October 29, 2015

COPT Reports Third Quarter 2015 Results

COLUMBIA, Md.--(BUSINESS WIRE)-- Corporate Office Properties Trust ("COPT" or the "Company") (NYSE: OFC) announced financial and operating results for the third quarter ended September 30, 2015.

"Since our last call, our continued execution on allocating capital to grow our Strategic Niche and upgrade our Regional Office portfolio passed important milestones," stated Roger A. Waesche, Jr., COPT's President & Chief Executive Officer. "We placed 447,000 square feet of developments that are 93.5% leased into service, bringing our year-to-date total to 1.1 million square feet and 97% leased. We sold One Dulles Tower for $84 million earlier this week, increasing total dispositions this year to $130 million, and our portfolio is positioned to achieve 3% same office growth in 2016."

Results:

Diluted funds from operations per share ("FFOPS"), as adjusted for comparability, was $0.52 for the quarter ended September 30, 2015 as compared to $0.48 reported for the third quarter of 2014.

Per NAREIT's definition, FFOPS for the third quarter of 2015 was $1.32 versus $0.49 reported in the third quarter of 2014.

Diluted earnings per share ("EPS") was $0.91 for the quarter ended September 30, 2015 as compared to $0.22 in the third quarter of 2014. Please refer to the reconciliation tables that appear later in this press release.

Operating Performance:

Portfolio Summary – At September 30, 2015, the Company's operating portfolio of 183 office properties totaled 18.8 million square feet that were 91.6% occupied and 92.3% leased.

Same Office Performance – The Company's same office portfolio for the quarter ended September 30, 2015 consisted of 147 properties encompassing 14.6 million square feet, or 83% of the core portfolio. The Company's same office portfolio occupancy was 90.3% occupied and, at September 30, 2015, was 91.2% leased. For the third quarter ended September 30, 2015, the Company's same office property cash NOI, which excludes gross lease termination fees and rent from tenant-funded landlord assets, increased 1.4% as compared to the third quarter of 2014.

Office Leasing – COPT completed a total of 751,000 square feet of leasing in the quarter ended September 30, 2015 and achieved a 59% renewal rate on the 561,000 square feet of leases that expired in the quarter.

In the quarter, lease terms on renewals averaged 4.8 years; for development and other new leases they averaged 10.0 and 5.4 years, respectively.

For the quarter, total rent on renewed space increased 2.1% on a GAAP basis; on a cash basis, renewal rates declined 4.1% compared to the expiring rents.

Investment Activity:

Development/Construction – For the nine months ended September 30, 2015, the Company placed in service 1.1 million square feet of developed and redeveloped properties that were 97% leased. At September 30, 2015, the Company had properties totaling 1.0 million square feet under construction for a total projected cost of $233.5 million, of which $105.6 million had been invested. These projects were 62% pre-leased at September 30, 2015. As of the same date, COPT had properties totaling 156,000 square feet under redevelopment representing a total projected cost of $38.7 million, of which $19.0 million had been invested.

Acquisitions – During the quarter, the Company acquired 100 Light Street, a 37-story office building containing 548,000 rentable square feet and 30 Light Street, the adjacent 560-space structured parking garage that contains 10,000 square feet of retail space, in downtown Baltimore for $121.2 million.

Dispositions – During the quarter, the Company completed the following:

- Disposed of 1550 Westbranch Drive, a 152,000 rentable square foot building in McLean, Virginia, for $27.8 million. The building is 100% leased to The MITRE Corporation until October 2016.
- Announced that the ownership of two operating properties, 15000 & 15010 Conference Center Drive in Northern Virginia, were transferred to the lender. As a result of this transfer, COPT removed $150 million of non-recourse secured indebtedness from its balance sheet. The Company also recognized an $86 million non-cash accounting gain on the extinguishment of debt in the third quarter.

Balance Sheet and Capital Transactions:

As of September 30, 2015, the Company's debt to adjusted book ratio was 43.5%, its adjusted debt to in-place adjusted EBITDA ratio was 6.7x and its adjusted EBITDA fixed charge coverage ratio was 2.9x. The Company's weighted average interest rate was 4.1% for the quarter ended September 30, 2015 and 90% of the Company's debt was subject to fixed interest rates, including the effect of interest rate swaps.

