Distribution (FAD) as FFO, adjusted to exclude the effect of straight-line rent and above and below market lease amortization less 2nd generation tenant improvements and leasing costs and building capital expenditures, which are those expenditures necessary for operating and maintaining existing properties at historic performance levels. FAD is a non-GAAP financial measure and should not be considered as an alternative to net income as a measure of operating performance or cash provided by operating activities as a cashflow measurement. Cousins does not provide guidance on FAD in its public filings.

Parkway Unaudited Prospective Financial Information

Parkway does not as a matter of course make public long-term projections as to future revenues, earnings or other results, due to, among other reasons, the uncertainty of the underlying assumptions and estimates. In connection with the Merger, Parkway s management prepared and provided to the Parkway board of directors and Parkway s financial advisors, BofA Merrill Lynch and Wells Fargo Securities, for their use and reliance in connection with their respective financial analyses and opinions, certain nonpublic, internal financial projections regarding Parkway s future operations for fiscal years 2016 through 2018. As described below, these financial projections were also provided to Cousins and its financial advisor, Goldman Sachs, in connection with its financial analyses and opinion. For more information, see Background of the Merger. Parkway has included below a summary of these projections for the purpose of providing stockholders and investors access to certain nonpublic information that was furnished to certain parties in connection with the Merger, and such information may not be appropriate for other purposes, and is not included to influence your decision, if you are a Parkway stockholder, to vote for the Parkway Merger Proposal or the Parkway Compensation Proposal, or, if you are a Cousins stockholder, to vote for the Cousins Issuance Proposal or the Cousins Articles Amendment Proposal.

These internal financial projections were not prepared with a view toward public disclosure, nor were they prepared with a view toward compliance with published guidelines established by the American Institute of Certified Public Accountants for preparation and presentations of financial projections, but in the view of management, were prepared on a reasonable basis and reflect the best judgments and estimates available at the time they were prepared. The prospective financial information requires significant estimates and assumptions that make it inherently less comparable to the similarly titled GAAP measures in Parkway s historical GAAP financial statements. The prospective financial information included in this joint proxy statement/prospectus has been prepared by, and is the responsibility of, Parkway s management. Ernst & Young LLP (which we refer to as E&Y), Parkway s independent registered public accounting firm, has neither examined, compiled nor performed any procedures with respect to the accompanying prospective financial information and, accordingly, E&Y does not express an opinion or any other form of assurance with respect thereto. The report of E&Y, Parkway s independent registered public accounting firm, contained in the Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference into this joint proxy statement/prospectus, relates to Parkway s historical financial information. It does not extend to the unaudited prospective financial information and should not be read to do so. Furthermore, the unaudited prospective financial information does not take into account any circumstances or events occurring after the date it was prepared.

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While presented with numeric specificity, these internal financial projections were based on numerous variables and assumptions (including but not limited to the assumption that Parkway has sold three assets, the Stein Mart Building in Jacksonville, Florida, Two Liberty Place in Philadelphia, Pennsylvania and Lincoln Place in Miami, Florida, and other assumptions related to industry performance and general business, economic, market and financial conditions and additional matters specific to Parkway) that are inherently subjective and uncertain and are beyond the control of Parkway s management. Important factors that may affect actual results and cause these internal financial projections to not be achieved include, but are not limited to, risks and uncertainties relating to Parkway s and Cousins business (including its ability to achieve strategic goals, objectives and targets over applicable periods), industry performance, general business, economic, competitive, regulatory and financial market conditions and other factors described in the sections entitled Cautionary Statement Regarding Forward-Looking Statements, and Risk Factors, beginning on page 57 and the risks described in the periodic reports filed by Parkway with the SEC, which reports can be found as described under Where You Can Find More Information. These internal financial projections also reflect numerous variables, expectations and assumptions available at the time they were prepared as to certain business decisions that are subject to change. As a result, actual results may differ materially from those contained in these internal financial projections. Accordingly, there can be no assurance that the projected results summarized below will be realized. Parkway stockholders and Cousins stockholders are urged to review the most recent SEC filings of Parkway for a description of the reported and anticipated results of operations and financial condition and capital resources during 2016, including in Management s Discussion and Analysis of Financial Condition and Results of Operations in Parkway s Annual Report on Form 10-K for the year ended December 31, 2015, and subsequent quarterly reports on Form 10-Q, which are incorporated by reference into this joint proxy statement/prospectus.

The inclusion of a summary of these internal financial projections in this joint proxy statement/prospectus should not be regarded as an indication that any of Parkway, Cousins or their respective officers, directors, affiliates, advisors or other representatives considered these internal financial projections to necessarily be predictive of actual future events, and these internal financial projections should not be relied upon as such nor should the information contained in these internal financial projections be considered appropriate for other purposes. None of Parkway, Cousins or their respective officers, directors, affiliates, advisors or other representatives can give you any assurance that actual results will not differ materially from these internal financial projections. Parkway undertakes no obligation to update or otherwise revise or reconcile these internal financial projections to reflect circumstances existing after the date these internal financial projections were generated or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying these projections are shown to be in error. Since the projections cover multiple years, such information by its nature becomes less predictive with each successive year.

Parkway and Cousins may calculate certain non-GAAP financial metrics, including NOI, EBITDA, FFO and FAD, using different methodologies. Consequently, the financial metrics presented in each company s prospective financial information disclosures and in the sections of this joint proxy statement/prospectus with respect to the opinions of the financial advisors to Parkway and Cousins may not be directly comparable to one another.

Parkway has not made and makes no representation to any Parkway stockholder or Cousins stockholder in the Merger Agreement or otherwise, concerning these internal financial projections or regarding Parkway s ultimate performance compared to the information contained in these internal financial projections or that the projected results will be achieved. Parkway urges all stockholders to review Parkway s most recent SEC filings for a description of Parkway s reported financial results.

Parkway Management Projections

The following is a summary of the unaudited prospective financial information for Parkway for the calendar years ended 2016 through 2018 prepared by Parkway s management (which we refer to as the Parkway Management

Projections). The Parkway Management Projections were prepared by Parkway s management beginning on January 21, 2016 and are based solely on the information available to Parkway s management at that time. The Parkway Management Projections were finalized on April 12, 2016.

The Parkway Management Projections were based on numerous variables and assumptions, including the variables and assumptions discussed above, as well as the following material assumptions: (1) the anticipated sales of three assets, the Stein Mart Building in Jacksonville, Florida, Two Liberty Place in Philadelphia, Pennsylvania and Lincoln Place in Miami, Florida; (2) cash flow projections based on Parkway s business plan for 2016 through 2018; (3) certain levels of property-level NOI and capital costs based on property-specific assumptions; (4) scheduled amortization for existing debt, with no refinancing upon maturity; (5) no share issuances or buybacks during the projections period; and (6) an annual dividend on Parkway common stock of $0.75, Parkway s current dividend rate, during the projections period. The Parkway Management Projections do not give effect to the Merger, the Spin-Off, the Separation, the UPREIT Reorganization and the proceeds of financing incurred in connection with the Merger and the Spin-Off.

The Parkway Management Projections were provided to the Parkway board of directors and Parkway s financial advisors, BofA Merrill Lynch and Wells Fargo Securities. The Parkway Management Projections were also provided to the Cousins board of directors and Cousins financial advisor, Goldman Sachs. The following table presents a summary of the Parkway Management Projections for the fiscal years ending 2016 through 2018 for Parkway on a standalone basis and include Parkway s share of partnerships and joint ventures.

	Year Ending December 31,		
	2016E	**2017E**	**2018E**
	(in millions, except per share data)		
Net Operating Income (NOI)[(1)]	$ 233.5	$ 237.3	$ 258.7
Adjusted EBITDA[(2)]	$ 210.9	$ 210.4	$ 231.5
Funds from Operations (FFO)[(3)]	$ 143.9	$ 153.8	$ 175.4
Funds from Operations (FFO) per common share	$ 1.23	$ 1.32	$ 1.50
Funds Available for Distribution (FAD)[(4)]	$ 46.5	$ 53.8	$ 109.5
Funds Available for Distribution (FAD) per common share	$ 0.40	$ 0.46	$ 0.94
Dividends per common share	$ 0.75	$ 0.75	$ 0.75

(1) Parkway defines net operating income (NOI) as income from office properties less property operating expenses. NOI is a non-GAAP financial measure and should not be considered as an alternative to net income as a measure of operating performance.

(2) Parkway defines Adjusted EBITDA as net income before interest expense, income taxes and depreciation and amortization expense, acquisition costs, gains and losses on early extinguishment of debt, impairment of real estate, share-based compensation expense, realignment expenses, and gains and losses on sales of real estate. Adjusted EBITDA does not represent cash generated from operating activities in accordance with GAAP, and should not be considered an alternative to operating income or net income as an indicator of performance or as an alternative to cash flows from operating activities as an indicator of liquidity. Adjusted EBITDA measures 100% of the operating performance of Parkway LP in which Parkway owns an interest. Parkway does not provide guidance on EBITDA in its public filings.

(3)

Parkway defines funds from operations (FFO) in accordance with the National Association of Real Estate Investment Trusts definition, which is net income (computed in accordance with GAAP), reduced by preferred dividends, excluding gains or losses from the sale of previously depreciable real estate assets, impairment charges related to depreciable real estate under GAAP, plus depreciation and amortization related to depreciable real estate, and after adjustments to derive Parkway s pro rata share of FFO of consolidated and unconsolidated joint ventures. Further, Parkway does not adjust FFO to eliminate the effects of non-recurring charges. FFO measures 100% of the operating performance of Parkway LP, in which Parkway owns an interest. FFO is a non-GAAP financial measure and should not be considered as an alternative to net income as a measure of operating performance.

(4) Parkway defines funds available for distribution (FAD) as FFO, excluding straight line rent adjustments, amortization of above and below market leases, share-based compensation expense, acquisition costs, amortization of loan costs, other non-cash charges, gain or loss on extinguishment of debt, amortization of mortgage interest premium and reduced by recurring non-revenue enhancing capital expenditures for building improvements, tenant improvements and leasing costs. Adjustments for Parkway s share of partnerships and joint ventures are included in the computation of FAD on the same basis. FAD is a non-GAAP financial measure and should not be considered as an alternative to net income as a measure of operating performance or cash provided by operating activities as a cashflow measurement. Parkway does not provide guidance on FAD in its public filings.

Interests of Cousins Directors and Executive Officers in the Merger

In addition to their interests in the Merger as stockholders, the directors and executive officers of Cousins have interests in the Merger that may be different from, or in addition to, those of Cousins stockholders generally. The Cousins board of directors was aware of these interests and considered them, among other matters, in approving the Merger Agreement.

Pursuant to the Merger Agreement, at the effective time of the Merger, the Cousins board of directors will have nine members, with Mr. Taylor Glover continuing as the chairman of the Cousins board of directors. The Cousins board of directors at the effective time of the Merger will consist of five directors, Mr. Taylor Glover, Mr. Larry Gellerstedt, Mr. Robert Chapman, Ms. Donna Hyland and Ms. Lillian Giornelli, designated by the Cousins board of directors prior to the effective time of the Merger, three directors designated by the Parkway board of directors prior to the effective time of the Merger and one director designated by TPG Pantera pursuant to the Cousins stockholders agreement. For more information, see The Merger Agreements with the TPG Parties Cousins Stockholders Agreement.

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions of the Merger Agreement, at the effective time of the Merger, the New Parkway board of directors will have seven members. The New Parkway board of directors at the effective time of the Merger will consist of three directors, Mr. R. Dary Stone, Mr. James Hance Jr. and Mr. Craig B. Jones, designated by the Cousins board of directors prior to the effective time of the Merger, two directors designated by the Parkway board of directors prior to the effective time of the Merger and two directors designated by TPG Pantera pursuant to the New Parkway stockholders agreement with New Parkway. For more information, see The Merger Agreements with the TPG Parties New Parkway Stockholders Agreement.

Pursuant to the Merger Agreement, and on the terms and subject to the conditions of the Merger Agreement, following the Merger, the senior leadership team of Cousins will include Mr. Larry Gellerstedt as president and chief executive officer, Mr. Gregg Adzema as executive vice president and chief financial officer, Mr. John McColl as executive vice president, Mr. Colin Connolly as executive vice president and chief operating officer, Ms. Pamela Roper as senior vice president and general counsel and Mr. Jay Harris as senior vice president and chief accounting officer. None of the senior leadership team of Cousins will hold positions with New Parkway following the Merger and the Spin-Off.

Interests of Parkway Directors and Executive Officers in the Merger

In addition to their interests in the Merger as stockholders, the directors and executive officers of Parkway have interests in the Merger that may be different from, or in addition to, those of Parkway stockholders generally. The Parkway board of directors was aware of these interests and considered them, among other matters, in approving the Merger Agreement and making its recommendations that the Parkway stockholders approve the Merger Agreement.

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Directorships and Officer Positions

Pursuant to the Merger Agreement, and on the terms subject to the conditions of the Merger Agreement, the parties have agreed that, at the effective time of the Merger, the Cousins board of directors will have nine members, including three directors, Ms. Brenda J. Mixson, Mr. Charles T. Cannada and Mr. Edward M. Casal, designated by the Parkway board of directors prior to the effective time of the Merger, and one director, Mr. Kelvin L. Davis, designated by TPG Pantera pursuant to the Cousins stockholders agreement. The TPG Pantera designee will also be appointed to the Investment Committee of the Cousins board of directors. For more information, see The Merger Agreements with the TPG Parties Cousins Stockholders Agreement.

Pursuant to the Merger Agreement, and on the terms subject to the conditions of the Merger Agreement, the parties have agreed that, at the effective time of the Merger, the New Parkway board of directors will have seven members, with James A. Thomas, Parkway s chairman of the board, serving as chairman of the board of directors of New Parkway. The New Parkway board of directors will include two directors, Mr. James A. Thomas and Mr. James R. Heistand, designated by the Parkway board of directors prior to the effective time of the Merger, and two directors, Mr. Avi Banyasz and Mr. Frank J. Tripp Johnson, designated by TPG Pantera pursuant to the New Parkway stockholders agreement. The TPG Pantera designees to the New Parkway board of directors will be appointed to the Investment Committee of the New Parkway board of directors and one of the TPG Pantera designees to the New Parkway board of directors will be appointed to the Compensation Committee of the New Parkway board of directors.

Mr. James R. Heistand, the president and chief executive officer of Parkway, will be the president and chief executive officer of New Parkway. Messrs. M. Jayson Lipsey, Scott E. Francis and Jason A. Bates, executive officers of Parkway, are also expected to become executive officers of New Parkway.

Employment Agreements

Parkway has entered into employment agreements with each of its executive officers, Messrs. Heistand, Lipsey, O Reilly, Dorsett, Francis, and Bates, pursuant to which the executive officer may become entitled to certain payments or benefits upon the consummation of a change in control and/or upon a qualifying termination of employment that occurs within a certain period of time prior to or following a change in control. The Merger will constitute a change in control under each such employment agreement.

Employment Agreement with James R. Heistand. Pursuant to his employment agreement, if Mr. Heistand s employment is terminated by Parkway without cause, by Mr. Heistand for good reason or as a result of Mr. Heistand s death or disability (as such terms are defined in Mr. Heistand s employment agreement), in each case within the 90 days prior to or the two-year period following a change in control, Mr. Heistand is entitled to (i) an amount equal to 2.9 times the sum of (A) his then-current base salary plus (B) his then-current target bonus, payable in a lump sum following his termination of employment if the change in control constitutes a change in the ownership or effective control of Parkway or a change in the ownership of a substantial portion of Parkway s assets within the meaning of Section 409A of the Code or in equal installments over a 12-month period if it does not and (ii) continued coverage for him and his eligible dependents under Parkway s group health plans for up to 18 months following his termination of employment. The Merger would constitute a change in the ownership of Parkway within the meaning of Section 409A of the Code.

Mr. Heistand s employment agreement also provides that all of Mr. Heistand s outstanding equity or equity-based awards that are subject to time-based vesting will immediately vest and be paid in full upon a change in control, except that if accelerated payment is not permitted under Section 409A of the Code, the awards will be paid on the original payment schedule.

Mr. Heistand s employment agreement had a three-year term ending July 8, 2016. In anticipation of Mr. Heistand becoming the president and chief executive officer of New Parkway in connection with the Spin-Off, on July 7, 2016, Parkway and Mr. Heistand amended Mr. Heistand s employment agreement to extend the term for nine additional months (that is, until April 8, 2017). New Parkway will assume Mr. Heistand s employment agreement in connection with the Merger and the Spin-Off.

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Employment Agreements with Messrs. Lipsey, O Reilly, Dorsett, Francis, and Bates. While the employment agreements with each of Messrs. Lipsey, O Reilly, Dorsett, Francis and Bates have a three-year term, which is subject to automatic renewal for additional one-year periods unless either party provides the other with 90 days notice of such party s intent not to renew the employment agreement, upon a change in control, the employment agreement will automatically extend until the later of (i) the second anniversary of the change in control, and (ii) the date on which the term of the employment agreement would otherwise have ended.

Pursuant to each executive s employment agreement, if the executive s employment is terminated by Parkway without cause or by the executive for good reason (as such terms are defined in the executive s employment agreement), in either case within the 90 days prior to or the two-year period following a change in control, or if Parkway delivers notice of its intent not to renew the term of the employment agreement within the 90-day period prior to a change in control, the executive is entitled to (i) continued coverage for him and his eligible dependents under Parkway s group health plans for up to 12 months following his termination of employment; (ii) an amount equal to the sum of (A) 24 months of the executive s then-current base salary and (B) two times his then-current target bonus, payable in a lump sum following his termination of employment if the change in control constitutes a change in the ownership or effective control of Parkway or a change in the ownership of a substantial portion of Parkway s assets within the meaning of Section 409A of the Code, or in equal installments over a 12-month period if it does not; and (iii) accelerated vesting of all of the executive s outstanding equity or equity-based awards subject to time-based vesting upon the date of the executive s termination. The Merger would constitute a change in the ownership of Parkway within the meaning of Section 409A of the Code.

Section 280G of the Code. Each employment agreement includes a Section 280G better of provision, meaning, if any of the payments or benefits provided to the executive under the applicable employment agreement or otherwise would constitute parachute payments within the meaning of Section 280G of the Code and be subject to the excise tax imposed under Section 4999 of the Code, the payments or benefits will be reduced by the amount required to avoid the excise tax if such a reduction would give the executive a better after-tax result than if he received the full payments and benefits.

Waiver Agreements. Concurrently with the execution of the Merger Agreement, Messrs. Heistand, Lipsey, Francis and Bates entered into limited waivers of certain rights under their existing employment agreements with Parkway. Pursuant to each waiver, each executive agreed that, if he is offered continued employment with New Parkway in connection with the Spin-Off pursuant to the assignment of his existing employment agreement to New Parkway or to a new employment agreement with New Parkway that is no less favorable than his existing employment agreement, the executive may not terminate his employment for good reason under certain provisions of his existing employment agreement with Parkway. The waivers preclude Mr. Heistand from being able to terminate his employment with Parkway or Cousins solely on account of the consummation of the Merger and preclude each executive from being able to terminate his employment with Parkway or Cousins on account of a material diminution in his position, duties or responsibilities, Parkway s or Cousins material breach of any other material provision of the employment agreement, or a change of his principal place of employment by more than 50 miles, in each case as a result of the consummation of the Merger or Spin-Off. In addition, pursuant to each waiver, each executive has agreed that his 2016 annual incentive award will be discretionary, that certain outstanding equity awards of Parkway may be converted into new RSU awards of Parkway immediately prior to consummation of the Merger, and that a lock-up period will apply to any New Parkway common shares the executive holds by reason of equity awards of Parkway vesting in connection with the Merger or Spin-Off.

Treatment of Outstanding Equity Awards

The executive officers of Parkway have outstanding equity and equity-based awards from Parkway and Parkway LP, including (i) stock options and RSUs of Parkway and (ii) LTIP Units of Parkway LP. In the Merger, certain of these securities will be converted into the right to receive certain securities of Cousins common stock as described under the headings The Merger Agreement Merger Consideration and The Merger Agreement Treatment of Parkway Share Options and Other Equity-Based Awards in the Merger.

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Stock Options. In connection with the Merger, each outstanding Parkway stock option will be converted automatically into an option to purchase a number of shares of Cousins common stock determined based on the exchange ratio. For each executive officer, the following table shows (i) the number and exercise price of the Parkway stock options held by such executive officer and (ii) the number and exercise price of the options with respect to shares of Cousins common stock into which such Parkway stock options will be converted.

Name	Number of Parkway Options (#)	Exercise Price of Parkway Options ($)	Number of Cousins Options (#)(1)	Exercise Price of Cousins Options ($)(2)
James R. Heistand	712,500	17.21	1,161,375	10.56
M. Jayson Lipsey	168,750	17.21	275,062	10.56
David R. O Reilly	337,500	17.21	550,125	10.56
Jeremy R. Dorsett	75,000	17.21	122,250	10.56
Scott E. Francis				
Jason A. Bates				

(1) Each number in this column is the product of (i) the number of Parkway stock options, multiplied by (ii) the exchange ratio (1.63).

(2) Each value in this column is the quotient of (i) the exercise price of the applicable Parkway stock option, divided by (ii) the exchange ratio (1.63).

At the effective time of the Spin-Off, such converted options held by Messrs. Heistand and Lipsey are expected to be converted into, or exchanged for, stock options of substantially equivalent value in respect of the common stock of New Parkway, with terms and conditions substantially similar to the terms applicable to the Parkway stock options prior to the effective time of the Merger. At the effective time of the Spin-Off, such converted options held by Messrs. O Reilly and Dorsett are expected to be fully vested upon the distribution and divided on a proportional basis into fully vested options in respect of Cousins common stock and fully vested options in respect of the common stock of New Parkway, which in each case will be exercisable for the remaining term of such stock option.

Restricted Stock Units. In connection with the Merger, certain Parkway RSU awards will be fully vested and converted into the right to receive a number of shares of Cousins common stock determined based on the exchange ratio. For each executive officer, the following table shows (i) the number of Parkway RSU awards that will be fully vested and (ii) the number of shares of Cousins common stock into which such Parkway RSU awards shall be converted:

Name	Number of Parkway RSUs (#)	Number of Shares of Cousins Common Stock (#)
James R. Heistand(1)	100,000	163,000
M. Jayson Lipsey		

David R. O Reilly
Jeremy R. Dorsett
Scott E. Francis
Jason A. Bates

(1) This number represents 100,000 Parkway RSU awards that Parkway granted to Mr. Heistand, effective July 8, 2016 in replacement of 100,000 Parkway LTIP Units that Mr. Heistand forfeited as of July 8, 2016.

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Certain other Parkway RSU awards will be converted into Cousins RSU awards in respect of a number of shares of Cousins common stock determined based on the exchange ratio and will generally vest in four equal annual installments, commencing on the closing date of the Merger and concluding on the third anniversary thereof (which we refer to as the modified Parkway RSU awards). The modified Parkway RSU awards will be granted to each executive officer other than Messrs. O Reilly and Dorsett prior to the Merger in exchange for the forfeiture of the executive officer s outstanding time-based and performance-based Parkway RSU awards. The current outstanding Parkway RSU awards of Messrs. O Reilly and Dorsett will be converted into Cousins RSU awards in respect of a number of shares of Cousins common stock determined based on the exchange ratio but will then immediately vest, pursuant to the executive officer s employment agreement, upon such executive officer s termination of employment in connection with the Merger. For each executive officer, the following table shows (i) the number of Parkway RSU awards held, (ii) the total number of Cousins RSU awards into which such modified Parkway RSU awards shall be converted, (iii) the number of Cousins RSU awards that will vest on the closing date of the Merger, and (iv) the number of Cousins RSU awards that will be subject to further vesting on each of the first, second, and third anniversaries of the closing date of the Merger:

Name	Number of Parkway RSU Awards (#)	Total Number of Cousins RSU Awards (#)(1)	Number of Cousins RSU Awards Vesting on the Closing Date (#)(2)(3)	Number of Unvested Cousins RSU Awards (#)(4)
James R. Heistand	92,476	150,736	37,684	113,052
M. Jayson Lipsey	59,527	97,029	24,257	72,772
David R. O Reilly	70,977	115,692	115,692	
Jeremy R. Dorsett	43,898	71,553	71,553	
Scott E. Francis	38,354	62,517	15,629	46,888
Jason A. Bates	33,916	55,283	13,820	41,463

(1) Each number in this column is the product of (i) the number of Parkway RSU awards multiplied by (ii) the exchange ratio (1.63).

(2) For Messrs. Heistand, Lipsey, Francis and Bates, each number in this column represents 25% of the total number of Cousins RSU awards.

(3) For Messrs. O Reilly and Dorsett, each number in this column represents 100% of the total number of Cousins RSU awards.

(4) For Messrs. Heistand, Lipsey, Francis and Bates, each number in this column represents 75% of the total number of Cousins RSU awards.

At the effective time of the Spin-Off, such converted RSUs held by Messrs. Heistand, Lipsey, Francis and Bates are expected to be converted into, or exchanged for, RSUs of substantially equivalent value in respect of the common stock of New Parkway, with terms and conditions substantially similar to the terms applicable to the Parkway RSU awards prior to the effective time of the Merger.

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LTIP Units. In connection with the Merger, certain Parkway LTIP Units are expected to become fully vested and converted into common units of Parkway LP, on a one-for-one basis, with performance conditions deemed to be satisfied at the maximum level. For each executive officer, the following table shows (i) the number of Parkway LTIP Units held by each executive officer which are expected to become fully vested and converted into common units of Parkway LP and (ii) the number of resulting common units of Parkway LP for each executive officer:

Name	Number of Parkway LTIP Units (#)	Number of Parkway LP Common Units (#)
James R. Heistand	68,400	68,400
M. Jayson Lipsey	35,640	35,640
David R. O Reilly	24,000	24,000
Jeremy R. Dorsett	28,800	28,800
Scott E. Francis	26,040	26,040
Jason A. Bates	23,760	23,760

In connection with the Merger, certain other outstanding Parkway LTIP Units will be converted into Cousins RSU awards on the terms described above for the modified Parkway RSU awards. For Messrs. O Reilly and Dorsett only, certain outstanding Parkway LTIP Units will be converted into Cousins RSU awards in respect of a number of shares of Cousins common stock determined (i) based on Parkway s actual achievement of the performance-based criteria applicable to the Parkway LTIP Units as of immediately prior to the Merger and (ii) based on the exchange ratio. As of the date of this joint proxy statement/prospectus, Parkway anticipates that the performance-based criteria applicable to the Parkway LTIP Units of Messrs. O Reilly and Dorsett will not be achieved and that Messrs. O Reilly and Dorsett will receive no Cousins RSU awards upon such conversion. For each executive officer, the following table shows (i) the number of Parkway LTIP Units, (ii) the total number of Cousins RSU awards into which such Parkway LTIP Units shall be converted, (iii) the number of Cousins RSU awards that will vest on the closing date of the Merger, and (iv) the number of Cousins RSU awards that will be subject to further vesting on each of the first, second, and third anniversaries of the closing date of the Merger:

Name	Number of Parkway LTIP Units (#)	Total Number of Cousins RSU Awards (#)(1)	Number of Cousins RSU Awards Vesting on the Closing Date (#)(2)	Number of Unvested Cousins RSU Awards (#)(3)
James R. Heistand	93,331	152,129	38,032	114,097
M. Jayson Lipsey	41,106	67,002	16,750	50,252
David R. O Reilly	46,396			
Jeremy R. Dorsett	36,141			
Scott E. Francis	15,989	26,062	6,515	19,547
Jason A. Bates	15,473	25,221	6,305	18,916

(1)

For Messrs. Heistand, Lipsey, Francis and Bates, each number in this column is the product of (i) the number of Parkway LTIP Units multiplied by (ii) the exchange ratio (1.63). This column assumes that the performance-based criteria applicable to the Parkway LTIP Units of Messrs. O Reilly and Dorsett will not be achieved in full or in part and that Messrs. O Reilly and Dorsett will receive no Cousins RSU awards upon the conversion of the Parkway LTIP Units.

(2) Each number in this column represents 25% of the total number of Cousins RSU awards.

(3) Each number in this column represents 75% of the total number of Cousins RSU awards.

At the effective time of the Spin-Off, such converted RSUs held by Messrs. Heistand, Lipsey, Francis and Bates are expected to be converted into, or exchanged for, RSUs of substantially equivalent value in respect of the common stock of New Parkway, with terms and conditions substantially similar to the terms applicable to the Parkway RSU awards prior to the effective time of the Merger.

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Treatment of Outstanding Parkway LP Units

Mr. James A. Thomas, chairman of the Parkway board of directors, and certain affiliated investors are limited partners of Parkway LP. In connection with the Merger, each limited partner of Parkway LP will be entitled to redeem or exchange its partnership interests in Parkway LP for shares of Parkway common stock, which will in turn be converted in the Merger into the right to receive a number of newly issued shares of Cousins common stock equal to the exchange ratio. Each limited partner of Parkway LP that does not elect to redeem or exchange its partnership interests for shares of Parkway common stock in connection with the Merger will retain its limited partnership interests in Parkway LP and receive pro rata limited partnership interests in the operating partnership of Cousins in connection with the Separation, the UPREIT Reorganization and the Spin-Off.

As of April 28, 2016, Mr. Thomas and affiliated investors held 4,213,104 common limited partnership units in Parkway LP.

Indemnification

The Merger Agreement provides that, from and after the effective time of the Merger, Cousins will exculpate and indemnify, to the fullest extent permitted by applicable law, all present and former officers and directors of Parkway, and any persons who become a director or officer of Parkway prior to the effective time of the Merger against claims arising with respect to acts or omissions occurring prior to the effective time of the Merger to the same extent such persons were entitled to exculpation or indemnification, or the right of advancement of expenses as of the date of the Merger Agreement pursuant to any organization documents of Parkway or applicable law.

Thomas Letter Agreement

Concurrently with execution of the Merger Agreement, Parkway and Parkway LP entered into the Thomas Letter Agreement with Mr. James A. Thomas, the chairman of the Parkway board of directors, and the Thomas Parties. In connection with the Thomas Letter Agreement, Mr. Thomas will have certain interests in New Parkway that are different from, or in addition to, those of other stockholders, including with respect to certain governance rights, registration rights, and tax protection agreements. For more information, see The Merger Thomas Letter Agreement.

Executive Compensation Payable in Connection with the Merger

The following table sets forth the information required by Item 402(t) of Regulation S-K promulgated by the SEC regarding certain compensation that each of Parkway s named executive officers may receive that is based on, or that otherwise relates to, the Merger. Parkway s named executive officers for purposes of the disclosure in this joint proxy statement/prospectus are James R. Heistand, M. Jayson Lipsey, David R. O Reilly, Jeremy R. Dorsett and Scott E. Francis. The figures in the table are estimated based on compensation and benefit levels as of the date of this joint proxy statement/prospectus and an assumed effective date of October 1, 2016 for both the Merger and the termination of the named executive officer s employment. The amounts reported below are estimates based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, including an assumption that the employment of each of Parkway s named executive officers will terminate without cause immediately following consummation of the Merger (or otherwise within the 90-day period prior to the consummation of the Merger or the two-year period following the consummation of the Merger) and other assumptions described in this joint proxy statement/prospectus. As of the date of this joint proxy statement/prospectus and as discussed elsewhere, the employment of Messrs. Heistand, Lipsey and Francis is expected to continue with New Parkway in similar capacities, in which case, they would not be expected to receive certain of the benefits and payments described below. As a result of the assumptions set forth above or otherwise specified below, the actual amounts, if any, to be received by a named executive officer may materially differ from the amounts set forth below.

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The Merger-related compensation payable to Parkway s named executive officers is subject to a nonbinding advisory vote of Parkway s stockholders, as described below. For additional details regarding the terms of the payments described below, see the discussion in Interests of Parkway Directors and Executive Officers in the Merger.

Golden Parachute Compensation

Name	Cash[(1)] ($)	Equity[(2)] ($)	Benefits[(3)] ($)	Total[(4)] ($)
James R. Heistand[(5)]	5,437,500	6,091,121	12,242	11,540,863
M. Jayson Lipsey[(5)]	1,710,000	2,343,419	8,161	4,061,580
David R. O Reilly	1,634,000	1,633,272	8,161	3,275,433
Jeremy R. Dorsett	1,280,000	1,250,151	8,161	2,538,312
Scott E. Francis[(5)]	1,120,000	1,382,306	8,161	2,510,467

(1) Each amount in this column is based on the cash portion of the severance payment payable pursuant to the named executive officer s employment agreement as described under Interests of Parkway s Directors and Executive Officers in the Merger, assuming that the named executive officer s employment is terminated without cause immediately following consummation of the Merger (or otherwise within the 90-day period prior to the consummation of the Merger or the two-year period following the consummation of the Merger). Each amount does not include the named executive officer s annual base salary and other benefits earned and accrued prior to the date of termination, reimbursement of expenses incurred prior to the date of termination or any cash or equity bonus compensation earned and accrued prior to the date of termination. Each amount is attributable to a double trigger arrangement.

(2) All amounts in this column are determined by multiplying (i) the number of Parkway equity awards that would be accelerated, times (ii) the exchange ratio (1.63), times (iii) a per share price of Cousins common stock of $10.55 (which, as required by applicable SEC rules, is the average closing market price of Cousins common stock over the first five business days following the public announcement of the merger on April 29, 2016). Assuming for purposes of amounts reported in the table that the named executive officer s employment is terminated without cause by Cousins or New Parkway, as applicable, immediately following consummation of the Merger as of October 1, 2016 (or otherwise within the 90-day period prior to the consummation of the Merger or the two-year period following the consummation of the Merger), the amount shown is based on the following holdings of Parkway equity awards that would be accelerated: (i) for Mr. Heistand, 237,500 Parkway stock options or approximately $0 of the amount shown above, 285,807 Parkway RSU awards or approximately $4,914,880 of the amount shown above, and 68,400 Parkway LTIP Units or approximately $1,176,241 of the amount shown above; (ii) for Mr. Lipsey, 56,250 Parkway stock options or approximately $0 of the amount shown above, 100,633 Parkway RSU awards or approximately $1,730,535 of the amount shown above, and 35,640 Parkway LTIP units or approximately $612,883 of the amount shown above; (iii) for Mr. O Reilly, 112,500 Parkway stock options or approximately $0 of the amount shown above, 70,977 Parkway RSU awards or approximately $1,220,556 of the amount shown above, and 24,000 Parkway LTIP units or approximately $412,716 of the amount shown above; (iv) for Mr. Dorsett, 25,000 Parkway stock options or approximately $0 of the amount shown above, 43,898 Parkway RSU awards or approximately $754,892 of the amount shown above, and 28,800 Parkway LTIP units or approximately $495,259 of the amount shown above; and (v) for Mr. Francis, 54,343 Parkway RSU awards or approximately $934,509 of the amount shown above and 26,040 Parkway LTIP units or approximately $447,797 of the amount shown above. No value has been attributed to the acceleration of the Parkway stock options because the Cousins stock options resulting from the conversion of the Parkway stock options are out of the

money (the per share exercise price of Parkway stock options as converted ($10.56) exceeds the per share price of Cousins common stock ($10.55)).

A portion of this accelerated vesting is based on a single trigger change in control arrangement, and a portion of this accelerated vesting is based on a double trigger change in control arrangement. For more information, see the discussion under Interests of Parkway Directors and Executive Officers in the Merger Treatment of Outstanding Equity Awards.

(3) Each amount in this column represents the value of health continuation benefits provided pursuant to the named executive officer s employment agreement as described under Interests of Parkway s Directors and Executive Officers in the Merger, assuming that the named executive officer s employment is terminated without cause immediately following consummation of the Merger (or otherwise within the 90-day period prior to the consummation of the Merger or the two-year period following the consummation of the Merger). Each amount is attributable to a double trigger arrangement.

(4) These amounts are subject to reduction to the extent the payments would be considered parachute payments within the meaning of Section 280G of the Code, if such reduction would give the named executive officer a better after-tax result than if he received the payments in full.

(5) While this table assumes that each executive will be terminated without cause immediately following consummation of the Merger (or otherwise within the 90-day period prior to the consummation of the Merger or the two-year period following the consummation of the Merger), as of the date of this joint proxy statement/prospectus and as discussed elsewhere, the employment of Messrs. Heistand, Lipsey and Francis is expected to continue with New Parkway in similar capacities. In addition, each of Messrs. Heistand, Lipsey and Francis have entered into good reason waiver agreements pursuant to which (i) Mr. Heistand is precluded from terminating his employment with Parkway or Cousins under his employment agreement for good reason solely on account of the consummation of the Merger and (ii) Messrs. Heistand, Lipsey and Francis are precluded from terminating their employment with Parkway or Cousins under their employment agreements for good reason on account of a material diminution in the executive s position, duties or responsibilities, Parkway s or Cousins material breach of any other material provision of the employment agreement, or a change of the executive s principal place of employment by more than 50 miles, in each case as a result of the consummation of the Merger or Spin-Off. For additional details regarding the waiver agreements, see the discussion in Interests of Parkway Directors and Executive Officers in the Merger.

Directors and Management Following the Merger

Initial Board Composition of Cousins and New Parkway following the Merger and the Spin-Off

At the effective time of the Merger, pursuant to the Merger Agreement, the Cousins board of directors will have nine members, with Mr. Taylor Glover continuing as the chairman of the Cousins board of directors. The Cousins board of directors at the effective time of the Merger will consist of five directors, Mr. Taylor Glover, Mr. Larry Gellerstedt, Mr. Robert Chapman, Ms. Donna Hyland and Ms. Lillian Giornelli, designated by the Cousins board of directors prior to the effective time of the Merger, three directors, Ms. Brenda J. Mixson, Mr. Charles T. Cannada and Mr. Edward M. Casal, designated by the Parkway board of directors prior to the effective time of the Merger and one director, Mr. Kelvin L. Davis, designated by TPG Pantera pursuant to the Cousins stockholders agreement. For more information, see The Merger Agreements with the TPG Parties Cousins Stockholders Agreement.

At the effective time of the Merger, pursuant to the Merger Agreement, the New Parkway board of directors will have seven members. The New Parkway board of directors at the effective time of the Merger will consist of three directors, Mr. R. Dary Stone, Mr. James Hance Jr. and Mr. Craig Jones, designated by the Cousins board of directors prior to the effective time of the Merger, two directors, Mr. James A. Thomas and Mr. James R. Heistand, designated by the Parkway board of directors prior to the effective time of the Merger and two directors, Mr. Avi Banyasz and Mr. Frank J. Tripp Johnson, designated by TPG Pantera pursuant to the New Parkway stockholders agreement. For more information, see The Merger Agreements with the TPG Parties New Parkway Stockholders Agreement.

On June 29, 2016, with respect to the designation of Mr. Craig B. Jones, Cousins and Parkway agreed to waive a requirement in the Merger Agreement that each of the directors appointed by Cousins to the New Parkway board of directors must have been a member of the Cousins board of directors as of April 28, 2016.

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Officers of Cousins and New Parkway following the Merger and the Spin-Off

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions of the Merger Agreement, at the effective time of the Merger, the senior leadership team of Cousins will include Mr. Larry Gellerstedt as president and chief executive officer, Mr. Gregg Adzema as executive vice president and chief financial officer, Mr. John McColl as executive vice president, Mr. Colin Connolly as executive vice president and chief operating officer, Ms. Pamela Roper as senior vice president, general counsel and corporate secretary and Mr. Jay Harris as senior vice president, chief accounting officer, treasurer and assistant corporate secretary. None of the senior leadership team of Cousins will hold positions with New Parkway following the Merger and the Spin-Off.

At the effective time of the Merger, New Parkway will be led by Mr. James R. Heistand, the president and chief executive officer of Parkway, and several members of the existing Parkway senior management team Messrs. Jayson M. Lipsey, Scott E. Francis and Jason A. Bates, exective officers of Parkway, are expected to become executive officers of New Parkway. Mr. James A. Thomas, the current chairman of the Parkway board of directors, will be the chairman of the New Parkway board of directors at the effective time of the Merger. None of the senior leadership team of New Parkway will hold positions with Cousins following the Merger and the Spin-Off.

Treatment of Parkway Stock Options and Other Equity-Based Awards in the Merger

Pursuant to the Merger Agreement, as of the effective time of the Merger, outstanding Parkway equity awards will be adjusted as follows:

Restricted Stock Units. Certain Parkway RSU awards will be fully vested and converted into the right to receive a number of shares of Cousins common stock determined based on the exchange ratio. For purposes of such conversion, any performance conditions will be deemed to be satisfied at the maximum level. Certain other Parkway RSU awards will be converted into RSU awards in respect of a number of shares of Cousins common stock determined based on the exchange ratio, and will generally vest in four equal annual installments, commencing on the closing date and concluding on the third anniversary thereof.

Stock Options. Each outstanding Parkway stock option will be converted automatically into an option to purchase a number of shares of Cousins common stock determined based on the exchange ratio.

LTIP Units. Certain outstanding LTIP Units will be converted into Cousins RSU awards on the terms described above for the modified RSU awards. Certain other LTIP Units will be fully vested and converted into common units of Parkway LP, on a one-for-one basis and for purposes of such conversion, any performance conditions will be deemed to be satisfied at the maximum level. Certain other LTIP Units are anticipated to be forfeited to the extent that the applicable performance conditions are not satisfied as of the effective time of the Merger.

Treatment of Cousins and Parkway Stock Options and Other Equity-Based Awards in the Spin-Off

Pursuant to the Merger Agreement, as of the effective time of the Spin-Off, outstanding Cousins equity awards are expected to be adjusted as follows:

Restricted Stock Units Held by Parkway Employees Transferring to New Parkway. For individuals who are employees of Parkway prior to the effective time of the Merger and who are transferring to New Parkway, their Parkway RSU awards that converted into Cousins RSU awards under the Merger Agreement will be converted into, or exchanged for, RSUs of substantially equivalent value in respect of the common stock of New Parkway, with terms and conditions substantially similar to the terms applicable to the Parkway RSU awards prior to the effective time of the Merger.

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Restricted Stock Units Held by Parkway Employees Not Transferring to New Parkway or Remaining with Cousins. For individuals who are employees of Parkway prior to the effective time of the Merger and who are not transferring to New Parkway but will not be offered employment with Cousins, their Parkway RSU awards that converted into Cousins RSU awards under the Merger Agreement will be fully vested upon the distribution and treated in the same manner as common stock held by Cousins stockholders generally.

Stock Options Held by Parkway Employees Transferring to New Parkway. For individuals who are employees of Parkway prior to the effective time of the Merger and who are transferring to New Parkway, their Parkway stock options that converted into Cousins stock options under the Merger Agreement will be converted into, or exchanged for, stock options of substantially equivalent value in respect of the common stock of New Parkway, with terms and conditions substantially similar to the terms applicable to the Parkway stock options prior to the effective time of the Merger.

Stock Options Held by Parkway Employees Not Transferring to New Parkway or Remaining with Cousins. For individuals who are employees of Parkway prior to the effective time of the Merger and who are not transferring to New Parkway but will not be offered employment with Cousins, their Parkway stock options that converted into Cousins stock options under the Merger Agreement will be fully vested upon the distribution and divided on a proportional basis into fully vested options in respect of Cousins common stock and fully vested options in respect of the common stock of New Parkway, which in each case will exercisable for the remaining term of such stock option.

Equity Awards Held by Legacy Cousins Employees Remaining with Cousins. For individuals who are employees of Cousins prior to the effective time of the Merger and who will remain with Cousins following the Spin-Off, their Cousins equity awards will remain fully denominated in respect of Cousins common stock, with the number of shares subject thereto adjusted in the distribution to preserve the value of the award.

Equity Awards Held by Legacy Cousins Employees Transferring to New Parkway. For individuals who are employees of Cousins prior to the effective time of the Merger and who are transferring to New Parkway, their Cousins equity awards will be converted into, or exchanged for, equity awards of substantially equivalent value in respect of the common stock of New Parkway, with terms and conditions substantially similar to the terms applicable to the Cousins equity awards prior to the effective time of the Spin-Off.

Accounting Treatment

The Merger will be accounted for as a purchase, as that term is used under GAAP, for accounting and financial reporting purposes. Under purchase accounting, the assets (including identifiable intangible assets) and liabilities (including executory contracts and other commitments) of Parkway as of the effective time of the Merger will be recorded at their respective fair values and added to those of Cousins. Any excess of purchase price over the fair values is recorded as goodwill.

Regulatory Approvals

General

Cousins and Parkway have each agreed to use their reasonable best efforts to take all actions and to do all things necessary, proper or advisable to consummate and make effective the Merger and the other transactions contemplated by the Merger Agreement, including the Separation, the UPREIT Reorganization and the Spin-Off. The following is a summary of the material regulatory approvals required for completion of the Merger, the Separation, the UPREIT Reorganization and the Spin-Off.

There can be no assurances that all of the regulatory approvals described below will be obtained and, if obtained, there can be no assurances as to the timing of any approvals, Cousins and Parkway s ability to obtain the approvals on satisfactory terms or the absence of any litigation challenging such approvals. For more information, see Risk Factors, beginning on page 57.

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The parties respective obligations to complete the Merger are conditioned, among other matters, upon (1) the absence of any temporary restraining order, preliminary or permanent injunction or other legal restraint, prohibition or binding order of any court or other governmental entity that prohibits the Merger; (2) the absence of any action taken or statute, rule, regulation or order enacted by any governmental entity which makes the consummation of the Merger illegal; and (3) the SEC having declared effective the registration statement of which this joint proxy statement/prospectus forms a part, with no stop order in effect with respect thereto no proceedings for such purpose shall be pending before, or threatened by, the SEC.

The parties respective obligations to complete the Spin-Off are conditioned, among other matters, upon (1) the absence of injunction or law preventing consummation, or limiting the benefits of, the Spin-Off; and (2) the effectiveness of the New Parkway Form 10, with no stop order in effect with respect thereto, and no proceedings for such purpose pending before, or threatened by, the SEC.

Securities and Exchange Commission

In connection with the Cousins Issuance Proposal, Cousins must file a registration statement with the SEC under the Securities Act, of which this joint proxy statement/prospectus is a part, that is declared effective by the SEC. As a condition to the closing of the Merger, Cousins and Parkway must file the New Parkway Form 10 in connection with the Spin-Off, and the New Parkway Form 10 must be declared effective by the SEC, with no stop order in effect with respect to the New Parkway Form 10 and no proceedings for such purpose shall be pending before, or threatened by, the SEC.

Exchange of Shares in the Merger

At or prior to the effective time of the Merger, Cousins will appoint the Exchange Agent to handle the exchange of certificates formerly representing Parkway common stock for shares of Cousins common stock. After the Merger is completed, if a stockholder held certificates representing Parkway common stock immediately prior to the effective time of the Merger, the Exchange Agent, within five business days after the effective time of the Merger, will send such stockholder a letter of transmittal and instructions for exchanging its shares of Parkway common stock for the Merger consideration of 1.63 shares of Cousins common stock. Upon surrender of the certificates for cancellation (or affidavits of loss in lieu thereof) along with the executed letter of transmittal and other required documents described in the instructions, a holder of shares of Parkway common stock will receive the Merger consideration of 1.63 shares of Cousins common stock.

