

COLUMBIA PROPERTY TRUST, INC.

Form 10-K

February 12, 2015

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(mark one)

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the fiscal year ended December 31, 2014

OR

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the transition period from _____ to _____

Commission file number 000-51262

COLUMBIA PROPERTY TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland

20-0068852

(State or other jurisdiction of incorporation or
organization)

(I.R.S. Employer Identification Number)

One Glenlake Parkway, Suite 1200

Atlanta, Georgia 30328

(Address of principal executive offices) (Zip Code)

(404) 465-2200

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12 (b) of the Act:

Title of each class

Name of exchange on which registered
New York Stock Exchange

Common Stock

Securities registered pursuant to Section 12 (g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

As of June 30, 2014, the aggregate market value of the common stock of Columbia Property Trust, Inc. held by non-affiliates was \$3,246,733,390 based on the closing price as reported by the New York Stock Exchange. As of January 31, 2015, 125,090,973 shares of common stock were outstanding.

Registrant incorporates by reference portions of the Columbia Property Trust, Inc. Definitive Proxy Statement for the 2015 Annual Meeting of Stockholders (Items 10, 11, 12, 13, and 14 of Part III) to be filed prior to April 30, 2015.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Form 10-K of Columbia Property Trust, Inc. and its subsidiaries ("Columbia Property Trust," "we," "our," or "us"), other than historical facts may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

We intend for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in those acts. Such statements include, in particular, statements about our plans, strategies, and prospects and are subject to certain risks and uncertainties, including known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue," or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this report is filed with the U.S. Securities and Exchange Commission ("SEC"). We do not intend to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. See Item 1A herein for a discussion of some of the risks and uncertainties, although not all risks and uncertainties that could cause actual results to differ materially from those presented in our forward-looking statements may be included therein.

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PART I

ITEM 1. BUSINESS

General

Columbia Property Trust, Inc. ("Columbia Property Trust") (NYSE: CXP) is a Maryland corporation that operates as a real estate investment trust ("REIT") for federal income tax purposes and owns and operates commercial real estate properties. Columbia Property Trust was incorporated in 2003, commenced operations in 2004, and conducts business primarily through Columbia Property Trust Operating Partnership, L.P. ("Columbia Property Trust OP"), a Delaware limited partnership. Columbia Property Trust is the general partner and sole owner of Columbia Property Trust OP and possesses full legal control and authority over its operations. Columbia Property Trust OP acquires, develops, owns, leases, and operates real properties directly, through wholly owned subsidiaries, or through joint ventures. References to Columbia Property Trust, "we," "us," or "our" herein shall include Columbia Property Trust and all subsidiaries of Columbia Property Trust, direct and indirect, and consolidated joint ventures.

Columbia Property Trust typically invests in high-quality, income-generating office properties. As of December 31, 2014, Columbia Property Trust owned 35 office properties and one hotel, which included 52 operational buildings comprising approximately 15.7 million square feet of commercial space, located in 12 states and the District of Columbia. All of the properties are wholly owned except for one property, which is owned through a consolidated subsidiary. As of December 31, 2014, the office properties were approximately 93.3% leased. In January 2015, Columbia Property Trust acquired three additional office properties comprising 0.9 million square feet. See the Transaction Activity section below for additional information.

Real Estate Investment Objectives

Columbia Property Trust seeks to invest in and manage a commercial real estate portfolio that provides the size, quality, and market specialization needed to deliver both income and long-term growth, as measured in the total return to our shareholders. Our value creation and growth strategies are founded in the following:

Targeted Market Strategy

Our portfolio is comprising a combination of multi- and single-tenant office properties located in Central Business District ("CBD") and suburban areas. We are focusing our acquisition efforts in select primary markets with strong fundamentals and liquidity, including CBD and urban in-fill locations. We believe that the major U.S. office markets provide a greater propensity for producing increasing net income and property values over time. We maintain a long-term goal of increasing our market concentrations in order to leverage our scale, efficiency, and market knowledge.

New Investment Targets

We look to acquire strategic and premier office assets with quality tenants in our target markets, with an emphasis on value-added opportunities. We pursue high-quality assets that are competitive within the top tier of their markets or can be repositioned as such. Our asset selection criteria include the property's location attributes, physical quality, tenant/lease characteristics, competitive positioning, and pricing level in comparison to long-term, normalized value or replacement cost.

Strong and Flexible Balance Sheet

We are committed to maintaining an investment-grade balance sheet with a strong liquidity profile and proven access to capital. Our low leverage level and other credit metrics provide the financial flexibility to pursue new acquisitions and other growth opportunities that will further our long-term performance objectives.

Capital Recycling

We consistently evaluate our existing portfolio to identify assets in which the value has been optimized and/or those that are considered nonstrategic, based on their market location or investment characteristics. The goal of our disposition efforts is to harvest capital from these mature and nonstrategic assets, and redeploy it into properties in our target markets to maximize growth in net operating income and long-term value.

Proactive Asset Management

We believe our team is well equipped to deliver exceptional operating results in all facets of the management process. Our leasing efforts are founded in understanding the varied and complex needs of tenants in the marketplace today.

We aggressively pursue meeting those needs through new and renewal leases, as well as strategic lease restructures that further our long-term goals. We

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are committed to prudent capital investment in our assets to ensure their competitive positioning and status, and rigorously pursue efficient operations and cost containment at the property level.

Transaction Activity

In connection with furthering our real estate investment objectives, we have executed the following real estate transactions in 2014 and 2015 (through February 12, 2015):

Acquisitions

Property	Location	Rentable Square Footage	Acquisition Date	Purchase Price
2015 (through February 12, 2015)				
116 Huntington Avenue Building	Boston, MA	274,000	January 8, 2015	\$ 152,000
Portfolio acquisition:			January 7, 2015	\$ 436,000
315 Park Avenue South Building	New York, NY	341,000		
1881 Campus Commons Building	Reston, VA	245,000		
2014				
650 California Street Building	San Francisco, CA	478,000	September 9, 2014	\$ 310,200
221 Main Street Building	San Francisco, CA	388,000	April 22, 2014	\$ 228,800

Dispositions

Property	Location	Rentable Square Footage	Disposition Date	Sale Price
2014				
Lenox Park Property	Atlanta, GA	1,040,000	October 3, 2014	\$ 290,000
9 Technology Drive Building	Westborough, MA	251,000	August 22, 2014	\$ 47,000
7031 Columbia Gateway Drive Building	Columbia, MD	248,000	July 1, 2014	\$ 59,500
200 South Orange Building	Orlando, FL	128,000	June 30, 2014	\$ 18,800
160 Park Avenue Building	Florham Park, NJ	240,000	June 4, 2014	\$ 10,200

Employees

As of December 31, 2014, we employed 99 people.

Competition

Leasing real estate is highly competitive in the current market; as a result, we experience competition for high-quality tenants from owners and managers of competing projects. Therefore, we may experience delays in re-leasing vacant space, or we may have to provide rent concessions, incur charges for tenant improvements, or offer other inducements to enable us to timely lease vacant space, all of which may have an adverse impact on our results of operations. In addition, we are in competition with other potential buyers for the acquisition of the same properties, which may result in an increase in the amount we must pay to purchase a property. Further, at the time we elect to dispose of our properties, we will also be in competition with sellers of similar properties to locate suitable purchasers.

Concentration of Credit Risk

We are dependent upon the ability of our current tenants to pay their contractual rent amounts as they become due. The inability of a tenant to pay future rental amounts would have a negative impact on our results of operations. We are not aware of any reason why our current tenants will not be able to pay their contractual rental amounts as they become due in all material respects. Situations preventing our tenants from paying contractual rents could result in a material adverse impact on our results of operations. Based on our 2014 annualized lease revenue, no single tenant accounts for more than 10% of our portfolio.

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Website Address

Access to copies of each of our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, and other documents filed with, or furnished to, the SEC, including amendments to such filings, may be obtained free of charge from our website, <http://www.columbiapropertytrust.com>, or through a link to the <http://www.sec.gov> website. The information contained on our website is not incorporated by reference herein.

These filings are available promptly after we file them with, or furnish them to, the SEC.

ITEM 1A. RISK FACTORS

Below are some of the risks and uncertainties that could cause our actual results to differ materially from those presented in our forward-looking statements. The risks and uncertainties described below are not the only ones we face but do represent those risks and uncertainties that we believe are material to our business, operating results, prospects, and financial condition. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also harm our business.

Risks Related to Our Business and Properties

If we are unable to find suitable investments or pay too much for properties, we may not be able to achieve our investment objectives, and the returns on our investments will be lower than they otherwise would be.

We are competing for real estate investments with other REITs; real estate limited partnerships, pension funds and their advisors; bank and insurance company investment accounts; individuals; and other entities. The market for high-quality commercial real estate assets is highly competitive given how infrequently those assets become available for purchase. As a result, many real estate investors, including us, have built up their cash positions and face aggressive competition to purchase quality office real estate assets. A significant number of entities and resources competing for high-quality office properties support relatively high acquisition prices for such properties, which may reduce the number of acquisition opportunities available to, or affordable for, us and could put pressure on our profitability and our ability to pay distributions to stockholders. We cannot be sure that we will be successful in obtaining suitable investments on financially attractive terms or that, if we make investments, our objectives will be achieved.

Economic conditions may cause the creditworthiness of our tenants to deteriorate and occupancy and market rental rates to decline.

Although U.S. macroeconomic conditions have shown signs of improvement, during 2014, several economic factors continued to adversely affect the financial condition and liquidity of many businesses, as well as the demand for office space generally. Should economic conditions worsen or fail to recover fully, our tenants' ability to honor their contractual obligations may suffer. Further, it may become increasingly difficult to maintain our occupancy rate and achieve future rental rates comparable to the rental rates of our currently in-place leases as we seek to re-lease space and/or renew existing leases.

Our office properties were approximately 93.3% leased at December 31, 2014, and provisions for uncollectible tenant receivables, net of recoveries, were less than 0.1% of total revenues for the year then ended. As a percentage of 2014 annualized lease revenue, approximately 6% of leases expire in 2015, 12% of leases expire in 2016, and 15% of leases expire in 2017 (see Item 2, Properties). No assurances can be given that economic conditions will not have a material adverse effect on our ability to re-lease space at favorable rates or on our ability to maintain our current occupancy rate and our low provisions for uncollectible tenant receivables.

Changes in general economic conditions and regulatory matters germane to the real estate industry may cause our operating results to suffer and the value of our real estate properties to decline.

Our operating results are subject to risks generally incident to the ownership of real estate, including:

- changes in general or local economic conditions;
- changes in supply of or demand for similar or competing properties in an area;
- changes in interest rates and availability of permanent mortgage funds, which may render the sale of a property difficult or unattractive;
- changes in tax, real estate, environmental, and zoning laws; and
- periods of high interest rates and tight money supply.

In addition, market and economic conditions in the metropolitan areas in which we derive a substantial portion of our revenue such as San Francisco, California; the greater Washington, D.C. area; New York City, New York; Newark, New Jersey; and Houston, Texas, may have a greater impact on our overall occupancy levels and rental rates and therefore our profitability. Furthermore, our business strategy involves continued focus on select core markets, which will increase the impact of the local economic

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conditions in such markets on our results of operations in future periods. These and other reasons may prevent us from being profitable or from realizing growth or maintaining the value of our real estate properties.

We depend on tenants for our revenue, and lease defaults or terminations could negatively affect our financial condition and results of operations and limit our ability to make distributions to our stockholders.

The success of our investments materially depends on the financial stability of our tenants. A default or termination by a significant tenant on its lease payments to us would cause us to lose the revenue associated with such lease and require us to find an alternative source of revenue to meet mortgage payments and prevent a foreclosure if the property is subject to a mortgage. In the event of a tenant default or bankruptcy, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and re-letting our property. If a tenant defaults on or terminates a significant lease, we may be unable to lease the property for the rent previously received or sell the property without incurring a loss. In addition, significant expenditures for our properties, such as mortgage payments, real estate taxes, and insurance and maintenance costs are generally fixed and do not decrease when revenues at the related property decreases. Therefore, these events could have a material adverse effect on our results of operations or cause us to reduce the amount of distributions to stockholders.

Future acquisitions may fail to perform in accordance with our expectations and may require renovation costs exceeding our estimates and may be located in new markets where we may face risks associated with investing in an unfamiliar market.

In the normal course of business, we typically evaluate potential acquisitions, enter into nonbinding letters of intent, and may, at any time, enter into contracts to acquire additional properties. Acquired properties may fail to perform in accordance with our expectations due to lease-up risk, renovation cost risks, and other factors. In addition, the renovation and improvement costs we incur in bringing an acquired property up to market standards may exceed our estimates. We may not have the financial resources to make suitable acquisitions or renovations on favorable terms or at all.

Furthermore, we may acquire properties located in markets in which we do not have an established presence. We may face risks associated with a lack of market knowledge or understanding of the local economy, forging new business relationships in the area and unfamiliarity with local government and permitting procedures. As a result, the operating performance of properties acquired in new markets may be less than we anticipate, and we may have difficulty integrating such properties into our existing portfolio. In addition, the time and resources that may be required to obtain market knowledge and/or integrate such properties into our existing portfolio could divert our management's attention from our existing business or other attractive opportunities in our established markets.

Our inability to sell a property when we plan to do so could limit our operational and financial flexibility, including our ability to pay cash distributions to our stockholders.

Purchasers may not be willing to pay acceptable prices for properties that we wish to sell. General economic conditions, availability of financing, interest rates, and other factors, including supply and demand, all of which are beyond our control, affect the real estate market. Therefore, we may be unable to sell a property for the price, on the terms, or within the time frame that we want. That inability could reduce our cash flow and cause our results of operations to suffer, limiting our ability to make distributions to our stockholders. Furthermore, our properties' market values depend principally upon the value of the properties' leases. A property may incur vacancies either by the default of tenants under their leases or the expiration of tenant leases. If vacancies occur and continue for a prolonged period of time, it may become difficult to locate suitable buyers for any such property, and property resale values may suffer, which could result in lower returns for our stockholders.

Uninsured losses relating to real property or excessively expensive premiums for insurance coverage could reduce our net income, or materially and adversely affect our business or financial condition.

We may incur losses from time to time that are uninsurable or not economically feasible to insure, or may be insured subject to limitations, such as large deductibles or co-payments. Some of these losses could be catastrophic in nature, such as losses due to earthquakes, wars, acts of terrorism, floods, hurricanes, pollution, or environmental matters. For example, we have properties located in San Francisco, California, an area especially susceptible to earthquakes, and collectively, these properties represent approximately 19% of our 2014 Annualized Lease Revenue. Because these

properties are located in close proximity to one another, an earthquake in the San Francisco area could materially damage, destroy or impair the use by tenants of all of these properties. Furthermore, insurance risks associated with potential terrorist acts could sharply increase the premiums we pay for coverage against property and casualty claims. Additionally, mortgage lenders in some cases insist that commercial property owners purchase coverage against terrorism as a condition of providing mortgage loans. Such insurance policies may not be available at a reasonable cost, if at all, which could inhibit our ability to finance or refinance our properties. In such instances, we may be required to provide other financial support, either through financial assurances or self-insurance, to cover potential losses. In addition, we may not have adequate coverage for losses. If any of our properties incur a loss that is not fully insured, the value of that asset will be reduced by such uninsured loss. Furthermore, other than any working capital reserves or other reserves that we may establish, or

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our existing line of credit, we do not have sources of funding specifically designated for repairs or reconstruction of any of our properties. To the extent we incur significant uninsured losses, or are required to pay unexpectedly large amounts for insurance, our results of operations or financial condition could be adversely effected.

