

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|--|-----------------------------------|---|-----------------------------|
| 1 Issuer's name | | 2 Issuer's employer identification number (EIN) | |
| PARKWAY PROPERTIES, INC. | | 74-2123597 | |
| 3 Name of contact for additional information | 4 Telephone No. of contact | 5 Email address of contact | |
| MARLI QUESINBERRY | (404) 407-1000 | MARLIQUESINBERRY@COUSINSPROPERTIES.COM | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact | | 7 City, town, or post office, state, and Zip code of contact | |
| 191 PEACHTREE STREET NE, SUITE 500 | | ATLANTA, GA 30303 | |
| 8 Date of action | | 9 Classification and description | |
| 10/06/2016 | | COMMON STOCK | |
| 10 CUSIP number | 11 Serial number(s) | 12 Ticker symbol | 13 Account number(s) |
| 70156Q107 | | PKY | |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On October 6, 2016, Parkway Properties, Inc. merged with and into Cousins Properties Incorporated with Cousins Properties Incorporated surviving. Each share of Parkway Properties, Inc. common stock was exchanged for 1.63 shares of Cousins Properties Incorporated common stock, and each share of Parkway Properties, Inc. limited voting stock was exchanged for 1.63 shares of Cousins Properties Incorporated limited voting preferred stock. Cash was paid in lieu of the issuance of fractional shares of Cousins Properties Incorporated common stock. The amount of cash paid for the fractional shares was based upon a \$10.19 per share value. Cash was not paid in lieu of fractional shares of Cousins Properties Incorporated limited voting preferred stock, and no fractional shares of Cousins Properties Incorporated limited voting preferred stock were issued.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See attachment.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The change in basis of the common and limited voting preferred stock of Cousins Properties Incorporated received is based on the exchange ratio of the merger. Each share of Parkway Properties, Inc. common stock was exchanged for 1.63 shares of Cousins Properties Incorporated common stock. Each share of Parkway Properties, Inc. limited voting stock was exchanged for 1.63 shares of Cousins Properties Incorporated limited voting preferred stock. Any cash paid in lieu of fractional shares is treated as proceeds in the sale of the shares for which such cash was paid.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based Internal Revenue Code Sections 301(c), 302, 356, 358 and 368(a).

Blank lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? No loss can be recognized upon the exchange of the Parkway Properties, Inc. common stock for the shares of Cousins Properties Incorporated common stock. If a taxable loss is calculated on the deemed sale of the fractional share of Cousins Properties Incorporated common stock deemed to have been received in the exchange, this loss can be recognized.

Blank lines for providing details for question 18.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year The adjustment to basis would be taken into account in the year of each Parkway Shareholder during which the merger was effective (e.g., 2016 for calendar year taxpayers).

Blank lines for providing details for question 19.

| | | | | | |
|--|---|----------------------|-----------------|---|-----------|
| Sign Here | Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge. | | | | |
| | Signature | <i>Kristin Myers</i> | Date | 11/17/16 | |
| Paid Preparer Use Only | Print your name | | Title | | |
| | KRISTIN MYERS | | VP-Tax, Cousins | | |
| | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | ANDREW K. MAUDE | <i>Maude</i> | 11/16/2016 | | P00706613 |
| Firm's name | | | Firm's EIN | | |
| DELOITTE TAX LLP | | | 86-1065772 | | |
| Firm's address | | | Phone no. | | |
| 191 PEACHTREE STREET, NE SUITE 2000, ATLANTA GA 30303-1924 | | | 404-220-1500 | | |

Parkway Properties, Inc.

74-2123597

Attachment to Form 8937

REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

Form 8937 Part II, Line 15:

The merger of Parkway Properties, Inc. into Cousins Properties Incorporated qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code. As a result, and with the exception of the fractional shares redeemed for cash discussed below, no gain or loss is expected to be recognized by each former Parkway Properties, Inc. shareholder ("Parkway Shareholder") on the exchange of their Parkway Properties, Inc. stock to Cousins Properties Incorporated stock.

In general, each Parkway Shareholder's aggregate basis in the Cousins Properties Incorporated shares received in the merger, which for this purpose includes both the actual shares received as well as the fractional shares that are deemed received, is equal to the aggregate basis of Parkway Properties, Inc. shares surrendered in the merger (the "Adjusted Basis"). In calculating the Adjusted Basis, each Parkway Shareholder will include reductions for the quarterly distributions received during 2016 that will constitute a return of basis under Section 301(c)(2) of the Internal Revenue Code, as amended. As of the time of this filing, the portion of the 2016 quarterly distributions received by each Parkway Shareholder that will be treated as a return of basis is not yet known. Consequently, each Parkway Shareholder must treat the entire amount of their 2016 quarterly distributions as having no effect on Adjusted Basis until a time in which a subsequent Form 8937 is filed to report the amount of the 2016 quarterly distributions that will constitute a return of basis. If such Form 8937 is subsequently filed, each Parkway Shareholder must accordingly reduce the basis of his shares to calculate the Adjusted Basis used in determining the basis of Cousins Properties Incorporated stock received in the merger, as described in this filing.

Adjusted Basis per share of Cousins Properties Incorporated common shares for each Parkway Shareholder is determined by dividing the aggregate Adjusted Basis by the number of Cousins Properties Incorporated common shares received. The number of Cousins Properties Incorporated common shares to be received by each Parkway Shareholder is calculated by multiplying the number of Parkway Properties, Inc. common shares by 1.63 and then treat fractional shares as sold.

Adjusted Basis per share of Cousins Properties Incorporated limited voting preferred shares for each Parkway Shareholder is determined by dividing the aggregate Adjusted Basis by the number of Cousins Properties Incorporated limited voting preferred shares received. The number of Cousins Properties Incorporated limited voting preferred shares to be received by each Parkway Shareholder is calculated by multiplying the number of Parkway Properties, Inc. limited voting shares by 1.63. No fractional shares of Cousins Properties Incorporated limited voting preferred are issued.

Each Parkway Shareholder that received cash in lieu of a fractional share of Cousins Properties Incorporated common is treated as having received such fractional share and then having received such cash in redemption of the fractional share. Gain or loss will be recognized based on the difference between the amount of the cash received and the portion of each Parkway Shareholder's Adjusted Basis of the shares of Parkway Properties, Inc. exchanged pursuant to the merger which is allocable to such fractional share.