2015 FFO Guidance:

Management is narrowing its previously issued guidance ranges for full year and fourth quarter FFOPS, as adjusted for comparability, to $2.00—$2.02 and $0.51—$0.53, respectively. Reconciliations of projected diluted EPS to projected FFOPS are provided as follows:

	Three Months Ending December 31, 2015		Year Ending December 31, 2015	
	Low	High	Low	High
EPS	$ 0.52	$ 0.54	$ 1.67	$ 1.69
Gains on sales of operating properties	(0.42)	(0.42)	(0.42)	(0.42)
Real estate depreciation and amortization	0.40	0.40	1.46	1.46
Impairment losses on previously depreciated properties	-	-	0.03	0.03
FFOPS, NAREIT definition	0.50	0.52	2.74	2.76
Operating property acquisition costs	-	-	0.04	0.04
Demolition costs on redevelopment properties	0.01	0.01	0.03	0.03
NOI from properties transferred (a)	-	-	(0.01)	(0.01)
Interest expense on loan secured by properties transferred (a)	-	-	0.11	0.11
Gains on sales of undepreciated properties	-	-	(0.04)	(0.04)
Net gains on extinguishment of debt (b)	-	-	(0.87)	(0.87)
FFOPS, as adjusted for comparability	$ 0.51	$ 0.53	$ 2.00	$ 2.02

a. In the third quarter, the Company transferred two operating properties in satisfaction of non-recourse secured indebtedness. These amounts represent the Company's net operating income generated by these assets and interest expense (accrued at the default rate) in 2015 through the August 28, 2015 transfer date.
b. Represents debt and accrued interest in excess of the book value of the assets conveyed.

Associated Supplemental Presentation:

The Company has posted a slide presentation to accompany management's prepared remarks for its third quarter conference call, the details of which are provided below. You may access the slide presentation on the 'Investors' section of the website (www.copt.com). Please have the slides available to review during management's comments.

3Q 2015 Conference Call Information:

Conference Call Date:	Thursday, October 29, 2015
Time:	12:00 p.m. Eastern Time
Telephone Number: (within the U.S.)	888-679-8034
Telephone Number: (outside the U.S.)	617-213-4847
Passcode:	82881355

Please use the following link to pre-register and view important information about this conference call. Pre-registering is not mandatory but is recommended as it will provide you immediate entry into the call and will facilitate the timely start of the conference. Pre-registration only takes a few moments and you may pre-register at anytime, including up to and after the call start time. To pre-register, please click on the below link: https://www.theconferencingservice.com/prereg/key.process?key=PBQFR9DVG

You may also pre-register in the Investors section of the Company's website at www.copt.com. Alternatively, you may be placed into the call by an operator by calling the

number provided above at least 5 to 10 minutes before the start of the call.

Replay Information

A replay of this call will be available beginning Thursday, October 29 at 4:00 p.m. Eastern Time through Thursday, November 12 at midnight Eastern Time. To access the replay within the United States, please call 888-286-8010 and use passcode 93348081. To access the replay outside the United States, please call 617-801-6888 and use passcode 93348081.

The conference call will also be available via live webcast in the Investor Relations section of the Company's website at www.copt.com. A replay of the conference calls will be immediately available via webcast in the Investor Relations section of the Company's website.

Definitions:

For definitions of certain terms used in this press release, please refer to the information furnished in our Supplemental Information Package filed as a Form 8-K which can be found on our website (www.copt.com). Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included in the attached tables.

Company Information

COPT is an office REIT that focuses primarily on serving the specialized requirements of U.S. Government agencies and defense contractors, most of which are engaged in defense information technology and national security-related activities. As of September 30, 2015, COPT derived 71% of its annualized revenue from its strategic tenant niche properties and 23% from its regional office properties. The Company generally acquires, develops, manages and leases office and data center properties concentrated in large office parks primarily located near knowledge-based government demand drivers and/or in targeted markets or submarkets in the Greater Washington, DC/Baltimore region. As of September 30, 2015, the Company's consolidated portfolio consisted of 183 office properties totaling 18.8 million rentable square feet. COPT is an S&P MidCap 400 company.