We are currently evaluating options for significant repairs to the outer walls of one of our properties located in suburban Pittsburgh, Pennsylvania, and leased to Westinghouse Electric Company LLC, which we believe relates to the original design or construction of the property. We have engaged consultants to help us determine the scope of the repairs and to develop various remediation strategies. We are evaluating whether there is insurance coverage or other potential sources of recovery for the necessary remediation. In the event such funds are not available, we expect to incur significant costs in connection with the remediation of this property.

If we are unable to fund the future capital needs of our properties, cash distributions to our stockholders and the value of our investments could decline.

When tenants do not renew their leases or otherwise vacate their space, we often need to expend substantial funds for tenant improvements to the vacated space in order to attract replacement tenants. In addition, although we expect that our leases with tenants will require tenants to pay routine property maintenance costs, we will likely be responsible for any major structural repairs, such as repairs to the foundation, exterior walls, and rooftops.

If we need significant capital in the future to improve or maintain our properties or for any other reason, we will have to obtain financing from sources such as cash flow from operations, borrowings, property sales, or future equity offerings. These sources of funding may not be available on attractive terms or at all. If we cannot procure the necessary funding for capital improvements, our investments may generate lower cash flows or decline in value, or both, which would limit our ability to make distributions to our stockholders.

Our operating results may suffer because of potential development and construction risks and delays and resultant increased costs.

We may acquire and develop properties, including unimproved real estate, upon which we will construct improvements. We will be subject to uncertainties associated with rezoning for development and our ability to obtain required permits and authorizations; environmental concerns of governmental entities and/or community groups; and our builders' ability to build in conformity with plans, specifications, budgeted costs, and timetables. If a builder fails to perform, we may resort to legal action to rescind the purchase or the construction contract or to compel performance. A builder's performance may also be affected or delayed by conditions beyond the builder's control, and we may incur additional risks when we make periodic progress payments or other advances to builders before they complete construction. Delays in completing construction could also give tenants the right to terminate preconstruction leases. These and other factors can result in increased costs of a project or loss of our investment. In addition, we will be subject to normal lease-up risks relating to newly constructed projects. We must rely on rental income and expense projections and estimates of the fair market value of property upon completion of construction when agreeing upon a purchase price at the time we acquire the property. If our projections are inaccurate, we may pay too much for a property, and our return on our investment could suffer.

We have incurred and are likely to continue to incur mortgage and other indebtedness, which may increase our business risks.

As of January 31, 2014, our total indebtedness was approximately \$2.1 billion, which includes a \$450.0 million term loan, a \$300 million bridge loan, \$249.2 million of bonds, \$131.0 million in borrowings on our line of credit and \$980.0 million of mortgage loans, all with fixed interest rates, or with interest rates that are effectively fixed when considered in connection with an interest rate swap agreement; and no outstanding balance on our variable-rate line of credit. We are likely to incur additional indebtedness to acquire properties, to fund property improvements and other capital expenditures, to pay our distributions, and for other purposes.

Significant borrowings by us increase the risks of an investment in us. If there is a shortfall between the cash flow from properties and the cash flow needed to service our indebtedness, then the amount available for distributions to stockholders may be reduced. In addition, incurring mortgage debt increases the risk of loss since defaults on indebtedness secured by a property may result in lenders initiating foreclosure actions. In that case, we could lose the property securing the loan that is in default. For tax purposes, a foreclosure of any of our properties would be treated

as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure, but we would not receive any cash proceeds. We may give full or partial guarantees to lenders of mortgage debt on behalf of the entities that own our properties. When we give a guaranty on behalf of an entity that owns one of our properties, we are responsible to the lender for satisfaction of the debt if it is not paid by such entity.

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If any mortgages or other indebtedness contain cross-collateralization or cross-default provisions, a default on a single loan could affect multiple properties. Our unsecured credit facility with a syndicate of lenders led by JPMorgan Chase Bank, N.A. ("JPMorgan Chase Bank"), as administrative agent (the "JPMorgan Chase Credit Facility"), our unsecured term loan facility with a syndicate of lenders led by JPMorgan Chase Bank (the "\$450 Million Term Loan"), as administrative agent and our unsecured term loan with a syndicate of lenders led by JPMorgan Chase Bank (the "Bridge Loan"), as administrative agent, each includes a cross-default provision that provides that a payment default under any recourse obligation of \$50 million or more by us, Columbia Property Trust OP, or any of our subsidiaries, constitutes a default under the line of credit and term loan facilities. If any of our properties are foreclosed due to a default, our ability to pay cash distributions to our stockholders will be limited.

Increases in interest rates could increase the amount of our debt payments and make it difficult for us to finance or refinance properties, which could reduce the number of properties we can acquire, our net income, and the amount of cash distributions we can make.

We expect to incur additional indebtedness in the future, which may include mortgages, unsecured bonds, term loans, or borrowings under a credit facility. Increases in interest rates will increase interest costs on our variable-interest debt instruments, which would reduce our cash flows and our ability to pay distributions. If mortgage debt is unavailable at reasonable interest rates, we may not be able to finance the purchase of properties. If we place mortgage debt on properties, we run the risk of being unable to refinance the properties when the loans become due, or of being unable to refinance on favorable terms. In addition, if we need to repay existing debt during periods of higher interest rates, we may need to sell one or more of our investments in order to repay the debt, which sale at that time might not permit realization of the maximum return on such investments. If any of these events occur, our cash flow would be reduced. This, in turn, would reduce cash available for distribution to our stockholders and may hinder our ability to raise capital in the future through additional borrowings or debt or equity offerings. For additional information, please refer to Item 7A, Quantitative and Qualitative Disclosures About Market Risk, for additional information regarding interest rate risk.

Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make distributions to our stockholders.

When providing financing, a lender may impose restrictions on us that affect our distribution and operating policies and our ability to incur additional debt. Loan documents we enter into may contain covenants that limit our ability to further mortgage the property or discontinue insurance coverage. These or other limitations may limit our flexibility and our ability to execute on our operating plans.

A downgrade in the credit rating of our debt could materially adversely affect our business and financial condition. Our senior unsecured debt is rated investment grade by Standard & Poor's Corporation and Moody's Investors Service. In determining our credit ratings, the rating agencies consider a number of both quantitative and qualitative factors, including earnings, fixed charges, cash flows, total debt outstanding, total secured debt, off balance sheet obligations, total capitalization and various ratios calculated from these factors. The rating agencies also consider predictability of cash flows, business strategy, property development risks, industry conditions and contingencies. Therefore, any deterioration in our operating performance could cause our investment grade rating to come under pressure. Our corporate credit rating at Standard & Poor's Ratings Service is currently BBB- with a positive outlook, and our corporate credit rating at Moody's Investor Service is currently Baa2 with a stable outlook. There can be no assurance that our credit ratings will not be lowered or withdrawn in their entirety. A negative change in our ratings outlook or any downgrade in our current investment-grade credit ratings by rating agencies could adversely affect our cost and access to sources of liquidity and capital. Additionally, a downgrade could, among other things, increase the costs of borrowing under our credit facility and term loan, adversely impact our ability to obtain unsecured debt or refinance our unsecured debt on competitive terms in the future, or require us to take certain actions to support our obligations, any of which would adversely affect our business and financial condition.

We are and may continue to be subject to litigation, which could have a material adverse effect on our financial condition.

We currently are, and are likely to continue to be, subject to a variety of claims arising in the ordinary course of business, including contract claims and claims alleging violations of federal and state law regarding workplace and employment matters, discrimination, and similar matters. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. Although we defend ourselves against any such claims, we cannot be certain of the ultimate outcomes of currently asserted claims or of those that arise in the future. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments, and settlements exceed insured levels, would adversely impact our earnings and cash flows, thereby impacting our ability to service debt and make distributions to our stockholders.

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If our disclosure controls or internal control over financial reporting is not effective, investors could lose confidence in our reported financial information, which could adversely affect the perception of our business and the trading price of our common stock.

Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404"), requires that we evaluate the effectiveness of our internal control over financial reporting as of the end of each fiscal year, and to include a management report assessing the effectiveness of our internal control over financial reporting. Deficiencies, including any material weakness, in our internal control over financial reporting that may occur in the future could result in misstatements of our results of operations, restatements of our financial statements, a decline in the trading price of our common stock, or otherwise materially adversely affect our business, reputation, results of operations, financial condition, or liquidity.

Costs of complying with governmental laws and regulations may reduce our net income and the cash available for distributions to our stockholders.

All real property and the operations conducted on real property are subject to federal, state, and local laws and regulations relating to environmental protection and human health and safety. Some of these laws and regulations may impose joint and several liability on tenants, owners, or operators for the costs to investigate or remediate contaminated properties, regardless of fault or whether the acts causing the contamination were legal. In addition, the presence of hazardous substances, or the failure to properly remediate these substances, may hinder our ability to sell, rent, or pledge such property as collateral for future borrowings.

Compliance with new laws or regulations, or stricter interpretation of existing laws may require us to incur material expenditures. Future laws, ordinances, or regulations may impose material environmental liability. Additionally, our tenants' operations, the existing condition of land when we buy it, operations in the vicinity of our properties, such as the presence of underground storage tanks or activities of unrelated third parties may affect our properties.

Furthermore, there are various local, state, and federal regulatory requirements, such as fire, health, life-safety, and similar regulations, and the Americans with Disabilities Act, with which we may be required to comply, and which may subject us to liability in the form of fines or damages for noncompliance. Any material expenditures, fines, or damages we must pay will reduce our ability to make distributions.

Discovery of previously undetected environmentally hazardous conditions may decrease our revenues and limit our ability to make distributions.

Under various federal, state, and local environmental laws, ordinances, and regulations, a current or previous real property owner or operator may be liable for the cost to remove or remediate hazardous or toxic substances on, under, or in such property. These costs could be substantial. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require substantial expenditures or prevent us from entering into leases with prospective tenants that may be impacted by such laws. Environmental laws provide for sanctions for noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for release of and exposure to hazardous substances, including asbestos-containing materials. Third parties may seek recovery from real property owners or operators for personal injury or property damage associated with exposure to released hazardous substances. The cost of defending against claims of liability, of complying with environmental regulatory requirements, of remediating any contaminated property, or of paying personal injury claims could have an adverse impact on our business and results of operations. If we sell properties and provide financing to purchasers, defaults by the purchasers would decrease our cash flows and limit our ability to make distributions.

In some instances we may sell our properties by providing financing to purchasers. When we provide financing to purchasers, we will bear the risk that the purchaser may default, which could negatively impact our liquidity and results of operations. Even in the absence of a purchaser default, the distribution of the proceeds of sales to our stockholders, or the reinvestment of proceeds in other assets, will be delayed until the promissory notes or other property we may accept upon a sale are actually paid, sold, refinanced, or otherwise disposed.

We are dependent on our own executive officers and employees.

We rely on a small number of persons, particularly E. Nelson Mills and James A. Fleming, to carry out our business and investment strategies. Any of our senior management, including Messrs. Mills and Fleming, may cease to provide services to us at any time. The loss of the services of any of our key management personnel or our inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business and financial results. As we expand, we will continue to try to attract and retain qualified additional senior management and other employees, but may not be able to do so on acceptable terms.

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A breach of our privacy or information security systems could materially adversely affect our business and financial condition.

Privacy and information security risks have generally increased in recent years because of the proliferation of new technologies and the increased sophistication and activities of perpetrators of cyber attacks. As our reliance on technology has increased, so have the risks posed to our systems, both internal and those we have outsourced. Risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to our relationships with our tenants, potential errors from misstated financial reports, missed reporting deadlines, and private data exposure, among others. Any or all of the preceding risks could have a material adverse effect on our results of operations, financial condition, and cash flows. Although we make efforts to maintain the security and integrity of these types of information technology networks and related systems, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. As cyber threats continue to evolve, we may be required to expend additional resources to continue to enhance our information security measures and to investigate and remediate any information security vulnerabilities.

Risks Related to Ownership of Our Common Stock

We may be unable to pay or maintain cash distributions or increase distributions over time, which could reduce the funds we have available for investment and the return to our investors.

There are many factors that can affect the availability and timing of distributions to stockholders. We expect to continue to fund distributions principally from cash flow from operations; however, from time to time, we may elect to fund a portion of our distributions from borrowings. If we fund distributions from financings, we will have fewer funds available for the investment in, and acquisition of, properties; thus, the overall return to our investors may be reduced. Further, to the extent distributions exceed cash flow from operations, a stockholder's basis in our stock will be reduced and, to the extent distributions exceed a stockholder's basis, the stockholder may recognize capital gain. We can give no assurance that we will be able to pay or maintain cash distributions or increase distributions over time. Our stock price may be volatile or may decline regardless of our operating performance, and you may not be able to sell your shares at a desirable price.

The market price of our common stock may fluctuate significantly in response to a number of factors, most of which we cannot control, including those described under this section and the following:

- changes in capital market conditions that could affect valuations of real estate companies in general or other adverse economic conditions;
- our failure to meet any earnings estimates or expectations;
- future sales of our common stock by our officers, directors, and significant stockholders;
- global economic, legal, and regulatory factors unrelated to our performance;
- investors' perceptions of our prospects;
- announcements by us or our competitors of significant contracts, acquisitions, joint ventures, or capital commitments;
- and
- investor perceptions of the investment opportunity associated with our common stock relative to other investment alternatives.

In addition, the stock markets, and in particular The New York Stock Exchange, have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many real estate companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were involved in securities litigation, we could incur substantial costs, and our resources and the attention of management could be diverted from our business. Furthermore, we currently have limited research coverage by securities and industry analysts. If additional securities or industry analysts do not commence coverage of our company, the long-term trading price for our common stock could be negatively impacted. If one or more of present or future analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which could cause our stock price

and trading volume to decline.

Our common stock has experienced and may continue to experience low trading volumes, which may make it more difficult for you to sell your shares at any given time at prevailing prices.

The daily trading volumes for our common stock are, and may continue to be, relatively small compared to many other publicly traded securities. For example, since our listing, our daily trading volume has been as low as 249,810 shares. If our stock continues

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to experience low trading volumes, it may be difficult for individuals to sell their shares when they want and at a price that is desirable to them. Furthermore, low trading volumes for our common stock may cause the price of our stock to be highly volatile.

Our charter limits the number of shares a person may own, which may discourage a takeover that could otherwise result in a premium price to our stockholders.

Our charter, with certain exceptions, authorizes our directors to take such actions as are necessary and desirable to preserve our qualification as a REIT. Unless exempted by our board of directors, no person may own more than 9.8% of our outstanding common stock. This restriction may have the effect of delaying, deferring, or preventing a change in control, including an extraordinary transaction (such as a merger, tender offer, or sale of all or substantially all of our assets) that might provide a premium price for holders of our common stock.

Our organizational documents contain provisions that may discourage a takeover of us and could depress the price of our shares of common stock.

Our organizational documents contain provisions that may discourage a takeover of us and could depress the price of our common stock. Our organizational documents contain provisions that may have an anti-takeover effect, inhibit a change of our management, or inhibit in certain circumstances, tender offers for our common stock or proxy contests to change our board. These provisions include: ownership limits and restrictions on transferability that are intended to enable us to continue to qualify as a REIT; broad discretion of our board to take action, without stockholder approval, to issue new classes of securities that may discourage a third party from acquiring us; the ability, through board action or bylaw amendment to opt-in to certain provisions of Maryland law that may impede efforts to effect a change in control of us; advance notice requirements for stockholder proposals and stockholder nominations of directors; and the absence of cumulative voting rights.