Holders of shares of Parkway common stock in book-entry form immediately prior to the effective time of the Merger will not need to take any action to receive the Merger consideration of 1.63 shares of Cousins common stock. Holders of shares of Parkway limited voting stock in book-entry form immediately prior to the effective time of the Merger will not need to take any action to receive the Merger consideration of 1.63 shares of Cousins limited voting preferred stock.

If you are a Cousins stockholder, you are not required to take any action with respect to your Cousins stock certificates. Such certificates will continue to represent shares of Cousins common stock after the Merger.

You are not being asked to take any action with respect to the Separation, the UPREIT Reorganization or the Spin-Off.

Dividends

Cousins and Parkway plan to continue their respective current dividend policies until the closing of the Merger. The parties each intend to pay quarterly dividends to their respective common stockholders at a rate not in excess of $0.08 per share of Cousins common stock and $0.1875 per share of Parkway common stock. Cousins and Parkway have agreed to coordinate their regular quarterly dividends for their common stockholders so that, if one group of common stockholders receives any dividend for a quarter, the other group of common stockholders

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will also receive a dividend for such quarter at the same time. Cousins and Parkway have agreed that the other party, with notice to the other, can declare or pay the minimum dividend as may be required in order for such party to qualify as a REIT and to avoid to the extent reasonably possible the incurrence of income or excise tax (which we refer to as a REIT dividend). If one party declares a REIT dividend, the other party can declare a dividend per share in the same amount, as adjusted by the exchange ratio.

Listing of Cousins Common Stock in the Merger

It is a condition to the completion of the Merger that the Cousins common stock issuable in the Merger and the Cousins common stock to be authorized and reserved for issuance upon exchange or redemption of partnership units by limited partners in Parkway LP or upon exercise or settlement of options and other equity awards to purchase Cousins common stock issued in substitution for Parkway options and other equity awards be approved for listing on the NYSE, subject to official notice of issuance.

De-Listing and Deregistration of Parkway Common Stock

Pursuant to the Merger Agreement, when the Merger is completed, the Parkway common stock currently listed on the NYSE will cease to be quoted on the NYSE and will be deregistered under the Exchange Act.

No Appraisal or Dissenters Rights

Under Section 3-202(c) of the MGCL, holders of Parkway common stock do not have the right to receive the appraised value of their shares in connection with the Merger because they are listed on the NYSE. Holders of Parkway limited voting stock do not have appraisal rights because the articles supplementary to the Parkway Articles which established the class of Parkway limited voting stock expressly excludes the rights of objecting stockholders under the MGCL for such class of stock.

Under Section 14-2-1302 of the GBCC, holders of Cousins common stock do not have the right to receive the appraised value of their shares in connection with the Merger.

The Merger Agreement

The following section summarizes material provisions of the Merger Agreement. This summary does not purport to be complete and may not contain all of the information about the Merger Agreement that is important to you. This summary is subject to, and qualified in its entirety by reference to, the Merger Agreement, which is attached as Annex A to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus. The rights and obligations of the parties are governed by the express terms and conditions of the Merger Agreement and not by this summary or any other information contained in this joint proxy statement/prospectus. You are urged to read the Merger Agreement carefully and in its entirety before making any decisions regarding the Merger Agreement and the Merger contemplated thereby.

The summary of the Merger Agreement is included in this joint proxy statement/prospectus only to provide you with information regarding the terms and conditions of the Merger Agreement, and not to provide any other factual information about Cousins or Parkway or their respective subsidiaries or businesses. Accordingly, the representations and warranties and other provisions of the Merger Agreement should not be read alone, but instead should be read together with the information provided elsewhere in this joint proxy statement/prospectus and in the documents incorporated by reference into this joint proxy statement/prospectus. For more information, see Where You Can Find More Information.

The representations, warranties and covenants contained in the Merger Agreement and described in this joint proxy statement/prospectus were made only for purposes of the Merger Agreement and as of specific dates and may be subject to more recent developments, were made solely for the benefit of the other parties to the Merger Agreement and may be subject to limitations agreed upon by the contracting parties, including being qualified by reference to confidential disclosures, for the purposes of allocating risk between the parties to the Merger Agreement instead of establishing these matters as facts, and may apply standards of materiality in a way that is different from what may be viewed as material by you or other investors. The representations and warranties contained in the Merger Agreement do not survive the effective time of the Merger. Investors should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or conditions of Cousins, Parkway or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in public disclosures by Cousins or Parkway.

Form of the Merger

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, Parkway will merge with and into Merger Sub, with Merger Sub continuing its existence as a wholly owned subsidiary of Cousins.

The legacy holders of Cousins common stock and the legacy holders of Parkway common stock will own approximately 53% and 47%, respectively, of the outstanding shares of Cousins common stock following the effective time of the Merger. The legacy holders of Parkway limited voting stock will own 100% of Cousins limited voting preferred stock following the effective time of the Merger.

Merger Consideration

In connection with the Merger, upon the terms and subject to the conditions of the Merger Agreement, each Parkway common stockholder will receive 1.63 newly issued shares of Cousins common stock for each share of Parkway common stock that such holder owns immediately prior to the effective time of the Merger, with cash paid in lieu of fractional shares. The exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing of the Merger.

In addition, each limited partner of Parkway LP will be entitled to redeem or exchange its partnership interests in Parkway LP for shares of Parkway common stock, pursuant to the terms of the Parkway Partnership Agreement, which will be amended pursuant to the Merger Agreement. If partnership interests are so redeemed or exchanged prior to the effective time of the Merger, the shares of Parkway common stock will in turn be converted in the Merger into the right to receive a number of newly issued shares of Cousins common stock equal to the exchange ratio, upon the terms and subject to the conditions of the Merger Agreement. Limited partners in Parkway LP who do not elect to redeem their partnership units will retain their partnership units in Parkway LP and, following the UPREIT Reorganization, will hold 1.63 common partnership units of Parkway LP and 1.63 common partnership units of Cousins LP for each common partnership unit of Parkway LP that they hold immediately prior to the Merger.

Furthermore, in connection with the Merger, upon the terms and subject to the conditions of the Merger Agreement, each share of Parkway limited voting stock will be converted into 1.63 newly issued shares of Cousins limited voting preferred stock having rights, privileges, powers and preferences substantially identical to those of the Parkway limited voting stock.

For more information, see Exchange of Shares in the Merger.

Treatment of Parkway Stock Options and Other Equity-Based Awards in the Merger

At the effective time of the Merger, upon the terms and subject to the conditions of the Merger Agreement, outstanding Parkway equity awards will be adjusted as follows:

Restricted Stock Unit Awards. Certain Parkway RSU awards will be fully vested and converted into the right to receive a number of shares of Cousins common stock determined based on the exchange ratio.

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For purposes of such conversion, any performance conditions will be deemed to be satisfied at the maximum level. Certain other Parkway RSU awards will be converted into Cousins RSU awards based on the exchange ratio, and will generally vest in four equal annual installments, commencing on the closing date and concluding on the third anniversary thereof;

Stock Options. Each outstanding Parkway stock option will be converted automatically into an option to purchase a number of shares of Cousins common stock determined based on the exchange ratio;

LTIP Units. Certain outstanding LTIP Units will be converted into Cousins RSU awards on the terms described above for the modified RSU awards. Certain other LTIP Units will be fully vested and converted into common units of Parkway LP, and for purposes of such conversion, any performance conditions will be deemed to be satisfied at the maximum level. Certain other LTIP Units are anticipated to be forfeited to the extent that the applicable performance conditions are not satisfied as of the effective time of the Merger.

Closing; Effective Time of the Merger

Unless the parties otherwise agree, upon the terms and subject to the conditions of the Merger Agreement, the closing of the Merger will take place on the date that is the second business day after the satisfaction or waiver of the conditions set forth in the Merger Agreement (other than those conditions that, by their terms, are to be satisfied on the closing date, but subject to the satisfaction or waiver of those conditions at the time of closing).

Unless the parties otherwise agree, pursuant to the Merger Agreement, and upon the terms and subject to the conditions of the Merger Agreement, the Merger will become effective before the open of business on the first business day following the closing date. After the Merger becomes effective, Cousins will continue with the name Cousins Properties Incorporated.

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions of the Merger Agreement, immediately after the effective time of the Merger, and before the open of business on the first business day following the date of the effective time of the Merger, upon the terms and subject to the conditions of the Merger Agreement, the parties shall consummate the Separation and the UPREIT Reorganization. Subject to the terms and conditions of the Merger Agreement, the parties shall use reasonable best efforts to effect the Spin-Off on the business day following the closing of the Merger.

Charter and Bylaws

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions of the Merger Agreement, the Cousins Articles in effect immediately prior to the Merger will be the articles of incorporation of Cousins following the Merger and, if the Cousins Articles Amendment Proposal is approved by Cousins stockholders at the Cousins special meeting, such articles amendment will become effective at the effective time of the Merger. Furthermore, prior to the effective time of the Merger, Cousins will adopt another amendment to the Cousins Articles in substantially the form of Exhibit E to the Merger Agreement, which articles amendment will become effective at the effective time of the Merger and will authorize a class of Cousins limited voting preferred stock to have rights, privileges, powers and preferences materially unchanged from the terms of the Parkway limited voting stock prior to the Merger.

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions of the Merger Agreement, unless the parties otherwise agree, Cousins has agreed to use its reasonable best efforts to submit the Cousins Articles Amendment Proposal to the vote of its stockholders. The approval of the Cousins Articles Amendment Proposal is a condition to the parties obligations to effect the Merger and the other transactions contemplated by the Merger Agreement.

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Pursuant to the Merger Agreement, and on the terms and subject to the conditions of the Merger Agreement, the amended and restated bylaws of Cousins (which we refer to as the Cousins Bylaws) as in effect immediately prior to the Merger will be the bylaws of Cousins following the Merger.

Directors and Management Following the Merger

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, the parties have agreed that, at the effective time of the Merger, the Cousins board of directors will have nine members. The Cousins board of directors at the effective time of the Merger will consist of:

- five directors, Mr. Taylor Glover, Mr. Larry Gellerstedt, Mr. Robert Chapman, Ms. Donna Hyland and Ms. Lillian Giornelli, designated by the Cousins board of directors prior to the effective time of the Merger, with Mr. Taylor Glover remaining the chairman of the Cousins board of directors;
- three directors, Ms. Brenda J. Mixson, Mr. Charles T. Cannada and Mr. Edward M. Casal, designated by the Parkway board of directors prior to the effective time of the Merger; and
- one director, Mr. Kelvin L. Davis, designated by TPG Pantera pursuant to the Cousins stockholders agreement. For more information, see Agreements with the TPG Parties Cousins Stockholders Agreement.

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions of the Merger Agreement, at the effective time of the Merger, the senior leadership team of Cousins will include Mr. Larry Gellerstedt as president and chief executive officer, Mr. Gregg Adzema as executive vice president and chief financial officer, Mr. John McColl as executive vice president, Mr. Colin Connolly as executive vice president and chief operating officer, Ms. Pamela Roper as senior vice president, general counsel and corporate secretary and Mr. Jay Harris as senior vice president, chief accounting officer, treasurer and assistant corporate secretary. None of the senior leadership team of Cousins will hold positions with New Parkway following the Merger and the Spin-Off.

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, the parties have agreed that, as of the effective time of the Merger, the New Parkway board of directors will have seven members. The New Parkway board of directors at the effective time of the Merger will consist of:

- three directors, Mr. R. Dary Stone, Mr. James H. Hance Jr. and Mr. Craig B. Jones, designated by the Cousins board of directors prior to the effective time of the Merger;
- two directors, Mr. James A. Thomas and Mr. James R. Heistand, designated by the Parkway board of directors prior to the effective time of the Merger; and
- two directors, Mr. Avi Banyasz and Mr. Frank J. Tripp Johnson, designated by TPG Pantera pursuant to the New Parkway stockholders agreement. For more information, see Agreements with the TPG Parties New Parkway Stockholders Agreement.

On June 29, 2016, with respect to the designation of Mr. Craig B. Jones, Cousins and Parkway agreed to waive a requirement in the Merger Agreement that each of the directors appointed by Cousins to the New Parkway board of directors must have been a member of the Cousins board of directors as of April 28, 2016.

Pursuant to the Merger Agreement, subject to the terms and conditions of the Merger Agreement, at the effective time of the Merger, the senior leadership team of New Parkway will include Mr. James R. Heistand as chief executive officer and other senior management of Parkway in key executive roles. Mr. James A. Thomas, the current chairman of the Parkway board of directors, will be the chairman of the New Parkway board of directors at the effective time of the Merger.

None of the senior leadership team of New Parkway will hold positions with Cousins following the Merger and the Spin-Off.

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Exchange of Shares in the Merger

At or prior to the effective time of the Merger, upon the terms and subject to the conditions of the Merger Agreement, Cousins will appoint the Exchange Agent to handle the exchange of certificates formerly representing Parkway common stock for shares of Cousins common stock. After the Merger is completed, upon the terms and subject to the conditions of the Merger Agreement, if a stockholder held certificates representing Parkway common stock immediately prior to the effective time of the Merger, the Exchange Agent will send them a letter of transmittal and instructions for exchanging their shares of Parkway common stock for the Merger consideration of 1.63 shares of Cousins common stock. Upon surrender of the certificates for cancellation along with the executed letter of transmittal and other required documents described in the instructions, a holder of shares of Parkway common stock will receive the Merger consideration of 1.63 shares of Cousins common stock.

Holders of shares of Parkway common stock in book-entry form immediately prior to the effective time of the Merger will not need to take any action to receive the Merger consideration of 1.63 shares of Cousins common stock. Holders of shares of Parkway limited voting stock in book-entry form immediately prior to the effective time of the Merger will not need to take any action to receive the Merger consideration of 1.63 shares of Cousins limited voting preferred stock.

Representations and Warranties of Cousins and Parkway

The Merger Agreement contains representations and warranties made by each of Cousins and Parkway to each other. These representations and warranties are subject to qualifications and limitations agreed to by Cousins and Parkway in connection with negotiating the terms of the Merger Agreement. Some of the significant representations and warranties of both Parkway and Cousins contained in the Merger Agreement relate to, among other things:

- organization, standing and corporate power and organizational documents;
- capital structure;
- authority relative to execution and delivery of, and performance of obligations under, the Merger Agreement, the Separation, the UPREIT Reorganization and the Spin-Off;
- required consents and approvals relating to the Merger;
- the absence of conflicts with, or violations of, laws, organizational documents or other obligations or contracts as a result of the Merger, the Separation, the UPREIT Reorganization and the Spin-Off;
- SEC documents, financial statements, internal controls, SEC correspondence and accounting or auditing practices;

accuracy of information supplied or to be supplied in this joint proxy statement/prospectus and the registration statement of which it forms a part, as well as the New Parkway Form 10;

compliance with applicable laws;

absence of certain litigation;

tax matters, including qualification as a REIT;

existence and validity of certain material contracts;

benefits matters and compliance with the Employee Retirement Income Security Act of 1974, as amended (which we refer to as ERISA);

collective bargaining agreements and other labor matters;

absence of certain changes and non-existence of a material adverse effect, since December 31, 2015;

board approval of the Merger Agreement and the transactions contemplated thereby, including the Merger, the Separation, the UPREIT Reorganization and the Spin-Off and exemption from anti-takeover statutes;

- required stockholder approval;
- ownership of or interest in, and condition of, certain real property;
- compliance with environmental laws;
- ownership of or licenses to certain intellectual property;
- possession of certain permits, licenses and other approvals from governmental entities;
- existence of insurance policies;
- inapplicability of the Investment Company Act of 1940;
- brokers and finders fees in connection with the Merger or the other transactions contemplated by the Merger Agreement;
- receipt of opinions from each party s financial advisors; and
- lack of undisclosed material liabilities.

The Merger Agreement also contains representations and warranties of Parkway that it has provided true and complete copies of the executed Commitment Letter and related fee letter entered into with the Lenders as of the date of the Merger Agreement (with respect to the New Parkway Credit Facilities), and that no default or breach of Parkway exists that would fail to satisfy a condition precedent under such commitment and fee letters.

The Merger Agreement also contains representations and warranties of Cousins regarding the formation and absence of other business activities, liabilities or obligations of Merger Sub.

Definition of Material Adverse Effect

Many of the representations of Cousins and Parkway are qualified by a material adverse effect standard (that is, they will not be deemed to be untrue or incorrect unless their failure to be true or correct, individually or in the aggregate, would have a material adverse effect). Material adverse effect, for purposes of the Merger Agreement, means any event, development, change or occurrence that is materially adverse to the financial condition, business or results of operations Cousins or Parkway, as applicable, in each case including its subsidiaries, taken as a whole, except that no event, development, change or occurrence arising out of, relating to or resulting from any of the following will constitute a material adverse effect:

changes generally affecting the economy, financial or securities markets or political or regulatory conditions, to the extent such changes do not have a materially disproportionate effect on the financial condition, business or results of operations of Cousins or Parkway, as applicable, in each case including its subsidiaries, taken as a whole, relative to other similarly situated owners, operators and developers in the parties industry;

changes in the parties industry or changes generally affecting owners, operators or developers in the parties industry, to the extent such changes do not have a materially disproportionate effect on the financial condition, business or results of operations of Cousins or Parkway, as applicable, in each case including its subsidiaries, taken as a whole, relative to other similarly situated owners, operators and developers in the parties industry;

any change after the date hereof in law or the interpretation thereof or GAAP or the interpretation thereof, to the extent such changes do not have a materially disproportionate effect on the financial condition, business or results of operations of Cousins or Parkway, as applicable, in each case including its subsidiaries, taken as a whole, relative to other similarly situated owners, operators and developers in the parties industry;

acts of war, armed hostility or terrorism or any worsening thereof, to the extent such changes do not have a materially disproportionate effect on the financial condition, business or results of operations of

Cousins or Parkway, as applicable, in each case including its subsidiaries, taken as a whole, relative to other similarly situated owners, operators and developers in the parties industry;

earthquakes, hurricanes, tornados or other natural disasters or calamities, to the extent such changes do not have a materially disproportionate effect on the financial condition, business or results of operations of Cousins or Parkway, as applicable, in each case including its subsidiaries, taken as a whole, relative to other similarly situated owners, operators and developers in the parties industry;

any change to the extent attributable to the negotiation, execution or announcement of the Merger Agreement, including the Spin-Off, including any litigation resulting therefrom, and any adverse change in customer, distributor, employee, supplier, financing source, licensor licensee, sub-licensee, stockholder, joint venture partner or similar relationships, including as a result of the identity of the other party;

any failure by Cousins or Parkway, as applicable, to meet any internal or published industry analyst projections or forecasts or estimates of revenues or earnings for any period (although facts and circumstances giving rise to such failure that are not otherwise excluded from the definition of material adverse effect may be taken into account in determining whether there has been a material adverse effect);

any change in the price or trading volume of the Cousins common stock or Parkway common stock, as applicable (although facts and circumstances giving rise to such change that are not otherwise excluded from the definition of material adverse effect may be taken into account in determining whether there has been a material adverse effect);

compliance with the terms of, or the taking of any action required by, the Merger Agreement, including certain asset sales undertaken subject to the terms and conditions of the Merger Agreement, the Separation, the UPREIT Reorganization and the Spin-Off;

the outcome of certain litigation, claims or other proceedings; and

any bankruptcy, insolvency or reorganization of any tenant under any lease of Cousins or Parkway, as applicable.

Notwithstanding the above, any event, development, change or occurrence that has caused or is reasonably likely to cause Cousins or Parkway, as applicable, to fail to qualify as a REIT for federal tax purposes will be considered a material adverse effect, unless such failure has been, or is able to be, cured on commercially reasonable terms under the applicable provisions of the Code.

Conduct of Business Pending the Merger

Under the Merger Agreement, between April 28, 2016 and the earlier of the effective time of the Merger or the termination of the Merger Agreement, subject to certain exceptions, unless (i) expressly contemplated or permitted by the Merger Agreement, (ii) to the extent required to effect the Separation or the UPREIT Reorganization, (iii) to the extent required to effect the Spin-Off, (iv) as set forth in the parties confidential disclosure letters, (v) required by applicable law or regulation, or (vi) consented to by the other party (which consent may not be unreasonably withheld, conditioned or delayed), each of Cousins and Parkway and their respective subsidiaries have agreed to conduct their business in the ordinary course consistent with past practice, to use their reasonable best efforts to maintain their material assets in their current condition in all material respects (normal wear and tear and damage cause by casualty outside the parties control excepted), to use commercially reasonable efforts to preserve their business organization and existing relations and goodwill with customers, suppliers, distributors, creditors, lessors and tenants, to use commercially reasonable efforts to maintain all insurance policies and to maintain REIT status.

In addition, between April 28, 2016 and the earlier of the effective time of the Merger or the termination of the Merger Agreement, subject to certain exceptions, unless (i) expressly contemplated or permitted by the

Merger Agreement, (ii) to the extent required to effect the Separation or the UPREIT Reorganization, (iii) to the extent required to effect the Spin-Off, (iv) as set forth in the parties confidential disclosure letters, (v) required by applicable law or regulation or (vi) consented to by the other party (which consent may not be unreasonably withheld, conditioned or delayed), Parkway and Cousins have agreed that they will not, and will cause their subsidiaries not to:

enter into any new material line of business or create any new operating partnerships or significant subsidiaries (as hereinafter defined);

split, combine or reclassify any of Cousins or Parkway s, or their respective subsidiaries , capital stock or shares of beneficial interest, as the case may be, or issue any other securities in substitution for such shares;

amend the governing documents of Cousins or Parkway or their respective subsidiaries;

adopt a plan of merger, liquidation, dissolution, restructuring, recapitalization or other reorganization, other than mergers among the parties wholly owned subsidiaries;

make acquisitions of businesses, entities, properties or assets, other than (i) acquisitions that would not reasonably be expected to materially delay, impede or affect the consummation of the transactions contemplated by the Merger Agreement and for which the fair market value of the total consideration paid does not exceed $10 million individually or $15 million per calendar quarter in the aggregate, (ii) as required by a lease of the parties, as set forth in the parties confidential disclosure letters, (iii) as required by a put right or other similar option exercised by a third party pursuant to a contract to which a party or any of its subsidiaries is a party, as set forth in the parties confidential disclosure letters, (iv) internal reorganizations or consolidations of subsidiaries that would not present a material risk of a material delay in the consummation of the Merger, (v) acquisitions pursuant to agreements, arrangements or understandings existing on the date of the Merger Agreement or (vi) the creation of new subsidiaries organized to continue or conduct activities otherwise permitted by the Merger Agreement;

incur, create or assume, refinance, replace or prepay long-term indebtedness, modify any of the material terms of any outstanding indebtedness, guarantee any indebtedness or issue or sell any warrants or rights to acquire indebtedness of the parties or any of their subsidiaries, other than (i) refinancing, replacing or prepaying indebtedness of the parties or any of their subsidiaries maturing no later than 12 months following the date of such refinancing, (ii) indebtedness between a party and a subsidiary of which it owns at least 90% of the voting interests, or between such 90% owned subsidiaries of the same part and (iii) borrowings under the parties existing credit agreements in the ordinary course of business consistent with past practice;

sell, assign, encumber or otherwise dispose of any assets (including capital stock of subsidiaries and indebtedness of others owned by the parties or their subsidiaries) which are material, individually or in the aggregate, to the parties, other than (i) internal reorganizations or consolidations involving existing subsidiaries that would not present a material risk of any material delay in the consummation of the Merger,

(ii) dispositions disclosed in SEC filings of the parties filed prior to April 28, 2016, (iii) other activities involving non-real estate assets in the ordinary course of business consistent with past practice, (iv) as required by any call right or other similar option exercised by a third party pursuant to a contract to which a party or any of its subsidiaries is a party, as set forth in the parties confidential disclosure letters, (v) other dispositions, if the fair market value of the total consideration received in respect of such assets does not exceed $10 million individually or $15 million per calendar quarter in the aggregate, (vi) asset sales expressly contemplated by the agreement or (vii) the incurrence of indebtedness specifically permitted pursuant to the immediately preceding bullet;

change their methods of accounting in effect as of December 31, 2015, except as required by changes in GAAP as concurred in by such party s independent auditors or as previously disclosed in an SEC filing by such party;

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adopt a plan of complete or partial liquidation or resolutions providing for a liquidation, dissolution, restructuring, recapitalization or reorganization;

terminate, cancel, renew or request or agree to any material amendment or modification to or material waiver under or assignment of, any of certain specified types of material contracts, or enter into or materially amend any contract that, if existing on April 28, 2016, would have qualified as one of such types of material contracts, other than (i) as permitted pursuant to the Merger Agreement, (ii) terminations, modifications or renewals in accordance with the terms of existing contracts which occur automatically without any action on the behalf of the parties or any of their subsidiaries, (iii) in connection with tenant improvements at Cousins and Parkway s properties, but solely to the extent permitted pursuant to certain covenants pertaining to leases contained in the Merger Agreement or (iv) as may be reasonably necessary to comply with the terms of the Merger Agreement;

waive the excess share provision of their organizational documents for anyone other than the other parties to the Merger Agreement, New Parkway and the parties subsidiaries;

take or fail to take any action which would reasonably be expected to cause Cousins and Parkway to fail to qualify as a REIT;

take or fail to take any action which would reasonably be expected to cause any subsidiary of the parties to cease to be treated as a partnership or disregarded entity for U.S. federal income tax purposes or as a REIT subsidiary or a REIT under the Code;

take or knowingly fail to take any action which could reasonably be expected to prevent the Merger from qualifying as a reorganization under the Code;

make, change or rescind any material tax election or change a material method of tax accounting, amend any material tax return, settle or compromise any material income tax liability, audit, assessment or claim, enter into any material closing agreement related to taxes or knowingly surrender any right to claim any material tax refund, in each case, except (i) in the ordinary course of business consistent with past practice, (ii) as required by law, (iii) as necessary to preserve the status of Cousins or Parkway as a REIT under the Code, or (iv) as necessary to qualify or preserve the status of any subsidiary of the parties as a partnership or disregarded entity for federal income tax purposes or as a qualified REIT subsidiary, a taxable REIT subsidiary or a REIT under the Code;

waive, release, assign, settle or compromise any claim, action or proceeding, other than waivers, releases, assignments, compromises or settlements that (i) with respect to the payment of monetary damages, involve only the payment of monetary damages (excluding any amounts payable under existing property-level insurance policies) either equal to or lesser than the amount specifically reserved with respect to the most recent balance sheet of Cousins or Parkway filed with the SEC prior to April 28, 2016, or that do not exceed $2 million individually or $5 million in the aggregate, (ii) do not involve the imposition of injunctive relief against Parkway, Cousins or any of their subsidiaries and (iii) do not provide for any admission of material liability by Parkway, Cousins or any of their subsidiaries;

subject to certain limited exceptions, (i) increase the compensation, bonus or pension, welfare, severance or other benefits payable or provided to, or pay any bonus to, or grant any new cash- or equity-based awards or long-term cash awards to, any current or former directors, employees or other service providers, (ii) grant or provide any change of control, severance or retention payments or benefits to any current or former director, employee or other service provider, (iii) establish, adopt, enter into or amend any benefit plan, other than immaterial amendments that do not result in an increase in cost of maintaining such benefit plan, (iv) enter into or amend any collective bargaining agreement or similar agreement, (v) hire any new employee, other than to replace employees who terminate employment following the date of the Merger Agreement, provided that such employee s total annual compensation opportunity does not exceed $150,000, (vi) promote or terminate the employment (other than for cause) of any employee who has a total annual compensation opportunity in excess of $150,000 (in the case of promotion, whether before or after such promotion) or (vii) take any action to accelerate the vesting or payment, or fund or in any way secure the payment, of compensation or benefits under any benefit plan;

enter into, renew, modify, amend or terminate, waive, release, compromise or assign any rights or claims under any lease, except for (i) entering into or modifying leases in the ordinary course of business consistent with past practice on market terms and where such new or modified lease relates to premises of no more than 50,000 square feet and requires no more than $2 million in capital commitments, (ii) terminating leases as a result of a default by the counterparty or (iii) termination, modification or renewal of an existing lease in accordance with the terms of such existing lease that occurs automatically without any action by the parties;

form any new funds, non-traded REITs or other pooled investment vehicles;

effect any deed in lieu of foreclosure, or sell, lease, assign or encumber or transfer to a lender any property securing indebtedness owed to such lender; or

agree to, or make any commitment to, take or authorize any of the foregoing actions.

In addition, unless (i) expressly contemplated or permitted by the Merger Agreement; (ii) to the extent required to effect the Separation or the UPREIT Reorganization; (iii) to the extent required to effect the Spin-Off; (iv) as set forth in its confidential disclosure letter; (v) required by applicable law or regulation; or (vi) consented to by Cousins (which consent may not be unreasonably withheld, conditioned or delayed), Parkway has agreed that it shall not, and shall cause its subsidiaries not to:

declare, set aside or pay any dividends or other distributions, other than (i) as described herein under Dividends ; (ii) regular distributions that are required to be made in respect of partnership units of certain specified subsidiaries of Parkway; (iii) payment of accrued dividends, dividend equivalents or other distributions pursuant to Parkway equity awards or Parkway LP LTIP Units; (iv) dividends by or among an entity and its subsidiaries; and (v) distributions by an entity in which Parkway owns an interest that is not a subsidiary of Parkway, in accordance with the requirements of the organizational documents of such subsidiary;

repurchase, redeem or otherwise acquire its capital stock or other securities convertible into or exercisable for any shares of capital stock, except (i) upon the exercise by a limited partner in Parkway LP of its right to redeem or exchange partnership units pursuant to the terms of the Parkway Partnership Agreement; (ii) the redemption of shares of Parkway limited voting stock in accordance with their terms; and (iii) as required by the Separation or the UPREIT Reorganization or acquisitions of shares tendered by holders of Parkway equity plans in accordance with the terms of such plan;

issue, deliver or sell, or authorize or propose any issuance, delivery or sale of, shares of its capital stock or that of any subsidiary, voting debt, stock appreciation rights, stock options, restricted shares or other equity-based awards or convertible or exchangeable securities, except (i) in connection with the exercise or settlement of existing equity or LTIP awards in accordance with the existing terms of the related plans or awards; (ii) issuances under the Parkway employee stock purchase plan; (iii) upon the exercise by a limited partner in Parkway LP of its right to redeem or exchange partnership units pursuant to the terms of the Parkway Partnership Agreement; (iv) issuances of Parkway LP units upon conversion of LTIP Units; or (v) issuances by a subsidiary of Parkway to Parkway or another subsidiary thereof, as applicable; and

make or commit to make any capital expenditure in excess of $2 million in the aggregate, other than (i) in connection with tenant improvements at Parkway s properties, solely to the extent required pursuant to the terms of the applicable lease (including any new lease or amendment, provided that commitments for tenant improvements with respect to certain small leases at Parkway s properties shall not exceed $10 million in the aggregate and provided that the aggregate of all capital expenditures plus commitments for tenant improvements with respect to such small leases shall not exceed

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$10 million); (ii) for the alteration of Parkway s properties pursuant to construction or landlord work obligations created in the ordinary course of business and in accordance with the terms of the applicable lease, in an amount not to exceed $2 million with respect to any individual lease or $10 million in the aggregate; (iii) in the ordinary course of business consistent with past practice; and (iv) as necessary to repair and/or prevent damage to any of Parkway s properties or as is necessary in the event of an emergency, after prior notice to the other party, and if such emergency is not covered by insurance, in an amount not to exceed $2 million with respect to any individual lease or $10 million in the aggregate.

In addition, Parkway shall inform Cousins within 10 calendar days after the end of each fiscal quarter regarding its current levels of net debt, meaning Parkway s share of the total outstanding principal balance of indebtedness of Parkway on a consolidated basis, *minus* Parkway s share of the total amount of unrestricted and unencumbered cash and cash equivalents on a current basis, and current cash at the end of such quarter, along with an internally generated roll forward schedule of such net debt and cash for the succeeding three quarters.

In addition, unless (i) expressly contemplated or permitted by the Merger Agreement, (ii) to the extent required to effect the Separation or the UPREIT Reorganization, (iii) to the extent required to effect the Spin-Off, (iv) as set forth in its confidential disclosure letter, (v) required by applicable law or regulation or (vi) consented to by Parkway (which consent may not be unreasonably withheld, conditioned or delayed), Cousins has agreed that it shall not, and shall cause its subsidiaries not to:

declare, set aside or pay any dividends or other distributions, other than (i) as described under Dividends ; (ii) payment of accrued dividends, dividend equivalents or other distributions pursuant to Cousins equity award; (iii) dividends by or among an entity and its subsidiaries and (iv) distributions by an entity in which Cousins owns an interest that is not a subsidiary of Cousins, in accordance with the requirements of the organizational documents of such entity;

repurchase, redeem or otherwise acquire its capital stock or other securities convertible into or exercisable for any shares of capital stock of Cousins, as required by the Separation or the UPREIT Reorganization or acquisitions of shares tendered by holders of Cousins equity plans in accordance with the terms of such plans;

issue, deliver or sell, or authorize or propose any issuance, delivery or sale of, shares of its capital stock or that of any subsidiary, voting debt, stock appreciation rights, stock options, restricted shares or other equity-based awards or convertible or exchangeable securities, except (i) in connection with the exercise or settlement of existing equity awards in accordance with the existing terms of the related plans or awards, or (ii) issuances by a subsidiary of Cousins to Cousins or another subsidiary thereof, as applicable; and

make or commit to make any capital expenditure in excess of $2 million in the aggregate, other than (i) in connection with tenant improvements at Cousins properties, solely to the extent required pursuant to the terms of the applicable lease; (ii) for the alteration of Cousins properties pursuant to construction or landlord work obligations created in the ordinary course of business and in accordance with the terms of the applicable lease, in an amount not to exceed $2 million with respect to any individual lease or $10 million in the aggregate; (iii) in the ordinary course of business consistent with past practice; and (iv) as necessary to repair and/or prevent damage to any of Cousins properties or as is necessary in the event of an emergency, after prior notice to the other party, and if such emergency is not covered by insurance, in an amount not to exceed $2 million with respect to any property of Cousins or $10 million in the aggregate.

Other Covenants and Agreements

The Merger Agreement contains certain other covenants and agreements, including covenants related to:

cooperation between Cousins and Parkway in the preparation of this joint proxy statement/prospectus;

each party s agreement to (i) afford the representatives of the other party access to its books, contracts and records during normal business hours and (ii) provide the other party, upon reasonable request, with copies of certain information;

each party s agreement to maintain the confidentiality of certain nonpublic information provided by the other party;

each party s agreement to use its reasonable best efforts to take all actions reasonably appropriate to consummate the Merger and the other transactions contemplated by the Merger Agreement, including the Separation, the UPREIT Reorganization and the Spin-Off;

each party s agreement to use its reasonable best efforts to cooperate to obtain all governmental consents, clearances, approvals, permits or authorizations required to complete the Merger;

each party s agreement to (i) cooperate in all respects in connection with any investigation or other inquiry; (ii) promptly notify the other party of any communication concerning the Merger Agreement or the transactions contemplated thereby from or with any governmental entity; (iii) permit the other party to review and comment on any proposed communication to any government entity; (iv) consult with the other party in advance of any meeting with any governmental entity or in connection with a proceeding by a private party; and (v) resolve objections and avoid or eliminate impediments to the closing of the Merger;

Cousins agreement to use its reasonable best efforts to cause the shares of Cousins common stock to be issued in, or reserved for issuance in connection with, the Merger to be approved for listing on the NYSE, subject to official notice of issuance, prior to the consummation of the Merger;

cooperation between Cousins and Parkway in connection with the development of a joint communications plan and in connection with press releases and other public statements with respect to the Merger and the Spin-Off; and

the use by Cousins and Parkway of reasonable best efforts to cause the Merger to qualify as a reorganization under the Code, and to effect the Separation and the UPREIT Reorganization in a manner such that the Separation and the UPREIT Reorganization are treated as taxable transactions to both Cousins and the stockholders of Cousins under the Code.

Financing

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, Parkway shall use its reasonable best efforts to cause New Parkway LP to obtain the proceeds of the New Parkway Credit Facilities, including by taking enforcement action against the Lenders. Without Cousins consent (which shall not be unreasonably withheld), Parkway may not amend or modify the commitments with respect to the New Parkway Credit Facilities in a manner materially adverse to Cousins, including any amendment or modification that reduces the net proceeds to be funded, expands the conditions to funding, or materially adversely impacts Parkway or New Parkway LP s ability to enforce their rights against the Lenders. The Merger Agreement also provides for Parkway and Cousins to provide to each other reasonable and customary cooperation in connection with the arranging, obtaining and syndication of any necessary or advisable financing arrangements (including the New Parkway Credit Facilities) in connection with the Merger and the Spin-Off.

Asset Sales

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, Parkway shall use commercially reasonable efforts to take all actions necessary, proper or advisable under law to

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effect asset sales of certain of Parkway s properties in Jacksonville and Miami, Florida and Philadelphia, Pennsylvania, as set forth in Exhibit A to the Merger Agreement. Such asset sales are subject to the approval of Cousins unless conducted in accordance with certain terms in Parkway s confidential disclosure letter, and may be conditioned upon the closing of the Merger. Parkway has agreed to use commercially reasonable efforts to take all actions necessary, proper or advisable under law to effect modifications to the asset sales that are mutually agreed between Cousins and Parkway. Parkway shall also cooperate with Cousins in developing and implementing a strategy and process for effecting the asset sales, consult with Cousins on a regular basis and in good faith in carrying out such strategy and process and use commercially reasonable efforts to take or cause to be taken all actions necessary, proper or advisable to obtain such authorizations, approvals or consents as promptly as practicable.

The Separation and the UPREIT Reorganization

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, each of the parties has agreed to take all actions reasonably necessary, proper or advisable to effect the Separation and the UPREIT Reorganization, including but not limited to the following steps:

Parkway and Parkway LP have organized two new Delaware limited partnerships, Cousins LP and New Parkway LP, each of which initially is wholly owned by Parkway as the initial general partner and Parkway LP as the initial limited partner and have partnership agreements with provisions that are customary for UPREIT partnerships.

Parkway has formed New Parkway as a wholly owned Maryland corporation.

Immediately following the effective time of the Merger, Parkway LP will contribute its non-Houston properties and certain other assets specified in the Separation and Distribution Agreement (as hereinafter defined) to Cousins LP in exchange for interests in Cousins LP, and retain its interest in the assets related to the Houston Business. Parkway LP will then distribute all of the interests of Cousins LP that it received from these contributions ratably to its partners. Parkway GP will distribute the Cousins LP interests that it receives to Merger Sub, which will be the sole stockholder of Parkway GP following the effective time of the Merger.

Parkway LP will then contribute its assets related to the Houston Business, including entities that own direct or indirect ownership interests in CityWestPlace, Phoenix Tower and San Felipe Plaza, direct and indirect ownership in Eola Office Partners LLC and the direct and indirect minority ownership interest of Parkway LP in 2121 Market Street Associates, L.P., to New Parkway LP, and Cousins will contribute its assets related to the Houston Business, including its direct and indirect ownership interests in Greenway Plaza and Post Oak Central, to New Parkway LP (other than a 1% interest in certain entities, which Cousins will contribute to New Parkway) in exchange for limited partner interests in New Parkway LP. Cousins will then contribute its 1% interest in certain entities referred to in the preceding sentence and limited partner interests in New Parkway LP to New Parkway, and Merger Sub will contribute to New Parkway its limited partner interests in Parkway LP and its stock of Parkway GP. Through a series of transactions, Cousins LP will contribute $5 million to New Parkway in exchange for non-voting preferred stock of New Parkway (with aggregate liquidation preference of $5 million and bearing a market-rate dividend), New Parkway will contribute $5 million to Parkway LP in exchange for preferred limited partner units of Parkway LP (with aggregate liquidation preference of $5 million and bearing a market dividend rate), and Parkway LP will contribute $5 million to New Parkway LP in exchange for preferred limited partner units of New Parkway LP (with aggregate liquidation preference of $5 million and bearing a market-rate dividend). Merger Sub will contribute its general partner interest in New Parkway LP to Parkway GP. The issuance of the $5 million of Parkway non-voting preferred stock was negotiated between the parties to satisfy the parties overall business and economic objectives, including the intended tax treatment of the Spin-Off. The issuances of preferred units are meant to preserve the economics of the UPREIT structure.

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New Parkway will elect to be taxed as a corporation for federal income tax purposes, effective prior to the distributions discussed below, and will elect to be treated as a REIT for federal income tax purposes for the taxable year ending on December 31 of the year for which the election to be treated as a corporation is effective.

New Parkway LP will enter into the New Parkway Credit Facilities for aggregate availability of $350 million, and subject to satisfaction of the conditions thereto, New Parkway LP will draw $350 million. Through a series of transactions, New Parkway LP will distribute pro rata portions of $200 million of the $350 million draw to each of Parkway LP, Parkway GP (which subsequently will distribute such proceeds to New Parkway, its sole stockholder), and New Parkway (which New Parkway will subsequently distribute, along with the cash received from Parkway GP and Parkway LP, to Merger Sub, its sole stockholder, which will distribute the cash to Cousins, its sole stockholder). Parkway LP will distribute its pro rata share of the $200 million in loan proceeds ratably to its partners, if each of its other partners agrees to cause its share of the distributed cash to be contributed to Cousins LP in exchange for units of Cousins LP; if a limited partner of Parkway LP does not agree to contribute its share of the distributed cash to Cousins LP, Parkway LP will use a portion of its pro rata share of the $200 million to redeem Parkway LP units held by New Parkway and each other partner that agrees to cause its share of distributed cash to be contributed to Cousins LP in exchange for units of Cousins LP, at a redemption price based upon the Parkway Partnership Agreement.

Limited partners of Parkway LP who received cash in the above step will contribute such cash to Cousins LP, in exchange for units of Cousins LP.

Cousins will contribute to Cousins LP its non-Houston assets (including the portion of the $200 million of loan proceeds that it received through Merger Sub in the pro rata distribution, as described above), in exchange for units of Cousins LP. Other limited partners of Parkway LP will continue as limited partners of Cousins LP.

Cousins LP will then repay, or cause to be repaid, Parkway s existing credit facilities in an amount of approximately $550 million.

Merger Sub will distribute to Cousins, its sole stockholder, 100% of the common stock of New Parkway, 100% of the New Parkway limited voting stock, the general partner interest in Cousins LP and all of the units of Cousins LP that Merger Sub received in the foregoing distributions from Parkway LP and Parkway GP.

Prior to market opening on the day following the closing of the Merger, in connection with the Spin-Off, common stock and limited voting stock of New Parkway will be distributed to Cousins stockholders (including holders of Cousins stock who received shares of Cousins stock in exchange for shares of Parkway stock pursuant to the Merger).

The UPREIT Reorganization will result in Cousins functioning as an UPREIT following the effective time of the Merger, with substantially all of its assets held and activities conducted through Cousins LP, its operating partnership. The original limited partners of Parkway LP who have not elected to exchange or redeem their units for Parkway common stock prior to the Merger will retain a pro rata portion of the limited partner interests in Cousins LP following the effective time of the Merger. Pursuant to the partnership agreement of Cousins LP, which will be entered into in connection with the UPREIT Reorganization, Cousins shall be the general partner of Cousins LP and, as of the effective time of the Merger, will hold approximately 98% of the limited partnership interests of Cousins LP. For more information, see Information About the Companies Cousins Properties LP.

Pursuant to the UPREIT Reorganization, New Parkway LP will become the operating partnership of New Parkway, through which New Parkway will operate substantially all of its business after the effective time of the Spin-Off. For more information, see Information About the Companies Parkway Properties LP.

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The simplified structure of each of Cousins and Parkway prior to the Merger is set forth below.

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The simplified structure of each of Cousins and New Parkway following the Merger, the UPREIT Reorganization and the Spin-Off is set forth below.

The Spin-Off

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, on the business day following the closing of the Merger, after all of the steps of the Separation and the UPREIT Reorganization have been completed, Cousins will effect the Spin-Off of New Parkway to all of Cousins stockholders, which will include legacy Cousins stockholders and legacy Parkway stockholders who received shares of Cousins common and limited voting preferred stock in connection with the Merger.

In the Spin-Off, common stockholders of Cousins, including legacy Parkway common stockholders, will receive shares of New Parkway common stock, and holders of Cousins limited voting preferred stock, consisting of legacy Parkway limited voting stockholders, will receive shares of New Parkway limited voting stock. Limited partners of Parkway LP who elected not to redeem or exchange their partnership interests in Parkway LP for shares of Parkway common stock will retain their pro rata interest in Parkway LP. New Parkway LP will function as the operating partnership of New Parkway for purposes of the UPREIT structure. Further, Cousins or Cousins LP will retain all of the shares of nonvoting preferred stock of New Parkway. New Parkway is expected to have outstanding shares of nonvoting preferred stock with a liquidation preference of $5 million, a fixed market-rate dividend and no voting rights, other than as required by law.

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, Cousins and Parkway have agreed to use reasonable best efforts to prepare and cause New Parkway to file a prospectus relating to securities of New Parkway to be issued in the Spin-Off, and the parties shall use reasonable best efforts and cooperate to cause New Parkway to file with the SEC the New Parkway Form 10. The parties have agreed to use reasonable best efforts to cooperate in order to effect the Spin-Off on the business day following the closing of the Merger.

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, prior to the Spin-Off, the parties will enter into a separation and distribution agreement (which we refer to as the Separation and Distribution Agreement), which will govern the rights and responsibilities of each of Cousins and New Parkway with respect to its relationship with the other following the closing of the Merger and the Spin-Off and contain, among other things, the terms set forth on Exhibit C to the Merger Agreement.

The parties will also execute and deliver such instruments of conveyance as may be necessary to effect the Separation and the UPREIT Reorganization, upon the terms and subject to the conditions of the Merger Agreement. Additionally, all intercompany agreements between New Parkway, Cousins and their respective subsidiaries will be terminated in connection with the Spin-Off, other than agreements that are specifically identified. Pursuant to the Separation and Distribution Agreement, upon the terms and subject to the conditions of the Separation and Distribution Agreement, New Parkway and the TPG Parties will enter into the New Parkway stockholders agreement in connection with the closing of the Spin-Off. For more information, see Agreements with the TPG Parties New Parkway Stockholders Agreement.