Forward-Looking Information

This press release may contain "forward-looking" statements, as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, that are based on the Company's current expectations, estimates and projections about future events and financial trends affecting the Company. Forward-looking statements can be identified by the use of words such as "may," "will," "should," "could," "believe," "anticipate," "expect," "estimate," "plan" or other comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate. Accordingly, the Company can give no assurance that these expectations, estimates and projections will be achieved. Future events and actual results may differ materially from those discussed in the forward-looking statements.

Important factors that may affect these expectations, estimates, and projections include, but are not limited to:

- *general economic and business conditions, which will, among other things, affect office property and data center demand and rents, tenant creditworthiness, interest rates, financing availability and property values;*
- *adverse changes in the real estate markets including, among other things, increased competition with other companies;*
- *governmental actions and initiatives, including risks associated with the impact of a prolonged government shutdown or budgetary reductions or impasses, such as a reduction in rental revenues, non-renewal of leases, and/or a curtailment of demand for additional space by the Company's strategic customers;*
- *the Company's ability to borrow on favorable terms;*
- *risks of real estate acquisition and development activities, including, among other things, risks that development projects may not be completed on schedule, that tenants may not take occupancy or pay rent or that development or operating costs may be greater than anticipated;*
- *risks of investing through joint venture structures, including risks that the Company's joint venture partners may not fulfill their financial obligations as investors or may take actions that are inconsistent with the Company's objectives;*
- *changes in the Company's plans for properties or views of market economic conditions or failure to obtain development rights, either of which could result in recognition of significant impairment losses;*
- *the Company's ability to satisfy and operate effectively under Federal income tax rules relating to real estate investment trusts and partnerships;*
- *the Company's ability to achieve projected results;*
- *the dilutive effects of issuing additional common shares; and*
- *environmental requirements.*

The Company undertakes no obligation to update or supplement any forward-looking statements. For further information, please refer to the Company's filings with the Securities and Exchange Commission, particularly the section entitled "Risk Factors" in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(in thousands, except per share data)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	**2014**	**2015**	**2014**
Revenues				
Real estate revenues	$133,686	$118,276	$384,587	$359,112
Construction contract and other service revenues	17,058	34,739	97,554	80,390
Total revenues	150,744	153,015	482,141	439,502
Expenses				

Property operating expenses	48,897	43,056	145,996	136,600
Depreciation and amortization associated with real estate operations	38,403	30,237	103,788	104,728
Construction contract and other service expenses	16,132	33,593	94,923	75,353
Impairment losses	2,307	66	3,545	1,368
General and administrative expenses	5,783	5,662	17,917	17,635
Leasing expenses	1,656	1,549	4,947	5,247
Business development expenses and land carry costs	5,573	1,430	10,986	4,107
Total operating expenses	118,751	115,593	382,102	345,038
Operating income	31,993	37,422	100,039	94,464
Interest expense	(24,121)	(24,802)	(66,727)	(69,107)
Interest and other income	692	1,191	3,217	3,775
Gain (loss) on early extinguishment of debt	85,745	(176)	85,677	(446)
Income from continuing operations before equity in income of unconsolidated entities and income taxes	94,309	13,635	122,206	28,686
Equity in income of unconsolidated entities	18	193	52	206
Income tax expense	(48)	(101)	(153)	(257)
Income from continuing operations	94,279	13,727	122,105	28,635
Discontinued operations	—	191	156	4
Income before gain on sales of real estate	94,279	13,918	122,261	28,639
Gain on sales of real estate, net of income taxes	15	10,630	4,000	10,630
Net income	94,294	24,548	126,261	39,269
Net income attributable to noncontrolling interests				
Common units in the Operating Partnership ("OP")	(3,357)	(768)	(4,231)	(942)
Preferred units in the OP	(165)	(165)	(495)	(495)
Other consolidated entities	(972)	(895)	(2,599)	(2,481)
Net income attributable to COPT	89,800	22,720	118,936	35,351
Preferred share dividends	(3,552)	(3,553)	(10,657)	(12,387)
Issuance costs associated with redeemed preferred shares	—	—	—	(1,769)
Net income attributable to COPT common shareholders	$ 86,248	$ 19,167	$108,279	$ 21,195
Earnings per share ("EPS") computation:				
Numerator for diluted EPS:				
Net income attributable to common shareholders	$ 86,248	$ 19,167	$108,279	$ 21,195
Dividends on dilutive convertible preferred shares	372	—	—	—
Common units in the OP	—	—	4,231	—
Amount allocable to share-based compensation awards	(369)	(103)	(475)	(332)
Numerator for diluted EPS	$ 86,251	$ 19,064	$112,035	$ 20,863
Denominator:				
Weighted average common shares - basic	94,153	87,290	93,830	87,196
Dilutive convertible preferred shares	434	—	—	—
Common units in the OP	—	—	3,697	—
Dilutive effect of share-based compensation awards	21	195	82	169
Weighted average common shares - diluted	94,608	87,485	97,609	87,365
Diluted EPS	$ 0.91	$ 0.22	$ 1.15	$ 0.24