In addition, our board of directors may classify or reclassify any unissued preferred stock and establish the preferences; conversion; or other rights, voting powers, restrictions, or limitations as to distributions, qualifications, and terms or conditions of redemption of any such stock. Thus, our board of directors could authorize the issuance of preferred stock with terms and conditions that could have priority as to distributions and amounts payable upon liquidation over the rights of the holders of our common stock. Such preferred stock could also have the effect of delaying, deferring, or preventing a change in control of us, including an extraordinary transaction (such as a merger, tender offer, or sale of all or substantially all of our assets) that might provide a premium price to holders of our common stock.

Maryland General Corporation Law provides certain protections relating to deterring or defending hostile takeovers, which may discourage others from trying to acquire control of us and may prevent our stockholders from receiving a premium price for their stock in connection with a business combination.

Under Maryland law, "business combinations" between a Maryland corporation and certain interested stockholders or affiliates of interested stockholders are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. Also under Maryland law, control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquirer, an officer of the corporation, or an employee of the corporation who is also a director of the corporation are excluded from the vote on whether to accord voting rights to the control shares. These provisions may therefore discourage others from trying to acquire control of us and increase the difficulty of consummating any offer. Similarly, provisions of Title 3, Subtitle 8 of the Maryland General Corporation Law, commonly referred to as the "Maryland Unsolicited Takeover Act," could provide similar anti-takeover protection. Our board of directors has determined to opt out of these provisions of Maryland law; in the case of the business combination provisions of Maryland law, by resolution of our board of directors; in the case of the control share provisions of Maryland law, pursuant to a provision in our bylaws; and in the case of certain provisions of the Maryland Unsolicited Takeover Act, pursuant to Articles Supplementary. Only upon the approval of our stockholders, our board of directors may repeal the foregoing opt-outs from the anti-takeover provisions of Maryland General

Corporation Law.

Federal Income Tax Risks

Failure to qualify as a REIT would reduce our net income and cash available for distributions.

Our qualification as a REIT depends upon our ability to meet requirements regarding our organization and ownership, distributions of our income, the nature and diversification of our income and assets, and other tests imposed by the Internal Revenue Code (the "Code"). If we fail to qualify as a REIT for any taxable year, we will be subject to federal and state income tax on our taxable income at corporate rates and/or penalties. In addition, we would generally be disqualified from treatment as a REIT for the four

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taxable years following the year of losing our REIT status. Losing our REIT status would reduce our net earnings available for investment or distribution to stockholders because of the additional tax liability. In addition, distributions to stockholders would no longer qualify for the dividends-paid deduction, and we would no longer be required to make distributions. If this occurs, we might be required to borrow funds or liquidate some investments in order to pay the applicable tax.

Recharacterization of sale-leaseback transactions may cause us to lose our REIT status, which would reduce the return to our stockholders.

We may purchase properties and lease them back to the sellers of such properties. While we will use our best efforts to structure any such sale-leaseback transaction such that the lease will be characterized as a "true lease," thereby allowing us to be treated as the owner of the property for federal income tax purposes, we can give no assurance that the Internal Revenue Service will not challenge such characterization. In the event that any such sale-leaseback transaction is challenged and recharacterized as a financing transaction or loan for federal income tax purposes, deductions for depreciation and cost recovery relating to such property would be disallowed. If a sale-leaseback transaction was so recharacterized, we might fail to satisfy the REIT qualification asset tests or income tests and, consequently, lose our REIT status. Alternatively, the amount of our REIT taxable income could be recalculated, which might also cause us to fail to meet the distribution requirement for a taxable year.

Even if we qualify as a REIT for federal income tax purposes, we may be subject to other tax liabilities that reduce our cash flow and our ability to make distributions to our stockholders.

Even if we remain qualified as a REIT for federal income tax purposes, we may be subject to some federal, state, and local taxes on our income or property. For example:

In order to qualify as a REIT, we must distribute annually at least 90% of our REIT taxable income to our stockholders (which is determined without regard to the dividends-paid deduction or net capital gain). To the extent that we satisfy the distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to federal and state corporate income tax on the undistributed income.

We will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions we pay in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gains net income, and 100% of our undistributed income from prior years.

If we have net income from the sale of foreclosure property that we hold primarily for sale to customers in the ordinary course of business or other nonqualifying income from foreclosure property, we must pay a tax on that income at the highest corporate income tax rate.

If we sell a property, other than foreclosure property, that we hold primarily for sale to customers in the ordinary course of business, our gain would be subject to the 100% "prohibited transaction" tax.

We may perform additional, noncustomary services for tenants of our buildings through our taxable REIT subsidiary, including real estate or non-real-estate-related services; however, any earnings related to such services are subject to federal and state income taxes.

To maintain our REIT status, we may be forced to borrow funds during unfavorable market conditions to make distributions to our stockholders, which could increase our operating costs and decrease the value of an investment in us.

To qualify as a REIT, we must distribute to our stockholders each year 90% of our REIT taxable income (which is determined without regard to the dividends-paid deduction or net capital gains). At times, we may not have sufficient funds to satisfy these distribution requirements and may need to borrow funds to maintain our REIT status and avoid the payment of income and excise taxes. These borrowing needs could result from (i) differences in timing between the actual receipt of cash and inclusion of income for federal income tax purposes; (ii) the effect of nondeductible capital expenditures; (iii) the creation of reserves; or (iv) required debt or amortization payments. We may need to borrow funds at times when market conditions are unfavorable. Such borrowings could increase our costs and reduce the value of our common stock.

To maintain our REIT status, we may be forced to forego otherwise attractive opportunities, which could delay or hinder our ability to meet our investment objectives and lower the return to our stockholders.

To qualify as a REIT, we must satisfy tests on an ongoing basis concerning, among other things, the sources of our income, the nature of our assets, and the amounts we distribute to our stockholders. We may be required to make distributions to stockholders at times when it would be more advantageous to reinvest cash in our business or when we do not have funds readily available for distribution. Compliance with the REIT requirements may hinder our ability to operate solely on the basis of maximizing profits.

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Because of the ownership structure of our hotel property, we face potential adverse effects from changes to the applicable tax laws.

We own one hotel property. However, under the Code, REITs are not allowed to operate hotels directly or indirectly. Accordingly, we lease our hotel property to our taxable REIT subsidiary, or TRS. As lessor, we are entitled to a percentage of the gross receipts from the operation of the hotel property. Marriott Hotel Services, Inc. manages the hotel under the Marriott® name pursuant to a management contract with the TRS as lessee. While the TRS structure allows the economic benefits of ownership to flow to us, the TRS is subject to tax on its income from the operations of the hotel at the federal and state levels. In addition, the TRS is subject to detailed tax regulations that affect how it may be capitalized and operated. If the tax laws applicable to our TRS are changed, we may be forced to modify the structure for owning our hotel property or selling our hotel property, which may adversely affect our cash flows. In addition, the Internal Revenue Service, the U. S. Department of the Treasury, and Congress frequently review federal income tax legislation, and we cannot predict whether, when, or to what extent new federal tax laws, regulations, interpretations, or rulings will be adopted. Any of such actions may prospectively or retroactively modify the tax treatment of the TRS and, therefore, may adversely affect our after-tax returns from our hotel property.

Legislative or regulatory action could adversely affect investors.

In recent years, numerous legislative, judicial, and administrative changes have been made in the provisions of federal and state income tax laws applicable to investments similar to an investment in shares of Columbia Property Trust. Additional changes to tax laws are likely to continue to occur in the future, and we cannot assure you that any such changes will not adversely affect the taxation of our stockholders. Any such changes could have an adverse effect on an investment in shares or on the market value or the resale potential of our properties. You are urged to consult with your own tax advisor with respect to the impact of recent legislation on your ownership of shares and the status of legislative, regulatory, or administrative developments and proposals, and their potential effect on ownership of shares.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Overview

As of December 31, 2014, we owned interests in 35 office properties and one hotel located in 12 states and the District of Columbia. All of the properties are wholly owned except for one, which is owned through a consolidated subsidiary. As of December 31, 2014, our office properties were approximately 93.3% leased.

Property Statistics

The tables below include statistics for properties that we own directly as well as through our consolidated subsidiary. Annualized Lease Revenue is (i) annualized rental payments (defined as base rent plus operating expense reimbursements, excluding rental abatements) for executed and commenced leases, as well as leases executed but not yet commenced for vacant space, and (ii) annualized parking revenues, payable either under the terms of an executed lease or vendor contract. Annualized Lease Revenue excludes rental payments for executed leases that have not yet commenced for space covered by an existing lease.

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The following table shows lease expirations of our office properties as of December 31, 2014, and during each of the next 10 years and thereafter. This table assumes no exercise of renewal options or termination rights.

Year of Lease Expiration	2014 Annualized Lease Revenue (in thousands)	Rentable Square Feet (in thousands)	Percentage of 2014 Annualized Lease Revenue	
Vacant	\$—	1,034	—	%
2015	27,744	803	6	%
2016	59,723	1,238	12	%
2017	72,256	2,476	15	%
2018	41,002	935	8	%
2019	16,436	415	3	%
2020	40,176	1,308	8	%
2021	62,007	1,999	13	%
2022	25,151	735	5	%
2023	24,503	641	5	%
2024	5,095	150	1	%
Thereafter	116,814	3,694	24	%
	\$490,907	15,428	100	%

The following table shows the geographic diversification of our office properties as of December 31, 2014.

Location	2014 Annualized Lease Revenue (in thousands)	Leased Square Feet (in thousands)	Percentage of 2014 Annualized Lease Revenue	
San Francisco	\$94,100	1,866	19	%
Washington, D.C.	61,072	878	12	%
Northern New Jersey	47,751	1,729	10	%
Houston	41,775	992	9	%
Cleveland	38,526	1,201	8	%
Atlanta	38,049	1,625	8	%
Baltimore	33,533	961	7	%
Chicago	30,808	1,325	6	%
New York	28,111	354	6	%
Boston	19,949	948	4	%
Pittsburgh	15,329	824	3	%
Denver	13,035	478	3	%
Other ⁽¹⁾	28,869	1,213	5	%
	\$490,907	14,394	100	%

⁽¹⁾ No more than 3% is attributable to any individual geographic location.

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The following table shows the tenant industry diversification of our office properties as of December 31, 2014.

Industry	2014 Annualized Lease Revenue (in thousands)	Leased Square Feet (in thousands)	Percentage of 2014 Annualized Lease Revenue	
Legal Services	\$87,285	1,564	18	%
Depository Institutions	69,314	2,003	14	%
Business Services	41,057	1,160	8	%
Electric, Gas & Sanitary Services	38,856	1,827	8	%
Security & Commodity Brokers	32,492	764	7	%
Engineering & Management Services	30,576	939	6	%
Communication	28,239	1,096	6	%
Industrial Machinery & Equipment	23,253	1,027	5	%
Transportation Equipment	16,457	479	3	%
Nondepository Institutions	12,600	378	3	%
Heavy Construction	12,350	332	3	%
Miscellaneous Retail	12,298	575	3	%
Other ⁽¹⁾	86,130	2,250	16	%
	\$490,907	14,394	100	%

(1) No more than 3% is attributable to any individual industry.

The following table shows the tenant diversification of our office properties as of December 31, 2014.

Tenant	2014 Annualized Lease Revenue (in thousands)	Percentage of 2014 Annualized Lease Revenue	
Wells Fargo	\$27,924	6	%
Jones Day	27,581	6	%
AT&T	21,704	4	%
PSEG Services	20,735	4	%
IBM	20,506	4	%
Key Bank	19,819	4	%
Pershing	17,158	3	%
Westinghouse	15,329	3	%
T. Rowe Price	15,094	3	%
CH2M Hill	13,035	3	%
Foster Wheeler	12,350	3	%
Other ⁽¹⁾	279,672	57	%
	\$490,907	100	%

(1) No more than 3% is attributable to any individual tenant.

The following table shows certain information related to significant properties as of December 31, 2014.

Property & Location	Number of Buildings	Leased Square Feet (in thousands)	Total Real Estate, Net (in thousands)	% of Total Assets	2014 Annualized Lease Revenue (in thousands)	Average Annualized Lease Revenue per Square Foot	Occupancy	
Market Square Buildings, Washington, D.C.	2	627	\$535,746	13.1	% \$48,161	\$76.8	91.7	%

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ITEM 3. LEGAL PROCEEDINGS

From time to time, we are party to legal proceedings, which arise in the ordinary course of our business. We are not currently involved in any legal proceedings of which the outcome is reasonably likely to have a material adverse effect on our results of operations or financial condition, nor are we aware of any such legal proceedings contemplated by governmental authorities.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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PART II

ITEM MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND

5. ISSUER PURCHASES OF EQUITY SECURITIES

Market Information and Holders

Our common stock was listed on the New York Stock Exchange (the "NYSE") on October 10, 2013, under the symbol "CXP." Prior to October 10, 2013, none of our common stock was listed on a national securities exchange and there was no established public trading market for such shares. As of January 31, 2015, we had approximately 125.1 million shares of common stock outstanding held by a total of 73,507 stockholders of record.

The closing high and low prices for our stock during 2014 and the fourth quarter of 2013 were as follows:

	High	Low	Dividends
2014 Quarters:			
First	\$27.73	\$23.12	\$0.30
Second	\$29.13	\$26.01	\$0.30
Third	\$26.09	\$23.85	\$0.30
Fourth	\$25.79	\$23.80	\$0.30
2013 Quarters:			
First	n/a	n/a	\$0.38
Second	n/a	n/a	\$0.38
Third	n/a	n/a	\$0.38
Fourth	\$25.07	\$22.16	\$0.30

Distributions

We intend to make distributions each taxable year (not including a return of capital for federal income tax purposes) equal to at least 90% of our taxable income. One of our primary goals is to pay regular quarterly distributions to our stockholders. The amount of distributions paid and the taxable portion thereof in prior periods are not necessarily indicative of amounts anticipated in future periods.

The amount of distributions to common stockholders is determined by our board of directors and is dependent upon a number of factors, including funds deemed available for distribution based principally on our current and future projected operating cash flows, reduced by capital requirements necessary to maintain our existing portfolio. In determining the amount of distributions to common stockholders, we also consider our future capital needs and future sources of liquidity, as well as the annual distribution requirements necessary to maintain our status as a REIT under the Code. Investments in new property acquisitions and first-generation capital improvements, as well as equity repurchases, are generally funded with recycled capital proceeds from property sales, debt, or cash on hand.

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Performance Graph

The following graph compares the cumulative total return of our common stock with the Morgan Stanley REIT Index, the FTSE NAREIT Equity Index, and the SNL US Office Index for the period beginning on October 10, 2013 (the date of our initial listing on the NYSE) through December 31, 2014. The graph assumes a \$100 investment in each of the indices on October 10, 2013, and the reinvestment of all dividends.

Index	October 10, 2013	December 31, 2013	December 31, 2014
Columbia Property Trust	\$100.00	\$112.10	\$119.00
S&P 500 Index	\$100.00	\$109.70	\$124.70
Morgan Stanley REIT Index	\$100.00	\$97.70	\$127.38
FTSE NAREIT US Real Estate Index	\$100.00	\$97.68	\$127.40

Share Repurchases

During the quarter ended December 31, 2014, we redeemed shares as follows:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share ⁽¹⁾
October 2014	—	\$—
November 2014	—	\$—
December 2014	838	\$25.35

⁽¹⁾ All activity for the fourth quarter related to the remittances of shares for income taxes associated with accelerated vesting of certain stock grants made under the Long-Term Incentive Plan (see Note 7, Stockholders' Equity).