Pursuant to the Separation and Distribution Agreement, upon the terms and subject to the conditions of the Separation and Distribution Agreement, New Parkway, through its subsidiaries, will retain all assets primarily related to the Houston Business, including:

- $150 million of unrestricted cash proceeds from the New Parkway Credit Facilities;

- all issued capital stock or other equity interests in subsidiaries, joint ventures, partnerships or similar entities that primarily relate to the Houston Business, as well as the Third-Party Services Business and Parkway s minority ownership interest in 2121 Market Street Associates, L.P. (which we refer to as the Houston Entities);

- all right, title and interest (whether as owner, mortgagee or holder of a security interest) in real properties located in Houston, Texas. Following the UPREIT Reorganization and the Spin-Off, New Parkway will own interests in the following operational properties;

  - CityWestPlace

  - Greenway Plaza

  - Phoenix Tower

Post Oak Central

San Felipe Plaza

all other assets primarily related to the Houston Business, including all furniture, buildings, fixtures, equipment, easements and other appurtenances located at the Houston real properties;

the third party management contracts to which Eola Office Partners, LLC is a party;

all third-party vendor contracts for information technology, human resources, financial, legal and public affairs services primarily used by the Houston Business;

all of the intellectual property relating to New Parkway;

all contracts entered into in the name of, or expressly on behalf of, any of the Houston Entities;

all permits used primarily in the Houston Business;

all books and records, wherever located, primarily related to the Houston Business;

all rights, claims, demands, causes of action, judgments, decrees, property tax appeals and rights to indemnify or contribution in favor of Cousins that are primarily related to the Houston Business; and

other assets mutually agreed by the parties prior to the Spin-Off.

In addition, pursuant to the Separation and Distribution Agreement, upon the terms and subject to the conditions of the Separation and Distribution Agreement, New Parkway, through its subsidiaries, will retain all of the liabilities arising out of the Houston Business, including:

the New Parkway Credit Facilities;

all liabilities relating to New Parkway s businesses;

all liabilities (including environmental liabilities) relating to underlying circumstances or facts existing, or events occurring, prior to the Spin-Off, to the extent relating to the Houston Business, New Parkway or Houston assets;

all guarantees and indemnitees in respect of any of the assets of New Parkway or liabilities of New Parkway;

all third-party claims to the extent relating to the Houston Business and Houston assets;

30% of any liabilities arising from any third-party claims related to the Merger Agreement or the transactions contemplated thereby;

30% of any liabilities related to breaches of fiduciary duties and violations of securities law relating to events before the Spin-Off;

all insurance charges related to the Houston Business and Houston assets;

liabilities under the tax protection agreements and related documents listed on the confidential Parkway disclosure letter;

liabilities and obligations arising under the Registration Rights Agreement dated as of October 13, 2004 among Thomas Properties Group, Inc., Thomas Properties Group, L.P. and the Thomas Investors named therein; and other liabilities mutually agreed upon by the parties prior to the Spin-Off.

Pursuant to the Separation and Distribution Agreement, upon the terms and subject to the conditions of the Separation and Distribution Agreement, Cousins will retain all assets other than the Houston, Texas assets, and all liabilities other than those explicitly distributed to New Parkway pursuant to the foregoing. Following the UPREIT Reorganization and the Spin-Off, assuming certain asset sales are consummated in accordance with the Merger Agreement, Cousins will own interests in the following operational properties:

Colorado Tower

816 Congress Avenue

Research Park V

Northpark Town Center

191 Peachtree Tower

Promenade

The American Cancer Society Center

Terminus 100

Terminus 200

Meridian Mark Plaza

Emory Point University Hospital Midtown Medical Office Tower

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Fifth Third Center

Gateway Village

Emory Point Apartments (Phase I)

Emory Point Retail (Phase I)

Emory Point Retail (Phase II)

Emory Point Apartments (Phase II)

Hayden Ferry Lakeside I

Hayden Ferry Lakeside II

Hayden Ferry Lakeside III

Tempe Gateway

Corporate Center I

Corporate Center II

Corporate Center III

Corporate Center IV

Harborview Plaza

The Pointe

Courvoisier Center

Citrus Center

Bank of America Center

One Orlando Centre

3350 Peachtree

3348 Peachtree

3344 Peachtree

The Forum at West Place

One Buckhead Plaza

Two Buckhead Plaza

Hearst Tower

NASCAR Plaza

One Congress Plaza

San Jacinto Center

US Airways Building

The Separation and Distribution Agreement will include the following terms and conditions, among others:

Segregation of Accounts. Cousins and New Parkway will use commercially reasonable efforts to de-link any common bank or brokerage accounts between them, and any outstanding checks issued or payments initiated prior to the effective time of the Merger will be honored after the effective time of the Merger by the party then owning the account on which the check is drawn. The parties will cooperate to pay over any amounts received rightfully owed to the other party, subject to regulatory compliance.

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Novation. Cousins and New Parkway will use commercially reasonable efforts to obtain any consent or amendment required to novate or assign all liabilities to the appropriate party, based on the separation of liabilities described above. Additionally, each party will use commercially reasonable efforts to have the other party removed as the guarantor or obligor with respect to any obligations or liabilities of such party. To the extent the release or removal cannot be obtained, the party benefiting from the guarantee or obligation will indemnify and hold harmless the other from any liability arising from such guarantee or obligation, and will not renew or extend the term of the applicable obligation or liability.

Mortgage Debt. Cousins and New Parkway will acquire properties previously owned by other parties, subject to existing mortgage debt. Each party will use commercially reasonable efforts to have the other party released from all debt documents, including guarantees, relating to properties no longer owned by such other party.

Financing. At the effective time of the Merger, New Parkway will cause New Parkway LP to borrow $350 million under the New Parkway Credit Facilities, and, in the Separation and the UPREIT Reorganization, $200 million will be distributed through New Parkway to Merger Sub and Merger Sub shall be contributed to Cousins LP. New Parkway, through New Parkway LP, will retain $150 million of unrestricted cash.

Employee Matters. The initial post-Spin-Off employment terms for Parkway and Cousins employees transferring to New Parkway generally will be consistent with those applicable to continuing Parkway employees under the Merger Agreement. For more information, see Employee Benefits Matters. Cousins generally will retain assets and liabilities related to benefit plans and employees who are not transferring to New Parkway, while New Parkway generally will assume assets and liabilities related to benefit plans and employees who are transferring to New Parkway; *provided*, *however*, liability for claims incurred under a health and welfare benefit plan prior to the distribution will remain the liability of the party who sponsors such benefit plan following the distribution.

Employee Non-Solicit. The non-solicit provision contained in the Merger Agreement will continue for two years following the closing of the Merger Agreement.

Tax Matters. Each of Cousins and New Parkway will enter into a tax matters agreement that will address the following:

preparation of post-Spin-Off tax returns;

preparation of any tax returns relating to Parkway LP, reflecting certain tax items arising out of the Separation and the UPREIT Reorganization;

apportionment of taxes among Cousins and New Parkway;

refunds, tax attributes and deductions; and

conduct of tax proceedings.

Intellectual Property. Cousins shall retain all rights to intellectual property of Cousins immediately prior to the Spin-Off, including the Cousins name and all related intellectual property, including Internet domain names and the CUZ ticker symbol. New Parkway shall retain all rights to the Parkway name and all related intellectual property, including Internet domain names and the PKY ticker symbol.

Transition Services. The parties will enter into a transition services agreement, pursuant to which it will cooperate with regards to various post-Spin-Off matters, including property level audits and financial reporting, and provide certain continuing administrative services with respect to the assets previously owned by it prior to the closing of the Merger.

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Insurance. Cousins and Parkway will work in good faith to consider the appropriateness (from an economic cost and liability standpoint) of Cousins, Parkway and New Parkway continuing coverage on properties owned by Cousins and New Parkway after the Spin-Off under their existing property (casualty) insurance coverage through December 31, 2016, but in no event will Cousins or New Parkway be required to extend such coverage on the Houston assets and non-Houston assets, respectively, past December 31, 2016; *provided,* that allocation and reimbursement of premiums will be required in connection with any such continuation. Following the Spin-Off, Cousins and New Parkway will each be solely responsible for any uninsured loss (including deductible) on property it owns after the Spin-Off. At the effective time of the Merger, Parkway s existing property insurance coverage shall be transferred to New Parkway and shall remain in place (for such properties which continue to be owned by Cousins) through and until April 1, 2017, which is the expiration of the current term thereunder.

Information Sharing. Cousins and New Parkway will use commercially reasonable efforts after the Spin-Off to share with the other party all information relating to matters prior to the Spin-Off, and such other party s assets held by the disclosing party. The parties will agree on records retention policies and will keep copies of all historic records and agreements to support future diligence and audits. The Separation and Distribution Agreement will include a customary confidentiality agreement.

Indemnification. Each of New Parkway and Cousins will indemnify the other for any claims relating to:

- liabilities of New Parkway or Cousins, and the failure of New Parkway or Cousins to pay any such liability in accordance with its terms;

- third-party claims relating to the indemnifying party s business or assets;

- breach of the Separation and Distribution Agreement or any other ancillary document thereto;

- guarantees, credit support agreements or similar undertakings for the benefit of the indemnifying party by the other party; and

- any untrue statement of material fact in the New Parkway Form 10.

Mutual Releases. Neither party will be liable to the other for indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages, other than with respect to a third-party claim. Each of Cousins and New Parkway will also release the other party and its directors, officers, employees, agents and equity holders from all pre-closing liabilities related to the releasing party s business or assets owned by such party after the Spin-Off, other than liabilities for any willful or intentional misconduct, fraud, gross negligence or bad faith. Neither party will make any claim against the other or such directors, officers, employees, agents or equity holders with respect to any such liability. The foregoing in no way limits the rights of the parties under the Merger Agreement.

The Spin-Off is subject to certain conditions, including:

the effectiveness of the New Parkway Form 10, with no stop order in effect with respect thereto, and no proceedings for such purpose pending before or threatened by the SEC;

the receipt by Cousins of solvency and surplus opinions;

the acceptance for listing on the NYSE of shares of New Parkway common stock to be issued or reserved for issuance in connection with the Spin-Off, subject to official notice of distribution;

the mailing of the information statement that forms a part of the New Parkway Form 10;

the execution of all ancillary documents required by the Spin-Off;

the absence of injunction or law preventing consummation, or limiting the benefits of, the Spin-Off;

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the consummation of the Merger, the Separation and the UPREIT Reorganization; and

the entering into by New Parkway LP of the New Parkway Credit Facilities, pursuant to which New Parkway LP shall cause $200 million to be distributed to its partners, which funds will then be contributed to Cousins LP.

Employee Benefits Matters

For a period of one year following the effective time of the Merger (or, if earlier, the date of the applicable employee s termination of employment), Cousins will provide, or will cause to be provided, to each employee of Parkway and its subsidiaries who is employed by Cousins or its subsidiaries as of the effective time of the Merger (which we refer to as the Continuing Employees) (i) at least the base compensation provided to such Continuing Employee immediately prior to the effective time of the Merger; (ii) an annual bonus opportunity that is no less favorable than is provided to a similarly situated employee of Cousins or its subsidiaries; (iii) long-term incentive award opportunities, whether cash or equity, that are no less favorable than are provided to a similarly situated employee of Cousins or its subsidiaries; (iv) severance benefits that are no less favorable, in the aggregate, than the severance benefits that would have been provided to such Continuing Employee pursuant to the terms, as in effect on the date of the Merger Agreement, of the severance pay policies and arrangements of Parkway; and (v) other compensation and employee benefits (excluding, for this purpose, the compensation contemplated by the foregoing clauses (i)-(iv) above and defined benefit pension plans, post-retirement medical and welfare plans, and retention change in control or similar plans, policies or agreements) that are substantially comparable in the aggregate to those provided to a similarly situated employee of Cousins or its subsidiaries. For purposes of clause (v), the employee benefits generally provided to employees of Parkway and its subsidiaries as of immediately prior to the effective time of the Merger will be deemed to be substantially comparable in the aggregate to those provided to a similarly situated employee of Cousins or its subsidiaries, and the Continuing Employees may commence participation in the benefit plans maintained by Cousins and its subsidiaries at such times as are determined by Cousins.

For purposes of any benefit plans maintained by Cousins and its subsidiaries that provide benefits to any Continuing Employees after the effective time of the Merger, Cousins will, or will cause its applicable subsidiary to, (i) waive all preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to the Continuing Employees and their eligible dependents, except, with respect to pre-existing conditions or exclusions, to the extent such preexisting conditions or exclusions would apply under the analogous Parkway benefit plan; (ii) provide each Continuing Employee and his or her eligible dependents with credit for any co-payments and deductibles paid during the portion of the plan year of the corresponding Parkway benefit plan ending on the date such Continuing Employee s participation in the Cousins benefit plan begins (to the same extent that such credit was given under the analogous Parkway benefit plan prior to the date that the Continuing Employee first participates in the Cousins benefit plan) in satisfying any applicable deductible or out-of-pocket requirements; and (iii) recognize all service of the Continuing Employees with Parkway and its subsidiaries (and any predecessors or affiliates thereof) for all purposes to the same extent such service was taken into account under the analogous Parkway benefit plan prior to the date that the Continuing Employee first participates in the Cousins benefit plan. The foregoing clause (iii) will not apply to the extent it would result in duplication of benefits or for any purpose with respect to any defined benefit pension plan, postretirement welfare plan or any Cousins benefit plan under which similarly situated employees of Cousins and its subsidiaries do not receive credit for prior service or that is grandfathered or frozen, either with respect to level of benefits or participation.

Dividends

The Merger Agreement provides that between April 28, 2016 and the earlier of the effective time of the Merger and the termination of the Merger Agreement, none of Cousins, Parkway or Parkway LP may make, declare or set aside for payment of any dividend or other distribution to its respective stockholders or stockholders without the prior written consent of Cousins (in the case of distributions by Parkway or Parkway LP) or Parkway (in the case of distributions by Cousins), except that such written consent will not be required for

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the authorization and payment of quarterly distributions at a rate not in excess of the regular quarterly cash dividend most recently declared prior to April 28, 2016 ($0.08 per share of Cousins common stock and $0.1875 per share of Parkway common stock).

Cousins and Parkway have agreed to coordinate their regular quarterly dividends for their common stockholders so that, if one group of common stockholders receives any dividend for a calendar quarter, the other group of common stockholders will also receive a dividend for such calendar quarter with the same record and payment dates. Cousins and Parkway have also agreed that one party, with notice to the other, can declare or pay the minimum dividend that may be required in order for such party to qualify as a REIT and to avoid to the extent reasonably possible the incurrence of income or excise tax. If one party declares a REIT dividend, the other party can declare a dividend per share in the same amount, as adjusted by the exchange ratio.

Conditions to Completion of the Merger

The obligations of Cousins and Parkway to complete the Merger are subject to certain conditions being satisfied or, where legally permissible, waived. These conditions include, among others:

- the affirmative vote of the majority of the votes cast by Cousins common stockholders to approve the Cousins Issuance Proposal;
- the affirmative vote of the holders of a majority of the outstanding shares of Cousins common stock to approve the Cousins Articles Amendment Proposal;
- the affirmative vote of the holders of a majority of the outstanding Parkway common and limited voting stock, voting together as a single class, to approve the Merger;
- the approval of listing on the NYSE of shares of Cousins common stock to be issued or reserved for issuance in connection with the Merger;
- the SEC having declared effective the registration statement of which this joint proxy statement/prospectus forms a part;
- the absence of any temporary restraining order, preliminary or permanent injunction or other legal restraint, prohibition or binding order of any court or other governmental entity that prohibits the Merger;
- the absence of any action taken or statute, rule, regulation or order enacted by any governmental entity which makes the consummation of the Merger illegal; and

the Spin-Off being fully ready to be consummated contemporaneously with the closing of the Merger, including that the SEC shall have declared the New Parkway Form 10 effective and the Spin-Off will close on the business day following the closing of the Merger.

In addition, the obligation of Parkway to effect the Merger is subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of Cousins set forth in the Merger Agreement with respect to its organization, standing and power, capital structure (other than representations with respect to share count), authority, required vote, status as an investment company, brokers and finders and opinion of Cousins financial advisor being true and correct in all material respects as of April 28, 2016 and the closing date (except to the extent made as of an earlier date, in which case as of such earlier date);

the representations and warranties of Cousins set forth in the Merger Agreement with respect to its share count shall be true and correct in all but de minimis respects as of April 28, 2016 and the closing date;

the representations and warranties of Cousins set forth in the Merger Agreement with respect to all other matters being true and correct as of April 28, 2016 and the closing date (except to the extent

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made as of an earlier date, in which case as of such earlier date), except for the failure to be true and correct (without giving effect to any limitations as to materiality or a material adverse effect) as would not have or reasonably be expected to have a material adverse effect;

each of Cousins and Merger Sub having performed, in all material respects, all obligations required to be performed under the Merger Agreement at or prior to the closing date, other than with respect to the Spin-Off;

the receipt of an officers certificate signed by the chief executive officer and chief financial officer of Cousins, certifying that the four immediately preceding conditions have been satisfied;

the receipt of an opinion of Hogan Lovells to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code; and

the receipt of an opinion from Cousins tax advisor that, commencing with Cousins taxable year ended December 31, 2010, Cousins has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code.

The obligation of Cousins to effect the Merger is subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of Parkway set forth in the Merger Agreement with respect to its organization, standing and power, capital structure (other than representations with respect to share count), authority, required vote, status as an investment company, brokers and finders and opinions of Parkway s financial advisors being true and correct in all material respects as of April 28, 2016 and the closing date (except to the extent made as of an earlier date, in which case as of such earlier date);

the representations and warranties of Parkway set forth in the Merger Agreement with respect to its share count being true and correct in all but de minimis respects as of April 28, 2016 and the closing date;

the representations and warranties of Parkway set forth in the Merger Agreement with respect to all other matters being true and correct as of April 28, 2016 and the closing date (except to the extent made as of an earlier date, in which case as of such earlier date), except for the failure to be true and correct (without giving effect to any limitations as to materiality or a material adverse effect) as would not have or reasonably be expected to have a material adverse effect;

each of Parkway and Parkway LP having performed, in all material respects, all obligations required to be performed under the Merger Agreement at or prior to the closing date, other than with respect to the Spin-Off;

the receipt of an officers certificate signed by the chief executive officer and chief financial officer of Parkway, certifying that the four immediately preceding conditions have been satisfied;

the receipt of an opinion of Wachtell Lipton to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code; and

the receipt of an opinion from Hogan Lovells that, commencing with Parkway s taxable year ended December 31, 2010 and through the effective time of the Merger, Parkway has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code.

No Solicitation

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, each of Cousins and Parkway has agreed that none of Cousins or Parkway, or their respective subsidiaries, officers or directors, will, directly or indirectly, (i) initiate, solicit or knowingly encourage or facilitate any inquiries or the making of any acquisition proposal, (ii) participate in any discussions or negotiations with or provide any confidential information to any person concerning an acquisition proposal, or knowingly facilitate any effort attempt to make or implement an acquisition proposal, (iii) approve or execute or enter into any letter of intent, agreement in principle, merger agreement, asset purchase or share exchange agreement, option agreement or other similar agreement related to any acquisition proposal or (iv) propose or agree to any of the foregoing.

For purposes of the Merger Agreement, an acquisition proposal means any proposal or offer with respect to, or a transaction to effect, (i) a merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving Cousins, Parkway or any of their significant subsidiaries, (ii) any purchase or sale of 20% or more of the consolidated assets (including stock or other ownership interests of its subsidiaries) of Cousins or Parkway, in each case taken as a whole with each of its subsidiaries or (iii) any purchase or sale of, or tender or exchange offer for, its voting securities that, if consummated, would result in any person (or the stockholders or other equity interest holders of such person) beneficially owning securities representing 20% or more of the total voting power of either Cousins or Parkway (or of the surviving parent entity in such transaction) or the voting power of any significant subsidiary of either Cousins or Parkway (in each case other than any proposal or offer made by one party to the Merger Agreement to another such party). A significant subsidiary is any subsidiary of Cousins or Parkway that would constitute a significant subsidiary of such party within the meaning of Rule 1-02 of Regulation S-X promulgated by the SEC.

Notwithstanding the foregoing, upon the terms and subject to the conditions of the Merger Agreement, each of the Cousins board of directors and the Parkway board of directors will be permitted, prior to its respective special meeting of stockholders and subject to first entering into a confidentiality agreement and subject to its compliance with the other provisions of this covenant, to engage in discussion and negotiations with, or provide nonpublic information to, any person making an unsolicited bona fide written acquisition proposal with respect to Cousins or Parkway which did not result from a breach of the terms of this covenant and which the Cousins board of directors or the Parkway board of directors concludes in good faith (after consultation with outside legal counsel and financial advisors) constitutes, or is reasonably likely to result in, an acquisition proposal that is both (i) more favorable to its stockholders, as the case may be, than the transactions contemplated by the Merger Agreement, and (ii) is reasonably likely to receive all required governmental approvals on a timely basis and otherwise reasonably capable of being completed on the terms proposed, in each case taking into account all legal, financial, regulatory and other aspects of such proposal and the person making the proposal, including any break-up fees or expense reimbursement provisions and conditions to consummation and *provided that* the references to 20% or more in the definition of acquisition proposal are replaced with a reference to 75% or more (we refer to any proposal meeting such criteria as a superior proposal). The foregoing actions may be undertaken only if the directors conclude in good faith (after consultation with outside legal counsel) that failure to do so would reasonably be expected to result in a breach of their duties to stockholders.

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, each party has agreed to notify the other party within 24 hours after receipt of an acquisition proposal or receipt of any request for nonpublic information relating to a party or its subsidiaries, or if either party enters into discussions or negotiations concerning any acquisition proposal or provides nonpublic information to any person in connection with an acquisition proposal. Each party has agreed to keep the other party informed of the status and terms of any such proposals. Each party may contact a person submitting an acquisition proposal to clarify and understand the terms of the acquisition proposal, so as to determine whether such acquisition proposal constitutes or is reasonably likely to result in a superior proposal.

Stockholder Vote

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, Cousins has agreed to take all lawful action to call, give notice of, convene and hold a meeting of its stockholders as promptly as practicable following the effective date of the registration statement of which this joint proxy statement/prospectus forms a part for the purpose of obtaining Cousins stockholder approval of the Cousins

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Issuance Proposal and the Cousins Articles Amendment Proposal. Unless a permitted change in recommendation has occurred as described below, the Cousins board of directors has agreed to use its reasonable best efforts to obtain such stockholder approval, which includes issuing a recommendation to its stockholders to approve the Merger.

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, Parkway has agreed to take all lawful action to call, give notice of, convene and hold a meeting of its stockholders as promptly as practicable following the effective date of the registration statement of which this joint proxy statement/prospectus forms a part for the purpose of obtaining Parkway stockholder approval of the Parkway Merger Proposal. Unless a permitted change in recommendation has occurred as described below, the Parkway board of directors has agreed to use its reasonable best efforts to obtain such stockholder approval, which includes issuing a recommendation to its stockholders to approve the Merger.

Each party has agreed to use its reasonable best efforts to cause the Cousins special meeting and the Parkway special meeting to be held on the same date.

Permitted Change in Recommendation

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, each of the Cousins board of directors and the Parkway board of directors have agreed they will not, and will not publicly propose to, withhold, withdraw or modify in any manner adverse to the other party its approval, recommendation or declaration of advisability with respect to the Merger Agreement or the transactions contemplated thereby (which we refer to as a change in recommendation). Nevertheless, the Cousins board of directors or the Parkway board of directors may make a change in recommendation in the following circumstances:

- if the board of directors has concluded in good faith that an unsolicited bona fide written acquisition proposal that it has received from a third party and has not been withdrawn and which did not result from any violation of the nonsolicitation covenant constitutes a superior proposal, and that the failure to make such change in recommendation would reasonably be expected to result in a breach of its duties to the stockholders of Cousins or Parkway, as applicable; or

- if a material development or change in circumstances, which does not relate to an acquisition proposal and was neither known to nor reasonably foreseeable by the directors as of April 28, 2016, has occurred on or after such date, and the directors have reasonably determined that the failure to make such a change in recommendation would reasonably be expected to result in a breach of their duties to the stockholders of Cousins or Parkway, as applicable.

Prior to making any change in recommendation, upon the terms and subject to the conditions of the Merger Agreement, the Cousins board of directors or the Parkway board of directors, as applicable, must give five business days notice of its intention to do so to the other party, which notice must contain certain information relating to the acquisition proposal, development or change in circumstances leading to the proposed change in recommendation, and must engage in good faith discussions with the other party regarding any adjustments or modifications to the terms of the Merger Agreement proposed by such party. Following such five business day period and prior to making any change in recommendation, the party proposing to make a change in recommendation must again reasonably determine in good faith (after consultation with outside legal counsel, and taking into account any adjustment or modification of the terms of the Merger Agreement proposed by the other party) that failure to do so would reasonably be expected to result in a breach of its duties to Cousins or Parkway stockholders.

In addition, subject to compliance with the foregoing terms, either of Cousins or Parkway may terminate the Merger Agreement to enter into a superior proposal.

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Fees and Expenses

Other than as provided below, all fees and expenses incurred in connection with the Merger and the transactions contemplated by the Merger Agreement will be paid by the party incurring those expenses, whether or not the Merger is completed; *provided that* (i) if the Merger is completed, Cousins will pay all property or transfer taxes imposed on either party in connection with the Merger and (ii) each party will share equally the expenses incurred in connection with this joint proxy statement/prospectus and all filings in connection with the Spin-Off, including the filing of the New Parkway Form 10.

Termination of the Merger Agreement

Termination. The Merger Agreement may be terminated at any time prior to the effective time of the Merger, whether before or after the receipt of the requisite stockholder approvals, under the following circumstances:

- by mutual written consent of Cousins and Parkway;

- by either Cousins or Parkway:

  - if any governmental entity of competent jurisdiction issues a final and nonappealable order, decree or ruling or takes any other action that permanently enjoins or otherwise prohibits the Merger, *provided* that such right to terminate will not be available to any party whose failure to comply with any provision of the Merger Agreement has been the cause of such action;

  - if the Merger is not consummated on or before December 31, 2016 (which either party may extend to March 31, 2017 if the only closing condition that has not been met is that related to the readiness of the Spin-Off); *provided* that such right to terminate will not be available to any party whose failure to comply with any provision of the Merger Agreement has been the cause of such delay;

  - if there has been a breach by the other party of any covenants or agreements or any of the representations and warranties set forth in the Merger Agreement, which breach would result in the related closing conditions set forth in the Merger Agreement not being satisfied on the closing date, and such breach is not cured or is not curable by the earlier of December 31, 2016 (subject to extension to March 31, 2017, if the sole condition that has not been satisfied is the full readiness for consummation of the Spin-Off) or 60 days after receiving notice of such breach;

  - if the required approvals of either Cousins stockholders or Parkway stockholders have not been obtained upon a vote thereon at the duly convened Cousins special meeting or Parkway special meeting; or to enter into a superior proposal (subject to compliance with the provisions of the Merger Agreement regarding nonsolicitation of acquisition proposals), *provided* that the Merger Agreement may not be so terminated unless the termination fees discussed below have been paid in full substantially concurrently with such termination;

by Parkway:

upon a change in recommendation of the Cousins board of directors regarding the approval of Cousins Issuance Proposal and the Cousins Articles Amendment Proposal; or

upon a material breach by Cousins of its obligations under the Merger Agreement regarding nonsolicitation of acquisition proposals, subject to a five-day cure period;

by Cousins:

upon a change in recommendation of the Parkway board of directors regarding the approval of the Parkway Merger Proposal; or

upon a material breach by Parkway of its obligations under the Merger Agreement regarding nonsolicitation of acquisition proposals, subject to a five-day cure period.

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Effect of Termination. If the Merger Agreement is validly terminated, the Merger Agreement will become void and have no effect, without any liability or obligation on the part of any party, except that no party will be relieved or released from any liabilities or damages arising out of its fraud or willful and material breach of the Merger Agreement, and except that the provisions of the Merger Agreement relating to confidentiality, fees and expenses, effects of termination, termination fees, expense reimbursement, governing law, jurisdiction, waiver of jury trial and specific performance will continue in effect notwithstanding termination of the Merger Agreement.

Termination Fees and Expense Reimbursement.

Cousins. Cousins has agreed to pay a termination fee of $65 million, less any previously paid expense reimbursement, to Parkway in the following circumstances:

- if Cousins terminates the Merger Agreement to enter into a superior proposal;
- if Parkway terminates the Merger Agreement because of a change of recommendation by the Cousins board of directors;
- if Parkway terminates the Merger Agreement due to a material breach by Cousins of its obligations regarding nonsolicitation of alternative proposals; or
- (1) an acquisition proposal is made to Cousins, (2) thereafter the Merger Agreement is terminated (i) because Cousins stockholders have not approved the Cousins Issuance Proposal and the Cousins Articles Amendment Proposal, (ii) because December 31, 2016 is reached and Cousins stockholders shall not have approved the Cousins Issuance Proposal and the Cousins Articles Amendment Proposal or (iii) due to Cousins breach of its representations or covenants and (3) within 12 months of such termination, Cousins enters into or consummates a transaction in which a third party generally acquires at least 65% of Cousins common stock or assets. This fourth bullet exclusively shall be paid only upon the date of consummation of such transaction.

Such termination fee will be the maximum amount owed by Cousins in connection with any termination of the Merger Agreement, except in the case of any fraud or willful and material breach of the Merger Agreement by Cousins. The amount payable by Cousins may also be reduced to the extent necessary to maintain Parkway s qualification as a REIT under the Code. Should any amount of the fee be unpaid because of REIT requirements, the unpaid amount of the fee will be escrowed and paid out over a five-year period.

Parkway. Parkway has agreed to pay a termination fee of $65 million, less any previously paid expense reimbursement, to Cousins in the following circumstances:

- if Parkway terminates the Merger Agreement to enter into a superior proposal;

- if Cousins terminates the Merger Agreement because of a change of recommendation by the Parkway board of directors;

- if Cousins terminates the Merger Agreement due to a material breach by Parkway of its obligations regarding nonsolicitation of alternative proposals; or

- (1) an acquisition proposal is made to Parkway, (2) thereafter the Merger Agreement is terminated (i) because Parkway stockholders have not approved the Parkway Merger Proposal, (ii) because December 31, 2016 is reached and Parkway s stockholders shall not have approved the Parkway Merger Proposal or (iii) due to Parkway s breach of its representations or covenants and (3) within 12 months of such termination, Parkway enters into or consummates a transaction in which a third party generally acquires at least 65% of Parkway common stock or assets. This fourth bullet exclusively shall be paid only upon the date of consummation of such transaction.

Such termination fee will be the maximum amount owed by Parkway in connection with any termination of the Merger Agreement, except in the case of any fraud or willful and material breach of the Merger Agreement

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by Parkway. The amount payable by Parkway may also be reduced to the extent necessary to maintain Cousins qualification as a REIT under the Code. Should any amount of the fee be unpaid because of REIT requirements, the unpaid amount of the fee will be escrowed and paid out over a five-year period.

If either party terminates the Merger Agreement due solely to a failure to receive the required votes at either Cousins or Parkway s special meeting, the non-terminating party will pay an expense reimbursement amount of $20 million, which may be later set-off against the termination fee discussed above. The amount payable may also be reduced to the extent necessary to maintain the other party s qualification as a REIT under the Code. The amount payable by Parkway may also be reduced to the extent necessary to maintain Cousins qualification as a REIT under the Code. Should any amount of the fee be unpaid because of REIT requirements, the unpaid amount of the fee will be escrowed and paid out over a five-year period.

Indemnification and Insurance

The Merger Agreement provides that Cousins will indemnify present and former directors and officers of Parkway, Cousins and their respective subsidiaries to the fullest extent permitted by law against all costs or expenses (including advancement of expenses), for pre-closing acts or omissions (whether asserted or claimed prior to, at or after closing of the Merger) to the same extent as they are exculpated or indemnified pursuant to the organizational documents of Parkway, Cousins or their respective subsidiaries.

Prior to the effective time of the Merger, pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, each of Parkway and Cousins may obtain and fully pay for tail prepaid insurance policies with respect to directors and officers liability insurance and fiduciary insurance, for the current and former directors and officers of Parkway, Cousins and each of their subsidiaries, as applicable, as to such persons status as a director or officer of Parkway, Cousins or their respective subsidiaries and for facts and events that occurred at or prior to the effective time of the Merger, with a claim period of six years from the effective time of the Merger, subject to an annual premium cap of 300% of the last annual premium paid by Parkway or Cousins respectively, so long as each such policy has terms, conditions, retentions, and limits of coverage at least as favorable as existing policies. If a policy meeting these requirements is not available at this price, Parkway and Cousins may each buy a policy that offers the maximum coverage available subject to the 300% cap.

Prior to the effective time of the Merger, pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, each of Parkway and Cousins may obtain and fully pay for tail prepaid insurance policies with respect to employment practices liability insurance, covering respectively, Parkway and Cousins and each of their subsidiaries, directors, officers, managers, general partners and employees, as applicable, and for wrongful acts that occurred at or prior to the effective time of the Merger, with a claim period of six years from the effective time of the Merger, subject to an annual premium cap of 300% of the last annual premium paid by Parkway or Cousins respectively, so long as each such policy has terms, conditions, retentions, and limits of coverage at least as favorable as existing policies. If a policy meeting these requirements is not available at this price, Parkway and Cousins may each buy a policy that offers the maximum coverage available subject to the 300% cap.

Additionally, pursuant to the Separation and Distribution Agreement, upon the terms and subject to the conditions of the Separation and Distribution Agreement, neither Cousins nor Parkway will be liable to the other party for indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages, other than with respect to a third-party claim. Each of Cousins and New Parkway will also release the other party and its directors, officers, employees, agents and equity holders from all pre-closing liabilities related to the releasing party s business or assets owned by such party after the Spin-Off, other than liabilities for any willful or intentional misconduct, fraud, gross negligence or bad faith. Neither party will make any claim against the other or such directors, officers, employees, agents or equity holders with respect to any such liability. The foregoing in no way limits the rights of the parties under the Merger Agreement.

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Amendment, Extension and Waiver of the Merger Agreement

Amendment. At any time prior to the receipt of stockholder approval, the Merger Agreement may be amended by authorization of the boards of directors of Cousins and Parkway. After any such stockholder approval, no amendment which requires further approval by stockholders of Cousins or Parkway may be made without such further approval by such stockholders. In addition, certain financing provisions may not be amended in a way that is materially adverse to financing sources.

Extension; Waiver. At any time prior to the effective time of the Merger, any party may (i) extend the time for the performance of any of the obligations or other acts of the other party; (ii) waive any inaccuracies in the representations and warranties contained in the Merger Agreement or other related documents; and (iii) waive compliance by the other party with any of the agreements or conditions contained in the Merger Agreement.

Governing Law

The Merger Agreement is governed by the laws of the State of Maryland (without giving effect to choice of law principles thereof).

Agreements with the TPG Parties

Voting Agreement

The following section summarizes material provisions of the voting agreement between Cousins and the TPG Parties. This summary does not purport to be complete and may not contain all of the information about the voting agreement that is important to you. This summary is subject to, and qualified in its entirety by reference to, the voting agreement, which is attached as Annex E to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus. The rights and obligations of the parties are governed by the express terms and conditions of the voting agreement and not by this summary or any other information contained in this joint proxy statement/prospectus. You are urged to read the voting agreement carefully and in its entirety before making any decisions regarding the Merger Agreement and the Merger contemplated thereby.

Concurrently with the execution of the Merger Agreement, Cousins entered into a voting agreement with the TPG Parties, which as of April 28, 2016 collectively beneficially owned 23,663,397 shares of Parkway common stock, or approximately 21.2% of the outstanding shares of Parkway common stock. The voting agreement generally requires, subject to certain exceptions, the TPG Parties (i) to retain ownership of all of the shares of Parkway common stock beneficially owned by them or otherwise purchased by them prior to the earlier of adoption of the Merger Agreement, termination or material amendment of the Merger Agreement or termination of the voting agreement and (ii) to vote all such shares in favor of adoption and approval of the Merger Agreement, the Merger and any other proposals in connection with the transactions contemplated thereby and against actions or agreements that would reasonably be expected to result in the failure of a closing condition set forth in the Merger Agreement, alternative acquisitions, any action that would reasonably be expected to materially delay, materially postpone or materially adversely affect the consummation of the transactions contemplated by the Merger or would dilute in any material respect the benefit of such transactions to Cousins or its stockholders.

Cousins Stockholders Agreement

The following section summarizes material provisions of the Cousins stockholders agreement. This summary does not purport to be complete and may not contain all of the information about the Cousins stockholders agreement that is important to you. This summary is subject to, and qualified in its entirety by reference to, the Cousins stockholders agreement, which is attached as Annex F to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus. The rights and obligations

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of the parties thereto are governed by the express terms and conditions of the Cousins stockholders agreement and not by this summary or any other information contained in this joint proxy statement/prospectus. You are urged to read the Cousins stockholders agreement carefully and in its entirety before making any decisions regarding the Merger Agreement and the Merger contemplated thereby.

Concurrently with the execution of the Merger Agreement, Cousins entered into the Cousins stockholders agreement with the TPG Parties, in order to establish various arrangements and restrictions with respect to governance of Cousins, and certain rights with respect to shares of Cousins common stock owned by the TPG Parties after the effective time of the Merger. Effectiveness of the Cousins stockholders agreement is conditioned on the closing of the Merger.

Pursuant to the terms of the Cousins stockholders agreement, for so long as TPG Pantera (together with its affiliates, other than portfolio companies of TPG Pantera or its affiliates) beneficially owns at least 5% of Cousins common stock on an as-converted basis, TPG Pantera will have the right to nominate one director to the Cousins board of directors, subject to the qualifications, independence standards, and other criteria set forth in the Cousins stockholders agreement. In addition, for so long as TPG Pantera (together with its affiliates, other than portfolio companies of TPG Pantera or its affiliates) beneficially owns at least 5% of Cousins common stock on an as-converted basis, TPG Pantera will have the right to have its designee to the Cousins board of directors appointed to the Investment Committee and the Compensation, Succession, Nominating, and Governance Committee of the Cousins board of directors.

The Cousins stockholders agreement provides that Cousins shall file or have filed, within 30 days of the closing of the Merger, a registration statement registering for sale all of the registrable securities held by the TPG Parties. The Cousins stockholders agreement also provides the TPG Parties with customary registration rights following the closing of the Merger, subject to the terms and conditions of the Cousins stockholders agreement.

In addition, pursuant to the Cousins stockholders agreement, TPG Pantera and its affiliates (other than portfolio companies of TPG Pantera or its affiliates and any non-private equity business of any of TPG Pantera s affiliates) will be subject to certain standstill obligations through the earliest of (i) the time that TPG Pantera (together with its affiliates, other than non-private equity portfolio companies of TPG Pantera or its affiliates and any non-private equity business of any of TPG Pantera s affiliates) no longer collectively owns at least 5% of the outstanding shares of Cousins common stock, (ii) the third anniversary of the effective time of the Merger or (iii) the occurrence of a change of control transaction. The standstill allows TPG Pantera and/or such affiliates to acquire up to 15% of the outstanding voting securities of Cousins, but restricts their ability to, among other things, propose a merger or other acquisition transaction relating to all or part of Cousins, call a meeting of the stockholders, initiate any stockholder proposal, participate in a group for such actions, enter into any voting trust or other agreement with respect to the voting of Cousins common stock, or seek a change in the composition of the Cousins board of directors.

In addition, in connection with the Merger Agreement, the Cousins board of directors granted to the TPG Parties an exemption from the ownership limit set forth in the Cousins Articles, establishing for the TPG Parties an aggregate substitute in lieu of the ownership limit to permit them to constructively and beneficially own (without duplication) (i) during the term of the standstill provided by the Cousins stockholders agreement, up to 15% of Cousins outstanding voting securities, subject to the terms and conditions of the Cousins stockholders agreement, and (ii) following the term of the standstill provided by the Cousins stockholders agreement, shares of Cousins common stock held by the TPG Parties at the expiration of the standstill, subject to the terms, conditions, limitations, reductions and terminations set forth in an executed investor representation letter to be entered into prior to the effective time of the Merger.

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New Parkway Stockholders Agreement

The following section summarizes material provisions of the New Parkway stockholders agreement. This summary does not purport to be complete and may not contain all of the information about the New Parkway stockholders agreement that is important to you. This summary is subject to, and qualified in its entirety by reference to, the New Parkway stockholders agreement, which is attached as Annex G to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus. The rights and obligations of the parties thereto are governed by the express terms and conditions of the New Parkway stockholders agreement and not by this summary or any other information contained in this joint proxy statement/prospectus. You are urged to read the New Parkway stockholders agreement carefully and in its entirety before making any decisions regarding the Merger Agreement and the Merger.

In addition, pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, concurrently with the closing of the Merger, New Parkway and the TPG Parties will enter into the New Parkway stockholders agreement in order to establish various arrangements and restrictions with respect to governance of New Parkway and certain rights with respect to common stock of New Parkway owned by the TPG Parties.

Pursuant to the terms of the New Parkway stockholders agreement, on the closing date of the Merger, New Parkway will have a seven-member board of directors, including two directors designated by TPG Pantera. Following closing of the Merger, TPG Pantera will have the right to nominate a specified number of directors to the New Parkway board of directors, subject to the qualifications, independence standards, and other criteria set forth in the New Parkway stockholders agreement, for so long as TPG Pantera (together with its affiliates, other than portfolio companies of TPG Pantera or its affiliates) beneficially owns at least 2.5% of the outstanding shares of New Parkway common stock. TPG Pantera will be entitled to nominate to the New Parkway board of directors (i) three directors if TPG Pantera s beneficial ownership is at least 30% of the outstanding shares of New Parkway common stock, (ii) two directors if TPG Pantera s beneficial ownership is at least 5%, but less than 30% of the outstanding shares of New Parkway common stock, and (iii) one director if TPG Pantera s beneficial ownership is at least 2.5% but less than 5% of the outstanding shares of New Parkway common stock. In addition, New Parkway has agreed to constitute each of its committees as a committee of not more than four members and (i) for so long as TPG Pantera beneficially owns at least 5% of the outstanding shares of New Parkway common stock, TPG Pantera will have the right to have two of its designees to the New Parkway board of directors appointed to the Investment Committee of New Parkway and one of its designees to the New Parkway board of directors appointed to the Compensation Committee of New Parkway; and (ii) for so long as TPG Pantera beneficially owns at least 2.5% but less than 5% of outstanding shares of New Parkway common stock, TPG Pantera will have the right to have one of its designees to the New Parkway board of directors appointed each of the Investment Committee and the Compensation Committee of New Parkway. Pursuant to the terms of the New Parkway stockholders agreement, TPG Pantera also will have the right to consent to the following actions for so long as TPG Pantera beneficially owns at least 5% of the outstanding shares of New Parkway common stock, other than in connection with any change in control of New Parkway: (i) any increase or decrease in the size of either the Investment Committee or the Compensation Committee of New Parkway; and (ii) any change in the rights and responsibilities of either the Investment Committee or the Compensation Committee of New Parkway.

Pursuant to the terms of the New Parkway stockholders agreement, for so long as TPG Pantera designees are appointed to the Investment Committee or the Compensation Committee pursuant to the paragraph above, the Investment and Compensation Committees of the New Parkway board of directors may only act by majority approval, and the rights and responsibilities of the Investment Committee of the New Parkway board of directors will include, other than in connection with a change of control of New Parkway, approval of: (i) any incurrence of indebtedness with a principal amount greater than $20 million; and (ii) certain other operational and investment related matters (which include property acquisitions and dispositions, material leases, certain mortgage financing and material service contracts, but which exclude any and all activities related to the issuance, redemption or buy-back of equity securities or equity-linked securities). All decisions and approvals regarding such equity-related matters of New Parkway shall be made by the New Parkway board of directors in its sole discretion. In addition, during such period, the rights and responsibilities of the Compensation Committee of the New Parkway board of directors will include, other than in connection with a change of control of New Parkway, approval of: (i) subject to the receipt of the approval of New Parkway stockholders with respect to such responsibility, the hiring or termination of any of New Parkway s chief executive officer, chief financial officer, chief operating officer and chief investment officer, or any material change in any of the duties of any such executive officers; and (ii) any future compensation arrangements for such officers. During such period, the New Parkway board of directors may not approve such matters without the affirmative approval of the Investment Committee or the Compensation Committee, as applicable.

Pursuant to the terms of the New Parkway stockholders agreement, except for certain permitted issuances, TPG Pantera will have a preemptive right to participate in future New Parkway equity issuances for so long as TPG Pantera (together with its affiliates, other than portfolio companies of TPG Pantera or its affiliates) beneficially owns at least 5% of the outstanding shares of New Parkway common stock. TPG Pantera s preemptive rights with respect to any equity issuances of New Parkway common stock or securities convertible into or exercisable for New Parkway common stock will be subject to NYSE rules that may limit or restrict such rights.

The New Parkway stockholders agreement also provides the TPG Parties with customary registration rights following the closing of the Merger, subject to the terms and conditions of the New Parkway stockholders agreement. Pursuant to such registration rights, New Parkway will be obligated to use commercially reasonable efforts to file a registration statement with the SEC within 30 days following the closing of the Merger to register for resale the shares held by TPG Pantera. In addition, beginning 180 days after the closing of the Merger, TPG Pantera will have, subject to certain limitations, the right to require New Parkway to register TPG Pantera s securities on three separate occasions and, beginning one year after the closing of the Merger, will have limited piggyback registration rights in connection with offerings by other stockholders.

Thomas Letter Agreement

Concurrently with the execution of the Merger Agreement, Parkway and Parkway LP entered into the Thomas Letter Agreement with the chairman of the Parkway board of directors, Mr. James A. Thomas, and the Thomas Parties. The Thomas Letter Agreement supplements an existing letter agreement among the parties with respect to the same matters. Pursuant to the Thomas Letter Agreement, among other things:

Parkway and Parkway LP have agreed to cause Mr. Thomas to be appointed chairman of the New Parkway board of directors following consummation of the Merger and, subject to certain continuing equity ownership requirements, to nominate Mr. Thomas for election to the board at the 2017 annual meeting of New Parkway stockholders (and, if elected, to cause him to be re-appointed as chairman for three one-year terms, expiring at the 2020 annual meeting of stockholders);

the parties agreed that the Registration Rights Agreement dated as of October 13, 2004 among certain of the Thomas Parties and the Thomas Investors will survive the consummation of the Merger and be binding on New Parkway with respect to the common stock of New Parkway that the Thomas Investors will receive; and prior to the Merger, Parkway LP will modify existing tax protection agreements (which currently provide Mr. Thomas and the Thomas Investors with an opportunity to contribute up to $39 million of capital in connection with a mortgage loan) in favor of Mr. Thomas and the Thomas Investors pursuant to which their respective guarantee or contribution opportunities will be increased up to $129 million, and Mr. Thomas and the Thomas Investors will be given the opportunity to make a capital contribution of up to $90 million in connection with certain existing mortgage loans (and if those loans are no

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longer available, Parkway use commercially reasonable efforts to provide a replacement guarantee or contribution opportunity of up to an aggregate of $129 million), with this obligation being extended for five years after the current tax protection period expires in October 2016, subject to earlier termination in the event of a going private transaction, sale of all or substantially all of Parkway s assets, or certain similar transactions.