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(in thousands, except per share data)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income	$94,294	$24,548	$126,261	$39,269
Real estate-related depreciation and amortization	38,403	30,237	103,788	104,728
Impairment losses on previously depreciated operating properties	2,307	(7)	3,779	1,322
Gain on sales of previously depreciated operating properties	(15)	(5,123)	(15)	(5,119)
Funds from operations ("FFO")	134,989	49,655	233,813	140,200
Noncontrolling interests - preferred units in the OP	(165)	(165)	(495)	(495)
FFO allocable to other noncontrolling interests	(1,027)	(830)	(2,769)	(2,349)
Preferred share dividends	(3,552)	(3,553)	(10,657)	(12,387)
Issuance costs associated with redeemed preferred shares	—	—	—	(1,769)
Basic and diluted FFO allocable to share-based compensation awards	(541)	(191)	(926)	(542)
Basic FFO available to common share and common unit holders ("Basic FFO")	129,704	44,916	218,966	122,658
Dividends on dilutive convertible preferred shares	372	—	—	—
Distributions on dilutive preferred units in the OP	165	—	—	—
Diluted FFO available to common share and common unit holders ("Diluted FFO")	130,241	44,916	218,966	122,658
Operating property acquisition costs	2,695	—	4,102	—
Gain on sales of non-operating properties	—	(5,535)	(3,985)	(5,535)
Impairment losses on other properties	—	49	—	49
(Gain) loss on early extinguishment of debt	(85,745)	176	(86,057)	562
Issuance costs associated with redeemed preferred shares	—	—	—	1,769
Add: Negative FFO of properties conveyed to extinguish debt in default (1)	2,766	3,806	10,456	7,435
Demolition costs on redevelopment properties	930	—	1,171	—
Diluted FFO comparability adjustments allocable to share-based compensation awards	334	7	313	(19)
Dividends and distributions on antidilutive preferred securities (2)	(537)	—	—	—
Diluted FFO available to common share and common unit holders, as adjusted for comparability	50,684	43,419	144,966	126,919
Straight line rent adjustments	(5,706)	(456)	(10,765)	(1,441)
Straight line rent adjustments - properties in default conveyed	(19)	(96)	(115)	(95)
Amortization of intangibles included in net operating income	474	206	1,063	647
Share-based compensation, net of amounts capitalized	1,739	1,507	4,949	4,563
Amortization of deferred financing costs	1,203	1,357	3,339	3,646
Amortization of deferred financing costs - properties in default conveyed	—	(306)	—	(333)
Amortization of net debt discounts, net of amounts capitalized	321	259	849	659
Amortization of settled debt hedges	—	16	—	46
Recurring capital expenditures	(12,126)	(16,929)	(29,180)	(41,566)
Diluted adjusted funds from operations available to common share and common unit holders ("Diluted AFFO")	$36,570	$28,977	$115,106	$93,045
Diluted FFO per share	$ 1.32	$ 0.49	$ 2.24	$ 1.34
Diluted FFO per share, as adjusted for comparability	$ 0.52	$ 0.48	$ 1.49	$ 1.39
Dividends/distributions per common share/unit	$ 0.275	$ 0.275	$ 0.825	$ 0.825

(1) Interest expense exceeded net operating income from these properties by the amounts in the statement.
(2) These securities were dilutive for Diluted FFO purposes but antidilutive for Diluted FFO as adjusted for comparability purposes.