Unregistered Issuance of Securities

During the years 2012, 2013, and 2014, we did not issue any securities that were not registered under the Securities Act of 1933.

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Securities Authorized for Issuance under Equity Compensation Plans

We have reserved 2,000,000 shares of common stock for issuance under the Long-Term Incentive Plan and 25,000 shares of common stock under the Independent Director Stock Option Plan. See Note 7, Stockholders' Equity, for more information about these plans. The Long-Term Incentive Plan was approved by our shareholders in 2013, and the Independent Director Stock Option Plan was approved by our stockholders in 2003, before we commenced our initial public offering. The following table provides summary information about securities issuable under our equity compensation plans as of December 31, 2014:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights	Weighted-average exercise price of outstanding options, warrants, and rights	Common stock issued under the Long-Term Incentive Plan	Number of securities remaining available for future issuance under equity compensation plans ⁽¹⁾
Equity compensation plans approved by security holders	7,375	\$ 48.00	164,848	1,852,777
Equity compensation plans not approved by security holders	—	—	—	—
Total	7,375	\$ 48.00	164,848	1,852,777

⁽¹⁾ Includes 1,835,152 shares reserved for issuance under the Long-Term Incentive Plan and 17,625 shares reserved for issuance under the Independent Director Stock Option Plan.

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ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data for 2014, 2013, 2012, 2011, and 2010 should be read in conjunction with the accompanying consolidated financial statements and related notes in Item 8, Financial Statements and Supplementary Data, hereof (amounts in thousands, except per-share data).

	As of December 31,				
	2014	2013	2012	2011	2010
Total assets	\$4,738,878	\$4,592,482	\$5,730,949	\$5,776,567	\$5,371,685
Total stockholders' equity	\$2,733,478	\$2,787,823	\$3,163,980	\$3,346,655	\$3,455,697
Outstanding debt	\$1,680,066	\$1,489,179	\$1,650,296	\$1,469,486	\$886,939
Outstanding long-term debt	\$1,469,245	\$1,477,563	\$1,621,541	\$1,433,295	\$838,556
Obligations under capital leases	\$120,000	\$120,000	\$586,000	\$646,000	\$646,000
	Years Ended December 31,				
	2014	2013	2012	2011	2010
Total revenues ⁽¹⁾	\$540,797	\$526,578	\$494,271	\$492,887	\$433,885
Net income attributable to the common stockholders of Columbia Property Trust, Inc.	\$92,635	\$15,720	\$48,039	\$56,642	\$23,266
Net cash provided by operating activities	\$236,906	\$218,329	\$252,839	\$279,158	\$270,106
Net cash provided by (used in) investing activities	\$(23,788)	\$495,389	\$31,047	\$(666,090)	\$(312,708)
Net cash provided by (used in) financing activities	\$(163,183)	\$(667,417)	\$(269,729)	\$387,610	\$(20,429)
Distributions paid	\$149,962	\$191,473	\$256,020	\$270,720	\$313,815
Net proceeds raised through issuance of our common stock ⁽²⁾	\$—	\$46,402	\$118,388	\$130,289	\$483,559
Net debt proceeds (repayments) ⁽²⁾	\$(11,739)	\$(160,940)	\$(28,191)	\$375,222	\$(74,742)
Acquisitions, earnest money paid, and investments in real estate ⁽²⁾	\$(416,991)	\$(44,856)	\$(233,798)	\$(638,783)	\$(318,948)
Per weighted-average common share data:					
Net income (loss) – basic ⁽³⁾	\$0.74	\$0.12	\$0.35	\$0.42	\$0.18
Net income (loss) – diluted ⁽³⁾	\$0.74	\$0.12	\$0.35	\$0.42	\$0.18
Distributions declared ⁽³⁾	\$1.20	\$1.44	\$1.88	\$2.00	\$2.28
Weighted-average common shares outstanding – basic ⁽³⁾	124,860	134,085	136,672	135,680	131,212
Weighted-average common shares outstanding – diluted ⁽³⁾	124,918	134,085	136,672	135,680	131,212

The amounts for 2012, 2011, and 2010 have been adjusted to conform with current-period presentation, including

- (1) classifying revenues generated by sold properties as discontinued operations (see Note 12, Discontinued Operations, to the accompanying consolidated financial statements).
- (2) Activity is presented on a cash basis. Please refer to our accompanying consolidated statements of cash flows.
- (3) Where applicable, share and per-share amounts have been retroactively adjusted to reflect the impact of the August 14, 2013, four-for-one reverse stock split for all periods presented (See Note 7, Stockholders' Equity).

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

The following discussion and analysis should be read in conjunction with the Selected Financial Data in Item 6, Selected Financial Data, above and our accompanying consolidated financial statements and notes thereto. See also Cautionary Note Regarding Forward-Looking Statements preceding Part I.

Overview

We continue to focus on improving our market concentration by growing our economic presence in key markets through strategic investment opportunities, and by divesting of properties with single tenants, in suburban locations, and/or in low barrier markets, which we believe face more challenging appreciation prospects. In January 2015, we acquired the 116 Huntington Avenue Building in Boston, Massachusetts, for \$152.0 million, and the a portfolio of two assets, containing the 315 Park Avenue South Building in New York City, New York, and the 1881 Campus Commons Building in Reston, Virginia, for \$436.0 million. During 2014, we acquired two properties in San Francisco, California, for a total of \$539.0 million, sold a single-tenant asset in Atlanta for \$290.0 million, and sold four smaller properties in outlying markets for total gross proceeds of \$135.5 million.

As a result of these capital recycling transactions, we have improved our concentration in key markets and central business districts, as well as reduced our exposure to single-tenant assets. Over the intermediate and longer term, we are continuing to seek to optimize the allocation between our traditional, stabilized core investments, and growth-oriented, core-plus, and value-add investments. While transitioning the portfolio to more growth-oriented, core-plus, and value-add properties is likely to cause some dilution in earnings for a period of time, we believe that it will improve the opportunity for growth over the longer term.

Liquidity and Capital Resources

Overview

Cash flows generated from the operation of our properties are primarily used to fund dividends to our stockholders and recurring expenditures. We maintained a quarterly stockholder distribution rate of \$0.30 per share throughout 2014. The amount of distributions to common stockholders is determined by our board of directors and is dependent upon a number of factors, including funds deemed available for distribution based principally on our current and future projected operating cash flows, reduced by capital requirements necessary to maintain our existing portfolio. In determining the amount of distributions to common stockholders, we also consider our future capital needs and future sources of liquidity, as well as the annual distribution requirements necessary to maintain our status as a REIT under the Code. Investments in new property acquisitions and first-generation capital improvements are generally funded with recycled capital proceeds from property sales, debt, or cash on hand.

Short-term Liquidity and Capital Resources

During 2014, we generated net cash flows from operating activities of \$236.9 million, which consists primarily of receipts from tenants for rent and reimbursements, reduced by payments for operating costs, administrative expenses, and interest expense. During the same period, we paid total distributions to stockholders of \$150.0 million.

During 2014, we acquired two properties in San Francisco, California, for a total of \$539.0 million by assuming two mortgage notes totaling \$203.0 million and funding the balance with a combination of cash on hand and borrowings under our line of credit. During the same period, we sold five properties for total gross proceeds of \$425.5 million, which enabled us to fully repay our line of credit in October 2014. In January 2015, we acquired three properties in two transactions for a total of \$588.0 million with a \$300 million bridge loan, \$140.0 million of borrowings on our line of credit, and cash generated from the 2014 property sales described above.

On a short-term basis, we expect our primary sources of capital to be operating cash flows and proceeds from select property dispositions. We expect that our principal demands for funds will be distributions to stockholders, capital improvements to our existing assets, operating expenses, property acquisitions, and interest and principal on current debt and any future debt financings. We believe that we have adequate liquidity and capital resources to meet our current obligations as they come due. As of January 31, 2015, we had access to \$369.0 million of our borrowing capacity under the JPMorgan Chase Credit Facility. Additionally, in 2014, we filed a universal shelf-registration statement with the Securities and Exchange Commission, which provides us with future flexibility to offer a variety of

debt and equity securities, from time-to-time in one or more offerings.

Long-term Liquidity and Capital Resources

Over the long term, we expect that our primary sources of capital will include operating cash flows, select property dispositions, and proceeds from secured or unsecured borrowings from third-party lenders. We may also opt to offer shares of our common stock from time to time, subject to current stock price and market conditions. We expect that our primary uses of capital will

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continue to include stockholder distributions; acquisitions; capital expenditures, such as building improvements, tenant improvements, and leasing costs; and repaying or refinancing debt.

Consistent with our financing objectives and operational strategy, we continue to maintain low debt levels, historically less than 40% of the cost of our assets. This conservative leverage goal could reduce the amount of current income we can generate for our stockholders, but it also reduces their risk of loss. We believe that preserving investor capital while generating stable current income is in the best interest of our stockholders. Our debt-to-real-estate-asset ratio is calculated using the outstanding debt balance and real estate at cost. As of December 31, 2014, our debt-to-real-estate-asset ratio (calculated on a cost basis) was approximately 32.2%.

Contractual Commitments and Contingencies

As of December 31, 2014, our contractual obligations will become payable in the following periods (in thousands):

Contractual Obligations	Total	2015	2016-2017	2018-2019	Thereafter
Debt obligations	\$1,680,574	\$210,511	\$748,188	\$396,875	\$325,000
Interest obligations on debt ⁽¹⁾	264,859	66,301	95,361	45,526	57,671
Capital lease obligations ⁽²⁾	120,000	—	—	—	120,000
Operating lease obligations	216,076	2,557	5,259	5,463	202,797
Total	\$2,281,509	\$279,369	\$848,808	\$447,864	\$705,468

Interest obligations on variable-rate debt are measured at the rate at which they are effectively fixed with interest rate swap agreements (where applicable), a portion of which is reflected as loss on interest rate swaps in our

(1) consolidated statements of operations of the accompanying consolidated financial statements. Interest obligations on all other debt instruments are measured at the contractual rate. See Item 7A, Quantitative and Qualitative Disclosure About Market Risk, for more information regarding our interest rate swaps.

Amounts include principal obligations only. We made interest payments on these obligations of \$7.2 million

(2) during 2014, all of which was funded with interest income earned on the corresponding investments in development authority bonds.

2018 Bonds Payable

In 2011, we issued \$250.0 million of seven-year, unsecured 5.875% senior notes at 99.295% of their face value. We received proceeds from the 2018 Bonds Payable, net of fees, of \$246.7 million. The 2018 Bonds Payable require semiannual interest payments in April and October based on a contractual annual interest rate of 5.875%, which is subject to adjustment in certain circumstances. The principal amount of the 2018 Bonds Payable is due and payable on the maturity date, April 1, 2018. Interest payments of \$14.7 million were made on the 2018 Bonds Payable during 2014 and 2013.

The restrictive covenants on the 2018 Bonds Payable as defined pursuant to an indenture include:

- limits to our ability to merge or consolidate with another entity or transfer all or substantially all of our property and assets, subject to important exceptions and qualifications;
- a limitation on the ratio of debt to total assets, as defined, to 60%;
- limits to our ability to incur debt if the consolidated income available for debt service to annual debt service charge, as defined, for four previous consecutive fiscal quarters is less than 1.5:1 on a pro forma basis;
- limits to our ability to incur liens if, on an aggregate basis for us, the secured debt amount would exceed 40% of the value of the total assets; and
- a requirement that the ratio of unencumbered asset value, as defined, to total unsecured debt be at least 150% at all times.

As of December 31, 2014, we believe we were in compliance with the restrictive covenants on the 2018 Bonds Payable.

Universal Shelf Registration Statement

On September 15, 2014, we filed a universal shelf registration statement on Form S-3 (No. 333-198764) with the Securities and Exchange Commission (the "Universal Shelf Registration Statement"), which was effective upon filing. The Universal Shelf Registration Statement provides us with future flexibility to offer, from time to time and in one or more offerings, debt securities, common stock, preferred stock, depositary shares, warrants, or any combination

thereof. The terms of any such future offerings would be established at the time of an offering.

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JPMorgan Chase Credit Facility

The JPMorgan Chase Credit Facility has a capacity of \$500 million and matures on August 21, 2017, with a one-year extension option. Amounts outstanding under the JPMorgan Chase Credit Facility bear interest at the London Interbank Offered Rate ("LIBOR"), plus an applicable margin ranging from 1.00% to 1.70% for LIBOR borrowings, or an applicable base rate, plus an applicable margin ranging from 0.00% to 0.70% for base rate borrowings, based on our applicable credit rating. The per annum facility fee on the aggregate revolving commitment (used or unused) ranges from 0.15% to 0.35%, also based on our applicable credit rating. Additionally, we have the ability to increase the capacity of the JPMorgan Chase Credit Facility up to \$800.0 million, subject to certain limitations.

We are subject to a \$25.0 million limitation on letters of credit that may be issued under the JPMorgan Chase Credit Facility. The JPMorgan Chase Credit Facility contains the following restrictive covenants:

- limits the ratio of debt to total asset value, as defined, to 50% or less during the term of the facility;
- limits the ratio of secured debt to total asset value, as defined, to 40% or less during the term of the facility;
- requires the ratio of unencumbered asset value, as defined, to total unsecured debt to be at least 2:1 at all times;
- requires maintenance of certain interest and fixed-charge coverage ratios;
- limits the ratio of secured recourse debt to total asset value, as defined, to 10% or less at all times;
- requires maintenance of certain minimum tangible net worth balances; and
- limits investments that fall outside our core investments of improved office properties located in the United States.

As of December 31, 2014, we believe we were in compliance with the restrictive covenants on our outstanding debt obligations.

\$450 Million Term Loan

The \$450 Million Term Loan matures on February 3, 2016, with two, one-year extension options available. The interest rate on the \$450 Million Term Loan continues to be effectively fixed with an interest rate swap agreement. Based on the terms of the interest rate swap and our current credit rating, the interest rate on the \$450 Million Term Loan is effectively fixed at 2.07%. Additionally, we have the ability to increase the borrowing capacity of the \$450 Million Term Loan up to \$700.0 million, subject to certain limitations.

Bridge Loan

We entered into the Bridge Loan on January 6, 2015. The \$300 million in proceeds from the Bridge Loan was used to fund the real estate acquisitions in January 2015. At our option, borrowings under the Bridge Loan bear interest at either (i) an alternate base rate plus an applicable margin ranging from 0.00% to 0.80% or (ii) LIBOR plus an applicable margin based on four stated pricing levels ranging from 1.00% to 1.80%, in each case based on our credit rating. Subject to customary conditions, we may increase the borrowings under the Bridge Loan two times, up to an aggregate additional amount of \$150 million. Each increase must be in an increment of \$25 million.

The Bridge Loan matures on July 6, 2015, with a six-month extension at our option, and may be prepaid at any time without premium or penalty. The Bridge Loan contains restrictive covenants that are substantially similar to the covenants contained in the JPMorgan Chase Credit Facility. In addition, amounts under the Bridge Loan must be repaid with the net cash proceeds of certain financing activities and asset sales, including (i) the issuance of common or preferred equity securities, (ii) the incurrence of mortgage indebtedness on any property, (iii) the incurrence of unsecured indebtedness, or (iv) the sale of certain real estate assets of or any equity interests.