In the event of a going private transaction at any time when the Thomas Investors continue to own collectively at least 50% of the limited partnership units in the successor to Parkway LP that they owned immediately following consummation of the Merger, New Parkway will use commercially reasonable efforts to cause the acquiring entity to offer to the Thomas Investors the opportunity (x) to receive a preferred equity interest in the successor to Parkway LP or the surviving entity (i) with a liquidation preference equal to the cash the Thomas Investors otherwise would have received had Mr. Thomas and the Thomas Investors exchanged their units in Parkway LP for shares of New Parkway common stock immediately prior to such transaction, and (ii) a market-rate dividend (provided that in any event, a dividend rate of at least 5% shall be deemed satisfactory regardless of market conditions) and (y) the opportunity to provide debt guarantees for the remainder of the five-year period described above. New Parkway will agree to issue REIT shares to the Thomas Investors if they exercise their redemption rights under the limited partnership agreement of the successor to Parkway LP.

The foregoing provisions of the Thomas Letter Agreement will be binding on New Parkway and the successor to Parkway LP following the Merger and the Spin-Off, and, in general, will not be binding upon Cousins, Cousins LP or any of their subsidiaries. The Thomas Letter Agreement will become effective upon the consummation of the Merger and the Spin-Off and, at that time, the existing letter agreement will terminate. The Thomas Letter Agreement will terminate upon the occurrence of a going private transaction, sale of all or substantially all of Parkway s assets, or certain similar transactions.

The foregoing summary of the Thomas Letter Agreement does not purport to be complete and may not contain all of the information about the Thomas Letter Agreement that is important to you. This summary is subject to, and qualified in its entirety by reference to the Thomas Letter Agreement, which Parkway has filed with the SEC and which is incorporated by reference into this joint proxy statement/prospectus.

Agreements to be Entered into in Connection with the Merger, the Separation and the UPREIT Reorganization

Amended and Restated Agreement of Limited Partnership of Cousins LP

Prior to the effective time of the Merger, upon the terms and subject to the conditions of the Merger Agreement, Parkway will cause Cousins LP to be formed as a Delaware limited partnership, and Parkway as the initial general partner and Parkway LP as the initial limited partner will enter into an agreement of limited partnership of Cousins LP (which we refer to as the Original Partnership Agreement).

Immediately following the effective time of the Merger, as part of the Separation and the UPREIT Reorganization, Merger Sub, as successor in interest to Parkway, will transfer its general partner interest in Cousins LP to Cousins. Additionally, immediately following the effective time of the Merger, as part of the Separation and the UPREIT Reorganization, (i) Parkway LP will contribute direct or indirect ownership interests in its non-Houston properties (other than 2121 Market Street Associates, L.P.) to Cousins LP in exchange for Class A units of limited partnership interest (which we refer to as Class A Units) in Cousins LP, (ii) Parkway LP will distribute the Class A Units to its partners, (iii) Cousins will contribute direct or indirect ownership interests in its non-Houston properties to Cousins LP in exchange for Class A Units, and (iv) Merger Sub, as the successor to Parkway as general partner of Cousins LP at the effective time of the Merger, will transfer to Cousins the general partner interests in Cousins LP and all Class A Units that Merger Sub will receive in the Separation and the UPREIT Reorganization.

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Thereafter, the Original Partnership Agreement will be amended and restated, by Cousins as general partner and a limited partner and by certain other persons who become limited partners in Cousins LP as a result of the distribution of Class A Units by Parkway LP to its partners, in substantially the form set forth as Exhibit F to the Merger Agreement (which we refer to as the Cousins Partnership Agreement). Cousins LP will function as the operating partnership of Cousins in the UPREIT structure following the effective time of the Merger and the UPREIT Reorganization.

This section summarizes material provisions of the Cousins Partnership Agreement. This summary does not purport to be complete and may not contain all of the information about the Cousins Partnership Agreement that is important to you. This summary is subject to, and qualified in its entirety by reference to the Cousins Partnership Agreement, which is included as Exhibit F to the Merger Agreement, which is attached as Annex A to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus. The terms of the Cousins Partnership Agreement may change prior to closing of the Merger or thereafter.

General

Upon completion of the Merger, the Separation and the UPREIT Reorganization, substantially all of Cousins operations will be conducted through Cousins LP, either directly or through its subsidiaries, including subsidiary REITs. Ownership of partnership units in Cousins LP will generally entitle the holder to share in cash distributions from, and in the profits and losses of, Cousins LP in proportion to such holder s percentage ownership. Cousins does not intend to list the partnership units on any exchange or any national market system.

Management

Except as otherwise expressly provided in the Cousins Partnership Agreement, Cousins, as general partner, will have the exclusive right and full authority and responsibility to manage and operate Cousins LP s business. Limited partners generally will not have any right to participate in or exercise control or management power over the business and affairs of Cousins LP or the power to sign documents for or otherwise bind Cousins LP. The limited partners will have no power to remove Cousins as general partner.

Outside Activities of Cousins

Immediately following the consummation of the UPREIT Reorganization, substantially all of the assets of Cousins will consist of its partnership units in Cousins LP. The Cousins Partnership Agreement authorizes Cousins, in its sole and absolute discretion, from time to time to hold or acquire assets in its own name or otherwise other than through Cousins LP so long as Cousins, as general partner, takes commercially reasonable measures to ensure that the economic benefits and burdens of such assets are otherwise vested in Cousins LP, through assignment, mortgage loan or otherwise or, if it is not commercially reasonable to vest such economic interests in Cousins LP, Cousins will make such amendments to the Cousins Partnership Agreement as Cousins determines are necessary or desirable, including, without limitation, adjusting the one-for-one conversion factor, to reflect such activities and the direct ownership of assets by Cousins.

Fiduciary Responsibilities

The Cousins Partnership Agreement contains provisions that expressly limit the duties, fiduciary or otherwise, that Cousins, as general partner, owes to the limited partners of Cousins LP. Provided that Cousins acts in good faith and pursuant to Cousins authority under the Cousins Partnership Agreement, any decisions or actions taken or not taken in accordance with the terms of the Cousins Partnership Agreement will not constitute a breach of any duty owed to

Cousins LP or its limited partners by law or equity, fiduciary or otherwise. Pursuant to the Cousins Partnership Agreement, Cousins will act on behalf of Cousins LP and its equityholders, and on behalf of Cousins stockholders, and generally will be under no obligation to consider or give priority to the separate interests of the limited partners in Cousins LP (including, without limitation, the tax consequences to such limited partners) in deciding whether to cause Cousins LP to take (or decline to take) any actions.

Management Liability and Indemnification

Cousins, as general partner of Cousins LP, and Cousins directors and officers will not be liable or accountable for monetary or other damages to Cousins LP or any partners or assignees for losses sustained, liabilities incurred or benefits not derived as a result of errors in judgment or mistakes of fact or law or of any act or omission, unless Cousins acted in bad faith and the act or omission was material to the matter giving rise to the loss, liability or benefit not derived. To the fullest extent permitted by law, the Cousins Partnership Agreement will provide that Cousins LP will indemnify Cousins, as general partner, any limited partners, any of Cousins officers, directors, managers, members, shareholders or partners and other persons as Cousins may designate from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including, without limitation, attorneys fees and other legal fees and expenses), judgments, fines, settlements and other amounts, arising from or in connection with any and all claims, demands, subpoenas, requests for information, formal or informal investigations, actions, suits or proceedings, whether civil, criminal, administrative or investigative, relating to Cousins, Cousins LP or the operations of or ownership of property by Cousins LP, unless it is established by a final determination of a court of competent jurisdiction that:

- the act or omission of the indemnitee was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty;
- the indemnitee actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the indemnitee had reasonable cause to believe that the act or omission was unlawful.

Capital Contributions

In connection with the Separation and the UPREIT Reorganization, Cousins LP will issue Class A Units in exchange for the capital contributions, as described in Exhibit B to the Merger Agreement. If Cousins LP requires additional funds at any time in excess of capital contributions made by Cousins or from borrowings, Cousins may borrow funds from a financial institution or other lender and lend such funds to Cousins LP on the same terms and conditions as are applicable to Cousins borrowing of such funds. In addition, Cousins is authorized to cause Cousins LP to issue partnership units for less than fair market value if Cousins concludes in good faith that such issuance is in the best interest of Cousins LP and Cousins stockholders.

Issuance of Additional Partnership Interests

Initially, the Cousins Partnership Agreement will provide for three classes of partnership units: Class A Units, Class B Units, and LTIP Units. The terms and rights of these classes are described below. Cousins, as general partner, will be authorized to cause Cousins LP to issue additional partnership units or other partnership interests to its partners, including Cousins and its affiliates, or other persons without the approval of any limited partners. Partnership units may be issued in one or more classes or in one or more series of any class, with designations, preferences and relative, participating, optional or other special rights, powers and duties, including rights, powers and duties senior to one or more other classes of partnership interests (including partnership units held by Cousins), as determined by Cousins, subject to Delaware law, in its sole and absolute discretion without the approval of any limited partner, subject to limitations described below. No partnership unit or interest may be issued to Cousins as general partner or limited partner unless:

Cousins LP issues partnership units or other partnership interests in connection with the grant, award or issuance of shares or other equity interests in Cousins having designations, preferences and other rights so that the economic interests attributable to the newly issued shares or other equity interests in Cousins are substantially similar to the designations, preferences and other rights, except voting rights, of the partnership units or other partnership interests issued to Cousins; or

Cousins LP issues the additional partnership units or other partnership interests to all partners holding partnership units or other partnership interests in the same class or series in proportion to their respective percentage interests in that class or series.

Common Partnership Units

Initially, the Cousins Partnership Agreement will authorize two classes of common partnership units: Class A Units and Class B Units. Class A Units are the general class of partnership units (not specifically designated by the general partner as being of another specified class of partnership units). Class B Units may be issued between distribution record dates and provide for a distribution of available cash with respect to the distribution period during which they are issued that is based upon the period they are outstanding. Class B Units automatically convert into a like number of Class A Units following the record date for the distribution period in which they are issued. If and when there are Class B Units outstanding, all Class B Units will be treated as Class A Units for purposes of determining the percentage interest of the partners in voting requirements.

LTIP Units

Cousins LP may issue LTIP Units from time to time to Cousins directors, officers, employees and consultants and persons who have provided or will provide services to Cousins LP or Cousins. In general, LTIP Units are a special class of limited partnership units in Cousins LP that are structured to qualify as profits interests for tax purposes, and as further described below regarding tax matters, Cousins in its discretion as general partner may make a safe harbor election with respect to LTIP Units transferred in connection with the performance of services by a partner in a partner capacity. Subject to certain exceptions contained in the Cousins Partnership Agreement, LTIP Units will be treated as Class A Units (or, if so designated in connection with the issuance thereof, as Class B Units for the quarter in which such LTIP Units are issued). For purposes of computing the percentage interests of the partners in Cousins LP, holders of LTIP Units will be treated as Class A Unit holders and LTIP Units will be treated as Class A Units. Cousins LP will be required to maintain at all times a one-to-one correspondence between LTIP Units and Class A Units for conversion, distribution and other purposes. Further, LTIP Units may be subjected to vesting requirements as determined by the Compensation Committee of the Cousins board of directors.

Generally, LTIP Units will receive the same quarterly per-unit profit distributions as the outstanding Class A Units in Cousins LP. However, LTIP Units will not participate in quarterly per-unit cash distributions until the date specified in the vesting agreement pursuant to which the LTIP Units are issued (the Distribution Participation Date). Subject to certain limitations, as of the Distribution Participation Date for each LTIP Unit, the holder of such LTIP Unit shall be entitled to receive a special cash distribution, extraordinary or other distributions in an amount per unit equal to (i) the amount of cash distributions per unit that were paid on the Class A Units during the period from issuance of such LTIP Unit until the Distribution Participation Date, *multiplied* by a percentage set forth in the vesting agreement for such LTIP Unit award, less special cash distributions previously paid with respect to LTIP Units that were part of the same award, *divided* by (ii) the holder s LTIP Units that have the same Distribution Participation Date, are part of the same award, and have not been forfeited.

Initially, each LTIP Unit will have a capital account of zero and, therefore, the holder of the LTIP Unit would receive nothing if Cousins LP were liquidated immediately after the LTIP Unit is awarded. However, the Cousins Partnership Agreement requires that book gain or economic appreciation in Cousins assets realized by Cousins LP, whether as a result of an actual asset sale or upon the revaluation of Cousins assets, as permitted by applicable Treasury Regulations, be allocated first to LTIP Units until the capital account per LTIP Unit is equal to the capital account per partnership unit plus any net income allocated to the LTIP Unit prior to the Distribution Participation Date, but less the amount of any special cash distribution payable with respect to such LTIP Unit. The applicable Treasury Regulations and the Cousins Partnership Agreement provide that assets of Cousins LP may be revalued upon specified events, including upon additional capital contributions by Cousins or other partners of Cousins LP, upon a distribution by Cousins LP to a partner in redemption of partnership interests, upon the liquidation of Cousins LP or upon a later issuance of additional units in exchange for services, including LTIP Units. Upon equalization of the capital account of an LTIP Unit with the per unit capital account of the partnership units and full vesting of the LTIP Unit, the LTIP Unit will be convertible into an partnership unit at any time, *provided that* in no event may a holder of vested LTIP Units convert a number of vested LTIP Units that exceeds (i) the capital account balance attributable to the LTIP Units, *divided* by (ii) the capital account balance attributable to an partnership unit, and provided that in no event may Cousins convert any LTIP Units unless any special cash distribution payable with respect to such units has been paid. There is a risk that an LTIP Unit will never become convertible because of insufficient gain realization to equalize capital accounts and, therefore, the value that a holder will realize for a given number of vested LTIP Units may be less than the value of an equal number of shares of common stock.

LTIP Units are not entitled to the redemption right described below, but any partnership units into which LTIP Units are converted are entitled to such redemption right.

LTIP Units generally vote with the Class A Units and do not have any separate voting rights except in connection with actions that would materially and adversely affect the rights of the LTIP Units.

Preemptive Rights

Except to the extent expressly granted by Cousins LP in an agreement other than the Cousins Partnership Agreement, no person or entity, including any partner of Cousins LP, will have any preemptive, preferential or other similar right with respect to additional capital contributions or loans to Cousins LP or the issuance or sale of any partnership units or other partnership interests.

Distributions

The Cousins Partnership Agreement will require the distribution of available cash on at least a quarterly basis. Available cash will be, with respect to any period for which such calculation is being made, cash of Cousins LP, regardless of source, including capital contributions and loans to Cousins LP, as determined by Cousins to be appropriate for distribution in its sole and absolute discretion. Unless Cousins otherwise specifically agrees in the Cousins Partnership Agreement or in the terms established for a new class or series of partnership interests in accordance with the Cousins Partnership Agreement, no partnership interest will be entitled to a distribution in preference to any other partnership interest. A partner will not in any event receive a distribution of available cash with respect to a partnership unit for a quarter or shorter period if the partner is entitled to receive a distribution out of that same available cash with respect to a share of Cousins for which that partnership unit has been exchanged or redeemed.

Cousins LP will make reasonable efforts, as determined by Cousins in its sole and absolute discretion and consistent with Cousins qualification as a REIT, to distribute available cash in an amount sufficient to enable Cousins to pay stockholder dividends that will satisfy the requirements to qualify as a REIT and to avoid any federal income or excise tax liability for Cousins. Cousins may determine, in its sole and absolute discretion, to make a distribution in kind of assets of Cousins LP to the holders of partnership units in Cousins LP. Such assets shall be distributed in such a fashion as to ensure that the fair market value is distributed and allocated in the same manner as a cash distribution.

Upon the liquidation of Cousins LP, after payment of debts and obligations, any remaining assets of Cousins LP will be distributed to the holders of the partnership units that are entitled to any preference in distribution upon liquidation in accordance with the rights of any such class or series, and the balance, if any, will be distributed to the partners in accordance with their capital accounts, after giving effect to all contributions, distributions and allocations for all periods.

Allocation of Net Income and Net Loss

Net income and net loss of Cousins LP will be determined and allocated with respect to each taxable year of Cousins LP. Except as otherwise provided in the Cousins Partnership Agreement, an allocation of a share of net income or net loss is treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing net income or net loss. Except as otherwise provided in the Cousins Partnership Agreement, net income and net loss are allocated to the general partner and the limited partners in accordance with their respective percentage interests in a class at the end of each taxable year. The Cousins Partnership Agreement contains provisions for special allocations intended to comply with certain regulatory requirements under the Code.

Transfers of Partnership Interests; Termination Transactions

Cousins, as general partner, generally may not transfer any of its partnership units in Cousins LP, including any of Cousins limited partner interests, or withdraw as the general partner of Cousins LP, except (i) in connection with a merger, consolidation or other combination with or into another person following the consummation of which the equity holders of the surviving entity are substantially identical to Cousins stockholders, (ii) with the consent of a majority of Cousins LP s limited partners (excluding Cousins and any limited partners majority owned, directly or indirectly, by Cousins), (iii) to one or more of Cousins controlled affiliates or (iv) in connection with a termination transaction as described below.

Cousins, as general partner, may not engage in a merger, consolidation or other combination of Cousins with or into another person, sale of all or substantially all of Cousins assets or a reclassification, recapitalization or other change in outstanding shares of Cousins (except for certain reclassifications, recapitalizations or changes) (which we refer to in each case as a termination transaction), unless, in general, (i) the general partner receives partnership approval (as defined below) of the termination transaction, in the event that partners will receive consideration for their partnership units as described in clause (ii) and Cousins is required to seek approval of its stockholders of the termination, or if Cousins would be required to obtain such stockholder approval but for the fact that a tender offer has been accepted by a sufficient number of stockholders to permit consummation of the termination transaction without such approval, and (ii) each partner receives or has the right to receive in the termination transaction cash, securities or other property for each partnership unit owned by such partner in the same form as, and equal to the greatest per-share amount paid to, a stockholder of Cousins (or equal to a proportional amount, if the partnership units are no longer redeemable for shares on a one-for-one basis).

In order to obtain partnership approval, Cousins must obtain the consent of its limited partners holding Class A Units and LTIP Units (including Cousins and any limited partners majority owned, directly or indirectly, by Cousins) representing a percentage interest of Class A Units and LTIP Units that is equal to or greater than the percentage of outstanding shares of Cousins common stock or votes cast by Cousins outstanding common stockholders, as the case may be, required to approve the termination transaction. The partnership approval requirement will be satisfied, with respect to such termination transaction, when the sum of the (i) the percentage interest of limited partners consenting to the termination transaction, plus (ii) the product of (a) the percentage of the outstanding Class A Units held by Cousins or certain affiliates of Cousins *multiplied* by (b) the percentage of the votes that were cast in favor of the termination transaction by Cousins common stockholders or the percentage of shares with respect to which the tender offer has been accepted, as the case may be, equals or exceeds the percentage required for Cousins common stockholders to approve the termination transaction.

Cousins may not enter into any agreement or other arrangement providing for or facilitating the creation of a new general partner of Cousins LP, unless the successor general partner (i) is a direct or indirect controlled affiliate of Cousins, and (ii) executes and delivers a counterpart to the Cousins Partnership Agreement in which such successor general partner agrees to be fully bound by all of the terms and conditions contained herein that are applicable to the general partner.

With certain limited exceptions, the limited partners may not transfer their interests in Cousins LP or rights as a limited partner, in whole or in part, without Cousins prior written consent, which consent may be withheld in Cousins sole and absolute discretion.

Even if Cousins consent is not required for a transfer by a limited partner, Cousins, as general partner, may prohibit the transfer of partnership units by a limited partner unless Cousins receives a written opinion of legal counsel that the transfer would not require filing of a registration statement under the Securities Act and would not otherwise violate any federal or state securities laws or regulations applicable to Cousins LP or the partnership units. Further, except for certain limited exceptions, no transfer of partnership units by a limited partner, without Cousins prior written consent, may be made if, among other things:

- Cousins determines in its reasonable discretion that there is a significant risk that such transfer would cause a termination of Cousins LP for U.S. federal or state income tax purposes (except as a result of a redemption or exchange of all partnership units for Cousins common stock as expressly permitted under the Cousins Partnership Agreement);

- Cousins determines in its reasonable discretion that there is a significant risk that such transfer would cause Cousins LP to cease to be classified as a partnership for U.S. federal income tax purposes (except as a result of a redemption or exchange of all partnership units for Cousins common stock as expressly permitted under the Cousins Partnership Agreement);

- such transfer requires the registration of the partnership unit pursuant to any applicable federal or state securities laws;

- such transfer is effectuated through an established securities market or a secondary market (or the substantial equivalent thereof) within the meaning of Section 7704 of the Code or such transfer causes Cousins LP to become a publicly traded partnership, as such term is defined in Section 469(k)(2) or Section 7704(b) of the Code;

- such transfer subjects Cousins LP or the activities of Cousins LP to regulation under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or ERISA, each as amended; or

- Cousins determines in its reasonable discretion that there is a risk that such transfer would adversely affect the ability of Cousins to continue to qualify as a REIT or subject it to any additional taxes under Section 857, Section 4981, or any other provision of the Code.

Except with Cousins consent to the admission of the transferee as a limited partner, no transferee will have any rights by virtue of the transfer other than the rights of an assignee, and will not be entitled to vote partnership units in any matter presented to the limited partners for a vote. Cousins, as general partner, will have the right to consent to the admission of a transferee of the interest of a limited partner, which consent may be given or withheld by Cousins in its sole and absolute discretion.

Mergers and Sales of Assets of Cousins LP

Subject to the restrictions on Cousins ability to transfer interests in Cousins LP described above under Transfers of Partnership Interests; Termination Transactions, Cousins may, and may cause Cousins LP to, engage in a merger, consolidation or other combination transaction only if Cousins has provided notice to the limited partners at least 20 business days, or such shorter period as determined by Cousins in its sole and absolute discretion, before the record date for determining stockholders eligible to vote upon the approval of the merger, consolidation or other combination transaction. Cousins generally will have the exclusive power to cause Cousins LP to merge, reorganize, consolidate, sell all or substantially all of its assets or otherwise combine its assets with another entity.

Redemption of Partnership Interests

Subject to periodic limits and minimum thresholds described below, a limited partner may exercise a redemption right to redeem his or her partnership units at any time beginning 12 months following the date of the initial issuance of the partnership units held by the limited partner, or at such other time as may be set forth in the agreement pursuant to which the applicable partnership units are issued. In addition, Cousins, as general partner, may reduce or waive the holding period.

Further, if Cousins gives the limited partners notice of its intention to make an extraordinary distribution of cash or property to its stockholders or effect a merger, a sale of all or substantially all of Cousins assets, or any other similar termination transaction, each limited partner may exercise its unit redemption right, regardless of the length of time it has held its partnership units. This redemption right begins when such notice is given, which must be at least 20 business days before the record date for determining stockholders eligible to receive the distribution or to vote upon the approval of the merger, sale or other termination transaction, and ends on the record date (or if none, on the date of consummation of such distribution or termination transaction). Cousins, in its sole discretion, may shorten the required notice period of not less than 20 business days prior to the record date to determine the stockholders eligible to vote upon a distribution or termination transaction. If no record date is applicable, Cousins may shorten the required notice period of not less than 20 business days before a distribution in Cousins sole and absolute discretion.

A limited partner may exercise its unit redemption right by giving written notice to Cousins LP and Cousins. The partnership units specified in the notice generally will be redeemed on the 20th business day following the date Cousins received the redemption notice or, in the case of the exercise of a unit redemption right in connection with a distribution or termination transaction, the date Cousins LP and Cousins received the redemption notice.

The redemption right may be exercised by a limited partner no more than once per fiscal quarter. A limited partner may not exercise the unit redemption right for fewer than 1,000 partnership units, or if the limited partner holds fewer than 1,000 partnership units, all of the partnership units held by that limited partner. The redeeming partner will have no right to receive any distributions paid on or after the redemption date with respect to those partnership units redeemed.

Unless Cousins elects to assume and perform Cousins LP s obligation with respect to the unit redemption right, as described below, a limited partner exercising a unit redemption right will receive cash from Cousins LP in an amount equal to the market value of Cousins common stock for which the partnership units would have been redeemed if Cousins had assumed and satisfied Cousins LP s obligation by paying with Cousins common stock, as described below. The market value of Cousins common stock for this purpose (assuming a market then exists) will be equal to the average of the closing trading price of Cousins common stock on the NYSE for the 10 consecutive trading days before the day on which Cousins received the redemption notice.

In its sole and absolute discretion, Cousins as general partner may elect to assume and perform Cousins LP s obligation to acquire the partnership units being redeemed in exchange for either cash in the amount specified above or a number of shares of Cousins common stock equal to the number of partnership units offered for redemption, adjusted as specified in the Cousins Partnership Agreement to take into account prior share dividends or any subdivisions or combinations of Cousins common stock. No redemption or exchange can occur if delivery of shares of Cousins common stock by Cousins would be prohibited either under the provisions of the Cousins Articles or under applicable federal or state securities laws, in each case regardless of whether Cousins would in fact elect to assume and satisfy the unit redemption right with shares.

Cousins is authorized to take any action that it determines to be necessary or appropriate to cause Cousins LP to comply with any withholding requirements established under the Code or any other federal, state or local law that apply upon a limited partner s exercise of the redemption right.

Cousins is required to place appropriate restrictions on the ability of the limited partners to exercise their redemption rights as and if deemed necessary to ensure that Cousins LP does not constitute a publicly traded partnership taxable as an association under Section 7704 of the Code.

In addition to the foregoing right of limited partners to redeem OP units, Cousins LP will be entitled to redeem Class A Units and Class B Units held by limited partners other than Cousins or Cousins LP at any time when the aggregate percentage interest of limited partners other than Cousins or Cousins LP in Cousins LP is less than 1%. The redemption price and procedure will be substantially similar to those that apply to the redemption right of limited partners described above.

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Amendment of Cousins Partnership Agreement

In general, other than as described below, the Cousins Partnership Agreement may only be amended exclusively by Cousins, as general partner, without the consent of the limited partners. Amendments to the Cousins Partnership Agreement requiring approval of the limited partners may only be proposed by Cousins, as general partner. The approval of a majority of the Class A Units held by limited partners, other than Cousins and certain of its affiliates, will be necessary to, among other things:

- amend certain provisions regarding the unit redemption right of the limited partners in a manner that adversely affects the limited partners, except as already permitted by the Cousins Partnership Agreement;
- amend certain provisions regarding the distribution rights of the limited partners in a manner that adversely affects the limited partners, other than in connection with the creation or issuance of new or additional partnership interests or as otherwise permitted by the Cousins Partnership Agreement;
- amend certain provisions that would materially alter Cousins LP s allocation of profit and loss to the limited partners, other than in connection with the creation or issuance of new or additional partnership interests or as otherwise permitted by the Cousins Partnership Agreement;
- amend provisions that would convert a limited partner s interest in Cousins LP into a general partner s interest, modify the limited liability of a limited partner, or impose on the limited partners any obligation to make additional capital contributions to Cousins LP;
- amend certain provisions that set restrictions on the issuance of partnership interests to Cousins, as general partner;
- amend certain provisions regarding transfers of partnership interests by Cousins, as general partner, and by the limited partners; or
- amend the requirements for amending the Cousins Partnership Agreement.

Tax Matters

Pursuant to the Cousins Partnership Agreement, the general partner is the tax partner of Cousins LP. Accordingly, through Cousins role as the general partner of Cousins LP, Cousins has authority to make tax elections under the Code on behalf of Cousins LP, take actions with respect to tax audits or tax judicial review proceedings, enter into agreements with the IRS and to take such other actions as permitted under the Cousins Partnership Agreement, including but not limited to, making a safe harbor election with respect to LTIP Units under which the fair market value of any partnership interests (or LTIP Units, if and as elected by Cousins as general partner) issued in connection with the performance of services after the effective date of the applicable Treasury Regulations and guidance will be treated as equal to the liquidation value of such safe harbor interests. In the event that Cousins LP makes a safe harbor election as described in the preceding sentence, each partner will be bound to comply with all safe harbor requirements with respect to transfers of such safe harbor interests while such election remains effective.

Term

Cousins LP will continue until dissolved upon the first to occur of any of the following:

- an event of Cousins withdrawal as the general partner (other than an event of bankruptcy), unless within ninety days after the withdrawal, a majority of the Class A Units held by limited partners, other than Cousins and certain of its affiliates, elect to continue the business of Cousins LP and to the appointment, effective as of the date of withdrawal, of a substitute general partner is obtained;

- an election to dissolve Cousins LP by Cousins, as general partner, in its sole and absolute discretion;

- entry of a decree of judicial dissolution of Cousins LP pursuant to Delaware law;

ninety days after the sale of all or substantially all of the assets and properties of Cousins LP for cash or for marketable securities; or

entry of a final and non-appealable judgment by a court of competent jurisdiction ruling that Cousins is bankrupt or insolvent, or entry of a final and non-appealable order for relief against Cousins, under any federal or state bankruptcy or insolvency laws, unless prior to or at the time of the entry of such judgment or order, the consent of a majority of the holders of the Class A Units to continue the business of Cousins LP and to the appointment, effective as of a date prior to the date of such order or judgment, of a substitute general partner is obtained.

Amendment to the Parkway Partnership Agreement

Following the Merger and pursuant to the Separation and the UPREIT Reorganization, upon the terms and subject to the conditions of the Merger Agreement, Merger Sub will contribute to New Parkway its limited partner interest in Parkway LP and its stock in Parkway GP in exchange for shares of New Parkway common stock.

Thereafter, immediately following the Spin-Off, upon the terms and subject to the conditions of the Merger Agreement, New Parkway, as holder of the majority in interest of the limited partnership units of Parkway LP, and Parkway GP, as general partner, will enter into Amendment No. 4 to the Parkway Partnership Agreement in substantially the form set forth as Exhibit D to the Merger Agreement (which we refer to as the Parkway LP Amendment).

This section summarizes material provisions of the Parkway LP Amendment. This summary does not purport to be complete and may not contain all of the information about the Parkway LP Amendment that is important to you. This summary is subject to, and qualified in its entirety by reference to, Exhibit D to the Merger Agreement, which is attached as Annex A to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus. The terms of the Parkway LP Amendment may change prior to closing of the Merger or thereafter.

The Parkway LP Amendment will amend the Parkway Partnership Agreement to provide for, among other things, the following changes:

Capital Account. The definition of capital account in the Parkway Partnership Agreement will be amended to delete a proviso restricting Parkway GP s authority as general partner to modify, as necessary, the manner in which the capital accounts are computed in order to comply with applicable Treasury regulations upon dissolution of Parkway LP.

Common Unit Economic Balance. The Parkway Partnership Agreement will be revised to add a definition for common unit economic balance, which term is not currently defined in the Parkway Partnership Agreement. As defined by the Parkway LP Amendment, common unit economic balance refers to a ratio of Parkway GP s adjusted capital account to its number of partnership common units, and such concept is used in the Parkway Partnership Agreement with respect to provisions regarding special allocations and conversion of LTIP Units.

REIT Shares Amount. The Parkway Partnership Agreement will be amended to add a proviso specifying that the REIT Shares Amount (as defined in the Parkway Partnership Agreement and being the shares of New Parkway common stock that may be issued upon redemption of partnership units of Parkway LP) shall not be adjusted if, in connection with stock dividends and distributions, stock splits and subdivisions, reverse stock splits and combinations, distributions of rights, warrants or options, and distributions of evidences of indebtedness or assets received by New Parkway pursuant to a distribution by Parkway LP (other than a pro rata distribution to all Parkway LP s partners based on their respective percentage interests), Parkway LP makes a distribution of cash, partnership units, REIT shares (as defined in the Parkway Partnership Agreement) and/or rights, options or warrants to acquire partnership units and/or REIT shares with respect to all applicable partnership common units or effects a reverse split of, or otherwise combines, the partnership common units that is comparable as a whole in all material respects with such event.

Expense Reimbursement. The Parkway Partnership Agreement will be amended to clarify that Parkway LP will pay all expenses related to Parkway LP s, the general partner s and New Parkway s organization and the ownership of their assets and their operations, excluding any expenses related to assets and operations of New Parkway or the general partner that are not owned or conducted by or through Parkway LP.

Redemption Rights. The Parkway Partnership Agreement will be amended to clarify that, if New Parkway acquires or divests material assets other than assets acquired on behalf of or owned through Parkway LP or partnership interests, the REIT Shares Amount (as defined therein and as amended) shall be adjusted, as reasonably agreed to by Parkway GP and a majority in interest of the limited partnership units, to reflect the relative fair market value of a REIT share relative to the deemed partnership interest value of the related partnership unit. Currently, the Parkway Partnership Agreement provides that the trigger for these rights is an acquisition or divestment by Parkway GP (rather than New Parkway). Furthermore, the Parkway LP Amendment will provide that redemption rights apply only to partnership common units.

Tax Partner. The Parkway Partnership Agreement will be amended to add provisions designating Parkway GP, as general partner, to be the tax partner of Parkway LP for federal, state and local income tax administrative or judicial proceedings and tax audits, and authorizing Parkway GP to make certain tax elections on behalf of Parkway LP under the Code and related rules, enter into settlement agreements and other agreements with the IRS or other tax authority, seek judicial review of any adjustment assessed by the IRS or other tax authority, intervene in any action brought by another partner for judicial review of a final adjustment, file a request for administrative adjustment with the IRS or other tax authority. The Parkway LP Amendment further provides that Parkway GP will receive no compensation for its services as tax partner, but will be entitled to reimbursement by Parkway LP for any expenses incurred in Parkway GP s capacity as tax partner.

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MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a general discussion of the material U.S. federal income tax consequences of the Merger to U.S. holders (as defined below) of Parkway common stock that exchange their shares of Parkway common stock for shares of Cousins common stock in the Merger. The following discussion is based on the Code, U.S. Treasury regulations promulgated thereunder and judicial and administrative authorities, rulings and decisions, all as in effect as of the date of this joint proxy statement/prospectus. These authorities may change, possibly with retroactive effect, and any such change could affect the accuracy of the statements and conclusions set forth in this discussion. This discussion assumes that the Merger will be completed in accordance with the Merger Agreement and as further described in this joint proxy statement/prospectus. This discussion is not a complete description of all of the tax consequences of the Merger and, in particular, does not address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010, nor does it address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any U.S. federal laws other than those pertaining to the income tax.

The following discussion applies only to U.S. holders of shares of Parkway common stock who hold such shares as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this discussion does not purport to consider all aspects of U.S. federal income taxation that might be relevant to U.S. holders in light of their particular circumstances and does not apply to U.S. holders subject to special treatment under the U.S. federal income tax laws (such as, for example, banks and certain other financial institutions, tax-exempt organizations, partnerships, S corporations or other pass-through entities (or investors in partnerships, S corporations or other pass-through entities), regulated investment companies, real estate investment trusts, controlled foreign corporations, passive foreign investment companies, insurance companies, mutual funds, dealers or brokers in stocks and securities, commodities or currencies, traders in securities that elect to apply a mark-to-market method of accounting, holders subject to the alternative minimum tax provisions of the Code, holders who acquired Parkway common stock pursuant to the exercise of employee stock options, through a tax qualified retirement plan or otherwise as compensation, holders who exercise appraisal rights, holders who actually or constructively own more than 5% of Parkway common stock, persons that are not U.S. holders (as defined below), holders whose functional currency is not the U.S. dollar, holders who hold shares of Parkway common stock as part of a hedge, straddle, constructive sale, conversion or other integrated transaction, or United States expatriates).

For purposes of this discussion, the term U.S. holder means a beneficial owner of Parkway common stock that is for U.S. federal income tax purposes (i) an individual citizen or resident of the United States, (ii) a corporation, or entity treated as a corporation for U.S. federal income tax purposes, organized in or under the laws of the United States or any state thereof or the District of Columbia, (iii) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes or (iv) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

If an entity or an arrangement treated as a partnership for U.S. federal income tax purposes holds Parkway common stock, the U.S. federal income tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Any entity treated as a partnership for U.S. federal income tax purposes that holds Parkway common stock, and any partners in such partnership should consult their own independent tax advisors regarding the tax consequences of the Merger to their specific circumstances.

Determining the actual tax consequences of the Merger to you may be complex and will depend on your specific situation and on factors that are not within our control. You should consult your own independent tax

advisor as to the specific tax consequences of the Merger in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign and other tax laws and of changes in those laws.

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Material U.S. Federal Income Tax Consequences of the Merger

The parties intend for the Merger to be treated as a reorganization for U.S. federal income tax purposes within the meaning of Section 368(a) of the Code. It is a condition to Parkway s obligation to complete the Merger that Parkway receive an opinion from Hogan Lovells (or other Parkway counsel reasonably satisfactory to Cousins), in form and substance reasonably satisfactory to Parkway, dated the closing date, to the effect that, the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to Cousins obligation to complete the Merger that Cousins receive an opinion from Wachtell, Lipton, Rosen & Katz (or other Cousins counsel reasonably satisfactory to Parkway), in form and substance reasonably satisfactory to Cousins, dated the closing date, to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. These opinions will be based on facts, representations, assumptions and exclusions set forth or referred to in the opinions and in representation letters provided by Parkway and Cousins. None of the opinions described above will be binding on the IRS or any court. Parkway and Cousins have not sought and will not seek any ruling from the IRS regarding any matter relating to the Merger and, as a result, there can be no assurance that the IRS will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below. In addition, if any of the representations, warranties, covenants or assumptions upon which those opinions are based are inconsistent with the actual facts, the U.S. federal income tax consequences of the Merger could be adversely affected. Assuming that, in accordance with the opinions described above, the Merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, upon the exchange of your Parkway common stock for Cousins common stock and cash in lieu of fractional shares, the U.S. federal income tax consequences will be as follows:

Upon exchanging your Parkway common stock for Cousins common stock, you generally will not recognize gain or loss, except with respect to cash received in lieu of fractional shares of Cousins common stock (as discussed below). The aggregate tax basis of Cousins common stock that you receive in the Merger (including any fractional shares deemed received and exchanged for cash, as discussed below) will equal your aggregate adjusted tax basis in the shares of Parkway common stock you surrender in the Merger. Your holding period for the shares of Cousins common stock that you receive in the Merger (including any fractional share deemed received and exchanged for cash, as discussed below) will include your holding period for the shares of Parkway common stock that you surrender in the Merger. If you acquired different blocks of Parkway common stock at different times or at different prices, the Cousins common stock you receive will be allocated pro rata to each block of Parkway common stock, and the basis and holding period of each block of Cousins common stock you receive will be determined on a block-for-block basis depending on the basis and holding period of the blocks of Parkway common stock exchanged for such Cousins common stock.

If you receive cash in lieu of a fractional share of Cousins common stock, you will be treated as having received such fractional share of Cousins common stock pursuant to the Merger and then as having sold such fractional share of Cousins common stock for cash. As a result, you generally will recognize a capital gain or loss equal to the difference between the amount of cash received for such fractional share and your basis in your fractional share of Cousins common stock as set forth above. Such capital gain or loss generally will be long-term capital gain or loss if, as of the effective time of the Merger, your holding period for such fractional share (as described above) exceeds one year. Long-term capital gains of individuals are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

In addition, assuming that, in accordance with the opinions described above, the Merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, neither Cousins nor Parkway will recognize gain or loss as a result of the Merger.

Backup Withholding

Certain U.S. holders of Parkway common stock may be subject to backup withholding of U.S. federal income tax with respect to any cash received pursuant to the Merger. Backup withholding will not apply, however, to a U.S. holder of Parkway common stock that furnishes a correct taxpayer identification number and certifies that it is not subject to backup withholding on IRS Form W-9 or is otherwise exempt from backup withholding and provides appropriate proof of the applicable exemption. Backup withholding is not an additional tax and any amounts withheld will be allowed as a refund or credit against the U.S. holder s U.S. federal income tax liability, if any, *provided that* the holder timely furnishes the required information to the IRS.

This preceding discussion does not purport to be a complete analysis or discussion of all the potential tax consequences of the Merger. Holders of Parkway common stock should consult their tax advisors regarding the specific tax consequences to them of the Merger, including the tax return reporting requirements and the applicability and effect of U.S. federal, state, local and non-U.S. and other applicable tax laws in light of their particular circumstances.

Material U.S. Federal Income Tax Consequences of the Spin-Off to U.S. Stockholders

In general, the Spin-Off will be a taxable transaction for U.S. federal income tax purposes. The following discussion describes the U.S. federal income tax consequences to a U.S. holder of Cousins common stock upon the receipt of New Parkway common stock in the Spin-Off.

While the Merger generally is not expected to result in the recognition of gain or loss for stockholders of either Parkway or Cousins, the distribution of shares of New Parkway common stock in the Spin-Off (including fractional shares for which U.S. holders receive cash) will not qualify for tax-deferred treatment and will be treated as a taxable distribution to U.S. holders for U.S. federal income tax purposes.

An amount equal to the fair market value on the distribution date of the shares of New Parkway common stock (including fractional shares for which a U.S. holder receives cash) received by a U.S. holder in the Spin-Off will generally be treated as a taxable dividend to the extent of such holder s ratable share of any current or accumulated earnings and profits of Cousins (including gain recognized by Cousins in connection with the Separation and the Spin-Off), with the excess treated first as a non-taxable return of capital to the extent of such holder s tax basis in Cousins common stock and any remaining excess treated as capital gain.

A U.S. holder s tax basis in its shares of Cousins common stock held on the distribution date will be reduced (but not below zero) to the extent that the fair market value on the distribution date of the shares of New Parkway common stock received by such U.S. holder from Cousins in the Spin-Off exceeds such U.S. holder s ratable share of Cousins current and accumulated earnings and profits (that is, the amount treated as a taxable dividend). Cousins will not be able to advise holders of the amount of earnings and profits of Cousins until after the end of the calendar year in which the Spin-Off occurs. However, Cousins anticipates that it will recognize a substantial amount of capital gain for tax purposes in connection with the Separation that will have the effect of substantially increasing its earnings and profits for the year in which the Spin-Off occurs.

To the extent that the fair market value on the distribution date of the shares of New Parkway common stock received by a U.S. holder from Cousins in the Spin-Off exceeds such U.S. holder s adjusted tax basis in its shares of Cousins common stock, the U.S. holder generally must include such excess in income as long-term capital gain, or short-term capital gain if the U.S. holder s shares of Cousins common stock have been held for one year or less. In the case of a former Parkway stockholder that is a U.S. holder, such U.S. holder s holding period for its shares of Cousins common stock received in the Merger will include such holder s holding period for its shares of Parkway common stock exchanged in the Merger. A U.S. holder s holding period for its Cousins shares will not be affected by the Spin-Off.

A U.S. holder s tax basis in the shares of New Parkway common stock received in the Spin-Off generally will equal the fair market value of those shares on the distribution date, and a U.S. holder s holding period for those shares will begin the day after the distribution date.

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Although Cousins will ascribe a value to the shares of New Parkway common stock it distributes in the Spin-Off for tax purposes, this valuation is not binding on the IRS or any other tax authority. These taxing authorities could ascribe a higher valuation to those shares, particularly if shares of New Parkway common stock trade at prices significantly above the value ascribed to those shares by Cousins in the period following the distribution. Such a higher valuation may cause a larger reduction in the tax basis of a U.S. holder s shares of Cousins common stock or may cause a U.S. holder to recognize additional dividend or capital gain income.

This preceding discussion does not purport to be a complete analysis or discussion of all of the potential tax consequences of the Spin-Off. Determining the actual tax consequences of the Spin-Off to you may be complex and will depend on your specific situation and on factors that are not within our control. You should consult your own independent tax advisor as to the specific tax consequences of the Spin-Off in your particular circumstances, including (i) the amount of gain, if any, that you could recognize in connection with the Spin-Off to the extent that the value of the New Parkway common stock on the distribution date exceeds that amount required to be treated as a taxable dividend and (ii) the applicability and effect of the alternative minimum tax and any state, local, foreign and other tax laws and of changes in those laws.

In that regard, if you are a non-U.S. stockholder, Cousins or other applicable withholding agents may be required or permitted to withhold at the applicable rate on all or a portion of the distribution of New Parkway common stock payable to you, and any such withholding would be satisfied by Cousins or such agent by withholding and selling a portion of the shares of New Parkway common stock that otherwise would be distributable to you or by withholding from other property held in your account with the withholding agent.

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THE COUSINS SPECIAL MEETING

Date, Time and Place

The Cousins special meeting will be held at 191 Peachtree Street NE, Suite 500, Atlanta, Georgia 30303, at 2:00 PM EDT, on August 23, 2016.

Purpose of the Cousins Special Meeting

At the Cousins special meeting, Cousins stockholders will be asked to consider and vote upon the following matters:

- the Cousins Issuance Proposal;
- the Cousins Articles Amendment Proposal; and
- the Cousins Adjournment Proposal.

Recommendation of the Cousins Board of Directors

The Cousins board of directors unanimously has determined that the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Separation, the UPREIT Reorganization and the Spin-Off, are advisable and in the best interests of Cousins and its stockholders and has unanimously approved the Merger Agreement, the Cousins Issuance Proposal and the Cousins Articles Amendment Proposal.

The Cousins board of directors unanimously recommends that holders of Cousins common stock vote FOR the Cousins Issuance Proposal, FOR the Cousins Articles Amendment Proposal and FOR the Cousins Adjournment Proposal.

Cousins Record Date; Stock Entitled to Vote

Only holders of record of shares of Cousins common stock at the close of business on July 15, 2016, the record date for the Cousins special meeting, will be entitled to notice of, and to vote at, the Cousins special meeting or any adjournments or postponements thereof. You may cast one vote for each share of Cousins common stock that you owned on the record date.

On the record date, there were 220,498,824 shares of Cousins common stock outstanding and entitled to vote at the Cousins special meeting.

On the record date, approximately 3.17% of the outstanding shares of Cousins common stock were held by Cousins directors and executive officers and their affiliates. Cousins currently expects that the directors and executive officers of Cousins will vote their shares in favor of the Cousins Issuance Proposal and the Cousins Articles Amendment Proposal, although none has entered into any agreements obligating them to do so.

Quorum

Stockholders who hold a majority of the total number of shares of Cousins common stock issued and outstanding on the record date must be present or represented by proxy to constitute a quorum at the Cousins special meeting. All shares of Cousins common stock represented at the Cousins special meeting, including abstentions and broker non-votes (shares held by a broker, bank or nominee that are represented at the meeting, but with respect to which the broker, bank or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal), will be treated as present for purposes of determining the presence or absence of a quorum at the Cousins special meeting.

Required Vote

Although the Merger Agreement provides that the Cousins Issuance Proposal must be approved by the affirmative vote of the majority of the outstanding shares of Cousins common stock, the parties have agreed to the voting standard contained in Section 312.07 of the NYSE listed company manual. Accordingly, approval of the Cousins Issuance Proposal requires the affirmative vote of the majority of the votes cast by Cousins common stockholders, assuming a quorum is present. Approval of the Cousins Articles Amendment Proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Cousins common stock, assuming a quorum is present. Approval of the Cousins Adjournment Proposal requires the affirmative vote of holders of a majority of the Cousins common stock represented, in person or by proxy, at the Cousins special meeting and entitled to vote on the proposal, whether or not a quorum is present.