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(Dollars and shares in thousands, except per share data)

	September 30, 2015	December 31, 2014
Balance Sheet Data		
Properties, net of accumulated depreciation	$ 3,347,600	$ 3,296,914
Total assets	3,918,473	3,670,257
Debt, net	2,121,240	1,920,057
Total liabilities	2,318,958	2,130,956
Redeemable noncontrolling interest	19,608	18,417
Equity	1,579,907	1,520,884
Debt to adjusted book	43.5%	39.7%
Debt to total market capitalization	48.3%	39.3%
Core Portfolio Data (as of period end) (1)		
Number of operating properties	164	173
Total net rentable square feet owned (in thousands)	17,515	16,790
Occupancy %	91.3%	90.9%
Leased %	92.1%	92.4%

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
Payout ratios				
Diluted FFO	21.2%	56.0%	37.0%	61.6%
Diluted FFO, as adjusted for comparability	53.3%	58.0%	55.9%	59.5%
Diluted AFFO	73.9%	86.9%	70.4%	81.2%
Adjusted EBITDA interest coverage ratio	3.9x	3.6x	4.2x	3.6x
Adjusted EBITDA fixed charge coverage ratio	2.9x	2.7x	3.0x	2.6x
Adjusted debt to in-place adjusted EBITDA ratio (2)	6.7x	6.7x	N/A	N/A
Reconciliation of denominators for per share measures				
Denominator for diluted EPS	94,608	87,485	97,609	87,365
Weighted average common units	3,679	3,876	—	3,915
Dilutive noncontrolling interests - preferred units in the OP	176	—	—	—
Denominator for diluted FFO per share	98,463	91,361	97,609	91,280
Antidilutive preferred securities for dilutive FFO, as adj. for comparability	(610)	—	—	—
Denominator for diluted FFO per share, as adj. for comparability	97,853	91,361	97,609	91,280
Reconciliation of FFO to FFO, as adjusted for comparability				
FFO, per NAREIT	$134,989	$49,655	$233,813	$140,200
Gain on sales of non-operating properties	—	(5,535)	(3,985)	(5,535)
Impairment losses on non-operating properties, net of associated tax	—	49	—	49
Operating property acquisition costs	2,695	—	4,102	—
(Gain) loss on early extinguishment of debt, continuing and discontinued operations	(85,745)	176	(86,057)	562
Issuance costs associated with redeemed preferred shares	—	—	—	1,769
Add: Negative FFO of properties conveyed to extinguish debt in default	2,766	3,806	10,456	7,435
Demolition costs on redevelopment properties	930	—	1,171	—
FFO, as adjusted for comparability	$ 55,635	$48,151	$159,500	$144,480

(1) Represents operating properties held for long-term investment.
(2) Represents debt as of period end divided by in-place adjusted EBITDA for the period, as annualized (i.e. three month periods are multiplied by four).