Debt Repayments, Maturities, and Interest Payments

On October 8, 2014, we repaid the mortgage note for the 544 Lakeview Building (the "544 Lakeview Building Mortgage Note") for \$9.1 million, resulting in a loss on early extinguishment of debt of \$23,000. The original maturity date for the 544 Lakeview Building mortgage note was December 1, 2014. There were no other debt maturities or repayments during 2014.

During 2014 and 2013, we made interest payments of approximately \$56.1 million and \$59.6 million, respectively, related to our line of credit and notes payable. In addition, we made interest payments of approximately \$14.7 million in both 2014 and 2013, related to our 2018 Bonds Payable (see Note 5, Bonds Payable).

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Results of Operations

Overview

As of December 31, 2014, we owned controlling interests in 35 office properties, which were approximately 93.3% leased, and one hotel. Our real estate operating income was \$88.9 million for 2014, which represents a decrease from \$94.6 million for 2013, primarily due to the impact of 2014 impairment charges and acquisition expenses incurred in connection with our portfolio repositioning activities, partially offset by one-time general and administrative expenses incurred in 2013 to transition the company to a self-managed platform. In the near-term, we expect future operating income to continue to fluctuate, primarily based on leasing activities, property dispositions, and acquisitions for our portfolio.

Portfolio Activity

During 2014, we entered into leases for 1.1 million square feet of office space with an average lease term of 11.8 years. This activity consisted of 359,000 square feet of new leasing and 741,000 square feet of renewal leasing. For leases executed during the year, we experienced a 7.3% increase in rental rates on a GAAP basis.

Comparison of the year ended December 31, 2014 versus the year ended December 31, 2013

Continuing Operations

Rental income was \$414.5 million for 2014, which represents an increase from \$406.9 million for 2013, due to the acquisition of the 221 Main Street Building and the 650 California Street Building in April 2014 and September 2014, respectively, partially offset by the impact of 2014 dispositions. We expect rental income to fluctuate based on leasing, acquisition, and disposition activity.

Tenant reimbursements and property operating costs were \$95.4 million and \$163.7 million, respectively, for 2014, which represents a slight increase as compared with \$90.9 million and \$154.6 million, respectively, for 2013, as the additional costs related to our recently acquired properties and increased property taxes resulting from annual assessments were partially offset by the impact of the disposition of properties in late 2013 and 2014. Tenant reimbursements and property operating costs are expected to fluctuate with changes in our portfolio.

Hotel income, net of hotel operating costs, was \$4.1 million for 2014, which represents a decrease as compared with \$5.4 million for 2013, primarily due to unfavorable weather in Cleveland, Ohio, and renovations at the Key Center Marriott, which resulted in lower occupancy during the first quarter of 2014. Hotel income and hotel operating costs are primarily driven by the local economic conditions and, as a result, are expected to fluctuate in the future primarily based on changes in the supply of, and demand for, hotel and banquet space in Cleveland, Ohio, similar to that offered by the Key Center Marriott hotel.

Other property income was \$8.0 million for 2014, which represents an increase from \$5.0 million for 2013, primarily due to fees earned in connection with a lease termination at one of the Market Square Buildings and the 222 East 41st Street Building in 2014. Future other property income is expected to fluctuate primarily as a result of lease restructuring and termination activities.

Asset and property management fees were \$2.3 million for 2014, which represents a decrease from \$6.4 million for 2013, due to the termination of the Advisory Agreement effective February 28, 2013. See Note 10, Related-Party Transactions and Agreements, for additional information. Future asset and property management fees are expected to fluctuate with acquisition and disposition activity, as no related-party asset or property management fees will be incurred.

Depreciation was \$117.8 million for 2014, which represents an increase from \$108.1 million for 2013, due to the timing of current year acquisitions, net of dispositions, and the completion of capital improvements at certain of our existing properties. Depreciation is expected to fluctuate in future periods due to additional changes in the composition of our portfolio and ongoing capital improvements at our existing properties.

Amortization was relatively stable at \$78.8 million and \$78.7 million for 2014 and 2013, respectively, as the impact of 2014 acquisitions was offset by the impact of 2013 and 2014 dispositions. Amortization is expected to fluctuate in future periods due to future leasing and future acquisitions and dispositions.

In 2014, we recognized the following impairment losses in connection with changing our investment strategy and disposition expectations for the following assets: \$13.6 million on the 160 Park Avenue Building in Florham Park,

New Jersey, in the first quarter of 2014 (sold in June 2014); \$1.4 million on the 200 South Orange Building in Orlando, Florida, in the second quarter of 2014 (sold in June 2014); and \$10.1 million on the Bannockburn Lake III Building in Bannockburn, Illinois, in the fourth quarter of 2014 (currently being marketed for sale). We have identified \$500 million to \$600 million of real estate assets that are candidates

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for near-term disposition. Future impairment losses on these properties will depend principally on the progress of our marketing efforts, and the disposition strategies evaluated and, ultimately, pursued.

General and administrative expenses were \$31.3 million for 2014, which represents a decrease as compared with \$61.9 million for 2013, primarily due to the impact of transitioning to a self-managed structure and the expiration of contracts related thereto. See Note 10, Related-Party Transactions and Agreements, of the accompanying financial statements for details. We expect general and administrative expenses to fluctuate somewhat in the near-term as we continue to develop our regionalized investment and asset management platform.

We incurred \$4.1 million in listing costs during 2013 in connection with listing our shares on the New York Stock Exchange on October 10, 2013 and no listing costs in 2014.

We incurred total acquisition expenses of \$14.1 million for 2014 in connection with acquiring two properties in San Francisco, California, and no acquisition expenses in 2013. See Note 3, Real Estate and Other Transactions, of the accompanying financial statements for additional details. We expect future acquisition expenses to fluctuate with acquisition activity.

Interest expense was \$75.7 million for 2014, which represents a decrease as compared with \$101.9 million for 2013, primarily due to settling \$466.0 million of our \$586.0 million total capital lease obligations, and the related and offsetting development authority bond investments, in December 2013. Interest expense is expected to fluctuate with future acquisitions and financing activities.

Interest and other income was \$7.3 million for 2014, which represents a decrease from \$34.0 million for 2013, due to the December 2013 settlement of \$466.0 million of the \$586.0 million total development authority bonds, and the related and offsetting obligations under capital leases. Interest income is expected to remain at comparable levels in future periods, as the majority of this activity consists of interest income earned on investments in development authority bonds, with a remaining term of approximately seven years as of December 31, 2014. Interest income earned on investments in development authority bonds is entirely offset by interest expense incurred on the corresponding capital leases.

We recognized a loss on interest rate swaps that do not qualify for hedge accounting treatment of approximately \$0.4 million for 2014, as compared with \$0.3 million for 2013. We anticipate that future gains and losses on interest rate swaps that do not qualify for hedge accounting treatment will fluctuate, primarily due to changes in the estimated fair value of our interest rate swaps relative to then-current market conditions. Market value adjustments to swaps that qualify for hedge accounting treatment are recorded directly to equity and therefore do not impact net income.

We recognized a loss on early extinguishment of debt of \$23,000 in 2014, related to the early repayment of the \$9.1 million mortgage note for the 544 Lakeview Building. This note was originally due on December 1, 2014, and fully repaid on October 8, 2014.

We recognized gains of sales of real estate assets of \$75.3 million in 2014. In July 2014, we sold the 7031 Columbia Gateway Drive Building in Columbia, Maryland, for \$59.5 million, exclusive of transaction costs, yielding a gain on sale of real estate assets of \$7.7 million; in August 2014, we sold the 9 Technology Drive Building in Westborough, Massachusetts, for \$47.0 million, exclusive of purchase price adjustments and transaction costs, yielding a gain on sale of real estate assets of \$11.1 million; and in October 2014, we sold the Lenox Park Property in Atlanta, Georgia, for \$290.0 million, exclusive of transaction costs, yielding a gain on sale of real estate assets of approximately \$56.5 million.

Discontinued Operations

Loss from discontinued operations was \$2.0 million for 2014, as compared with \$10.1 million for 2013. The decrease in loss from discontinued operations is due to our adoption of Accounting Standards Update 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components on an Entity ("ASU 2014-08"), which requires only dispositions that represent a strategic shift in our operations be reclassified to discontinued operations. Therefore, the operating results of properties disposed of subsequent to April 1, 2014, have not been reclassified to discontinued operations. As further explained in Note 12, Discontinued Operations, to the accompanying consolidated financial statements, prior to our adoption of ASU 2014-08, properties meeting certain criteria for disposal were classified as "discontinued operations" in the accompanying consolidated statements of operations for all periods presented.

Net Income

Net income attributable to Columbia Property Trust was \$92.6 million, or \$0.74 per share, for 2014, which represents an increase from \$15.7 million, or \$0.12 per share, for 2013, primarily due to gains recognized on 2014 property sales. We expect future earnings to fluctuate as a result of leasing activity at our existing properties and acquisition and disposition activity.

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Comparison of the year ended December 31, 2013 versus the year ended December 31, 2012

Rental income was \$406.9 million for 2013, which represents an increase from \$381.8 million for 2012, primarily due to the acquisition of the 333 Market Street Building in December 2012.

Tenant reimbursements remained relatively stable at \$90.9 million for 2013, as compared with \$88.4 million for 2012. Property operating costs, however, increased to \$154.6 million for 2013 from \$147.2 million for 2012, primarily due to increases in property taxes resulting from annual reassessments; increased costs primarily driven by noncapital project initiatives, such as facade maintenance and build-outs to prepare space for leasing; and the acquisition of the 333 Market Street Building in December 2012. Tenant reimbursements of the additional 2013 property operating costs were neutralized by the impact of concessions offered with new and modified leases.

Hotel income, net of hotel operating costs, remained relatively stable at \$5.4 million for 2013 and \$4.7 million for 2012.

Other property income was \$5.0 million for 2013, which represents an increase from \$1.0 million for 2012, primarily due to fees earned in connection with lease restructurings and terminations during the fourth quarter of 2013.

Asset and property management fees were \$6.4 million for 2013, which represents a decrease from \$31.8 million for 2012, due to terminating the Advisory Agreement effective February 28, 2013, as further discussed in Note 10,

Related-Party Transactions and Agreements.

Depreciation was \$108.1 million for 2013, which represents an increase from \$98.7 million for 2012, primarily due to the acquisition of the 333 Market Street Building in December 2012 and capital improvements at certain of our existing properties.

Amortization was \$78.7 million for 2013, which represents a decrease from \$86.5 million for 2012, primarily due to the expiration of in-place leases at our properties during 2012 and 2013 and lease terminations.

General and administrative expenses were \$61.9 million for 2013, which represents an increase from \$24.6 million for 2012, primarily due to the impact of transitioning to a self-managed platform (see Note 10, Related-Party Transactions and Agreements, for details).

We incurred \$4.1 million in listing costs during 2013 in connection with listing our shares on the NYSE on October 10, 2013.

Acquisition fees and expenses were \$1.9 million for 2012, attributable to the December 2012 acquisition of the 333 Market Street Building in San Francisco, California.

Interest expense was \$101.9 million for 2013 and 2012, as the impact of the settlement of the development authority bonds in December 2012 and 2013 was offset by the 333 Market Street Building mortgage note, assumed at acquisition in December 2012.

Interest and other income was \$34.0 million for 2013, which represents a decrease from \$39.9 million for 2012, due to the settlement of the development authority bonds and the related obligations under capital lease in December 2012 and 2013.

We recognized a loss on interest rate swaps that do not qualify for hedge accounting treatment of approximately \$0.3 million for 2013, as compared with \$1.2 million for 2012.

Discontinued Operations

Income (loss) from discontinued operations was \$(10.1) million for 2013, which represents a decrease from \$26.6 million for 2012, primarily due to impairment charges related to the 18 Property Sale (as defined hereafter), which closed in 2013, and gains on 2012 property sales. As further explained in Note 12, Discontinued Operations, to the accompanying consolidated financial statements during 2012 and 2013, properties meeting certain criteria for disposal are classified as "discontinued operations" in the accompanying consolidated statements of operations for all periods presented. For 2013 and 2012, discontinued operations include the properties sold through December 31, 2013. See Note 12, Discontinued Operations, to the accompanying consolidated financial statements for additional discussion of these transactions.

Net Income

Net income attributable to Columbia Property Trust was \$15.7 million, or \$0.12 per share, for 2013, which represents a decrease from \$48.0 million, or \$0.35 per share, for 2012. The decrease is primarily due to impairment losses

incurred in connection with the 18 Property Sale, partially offset by additional income from the full-year impact of acquiring 333 Market Street in December 2012 and new leases and lease restructuring activities in 2013.

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Funds From Operations

Funds from operations ("FFO") is not computed in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). This non-GAAP measure is used by many investors and analysts who follow the real estate industry to measure the performance of an equity REIT. We consider FFO a useful measure of our performance because it principally adjusts for the effects of GAAP depreciation and amortization of real estate assets, which assumes that the value of real estate diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, we believe that FFO provides a meaningful supplemental measure of our performance. We believe that the use of FFO, combined with the required GAAP presentations, is beneficial in improving our investors' understanding of our operating results and allowing for comparisons among other companies who define FFO as we do.

FFO, as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), represents net income (computed in accordance with GAAP), excluding gains (losses) on sales of real estate and impairments of real estate assets, plus real estate-related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures, for both continuing and discontinued operations. We compute FFO in accordance with NAREIT's definition, which may differ from the methodology for calculating FFO, or similarly titled measures, used by other companies, and this may not be comparable to those presentations.

FFO does not represent amounts available for management's discretionary use because of needed capital replacement or expansion, debt service obligations, or other commitments and uncertainties, nor is it indicative of funds available to fund our cash needs, including our ability to make distributions. Our presentation of FFO should not be considered as an alternative to net income (computed in accordance with GAAP) as an indicator of financial performance.

Reconciliations of net income to FFO (in thousands):

	Years ended December 31,		
	2014	2013	2012
Reconciliation of Net Income to Funds From Operations:			
Net income attributable to the common stockholders of Columbia Property Trust, Inc.	\$92,635	\$15,720	\$48,039
Adjustments:			
Depreciation of real estate assets	117,766	119,835	120,307
Amortization of lease-related costs	78,843	86,300	102,234
Impairment loss on real estate assets	25,130	29,737	18,467
Gain on sale of real estate assets – continuing operations	(75,275) —	—
Gain (loss) on sale of real estate assets – discontinued operations	1,627	(11,225	) (20,117
Total Funds From Operations adjustments	148,091	224,647	220,891
Funds From Operations	\$240,726	\$240,367	\$268,930

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Portfolio Information

As of December 31, 2014, we owned controlling interests in 35 office properties and one hotel, which includes 52 operational buildings. These properties comprise approximately 15.7 million square feet of commercial space located in 12 states and the District of Columbia. All of our office properties are wholly owned except for one, which is owned through a consolidated subsidiary. As of December 31, 2014, the office properties were approximately 93.3% leased. Annualized Lease Revenue is defined in Item 2, Properties.