The approval of both the Cousins Issuance Proposal and the Cousins Articles Amendment Proposal is a condition to the completion of the Merger.

Cousins stockholders do not need to take any action at the Cousins special meeting relating to the Separation, the UPREIT Reorganization or the Spin-Off. The Separation, the UPREIT Reorganization and the Spin-Off will only occur if the Merger is completed.

Abstentions and Broker Non-Votes

If you are a Cousins stockholder and fail to vote, fail to instruct your broker, bank or nominee to vote, or abstain from voting, it will have the same effect as a vote against the Cousins Articles Amendment Proposal, and will have no effect on the Cousins Issuance Proposal, assuming a quorum is present and the Cousins Adjournment Proposal. Although abstentions and broker non-votes will be counted as present for purposes of determining whether a quorum is present to organize the Cousins special meeting, they will not be counted as present, represented by proxy or cast for purposes of determining whether the requisite vote to approve any such proposal has been obtained.

If you are a Cousins stockholder and you attend the Cousins special meeting and fail to vote or abstain from voting, it will have the same effect as a vote against the Cousins Articles Amendment Proposal and the Cousins Adjournment Proposal, but it will have no effect on the Cousins Issuance Proposal, assuming a quorum is present.

Shares Held in Street Name

If you hold your shares in a stock brokerage account or if your shares are held by a bank or nominee (that is, in street name), you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your broker, bank or nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to Cousins or by voting in person at the Cousins special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or nominee. Further, brokers, banks or nominees who hold shares of Cousins common stock on behalf of their customers may not give a proxy to Cousins to vote those shares without specific instructions from their customers.

If you are a Cousins stockholder and you do not instruct your broker, bank or nominee to vote, your broker, bank or nominee may not vote those shares, and it will have the same effect as a vote against the Cousins Articles Amendment Proposal, but it will have no effect on the Cousins Issuance Proposal and the Cousins Adjournment Proposal.

Voting of Proxies

A proxy card is enclosed for your use. Cousins requests that you sign the accompanying proxy and return it promptly in the enclosed postage-paid envelope. You may also vote your shares by telephone or through the

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Internet. Information and applicable deadlines for voting proxies by telephone or through the Internet are set forth on the enclosed proxy card. When the accompanying proxy is returned properly executed, the shares of Cousins common stock represented by it will be voted at the Cousins special meeting or any adjournment or postponement thereof in accordance with the instructions contained in the proxy.

If a proxy is signed and returned without an indication as to how the shares of Cousins common stock represented by the proxy are to be voted with regard to a particular proposal, the Cousins common stock represented by the proxy will be voted in favor of each such proposal. At the date hereof, Cousins management has no knowledge of any business that will be presented for consideration at the Cousins special meeting and which would be required to be set forth in this joint proxy statement/prospectus other than the matters set forth in the accompanying Notice of Special Meeting of Stockholders of Cousins. In accordance with the Cousins Bylaws and Georgia law, business transacted at the Cousins special meeting will be limited to those matters set forth in such notice. Nonetheless, if any other matter is properly presented at the Cousins special meeting for consideration, it is intended that the persons named in the enclosed proxy and acting thereunder will vote in accordance with their discretion on such matter.

Your vote is important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the Cousins special meeting in person.

Participants in Benefit Plans

If you beneficially own any Cousins common stock by virtue of participating in any retirement plan of Cousins, then you have received separate voting instruction cards in lieu of a proxy card. These voting instruction cards entitle you, on a confidential basis, to instruct the plan trustees how to vote the shares of Cousins common stock allocated to your plan account. The cards for some of the plans will similarly entitle you to direct the voting of a proportionate number of plan shares of Cousins common stock for which properly executed instructions are not timely received and some will require you to act in your capacity as a named fiduciary, which requires you to exercise your voting rights prudently and in the interest of all plan participants. Plan participants who wish to vote should complete and return voting instruction cards in the manner provided by such cards. If you elect not to vote plan shares of Cousins common stock allocated to your accounts, your plan shares will be voted in the manner specified in the voting instruction cards.

Revocability of Proxies or Voting Instructions

If you are a holder of record of Cousins common stock on the record date for the Cousins special meeting, you have the power to revoke your proxy at any time before your proxy is voted at the Cousins special meeting. You can revoke your proxy in one of three ways:

- you can send a signed notice of revocation;
- you can grant a new, valid proxy bearing a later date; or
- you can attend the Cousins special meeting and vote in person, which will automatically cancel any proxy previously given, or you can revoke your proxy in person, but your attendance alone will not revoke any proxy that you have previously given.

If you choose either of the first two methods, your notice of revocation or your new proxy must be received by Cousins   Secretary at 191 Peachtree Street NE, Suite 500, Atlanta, Georgia 30303, no later than the beginning of the Cousins special meeting. If you have voted your shares by telephone or through the Internet, you may revoke your prior telephone or Internet vote by recording another vote using the telephone or Internet, or by signing and returning a proxy card dated as of a date that is later than your last telephone or Internet vote.

Plan participants who wish to revoke their voting instructions must contact the applicable plan trustee and follow its procedures.

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Solicitation of Proxies

In accordance with the Merger Agreement, the cost of proxy solicitation for the Cousins special meeting will be borne by Cousins. In addition to the use of the mail, proxies may be solicited by officers and directors and regular employees of Cousins, without additional remuneration, by personal interview, telephone, facsimile or otherwise. Cousins will also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of shares held of record on the record date and will provide customary reimbursement to such firms for the cost of forwarding these materials. Cousins has retained Georgeson to assist in its solicitation of proxies and has agreed to pay them a fee of $10,000, plus reasonable expenses, for these services.

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COUSINS PROPOSALS

COUSINS PROPOSAL 1: THE COUSINS ISSUANCE PROPOSAL

Pursuant to NYSE rules, stockholder approval is required prior to the issuance of shares if the number of shares to be issued in a transaction equals 20% or more of the number of shares outstanding prior to the issuance. Accordingly, Cousins is requesting that holders of outstanding shares of Cousins common stock consider and vote on a proposal to approve the issuance of additional shares of Cousins common stock, pursuant to the transactions contemplated by the Merger Agreement.

Approval of the Cousins Issuance Proposal is a condition to the closing of the Merger. If the Cousins Issuance Proposal is not approved, the Merger will not occur. For a detailed discussion of the terms and conditions of the Merger, see The Merger The Merger Agreement Conditions to Completion of the Merger.

Required Vote

Approval of the Cousins Issuance Proposal requires the affirmative vote of the majority of the votes cast by Cousins common stockholders, assuming a quorum is present.

The Cousins board of directors unanimously recommends that Cousins stockholders vote FOR the approval of the Cousins Issuance Proposal.

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COUSINS PROPOSAL 2: THE COUSINS ARTICLES AMENDMENT PROPOSAL

Cousins proposes to amend the Cousins Articles, which will be the articles of incorporation of Cousins, effective at the effective time of the Merger, in the form attached as Annex H to this joint proxy statement/prospectus.

If the proposed amendment is adopted, the number of authorized shares of Cousins common stock, par value $1 per share, will be increased from 350 million shares to 700 million shares.

Approval of the Cousins Articles Amendment Proposal is a condition to the closing of the Merger. If the Cousins Articles Amendment Proposal is not approved, the Merger will not occur. For a detailed discussion of the terms and conditions of the Merger, see The Merger The Merger Agreement Conditions to Completion of the Merger.

Required Vote

Approval of the Cousins Articles Amendment Proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Cousins common stock, assuming a quorum is present. For purposes of this vote, an abstention or a failure to vote will have the same effect as a vote **AGAINST** the Cousins Articles Amendment Proposal.

The Cousins board of directors unanimously recommends that Cousins stockholders vote FOR the Cousins Articles Amendment Proposal.

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COUSINS PROPOSAL 3: THE COUSINS ADJOURNMENT PROPOSAL

Cousins stockholders are being asked to approve the adjournment of the Cousins special meeting, if necessary or appropriate, to solicit additional proxies in favor of the above proposals, if there are insufficient votes at the time of such adjournment to approve such proposals.

If, at the Cousins special meeting, the number of shares of Cousins common stock present or represented and voting in favor of the Cousins Issuance Proposal or the Cousins Articles Amendment Proposal is insufficient to approve the corresponding proposal, Cousins may move to adjourn the Cousins special meeting in order to enable the Cousins board of directors to solicit additional proxies for approval of such proposals.

Cousins is asking its stockholders to authorize the holder of any proxy solicited by the Cousins board of directors to vote in favor of granting discretionary authority to the proxy holders, and each of them individually, to adjourn the Cousins special meeting to another time and place for the purpose of soliciting additional proxies. If the Cousins stockholders approve this proposal, Cousins could adjourn the Cousins special meeting and any adjourned session of the Cousins special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Cousins stockholders who have previously voted.

Required Vote

Approval of the Cousins Adjournment Proposal requires the affirmative vote of holders of a majority of the Cousins common stock represented, in person or by proxy, at the Cousins special meeting and entitled to vote on the proposal, whether or not a quorum is present.

The Cousins board of directors unanimously recommends that Cousins stockholders vote FOR the Cousins Adjournment Proposal.

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THE PARKWAY SPECIAL MEETING

Date, Time and Place

The Parkway special meeting will be held at 3344 Peachtree Road NE, Atlanta, Georgia 30326, at 2:00 PM EDT, on August 23, 2016.

Purpose of the Parkway Special Meeting

At the Parkway special meeting, Parkway stockholders will be asked to consider and vote upon the following matters:

- the Parkway Merger Proposal;
- the Parkway Compensation Proposal; and
- the Parkway Adjournment Proposal.

Recommendation of the Parkway Board of Directors

The Parkway board of directors unanimously has determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, are advisable and in the best interests of Parkway and its stockholders and has unanimously approved the Merger Agreement and the transactions contemplated thereby, including the Merger.

The Parkway board of directors unanimously recommends that holders of Parkway common and limited voting stock vote FOR the Parkway Merger Proposal. The Parkway board of directors unanimously recommends that holders of Parkway common stock vote FOR the Parkway Compensation Proposal and FOR the Parkway Adjournment Proposal.

Parkway Record Date; Stock Entitled to Vote

Only holders of record of Parkway common or limited voting stock at the close of business on July 15, 2016, the record date for the Parkway special meeting, will be entitled to notice of, and to vote at, the Parkway special meeting or any adjournments or postponements thereof. Each share of Parkway common stock is entitled to cast one vote on all matters that come before the Parkway special meeting. Each share of Parkway limited voting stock is entitled to cast one vote on the Parkway Merger Proposal only and shall vote as a single class with the holders of Parkway common stock on such proposal.

On the record date, there were 111,768,031 shares of Parkway common stock outstanding and entitled to vote at the Parkway special meeting and approximately 4,213,104 shares of Parkway limited voting stock outstanding and entitled to vote at the Parkway special meeting.

On the record date, approximately 7.9% of the outstanding shares of Parkway common stock were held by Parkway directors and executive officers and their respective affiliates. On the record date, 100% of the outstanding shares of Parkway limited voting stock were held by a director of Parkway and his affiliates. Parkway currently expects that the directors and executive officers of Parkway will vote their shares in favor of the proposal to approve the Merger, although none has entered into any agreements obligating them to do so. In addition, the TPG Parties, who currently have the right to designate up to four directors on the Parkway board of directors, have entered into a voting agreement with Cousins pursuant to which they have agreed to vote all of their shares of Parkway common stock in favor of the Parkway Merger Proposal. For more information, see The Merger Agreements with the TPG Parties Voting Agreement.

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Quorum

Stockholders who hold a majority of the total number of shares of Parkway common and limited voting stock issued and outstanding on the record date must be present in person or represented by proxy to constitute a quorum at the Parkway special meeting. All shares of Parkway common and limited voting stock represented at the Parkway special meeting, including abstentions and broker non-votes (shares held by a broker, bank or nominee that are represented at the special meeting, but with respect to which the broker, bank or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal), will be treated as present for purposes of determining the presence or absence of a quorum at the Parkway special meeting.

Required Vote

Approval of the Parkway Merger Proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Parkway common and limited voting stock, voting together as a single class. The approval of the Parkway Compensation Proposal and the Parkway Adjournment Proposal requires the affirmative vote of the holders of a majority of the votes cast by holders of Parkway common stock, assuming a quorum is present; however, the vote on the Parkway Compensation Proposal is nonbinding and advisory only. The approval the Parkway Adjournment Proposal requires the affirmative vote of the holders of a majority of the votes cast by holders of Parkway common stock, assuming a quorum is present. Therefore, the votes cast **FOR** each of the Parkway Compensation Proposal and the Parkway Adjournment Proposal must exceed the votes cast **AGAINST** each such proposal. If a quorum is not present, the holders of a majority of Parkway common stock present in person or by proxy at the Parkway special meeting may adjourn the meeting.

The approval of the Parkway Merger Proposal is a condition to the completion of the Merger.

Parkway stockholders do not need to take any action at the Parkway special meeting relating to the Separation, the UPREIT Reorganization or the Spin-Off. The Separation, the UPREIT Reorganization and the Spin-Off will only occur if the Merger is completed.

Abstentions and Broker Non-Votes

If you are a Parkway stockholder and fail to vote, fail to instruct your broker, bank or nominee to vote, or abstain from voting, it will have the same effect as a vote against the Parkway Merger Proposal, and will have no effect on the Parkway Compensation Proposal and the Parkway Adjournment Proposal, assuming a quorum is present. If a quorum is not present, the holders of a majority of Parkway common stock present in person or by proxy at the Parkway special meeting may adjourn the meeting. Although abstentions and broker non-votes will be counted as present for purposes of determining whether a quorum is present to organize the Parkway special meeting, they will not be counted as cast for purposes of determining whether the requisite vote to approve any of such proposals has been obtained.

Shares Held in Street Name

If you hold your shares in a stock brokerage account or if your shares are held by a bank or nominee (that is, in street name), you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your broker, bank or nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to Parkway or by voting in person at the Parkway special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or nominee. Further, brokers, banks and nominees who hold shares of Parkway common stock on behalf of their customers may not give a proxy to

Parkway to vote those shares without specific instructions from their customers.

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If you are a Parkway stockholder and you do not instruct your broker, bank or nominee to vote, your broker, bank or nominee may not vote those shares, and it will have the effect as described above under Abstentions and Broker Non-Votes.

Voting of Proxies

A proxy card is enclosed for your use. Parkway requests that you sign the accompanying proxy and return it promptly in the enclosed postage-paid envelope. You may also vote your shares by telephone or through the Internet. Information and applicable deadlines for voting by telephone or through the Internet are set forth on the enclosed proxy card. When the accompanying proxy is returned properly executed, the shares of Parkway common or limited voting stock represented by it will be voted at the Parkway special meeting or any adjournment or postponement thereof in accordance with the instructions contained in the proxy.

If a proxy is signed and returned without an indication as to how the shares of Parkway common or limited voting stock represented by the proxy are to be voted with regard to a particular proposal, the shares of Parkway common or limited voting stock represented by the proxy will be voted in favor of each such proposal, as applicable. As of the date hereof, the management of Parkway has no knowledge of any business that will be presented for consideration at the Parkway special meeting and which would be required to be set forth in this joint proxy statement/prospectus other than the matters set forth in the accompanying Notice of Special Meeting of Stockholders of Parkway. In accordance with the Bylaws of Parkway, as amended (which we refer to as the Parkway Bylaws) and the MGCL, business transacted at the Parkway special meeting will be limited to those matters set forth in such notice. Nonetheless, if any other matter is properly presented at the Parkway special meeting for consideration, it is intended that the persons named in the enclosed proxy and acting thereunder will vote in accordance with their discretion on such matter.

Your vote is important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the Parkway special meeting in person.

Revocability of Proxies or Voting Instructions

If you are a holder of record of shares of Parkway common or limited voting stock on the record date for the Parkway special meeting, you have the power to revoke your proxy at any time before your proxy is voted at the Parkway special meeting. You can revoke your proxy in one of three ways:

- you can send a signed notice of revocation;
- you can grant a new, valid proxy bearing a later date; or
- if you are a holder of record, you can attend the Parkway special meeting and vote in person, which will automatically cancel any proxy previously given, or you can revoke your proxy in person, but your attendance alone will not revoke any proxy that you have previously given.

Attending the Parkway special meeting without voting will not, by itself, revoke your proxy. If your shares of Parkway common stock are held by a bank, broker or nominee, you should follow the instructions provided by the bank, broker or nominee.

If you choose either of the first two methods, your notice of revocation or your new proxy must be received by the secretary of Parkway at 390 North Orange Avenue, Suite 2400, Orlando, Florida 32801, no later than the beginning of the Parkway special meeting. If you have voted your shares by telephone or through the Internet, you may revoke your prior telephone or Internet vote by recording a different vote using the telephone or Internet, or by signing and returning a proxy card dated as of a date that is later than your last telephone or Internet vote.

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Solicitation of Proxies

In accordance with the Merger Agreement, the cost of proxy solicitation for the Parkway special meeting will be borne by Parkway. In addition to the use of the mail, proxies may be solicited by officers and directors and regular employees of Parkway, without additional remuneration, by personal interview, telephone, facsimile or otherwise. Parkway will also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of shares held of record on the record date and will provide customary reimbursement to such firms for the cost of forwarding these materials. Parkway has retained Alliance Advisors LLC to assist in its solicitation of proxies and has agreed to pay them a fee of $8,000, plus reasonable expenses, for these services.

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PARKWAY PROPOSALS

PARKWAY PROPOSAL 1: THE PARKWAY MERGER PROPOSAL

Parkway is asking its stockholders to approve the Merger, on the terms and subject to the conditions of the Merger Agreement, and the transactions contemplated thereby. For a detailed discussion of the terms of the Merger Agreement, see The Merger The Merger Agreement. As discussed in the section entitled The Merger Parkway s Reasons for the Merger; Recommendations of the Parkway Board of Directors, after careful consideration, the Parkway board of directors, by a unanimous vote of all directors, approved the Merger Agreement and transactions contemplated thereby, including the Merger, and declared the Merger Agreement and the transactions contemplated thereby, including the Merger, to be advisable and in the best interest of Parkway and its stockholders.

Approval of the Parkway Merger Proposal is a condition to the closing of the Merger. If the Parkway Merger Proposal is not approved, the Merger will not occur. For a detailed discussion of the terms and conditions of the Merger, see The Merger The Merger Agreement Conditions to Completion of the Merger.

Required Vote

Approval of the Parkway Merger Proposal requires the affirmative vote of holders of a majority of the outstanding shares of Parkway common and limited voting stock, voting together as a single class. For purposes of this vote, an abstention or a failure to vote will have the same effect as a vote **AGAINST** the Parkway Merger Proposal.

The Parkway board of directors unanimously recommends that Parkway stockholders vote FOR the Parkway Merger Proposal.

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PROPOSAL 2: THE PARKWAY COMPENSATION PROPOSAL

Under Section 14A of the Exchange Act and the applicable SEC rules issued thereunder, Parkway is required to submit a proposal to its common stockholders for an advisory (nonbinding) vote to approve certain compensation that may become payable to Parkway s named executive officers in connection with the completion of the Merger as discussed in the section entitled The Merger Interests of Parkway Directors and Executive Officers in the Merger, including the footnotes to the table and the associated narrative discussion.

The Parkway board unanimously recommends that Parkway s common stockholders approve the following resolution:

RESOLVED, that the compensation that may be paid or become payable to the named executive officers of Parkway Properties, Inc. in connection with the Merger, as disclosed pursuant to Item 402(t) of Regulation S-K in the table in the section of the joint proxy statement/prospectus entitled The Merger Interests of Parkway Directors and Executive Officers in the Merger including the footnotes to the table and the associated narrative discussion, and the agreements and plans pursuant to which such compensation may be paid or become payable, is hereby APPROVED.

Required Vote

The vote on the Parkway Compensation Proposal is a vote separate and apart from the vote on the Parkway Merger Proposal. Accordingly, you may vote to approve the Parkway Merger Proposal and vote not to approve the Parkway Compensation Proposal and vice versa. Because the vote on the Parkway Compensation Proposal is advisory only, it will not be binding on Parkway, Cousins or New Parkway. Accordingly, if the Merger Agreement is approved and adopted and the Merger is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the vote on the Parkway Compensation Proposal.

The approval of the Parkway Compensation Proposal requires the affirmative vote of the holders of a majority of the votes cast by holders of Parkway common stock, assuming a quorum is present; however, such vote is nonbinding and advisory only. For the avoidance of doubt, shares of Parkway limited voting stock are not entitled to vote on the Parkway Compensation Proposal.

The Parkway board of directors unanimously recommends that you vote FOR the Parkway Compensation Proposal.

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PROPOSAL 3: THE PARKWAY ADJOURNMENT PROPOSAL

Parkway stockholders are being asked to approve the adjournment of the Parkway special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Parkway Merger Proposal, if there are insufficient votes at the time of such adjournment to approve such proposal

If, at the Parkway special meeting, the number of shares of Parkway common and limited voting stock present or represented and voting in favor of the Parkway Merger Proposal is insufficient to approve such proposal, Parkway may move to adjourn the Parkway special meeting in order to enable the Parkway board of directors to solicit additional proxies for approval of the Parkway Merger Proposal.

Parkway is asking its common stockholders to authorize the holder of any proxy solicited by the Parkway board of directors to vote in favor of granting discretionary authority to the proxy holders, and each of them individually, to adjourn the Parkway special meeting to another time and place for the purpose of soliciting additional proxies. If the Parkway stockholders approve this proposal, Parkway could adjourn the Parkway special meeting and any adjourned session of the Parkway special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Parkway stockholders who have previously voted.

Required Vote

Approval of the Parkway Adjournment Proposal requires the affirmative vote of holders of a majority of the votes cast by holders of Parkway common stock, assuming a quorum is present. If a quorum is not present, the holders of a majority of Parkway common stock present in person or by proxy at the Parkway special meeting may adjourn the meeting.

The Parkway board of directors unanimously recommends that Parkway stockholders vote FOR the Parkway Adjournment Proposal.

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COMPARATIVE STOCK PRICES AND DIVIDENDS

Shares of Cousins common stock are listed for trading on the NYSE under the symbol CUZ. Shares of Parkway common stock are listed for trading on the NYSE under the symbol PKY. The following table presents trading information for Cousins and Parkway common stock on April 28, 2016, the last trading day before public announcement of the Merger Agreement and July 21, 2016, the latest practicable trading day before the date of this joint proxy statement/prospectus.

	Cousins Common Stock			Parkway Common Stock		
Date	High	Low	Close	High	Low	Close
April 28, 2016	$ 10.74	$ 10.63	$ 10.71	$ 15.58	$ 15.38	$ 15.45
July 21, 2016	$ 11.06	$ 10.91	$ 11.05	$ 17.89	$ 17.69	$ 17.89

For illustrative purposes, the following table provides Parkway equivalent per share information on each of the specified dates. Parkway equivalent per share amounts are calculated by multiplying the per share price of each share of Cousins common stock by 1.63, the exchange ratio.

	Cousins Common Stock			Parkway Common Stock		
Date	High	Low	Close	High	Low	Close
April 28, 2016	$ 10.74	$ 10.63	$ 10.71	$ 17.51	$ 17.33	$ 17.46
July 21, 2016	$ 11.06	$ 10.91	$ 11.05	$ 18.03	$ 17.78	$ 18.01

The following tables set forth the high and low sales prices of Cousins common stock and Parkway common stock as reported in the NYSE s consolidated transaction reporting system, and the quarterly cash dividends declared per share, for the calendar quarters indicated.

Cousins

	High	Low	Dividend Declared
2013			
First Quarter	$ 10.84	$ 8.34	$ 0.045
Second Quarter	$ 11.28	$ 9.30	$ 0.045
Third Quarter	$ 10.87	$ 9.59	$ 0.045
Fourth Quarter	$ 11.45	$ 9.94	$ 0.045
2014			
First Quarter	$ 11.77	$ 10.10	$ 0.075
Second Quarter	$ 12.50	$ 11.23	$ 0.075
Third Quarter	$ 13.30	$ 11.95	$ 0.075
Fourth Quarter	$ 13.20	$ 10.69	$ 0.075
2015			
First Quarter	$ 11.63	$ 10.01	$ 0.080
Second Quarter	$ 10.96	$ 9.40	$ 0.080
Third Quarter	$ 10.89	$ 8.68	$ 0.080

Fourth Quarter	$ 10.37	$ 8.87	$ 0.080
2016			
First Quarter	$ 10.43	$ 7.53	$ 0.080
Second Quarter	$ 11.07	$ 10.00	$ 0.080
Third Quarter (through July 21, 2016)	$ 11.07	$ 10.02	

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Parkway

	High	Low	Dividend Declared
2013			
First Quarter	$ 18.73	$ 14.14	$ 0.1500
Second Quarter	$ 19.59	$ 15.70	$ 0.1500
Third Quarter	$ 19.36	$ 15.95	$ 0.1500
Fourth Quarter	$ 19.67	$ 16.87	$ 0.1875
2014			
First Quarter	$ 19.54	$ 16.95	$ 0.1875
Second Quarter	$ 21.38	$ 17.63	$ 0.1875
Third Quarter	$ 21.80	$ 18.17	$ 0.1875
Fourth Quarter	$ 21.50	$ 17.32	$ 0.1875
2015			
First Quarter	$ 19.00	$ 16.60	$ 0.1875
Second Quarter	$ 18.09	$ 16.03	$ 0.1875
Third Quarter	$ 18.68	$ 15.20	$ 0.1875
Fourth Quarter	$ 17.69	$ 15.35	$ 0.1875
2016			
First Quarter	$ 15.76	$ 11.54	$ 0.1875
Second Quarter	$ 18.01	$ 14.79	$ 0.1875
Third Quarter (through July 21, 2016)	$ 17.89	$ 16.10	

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS   COUSINS

On April 28, 2016, Cousins, Parkway, Parkway LP and Merger Sub entered into the Merger Agreement, pursuant to which, subject to the satisfaction or waiver of certain conditions set forth in the Merger Agreement, Parkway will be merged with and into Merger Sub, with Merger Sub continuing as the surviving corporation of the Merger and a wholly-owned subsidiary of Cousins.

Pursuant to the Merger Agreement, upon the terms and subject to the conditions of the Merger Agreement, on the business day following the effective time of the Merger, Cousins will separate the Houston Business and the Third-Party Services Business from the remainder of the combined businesses. After the Separation, Cousins will distribute pro rata to its stockholders all of the outstanding shares of common stock and limited voting stock of New Parkway, which will hold the Houston Business and the Third-Party Services Business. To satisfy the parties   overall business and economic objectives, including the intended tax treatment of the Spin-Off, Cousins (or a subsidiary of Cousins) will retain all of the shares of a class of non-voting preferred stock of New Parkway, upon the terms and subject to the conditions of the Merger Agreement. After the Spin-Off, New Parkway will be a separate, publicly-traded entity, and both Cousins and New Parkway intend to operate prospectively as UPREITs. The Merger and Spin-Off are currently expected to close in the fourth quarter of 2016.

At the effective time of the Merger, each share of Parkway common stock, issued and outstanding immediately prior to the effective time of the Merger will be converted into the right to receive 1.63 shares of newly issued shares of Cousins common stock. In addition, at the effective time of the Merger, each share of Parkway limited voting stock, issued and outstanding immediately prior to the effective time of the Merger will be converted into the right to receive 1.63 shares of newly issued Cousins limited voting preferred stock, having terms materially unchanged from the terms of the Parkway limited voting stock prior to the effective time of the Merger.

Each limited partner of Parkway LP will continue to be entitled, prior to the effective time of the Merger, to redeem or exchange their partnership interests in Parkway LP for shares of Parkway common stock, which will in turn be converted into the right to receive a number of newly issued shares of Cousins common stock equal to the exchange ratio. Each limited partner of Parkway LP that does not elect to redeem or exchange its partnership interests for shares of Parkway common stock in connection with the Merger will retain its limited partnership interests in Parkway LP and receive pro rata limited partnership interests in the operating partnership of Cousins in connection with the Separation, the UPREIT Reorganization and the Spin-Off.

The Merger Agreement and the other transactions contemplated thereby, including the Merger, the Separation, the UPREIT Reorganization and the Spin-Off, were unanimously approved by the boards of directors of Cousins and Parkway on April 28, 2016.

The following unaudited pro forma condensed consolidated financial statements as of March 31, 2016, for the year ended December 31, 2015 and for the three months ended March 31, 2016 have been prepared (i) as if the Merger and Spin-Off occurred on March 31, 2016 for purposes of the unaudited pro forma consolidated balance sheet and (ii) as if the Merger and Spin-off occurred on January 1, 2015 for purposes of the unaudited pro forma consolidated statements of operations for the year ended December 31, 2015 and three months ended March 31, 2016. The unaudited pro forma condensed consolidated financial statements are not necessarily indicative of what the actual financial position and operating results would have been had the Merger and Spin-Off occurred on March 31, 2016 or January 1, 2015, respectively, nor do they purport to represent Cousins   future financial position or operating results.

The Spin-Off of Cousins portion of the Houston Business will be accounted for as a discontinued operation of Cousins when the Spin-Off is consummated. The unaudited pro forma consolidated statements of operations for the years ended December 31, 2014 and 2013 included herein reflect adjustments to Cousins historical results of operations related to the reclassification of Cousins portion of the Houston Business as discontinued operations. The unaudited pro forma consolidated statements of operations contained herein for the years ended December 31, 2014 and 2013 reflect no adjustments associated with the Merger or Spin-Off.

The preliminary fair value of assets acquired and liabilities assumed and related adjustments for the assets acquired and liabilities assumed related to the Merger and Spin-Off incorporated into the unaudited pro forma condensed consolidated financial statements are based on preliminary estimates and information currently available. The amount of the equity to be issued in connection with the Merger and Spin-Off and the assignment of fair value to assets and liabilities of Parkway and New Parkway have not been finalized and are subject to change. The amount of the equity to be issued in connection with the Merger will be based on the number of Parkway shares and limited partnership units of Parkway LP outstanding immediately prior to the effective time of the Merger, converted pursuant to the Exchange Ratio, and the fair value of the assets and liabilities assumed will be based on the actual net tangible and intangible assets and liabilities of Parkway that exist at the effective time of the Merger. The amount distributed to stockholders in connection with the Spin-Off will be based on the historical cost of the assets and liabilities contributed to New Parkway.

Actual amounts recorded in connection with the Merger and Spin-Off may change based on any increases or decreases in the fair value of the assets acquired and liabilities assumed upon the completion of the final valuation, and may result in variances to the amounts presented in the unaudited pro forma consolidated balance sheet and/or unaudited pro forma consolidated statements of operations. Assumptions and estimates underlying the adjustments to the unaudited pro forma condensed consolidated financial statements are described in the accompanying notes. These adjustments are based on available information and assumptions that management of Cousins considered to be reasonable. The unaudited pro forma condensed consolidated financial statements do not purport to: (1) represent Cousins actual financial position had the Merger and Spin-Off occurred on March 31, 2016; (2) represent the results of Cousins operations that would have actually occurred had the Merger and Spin-Off occurred on January 1, 2015; or (3) project Cousins financial position or results of operations as of any future date or for any future period, as applicable.

During the period from January 1, 2015 to March 31, 2016, Cousins and Parkway acquired and disposed of various real estate operating properties. None of the assets acquired or disposed by the respective companies during this period exceeded the significance level that requires the presentation of pro forma financial information pursuant to Regulation S-X, Article 11. As such, the following unaudited pro forma consolidated statements of operations for the year ended December 31, 2015 and three months ended March 31, 2016 do not include pro forma adjustments to present the impact of these insignificant acquisitions and dispositions as if they occurred on January 1, 2015. The impact of these insignificant acquisitions and dispositions are reflected in the respective companies historical consolidated balance sheets as of March 31, 2016. In addition, the pro forma financial statements include the balances and operations associated with properties that are expected to be sold prior to the effective time of the Merger, but for which no factually supportable evidence exists for pro forma adjustments to reflect sales of such properties. If such expected sales were to be included in the pro forma financial statements, the pro forma balance sheet would be adjusted to reduce operating properties, certain operating assets and liabilities and debt.

The unaudited pro forma condensed consolidated financial statements have been developed from, and should be read in conjunction with, (i) the consolidated financial statements of Cousins and accompanying notes thereto included in Cousins annual report filed on Form 10-K for the year ended December 31, 2015 and quarterly report filed on Form 10-Q for the three months ended March 31, 2016, incorporated herein by reference, (ii) the consolidated financial statements of Parkway and accompanying notes thereto included in Parkway s annual report filed on Form 10-K for the year ended December 31, 2015 and quarterly report filed on Form 10-Q for the three months ended March 31, 2016, incorporated herein by reference, (iii) the accompanying notes to the unaudited pro forma condensed consolidated financial statements and (iv) other information relating to Cousins and Parkway contained in or incorporated by reference into this joint proxy statement/prospectus. For more information, see Summary Selected Historical Financial Data of Cousins, Summary Selected Historical Financial Data of Parkway and Where You Can Find More Information. In Cousins opinion, all adjustments necessary to reflect the Merger with Parkway, Spin-Off of

New Parkway and the issuance of Cousins and New Parkway shares have been made.

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COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

AS OF MARCH 31, 2016

(in thousands, except share data)

	Cousins Historical (1)	Parkway Historical (1)	Merger Adjustments		Merged Cousins Pro Forma Total	Cousins Houston Historical (3)	Parkway Houston Historical (3)	Spin-Off Adjustments		Post-Spin-Of Merged Cousins Pro Forma Total
Assets:										
Real estate assets:										
Operating properties, net of accumulated depreciation	$ 2,188,980	$ 2,860,338	$ 361,184	**A**	**$ 5,410,502**	$ (1,083,270)	$ (748,062)	$ 151,533	**A**	**$ 3,730,703**
Projects under development	41,871	10,424			**52,295**		(525)			**51,770**
Land	17,768	23,651	(11,816)	**A**	**29,603**		(12,500)	6,665	**A**	**23,768**
	2,248,619	2,894,413	349,368		**5,492,400**	(1,083,270)	(761,087)	158,198		**3,806,241**
Cash	5,464	251,499	(12,093)	**B**	**244,870**	(1,362)	(11,938)	(155,000)	**B**	**76,570**
Restricted Cash	4,929				**4,929**					**4,929**
Notes and accounts receivable, net of allowance for doubtful accounts	12,635	12,913			**25,548**	(6,136)	60			**19,472**
Deferred rents receivable	70,790	93,392	(93,392)	**C**	**70,790**	(24,422)	(22,500)	22,500	**K**	**46,368**
Investment in unconsolidated joint ventures	111,046	45,767	11,089	**D**	**167,902**					**167,902**
Intangible assets, net of accumulated amortization	117,729	278,393	306,257	**A**	**702,379**	(68,255)	(58,837)	(66,260)	**A**	**509,027**
Other assets	39,196	51,239			**90,435**	(2,048)	(6,547)	5,000	**L**	**86,840**
Total assets	$ 2,610,408	$ 3,627,616	$ 561,229		**$ 6,799,253**	$ (1,185,493)	$ (860,849)	$ (35,562)		**$ 4,717,349**

Liabilities:										
Notes payable	$ 767,811	$ 1,777,795	$ (16,000)	**B**	**$ 2,529,606**	$ (180,124)	$ (394,136)	$ (231,579)	**B**	**$ 1,723,767**
Accounts payable and accrued expenses	48,693	78,018	72,723	**E**	**199,434**	(24,734)	(18,540)	12,735	**M**	**168,895**
Deferred income	29,959	102			**30,061**		(83)			**29,978**
Intangible liabilities, net of accumulated amortization	57,283	59,046	30,157	**A**	**146,486**	(39,545)	(20,938)	542	**A**	**86,545**
Other liabilities	30,378	36,647	(12,824)	**F**	**54,201**	(2,179)	(8,462)			**43,560**
Total liabilities	934,124	1,951,608	74,056		**2,959,788**	(246,582)	(442,159)	(218,302)		**2,052,745**

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COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

AS OF MARCH 31, 2016

(in thousands, except share data)

	Cousins Historical [1]	Parkway Historical [1]	Merger Adjustments		Merged Cousins Pro Forma Total	Cousins Houston Historical [3]	Parkway Houston Historical [3]	Spin-Off Adjustments	Post-Spin-Off Merged Cousins Pro Forma Total
ommitments nd ontingencies quity:									
tockholders nvestment:									
referred stock, 1 par value, 0,000,000 hares uthorized, -0- nd 6,867,360 hares issued nd outstanding istorical and ro forma, espectively [2]			6,867	G	**6,867**				**6,867**
ommon stock, 1 par value, 20,436,378 nd 04,245,000 hares issued nd utstanding, istorical and ro forma, espectively [2]	220,436	112	183,697	G	**404,245**				**404,245**
imited voting tock		4	(4)	G					
dditional aid-in capital	1,722,020	1,856,271	(67,730)	G	**3,510,561**				**3,510,561**

reasury stock t cost, 0,329,082 hares istorical in 016	(148,373)				**(148,373)**					**(148,373)**
ccumulated ther omprehensive oss		(10,307)	10,307	**H**						
istributions in xcess of umulative net ncome	(118,557)	(419,619)	350,221	**I**	**(187,955)**	(938,911)	(418,690)	264,420	**N**	**(1,281,136)**
otal tockholders quity	1,675,526	1,426,461	483,358		**3,585,345**	(938,911)	(418,690)	264,420		**2,492,164**
onredeemable oncontrolling nterests	758	249,547	3,815	**J**	**254,120**			(81,680)	**O**	**172,440**
otal equity	1,676,284	1,676,008	487,173		**3,839,465**	(938,911)	(418,690)	182,740		**2,664,604**
otal liabilities nd equity	$ 2,610,408	$ 3,627,616	$ 561,229		**$ 6,799,253**	$ (1,185,493)	$ (860,849)	$ (35,562)		**$ 4,717,349**

See accompanying notes

(1) Historical financial information of Cousins and Parkway is derived from their respective Quarterly Reports filed on Form 10-Q for the three months ended March 31, 2016. Certain Parkway amounts have been reclassified to conform to Cousins financial statement presentation.

(2) Historical shares issued and outstanding represent Cousins common stock as of March 31, 2016 as filed in its Quarterly Report filed on Form 10-Q. The pro forma shares issued and outstanding represent the historical Cousins shares and the shares issued to Parkway common stockholders had the Merger occurred as of March 31, 2016.

(3) Reflects historical financial information as of March 31, 2016 for Cousins and Parkway s Houston properties to be contributed to New Parkway at consummation of the Separation.

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COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2016

(in thousands, except share data)

	Cousins Historical [1]	Parkway Historical [1]	Merger Adjustments		Merged Cousins Pro Forma Total Before Discontinued Operations	Cousins Discontinued Operations Adjustments [2]		Merged Cousins Pro Forma Total After Discontinued Operations	Parkway Houston Historical [3]	Spin-Off Adjustments		Post-Spin-Off Merged Cousins Pro Forma Total
Revenues:												
Rental property revenues	$ 88,476	$ 109,628	$ 3,533	a	**$ 201,637**	$ (43,269)	j	**$ 158,368**	$ (29,129)	$ 126	k	**$ 129,365**
Fee income	2,199	1,436			**3,635**			**3,635**	(1,305)			**2,330**
Other	576	244			**820**	(186)		**634**	(61)	75	q	**648**
	91,251	111,308	3,533		**206,092**	(43,455)	j	**162,637**	(30,495)	201		**132,343**
Costs and expenses:												
Rental property operating expenses	35,609	42,933	80	b	**78,622**	(17,926)	j	**60,696**	(13,646)			**47,050**
Reimbursed expenses	870				**870**			**870**				**870**
Management company expenses		674			**674**			**674**	(674)			
General and administrative expenses	8,492	6,999		c	**15,491**			**15,491**		(4,809)	l	**10,682**
Interest expense	7,414	16,915	612	d	**24,941**	(1,974)	j	**22,967**	(3,954)	(815)	m	**18,198**
Depreciation and amortization	31,969	41,940	(615)	e	**73,294**	(15,428)	j	**57,866**	(11,365)	4,266	n	**50,767**
Acquisition and related costs	19				**19**			**19**				**19**
Other	106				**106**			**106**				**106**
	84,479	109,461	77		**194,017**	(35,328)		**158,689**	(29,639)	(1,358)		**127,692**

Income (loss) from continuing operations before taxes, unconsolidated joint ventures, and sale of investment properties	6,772	1,847	3,456		**12,075**	(8,127)		**3,948**	(856)	1,559		**4,651**
Income tax expense		(575)			**(575)**			**(575)**	493			**(82)**
Income from unconsolidated joint ventures	1,834	249	31	**f**	**2,114**			**2,114**				**2,114**
Income (loss) from continuing operations before gain on sale of investment properties	8,606	1,521	3,487		**13,614**	(8,127)		**5,487**	(363)	1,559		**6,683**
Gain on sale of investment properties	14,190	63,020			**77,210**			**77,210**				**77,210**
Income (loss) from continuing operations	22,796	64,541	3,487		**90,824**	(8,127)		**82,697**	(363)	1,559		**83,893**
Income (loss) from discontinued operations:												
Income from discontinued operations						8,127	**j**	**8,127**		(8,127)	**o**	
Gain on sale from discontinued operations												
						8,127		**8,127**		(8,127)		

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COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2016

(in thousands, except share data)

	Cousins Historical [1]	Parkway Historical [1]	Merger Adjustments		Merged Cousins Pro Forma Total Before Discontinued Operations	Cousins Discontinued Operations Adjustments [2]	Merged Cousins Pro Forma Total After Discontinued Operations	Parkway Houston Historical [3]	Spin-Off Adjustments		Post-Spin-Off Merged Cousins Pro Forma Total
Net income (loss)	22,796	64,541	3,487		**90,824**		**90,824**	(363)	(6,568)		**83,893**
Net income attributable to noncontrolling interests		(3,148)	(169)	**g**	**(3,317)**		**(3,317)**		320	**p**	**(2,997)**
Net income (loss) attributable to controlling interests	22,796	61,393	3,318		**87,507**		**87,507**	(363)	(6,248)		**80,896**
Dividends to preferred stockholders											
Net income (loss) available to common stockholders	$ 22,796	$ 61,393	$ 3,318		**$ 87,507**	$	**$ 87,507**	$ (363)	$ (6,248)		**$ 80,896**
Net income (loss)	$ 22,796	$ 64,541	$ 3,487		**$ 90,824**	$	**$ 90,824**	$ (363)	$ (6,568)		**$ 83,893**
Other comprehensive loss		(4,287)	4,287	**h**							
Comprehensive income (loss)	22,796	60,254	7,774		**90,824**		**90,824**	(363)	(6,568)		**83,893**
Comprehensive income (loss) attributable to noncontrolling		(2,969)	10	**g**	**(2,959)**		**(2,959)**		320		**(2,639)**

interests									
Comprehensive income (loss) attributable to common stockholders	$ 22,796	$ 57,285	$ 7,784	**$ 87,865**	$	**$ 87,865**	$ (363)	$ (6,248)	**$ 81,254**
Per common share information basic and diluted:									
Income from continuing operations attributable to controlling interest	$ 0.11	$ 0.55		$ 0.22		$ 0.20			**$ 0.21**
Income from discontinued operations						0.02			
Net income available to common stockholders	$ 0.11	$ 0.55		**$ 0.22**		**$ 0.22**			**$ 0.21**
Weighted average shares basic	210,904	111,658		**i 393,916**		**i 393,916**			**i 393,916**
Weighted average shares diluted	210,974	116,687		**i 401,785**		**i 401,785**			**i 401,785**

See accompanying notes

(1) Historical financial information of Cousins and Parkway is derived from their respective Quarterly Reports filed on Form 10-Q for the three months ended March 31, 2016. Certain Parkway amounts have been reclassified to conform to Cousins financial statement presentation.
(2) Reflects historical financial information for the three months ended March 31, 2016 for Cousins Houston properties to be contributed to New Parkway at consummation of the Separation.
(3) Reflects historical financial information for the three months ended March 31, 2016 for Parkway s Houston properties to be contributed to New Parkway at consummation of the Separation.

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COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

(in thousands, except share data)

	Cousins Historical (1)	Parkway Historical (1)	Merger Adjustments		Merged Cousins Pro Forma Total Before Discontinued Operations	Cousins Discontinued Operations Adjustments (2)		Merged Cousins Pro Forma Total After Discontinued Operations	Parkway Houston Historical	Spin-Off Adjustments		Post-S Merg Cous Pro Forma
nues:												
l property ues	$ 373,068	$ 452,597	$ 2,152	**a**	**$ 827,817**	$ (177,890)	**j**	**$ 649,927**	$ (108,507)	$ 9,536	**k**	**$ 550,**
ncome	7,297	10,321			**17,618**			**17,618**	(9,891)			**7,**
of ominium units		11,065			**11,065**			**11,065**	(11,065)			
r	1,278	903			**2,181**			**2,181**	(246)	300		**2,**
	381,643	474,886	2,152		**858,681**	(177,890)		**680,791**	(129,709)	9,836		**560,**
s and nses:												
l property ting expenses	156,157	173,241	319	**b**	**329,717**	(74,162)	**j**	**255,555**	(44,812)			**210,**
bursed nses	3,430				**3,430**			**3,430**				**3,**
gement any expenses		9,935			**9,935**			**9,935**	(9,935)			
of condominium		11,120			**11,120**			**11,120**	(11,120)			
on guishment of		6,062			**6,062**			**6,062**				**6,**
ral and nistrative nses	17,099	31,194		**c**	**48,293**			**48,293**		(12,664)	**l**	**35,**
est expense	30,723	71,481	(2,462)	**d**	**99,742**	(7,988)	**j**	**91,754**	(16,088)	(2,367)	**m**	**73,**
eciation and tization	135,416	190,387	(13,480)	**e**	**312,323**	(63,791)	**j**	**248,532**	(55,570)	26,108	**n**	**219,**

isition and d costs	299	2,074			**2,373**			**2,373**				**2,**
r	1,000	5,400			**6,400**			**6,400**				**6,**
	344,124	500,894	(15,623)		**829,395**	(145,941)		**683,454**	(137,525)	11,077		**557,**
ne (loss) continuing ations before , nsolidated ventures, ale of tment erties	37,519	(26,008)	17,775		**29,286**	(31,949)		**(2,663)**	7,816	(1,241)		**3,**
fit for ne taxes from ations		(1,903)			**(1,903)**			**(1,903)**	1,635			**(**
ne from nsolidated ventures	8,302	2,204	89	**f**	**10,595**			**10,595**				**10,**
ne (loss) continuing ations before on sale of tment erties	45,821	(25,707)	17,864		**37,978**	(31,949)		**6,029**	9,451	(1,241)		**14,**
on sale of tment erties	80,394	120,430			**200,824**			**200,824**				**200,**
ne from nuing ations	126,215	94,723	17,864		**238,802**	(31,949)		**206,853**	9,451	(1,241)		**215,**
ne (loss) discontinued ations:												
ne (loss) from ntinued tions	(35)				**(35)**	31,949	**j**	**31,914**		(31,949)	**o**	
(loss) on sale discontinued tions	(551)				**(551)**			**(551)**				**(**
	(586)				**(586)**	31,949		**31,363**		(31,949)		**(**

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COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

(in thousands, except share data)

	Cousins Historical [1]	Parkway Historical [1]	Merger Adjustments		Merged Cousins Pro Forma Total Before Discontinued Operations	Cousins Discontinued Operations Adjustments [2]	Merged Cousins Pro Forma Total After Discontinued Operations	Parkway Houston Historical	Spin-Off Adjustments		Post-Spin Merged Cousins Pro Forma Total
Net income	125,629	94,723	17,864		**238,216**		**238,216**	9,451	(33,190)		**214,477**
Net income attributable to noncontrolling interests	(111)	(27,388)	(871)	**g**	**(28,370)**		**(28,370)**	(7)	1,618	**f**	**(26,759)**
Net income attributable to controlling interests	125,518	67,335	16,993		**209,846**		**209,846**	9,444	(31,572)		**187,718**
Preferred share original issuance costs											
Dividends to preferred stockholders											
Net income available to common stockholders	$ 125,518	$ 67,335	$ 16,993		**$ 209,846**	$	**$ 209,846**	$ 9,444	$ (31,572)		**$ 187,718**
Net income	$ 125,629	$ 94,723	$ 17,864		**$ 238,216**	$	**$ 238,216**	$ 9,451	$ (33,190)		**$ 214,477**
Other comprehensive income		1,499	(1,499)	**h**							
Comprehensive income	125,629	96,222	16,365		**238,216**		**238,216**	9,451	(33,190)		**214,477**
		(28,920)	(934)	**g**	**(29,854)**		**(29,854)**	(7)	1,618		**(28,243)**

Comprehensive income attributable to noncontrolling interests											
Comprehensive income attributable to common stockholders	$ 125,629	$ 67,302	$ 15,431		**$ 208,362**	$	**$ 208,362**	$ 9,444	$ (31,572)		**$ 186,234**
Per common share information basic and diluted:											
Income from continuing operations attributable to controlling interest	$ 0.58	$ 0.60			**$ 0.53**		**$ 0.45**				**$ 0.48**
Income from discontinued operations							**0.08**			**i**	
Net income available to common stockholders	$ 0.58	$ 0.60			**$ 0.53**		**$ 0.53**			**i**	**$ 0.48**
Weighted average shares basic	215,827	111,490		**i**	**393,916**	**i**	**393,916**				**393,916**
Weighted average shares diluted	215,979	116,691		**i**	**401,785**	**j**	**401,785**				**401,785**

See accompanying notes

(1) Historical financial information of Cousins and Parkway is derived from their respective Annual Reports filed on Form 10-K for the year ended December 31, 2015. Certain Parkway amounts have been reclassified to conform to Cousins financial statement presentation.