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(Dollars in thousands)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
Reconciliation of common share dividends to dividends and distributions for payout ratios				
Common share dividends	$26,000	$24,112	$ 78,000	$ 72,306
Common unit distributions	1,011	1,062	3,035	3,215
Dividends and distributions on dilutive preferred securities	537	—	—	—
Dividends and distributions for diluted FFO payout ratio	27,548	25,174	81,035	75,521
Dividends and distributions on antidilutive preferred securities (1)	(537)	—	—	—
Dividends and distributions for other payout ratios	$27,011	$25,174	$ 81,035	$ 75,521
Reconciliation of GAAP net income to adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA") and in-place adjusted EBITDA				
Net income	$94,294	$24,548	$126,261	$ 39,269
Interest expense on continuing operations	24,121	24,802	66,727	69,107
Income tax expense	48	101	153	257
Real estate-related depreciation and amortization	38,403	30,237	103,788	104,728
Depreciation of furniture, fixtures and equipment	590	543	1,609	1,891
Impairment losses	2,307	42	3,779	1,371
(Gain) loss on early extinguishment of debt on continuing and discontinued operations	(85,745)	176	(86,057)	562
Gain on sales of operating properties	(15)	(5,123)	(15)	(5,119)
Gain on sales of non-operational properties	—	(5,535)	(3,985)	(5,535)
Net loss on investments in unconsolidated entities included in interest and other income	98	63	121	365
Operating property acquisition costs	2,695	—	4,102	—
EBITDA of properties conveyed to extinguish debt in default	(15)	(732)	(768)	(1,263)
Demolition costs on redevelopment properties	930	—	1,171	—
Adjusted EBITDA	$77,711	$69,122	$216,886	$205,633
Proforma net operating income adjustment for mid-period property changes	1,309	(12)		
In-place adjusted EBITDA	$79,020	$69,110		
Reconciliation of interest expense to the denominators for interest coverage-Adjusted EBITDA and fixed charge coverage-Adjusted EBITDA				
Interest expense	$24,121	$24,802	$ 66,727	$ 69,107
Less: Amortization of deferred financing costs	(1,203)	(1,357)	(3,339)	(3,646)
Less: Amortization of net debt discount, net of amounts capitalized	(321)	(259)	(849)	(659)
Less: Interest expense on debt in default extinguished via conveyance of properties	(2,781)	(4,231)	(11,224)	(8,364)
Denominator for interest coverage-Adjusted EBITDA	19,816	18,955	51,315	56,438
Scheduled principal amortization	1,692	1,477	5,011	4,914
Capitalized interest	1,559	1,314	5,641	4,325
Preferred share dividends	3,552	3,553	10,657	12,387
Preferred unit distributions	165	165	495	495
Denominator for fixed charge coverage-Adjusted EBITDA	$26,784	$25,464	$ 73,119	$ 78,559

(1) These securities were dilutive for Diluted FFO purposes but antidilutive for Diluted FFO as adjusted for comparability purposes.

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(Dollars in thousands)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	**2014**	**2015**	**2014**
Reconciliations of tenant improvements and incentives, capital improvements and leasing costs for operating properties to recurring capital expenditures				
Tenant improvements and incentives on operating properties	$ 6,374	$11,581	$ 17,408	$ 22,412
Building improvements on operating properties	4,223	8,119	11,969	18,458
Leasing costs for operating properties	2,547	2,877	4,986	7,195
Less: Nonrecurring tenant improvements and incentives on operating properties	205	(1,454)	(1,045)	(987)
Less: Nonrecurring building improvements on operating properties	(1,155)	(4,182)	(3,328)	(5,269)
Less: Nonrecurring leasing costs for operating properties	(68)	(12)	(810)	(243)
Recurring capital expenditures	$12,126	$16,929	$ 29,180	$ 41,566
Same office property cash NOI	**$64,603**	**$63,706**	**$187,329**	**$187,098**
Straight line rent adjustments	937	1,349	$ 3,269	$ 1,454
Add: Amortization of deferred market rental revenue	16	(15)	70	(73)
Less: Amortization of below-market cost arrangements	(256)	(288)	(751)	(866)
Add: Lease termination fee, gross	185	272	1,950	877
Add: Cash NOI on tenant-funded landlord assets	390	41	390	4,154
Same office property NOI	**$65,875**	**$65,065**	**$192,257**	**$192,644**

	September 30, 2015	December 31, 2014
Reconciliation of total assets to adjusted book		
Total assets	$ 3,918,473	$ 3,670,257
Accumulated depreciation	675,747	703,083
Accumulated depreciation included in assets held for sale	65,872	—
Accumulated amortization of real estate intangibles and deferred leasing costs	189,571	214,611
Accumulated amortization of real estate intangibles and deferred leasing costs included in assets held for sale	26,260	—
Less: Adjusted book associated with properties conveyed to extinguish debt in default	—	(131,118)
Adjusted book	$ 4,875,923	$ 4,456,833
Reconciliation of debt to adjusted debt		
Debt, net	$ 2,121,240	$ 1,920,057
Less: Debt in default extinguished via conveyance of properties	—	(150,000)
Numerator for debt to adjusted book ratio	2,121,240	1,770,057
Less: Cash and cash equivalents	(3,840)	(6,077)
Adjusted debt	$ 2,117,400	$ 1,763,980

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