As of December 31, 2014, our five highest geographic concentrations were as follows:

Location	2014 Annualized Lease Revenue (in thousands)	Leased Square Feet (in thousands)	Percentage of 2014 Annualized Lease Revenue	
San Francisco	\$94,100	1,866	19	%
Washington, D.C.	61,072	878	12	%
Northern New Jersey	47,751	1,729	10	%
Houston	41,775	992	9	%
Cleveland	38,526	1,201	8	%
	\$283,224	6,666	58	%

As of December 31, 2014, our five highest tenant industry concentrations were as follows:

Industry	2014 Annualized Lease Revenue (in thousands)	Leased Square Feet (in thousands)	Percentage of 2014 Annualized Lease Revenue	
Legal Services	\$87,285	1,564	18	%
Depository Institutions	69,314	2,003	14	%
Business Services	41,057	1,160	8	%
Electric, Gas & Sanitary Services	38,856	1,827	8	%
Security & Commodity Brokers	32,492	764	7	%
	\$269,004	7,318	55	%

As of December 31, 2014, our five highest tenant concentrations were as follows:

Tenant	2014 Annualized Lease Revenue (in thousands)	Percentage of 2014 Annualized Lease Revenue	
Wells Fargo	\$27,924	6	%
Jones Day	27,581	6	%
AT&T	21,704	4	%
PSEG Services	20,735	4	%
IBM	20,506	4	%
	\$118,450	24	%

For more information on our portfolio, see Item 2, Properties.

Election as a REIT

We have elected to be taxed as a REIT under the Code, and have operated as such beginning with our taxable year ended December 31, 2003. To qualify as a REIT, we must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of our adjusted taxable income, as defined in the Code, to our stockholders, computed without regard to the dividends-paid deduction and by excluding our net capital gain. As a REIT, we generally will not be subject to federal income tax on income that we distribute to our stockholders. If we fail to qualify as a REIT in any taxable year, we will then be subject to federal income taxes on our taxable income for that year and for the four years following the year during which qualification is lost, unless the Internal Revenue Service grants us relief under certain statutory provisions. Such an event could

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materially affect our net income and net cash available for distribution to our stockholders. However, we believe that we are organized and operate in such a manner as to qualify for treatment as a REIT for federal income tax purposes. Columbia Property Trust TRS, LLC ("Columbia TRS"), Columbia KCP TRS, LLC ("Columbia KCP TRS"), and Columbia Energy TRS, LCC ("Columbia Energy TRS"), (collectively the "TRS Entities") are wholly owned subsidiaries of Columbia Property Trust, are organized as Delaware limited liability companies, and operate, among other things, a full-service hotel. We have elected to treat the TRS Entities as taxable REIT subsidiaries. We may perform certain additional, noncustomary services for tenants of our buildings through the TRS Entities; however, any earnings related to such services are subject to federal and state income taxes. In addition, for us to continue to qualify as a REIT, we must limit our investments in taxable REIT subsidiaries to 25% of the value of our total assets. Deferred tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of assets and liabilities at the enacted rates expected to be in effect when the temporary differences reverse.

No provisions for federal income taxes have been made in our accompanying consolidated financial statements, other than the provisions relating to Columbia Property Trust TRS, Columbia KCP TRS, and Columbia Energy TRS, as we made distributions in excess of taxable income for the periods presented. We are subject to certain state and local taxes related to property operations in certain locations, which have been provided for in our accompanying consolidated financial statements.

Inflation

We are exposed to inflation risk, as income from long-term leases is the primary source of our cash flows from operations. There are provisions in the majority of our tenant leases that are intended to protect us from, and mitigate the risk of, the impact of inflation. These provisions include rent steps, reimbursement billings for operating expense pass-through charges, real estate tax and insurance reimbursements on a per-square-foot basis, or in some cases, annual reimbursement of operating expenses above a certain per-square-foot allowance. However, due to the long-term nature of the leases, the leases may not reset frequently enough to fully cover inflation.

Application of Critical Accounting Policies

Our accounting policies have been established to conform with GAAP. The preparation of financial statements in conformity with GAAP requires management to use judgment in the application of accounting policies, including making estimates and assumptions. These judgments affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied, thus resulting in a different presentation of the financial statements. Additionally, other companies may utilize different estimates that may impact the comparability of our results of operations to those of companies in similar businesses.

Investment in Real Estate Assets

We are required to make subjective assessments as to the useful lives of our depreciable assets. We consider the period of future benefit of the asset to determine the appropriate useful lives. These assessments have a direct impact on net income. The estimated useful lives of our assets by class are as follows:

Buildings	40 years
Building and site improvements	5-25 years
Tenant improvements	Shorter of economic life or lease term
Intangible lease assets	Lease term

Evaluating the Recoverability of Real Estate Assets

We continually monitor events and changes in circumstances that could indicate that the carrying amounts of the real estate and related intangible assets of both operating properties and properties under construction, in which we have an ownership interest, either directly or through investments in joint ventures, may not be recoverable. When indicators of potential impairment are present that suggest that the carrying amounts of real estate assets and related intangible assets (liabilities) may not be recoverable, we assess the recoverability of these assets by determining

whether the respective carrying values will be recovered through the estimated undiscounted future operating cash flows expected from the use of the assets and their eventual disposition. In the event that such expected undiscounted future cash flows do not exceed the carrying values, we adjust the carrying value of the real estate assets and related intangible assets to the estimated fair values, pursuant to the property, plant, and equipment accounting standard

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for the impairment or disposal of long-lived assets, and recognize an impairment loss. Estimated fair values are calculated based on the following information, in order of preference, depending upon availability: (i) recently quoted market prices; (ii) market prices for comparable properties; or (iii) the present value of future cash flows, including estimated salvage value. Certain of our assets may be carried at more than an amount that could be realized in a current disposition transaction.

Projections of expected future operating cash flows require that we estimate future market rental income amounts subsequent to the expiration of current lease agreements, property operating expenses, the number of months it takes to re-lease the property, and the number of years the property is held for investment, among other factors. The subjectivity of assumptions used in the future cash flow analysis, including discount rates, could result in an incorrect assessment of the property's fair value and could result in the misstatement of the carrying value of our real estate assets and related intangible assets and net income (loss).

In the third quarter of 2012, we focused on refining our portfolio by marketing and negotiating the sale of a collection of nine assets in outlying markets (the "Nine Property Sale"). We evaluated the recoverability of the carrying values of these assets pursuant to the accounting policy outlined above and determined that the carrying value of the 180 E 100 South property in Salt Lake City, Utah, one of the properties in the Nine Property Sale, was no longer recoverable due to the change in disposition strategy and the shortening of the expected hold period for this asset in the third quarter of 2012. As a result, we reduced the carrying value of the 180 E 100 South property to reflect fair value and recorded a corresponding property impairment loss of \$18.5 million in the third quarter of 2012, which is included in operating income from discontinued operations in the accompanying statement of operations.

In connection with furthering our portfolio repositioning efforts, in the first quarter of 2013, we began to market 18 properties for sale. Pursuant to the accounting policy outlined above, we evaluated the recoverability of the carrying values of each of these properties and determined that the 120 Eagle Rock property in East Hanover, New Jersey, and the 333 & 777 Republic Drive property in Allen Park, Michigan, were no longer recoverable due to shortening the respective expected property holding periods in connection with these repositioning efforts. As a result, we reduced the carrying value of the 120 Eagle Rock property and the 333 & 777 Republic Drive property to reflect their respective fair values estimated, based on projected discounted future cash flows and recorded corresponding property impairment losses of \$11.7 million and \$5.2 million, respectively, in the first quarter of 2013, which are included in operating income (loss) from discontinued operations in the accompanying statement of operations. In connection with finalizing the terms of the sale agreement for these 18 properties (the "18 Property Sale") in November of 2013, we reduced the aggregate carrying value of the assets therein to fair value, as estimated based on the approximate contract price of \$500 million, by recognizing an additional impairment loss of \$12.9 million in the third quarter of 2013, which is included in operating income (loss) from discontinued operations in the accompanying statement of operations.

In the first quarter of 2014, we revised our investment strategy for the 160 Park Avenue Building (formerly known as the 180 Park Avenue, #103 Building) in Florham Park, New Jersey, to sell the property to a user in the near-term. As a result, management reduced its intended holding period for the building and reevaluated the property's carrying value as of March 31, 2014, pursuant to the accounting policy outlined above. We concluded that the 160 Park Avenue Building was not recoverable and reduced its carrying value to reflect its fair value, estimated based on recently quoted market prices (Level 2), by recording an impairment loss of approximately \$13.6 million in the first quarter of 2014. The sale of the 160 Park Avenue Building closed on June 4, 2014, for \$10.2 million, exclusive of transaction costs.

In the second quarter of 2014, we decided to pursue a near-term sale of the 200 South Orange Building (formerly known as the SunTrust Building) in Orlando, Florida. As a result, management reduced its intended holding period for the building and reevaluated the property's carrying value in the second quarter of 2014. In connection with negotiating the terms of the sale, we reduced the carrying value of the 200 South Orange Building to reflect fair value, estimated based on an approximate net contract price of \$18.4 million (Level 1), by recording an impairment loss of \$1.4 million in the second quarter. The sale of the 200 South Orange Building closed on June 30, 2014, for \$18.4 million, net of transaction costs.

In the fourth quarter of 2014, we identified \$500 million to \$600 million of properties in our portfolio that fall outside of our targeted investment strategy, which are candidates for near-term disposition. We are in the process of developing our marketing strategy for these assets. We plan to carefully evaluate the disposition options revealed through our marketing efforts, and to pursue those which provide the best opportunity to optimize shareholder value. In connection with initiating this process, we evaluated the recoverability of the carrying values of each of these properties and determined that the carrying value of the Bannockburn Lake III property, a vacant property located in Bannockburn, Illinois, is no longer recoverable due to reducing its expected property holding period to less than one year. As a result, in the fourth quarter of 2014, we reduced the carrying value of the Bannockburn Lake III property to \$5.0 million, estimated based on current projected discounted future cash flows, by recording an impairment loss of \$10.1 million.

The fair value measurements used in this evaluation of nonfinancial assets are considered to be Level 3 valuations within the fair value hierarchy outlined above, as there are significant unobservable inputs. Examples of inputs that were utilized in the fair value

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calculations include estimated holding periods, discount rates, market capitalization rates, expected lease rental rates, and potential sales prices. The table below represents the detail of the adjustments recognized, using Level 3 inputs.

Property	Net Book Value	Impairment Loss Recognized	Fair Value
2014			
Bannockburn Lake III	\$15,148	\$(10,148	) \$5,000
2013			
120 Eagle Rock	\$23,808	\$(11,708	) \$12,100
333 & 777 Republic Drive	\$13,359	\$(5,159	) \$8,200
2012			
180 E 100 South	\$30,847	\$(18,467	) \$12,380

Allocation of Purchase Price of Acquired Assets

Upon the acquisition of real properties, we allocate the purchase price of properties to tangible assets, consisting of land and building, site improvements, and identified intangible assets and liabilities, including the value of in-place leases, based in each case on our estimate of their fair values.

The fair values of the tangible assets of an acquired property (which includes land and building) are determined by valuing the property as if it were vacant, and the "as-if-vacant" value is then allocated to land and building based on our determination of the relative fair value of these assets. We determine the as-if-vacant fair value of a property using methods similar to those used by independent appraisers. Factors we consider in performing these analyses include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases, including leasing commissions and other related costs. In estimating carrying costs, we include real estate taxes, insurance, and other operating expenses during the expected lease-up periods based on current market demand.

Intangible Assets and Liabilities Arising from In-Place Leases Where We Are the Lessor

As further described below, in-place leases where we are the lessor may have values related to direct costs associated with obtaining a new tenant, opportunity costs associated with lost rentals that are avoided by acquiring an in-place lease, tenant relationships, and effective contractual rental rates that are above or below market rates:

Direct costs associated with obtaining a new tenant, including commissions, tenant improvements, and other direct costs, are estimated based on management's consideration of current market costs to execute a similar lease. Such direct costs are included in intangible lease origination costs in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases.

The value of opportunity costs associated with lost rentals avoided by acquiring an in-place lease is calculated based on the contractual amounts to be paid pursuant to the in-place leases over a market absorption period for a similar lease. Such opportunity costs are included in intangible lease assets in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases.

The value of tenant relationships is calculated based on expected renewal of a lease or the likelihood of obtaining a particular tenant for other locations. Values associated with tenant relationships are included in intangible lease assets in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases.

The value of effective rental rates of in-place leases that are above or below the market rates of comparable leases is calculated based on the present value (using a discount rate that reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be received pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining terms of the leases. The capitalized above-market and below-market lease values are recorded as intangible lease assets or liabilities and amortized as an adjustment to rental income over the remaining terms of the respective leases.

Evaluating the Recoverability of Intangible Assets and Liabilities

The values of intangible lease assets and liabilities are determined based on assumptions made at the time of acquisition and have defined useful lives, which correspond with the lease terms. There may be instances in which intangible lease assets and liabilities become impaired, and we are required to write off the remaining asset or liability immediately or over a shorter period of time. Lease restructurings, including lease terminations and lease extensions, may impact the value and useful life of in-place leases.

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In-place leases that are terminated, partially terminated, or modified will be evaluated for impairment if the original in-place lease terms have been modified. In the event that the discounted cash flows of the original in-place lease stream do not exceed the discounted modified in-place lease stream, we adjust the carrying value of the intangible lease assets to the discounted cash flows and recognize an impairment loss. For in-place lease extensions that are executed more than one year prior to the original in-place lease expiration date, the useful life of the in-place lease will be extended over the new lease term with the exception of those in-place lease components, such as lease commissions and tenant allowances, which have been renegotiated for the extended term. Renegotiated in-place lease components, such as lease commissions and tenant allowances, will be amortized over the shorter of the useful life of the asset or the new lease term.

Intangible Assets and Liabilities Arising from In-Place Leases Where We Are the Lessee

In-place ground leases where we are the lessee may have value associated with effective contractual rental rates that are above or below market rates. Such values are calculated based on the present value (using a discount rate that reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place lease and (ii) management's estimate of fair market lease rates for the corresponding in-place lease, measured over a period equal to the remaining terms of the leases. The capitalized above-market and below-market in-place lease values are recorded as intangible lease liabilities or assets and amortized as an adjustment to property operating cost over the remaining term of the respective leases.

Related-Party Transactions and Agreements

During 2012 and 2013, we were party to agreements with our former advisor and its affiliates, whereby we incurred and paid fees and reimbursements for certain advisory services and property management services. On February 28, 2013, we terminated the related agreements and acquired Columbia Property Trust Advisory Services and Columbia Property Trust Services, including the employees necessary to perform the corporate and property management functions previously performed by our former advisor and property manager. See Note 10, Related-Party Transactions and Agreements, of our accompanying consolidated financial statements for details of our related-party transactions, agreements, and fees.

Commitments and Contingencies

We are subject to certain commitments and contingencies with regard to certain transactions. Refer to Note 6, Commitments and Contingencies, of our accompanying consolidated financial statements for further explanation.

Examples of such commitments and contingencies include:

- obligations under operating leases;
- obligations under capital leases;
- commitments under existing lease agreements; and
- litigation.

Other Regulatory Matters

The SEC is conducting a formal, nonpublic investigation regarding Wells Investment Securities, Inc. ("WIS"), the former dealer-manager for our previous nonlisted public offerings. The investigation also relates to our company and another entity that also conducted public offerings through WIS. The investigation relates to whether there have been violations of certain provisions of the federal securities laws in connection with public offerings in which WIS served as dealer-manager, including a public offering of our shares that concluded in August 2010. In February 2013, we received a subpoena for documents and information, and we have been cooperating fully with the SEC. We are not in a position to estimate the timing of a conclusion of the investigation or whether the SEC may accuse us of any wrongdoing. To date, the costs related to our response to this subpoena have been covered by our insurance company, subject to a deductible, and we expect that any additional costs will be covered by insurance. However we may incur uninsured losses related to our response to the subpoena in the future.