(2) Reflects historical financial information for the year ended December 31, 2015 for Cousins Houston properties to be contributed to New Parkway at consummation of the Separation.

(3) Reflects historical financial information for the year ended December 31, 2015 for Parkway s Houston properties to be contributed to New Parkway at consummation of the Separation.

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COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2014

(in thousands, except share data)

	Cousins Historical (1)	Cousins Discontinued Operations Adjustments (2)		Cousins Pro Forma Total (3)
Revenues:				
Rental property revenues	$ 343,910	$ (184,536)	j	**$ 159,374**
Fee income	12,519			**12,519**
Other	4,954	(31)	j	**4,923**
	361,383	(184,567)		**176,816**
Costs and expenses:				
Rental property operating expenses	155,934	(79,625)	j	**76,309**
Reimbursed expenses	3,652			**3,652**
General and administrative expenses	19,969			**19,969**
Interest expense	29,110	(8,127)	j	**20,983**
Depreciation and amortization	140,018	(77,760)	j	**62,258**
Acquisition and related costs	1,130			**1,130**
Other	3,544			**3,544**
	353,357	(165,512)		**187,845**
Income from continuing operations before taxes, unconsolidated joint ventures, and sale of investment properties	8,026	(19,055)		**(11,029)**
Benefit for income taxes from operations	20			**20**
Income from unconsolidated joint ventures	11,268			**11,268**
Income from continuing operations before gain on sale of investment properties	19,314	(19,055)		**259**
Gain on sale of investment properties	12,536			**12,536**
Income from continuing operations	31,850	(19,055)		**12,795**
Income from discontinued operations:				
Income from discontinued operations	1,800	19,055	j	**20,855**
Gain on sale from discontinued operations	19,358			**19,358**
	21,158	19,055		**40,213**

Net income	53,008		**53,008**
Net income attributable to noncontrolling interests	(1,004)		**(1,004)**
Net income attributable to controlling interests	52,004		**52,004**
Preferred share original issuance costs	(3,530)		**(3,530)**
Dividends to preferred stockholders	(2,955)		**(2,955)**
Net income available to common stockholders	$ 45,519	$	**$ 45,519**
Per common share information basic and diluted:			
Income from continuing operations attributable to controlling interest	$ 0.12		**$ 0.02**
Income from discontinued operations	0.10		**0.20**
Net income available to common stockholders	$ 0.22		**$ 0.22**
Weighted average shares basic	204,216		**204,216**
Weighted average shares diluted	204,460		**204,460**

See accompanying notes

(1) Historical financial information is derived Cousins Annual Report filed on Form 10-K for the year ended December 31, 2014.

(2) Represents historical financial information for the year ended December 31, 2014 for Cousins Houston properties to be contributed to New Parkway at consummation of the Spin-Off.

(3) Reflects adjustments to Cousins historical results of operations related to the reclassification of Cousins Houston properties as discontinued operations. No adjustments associated with the Merger or Spin-Off are reflected herein.

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COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

(in thousands, except share data)

	Cousins Historical (1)	Cousins Discontinued (2)		Cousins Pro Forma Total (3)
Revenues:				
Rental property revenues	$ 194,420	$ (72,696)	j	**$ 121,724**
Fee income	10,891			**10,891**
Other	5,430	(11)	j	**5,419**
	210,741	(72,707)		**138,034**
Costs and expenses:				
Rental property operating expenses	90,498	(31,759)	j	**58,739**
Reimbursed expenses	5,215			**5,215**
General and administrative expenses	22,460			**22,460**
Interest expense	21,709	(2,618)	j	**19,091**
Depreciation and amortization	76,277	(29,146)	j	**47,131**
Acquisition and related costs	7,484	(3,858)		**3,626**
Other	3,693			**3,693**
	227,336	(67,381)		**159,955**
Loss from continuing operations before taxes, unconsolidated joint ventures, and sale of investment properties	(16,595)	(5,326)		**(21,921)**
Benefit for income taxes from operations	23			**23**
Income from unconsolidated joint ventures	67,325			**67,325**
Income from continuing operations before gain on sale of investment properties	50,753	(5,326)		**45,427**
Gain on sale of investment properties	61,288			**61,288**
Income from continuing operations	112,041	(5,326)		**106,715**
Income from discontinued operations:				
Income from discontinued operations	3,299	5,326	j	**8,625**
Gain on sale from discontinued operations	11,489			**11,489**
	14,788	5,326		**20,114**
Net income	126,829			**126,829**

Net income attributable to noncontrolling interests	(5,068)		**(5,068)**
Net income attributable to controlling interests	121,761		**121,761**
Preferred share original issuance costs	(2,656)		**(2,656)**
Dividends to preferred stockholders	(10,008)		**(10,008)**
Net income available to common stockholders	$ 109,097	$	**$ 109,097**
Per common share information basic and diluted:			
Income from continuing operations attributable to controlling interest	$ 0.66		**$ 0.62**
Income from discontinued operations	0.10		**0.14**
Net income available to common stockholders	$ 0.76		**$ 0.76**
Weighted average shares basic	144,255		**144,255**
Weighted average shares diluted	144,420		**144,420**

See accompanying notes

(1) Historical financial information is derived from Cousins Annual Report filed on Form 10-K for the year ended December 31, 2013.

(2) Represents historical financial balances for the year ended December 31, 2013 for Cousins Houston properties to be contributed to New Parkway at consummation of the Spin-Off.

(3) Reflects adjustments to Cousins historical results of operations related to the reclassification of Cousins Houston properties as discontinued operations. No adjustments associated with the Merger or Spin-Off are reflected herein.

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COUSINS PROPERTIES INCORPORATED AND SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands unless otherwise noted)

Adjustments to the Unaudited Pro Forma Consolidated Balance Sheet

The unaudited pro forma consolidated balance sheet as of March 31, 2016 reflects the following adjustments:

A. Real Estate Tangible and Intangible Assets and Liabilities

Merger with Parkway

The real estate assets acquired in connection with the Merger are reflected in the unaudited pro forma consolidated balance sheet of Cousins at a preliminary fair market value. The preliminary fair market value is based, in part, on a valuation prepared by Cousins with assistance of a third party valuation advisor. The acquired assets and assumed liabilities for an acquired operating property generally include, but are not limited to: land, buildings and improvements, identified tangible and intangible assets and liabilities associated with in-place leases, including tenant improvements, leasing costs, value of above-market and below-market leases, and value of acquired in-place leases.

The adjustments reflected in the unaudited consolidated balance sheet for real estate assets, intangible assets and intangible liabilities represent the differences between the preliminary fair market value of consolidated properties acquired by Cousins in connection with the Merger, and Parkway s historical balances, which are presented as follows:

	Parkway Consolidated Properties as of March 31, 2016		
	Fair Market Value	Parkway Historical	Adjustments as a Result of Merger
Operating properties	$ 3,221,522	$ 2,860,338	$ 361,184
Land	11,835	23,651	(11,816)
Real estate assets	3,233,357	2,883,989	349,368
Intangible assets, net	584,650	278,393	306,257
Premium on notes payable	(15,881)	(16,463)	582
Intangible liabilities, net	(89,203)	(59,046)	(30,157)
Total	$ 3,712,923	$ 3,086,873	$ 626,050

Fair value is based on estimated cash flow projections that utilize available market information and discount and/or capitalization rates as appropriate. The fair value of land is derived from comparable sales of land within the same submarket and/or region. The fair value of buildings, tenant improvements, and leasing costs are based upon current market replacement costs and other relevant market rate information. The fair value of the above-market or below-market component of an acquired in-place lease is based upon the present value (calculated using a market discount rate) of the difference between (i) the contractual rents to be paid pursuant to the lease over its remaining term and (ii) management s estimate of the rents that would be paid using fair market rental rates and rent escalations at the date of acquisition over the remaining term of the lease. The fair value of acquired in-place leases is derived based on assessment of lost revenue and costs incurred for the period required to lease the assumed vacant property to the occupancy level when purchased. This fair value is based on a variety of considerations including, but not necessarily limited to: (1) the value associated with avoiding the cost of originating the acquired in-place leases; (2) the value associated with lost revenue related to tenant reimbursable operating costs estimated to be incurred during the assumed lease-up period; and (3) the value associated with lost rental revenue from existing leases during the assumed lease-up period.

The fair values of notes payable assumed in connection with the Merger were based on discounted cash flow analysis using the current market borrowing rates for similar types of borrowing arrangements as of the measurement dates. The discounted cash flow method of assessing fair value results in a general approximation of value, and such value may never actually be realized.

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Spin-Off of New Parkway

Parkway s portion of the Houston Business to be distributed in connection with the Spin-Off are reflected in the unaudited pro forma consolidated balance sheet of Cousins at a preliminary fair market value. The preliminary fair market value is based on a valuation prepared by Cousins with the assistance of a third-party valuation advisor. The Spin-Off adjustments reflected in the unaudited consolidated balance sheet for real estate assets, intangible assets and intangible liabilities represent the differences between the fair market value of Parkway s portion of the Houston Business acquired by Cousins in connection with the Merger (for more information, see *Merger with Parkway* above) and Parkway s historical balances for Parkway s portion of the Houston Business, which are presented as follows:

	Parkway Houston Properties as of March 31, 2016		
	Parkway Houston Historical	Fair Market Value of Parkway Houston	Adjustments as a Result of Merger
Operating properties	$ 748,062	$ 596,529	$ 151,533
Land	12,500	5,835	6,665
Real estate assets	760,562	602,364	158,198
Intangible assets, net	58,837	125,097	(66,260)
Premium on notes payable	(4,972)	(4,069)	(903)
Intangible liabilities, net	(20,938)	(20,396)	(542)
Total	$ 793,489	$ 702,996	$ 90,493

B. Cash and Notes Payable

In connection with the Merger and the Spin-Off, Parkway has entered into a debt commitment letter pursuant to which Wells Fargo Bank, National Association, Bank of America, N.A. and JPMorgan Chase Bank, N.A. have agreed to provide to New Parkway LP a senior secured term loan facility in an aggregate principal amount of up to $350 million, and a senior secured revolving credit facility in an aggregate principal amount of up to $50 million, that may be increased to $100 million subject to the satisfaction of certain conditions. Per the terms of the commitment letter, the New Parkway Credit Facilities will have a term of three years.

At the effective time of the Merger, but prior to the Spin-Off, the New Parkway Term Loan will be funded. The proceeds of the New Parkway Term Loan will be used to fund a $200 million distribution to the partners of New Parkway LP, who will in turn cause such funds to be contributed to Cousins LP, which will use the funds to repay certain indebtedness of Cousins and its subsidiaries, including Parkway s existing credit facilities. The remaining $150 million of proceeds from the New Parkway Term Loan will be retained by New Parkway LP under the New Parkway Credit Facilities following consummation of the Spin-Off. These remaining proceeds from the New Parkway Term Loan and future proceeds from the Houston Revolving Credit Facility will be used for general corporate purposes of New Parkway following the Spin-Off.

Notes payable is further adjusted for the payoffs of the $114.2 million mortgage debt secured by CityWestPlace I & II and the $47.9 million mortgage debt secured by Lincoln Place that occurred in April 2016.

The Merger adjustment to cash in the unaudited pro forma consolidated balance sheet is comprised of the following as of March 31, 2016:

New Parkway Term Loan proceeds	$ 350,000
Repayment of Parkway indebtedness	(200,000)
Repayment of CityWestPlace I & II and Lincoln Place mortgage indebtedness	(162,093)
Total	$ (12,093)

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The Spin-Off adjustment to Cash in the unaudited pro forma consolidated balance sheet is comprised of the following as of March 31, 2016:

Elimination of remaining New Parkway Term Loan proceeds after repayment of Parkway indebtedness	$ (150,000)
Cash payment by Cousins for New Parkway non-voting preferred stock	(5,000)
Total	$ (155,000)

The Merger adjustment to Notes Payable in the unaudited pro forma consolidated balance sheet is comprised of the following as of March 31, 2016:

New Parkway Term Loan	$ 350,000
Repayment of Parkway indebtedness	(200,000)
Repayment of CityWestPlace I & II and Lincoln Place mortgage indebtedness	(162,093)
Above-market debt value	(582)
New Parkway Credit Facilities deferred financing costs	(3,325)
Total	$ (16,000)

The Spin-Off adjustment to Notes Payable in the unaudited pro forma condensed consolidated balance sheet is comprised of the following as of March 31, 2016:

New Parkway Term Loan	$ (350,000)
Reversal of duplicate adjustment for repayment of CityWestPlace I & II debt	114,193
Above-market debt value	903
New Parkway Credit Facilities deferred financing costs	3,325
Total	$ (231,579)

C. Deferred Rents Receivable

Straight-lining of rent pursuant to the underlying leases associated with the real estate acquired in connection with the Merger will commence at the effective time of the Merger; therefore the balance of deferred rent included on Parkway s historical balance sheet has been eliminated.

D. Investment in Unconsolidated Joint Ventures

Represents the difference between the preliminary fair market value of unconsolidated properties acquired by Cousins in connection with the Merger and Parkway s historical valuation as of March 31, 2016 (for more information, see note A. on preliminary fair market values of properties acquired in the Merger).

E. Accounts Payable and Accrued Expenses

Represents non-recurring transaction costs to be paid by Cousins or Parkway directly attributable to the Merger. These transaction costs, consisting primarily of fees for investment bankers, legal, accounting, tax and other professional services, are factually supportable because such amounts are based on reliable, documented evidence such as invoices for costs incurred to date and estimates from third-parties for additional costs expected to be incurred until the Merger. Such costs are non-recurring in nature and directly related to the Merger and, therefore, are reflected as a reduction to equity and not included in the unaudited pro forma consolidated statements of operations.

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F. Other Liabilities

Represents the elimination of the fair value of Parkway s interest rate swaps as of March 31, 2016, which will be terminated at the effective time of the Merger. Interest rate swap breakage costs are included as non-recurring transaction costs directly attributable to the Merger (for more information, see notes E. and I.).

G. Common Stock and Limited Voting Preferred Stock

Represents the issuance of shares of Cousins common stock with a par value of $1.00 per share and a market value of $10.38 per share as of March 31, 2016, the date of the unaudited pro forma consolidated balance sheet, at a conversion ratio of 1.63 to 1.0, to holders of Parkway common stock at the effective time of the Merger. Additionally, represents the issuance of shares of Cousins limited voting preferred stock, with a par value of $1.00 per share to holders of Parkway, at a conversion ratio of 1.63 to 1.0, to holders of Parkway limited voting stock at the effective time of the Merger. These amounts will be adjusted at the effective time of the Merger to reflect the number of Parkway shares then issued and outstanding and the then per share market value of Cousins common stock.

		As of March 31, 2016
Outstanding shares of Parkway common stock historical basis (in 000s)		111,713
Parkway equity-based awards converted into Parkway common stock (in 000s)		1,053
Outstanding shares of Parkway common stock (in 000s)		112,766
Exchange Ratio		1.63
Shares of Cousins common stock to be issued pro forma basis (in 000s)		183,809
Cousins par value per share	$	1.00
Par value of Cousins common stock to be issued pro forma basis	$	183,809
Par value of Parkway common stock historical basis	$	(112)
Pro forma adjustment to common stock	$	183,697
Outstanding shares of Parkway limited voting stock historical basis (in 000s)		4,213
Exchange Ratio		1.63
Shares of Cousins limited voting preferred stock to be issued pro forma basis (in 000s)		6,867
Cousins par value per share	$	1.00
Pro forma adjustment to preferred stock	$	6,867
Shares of Cousins common stock to be issued pro forma basis (in 000s)		183,809
Shares of Cousins limited voting preferred stock to be issued pro forma basis (in 000s)		6,867

Total shares of Cousins to be issued for Parkway stock pro forma basis		190,676
Additional paid-in capital ($10.38 per shares less $1.00 par value per share)	$	9.38
Additional paid-in capital Cousins stock to be issued pro forma basis	$	1,788,541
Parkway additional paid-in capital historical basis	$	(1,856,271)
Pro forma adjustments to additional paid-in capital	$	(67,730)

H. Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss included on Parkway s historical balance sheet represents the effect of their interest rate swaps. As discussed in note F. above, Cousins will terminate Parkway s interest rate swaps on the effective time of the Merger.

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I. Distributions in Excess of Cumulative Net Income

Represents the elimination of Parkway s accumulated deficit of $419.6 million as of March 31, 2016 and an adjustment of $69.4 million to increase distributions in excess of cumulative net income for non-recurring transaction costs directly attributable to the Merger that have not yet been expensed in the historical statements of operations or accrued in the historical balance sheets used as the starting point for the pro forma financial statements (for more information, see note E.).

J. Nonredeemable Noncontrolling Interests

Represents adjustments to noncontrolling interests as a result of marking properties held by consolidated joint ventures to preliminary fair market value and the conversion of Parkway LP s outstanding operating units not held by Parkway by the exchange ratio. For more information, see Schedule 1 of Exhibit B to the Merger Agreement for more information regarding the equity capitalization steps of the Merger and Spin-Off.

The Merger adjustment to Nonredeemable Noncontrolling Interest in the unaudited pro forma consolidated balance sheet is comprised of the following as of March 31, 2016:

Pro forma noncontrolling interest adjustment	$ 8,441
Pro forma Parkway LP operating partnership unit value	81,683
Historical Parkway LP operating partnership unit value	(86,309)
Total	$ 3,815

K. Deferred Rents Receivable

Represents the reversal of duplicate adjustments to eliminate straight-line rent receivable related to the underlying leases associated with Parkway s Houston properties included in the Spin-Off (for more information, see note C. above and the adjustment to *Deferred Rents Receivable* in the Parkway Houston Historical column on the unaudited pro forma consolidated balance sheet).

L. Other Assets

Represents the non-voting preferred stock of New Parkway acquired by Cousins LP in exchange for a $5 million contribution from Cousins LP to New Parkway in connection with the Separation, the UPREIT Reorganization and the Spin-Off, which is reflected as a capital contribution in the Spin-Off Adjustments to Distributions in Excess of Cumulative Net Income.

M. Accounts Payable and Accrued Expenses

Represents non-recurring transaction costs to be paid by Cousins or Parkway directly attributable to the Spin-Off. These transaction costs, consisting primarily of fees for accounting, tax and other professional services, are factually supportable because such amounts are based on reliable, documented evidence such as invoices for costs incurred to date and estimates from third parties for additional costs expected to be incurred until the Spin-Off. Such costs are non-recurring in nature and directly related to the Spin-Off and, therefore, are reflected as an adjustment to equity and not included in the unaudited pro forma consolidated statements of operations.

N. Distributions in Excess of Cumulative Net Income

Represents (1) the elimination of distributions in excess of cumulative net income related to the Houston Business as of March 31, 2016, (2) the distribution of net equity of the Houston Business by Cousins in connection with the Separation and the UPREIT Reorganization, and (3) an increase to distributions in excess of cumulative net income for non-recurring transaction costs directly attributable to the Spin-Off that have not yet

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been expensed in the historical statements of operations or accrued in the historical balance sheets used as the starting point for the pro forma financial statements. The net equity value of the Houston Business represents the combined historical distributions in excess of cumulative net income of Cousins Houston and Parkway Houston in addition to the combined effect on net assets of the other Spin-Off Adjustments.

	As of March 31, 2016
Historical distributions in excess of cumulative net income Cousins Houston	$ 938,911
Historical distributions in excess of cumulative net income Parkway Houston	418,690
Net equity value of Houston Business distributed in Spin-Off	(1,080,446)
Non-recurring transaction costs	(12,735)
Pro forma adjustment	$ 264,420

O. Nonredeemable Noncontrolling Interests

Represents elimination of noncontrolling interests associated with the assets and liabilities of the Houston Business distributed in connection with the Spin-Off. As of March 31, 2016, noncontrolling interests consisted of 7.9 million of pro forma limited partnership units of Parkway LP, which were adjusted to fair market value based on $10.38 per share of Cousins common stock as of March 31, 2016, the date of the unaudited pro forma combined balance sheet:

	As of March 31, 2016
Outstanding operating partnership units of Parkway LP historical basis	4,828
Exchange Ratio	1.63
Limited partnership units	7,869
Closing price of Cousins common stock as of March 31, 2016	$ 10.38
Pro forma adjustment	$ 81,680

Adjustments to the Unaudited Pro Forma Consolidated Statements of Operations for the year ended December 31, 2015 and three months ended March 31, 2016

The historical amounts include Cousins and Parkway s actual operating results for the periods presented, as filed with the SEC on their respective Forms 10-K and Forms 10-Q, which are incorporated in this joint proxy statement/prospectus by reference. The pro forma adjustments to historical amounts, including rental property revenue, rental property operating expenses, general and administrative expenses, interest expense and depreciation and amortization, are presented in the unaudited pro forma consolidated statements of operations for the year ended December 31, 2015 and three months ended March 31, 2016 assuming the Merger and Spin-Off occurred on January 1, 2015 (which we refer to as the Pro Forma Effective Date). The following are the explanations for the adjustments to revenues, costs and expenses, and income from unconsolidated joint ventures included in the unaudited pro forma consolidated statement of operations for the year ended December 31, 2015 and three months ended March 31, 2016:

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Merger Adjustments

a. Rental Property Revenues

The historical rental property revenues for Cousins and Parkway represent contractual, straight-line rents and amortization of above and below-market rents associated with the leases in effect during the periods presented. The adjustments included in the unaudited pro forma consolidated statements of operations are presented to adjust contractual rental property revenue to a straight-line basis and to amortize above and below-market rents in accordance with Accounting Standards Codification 805-10, *Business Combinations*, as if the Merger had occurred on January 1, 2015.

The following tables summarize the adjustments made to rental property revenues for the real estate properties acquired as part of the Merger for the three months ended March 31, 2016 and year ended December 31, 2015:

	Three Months Ended March 31, 2016	
Adjustment to straight-line rent	$	3,348
(Above)/below market rent		185
Total	$	3,533

	Year Ended December 31, 2015	
Adjustment to straight-line rent	$	9,385
(Above)/below market rent		(7,233)
Total	$	2,152

b. Rental Property Operating Expenses

Represents amortization of below-market ground leases assumed in connection with the Merger. Below-market ground lease values are based on preliminary fair market value and are amortized on a straight-line basis into rental property operating expenses over the remaining terms of the applicable leases.

c. General and Administrative Expenses

Cousins and Parkway have certain duplicative general and administrative expenses that have not been eliminated as part of the pro forma adjustments in the unaudited pro forma consolidated statements of operations. Cousins anticipates that it will have cost savings, as certain duplicative general and administrative expenses will not be incurred subsequent to the Merger. These duplicative general and administrative expenses include, but are not limited to, compensation and employee related expense, accounting and other professional fees, board of director fees, professional liability insurance premiums, and other office related expenses. Management estimates annualized duplicative general and administrative expenses to be approximately $18 million, as a result of the Merger.

d. Interest Expense

The adjustments to interest expense related to the Merger represent the (1) the impact of the $350 million funding of the New Parkway Term Loan (for more information, see note B. above), (2) the repayment of $200 million of certain indebtedness of Cousins and its subsidiaries, including Parkway s existing credit facilities, with proceeds from the New Parkway Term Loan (for more information, see note B. above), (3) amortization of deferred financing costs related to the placement of the New Parkway Credit Facilities, (4) the elimination of the impact of Parkway s interest rate swaps (for more information, see note F. above), (5) amortization of above-

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market debt values created by marking the assumed Parkway debt to fair market value and (6) the repayment of debt secured by CityWestPlace I & II and Lincoln Place (for more information, see note B. above).

The New Parkway Term Loan will bear interest at London Interbank Offered rate (LIBOR) plus a spread that ranges from 2.50% to 3.50% per annum (Margin) based on the ratio of total indebtedness to total asset value. Based upon management s expectation of the ratio of indebtedness to total assets of New Parkway after the Spin-Off, the New Parkway Term Loan bears interest at LIBOR plus a spread of 3.00% for purposes of pro forma adjustments. At March 31, 2016 and December 31, 2015, LIBOR was approximately 0.43% and 0.19%, respectively, for a total pro forma borrowing rate of approximately 3.43% and 3.19%, respectively. A 0.125% change in LIBOR would result in a change in pro forma interest expense on the New Parkway Term Loan of approximately $400,000 per year. A 0.50% change in the Margin would result in a change in pro forma interest expense on the New Parkway Term Loan of approximately $1.8 million per year.

The following tables summarize the adjustments to the unaudited pro forma consolidated statements of operations for the three months ended March 31, 2016 and year ended December 31, 2015 to reflect the impact to interest expense of the New Parkway Credit Facilities activity, the elimination of Parkway s interest rate swaps and the amortization of above-market debt:

	Three Months Ended March 31, 2016
Pro forma interest on New Parkway Credit Facilities	$ 3,003
Pro forma interest expense savings on Cousins $200 million repayment	(766)
Pro forma amortization of New Parkway Credit Facilities financing costs	278
Pro forma elimination of interest rate swap interest expense	(1,389)
Pro forma amortization of above-market debt	(1,722)
Historical interest expense on CityWestPlace I & II and Lincoln Place debt	(2,208)
Total	(2,804)
Historical Parkway amortization of above-market debt	3,416
Increase in interest expense	$ 612

	Year Ended December 31, 2015
Pro forma interest on New Parkway Credit Facilities	$ 11,160
Pro forma interest expense savings on Cousins $200 million repayment	(2,577)
Pro forma amortization of New Parkway Credit Facilities financing costs	1,107
Pro forma elimination of interest rate swap interest expense	(8,997)
Pro forma amortization of above-market debt	(6,264)

Historical interest expense on CityWestPlace I & II and Lincoln Place debt		(8,916)
Total		(14,487)
Historical Parkway amortization of above-market debt		12,025
Decrease in interest expense	$	(2,462)

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e. Depreciation and Amortization Expense

Depreciation and amortization is calculated, for purposes of the unaudited pro forma consolidated statements of operations, based on estimated useful lives for building and site improvements, and the remaining contractual, in-place lease term for intangible lease assets and liabilities. Cousins uses the straight-line method for all depreciation and amortization. The useful life of a particular building depends upon a number of factors including the condition of the building upon acquisition. For purposes of the unaudited pro forma consolidated statements of operations, the general range of useful lives for buildings is 31 to 40 years; the general range of useful lives for site improvements is seven to 16 years; and the general range of remaining contractual, in-place lease terms was three to nine years. As Cousins would have commenced depreciation and amortization on January 1, 2015, the depreciation and amortization expense included in the Parkway historical financial statements has been reversed so that the unaudited pro forma consolidated statements of operations reflect the depreciation and amortization that Cousins would have recorded.

The following tables summarize pro forma depreciation and amortization by asset category for the properties acquired in the Merger that would have been recorded for the three months ended March 31, 2016 and year ended December 31, 2015 less the reversal of depreciation and amortization included in Parkway s historical financial statements:

	Three Months Ended March 31, 2016
Building and site improvements	$ 19,305
In-place leases	22,020
Less: Parkway historical depreciation and amortization	(41,940)
Reduction in depreciation and amortization expense	$ (615)

	Year Ended December 31, 2015
Building and site improvements	$ 88,320
In-place leases	88,587
Less: Parkway historical depreciation and amortization	(190,387)
Reduction in depreciation and amortization expense	$ (13,480)

f. Income from Unconsolidated Joint Ventures

Represents adjustments to contractual rental property revenues of properties owned by unconsolidated joint ventures to a straight-line basis as if the Merger had occurred on January 1, 2015.

g. Net Income and Comprehensive Income Attributable to Noncontrolling Interests

Represents the share of pro forma adjustments to net income and comprehensive income allocable to noncontrolling interests and Parkway LP operating partnership units held by unaffiliated parties.

h. Other Comprehensive Income (Loss)

Other comprehensive income (loss) included on Parkway s historical consolidated statements of operations represents the effect of Parkway s interest rate swaps, which will be terminated at the effective time of the Merger (for more information, see note F. above). The adjustments in the unaudited pro forma consolidated statements of operations represent the elimination of the effect of the interest rate swaps.

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i. Weighted-Average Shares

The following table summarizes the pro forma weighted-average shares of common stock outstanding as if the Merger occurred on March 31, 2016 (for more information, see note G. above):

	Three Months Ended March 31, 2016 (share amounts in thousands)
Cousins weighted-average common shares outstanding historical basis	220,436
Shares of common stock issued to Parkway stockholders pro forma basis	183,809
Total outstanding shares of common stock pro forma basis	404,245
Less: Treasury stock shares	(10,329)
Weighted-average shares of common stock basic	393,916
Effect of conversion and exchange of Parkway LP Operating Partnership Units	7,869
Weighted-average shares of common stock diluted	401,785

j. Income from Discontinued Operations

Represents adjustments to reclassify the operations of Cousins Houston properties as a discontinued operation in accordance with Accounting Standards Codification 205-20 and Financial Reporting Manual Section 3230.2.

Spin-Off Adjustments

k. Rental Property Revenues

Represents the elimination of straight-line rents and amortization of above and below-market rent associated with the leases of Parkway s portion of the Houston Business, which are included in pro forma rental property revenues for Cousins after giving effect to the Merger (for more information, see note a. above).

The following tables summarize the adjustments made to rental property revenues for the distribution of Parkway s Houston properties for the three months ended March 31, 2016 and year ended December 31, 2015:

	Three Months Ended March 31, 2016
Pro forma Parkway Houston straight-line rent adjustment	$ (3,085)
Pro forma (above)/below market rent adjustment	(636)
Historical Parkway Houston amounts	3,847
Total	$ 126

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		Year Ended December 31, 2015
Pro forma Parkway Houston straight-line rent adjustment	$	(18,991)
Pro forma (above)/below market rent adjustment		(2,546)
Historical Parkway Houston amounts		31,073
Total	$	9,536

l. General and Administrative Expenses

Represents general and administrative expenses recorded in the combined financial statements of Cousins portion of the Houston Business and general and administrative expenses recorded in the combined financial statements of the Parkway portion of the Houston Businesses and the Third-Party Services Business for the applicable periods. Management does not believe that such expenses will be incurred by Cousins subsequent to the Merger and the Spin-Off.

m. Interest Expense

Represents the elimination of pro forma interest expense and pro forma amortization of deferred financing costs related to the New Parkway Credit Facilities and pro forma amortization of above-market debt values created by marking the assumed debt of Parkway s Houston properties to fair market value (for more information, see notes B. and d. above).

The following tables summarize the adjustments to the unaudited pro forma consolidated statements of operations to reflect the New Parkway Credit Facilities activity, amortization of Parkway s Houston properties above-market debt and repayment of debt secured by CityWestPlace I & II:

		Three Months Ended March 31, 2016
Elimination of pro forma interest on New Parkway Credit Facilities	$	(3,003)
Elimination of pro forma amortization of deferred financing costs		(277)
Elimination of pro forma amortization of above-market debt		(322)
Total		(3,602)
Historical Parkway Houston amortization of above-market debt		1,010
Historical interest expense on CityWestPlace I & II debt		1,777
Reduction in interest expense	$	(815)

		Year Ended December 31, 2015
Elimination of pro forma interest on New Parkway Credit Facilities	$	(11,160)

Elimination of pro forma amortization of deferred financing costs		(1,108)
Elimination of pro forma amortization of above-market debt		(1,282)
Total		(13,550)
Historical Parkway Houston amortization of above-market debt		3,991
Historical interest expense on CityWestPlace I & II debt		7,192
Reduction in interest expense	$	(2,367)

n. Depreciation and Amortization

Represents the elimination of pro forma depreciation and amortization related to assets and liabilities of Parkway s portion of the Houston Business, which is included in the unaudited pro forma consolidated statements of operations after giving effect to the Merger (for more information, see note e. above).

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The following tables summarize depreciation and amortization by asset category for Parkway s Houston properties less the historical depreciation and amortization associated with Parkway s Houston properties for the three months ended March 31, 2016 and year ended December 31, 2015:

		Three Months Ended March 31, 2016
Parkway Houston building and site improvements	$	(3,261)
Parkway Houston in-place leases		(4,104)
Parkway Houston historical depreciation and amortization		11,631
Pro forma depreciation and amortization expense adjustment	$	4,266

		Year Ended December 31, 2015
Parkway Houston building and site improvements	$	(13,043)
Parkway Houston in-place leases		(16,419)
Parkway Houston historical depreciation and amortization		55,570
Pro forma depreciation and amortization expense adjustment	$	26,108

o. Income from Discontinued Operations

Represents the elimination of pro forma income from discontinued operations related to Cousins Houston properties for more information, (see note j).

p. Net Income Attributable to Noncontrolling Interests

Represents share of pro forma adjustments to net income allocable to operating partnership units held by outsiders.

q. Dividend Income on Non-voting Preferred Stock

Represents pro forma dividend income on $5 million non-voting preferred stock of New Parkway acquired by Cousins LP (see Note K) at an assumed annual rate of 6% based on management s best estimate of the applicable market rate for such an instrument.

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UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS NEW PARKWAY

As of and for the Three Months Ended March 31, 2016 and for the Year Ended December 31, 2015

On April 28, 2016, Cousins, Parkway, Parkway LP and Clinic Sub Inc. entered into the Merger Agreement, pursuant to which Parkway will merge with and into Clinic Sub Inc., with Clinic Sub Inc. continuing as the surviving corporation of the Merger and a wholly owned subsidiary of Cousins. Pursuant to the Merger Agreement, at the effective time of the Merger, each share of Parkway common stock will be converted into the right to receive 1.63 newly issued shares of Cousins common stock, and each share of Parkway limited voting stock will be converted into the right to receive 1.63 newly issued shares of Cousins limited voting preferred stock, having terms materially unchanged from the terms of the Parkway limited voting stock. Upon consummation of the Merger, New Parkway will initially be a wholly owned subsidiary of Cousins. Immediately after the effective time of the Merger, New Parkway s businesses will be separated from the remainder of Cousins businesses through the Separation and the UPREIT Reorganization. On the business day following the closing of the Merger, subject to the satisfaction or waiver of the conditions to the Spin-Off, all of the outstanding shares of New Parkway common stock and New Parkway limited voting stock will be distributed pro rata to the holders of Cousins common stock and Cousins limited voting preferred stock, respectively, including legacy Parkway common and limited voting stockholders.

The following unaudited pro forma combined financial statements as of and for the three months ended March 31, 2016 and for the year ended December 31, 2015 have been derived from the historical combined financial statements of Cousins Houston and Parkway Houston included elsewhere in this joint proxy statement/prospectus.

The following unaudited pro forma combined financial statements give effect to the following:

- the Merger, the Separation, the UPREIT Reorganization and the Spin-Off;
- New Parkway s anticipated post-Separation capital structure which includes proceeds from the $350.0 million New Parkway Term Loan, $150.0 million of which New Parkway LP will retain;
- Cousins , or a subsidiary of Cousins , contribution of $5 million to New Parkway in exchange for shares of New Parkway non-voting preferred stock; and
- the payoff of the $114.0 million mortgage debt secured by CityWestPlace I & II by Parkway that occurred on April 6, 2016.

The unaudited pro forma combined balance sheet assumes the Separation and the related transactions occurred on March 31, 2016. The unaudited pro forma combined statements of operations presented for the three months ended March 31, 2016, and for the year ended December 31, 2015, assume the Separation, the related transactions and the payoff of the $114.0 million mortgage debt secured by CityWestPlace I & II by Parkway on April 6, 2016 occurred on January 1, 2015. The pro forma adjustments are based on currently available information and assumptions New Parkway believes are reasonable, factually supportable, directly attributable to the Separation, the Spin-Off, and for purposes of the statements of operations, are expected to have a continuing impact on New Parkway s business. New Parkway s unaudited pro forma combined financial statements and explanatory notes present how New Parkway s financial statements may have appeared had New Parkway completed the above transactions as of the dates noted above.

The Merger will be accounted for as a purchase, as that term is used under GAAP, for accounting and financial reporting purposes. Under purchase accounting, the assets (including identifiable intangible assets) and liabilities (including executory contracts and other commitments) of Parkway as of the effective time of the Merger will be recorded at their respective fair values and added to those of Cousins. Any excess of purchase price over the fair values is recorded by Cousins as goodwill. The separation of the assets and liabilities related to New Parkway s businesses from the remainder of Cousins businesses in the Separation and the UPREIT

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Reorganization will be at Cousins carryover basis after adjusting the Parkway Houston assets to fair value. As a result, future financial statements of New Parkway will initially reflect carryover basis for Cousins Houston and fair value basis for Parkway Houston.

The following unaudited pro forma combined financial statements were prepared in accordance with Article 11 of Regulation S-X, using the assumptions set forth in the notes to New Parkway s unaudited pro forma combined financial statements. The unaudited pro forma combined financial statements are presented for illustrative purposes only and do not purport to reflect the results New Parkway may achieve in future periods or the historical results that would have been obtained had the above transactions been completed on January 1, 2015 or as of March 31, 2016, as the case may be. The unaudited pro forma combined financial statements also do not give effect to the potential impact of current financial conditions, any anticipated synergies, operating efficiencies or cost savings that may result from the transactions described above.

The unaudited pro forma combined financial statements do not indicate results expected for any future period. The unaudited pro forma combined financial statements are derived from and should be read in conjunction with the historical combined financial statements and accompanying notes of Parkway Houston and Cousins Houston appearing elsewhere in this joint proxy statement/prospectus.

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PARKWAY, INC.

UNAUDITED PRO FORMA COMBINED BALANCE SHEET

AS OF MARCH 31, 2016

(in thousands, except share data)

(Unaudited)

	Cousins Houston Historical[1]	Parkway Houston Historical	Adjustments		Totals
Assets					
Real estate related investments:					
Office properties, net	$ 1,083,270	$ 748,950	$ (98,141)	**A**	$ 1,734,079
Cash and cash equivalents	1,362	11,938	155,000	**B**	168,300
Receivables and other assets	32,606	78,144	(52,197)	**C**	58,553
Intangible assets, net	68,255	21,628	39,527	**A**	129,410
Management contract intangibles, net		189			189
Total assets	$ 1,185,493	$ 860,849	$ 44,189		$ 2,090,531
Liabilities					
Mortgage notes payable, net	$ 180,124	$ 394,136	$ (115,096)	**D**	$ 459,164
Notes payable to banks, net			346,675	**B**	346,675
Accounts payable and other liabilities	26,913	27,085			53,998
Below market leases, net	39,545	20,938	(542)	**A**	59,941
Total liabilities	$ 246,582	$ 442,159	$ 231,037		$ 919,778
Equity					
Stockholders equity:					
Common stock $.001 par value, 404,245,000 shares pro forma			404	**E**	404
Limited voting stock $.001 par value, 6,867,360 shares pro forma			7	**E**	7
Non-voting preferred stock $100,000 liquidation preference, 50 shares pro forma			5,000	**F**	5,000
Cousins Houston	938,911		(938,911)	**G**	
Parkway Houston		418,690	(418,690)	**G**	
Additional paid in capital			1,083,662	**G**	1,083,662
Total stockholders equity	938,911	418,690	(268,528)		1,089,073

Noncontrolling interests			81,680	**H**	81,680
Total equity	938,911	418,690	(186,848)		1,170,753
Total liabilities and equity	$ 1,185,493	$ 860,849	$ 44,189		$ 2,090,531

(1) Certain of Cousins Houston historical balances have been reclassified to conform with Parkway Houston historical balances.

See notes to unaudited pro forma combined financial statements

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PARKWAY, INC.

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2016

(In thousands, except per share data)

(Unaudited)

	Cousins Houston Historical[(1)]	Parkway Houston Historical	Adjustments		Total
Revenues					
Income from office properties	$ 43,269	$ 29,129	$ (126)	**a**	$ 72,272
Management company income		1,305			1,305
Total revenues	43,269	30,434	(126)		73,577
Expenses					
Property operating expenses	17,926	13,539			31,465
Management company expenses		781			781
Depreciation and amortization	15,428	11,365	(4,266)	**b**	22,527
General and administrative	3,177	1,632		**c**	4,809
Total expenses	36,531	27,317	(4,266)		59,582
Operating income	6,738	3,117	4,140		13,995
Other income and expenses					
Interest and other income	186	61	(61)	**d**	186
Interest expense	(1,974)	(3,953)	(2,191)	**e**	(8,118)
Income (loss) before income taxes	4,950	(775)	1,888		6,063
Income tax expense		(493)			(493)
Net income (loss)	4,950	(1,268)	1,888		5,570
Net (income) attributable to noncontrolling interests			(106)	**f**	(106)
Net income (loss) attributable to controlling interests	4,950	(1,268)	1,782		5,464
Dividends on non-voting preferred stock			(75)	**g**	(75)
Net income (loss) attributable to common stockholders	$ 4,950	$ (1,268)	$ 1,707		$ 5,389

Weighted average shares outstanding - Basic	**h**	404,245
Weighted average shares outstanding - Diluted	**h**	412,114
Basic and Diluted earnings per share	$	0.01

(1) Certain of Cousins Houston historical balances have been reclassified to conform with Parkway Houston historical balances.

See notes to unaudited pro forma combined financial statements

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PARKWAY, INC.

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

(In thousands, except per share data)

(Unaudited)

	Cousins Houston Historical(1)	Parkway Houston Historical	Adjustments		Total
Revenues					
Income from office properties	$ 177,890	$ 108,507	$ (9,536)	**a**	$ 276,861
Management company income		9,891			9,891
Sale of condominium units		11,063			11,063
Total revenues	177,890	129,461	(9,536)		297,815
Expenses					
Property operating expenses	74,162	45,385			119,547
Management company expenses		9,362			9,362
Cost of sales - condominium units		11,120			11,120
Depreciation and amortization	63,791	55,570	(26,108)	**b**	93,253
General and administrative	6,328	6,336		**c**	12,664
Total expenses	144,281	127,773	(26,108)		245,946
Operating income	33,609	1,688	16,572		51,869
Other income and expenses					
Interest and other income		246	(245)	**d**	1
Interest expense	(7,988)	(16,088)	(7,785)	**e**	(31,861)
Income (loss) before income taxes	25,621	(14,154)	8,542		20,009
Income tax expense		(1,635)			(1,635)
Net income (loss)	25,621	(15,789)	8,542		18,374
Net (income) loss attributable to noncontrolling interests		7	(351)	**f**	(344)
Net income (loss) attributable to controlling interests	25,621	(15,782)	8,191		18,030
Dividends on non-voting preferred stock			(300)	**g**	(300)

Net income (loss) attributable to common stockholders	$	25,621	$	(15,782)	$	7,891	$	17,730
Weighted average shares outstanding - Basic							**h**	404,245
Weighted average shares outstanding - Diluted							**h**	412,114
Basic and diluted earnings per share							$	0.04

(1) Certain of Cousins Houston historical balances have been reclassified to conform with Parkway Houston historical balances.

See notes to unaudited pro forma combined financial statements

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NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS NEW PARKWAY

Adjustments to the Unaudited Pro Forma Combined Balance Sheet

The unaudited pro forma combined balance sheet as of March 31, 2016 reflects the following adjustments:

A. Real estate related investments and intangible assets and liabilities

The preliminary fair market value is based on a valuation prepared by Cousins with the assistance of a third-party valuation advisor. The Merger adjustments reflected in the unaudited pro forma combined balance sheet for real estate assets, intangible assets and intangible liabilities represent the differences between the fair market value of Parkway Houston acquired in connection with the Merger and Parkway s historical balances for Parkway Houston, which are presented as follows (in thousands):

	As of March 31, 2016		
	Parkway Houston Historical	Fair Market Value of Parkway Houston	Adjustments as a Result of Merger
Office properties, net	$ 748,950	$ 650,809	$ (98,141)
Intangible assets, net	21,628	61,155	39,527
Below market leases, net	(20,938)	(20,396)	(542)

Fair value is based on estimated cash flow projections that utilize available market information and discount and/or capitalization rates as appropriate. The fair value of land included in office properties, net, is derived from comparable sales of land within the same submarket and/or region. The fair value of buildings and tenant improvements, included in office properties, net, are based upon current market replacement costs and other relevant market rate information. The fair value of the below market leases, net of an acquired in-place lease is based upon the present value (calculated using a market discount rate) of the difference between (i) the contractual rents to be paid pursuant to the lease over its remaining term and (ii) management s estimate of the rents that would be paid using fair market rental rates and rent escalations at the date of acquisition over the remaining term of the lease. The fair value of acquired in-place leases, included in intangibles, net, is derived based on assessment of lost revenue and costs incurred for the period required to lease the assumed vacant property to the occupancy level when purchased. This fair value is based on a variety of considerations including, but not necessarily limited to: (1) the value associated with avoiding the cost of originating the acquired in-place leases; (2) the value associated with lost revenue related to tenant reimbursable operating costs estimated to be incurred during the assumed lease-up period; and (3) the value associated with lost rental revenue from existing leases during the assumed lease-up period.

B. Cash and cash equivalents and notes payable to banks, net

In connection with the Merger and the Spin-Off, Parkway has entered into a debt commitment letter pursuant to which Wells Fargo Bank, National Association, Bank of America, N.A. and JPMorgan Chase Bank, N.A. have agreed to provide to New Parkway LP a senior secured term loan facility in an aggregate principal amount of up to $350 million, and a senior secured revolving credit facility in an aggregate principal amount of up to $50 million, that may be increased to $100 million subject to the satisfaction of certain conditions. Per the terms of the commitment letter, the New Parkway Credit Facilities are assumed to have a term of three years. Following the effective time of the Merger, but prior to the Spin-Off, the New Parkway Term Loan will be funded. The proceeds of the New Parkway Term Loan will be used to fund a $200 million distribution to the partners of New Parkway LP, who will in turn cause such funds to be contributed to Cousins LP, which will use the funds to repay a portion of approximately $550 million outstanding under Parkway s existing credit facilities. The remaining $150 million of proceeds from the New Parkway Term Loan will be retained by New Parkway LP under the New Parkway Credit Facilities following consummation of the Spin-Off. These remaining proceeds from the New Parkway Term Loan and future proceeds from the Houston Revolving Credit Facility will be used for general corporate purposes of

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New Parkway following the Spin-Off. Additionally, Cousins, or a subsidiary of Cousins, will contribute $5 million to New Parkway in exchange for shares of New Parkway non-voting preferred stock with a liquidation preference of $5 million, a fixed market rate dividend and no voting rights, other than as required by law.

The adjustment to notes payable to banks, net in the unaudited pro forma combined balance sheet comprises the following as of March 31, 2016 (in thousands):

	As of March 31, 2016
New Parkway Term Loan	$ 350,000
New Parkway Credit Facilities deferred financing costs	(3,325)
Total	$ 346,675

C. Receivables and other assets

The straight-lining of rents pursuant to the underlying leases associated with the real estate acquired in connection with the Separation will commence at the effective time of the Separation; therefore, the balance of deferred rent of $22.5 million included on Parkway Houston s historical balance sheet has been eliminated.

The investment in ACP Peachtree Center Manager, LLC, which is included in Parkway Houston s historical financial statements, will be retained by Cousins in connection with the Merger and Separation, therefore the balance of $3.5 million included on Parkway s historical balance sheet has been eliminated.

Lease commissions will be adjusted to reflect the fair market value for Parkway Houston. The fair value of leasing commissions is based upon current market replacement costs and other relevant market rate information.

The adjustment to receivables and other assets in the unaudited pro forma combined balance sheet comprises the following as of March 31, 2016 (in thousands):

	Parkway Houston Historical	Fair Market Value of Parkway Houston	Adjustments as a Result of Merger
Straight line rent	$ 22,500	$	$ (22,500)
Lease commissions, net	41,694	15,497	(26,197)
Investment in ACP Peachtree	3,500		(3,500)
			$ (52,197)

D. Mortgage notes payable, net

Represents the adjustment to reflect the premium on mortgage notes payable, net to fair value, and reflects the payoff of the $114.0 million mortgage debt secured by CityWestPlace I & II that occurred on April 6, 2016 (in thousands):

	As of March 31, 2016			
	Parkway Houston Historical	Fair Market Value of Parkway Houston Assumed Debt	Payoff of City West Place I & II Mortgage	Adjustments
Premium on notes payables	$ (4,972)	$ (4,069)		$ (903)
Repayment of CityWestPlace I & II mortgage indebtedness			$ (114,193)	(114,193)
				$ (115,096)

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The fair values of mortgage notes payable, net assumed in connection with the Merger were based on discounted cash flow analysis using the current market borrowing rates for similar types of borrowing arrangements as of the measurement dates. The discounted cash flow method of assessing fair value results in a general approximation of value, and such value may never actually be realized.

The debt on CityWestPlace I & II was paid off via a deemed capital contribution by Parkway LP, the operating partnership of Parkway, to Parkway Houston. Such payoff has been reflected as a pro forma adjustment to equity, and reflected as a capital contribution to Parkway Houston.

E. Common stock and limited voting stock

Represents the issuance of one share of New Parkway common stock for each share of Cousins common stock on the business day following the effective time of the Merger, pursuant to which each Parkway common stockholder will receive 1.63 newly issued shares of Cousins common stock (in thousands, except per share data and exchange ratio):

		As of March 31, 2016
Outstanding shares of Parkway common stock - historical basis		111,713
Parkway equity-based awards converted in Parkway common stock		1,053
Outstanding shares of Parkway common stock		112,766
Exchange Ratio		1.63
Shares of Cousins common stock to be issued - pro forma basis		183,809
Outstanding shares of Cousins common stock - historical basis		220,436
Total shares to be issued by New Parkway		404,245
New Parkway common stock par value per share	$	0.001
Pro forma adjustment to New Parkway common stock	$	404

	As of March 31, 2016
Outstanding shares of Parkway limited voting stock - historical basis	4,213
Exchange Ratio	1.63

Outstanding shares of Parkway limited voting stock		6,867
New Parkway limited voting stock par value per share	$	0.001
Pro forma adjustment to New Parkway limited voting stock	$	7

F. Non-voting preferred stock

Represents the non-voting preferred stock of New Parkway acquired by Cousins LP in exchange for a $5 million contribution by Cousins LP to New Parkway in connection with the Separation, the UPREIT Reorganization and the Spin-Off. The issuance of the $5 million of Parkway non-voting preferred stock was negotiated between the parties to satisfy the parties overall business and economic objectives, including the intended tax treatment of the Spin-Off.

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G. Cousins Houston, Parkway Houston and additional paid in capital

The following table represents the pro forma adjustments to eliminate the equity for Cousins Houston and Parkway Houston and reflects the net equity of the Houston Business in the Spin-Off (in thousands):

	As of March 31, 2016
Cousins Houston	$ 938,911
Parkway Houston	418,690
Net equity value of Houston Business distributed in the Spin-Off	(273,939)
Pro forma adjustment	$ 1,083,662

The Net equity value of Houston Business distributed in the distribution as follows (as thousands):	
Adjustment to Office properties, net for Parkway Houston to fair value as discussed in Note A	(98,141)
Adjustment to Cash for Parkway Houston as discussed in Note B	155,000
Adjustment to Receivables and other assets for Parkway Houston to fair value as discussed in Note C	(52,197)
Adjustment to Intangible assets, net for Parkway Houston to fair value as discussed in Note A	39,527
Adjustment to mortgage notes payable, net for Parkway Houston to fair value as discussed in Note D	115,096
Adjustment to notes payable to banks, net for Parkway Houston to fair value as discussed in Note B	(346,675)
Adjustment to below market leases, net for Parkway Houston to fair value as discussed in Note A	542
Adjustment to common stock as discussed in Note E	(404)
Adjustment to limited voting stock as discussed in Note E	(7)
Adjustment to preferred stock as discussed in Note F	(5,000)
Adjustment to Noncontrolling interest as discussed in Note H	(81,680)
	(273,939)

H. Noncontrolling interests

Represents the adjustment of the approximately 7.9 million pro forma limited partnership units of Parkway LP to a fair market value based on a price of $10.38 per share of Cousins common stock as of March 31, 2016, the date of the unaudited pro forma combined balance sheet (in thousands):

		As of March 31, 2016
Outstanding operating partnership units of Parkway LP historical basis		4,828
Exchange Ratio		1.63
Limited partnership units		7,869
Closing price of Cousins common stock as of March 31, 2016	$	10.38
Pro forma adjustment	$	81,680

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Adjustments to the Unaudited Pro Forma Combined Statements of Operations

a. Income from office properties

Represents the elimination of historical straight-line rents and historical amortization of above and below-market rent associated with the leases of Parkway Houston, which will be eliminated after the Merger and the amount of above- and below-market rents associated with Parkway Houston based on fair value in the Merger. The entire lease term was used to calculate the pro forma adjustments for straight-line rent and amortization of above- and below-market rent. No early termination options in leases were accounted for in the lease term because leases including such options contain penalties substantial enough that the continuation of such leases appears, at inception, to be reasonably assured.

The following tables summarize the adjustments made to income from office properties for Parkway Houston s properties for the three months ended March 31, 2016 and the year ended December 31, 2015 (in thousands):

	Three Months Ended March 31, 2016	
Pro forma Parkway Houston straight-line rent adjustment	$	3,085
Pro forma (above)/below market rent adjustment		636
Historical Parkway Houston amounts		(3,847)
Pro forma adjustment	$	(126)

	Year Ended December 31, 2015	
Pro forma Parkway Houston straight-line rent adjustment	$	18,991
Pro forma (above)/below market rent adjustment		2,546
Historical Parkway Houston amounts		(31,073)
Pro forma adjustment	$	(9,536)

b. Depreciation and amortization

The following tables summarize the adjustments made to depreciation and amortization for Parkway Houston s properties based on fair values in the Merger for the three months ended March 31, 2016 and the year ended December 31, 2015:

	Three Months Ended March 31, 2016
Parkway Houston building and site improvements	$ 2,995
Parkway Houston in-place leases	4,104
Parkway Houston historical depreciation and amortization	(11,365)
Pro forma adjustment	$ (4,266)

	Year Ended December 31, 2015
Parkway Houston building and site improvements	$ 13,043
Parkway Houston in-place leases	16,419
Parkway Houston historical depreciation and amortization	(55,570)
Pro forma adjustment	$ (26,108)

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c. General and administrative expenses

Management initially expects annual general and administrative expenses to be in the range of $14.0 million to $16.0 million without consideration for share-based compensation expenses for New Parkway.

This estimate is based on anticipated: (i) corporate-level salaries, including salaries set forth in employment agreements with the executive officers of Parkway that will be assumed by the Company, but not including non-cash compensation, (ii) benefits, (iii) director fees, (iv) rent and related expenses, (v) professional fees and (vi) costs to operate as a public company.

d. Interest and other income

Represents the elimination of the interest income related to Parkway s investment in ACP Peachtree Center Manager, LLC.

e. Interest expense

Represents the pro forma interest expense and pro forma amortization of deferred financing costs related to the New Parkway Credit Facilities and pro forma amortization of above-market debt values created by marking the assumed debt of the Parkway Houston properties to fair market value. Upon completion of the Separation, the UPREIT Reorganization and the Spin-Off, New Parkway s properties will be subject to the existing secured, property-level indebtedness, equal to $574.6 million as of March 31, 2016, which was further reduced by the $114.0 million mortgage debt secured by CityWestPlace I & II that Parkway paid in full on April 6, 2016.

The following tables summarize the adjustments to the unaudited pro forma combined statements of operations to reflect the New Parkway Credit Facilities activity and amortization of Parkway Houston properties above-market debt and the elimination of the historical interest expense on the CityWestPlace I & II debt (in thousands):

	Three Months Ended March 31, 2016
Pro forma interest on New Parkway Credit Facilities	$ 3,003
Pro forma amortization of deferred financing costs	277
Pro forma amortization of above market debt	(322)
Historical Parkway Houston amortization of above market debt	1,010
Historical interest on CityWestPlace I & II	(1,777)
Pro forma adjustment	$ 2,191

		Year Ended December 31, 2015
Pro forma interest on New Parkway Credit Facilities	$	11,160
Pro forma amortization of deferred financing costs		1,108
Pro forma amortization of above market debt		(1,282)
Historical Parkway Houston amortization of above market debt		3,991
Historical interest on CityWestPlace I & II		(7,192)
Pro forma adjustment	$	7,785

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The New Parkway Term Loan will bear interest at LIBOR plus a spread that ranges from 2.50% to 3.50% per annum (the Margin) based on the ratio of total indebtedness to total asset value. Based upon management s expectation of the ratio of indebtness to total assets of New Parkway after the spin-off, the New Parkway Term Loan bears interest at LIBOR plus a spread of 3.00% for the purposes of pro forma adjustments. At March 31, 2016 and December 31, 2015, LIBOR was approximately 0.43% and 0.19%, respectively, for a total pro forma borrowing rate of approximately 3.43% and 3.19%, respectively. A 0.125% change in LIBOR would result in a change in pro forma interest expense on the New Parkway Term Loan of approximately $400,000 per year. A 0.50% change in the Margin would result in a change in pro forma interest expense on the New Parkway Term Loan of approximately $1.8 million per year.

f. Noncontrolling interest

Represents the adjustment to allocate net income to limited partners of operating partnership units of Parkway LP.

g. Dividends on non-voting preferred stock

Represents the pro forma dividend on the $5 million non-voting preferred stock, assuming a 6% market rate based on management s best estimate of the applicable market rate for such an instrument.

h. Weighted average shares

The following table summarizes the pro forma weighted average shares of New Parkway common stock outstanding as if the Spin-Off occurred on March 31, 2016 (for more information, see note E above)

	As of March 31, 2016
Weighted average shares of common stock - basic	404,245
Effect of conversion and exchange of Parkway LP operating partnership units	7,869
Weighted average shares of New Parkway common stock - diluted	412,114

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SELECTED HISTORICAL COMBINED FINANCIAL DATA PARKWAY HOUSTON

The following table sets forth the selected historical combined financial data of Parkway Houston, which was carved out from the financial information of Parkway as described below. The selected historical financial data set forth below as of December 31, 2015, 2014 and 2013 and for the years ended December 31, 2015, 2014 and 2013 has been derived from Parkway Houston s audited combined financial statements, which are included elsewhere in this joint proxy statement/prospectus. The income statement data for each of the three months ended March 31, 2016 and 2015 and the balance sheet data as of March 31, 2016 have been derived from Parkway Houston s unaudited interim combined financial statements included elsewhere in this joint proxy statement/prospectus. Parkway Houston s unaudited interim combined financial statements as of March 31, 2016 and for the three months ended March 31, 2016 were prepared on the same basis as Parkway Houston s audited combined financial statements as of December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015 and, in the opinion of management, include all adjustments, consisting only of normal, recurring adjustments, necessary to present fairly Parkway Houston s financial position and results of operations for these periods. The interim results of operations are not necessarily indicative of operations for a full fiscal year.

Parkway Houston s combined financial statements were carved out from the financial information of Parkway at a carrying value reflective of such historical cost in such Parkway records. Parkway Houston s historical financial results reflect charges for certain corporate expenses which include, but are not limited to, costs related to property management, accounting, human resources, security, payroll and benefits, legal, corporate communications, information services and restructuring and reorganization. Costs of the services were allocated based on either actual costs incurred or a proportion of costs estimated to be applicable to us based on a number of factors, most significantly Parkway Houston s percentage of Parkway s square footage. Parkway Houston believes these charges are reasonable; however, these results may not reflect what Parkway Houston s expenses would have been had Parkway Houston been operating as a separate, stand-alone public company. The historical combined financial information presented may not be indicative of the results of operations, financial position or cash flows that would have been obtained if Parkway Houston had been an independent, stand-alone entity during the periods shown. Please refer to Management s Discussion and Analysis of Financial Condition and Results of Operations New Parkway Basis of Presentation.

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The combined historical results set forth below do not indicate results expected for any future periods. The selected financial data set forth below are qualified in their entirety by, and should be read in conjunction with, Management s Discussion and Analysis of Financial Condition and Results of Operations New Parkway and Parkway Houston s combined financial statements and related notes thereto included elsewhere in this joint proxy statement/prospectus.

	Three Months Ended March 31,		Year Ended December 31,		
	2016	**2015**	**2015**	**2014**	**2013**
Income Statement Data (in thousands):					
Revenues					
Income from office properties	$ 29,129	$ 24,841	$ 108,507	$ 123,172	$ 20,965
Management company income	1,305	2,679	9,891	23,971	17,526
Sale of condominium units		4	11,063	16,554	
Total revenues	30,434	27,524	129,461	163,697	38,491
Expenses and other					
Property operating expenses	13,539	10,489	45,385	54,856	9,119
Management company expenses	781	2,785	9,362	27,038	23,638
Cost of sales - condominium units		202	11,120	13,199	14
Depreciation and amortization	11,365	13,237	55,570	64,012	10,465
Impairment loss on management contracts				4,750	
General and administrative	1,632	1,631	6,336	6,917	7,267
Total expenses and other	27,317	28,344	127,773	170,772	50,503
Operating income (loss)	3,117	(820)	1,688	(7,075)	(12,012)
Other income and expenses					
Interest and other income	61	61	246	244	1,663
Interest expense	(3,953)	(4,045)	(16,088)	(16,252)	(3,296)
Loss before income taxes	(775)	(4,804)	(14,154)	(23,083)	(13,645)
Income tax benefit (expense)	(493)	(173)	(1,635)	180	1,276
Net loss	(1,268)	(4,977)	(15,789)	(22,903)	(12,369)
Net (income) loss attributable to noncontrolling interests		7	7	(148)	
Net loss attributable to Parkway Houston	$ (1,268)	$ (4,970)	$ (15,782)	$ (23,051)	$ (12,369)

	As of March 31,	As of December 31,		
	2016	**2015**	**2014**	**2013**
Balance Sheet Data (in thousands):				

Total real estate related investments, net	$ 748,950	$ 752,653	$ 738,846	$ 757,848
Total assets	860,849	865,731	866,496	903,165
Mortgage notes payable, net	394,136	396,901	407,211	414,656
Total liabilities	442,159	456,665	485,535	503,130
Parkway equity	418,690	409,066	380,053	396,985
Noncontrolling interests			908	3,050

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SELECTED HISTORICAL COMBINED FINANCIAL DATA COUSINS HOUSTON

The following table sets forth the selected historical combined financial data of Cousins Houston, which was carved out from the financial information of Cousins as described below. The selected historical combined financial data set forth below as of December 31, 2015 and 2014, for the years ended December 31, 2015 and 2014 and for the period from February 7, 2013 (date of inception) to December 31, 2013 has been derived from Cousins Houston s audited combined financial statements, which are included elsewhere in this joint proxy statement/prospectus. The income statement data for each of the three months ended March 31, 2016 and 2015 and the balance sheet data as of March 31, 2016 have been derived from Cousins Houston s unaudited interim combined financial statements included elsewhere in this joint proxy statement/prospectus. The selected historical combined financial data as of December 31, 2013 was derived from financial information not included in this joint proxy statement/prospectus. Cousins Houston s unaudited interim combined financial statements as of March 31, 2016 and for the three months ended March 31, 2016 and 2015 were prepared on the same basis as Cousins Houston s audited combined financial statements as of December 31, 2015 and 2014, for the years ended December 31, 2015 and 2014, and for the period from February 7, 2013 (date of inception) to December 31, 2013, and, in the opinion of management, include all adjustments, consisting of only normal, recurring adjustments, necessary to present fairly Cousins Houston s financial position and results of operations for these periods. The interim results of operations are not necessarily indicative of operations for a full fiscal year.

Cousins Houston s combined financial statements were carved out from Cousins financial information based on historical cost. The historical financial results for Cousins Houston include certain allocated corporate costs, which we believe are reasonable. These costs were incurred by Cousins and estimated to be applicable to Cousins Houston based on proportionate leasable square footage. Such costs do not necessarily reflect what the actual costs would have been if Cousins Houston were operating as a separate stand-alone public company. These costs are discussed further in Note 3 Related Party Transactions of the combined financial statements of Cousins Houston for the year ended December 31, 2015 and the three months ended March 31, 2016, included elsewhere in this joint proxy statement/prospectus. The selected historical combined financial information presented may not be indicative of the results of operations, financial position or cash flows that would have been obtained if Cousins Houston had been an independent, stand-alone entity during the periods shown.

The selected historical combined results set forth below do not indicate results expected for any future periods. The selected financial data set forth below are qualified in their entirety by, and should be read in conjunction with, Management s Discussion and Analysis of Financial Condition and Results of Operations New Parkway and Cousins Houston s combined financial statements and related notes thereto included elsewhere in this joint proxy statement/prospectus.

	Three Months Ended March 31,		Year Ended December 31,		Period from February 7, 2013 (date of inception) to December 31,
	2016	2015	2015	2014	2013
Income Statement (in thousands):					

Rental property revenues	$ 43,269	$ 43,211	$ 177,890	$ 184,536	$ 72,696
Other revenues	186	79		31	11
	43,455	43,290	177,890	184,567	72,707
Rental property operating expenses	(17,926)	(18,113)	(74,162)	(79,625)	(31,759)
General and administrative expenses	(3,177)	(1,322)	(6,328)	(7,347)	(3,793)
Depreciation and amortization	(15,428)	(17,586)	(63,791)	(77,760)	(29,146)
Interest expense	(1,974)	(2,010)	(7,988)	(8,127)	(2,618)
Acquisition and related costs					(3,858)
	(38,505)	$ (39,031)	$ (152,269)	$ (172,859)	$ (71,174)
Net income	$ 4,950	$ 4,259	$ 25,621	$ 11,708	$ 1,533

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	As of March 31, 2016	As of December 31, 2015	2014	2013
		(in thousands)		
Balance Sheet Data:				
Operating properties, net	$ 1,083,270	$ 1,086,451	$ 1,077,290	$ 1,087,181
Total assets	1,185,493	1,188,236	1,188,355	1,220,551
Note payable	180,124	180,937	184,097	187,120
Total liabilities	246,582	271,364	278,558	283,604
Equity	938,911	916,872	909,797	936,947

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MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS NEW PARKWAY

The following is a discussion of the historical results of operations and liquidity and capital resources of Parkway Houston and Cousins Houston, each of which are New Parkway s predecessors. Parkway Houston and Cousins Houston were not operated by Parkway or Cousins as stand-alone businesses. You should read the following discussion and analysis in conjunction with Selected Historical Combined Financial Data Parkway Houston, Selected Historical Combined Financial Data Cousins Houston, Unaudited Pro Forma Condensed Consolidated Financial Statements New Parkway and the financial statements beginning on page F-1 included elsewhere in this joint proxy statement/prospectus. This Management s Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. The matters discussed in these forward-looking statements are subject to risk, uncertainties and other factors that could cause actual results to differ materially from those made, projected or implied in the forward-looking statements. Please refer to Risk Factors, beginning on page 57 and Cautionary Statement Concerning Forward-Looking Statements for a discussion of the uncertainties, risks and assumptions associated with these statements.

The Merger and the Separation

On April 28, 2016, Cousins and Parkway announced their entry into the Merger Agreement, pursuant to which Parkway will merge with and into Clinic Sub Inc., with Clinic Sub Inc. continuing as the surviving corporation of the Merger and a wholly owned subsidiary of Cousins, subject to the terms and conditions of the Merger Agreement. Immediately following the effective time of the Merger, Cousins will consummate the Separation and the UPREIT Reorganization to separate the Houston Business and Third-Party Services Business of Cousins and Parkway such that these businesses will be owned and operated by New Parkway LP, the operating partnership of New Parkway.

On the business day following the closing of the Merger, in the Distribution, each Cousins common stockholder will be entitled to receive one share of New Parkway common stock for each share of Cousins common stock held at the close of business on the record date, each Parkway common stockholder will be entitled to receive 1.63 shares of New Parkway common stock for each share of Parkway common stock held at the close of business on the record date and each Parkway limited voting stockholder will be entitled to receive 1.63 shares of New Parkway limited voting stock for each share of Parkway limited voting stock held at the close of business on the record date. Following the Distribution, Cousins and New Parkway will be two independent, publicly traded companies.

New Parkway s mission will be to own and operate high-quality office properties located in attractive submarkets of Houston, Texas, including the Galleria, Greenway and Westchase submarkets. New Parkway is expected to be the largest owner of Class A office assets in Houston, Texas, with a portfolio of five Class A assets, comprising 19 buildings and totaling 8.7 million rentable square feet as of March 31, 2016. New Parkway will also operate the Third-Party Services Business, providing fee-based real estate services through wholly owned subsidiaries of New Parkway, which in total managed or leased approximately 2.7 million square feet primarily for third-party owners as of March 31, 2016, and will own certain other assets previously owned by Parkway.

Basis of Presentation

The combined financial statements of Parkway Houston and Cousins Houston include the allocation of certain assets and liabilities that have historically been held at their respective corporate levels but which are specifically identifiable or allocable to Parkway Houston and Cousins Houston. All intercompany transactions and accounts have been eliminated. The total net effect of the settlement of these intercompany transactions is reflected in the combined historical financial statements of cash flow as a financing activity and in the combined balance sheets as equity in the Parkway Houston and Cousins Houston financial statements.

The combined historical financial statements of Parkway Houston and Cousins Houston do not necessarily include all of the expenses that would have been incurred had New Parkway been operating as a separate, stand-alone entity and may not necessarily reflect New Parkway s results of operations, financial position and cash flows had New Parkway been a stand-alone company during the periods presented. New Parkway s combined historical financial statements include charges related to certain corporate functions, including senior management, property management, legal, leasing, development, marketing, human resources, finance, public reporting, tax and information technology. These expenses have been charged based on direct usage or benefit where identifiable, with the remainder charged on a pro rata basis of square footage. Parkway Houston and Cousins Houston consider the expense allocation methodology and results reasonable for all periods presented. However, the charges may not be indicative of the actual expenses that would have been incurred had New Parkway operated as an independent, publicly-traded company for the periods presented.

PARKWAY HOUSTON

Critical Accounting Policies and Estimates

The accounting policies and estimates used in the preparation of the Parkway Houston and Cousins Houston combined financial statements are more fully described in the notes to the respective combined financial statements. However, certain significant accounting policies are considered critical accounting policies due to the increased level of assumptions used or estimates made in determining their impact on Parkway Houston s consolidated financial statements. Parkway Houston considers critical accounting policies and estimates to be those used in the determination of the reported amounts and disclosure related to the following:

Revenue Recognition

Parkway Houston recognizes revenue from real estate rentals on a straight line basis over the noncancelable lease term at the inception of each respective lease in accordance with ASC 840, Leases. The cumulative difference between lease revenue recognized under this method and contractual lease payment terms is recorded as straight-line rent receivable on the accompanying balance sheets. When Parkway Houston is the owner of the customer improvements, the leased space is ready for its intended use when the tenant improvements are substantially completed, at which point revenue recognition begins. In limited instances, when the tenant is the owner of the tenant improvements, straight-line rent is recognized when the tenant takes possession of the unimproved space. The leases also typically provide for tenant reimbursement of a portion of common area maintenance, real estate taxes and other operating expenses. Parkway Houston recognizes property operating cost recoveries from customers (expense reimbursements) as revenue in the period in which the expenses are incurred. The computation of expense reimbursements is dependent on the provisions of individual customer leases. Most customers make monthly fixed payments of estimated expense reimbursements. Parkway Houston makes quarterly adjustments, positive or negative, to expense reimbursement income to adjust the recorded amounts to Parkway Houston s best estimate of the final property operating costs based on the most recent annual estimate. After the end of the calendar year, Parkway Houston computes each customer s final expense reimbursements and issues a bill or credit for the difference between the actual amount and the amounts billed monthly during the year. Differences between actual billed amounts and accrued amounts are considered immaterial.

Management company income represents market-based fees earned from providing management, construction, leasing, brokerage, and acquisition services to unconsolidated joint ventures, related parties, and third parties. Management fee income is computed and recorded monthly in accordance with the terms set forth in the management contracts. Leasing and brokerage commissions, as well as salary and administrative fees, are recognized by Parkway Houston pursuant to the terms of the agreements at the time underlying leases are signed, which is the point at which the earnings process is complete and collection of the fees is reasonably assured. Fees relating to the purchase or sale of property are recognized by Parkway Houston when the earnings process is complete and the collection of fees is reasonably assured, which usually occurs at closing. Parkway Houston recognizes fees earned from Parkway s unconsolidated joint ventures in management company income. Parkway Houston is not a party to any consolidated or unconsolidated joint ventures. The fees from management company income from Parkway s unconsolidated joint ventures recognized by Parkway Houston are included herein because they are reflected in the historical financial statements of Parkway and are attributable to Parkway Houston because of its ownership of Eola Office Partners, LLC, which provides or has provided property management services to certain of Parkway s unconsolidated joint ventures.

Impairment of Long-Lived Assets

Changes in the supply or demand of customers for Parkway Houston s properties could impact Parkway Houston s ability to fill available space. Should a significant amount of available space exist for an extended period, Parkway Houston s investment in a particular office building may be impaired. Parkway Houston has evaluated its real estate assets and intangible assets upon the occurrence of significant adverse changes to assess whether any impairment indicators are present that affect the recovery of the carrying amount. Parkway Houston classifies certain assets as held for sale based on management having the authority and intent of entering into commitments for sale transactions to close in the next 12 months. Parkway Houston considers an office property as held for sale once it has executed a contract for sale, allowed the buyer to complete its due diligence review and received a substantial non-refundable deposit. Until a buyer has completed its due diligence review of the asset, necessary approvals have been received and substantive conditions to the buyer s obligation to perform have been satisfied, Parkway Houston does not consider a sale to be probable. When Parkway Houston identifies an asset as held for sale, it estimates the net realizable value of such asset and discontinue recording depreciation on the asset. Parkway Houston records assets held for sale at the lower of the carrying amount or fair value less cost to sell. If the fair value of the asset net of estimated selling costs is less than the carrying amount, it records an impairment loss. With respect to assets classified as held and used, Parkway Houston recognizes an impairment loss if the carrying amount is not recoverable and exceeds the sum of undiscounted future cash flows expected to result from the use and eventual disposition of the asset. Upon impairment, Parkway Houston recognizes an impairment loss to reduce the carrying value of the real estate asset to the estimate of its fair value. The cash flow and fair value estimates are based on assumptions about employing the asset for its remaining useful life. Factors considered in projecting future cash flows include, but are not limited to: existing leases, future leasing and terminations, market rental rates, capital improvements, tenant improvements, leasing commissions, inflation, discount rates, capitalization rates and other known variables.

Depreciable Lives Applied to Real Estate and Improvements to Real Estate

Parkway Houston computes depreciation of buildings and parking garages using the straight-line method over an estimated useful life of 40 years. Depreciation of building improvements is computed using the straight-line method over the estimated useful life of the improvement. If Parkway Houston s estimate of useful lives proves to be incorrect, the depreciation expense recognized would also be incorrect. Therefore, a change in the estimated useful lives assigned to buildings and improvements would result in either an increase or decrease in depreciation expense prospectively, which would result in a decrease or increase in earnings.

Initial Recognition, Measurement and Assignment of the Cost of Real Estate Acquired

Parkway Houston accounts for its acquisitions of real estate by allocating the fair value of real estate to acquired tangible assets, consisting of land, building, garage, building improvements and tenant improvements, identified intangible assets and liabilities, which consist of the value of above and below market leases, lease costs, the value of in-place leases and any value attributable to above or below market debt assumed with the acquisition.

Parkway Houston assigns the purchase price of properties to tangible and intangible assets based on fair values. Parkway Houston determines the fair value of the tangible and intangible components using a variety of

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methods and assumptions all of which result in an approximation of fair value. Differing assumptions and methods could result in different estimates of fair value and thus, a different purchase price assignment and corresponding increase or decrease in depreciation and amortization expense.

Recent Accounting Pronouncements

Adopted

In February 2015, the Financial Accounting Standards Board (the FASB) issued ASU No. 2015-02, Amendments to the Consolidated Analysis. This update amends consolidation guidance which makes changes to both the variable interest model and the voting model. The new standard specifically eliminates the presumption in the current voting model that a general partner controls a limited partnership or similar entity unless that presumption can be overcome. Generally, only a single limited partner that is able to exercise substantive kick-out rights will consolidate. Parkway Houston adopted this update on January 1, 2016. The new standard must be applied using a modified retrospective approach by recording either a cumulative-effect adjustment to equity as of the beginning of the period of adoption or retrospectively to each period presented. This did not have an impact on Parkway Houston s financial statements.

In April 2015, the FASB issued ASU No. 2015-03, Simplifying the Presentation of Debt Issuance Costs. This standard amends existing guidance to require the presentation of debt issuance costs in the balance sheet as a deduction from the carrying amount of the related debt liability instead of a deferred charge. Parkway Houston adopted this update on January 1, 2016. Retrospective application of the guidance set forth in this update is required and resulted in the classification of the deferred financing costs within the combined balance sheets as a direct deduction from the carrying amount of debt within total liabilities.

Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) (ASU 2016-02). ASU 2016-02 increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 will be effective for Parkway Houston s fiscal year beginning as early as January 1, 2019 and subsequent interim periods. Management is currently assessing this guidance for future implementation.

Results of Operations

Comparison of the three months ended March 31, 2016 to the three months ended March 31, 2015.

Net loss attributable to Parkway Houston was $1.3 million and $5.0 million for the three months ended March 31, 2016 and 2015, respectively. The decrease in net loss attributable to Parkway Houston in the amount of $3.7 million for the three months ended March 31, 2016 as compared to the three months ended March 31, 2015, is primarily attributable to an increase in operating income.

Income from Office Properties. Income from office properties increased $4.3 million, or 17.3%, during the three months ended March 31, 2016, as compared to the three months ended March 31, 2015, primarily due to the commencement of a lease at CityWestPlace during the second half of 2015, partially offset by the impact of a tenant move out at CityWestPlace during the first half of 2015, and a tenant move out during the three months ended March 31, 2016.

Property Operating Expenses. Property operating expenses increased $3.1 million, or 29.1%, during the three months ended March 31, 2016 as compared to the three months ended March 31, 2015, primarily due to the commencement of a lease at CityWestPlace during the second half of 2015, partially offset by the impact of a tenant move out at CityWestPlace during the first half of 2015, and a tenant move out during the three months ended March 31, 2016.

Management Company Income and Expenses. Management company income decreased $1.4 million, or 51.3%, during the three months ended March 31, 2016 as compared to the three months ended March 31, 2015, primarily due to the termination of certain Eola Capital, LLC (Eola Capital) management contracts. Management company expenses decreased $2.0 million, or 72.0%, during the three months ended March 31, 2016 as compared to the three months ended March 31, 2015, primarily due to a decrease in salary expense associated with personnel formerly employed at assets for which the related management contracts have been terminated.

Depreciation and Amortization. Depreciation and amortization expense attributable to office properties decreased $1.9 million, or 14.1%, for the three months ended March 31, 2016 as compared to the three months ended March 31, 2015, primarily due to a decrease in amortization expense of in-place leases.

General and Administrative. General and administrative expense increased $1,000, or 0.1%, for the three months ended March 31, 2016 as compared to the three months ended March 31, 2015.

Interest Expense. Interest expense decreased $92,000, or 2.3%, for the three months ended March 31, 2016 as compared to the three months ended March 31, 2015, primarily due to a decrease in mortgage interest expense.

Income Taxes. The analysis below includes changes attributable to income tax benefit (expense) for the three months ended March 31, 2016 and 2015 (in thousands):

	Three Months Ended March 31,			
	2016	**2015**	**$ Change**	**% Change**
Income tax (expense) benefit current	$ (344)	$ 21	$ (365)	*N/M
Income tax expense deferred	(149)	(194)	45	(23.2)%
Total income tax expense	$ (493)	$ (173)	$ (320)	*N/M

*N/M Not meaningful

Current income tax expense increased $365,000 for the three months ended March 31, 2016 as compared to the three months ended March 31, 2015. The increase is primarily attributable to an increase in net income of Parkway Houston s TRS. Deferred income tax expense decreased $45,000 for the three months ended March 31, 2016, as compared to the three months ended March 31, 2015.

Comparison of the year ended December 31, 2015 to the year ended December 31, 2014.

Net loss attributable to Parkway Houston was $15.8 million and $23.1 million for the years ended December 31, 2015 and 2014, respectively. The decrease in net loss attributable to Parkway Houston in the amount of $7.3 million for the year ended December 31, 2015, as compared to the year ended December 31, 2014, is primarily attributable to an increase in operating income, partially offset by an increase in income tax expenses.

Income from Office Properties. Income from office properties decreased $14.7 million, or 11.9%, during the year ended December 31, 2015 compared to the year ended December 31, 2014, primarily due to a tenant move out at CityWestPlace during the first half of 2015.

Sale of Condominium Units. Income from the sale of condominium units decreased $5.5 million during the year ended December 31, 2015, compared to the year ended December 31, 2014, primarily due to a decrease in the sale of condominium units partially as a result of a decrease in the number of remaining condominium units available for sale.

Cost of Sales   Condominium Units. Cost of sales decreased $2.1 million during the year ended December 31, 2015, compared to the year ended December 31, 2015, primarily due to the decrease in the sale of condominium units during the period.

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Property Operating Expenses. Property operating expenses decreased $9.5 million, or 17.3%, during the year ended December 31, 2015, compared to the year ended December 31, 2014, primarily due to cost savings related to a tenant move out at CityWestPlace during the first half of 2015.

Management Company Income and Expenses. Management company income decreased $14.1 million, or 58.7%, during the year ended December 31, 2015, compared to the year ended December 31, 2014, primarily due to the termination of certain Eola Capital management contracts. Management company expenses decreased $17.7 million, or 65.4%, during the year ended December 31, 2015 compared to the year ended December 31, 2014, and is primarily due to a decrease in salary expense associated with personnel formerly employed at assets for which the related management contracts have been terminated and a decrease in amortization of management contract intangibles, net.

Depreciation and Amortization. Depreciation and amortization expense attributable to office properties decreased $8.4 million, or 13.2%, for the year ended December 31, 2015 compared to the year ended December 31, 2014, primarily due to a decrease in amortization expense of in-place leases, partially offset by an increase in depreciation expense associated with tenant improvements.

Impairment Loss on Management Contracts. During the year ended December 31, 2014, Parkway Houston recorded a $4.8 million pre-tax non-cash impairment loss related to certain Eola Capital management contracts. Parkway Houston did not record any impairment losses on management contracts during the year ended December 31, 2015.

General and Administrative. General and administrative expense decreased $581,000, or 8.4%, for the year ended December 31, 2015, compared to the year ended December 31, 2014, and is primarily due to a decrease in allocated general and administrative expenses, largely related to share-based compensation expense for equity based awards issued by Parkway to its directors and officers.

Interest Expense. Interest expense decreased $164,000, or 1.0%, for the year ended December 31, 2015 compared to the year ended December 31, 2014.

Income Taxes. The analysis below includes changes attributable to income tax benefit (expense) for the years ended December 31, 2015 and 2014 (in thousands):

	Year Ended December 31,			
	2015	**2014**	**$ Change**	**% Change**
Income tax expense current	$ (1,272)	$ (4,583)	$ 3,311	(72.2)%
Income tax (expense) benefit deferred	(363)	4,763	(5,126)	*N/M
Total income tax (expense) benefit	$ (1,635)	$ 180	$ (1,815)	*N/M

*N/M Not meaningful

Current income tax expense decreased $3.3 million for the year ended December 31, 2015 compared to the year ended December 31, 2014. The decrease is primarily attributable to the decrease of income from the sale of Murano residential condominium units. Deferred income tax benefit decreased $5.1 million for the year ended December 31, 2015 compared to the year ended December 31, 2014. The decrease is primarily attributable to the book to tax differences related to the impairment loss associated with certain Eola Capital management contracts and the reversal of a valuation allowance on the deferred tax assets in 2014.

Comparison of the year ended December 31, 2014 to the year ended December 31, 2013.

Net loss attributable to Parkway Houston was $23.1 million and $12.4 million for the years ended December 31, 2014 and 2013, respectively. The increase in net loss attributable to Parkway Houston in the amount of $10.7 million for the year ended December 31, 2014, as compared to the year ended December 31, 2013, is primarily attributable to an increase in interest expense associated with mortgage debt assumed on CityWestPlace and San Felipe Plaza from Parkway s merger transactions with TPGI in December 2013 (such transactions, the TPGI Mergers) and a decrease in interest and other income, partially offset by a decrease in operating loss.

Income from Office Properties. Income from office properties increased $102.2 million during the year ended December 31, 2014 compared to the year ended December 31, 2013, primarily due to the December 2013 acquisitions of CityWestPlace and San Felipe Plaza in connection with the TPGI Mergers.

Property Operating Expenses. Property operating expenses increased $45.7 million during the year ended December 31, 2014 compared to the year ended December 31, 2013, primarily due to the December 2013 acquisitions of CityWestPlace and San Felipe Plaza in connection with the TPGI Mergers.

Sale of Condominium Units. Parkway Houston recognized $16.5 million in income from the sale of condominium units during the year ended December 31, 2014. Parkway Houston acquired such condominium units in connection with the TPGI Mergers and accordingly had no income to report for such sales for the year ended December 31, 2013.

Cost of Sales Condominium Units. Cost of sales increased $13.2 million during the year ended December 31, 2014, compared to the year ended December 31, 2013, due to the sale of condominium units during the period.

Management Company Income and Expenses. Management company income increased $6.4 million during the year ended December 31, 2014 compared to the year ended December 31, 2013, primarily due to the addition of management contracts in connection with the TPGI Mergers. Management company expenses increased $3.4 million during the year ended December 31, 2014 compared to the year ended December 31, 2013, and is primarily due to the addition of a management contract in connection with the TPGI Mergers and the associated increase in personnel costs.

Depreciation and Amortization. Depreciation and amortization expense attributable to office properties increased $53.5 million for the year ended December 31, 2014 compared to the year ended December 31, 2013. The primary reason for the increase is the December 2013 acquisitions of CityWestPlace and San Felipe Plaza in connection with the TPGI Mergers, which were owned for a full year during 2014.

Impairment Loss on Management Contracts. During the year ended December 31, 2014, Parkway Houston recorded a $4.8 million pre-tax non-cash impairment loss related to certain Eola Capital management contracts.

General and Administrative. General and administrative expense decreased $350,000 for the year ended December 31, 2014 compared to the year ended December 31, 2013. The decrease is primarily due to an increase in allocated general and administrative expenses attributable to acquisition costs in connection with the TPGI Mergers that were recognized in 2013.

Interest Expense. Interest expense, including amortization of deferred financing costs, increased $13.0 million for the year ended December 31, 2014 compared to the year ended December 31, 2013, due primarily to an increase in mortgage interest associated with mortgage debt assumed on CityWestPlace and San Felipe Plaza in connection with the TPGI Mergers, partially offset by amortization of premiums on mortgage debt.

Income Taxes. The analysis below includes changes attributable to income tax benefit (expense) for the years ended December 31, 2014 and 2013 (in thousands):

	Year Ended December 31,			
	2014	2013	$ Change	% Change
Income tax expense current	$ (4,583)	$ (684)	$ (3,899)	*N/M
Income tax benefit deferred	4,763	1,960	2,803	*N/M
Total income tax benefit	$ 180	$ 1,276	$ (1,096)	(85.9)%

*N/M Not meaningful

Current income tax expense increased $3.9 million for the year ended December 31, 2014 compared to the year ended December 31, 2013. The increase is primarily attributable to an increase in income from Parkway Houston s TRS and additional state taxes associated with additional properties that Parkway had in Pennsylvania and Texas as a result of the TPGI Mergers. Deferred income tax benefit increased $2.8 million for the year ended December 31, 2014 compared to the year ended December 31, 2013. The increase is primarily attributable to the book to tax differences related to the impairment loss associated with certain Eola Capital management contracts and the reversal of a valuation allowance on the deferred tax assets in 2014.

Liquidity and Capital Resources

Cash Flows

Cash and cash equivalents were $11.9 million and $12.0 million at March 31, 2016 and December 31, 2015, respectively. Cash flows used in operating activities for the three months ended March 31, 2016 and 2015 were $5.5 million and $10.3 million, respectively. The decrease in cash flows used in operating activities of $4.8 million is primarily attributable to timing of receipt of revenues and payment of expenses.

Cash used in investing activities was $3.6 million and $5.5 million for the three months ended March 31, 2016 and 2015, respectively. The decrease in cash used in investing activities of $1.9 million is due to a decrease in improvements to real estate.

Cash provided by financing activities was $9.1 million and $18.2 million for the three months ended March 31, 2016 and 2015, respectively. The decrease in cash provided by financing activities of $9.1 million is primarily attributable to a decrease in Parkway investment, net, and an increase in principal payments on mortgage notes payable.

Cash and cash equivalents were $12.0 million and $8.0 million at December 31, 2015 and 2014, respectively. Cash flows provided by operating activities for the years ended December 31, 2015 and 2014 were $12.9 million and $3.2 million, respectively. The increase in cash flows from operating activities of $9.7 million is primarily attributable to timing of receipt of revenues and payment of expenses.

Cash used in investing activities was $46.4 million and $4.4 million for the years ended December 31, 2015 and 2014, respectively. The increase in cash used in investing activities of $42.0 million is primarily due to an increase in improvements to real estate.

Cash provided by financing activities was $37.5 million for the year ended December 31, 2015. Cash used in financing activities was $1.3 million for the year ended December 31, 2014. The increase in cash provided by (used in) financing activities of $38.8 million is primarily attributable to an increase in Parkway investment, net and a decrease in distributions to noncontrolling interests in Parkway Houston s residential condominium project, offset by an increase in principal payments on mortgage notes payable.

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Mortgage Notes Payable

At March 31, 2016, Parkway Houston had $394.1 million in mortgage notes payable secured by office properties, including unamortized net premiums on debt acquired of $5.0 million and unamortized debt issuance costs of $295,000, with a weighted average interest rate of 5.1%.

The table below presents the principal payments due and weighted average interest rates for total mortgage notes payable at March 31, 2016 (dollars in thousands).

	Weighted Average Interest Rate	Total Mortgage Maturities	Balloon Payments	Principal Amortization
Schedule of Mortgage Maturities by Years:				
2016(1)	6.1%	$ 118,113	$ 113,604	$ 4,509
2017	4.5%	5,670		5,670
2018	4.8%	108,166	102,402	5,764
2019	4.4%	4,138		4,138
2020	5.0%	85,602	82,949	2,653
Thereafter	3.9%	67,770	62,193	5,577
Total principal maturities		389,459	$ 361,148	$ 28,311
Unamortized debt issuance costs, net	N/A	(295)		
Fair value premiums on mortgage debt acquired, net	N/A	4,972		
Total mortgage notes payable, net	5.1%	$ 394,136		
Fair value at March 31, 2016		$ 396,909		

(1) Includes the $114.0 million mortgage debt secured by CityWestPlace I & II that Parkway Houston paid in full on April 6, 2016.

At December 31, 2015, Parkway Houston had $396.9 million in mortgage notes payable secured by office assets, including unamortized net premiums on debt acquired of $6.0 million and unamortized debt issuance costs of $306,000, with a weighted average interest rate of 5.1%.

The table below presents the principal payments due and weighted average interest rates for total mortgage notes payable, at December 31, 2015 (dollars in thousands).