Subsequent Events

We have evaluated subsequent events in connection with the preparation of our consolidated financial statements and notes thereto included in this report on Form 10-K and noted the following items in addition to those disclosed elsewhere in this report:

Property Acquisitions and Financing

During January 2015, we closed on the acquisitions of three properties. These acquisitions and the related financing transaction are described in Note 3, Real Estate and Other Transactions, and Note 4, Line of Credit, Term Loan, and Notes Payable, of the accompanying consolidated financial statements.

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Dividend Declaration

On February 11, 2015, our board of directors declared dividends for the first quarter of 2015 in the amount of \$0.30 per share, payable on March 17, 2015 to stockholders of record on March 2, 2015.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a result of our debt facilities, we are exposed to interest rate changes. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flow, primarily through a low to moderate level of overall borrowings. However, we currently have a substantial amount of debt outstanding. The majority of our borrowings are in the form of effectively fixed-rate financings, which helps to insulate our portfolio from interest rate risk. We closely monitor interest rates and will continue to consider the sources and terms of our borrowing facilities to determine whether we have appropriately guarded ourselves against the fluctuation of interest rates in future periods.

Additionally, we have entered into interest rate swaps, and may enter into other interest rate swaps, caps, or other arrangements to mitigate our interest rate risk on a related financial instrument. We do not enter into derivative or interest rate transactions for speculative purposes; however, certain of our derivatives may not qualify for hedge accounting treatment. All of our debt was entered into for other-than-trading purposes. As of December 31, 2014 and 2013, the estimated fair value of our line of credit and notes payable and bonds was \$1.7 billion and \$1.5 billion, respectively.

Our financial instruments consist of both fixed- and variable-rate debt. As of December 31, 2014, our consolidated debt consisted of the following, in thousands:

	2015	2016	2017	2018	2019	Thereafter	Total	
Maturing debt:								
Effectively variable-rate debt	\$—	\$—	\$—	\$—	\$—	\$—	\$—	
Effectively fixed-rate debt	\$210,821	\$494,460	\$253,728	\$275,041	\$121,016	\$325,000	\$1,680,066	
Average interest rate:								
Effectively variable-rate debt	—	% —	% —	% —	% —	% —	% —	%
Effectively fixed-rate debt	4.76	% 2.40	% 4.88	% 5.85	% 3.60	% 5.07	% 4.24	%

Our variable-rate borrowings consist of the JPMorgan Chase Credit Facility, the \$450 Million Term Loan, and the 333 Market Street Building mortgage note. However, only the JPMorgan Chase Credit Facility bears interest at an effectively variable rate, as the variable rate on the \$450 Million Term Loan and the 333 Market Street Building mortgage note have been effectively fixed through the interest rate swap agreements described herein.

As of December 31, 2014, we had no outstanding balance under the JPMorgan Chase Credit Facility; \$450.0 million outstanding on the \$450 Million Term Loan; \$206.8 million outstanding on the 333 Market Street Building mortgage note; \$249.2 million in 5.875% bonds outstanding; and \$774.1 million outstanding on fixed-rate, term mortgage loans. The weighted-average interest rate of all our debt instruments was 4.24% as of December 31, 2014.

Approximately \$1,680.1 million of our total debt outstanding as of December 31, 2014, is subject to fixed rates, either directly or when coupled with an interest rate swap agreement. As of December 31, 2014, these balances incurred interest expense at an average interest rate of 4.24% and have expirations ranging from 2015 through 2023. A change in the market interest rate impacts the net financial instrument position of our fixed-rate debt portfolio; however, it has no impact on interest incurred or cash flows. The amounts outstanding on our variable-rate debt facilities in the future will largely depend upon future acquisition and disposition activity and other financing activities.

We do not believe there is any exposure to increases in interest rates related to the capital lease obligations of \$120.0 million at December 31, 2014, as the obligations are at fixed interest rates.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary data filed as part of this report are set forth beginning on page F-1 of this report.

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

There were no disagreements with our independent registered public accountants during 2014, 2013, or 2012.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Conclusions Regarding the Effectiveness of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of management, including the Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(e) under the Securities Exchange Act of 1934 as of the end of the period covered by this report. Based upon that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report in providing a reasonable level of assurance that information we are required to disclose in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods in SEC rules and forms, including providing a reasonable level of assurance that information required to be disclosed by us in such reports is accumulated and communicated to our management, including our Principal Executive Officer and our Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Report of Management on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as a process designed by, or under the supervision of, the Principal Executive Officer and Principal Financial Officer and effected by our management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and disposition of our assets;
- provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of management and/or members of the board of directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of human error and the circumvention or overriding of controls, material misstatements may not be prevented or detected on a timely basis. In addition, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes and conditions or that the degree of compliance with policies or procedures may deteriorate. Accordingly, even internal controls determined to be effective can provide only reasonable assurance that the information required to be disclosed in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized, and represented within the time periods required.

Our management has assessed the effectiveness of our internal control over financial reporting at December 31, 2014. To make this assessment, we used the criteria for effective internal control over financial reporting described in the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management believes that our system of internal control over financial reporting met those criteria, and therefore our management has concluded that we maintained effective internal control over financial reporting as of December 31, 2014.

The report of the Company's independent registered public accounting firm on internal control over financial reporting for the Company is included in Part IV, Item 15, of this annual report on Form 10-K and is incorporated herein by reference.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2014, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Columbia Property Trust, Inc.:

We have audited the internal control over financial reporting of Columbia Property Trust, Inc. and subsidiaries (the "Company") as of December 31, 2014, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2014 of the Company and our report dated February 12, 2015 expressed an unqualified opinion on those consolidated financial statements and financial statement schedule and included an explanatory paragraph regarding the Company's change in method of accounting for and disclosure of discontinued operations.

/s/ DELOITTE & TOUCHE LLP

Atlanta, Georgia

February 12, 2015

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ITEM 9B. OTHER INFORMATION

During the fourth quarter of 2014, there was no information that was required to be disclosed in a report on Form 8-K that was not disclosed in a report on Form 8-K.

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PART III

We will file a definitive Proxy Statement for our 2015 Annual Meeting of Stockholders (the "2015 Proxy Statement") with the SEC, pursuant to Regulation 14A, not later than 120 days after the end of our fiscal year. Accordingly, certain information required by Part III has been omitted under General Instruction G(3) to Form 10-K. Only those sections of the 2015 Proxy Statement that specifically address the items required to be set forth herein are incorporated by reference.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

We have adopted a Code of Ethics that applies to all of our executive officers and directors, including but not limited to, our principal executive officer and principal financial officer. Our Code of Ethics may be found at <http://www.columbiapropertytrust.com>. Any amendments to, or waivers of, the Code of Ethics for our principal executive officer, principal financial officer, principal accounting officer, or controller or persons performing similar functions will be disclosed on our website promptly following the date of such amendment or waiver.

The other information required by this Item is incorporated by reference from our 2015 Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference from our 2015 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

The information required by this Item is incorporated by reference from our 2015 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference from our 2015 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated by reference from our 2015 Proxy Statement.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 1. A list of the financial statements contained herein is set forth on page F-1 hereof.

(a) 2. Schedule III – Real Estate Assets and Accumulated Depreciation

Information with respect to this item begins on page S-1 hereof. Other schedules are omitted because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.

(a) 3. The Exhibits filed in response to Item 601 of Regulation S-K are listed on the Exhibit Index attached hereto.

(b) See (a) 3 above.

(c) See (a) 2 above.

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/s/ Thomas G. Wattles
Thomas G. Wattles

Independent Director

February 12, 2015

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EXHIBIT INDEX

TO
2014 FORM 10-K OF
COLUMBIA PROPERTY TRUST, INC.

The following documents are filed as exhibits to this report. Exhibits that are not required for this report are omitted.

Ex.	Description
3.1	Second Amended and Restated Articles of Incorporation as Amended by the First Articles of Amendment (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K filed with the Commission on March 1, 2013).
3.2	Second Articles of Amendment (incorporated by reference to Exhibit 3.1 to the Company's current Report on Form 8-K filed with the Commission on August 15, 2013).
3.3	Third Articles of Amendment (incorporated by reference to Exhibit 3.2 to the Company's current Report on Form 8-K filed with the Commission on August 15, 2013).
3.4	Articles Supplementary (incorporated by reference to Exhibit 3.1 to the Company's current Report on Form 8-K filed with the Commission on September 4, 2013).
3.5	Third Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's current Report on Form 8-K filed with the Commission on September 4, 2013).
4.1	Statement regarding restrictions on transferability of shares of common stock (to appear on stock certificate or to be sent upon request and without charge to stockholders issued shares without certificates) (incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K filed with the Commission on March 1, 2013).
10.1	Amended and Restated Term Loan Agreement dated as of August 21, 2013, by and among Columbia Property Trust Operating Partnership, L.P., as Borrower; J.P. Morgan Securities LLC and PNC Capital Markets LLC, as Joint Lead Arrangers and Joint Bookrunners; JPMorgan Chase Bank, N.A., as Administrative Agent; PNC Bank, National Association, as Syndication Agent; and Regions Bank, U.S. Bank National Association, and Union Bank, N.A., as Documentation Agents (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the Commission on November 5, 2013).
10.2	Supplemental Indenture dated as of February 3, 2012, among Wells Operating Partnership II, L.P., the Guarantors Party Hereto, and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the Commission on May 4, 2012).
10.3	Columbia Property Trust, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit A to the Company's Proxy Statement for its 2013 Annual Meeting of Stockholders filed with the Commission on April 25, 2013).
10.4	Form of Restricted Stock Award Agreement under the Columbia Property Trust, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's current Report on Form 8-K filed with the Commission on January 24, 2014).
10.5	Executive Employment Agreement by and between Columbia Property Trust, Inc. and E. Nelson Mills (incorporated by reference to Exhibit 10.1 to the Company's current Report on Form 8-K filed with the Commission on September 4, 2013).
10.6	Executive Employment Agreement by and between Columbia Property Trust, Inc. and James A. Fleming (incorporated by reference to Exhibit 10.1 to the Company's current Report on Form 8-K filed with the Commission on September 4, 2013).
10.7	Amended and Restated Credit Agreement dated as of August 21, 2013, by and among Columbia Property Trust Operating Partnership, L.P., as Borrower; J.P. Morgan Securities LLC and PNC Capital Markets LLC, as Joint Lead Arrangers and Joint Bookrunners; JPMorgan Chase Bank, N.A., as Administrative

Agent; PNC Bank, National Association, as Syndication Agent and Regions Bank; U.S. Bank National Association; and BMO Capital Market Financing, Inc., as Documentation Agents (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the Commission on November 5, 2013).

10.8 Investor Services Agreement between the Company and Wells Real Estate Funds, Inc. dated February 28, 2013, and effective as of March 1, 2013 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the Commission on May 8, 2013).

10.9 Consulting Services Agreement between the Company and Wells Real Estate Funds, Inc. dated February 28, 2013, and effective as of March 1, 2013 (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the Commission on May 8, 2013).

10.10 Assignment and Assumption Agreement between Wells Real Estate Funds, Inc. to Wells Operating Partnership II, L.P., dated as of February 28, 2013 (related to Wells Real Estate Advisory Services II, LLC) (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed with the Commission on May 8, 2013).

10.11 Assignment and Assumption Agreement between Wells Real Estate Funds, Inc. to Wells Operating Partnership II, L.P. dated as of February 28, 2013 (related to Wells Real Estate Services, LLC) (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed with the Commission on May 8, 2013).

10.12* Term Loan Agreement dated as of January 6, 2015, by and among the Columbia Property Trust Operating Partnership, L.P., J.P. Morgan Securities LLC, as sole lead arranger and sole bookrunner, JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, as syndication agent, Morgan Stanley Bank, N.A., U.S. Bank National Association and Wells Fargo Bank, National Association, as documentation agents, and each of the financial institutions a signatory thereto, as lenders

21.1* Subsidiaries of Columbia Property Trust, Inc.

23.1* Consent of Deloitte & Touche LLP.

31.1* Certification of the Principal Executive Officer of the Company, pursuant to Securities Exchange Act Rules 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2* Certification of the Principal Financial Officer of the Company, pursuant to Securities Exchange Act Rules 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1* Certification of the Principal Executive Officer and Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101.INS** XBRL Instance Document.

101.SCH** XBRL Taxonomy Extension Schema.

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Ex.	Description
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF**	XBRL Taxonomy Extension Definition Linkbase.
101.LAB**	XBRL Taxonomy Extension Label Linkbase.
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase.

* Filed herewith.

** Furnished with this Form 10-K.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Columbia Property Trust, Inc.:

We have audited the accompanying consolidated balance sheets of Columbia Property Trust, Inc. and subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2014. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Columbia Property Trust, Inc. and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 2 to the consolidated financial statements, the Company has changed its method of accounting for and disclosure of discontinued operations during the year ended December 31, 2014 due to the adoption of Accounting Standards Update 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Component of an Entity".

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2014, based on the criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 12, 2015 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Atlanta, Georgia

February 12, 2015

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COLUMBIA PROPERTY TRUST, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per-share amounts)

	December 31, 2014	2013
Assets:		
Real estate assets, at cost:		
Land	\$785,101	\$706,938
Buildings and improvements, less accumulated depreciation of \$660,098 and \$604,497, as of December 31, 2014 and 2013, respectively	3,026,431	2,976,287
Intangible lease assets, less accumulated amortization of \$313,822 and \$298,975, as of December 31, 2014 and 2013, respectively	247,068	281,220
Construction in progress	17,962	7,949
Total real estate assets	4,076,562	3,972,394
Cash and cash equivalents	149,790	99,855
Tenant receivables, net of allowance for doubtful accounts of \$3 and \$52, as of December 31, 2014 and 2013, respectively	6,945	7,414
Straight-line rent receivable	116,489	113,592
Prepaid expenses and other assets	52,143	32,423
Deferred financing costs, less accumulated amortization of \$15,205 and \$11,938, as of December 31, 2014 and 2013, respectively	8,426	10,388
Intangible lease origination costs, less accumulated amortization of \$219,626 and \$216,598, as of December 31, 2014 and 2013, respectively	105,528	148,889
Deferred lease costs, less accumulated amortization of \$36,589 and \$27,375, as of December 31, 2014 and 2013, respectively	102,995	87,527
Investment in development authority bonds	120,000	120,000
Total assets	\$4,738,878	\$4,592,482
Liabilities:		
Line of credit, term loan, and notes payable	\$1,430,884	\$1,240,249
Bonds payable, net of discount of \$818 and \$1,070, as of December 31, 2014 and 2013, respectively	249,182	248,930
Accounts payable, accrued expenses, and accrued capital expenditures	106,276	99,678
Deferred income	24,753	21,938
Intangible lease liabilities, less accumulated amortization of \$84,935 and \$76,500, as of December 31, 2014 and 2013, respectively	74,305	73,864
Obligations under capital leases	120,000	120,000
Total liabilities	2,005,400	1,804,659
Commitments and Contingencies (Note 6)	—	—
Equity:		
Common stock, \$0.01 par value, 225,000,000 and 900,000,000 shares authorized, 124,973,304 and 124,830,122 shares issued and outstanding as of December 31, 2014 and 2013, respectively	1,249	1,248
Additional paid-in capital	4,601,808	4,600,166
Cumulative distributions in excess of earnings	(1,867,611)	(1,810,284)
Accumulated other comprehensive loss	(1,968)	(3,307)
Total equity	2,733,478	2,787,823

Total liabilities and equity	\$4,738,878	\$4,592,482
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See accompanying notes.