	Weighted Average Interest Rate	Total Mortgage Maturities	Balloon Payments	Principal Amortization
Schedule of Mortgage Maturities by Years:				

2016[1]	6.1%	$ 119,879	$ 113,604	$ 6,275
2017	4.5%	5,670		5,670
2018	4.8%	108,166	102,402	5,764
2019	4.4%	4,138		4,138
2020	5.0%	85,602	82,949	2,653
Thereafter	3.9%	67,771	62,193	5,578
Total principal maturities		391,226	$ 361,148	$ 30,078
Unamortized debt issuance costs, net	N/A	(306)		
Fair value premiums on mortgage debt acquired, net	N/A	5,981		
Total mortgage notes payable, net	5.1%	$ 396,901		
Fair value at December 31, 2015		$ 394,267		

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(1) On April 6, 2016, Parkway Houston paid in full the $114.0 million mortgage debt secured by CityWestPlace I & II.

Contractual Obligations

Parkway Houston has contractual obligations including mortgage notes payable and lease obligations. The table below presents total payments due under specified contractual obligations by year through maturity at March 31, 2016 (in thousands):

	Payments Due By Period						
Contractual Obligations	**2016 (2)**	**2017**	**2018**	**2019**	**2020**	**Thereafter**	**Total**
Long-term debt principal and interest payments (1)	$ 129,936	$ 18,049	$ 120,283	$ 11,139	$ 89,319	$ 73,440	$ 442,166
Purchase obligations (tenant improvements and lease commissions)	7,288	16	10				7,314
Total	$ 137,224	$ 18,065	$ 120,293	$ 11,139	$ 89,319	$ 73,440	$ 449,480

(1) Variable interest payments are calculated using the rate at March 31, 2016

(2) Includes the $114.0 million mortgage debt secured by CityWestPlace I & II that was paid by Parkway on April 6, 2016.

The amounts presented above for long-term debt include principal and interest payments. The amounts presented for purchase obligations represent the remaining tenant improvement allowances and lease commissions for leases in place at March 31, 2016.

The table below presents total payments due under specified contractual obligations by year through maturity at December 31, 2015 (in thousands):

	Payments Due By Period						
Contractual Obligations	**2016 (2)**	**2017**	**2018**	**2019**	**2020**	**Thereafter**	**Total**
Long-term debt principal and interest payments (1)	$ 136,661	$ 18,049	$ 120,283	$ 11,139	$ 89,319	$ 73,440	$ 448,891
Purchase obligations (tenant improvements and lease commissions)	10,885	16	10				10,911
Total	$ 147,546	$ 18,065	$ 120,293	$ 11,139	$ 89,319	$ 73,440	$ 459,802

(1) Variable interest payments are calculated using the rate at December 31, 2015.
(2) Includes the $114.0 million mortgage debt secured by CityWestPlace I & II that was paid by Parkway on April 6, 2016.

The amounts presented above for long-term debt include principal and interest payments. The amounts presented for purchase obligations represent the remaining tenant improvement allowances and lease commissions for leases in place at December 31, 2015.

Capital Expenditures

During the three months ended March 31, 2016, Parkway Houston incurred approximately $2.4 million, $1.6 million, and $3.0 million in building improvements, tenant improvements, and leasing commissions, respectively. All such improvements were financed with cash flow from the properties, capital expenditure escrow accounts and Parkway contributions.

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During the year ended December 31, 2015, Parkway Houston incurred approximately $11.8 million, $36.3 million, and $8.6 million in building improvements, tenant improvements, and leasing commissions, respectively. All such improvements were financed with cash flow from the properties, capital expenditure escrow accounts and Parkway contributions.

Non-GAAP Financial Measures

Funds From Operations (FFO)

Parkway Houston s management believes that FFO is an appropriate measure of performance for a REIT and computes this measure in accordance with the NAREIT definition of FFO (including any guidance that NAREIT releases with respect to the definition). FFO is defined by NAREIT as net income (computed in accordance with GAAP), reduced by preferred dividends, excluding gains or losses from sale of previously depreciable real estate assets, impairment charges related to depreciable real estate under GAAP, plus depreciation and amortization related to depreciable real estate. Further, Parkway Houston does not adjust FFO to eliminate the effects of non-recurring charges. Parkway Houston believes that FFO is a meaningful supplemental measure of its operating performance because historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time, as reflected through depreciation and amortization expenses. However, since real estate values have historically risen or fallen with market and other conditions, many industry investors and analysts have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient. Thus, NAREIT created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. Parkway Houston believes that the use of FFO, combined with the required GAAP presentations, has been beneficial in improving the understanding of operating results of REITs by the investing public and making comparisons of operating results among such companies more meaningful. FFO as reported by Parkway Houston may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition. FFO does not represent cash generated from operating activities in accordance with GAAP and is not an indication of cash available to fund cash needs. FFO should not be considered an alternative to net income as an indicator of Parkway Houston s operating performance or as an alternative to cash flow as a measure of liquidity.

The following table reconciles net loss attributable to Parkway Houston to FFO for the three months ended March 31, 2016 and 2015, and for the years ended December 31, 2015, 2014, and 2013 (in thousands):

	Three Months Ended March 31,		Year Ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited)			(unaudited)	
Net loss attributable to Parkway Houston	$ (1,268)	$ (4,970)	$ (15,782)	$ (23,051)	$ (12,369)
Depreciation and amortization	11,365	13,237	55,570	64,012	10,465
FFO	$ 10,097	$ 8,267	$ 39,788	$ 40,961	$ (1,904)

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

Parkway Houston believes that using EBITDA as a non-GAAP financial measure helps investors and its management analyze its ability to service debt and pay cash distributions. Parkway Houston defines EBITDA as net loss attributable to Parkway Houston before interest expense, income tax expense (benefit) and depreciation and amortization.

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The following table reconciles net loss attributable to Parkway Houston to EBITDA for the three months ended March 31, 2016 and 2015, and for the years ended December 31, 2015, 2014, and 2013 (in thousands):

	Three Months Ended March 31,		Year Ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited)			(unaudited)	
Net loss attributable to Parkway Houston	$ (1,268)	$ (4,970)	$ (15,782)	$ (23,051)	$ (12,369)
Interest expense	3,953	4,045	16,088	16,252	3,296
Depreciation and amortization	11,365	13,237	55,570	64,012	10,465
Income tax expense (benefit)	493	173	1,635	(180)	(1,276)
EBITDA	$ 14,543	$ 12,485	$ 57,511	$ 57,033	$ 116

Net Operating Income (NOI)

Parkway Houston defines NOI as income from office properties less property operating expenses. Parkway Houston considers NOI to be a useful performance measure to investors and management because it reflects the revenues and expenses directly associated with owning and operating its properties and the impact to operations from trends in occupancy rates, rental rates and operating costs not otherwise reflected in net income.

The following table reconciles net loss attributable to Parkway Houston to NOI for the three months ended March 31, 2016 and 2015 and for the years ended December 31, 2015, 2014, and 2013 (in thousands):

	Three Months Ended March 31,		Year Ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited)			(unaudited)	
Net loss attributable to Parkway Houston	$ (1,268)	$ (4,970)	$ (15,782)	$ (23,051)	$ (12,369)
Interest expense	3,953	4,045	16,088	16,252	3,296
Depreciation and amortization	11,365	13,237	55,570	64,012	10,465
Management company expenses	781	2,785	9,362	27,038	23,638
Income tax expense (benefit)	493	173	1,635	(180)	(1,276)
General and administrative	1,632	1,631	6,336	6,917	7,267
Sale of condominium units		(4)	(11,063)	(16,554)	
Cost of sales - condominium units		202	11,120	13,199	14
Net income (loss) attributable to noncontrolling interests		(7)	(7)	148	
Impairment loss on management contracts				4,750	
Management company income	(1,305)	(2,679)	(9,891)	(23,971)	(17,526)
Interest and other income	(61)	(61)	(246)	(244)	(1,663)

NOI	$ 15,590	$ 14,352	$ 63,122	$ 68,316	$ 11,846

Leasing Activity

For the year ended 2015, six leases were renewed totaling 52,000 rentable square feet at an average annual rental rate per square foot of $37.73 and at an average cost of $5.76 per square foot per year of the lease term. Leases totaling 109,000 rentable square feet were not renewed.

For the year ended 2015, three expansion leases were signed totaling 5,000 rentable square feet at an average annual rental rate per square foot of $42.25 and at an average cost of $9.11 per square foot per year of the lease term.

For the year ended 2015, 10 new leases were signed totaling 42,000 rentable square feet at an average annual rental rate per square foot of $41.34 and at an average cost of $7.43 per square foot per year of the term.

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During the first quarter of 2016, three leases were renewed totaling 58,000 rentable square feet at an average annual rental rate per square foot of $32.32 and at an average cost of $6.28 per square foot per year of the lease term. Leases totaling 308,000 rentable square feet were not renewed.

During the first quarter of 2016, one expansion lease was signed totaling 591 rentable square feet at an average annual rental rate per square foot of $38.19 and at an average cost of $9.81 per square foot per year of the lease term.

During the first quarter of 2016, two new leases were signed totaling 11,000 rentable square feet at an average annual rental rate per square foot of $43.16 and at an average cost of $9.76 per square foot per year of the term.

COUSINS HOUSTON

Critical Accounting Policies

Cousins Houston s financial statements are prepared in accordance with GAAP, as outlined in the FASB s Accounting Standards Codification (ASC), and the notes to the combined financial statements include a summary of the significant accounting policies. The preparation of financial statements in accordance with GAAP requires the use of certain estimates, a change in which could materially affect revenues, expenses, assets, or liabilities. Some of Cousins Houston s accounting policies are considered to be critical accounting policies, which are policies that are both important to the portrayal of Cousins Houston s financial condition, results of operations and cash flows, and policies that also require significant judgment or complex estimation processes. Cousins Houston s critical accounting policies are as follows:

Operating Property Acquisitions

Upon acquisition of an operating property, Cousins Houston records the acquired tangible and intangible assets and assumed liabilities at fair value at the acquisition date. Fair value is based on estimated cash flow projections that utilize available market information and discount and/or capitalization rates as appropriate. Estimates of future cash flows are based on a number of factors, including historical operating results, known and anticipated trends, and market and economic conditions. The acquired assets and assumed liabilities for an acquired operating property generally include, but are not limited to: land, buildings, and identified tangible and intangible assets and liabilities associated with in-place leases, including tenant improvements, leasing costs, value of above-market and below-market leases, and value of acquired in-place leases.

The fair value of land is derived from comparable sales of land within the same submarket and/or region. The fair value of buildings, tenant improvements, and leasing costs are based upon current market replacement costs and other relevant market rate information.

The fair value of the above-market or below-market component of an acquired in-place lease is based upon the present value (calculated using a market discount rate) of the difference between (i) the contractual rents to be paid pursuant to the lease over its remaining term and (ii) management s estimate of the rents that would be paid using fair market rental rates and rent escalations at the date of acquisition over the remaining term of the lease. In-place leases at acquired properties are reviewed at the time of acquisition to determine if contractual rents are above or below current market rents for the acquired property, and an identifiable intangible asset or liability is recorded if there is an above-market or below-market lease.

The fair value of acquired, in-place leases, is derived based on Cousins Houston s assessment of lost revenue and costs incurred for the period required to lease the assumed vacant property to the occupancy level when purchased. This fair value is based on a variety of considerations including, but not necessarily limited to: (1) the value associated with avoiding the cost of originating the acquired in-place leases; (2) the value associated with lost revenue related to tenant reimbursable operating costs estimated to be incurred during the assumed

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lease-up period; and (3) the value associated with lost rental revenue from existing leases during the assumed lease-up period. Factors considered in performing these analyses include an estimate of the carrying costs during the expected lease-up periods, such as real estate taxes, insurance, and other operating expenses, current market conditions, and costs to execute similar leases, such as leasing commissions, legal, and other related expenses.

The amounts recorded for above-market and in-place leases are included in intangible assets on the balance sheets, and the amounts for below-market leases are included in intangible liabilities on the balance sheets. These amounts are amortized on a straight-line basis as an adjustment to rental income over the remaining term of the applicable leases.

The determination of the fair value of the acquired tangible and intangible assets and assumed liabilities of operating property acquisitions requires significant judgments and assumptions about the numerous inputs discussed above. The use of different assumptions in these fair value calculations could significantly affect the reported amounts of the allocation of the acquisition related assets and liabilities and the related amortization and depreciation expense recorded for such assets and liabilities. In addition, since the values of above-market and below-market leases are amortized as either a reduction or increase to rental income, respectively, the judgments for these intangibles could have a significant impact on reported rental revenues and results of operations.

Depreciation and Amortization

Cousins Houston depreciates or amortizes operating real estate assets over their estimated useful lives using the straight-line method of depreciation. Cousins Houston uses judgment when estimating the life of real estate assets and when allocating certain indirect project costs to projects under development. Historical data, comparable properties, and replacement costs are some of the factors considered in determining useful lives and cost allocations. The use of different assumptions for the estimated useful life of assets or cost allocations could significantly affect depreciation and amortization expense and the carrying amount of its real estate assets.

Impairment

Cousins Houston reviews its real estate assets on a property-by-property basis for impairment. The first step in this process is for Cousins Houston to use judgment to determine whether an asset is considered to be held and used or held for sale, in accordance with accounting guidance. In order to be considered a real estate asset held for sale, Cousins Houston must, among other things, have the authority to commit to a plan to sell the asset in its current condition, have commenced the plan to sell the asset, and have determined that it is probable that the asset will sell within one year. If Cousins Houston determines that an asset is held for sale, it must record an impairment loss if the fair value less costs to sell is less than the carrying amount. All real estate assets not meeting the held for sale criteria are considered to be held and used.

In the impairment analysis for assets held and used, Cousins Houston must use judgment to determine whether there are indicators of impairment. These indicators could include a decline in a property s leasing percentage, a current period operating loss or negative cash flows combined with a history of losses at the property, a decline in lease rates for that property or others in the property s market, or an adverse change in the financial condition of significant tenants.

If Cousins Houston determines that an asset that is held and used has indicators of impairment, Cousins Houston must determine whether the undiscounted cash flows associated with the asset exceed the carrying amount of the asset. If the undiscounted cash flows are less than the carrying amount of the asset, Cousins Houston must reduce the carrying amount of the asset to fair value.

In calculating the undiscounted net cash flows of an asset, Cousins Houston must estimate a number of inputs, including future rental rates, expenditures for future leases, future operating expenses, and market capitalization rates for residual values, among other things. In addition, if there are alternative strategies for the future use of the asset, Cousins Houston must assess the probability of each alternative strategy and perform a probability-weighted undiscounted cash flow analysis to assess the recoverability of the asset. Cousins Houston must use considerable judgment in determining the alternative strategies and in assessing the probability of each strategy selected.

In determining the fair value of an asset, Cousins Houston exercises judgment on a number of factors. Cousins Houston may determine fair value by using a discounted cash flow calculation or by utilizing comparable market information. Cousins Houston must determine an appropriate discount rate to apply to the cash flows in the discounted cash flow calculation. Cousins Houston must use judgment in analyzing comparable market information because no two real estate assets are identical in location and price.

The estimates and judgments used in the impairment process are highly subjective and susceptible to frequent change. If Cousins Houston determines that an asset is held and used, the results of operations could be materially different than if Cousins Houston determines that an asset is held for sale. Different assumptions used in the calculation of undiscounted net cash flows of a project, including the assumptions associated with alternative strategies and the probabilities associated with alternative strategies, could cause a material impairment loss to be recognized when no impairment is otherwise warranted. Cousins Houston s assumptions about the discount rate used in a discounted cash flow estimate of fair value and its judgment with respect to market information could materially affect the decision to record impairment losses or, if required, the amount of the impairment losses.

Valuation of Receivables

Accounts receivable are reduced by an allowance for amounts that may become uncollectible in the future. Cousins Houston reviews its receivables regularly for potential collection problems in computing the allowance to record against its receivables. This review requires Cousins Houston to make certain judgments regarding collectability, notwithstanding the fact that ultimate collections are inherently difficult to predict. Economic conditions fluctuate over time, and Cousins Houston has tenants in many different industries which experience changes in economic health, making collectability prediction difficult. Therefore, certain receivables currently deemed collectible could become uncollectible, and those reserved could ultimately be collected. A change in judgments made could result in an adjustment to the allowance for doubtful accounts with a corresponding effect on net income.

Recoveries from Tenants

Recoveries from tenants for operating expenses are determined on a calendar year and on a lease-by-lease basis. The most common types of cost reimbursements in Cousins Houston s leases are utility expenses, building operating expenses, real estate taxes and insurance, for which the tenant pays its pro rata share in excess of a base year amount, if applicable. The computation of these amounts is complex and involves numerous judgments, including the interpretation of lease terms and other tenant lease provisions. Leases are not uniform in dealing with such cost reimbursements and there are many variations in the computation. Cousins Houston accrues income related to these payments each month. Cousins Houston makes monthly accrual adjustments, positive or negative, to recorded amounts to its best estimate of the annual amounts to be billed and collected with respect to the cost reimbursements. After the end of the calendar year, Cousins Houston computes each tenant s final cost reimbursements and, after considering amounts paid by the tenant during the year, issues a bill or credit for the appropriate amount to the tenant. The differences between the amounts billed less previously received payments and the accrual adjustments are recorded as increases or decreases to revenues when the final bills are prepared, which occurs during the first half of the subsequent year.

Discussion of New Accounting Pronouncements

In 2015, the FASB voted to defer ASU 2014-09, Revenue from Contracts with Customers (Topic 606). 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

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amounts of revenue being recognized and could result in revenue being recognized in different reporting periods than under the current guidance. The standard specifically excludes revenue associated with lease contracts. The guidance is effective for periods beginning after December 15, 2017, with early adoption permitted for periods beginning after December 15, 2016. New Parkway expects to adopt this guidance effective January 1, 2018, and Cousins is currently assessing the potential impact of adopting the new guidance.

In February 2016, the FASB issued ASU 2016-02, Leases, which amends the existing standards for lease accounting by requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting and reporting. The new standard will require lessees to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months, and classify such leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase of the leased asset by the lessee. This classification will determine whether the lease expense is recognized based on an effective interest method (finance leases) or on a straight-line basis over the term of the lease (operating leases). Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. ASU 2016-02 supersedes previous leasing standards. The guidance is effective for the fiscal years beginning after December 15, 2018 with early adoption permitted. Cousins is currently assessing the potential impact of adopting the new guidance.

The following discussion and analysis should be read in conjunction with the selected financial data and the combined financial statements and notes.

Results of Operations

Comparison of the three months ended March 31, 2016 compared to the three months ended March 31, 2015.

General and Administrative Expenses. General and administrative expenses increased $1.9 million for the three months ended March 31, 2016 compared to the three months ended March 31, 2015, primarily as a result of an increase in long-term incentive compensation expense incurred by Cousins and allocated to Cousins Houston.

Depreciation and Amortization Expense. Depreciation and amortization expense decreased $2.2 million, or 12.3%, related to lease expirations and extensions of useful lives of tenant assets as a result of lease modifications at Greenway Plaza.

Comparison of the year ended December 31, 2015 compared to the year ended December 31, 2014.

Rental Property Revenues. Rental property revenues decreased $6.6 million, or 3.6%, for the year ended December 31, 2015 compared to the year ended December 31, 2014, primarily due to a decrease in occupancy at Greenway Plaza.

Rental Property Operating Expenses. Rental property operating expenses decreased $5.5 million, or 6.9%, for the year ended December 31, 2015 compared to the year ended December 31, 2014, primarily due to a decrease in real estate taxes coupled with the decrease in occupancy at Greenway Plaza.

General and Administrative expenses. General and administrative expenses decreased $1.0 million between the 2014 and 2015 reporting periods, primarily as a result of a decrease in long-term incentive compensation expense incurred by Cousins and allocated to Cousins Houston.

Depreciation and Amortization Expense. Depreciation and amortization decreased $14.0 million, or 18.0%, for the year ended December 31, 2015 compared to the year ended December 31, 2014, primarily due to a decrease in occupancy at Greenway Plaza and decreases related to extensions of useful lives of certain tenant assets as a result of lease modifications at Greenway Plaza.

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Comparison of the year ended December 31, 2014 to the period from February 7, 2013 (date of inception) to December 31, 2013.

Operations for Cousins Houston commenced with the acquisition of Post Oak Central on February 7, 2013 and the 2013 results include the operations of Greenway Plaza from September 9, 2013 through December 31, 2013. These two properties were owned for all of 2014 resulting in an increase in revenues and expenses between the periods. Conversely, acquisition and related costs decreased $3.9 million between the periods as a result of the 2013 acquisitions.

Interest expense increased $5.5 million between the 2013 and 2014 periods as a result of the closing of the Post Oak Central mortgage loan in September 2013.

Liquidity and Capital Resources

Cash Flows

Cash and cash equivalents were $1.4 million and $109,000 at March 31, 2016 and December 31, 2015, respectively. The following table summarizes the changes in cash flows for the three months ended March 31, 2016 and 2015 (in thousands):

	Three Months Ended March 31,		
	2016	**2015**	**Increase/ (Decrease)**
Net cash provided by (used in) operating activities	$ (6,241)	$ 468	$ (6,709)
Net cash used in investing activities	(8,737)	(15,318)	6,581
Net cash provided by financing activities	16,231	14,166	2,065

Cash flows from operating activities decreased $6.7 million between the periods. This decrease is due to a decrease in net cash generated from property operations primarily as a result of an increase in real estate taxes paid.

Cash flows used in investing activities decreased $6.6 million between the periods due to a decrease in property improvements and tenant asset expenditures.

Cash flows provided by financing activities increased $2.1 million between the periods due to an increase in contributions, net from Cousins to fund the increase in cash used for operating activities.

Cash and cash equivalents were $109,000, $684,000 and $0 at December 31, 2015, 2014 and 2013, respectively. The following table summarizes the changes in cash flows for the periods presented (in thousands):

	Year Ended December 31,	Period from February 7, 2013 (date of inception)	2015 to 2014	2014 to 2013

			to December 31,		
	2015	**2014**	**2013**	**Change**	**Change**
Net cash provided by operating activities	$ 76,395	$ 80,220	$ 41,770	$ (3,825)	$ 38,450
Net cash used in investing activities	(55,085)	(37,478)	(1,164,245)	(17,607)	1,126,767
Net cash provided by (used in) financing activities	(21,885)	(42,058)	1,122,475	20,173	(1,164,533)

Cash flows from operating activities decreased $3.8 million between the 2015 and 2014 periods primarily due to the timing of operating cash receipts and payments, and a decrease in net cash received from property operations as a result of decreased occupancy at Greenway Plaza. Cash flows from operating activities increased $38.5 million between the 2014 and 2013 periods due to the property acquisitions in 2013.

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Cash flows used in investing activities increased $17.6 million between the 2015 and 2014 periods due to an increase in property improvements and tenant asset expenditures. Cash flows used in investing activities decreased $1.1 billion between the 2014 and 2013 periods from the property acquisitions in 2013.

Cash flows used in financing activities decreased $20.2 million between the 2015 and 2014 periods due to a decrease in net distributions to Cousins. This decrease was primarily due to the increase in cash used for building improvement and tenant asset expenditures. Cash flows provided by financing activities decreased $1.2 billion between the 2014 and 2013 periods due to the following:

- decrease in contributions by Cousins, net of $974.3 million as a result of the property acquisitions in 2013; and

- decrease of $188.8 million in proceeds from note payable due to the closing of the Post Oak Central mortgage loan in 2013.

Contractual Obligations and Commitments

Cousins Houston was subject to the following contractual obligations and commitments at March 31, 2016 (in thousands):

	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Contractual Obligations:					
Debt:					
Mortgage notes payable	$ 180,912	$ 3,522	$ 7,509	$ 169,881	$
Interest commitments	33,707	7,639	14,812	11,256	
Operating leases	70	36	34		
Total contractual obligations	$ 214,689	$ 11,197	$ 22,355	$ 181,137	$
Commitments:					
Unfunded tenant improvements	$ 53,463	$ 38,020	$ 5,158	$ 10,285	$
Total commitments	$ 53,463	$ 38,020	$ 5,158	$ 10,285	$

Cousins Houston was subject to the following contractual obligations and commitments at December 31, 2015 (in thousands):

	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Contractual Obligations:					
Debt:					

Mortgage notes payable	$ 181,770	$ 3,485	$ 7,430	$ 170,855	$
Interest commitments	35,639	7,676	14,891	13,072	
Operating leases	70	36	34		
Total contractual obligations	$ 217,479	$ 11,197	$ 22,355	$ 183,927	$
Commitments:					
Unfunded tenant improvements	$ 60,668	$ 29,132	$ 16,093	$ 15,443	$
Total commitments	$ 60,668	$ 29,132	$ 16,093	$ 15,443	$

In addition, Cousins Houston has several standing or renewable service contracts mainly related to the operation of the 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 tables and are generally reimbursed in whole or in part by tenants.

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Capital Expenditures

	For the Three Months Ended March 31,	
	2016	2015
Operating properties leasing costs	$ 5,925	$ 10,979
Operating properties building improvements	2,648	2,780
Accrued capital expenditures adjustment	164	1,559
Total property improvements and tenant asset expenditures	$ 8,737	$ 15,318

Capital expenditures decreased in 2016 mainly due to decreased capitalized leasing costs. Capitalized leasing costs, which include tenant improvements, leasing costs and 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 on a per square foot basis for the three months ended March 31, 2016 were as follows:

	For the Three Months Ended March 31, 2016
New leases	$ 5.85
Renewed leases	$ 3.21
Expansion leases	$ 7.18

Components of costs included in this line item for the years ended December 31, 2015 and 2014, and the period from February 7, 2013 (date of inception) to December 31, 2013 are as follows (in thousands):

	Year Ended December 31,		Period from February 7, 2013 (date of inception) to December 31,
	2015	2014	2013
Operating properties leasing costs	$ 37,109	$ 26,628	$ 14,316
Operating properties building improvements	17,762	10,119	3,163
Accrued capital expenditures adjustment	214	731	(1,622)
Total property improvements and tenant asset expenditures	$ 55,085	$ 37,478	$ 15,857

Capital expenditures increased in 2015 mainly due to increased capitalized leasing costs and building improvement expenditures. The amounts of tenant improvement and leasing costs on a per square foot basis for the year ended December 31, 2015 were as follows:

	Amount
New leases	$ 6.02
Renewed leases	$ 4.38
Expansion leases	$ 4.09

The amounts of tenant improvement and leasing costs vary by lease and by market. Given the level of expected leasing and renewal activity, management expects tenant improvement and leasing costs in the immediate future to remain consistent.

Non-GAAP Financial Measures

Funds From Operations (FFO)

Cousins Houston s management believes that FFO is an appropriate measure of performance for a REIT and computes this measure in accordance with the NAREIT definition of FFO (including any guidance that NAREIT releases with respect to the definition). FFO is defined by NAREIT as net income (computed in accordance with GAAP), reduced by preferred dividends, excluding gains or losses from sale of previously depreciable real estate assets, impairment charges related to depreciable real estate under GAAP, plus depreciation and amortization related to depreciable real estate. Further, Cousins Houston does not adjust FFO to eliminate the effects of non-recurring charges. Cousins Houston believes that FFO is a meaningful supplemental measure of its operating performance because historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time, as reflected through depreciation and amortization expenses. However, since real estate values have historically risen or fallen with market and other conditions, many industry investors and analysts have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient. Thus, NAREIT created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. Cousins Houston believes that the use of FFO, combined with the required GAAP presentations, has been beneficial in improving the understanding of operating results of REITs by the investing public and making comparisons of operating results among such companies more meaningful. FFO as reported by Cousins Houston may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition. FFO does not represent cash generated from operating activities in accordance with GAAP and is not an indication of cash available to fund cash needs. FFO should not be considered an alternative to net income as an indicator of Cousins Houston s operating performance or as an alternative to cash flow as a measure of liquidity.

The following table reconciles net income to FFO for Cousins Houston for the three months ended March 31, 2016 and 2015, the years ended December 31, 2015 and 2014, and the period from February 7, 2013 (date of inception) to December 31, 2013 (in thousands):

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Year Ended December 31, 2015	Year Ended December 31, 2014	Period from February 7, 2013 (date of inception) to December 31, 2013
Net income	$ 4,950	$ 4,259	$ 25,621	$ 11,708	$ 1,533
Depreciation and amortization	15,428	17,586	63,791	77,760	29,146
FFO	$ 20,378	$ 21,845	$ 89,412	$ 89,468	$ 30,679

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

Cousins Houston believes that using EBITDA as a non-GAAP financial measure helps investors and Cousin Houston s management analyze its ability to service debt and pay cash distributions. Cousins Houston defines EBITDA as net income before interest expense and depreciation and amortization.

The following table reconciles net income to EBITDA of Cousins Houston for the three months ended March 31, 2016 and 2015, for the years ended December 31, 2015 and 2014, and the period from February 7, 2013 (date of inception) to December 31, 2013 (in thousands):

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Year Ended December 31, 2015	Year Ended December 31, 2014	Period from February 7, 2013 (date of inception) to December 31, 2013
Net income	$ 4,950	$ 4,259	$ 25,621	$ 11,708	$ 1,533
Depreciation and amortization	15,428	17,586	63,791	77,760	29,146
Interest expense	1,974	2,010	7,988	8,127	2,618
EBITDA	$ 22,352	$ 23,855	$ 97,400	$ 97,595	$ 33,297

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Net Operating Income (NOI)

Cousins Houston defines NOI as income from office properties less property operating expenses. Cousins Houston considers NOI to be a useful performance measure to investors and management because it reflects the revenues and expenses directly associated with owning and operating Cousins Houston s properties and the impact to operations from trends in occupancy rates, rental rates and operating costs not otherwise reflected in net income.

The following table reconciles net income to NOI of Cousins Houston for the three months ended March 31, 2016 and 2015, for the years ended December 31, 2015 and 2014, and the period from February 7, 2013 (date of inception) to December 31, 2013 (in thousands):

	Three Months Ended March 31,		Year Ended December 31,		Period from February 7, 2013 (date of inception) to December 31,
	2016	2015	2015	2014	2013
Net income	$ 4,950	$ 4,259	$ 25,621	$ 11,708	$ 1,533
Other income	(186)	(79)		(31)	(11)
General and administrative expenses	3,177	1,322	6,328	7,347	3,793
Depreciation and amortization	15,428	17,586	63,791	77,760	29,146
Interest expense	1,974	2,010	7,988	8,127	2,618
Acquisition and related expenses					3,858
NOI	$ 25,343	$ 25,098	$ 103,728	$ 104,911	$ 40,937

Leasing Activity

In the three months ended March 31, 2016, Cousins Houston leased or renewed approximately 74,000 square feet of office space. Net effective rent, representing base rent less operating expense reimbursements and leasing costs, for new or renewed non-amenity leases with terms greater than one year was $11.59 per square foot for the first quarter 2016. Cash basis net effective rent per square foot increased 11.94% in the first quarter of 2016 on spaces that have been previously occupied. Cash basis net effective rent represents net rent at the end of the term paid by the prior tenant compared to the net rent at the beginning of the term paid by the current tenant. During the three months ended March 31, 2016, we had 65,000 square feet of office space under leases that expired and were not renewed.

In 2015, Cousins Houston leased or renewed approximately 1.3 million square feet of office space. Net effective rent, representing base rent less operating expense reimbursements and leasing costs, for new or renewed non-amenity leases with terms greater than one year was $15.90 per square foot for the year ended December 31, 2015. Cash basis net effective rent per square foot increased 32.52% during 2015 on spaces that have been previously occupied. Cash basis net effective rent represents net rent at the end of the term paid by the prior tenant compared to the net rent at the beginning of the term paid by the current tenant. During 2015, we had 356,000 square feet of office space under leases that expired and were not renewed.

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BUSINESS AND PROPERTIES NEW PARKWAY

General

New Parkway will be a self-managed office REIT, engaged in the ownership, acquisition, development and leasing of Class A office assets, focused on attractive Houston, Texas submarkets. Upon completion of the Separation, New Parkway s portfolio will consist of five Class A assets comprising 19 buildings and totaling approximately 8.7 million rentable square feet in the Greenway, Galleria and Westchase submarkets of Houston, providing geographic focus and significant operational scale and efficiencies. New Parkway s portfolio has proven to be resilient throughout market cycles and is occupied by a diversified customer base with strong credit profiles and limited near-term lease expirations. New Parkway believes that the creation of a geographically focused REIT with a strong balance sheet and targeted internal value-creation opportunities will generate attractive risk-adjusted returns for New Parkway s stockholders while providing a platform for external growth opportunities over the longer-term.

New Parkway s mission will be to own and operate high-quality office properties located in attractive submarkets in Houston, with a primary focus on unlocking value within its existing portfolio through implementing active and creative leasing strategies, leveraging its scale to increase pricing power in lease and vendor negotiations and targeting redevelopment and asset repositioning opportunities. New Parkway expects to maintain a conservative balance sheet with low leverage and ample liquidity, which New Parkway expects will allow it to access multiple sources of capital. New Parkway believes that this strategy will support both its internal growth initiatives and its patient and disciplined approach to pursuing new investment opportunities at the appropriate time. New Parkway believes this strategy, combined with its highly experienced management team that has a successful history of operating a publicly traded REIT, significant expertise in the Houston, Texas office sector and extensive relationships with industry participants, positions us for long-term internal and external growth.

New Parkway will be self-managed and led by a dedicated and seasoned management team and a board of directors consisting of a majority of independent directors. Mr. Heistand, an industry veteran who is currently Parkway s president and chief executive officer, will be New Parkway s president and chief executive officer. Mr. Lipsey, currently Parkway s executive vice president and chief operating officer, will hold the same position at New Parkway. Messrs. Heistand and Lipsey will be joined by several members of Parkway s current management team. Mr. Thomas, currently the chairman of Parkway s board of directors, will serve as the non-executive chairman of New Parkway s board of directors.

New Parkway intends to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes beginning with New Parkway s taxable year commencing on the day prior to the Distribution.

Competitive Strengths

Accomplished management team with a demonstrated track record of acquiring, operating and repositioning assets and managing a public office REIT. New Parkway s management team, led by Mr. Heistand, has extensive experience in the office real estate industry, including in the operations, leasing, acquisition and disposition of office assets through all stages of the real estate cycle, and has a proven track record of executing business strategies and delivering strong results for stockholders. Since joining Parkway in the fourth quarter of 2011 through March 31, 2016, New Parkway s management team has acquired $3.9 billion of high-quality, Class A office assets and disposed of approximately $2.6 billion of non-core assets resulting in approximately $290.0 million of net gains. During this time, New Parkway s management team also realized significant portfolio-wide operational improvements as evidenced by a 45.8% increase in average in-place rents and an increase in the leased percentage of the portfolio from 84.9% to 90.8%. In addition, New Parkway s management team has proven its ability to be creative in unlocking value from complex transactions and to create stockholder value through targeted asset sales and strategic capital recycling. Through this experience, New Parkway s management team has proven its strong execution capabilities and established relationships with industry participants.

Houston focus with local and regional expertise. New Parkway will focus initially on owning and operating office properties in Houston, Texas, which is a region New Parkway believes is well-positioned for economic recovery. New Parkway believes its position as a pure-play Houston real estate company allows it to have a targeted focus on property performance that otherwise could be diluted in a company with more geographically diverse holdings. Additionally, New Parkway s management and property-level teams have in-depth knowledge of the Houston real estate market and an extensive network of long-standing relationships with leading local, regional and national industry participants that New Parkway believes will drive its ability to identify and capitalize on internal value-creation opportunities and attractive acquisition opportunities as well as identify opportunities with potential joint venture partners, as such opportunities arise from time to time, which may include preliminary conceptual discussions, prior to the closing of the Merger.

High-quality portfolio of Class-A office assets concentrated in desirable, resilient Houston submarkets. New Parkway will own five Class A assets comprising 19 buildings and totaling approximately 8.7 million square feet in the Greenway, Galleria and Westchase submarkets, which are among the most desirable submarkets in Houston. These particular submarkets have a strong track record of outperforming the overall Houston market in rental rates, occupancy and value improvement over time. They are located adjacent to many high-income residential areas and offer state-of-the-art amenities, including high-end retail, restaurants, entertainment and recreational activities. New Parkway expects to be the largest landlord in each of these submarkets, owning 72% of the Class A office inventory in Greenway, 18% in Galleria, and 17% in Westchase based on square footage as of March 31, 2016. New Parkway expects that these ownership levels will lead to pricing power in lease and vendor negotiations; the ability to attract, hire and retain superior local market leadership and leasing teams; flexibility to meet changing customer space demands; and an enhanced ability to identify and capitalize on emerging investment opportunities.

High-quality, creditworthy customer base with limited near-term lease maturities. New Parkway s diversified customer base will generally consist of high-quality and creditworthy customers. As of March 31, 2016, nearly 50% of New Parkway s customers based on annual base rent had investment grade credit ratings from major credit rating agencies. In order to monitor the credit quality of our customers, New Parkway s property management teams will communicate regularly with all of its customers. Further, New Parkway will receive monthly credit reports for the largest customers in its portfolio and will regularly review the financials of those customers that are in the energy industry. Further, with a weighted average remaining lease term of approximately six years as of March 31, 2016, New Parkway s portfolio has limited near-term lease maturities which is expected to provide stable cash flows with minimal decline in contractual revenue over the next several years.

Flexible and conservative capital structure. New Parkway s flexible and conservative capital structure is expected to provide it with an advantage over many of its private and public competitors. Upon completion of the Distribution, it will have limited near-term debt maturities, approximately $150 million in cash and cash equivalents and $50 million of additional liquidity through the New Parkway Revolving Credit Facility, all of which will provide financial flexibility, support ongoing capital improvement needs and reinforce its business and growth strategies of unlocking the value in its portfolio through leasing and asset repositioning. In addition, its conservative approach to balance sheet management may provide strategic benefits by providing it with enhanced access to multiple sources of attractively priced capital that may not be available to many of its competitors in Houston. New Parkway also believes that its moderate leverage and strong liquidity will enable it to take advantage of attractive redevelopment and acquisition opportunities as they rise from time to time.

Embedded growth opportunities through leasing, asset repositioning and redevelopment. New Parkway s portfolio has significant, identified embedded growth opportunities both through leasing the remaining vacancies in the portfolio and through targeted asset repositioning and redevelopment opportunities. New Parkway expects that its initial focus on one geographic location, combined with its strong balance sheet, market knowledge and customer relationships, will allow New Parkway to more successfully execute internal and external growth strategies. With its scale, it is expected that New Parkway will have the ability to attract, hire and maintain a best-in-class leasing team that will help New Parkway identify opportunities early and implement aggressive and creative leasing strategies at its properties. New Parkway will also own assets that offer various pricing points within the same submarkets, giving New Parkway the flexibility to move and relocate customers within its portfolio based on their changing needs, which New Parkway expects will lead to higher customer retention. New Parkway believes there are opportunities to add revenue-generating amenities to its assets, such as additional retail options and parking. New Parkway believes that its management team s experience, as well as its ability to exclusively focus on its growth strategy following the Distribution will allow it to unlock the value that New Parkway expects exists in its portfolio.

Business and Growth Strategies

Maximize cash flow growth and value through proactive asset management and leasing strategies. New Parkway believes that it will be well-positioned to drive growth in cash flow and maximize the value of its portfolio with proactive, creative and aggressive leasing and asset management strategies. New Parkway expects that its substantial scale in the Greenway, Galleria and Westchase submarkets will provide it with enhanced visibility into submarket dynamics that will lead to stronger negotiating leverage with customers and vendors and will result in a potential reduction in its operating costs and improvement in NOI over time. New Parkway expects that it will also be able to leverage its broad existing customer relationships, leading market position and deep financial flexibility to attract new, high-quality customers, increase occupancy over the long-term and maximize customer retention rates at its properties.

Focus on unlocking value through repositioning and redeveloping existing properties. New Parkway expects that its management team will devote significant attention to internal value-creating investment opportunities that are intended to generate attractive growth in revenues and cash flow, enhancing the value of its portfolio. Specifically, New Parkway expects to leverage its real estate expertise to reposition and redevelop its existing properties, as well as properties that New Parkway may acquire in the future, with the objective of increasing occupancy, rental rates and risk-adjusted returns on its invested capital. As the Houston, Texas market continues to recover, New Parkway s management team will seek to identify investment opportunities, that may include creating joint ventures with existing ownership interests in certain of New Parkway s properties, that will create value for its stockholders, enable it to better serve its customers, be consistent with its strategic objectives and have attractive risk-return profiles.

Maintain a conservative, flexible balance sheet with adequate liquidity to fund near-term growth opportunities. New Parkway will maintain a conservative capital structure that will provide the resources and flexibility to position New Parkway for both internal and external growth. Upon completion of the Distribution, New Parkway expects to have approximately $150 million in cash and cash equivalents and $50 million of additional liquidity through the New Parkway Revolving Credit Facility. New Parkway will focus on maintaining sufficient liquidity with minimal short-term debt maturities, allowing it to pursue value enhancement strategies within its portfolio and support acquisition activities as they may arise from time to time. Initially, New Parkway expects to maintain a mix of property-level secured indebtedness as well as corporate debt secured by a pool of assets. As the Houston market recovers, New Parkway anticipates funding additional growth opportunities through proceeds received from asset dispositions, joint ventures, the refinancing of debt or public equity offerings. New Parkway also expects to target a net debt to Adjusted EBITDA multiple of no more than 6.0x.

Pursue acquisitions with a patient, prudent approach. While New Parkway s initial focus will be to unlock internal embedded growth in its existing portfolio, New Parkway intends to take advantage of current and future market dislocation in Houston to capitalize on emerging acquisition opportunities within its current submarkets as well as other Houston submarkets, if such assets meet its investment criteria. New Parkway may also acquire assets in other markets from time to time if such opportunities meet its investment criteria. However, New Parkway intends to devote the majority of its resources to sourcing opportunities within the Houston market for the foreseeable future. New Parkway believes that its management team s in-depth market knowledge and relationships and its extensive acquisitions experience will enhance its ability to source new acquisition opportunities as they may arise from time to time. Whether New Parkway operates exclusively in Houston, or diversify its market exposure over the longer-term, its management team will use a patient, prudent and disciplined approach to investment decision-making.

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New Parkway s Portfolio

New Parkway s portfolio will consist of five Class A office assets located in the Galleria, Greenway and Westchase submarkets in Houston, Texas, comprising 19 buildings and totaling approximately 8.7 million square feet. As of March 31, 2016, its portfolio had an occupancy rate of 86.0%.

The following table sets forth the occupancy rates by property for New Parkway s portfolio as of March 31, 2016:

Office Property	Ownership Interest	Total Rentable Square Feet (in thousands)	Occupancy %	Weighted Average Rental Rate per Rentable Square Foot	% of Leases Expiring in 2016[(1)]	Year Built
Phoenix Tower	100%	630	82.1%	$ 17.68	4.1%	1984
CityWestPlace	100%	1,472	77.0%	22.60	5.1%	1993-2001
San Felipe Plaza	100%	980	84.7%	21.60	6.4%	1984
Greenway Plaza	100%	4,348	87.3%	16.07	3.8%	1969-1981
Post Oak Central	100%	1,280	95.0%	18.43	2.6%	1974-1980
		8,710	86.0%	$ 18.17	4.1%	

(1) The percentage of leases expiring in 2016 represents the ratio of square feet under leases expiring in 2016 divided by total rentable square feet.

Top 20 Customers

As of March 31, 2016, its top 20 customers (identified by industry) based on annualized rent are as follows:

Customer (identified by industry)	Expiration Date	Occupied Square Footage (in thousands)	Annualized Rental Revenue (in thousands)[(1)]	Percentage of Total Annualized Rental Revenue
Energy	2026	961	14,004	10.3%
Energy	2016, 2032	582	13,994	10.3%
Energy	2019	524	9,328	6.9%
Financial Services	2023	391	6,525	4.8%
Energy	2023	176	4,378	3.2%
Financial Services	2016, 2019	219	3,926	2.9%
Technology	2026	216	3,525	2.6%
Energy	2023	250	3,312	2.4%
Energy	2017, 2025	167	3,251	2.4%
Energy	2023	199	3,006	2.2%
Energy	2018	130	2,171	1.6%
Energy	2020	135	2,094	1.5%

Financial Services	2021	92	1,888	1.4%
Real Estate	2025	87	1,713	1.3%
Energy	2018, 2021	87	1,513	1.1%
Energy	2016, 2022	83	1,397	1.0%
Energy	2017	76	1,289	0.9%
Energy	2020	71	1,270	0.9%
Financial Services	2016, 2017	84	1,267	0.9%
Energy	2024	99	1,188	0.9%

(1) Annualized rental revenue represents the rental rate per square foot, multiplied by the number of square feet leased by the customer. Annualized rental revenue is defined as rental revenue less operating expense reimbursements.

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Lease Expirations

The table below sets forth lease expirations for all of New Parkway s properties, assuming none of its customers exercise renewal options.

Year of Lease Expiration	Number of Leases	Occupied Square Footage of Leases (in thousands)	Percentage of Total Square Feet	Annualized Rental Revenue (in thousands)(1)	Percent of Annualized Rental Revenue Expiring	Weighted Average Expiring Rental Rate Per Square Foot
2016	77	361	4.2%	$ 6,669	4.9%	$ 18.47
2017	73	608	7.0%	10,240	7.5%	16.84
2018	55	486	5.6%	8,769	6.4%	18.04
2019	50	1,112	12.8%	20,075	14.8%	18.05
2020	56	593	6.8%	12,037	8.8%	20.30
2021	30	418	4.8%	8,158	6.0%	19.52
2022	22	328	3.8%	5,862	4.3%	17.87
2023	18	1,188	13.6%	20,641	15.2%	17.37
2024	10	220	2.5%	3,860	2.8%	17.55
2025	11	377	4.3%	7,881	5.8%	20.90
Thereafter	14	1,802	20.6%	31,940	23.5%	17.72
	416	7,493	86.0%	$ 136,132	100.0%	$ 18.17

(1) Annualized rental revenue represents the rental rate per square foot, multiplied by the number of square feet leased by the customer. Annualized rental revenue is defined as rental revenue less operating expense reimbursements.

Significant Properties

New Parkway has four properties, CityWestPlace, Greenway Plaza, Post Oak Central and San Felipe Plaza, whose book value exceeded 10% of total assets at March 31, 2016 and whose rental revenue exceeded 10% of consolidated gross revenues for the year ended March 31, 2016.

CityWestPlace

CityWestPlace is located in Houston, Texas and comprises four office buildings in a 35.3 acre complex that range from six stories to 21 stories with an aggregate of 1.5 million rentable square feet. New Parkway acquired CityWestPlace in December 2013. The buildings were constructed between 1993 and 2001. CityWestPlace s major customers include companies in the technology and oil and gas industries. At March 31, 2016, the property was 77.0% occupied with an average effective annual rental rate per square foot of $22.60. The average occupancy and rental rate per square foot since New Parkway acquired ownership of CityWestPlace is as follows:

Year	Average Occupancy	Average Rental Rate per Square Foot
2013	97.4%	$ 16.30
2014	96.4%	16.54
2015	85.3%	19.43
March 31, 2016	77.0%	22.60