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COLUMBIA PROPERTY TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per-share amounts)

	Years ended December 31,		
	2014	2013	2012
Revenues:			
Rental income	\$414,541	\$406,907	\$381,796
Tenant reimbursements	95,375	90,875	88,402
Hotel income	22,885	23,756	23,049
Other property income	7,996	5,040	1,024
	540,797	526,578	494,271
Expenses:			
Property operating costs	163,722	154,559	147,202
Hotel operating costs	18,792	18,340	18,362
Asset and property management fees:			
Related-party	—	4,693	29,372
Other	2,258	1,671	2,421
Depreciation	117,766	108,105	98,698
Amortization	78,843	78,710	86,458
Impairment loss on real estate assets	25,130	—	—
General and administrative	31,275	61,866	24,613
Listing costs	—	4,060	—
Acquisition fees and expenses	14,142	—	1,876
	451,928	432,004	409,002
Real estate operating income	88,869	94,574	85,269
Other income (expense):			
Interest expense	(75,711	) (101,941	) (101,886
Interest and other income	7,275	34,029	39,856
Loss on interest rate swaps	(371	) (342	) (1,225
Loss on the early extinguishment of debt	(23) —	—
	(68,830	) (68,254	) (63,255
Income before income tax expense and gains on sale of real estate	20,039	26,320	22,014
Income tax expense	(662	) (500	) (572
Income before gains of sale of real estate assets	19,377	25,820	21,442
Gains on sale of real estate assets	75,275	—	—
Income from continuing operations	94,652	25,820	21,442
Discontinued operations:			
Operating income (loss) from discontinued operations	(390	) (21,325	) 6,484
Gain (loss) on disposition of discontinued operations	(1,627	) 11,225	20,117
Income (loss) from discontinued operations	(2,017	) (10,100	) 26,601
Net income	92,635	15,720	48,043
Less: net income attributable to nonredeemable noncontrolling interests	—	—	(4
Net income attributable to the common stockholders of Columbia Property Trust, Inc.	\$92,635	\$15,720	\$48,039
Per-share information – basic:			
Income from continuing operations	\$0.76	\$0.19	\$0.16
Income (loss) from discontinued operations	\$(0.02) \$(0.08) \$0.19

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Net income attributable to the common stockholders of Columbia Property Trust, Inc.	\$0.74	\$0.12	\$0.35
Weighted-average common shares outstanding – basic	124,860	134,085	136,672
Per-share information – diluted:			
Income from continuing operations	\$0.76	\$0.19	\$0.16
Income (loss) from discontinued operations	\$(0.02)	) \$(0.08)	) \$0.19
Net income attributable to the common stockholders of Columbia Property Trust, Inc.	\$0.74	\$0.12	\$0.35
Weighted-average common shares outstanding – diluted	124,918	134,085	136,672
See accompanying notes.			

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COLUMBIA PROPERTY TRUST, INC.
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (in thousands)

	Years ended December 31,		
	2014	2013	2012
Net income attributable to the common stockholders of Columbia Property Trust, Inc.	\$92,635	\$15,720	\$48,039
Foreign currency translation adjustment	—	(83) —
Market value adjustment to interest rate swap	1,339	1,997	(5,305)
Comprehensive income attributable to the common stockholders of Columbia Property Trust, Inc.	93,974	17,634	42,734
Comprehensive income attributable to noncontrolling interests	—	—	4
Comprehensive income	\$93,974	\$17,634	\$42,738

See accompanying notes.

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COLUMBIA PROPERTY TRUST, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(in thousands, except per-share amounts)

	Stockholders' Equity Common Stock		Additional Paid-In Capital ⁽¹⁾	Cumulative Distributions in Excess of Earnings	Redeemable Common Stock	Accumulated Other Comprehensive Income (Loss)	Total Columbia Property Trust, Inc. Stockholders' Equity	Non- redeemable Non- controlling Interests	Total Equity
	Shares ⁽¹⁾	Amount ⁽¹⁾							
Balance, December 31, 2011	136,550	\$1,365	\$4,884,903	\$(1,426,550)	\$(113,147)	\$84	\$3,346,655	\$317	\$3,346,972
Issuance of common stock	4,166	42	118,346	—	—	—	118,388	—	118,388
Redemptions of common stock	(3,815)	(38)	(101,358)	—	—	—	(101,396)	—	(101,396)
Decrease in redeemable common stock	—	—	—	—	13,621	—	13,621	—	13,621
Distributions to common stockholders (\$1.88 per share)	—	—	—	(256,020)	—	—	(256,020)	—	(256,020)
Offering costs	—	—	(7)	—	—	—	(7)	—	(7)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(15)	(15)
Acquisition of noncontrolling interest in consolidated joint venture	—	—	5	—	—	—	5	(306)	(301)
Net income attributable to common stockholders of Columbia Property Trust, Inc.	—	—	—	48,039	—	—	48,039	—	48,039
Net income attributable to noncontrolling interest	—	—	—	—	—	—	—	4	4

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Market value adjustment to interest rate swap	—	—	—	—		(5,305)	(5,305)	—	(5,305)
Balance, December 31, 2012	136,901	1,369	4,901,889	(1,634,531)	(99,526)	(5,221)	3,163,980	—	3,163,980
Issuance of common stock	1,665	17	46,585	—	—	—	46,602	—	46,602
Stock compensation	—	—	855	—	—	—	855	—	855
Redemptions of common stock	(4,373)	(44)	(112,062)	—	—	—	(112,106)	—	(112,106)
Decrease in redeemable common stock	—	—	—	—	99,526	—	99,526	—	99,526
Tender repurchase of common stock	(9,363)	(94)	(233,968)	—	—	—	(234,062)	—	(234,062)
Distributions to common stockholders (\$1.44 per share)	—	—	—	(191,473)	—	—	(191,473)	—	(191,473)
Offering Costs	—	—	(3,133)	—	—	—	(3,133)	—	(3,133)
Net income attributable to common stockholders of Columbia Property Trust, Inc.	—	—	—	15,720	—	—	15,720	—	15,720
Foreign currency translation adjustment	—	—	—	—	—	(83)	(83)	—	(83)
Market value adjustment to interest rate swap	—	—	—	—	—	1,997	1,997	—	1,997
Balance, December 31, 2013	124,830	1,248	4,600,166	(1,810,284)	—	(3,307)	2,787,823	—	2,787,823
Common stock issued to employees and directors, and amortized (net of amounts withheld for	143	1	1,642	—	—	—	1,643	—	1,643

income taxes)									
Distributions to common stockholders (\$1.20 per share)	—	—	—	(149,962)	—	—	(149,962)	—	(149,962)
Net income attributable to common stockholders of Columbia Property Trust, Inc.	—	—	—	92,635	—	—	92,635	—	92,635
Market value adjustment to interest rate swap	—	—	—	—	—	1,339	1,339	—	1,339
Balance, December 31, 2014	124,973	\$1,249	\$4,601,808	\$(1,867,611)	\$—	\$(1,968)	\$2,733,478	\$—	\$2,733,478

(1) All share amounts and computations using such amounts have been retroactively adjusted to reflect the August 14, 2013, four-for-one reverse stock split (See Note 7, Stockholders' Equity).

See accompanying notes.

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COLUMBIA PROPERTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years ended December 31,		
	2014	2013	2012
Cash Flows from Operating Activities:			
Net income	\$92,635	\$ 15,720	\$48,043
Adjustments to reconcile net income to net cash provided by operating activities:			
Straight-line rental income	(9,916	) (22,793	) (11,033
Depreciation	117,766	119,835	120,307
Amortization	74,212	84,630	100,482
Impairment losses on real estate assets	25,130	29,737	18,467
Noncash interest expense	3,055	3,602	3,881
Loss on interest rate swaps	(4,945	) (5,530	) (173
Gain on sale of real estate	(73,648	) (11,225	) (20,117
Loss on early extinguishment of debt	23	4,709	—
Stock-based compensation expense	1,975	1,055	—
Changes in assets and liabilities, net of acquisitions and dispositions:			
Decrease (increase) in tenant receivables, net	(227	) 6,249	(4,767
Decrease (increase) in prepaid expenses and other assets	5,442	(4,097	) 2,344
Increase in accounts payable and accrued expenses	2,589	4,207	4,270
Decrease in due to affiliates	—	(1,801	) (1,411
Increase (decrease) in deferred income	2,815	(5,969	) (7,454
Net cash provided by operating activities	236,906	218,329	252,839
Cash Flows from Investing Activities:			
Net proceeds from the sale of real estate	418,207	565,945	304,264
Real estate acquisitions	(335,986	) —	(188,750
Earnest money paid	(27,000) —	—
Capital improvements	(54,005	) (44,856	) (45,048
Deferred lease costs paid	(25,004	) (25,700	) (39,419
Net cash provided by (used in) investing activities	(23,788	) 495,389	31,047
Cash Flows from Financing Activities:			
Financing costs paid	(1,482	) (3,721	) (4,198
Proceeds from lines of credit and notes payable	283,000	301,000	599,000
Repayments of lines of credit and notes payable	(294,739	) (461,940	) (627,191
Prepayment penalty on early extinguishment of debt	—	(4,709) —
Issuance of common stock	—	46,402	118,388
Redemptions of common stock	—	(115,781	) (99,381
Tender offer redemptions of common stock	—	(234,062) —
Distributions paid to stockholders	(149,962	) (145,071	) (137,632
Distributions paid to stockholders and reinvested in shares of our common stock	—	(46,402	) (118,388
Redemption of noncontrolling interests	—	—	(301
Tender offer and offering costs paid	—	(3,133	) (11
Distributions paid to nonredeemable noncontrolling interests	—	—	(15
Net cash used in financing activities	(163,183) (667,417) (269,729
Net increase in cash and cash equivalents	49,935	46,301	14,157

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Effect of foreign exchange rate on cash and cash equivalents	—	(103) 32
Cash and cash equivalents, beginning of period	99,855	53,657	39,468
Cash and cash equivalents, end of period	\$149,790	\$99,855	\$53,657

See accompanying notes.

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COLUMBIA PROPERTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014, 2013, AND 2012

1. Organization

Columbia Property Trust, Inc. ("Columbia Property Trust") (NYSE: CXP) is a Maryland corporation that operates as a real estate investment trust ("REIT") for federal income tax purposes and owns and operates commercial real estate properties. Columbia Property Trust was incorporated in 2003, commenced operations in 2004, and conducts business primarily through Columbia Property Trust Operating Partnership, L.P. ("Columbia Property Trust OP"), a Delaware limited partnership. Columbia Property Trust is the general partner and sole owner of Columbia Property Trust OP and possesses full legal control and authority over its operations. Columbia Property Trust OP acquires, develops, owns, leases, and operates real properties directly, through wholly owned subsidiaries, or through joint ventures. References to Columbia Property Trust, "we," "us," or "our" herein shall include Columbia Property Trust and all subsidiaries of Columbia Property Trust, direct and indirect, and consolidated joint ventures.

Columbia Property Trust typically invests in high-quality, income-generating office properties. As of December 31, 2014, Columbia Property Trust owned 35 office properties and one hotel, which included 52 operational buildings comprising approximately 15.7 million square feet of commercial space, located in 12 states and the District of Columbia. All of the office properties are wholly owned except for one property, which is owned through a consolidated subsidiary. As of December 31, 2014, the office properties were approximately 93.3% leased. In January 2015, Columbia Property Trust acquired three additional office properties comprising 0.9 million square feet. See Note 3, Real Estate and Other Transactions, for additional information.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of Columbia Property Trust have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and include the accounts of Columbia Property Trust, Columbia Property Trust OP, and any variable interest entity ("VIE") in which Columbia Property Trust or Columbia Property Trust OP was deemed the primary beneficiary. With respect to entities that are not VIEs, Columbia Property Trust's consolidated financial statements shall also include the accounts of any entity in which Columbia Property Trust, Columbia Property Trust OP, or its subsidiaries own a controlling financial interest and any limited partnership in which Columbia Property Trust, Columbia Property Trust OP, or its subsidiaries own a controlling general partnership interest. In determining whether Columbia Property Trust or Columbia Property Trust OP has a controlling interest, the following factors are considered, among other things: the ownership of voting interests, protective rights, and participatory rights of the investors.

All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the accompanying consolidated financial statements and the accompanying notes. Actual results could differ from those estimates.

Fair Value Measurements

Columbia Property Trust estimates the fair value of its assets and liabilities (where currently required under GAAP) consistent with the provisions of Accounting Standard Codification 820, Fair Value Measurements ("ASC 820"). Under this standard, fair value is defined as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. While various techniques and assumptions can be used to estimate fair value depending on the nature of the asset or liability, the accounting standard for fair value measurements and disclosures provides the following fair value technique parameters and hierarchy, depending upon availability:

Level 1 – Assets or liabilities for which the identical term is traded on an active exchange, such as publicly traded instruments or futures contracts.

Level 2 – Assets and liabilities valued based on observable market data for similar instruments.

Level 3 – Assets or liabilities for which significant valuation assumptions are not readily observable in the market. Such assets or liabilities are valued based on the best available data, some of which may be internally developed. Significant assumptions may include risk premiums that a market participant would consider.

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Real Estate Assets

Real estate assets are stated at cost, less accumulated depreciation and amortization. Amounts capitalized to real estate assets consist of the cost of acquisition or construction, and any tenant improvements or major improvements and betterments that extend the useful life of the related asset. All repairs and maintenance are expensed as incurred. Additionally, Columbia Property Trust capitalizes interest while the development of a real estate asset is in progress. No interest was capitalized during 2014 or 2013.

Columbia Property Trust is required to make subjective assessments as to the useful lives of its depreciable assets. Columbia Property Trust considers the period of future benefit of the asset to determine the appropriate useful lives. These assessments have a direct impact on net income. The estimated useful lives of its assets by class are as follows:

Buildings	40 years
Building and site improvements	5-25 years
Tenant improvements	Shorter of economic life or lease term
Intangible lease assets	Lease term

Evaluating the Recoverability of Real Estate Assets

Columbia Property Trust continually monitors events and changes in circumstances that could indicate that the carrying amounts of its real estate and related intangible assets, of both operating properties and properties under construction, in which Columbia Property Trust has an ownership interest, either directly or through investments in joint ventures, may not be recoverable. When indicators of potential impairment are present that suggest that the carrying amounts of real estate assets and related intangible assets (liabilities) may not be recoverable, Columbia Property Trust assesses the recoverability of these assets by determining whether the respective carrying values will be recovered through the estimated undiscounted future operating cash flows expected from the use of the assets and their eventual disposition. In the event that such expected undiscounted future cash flows do not exceed the carrying values, Columbia Property Trust adjusts the carrying value of the real estate assets and related intangible assets to the estimated fair values, pursuant to the property, plant, and equipment accounting standard for the impairment or disposal of long-lived assets, and recognizes an impairment loss. Estimated fair values are calculated based on the following information, in order of preference, depending upon availability: (i) recently quoted market prices, (ii) market prices for comparable properties, or (iii) the present value of future cash flows, including estimated salvage value. Certain of Columbia Property Trust's assets may be carried at more than an amount that could be realized in a current disposition transaction.

Projections of expected future operating cash flows require that Columbia Property Trust estimates future market rental income amounts subsequent to the expiration of current lease agreements, property operating expenses, the number of months it takes to re-lease the property, and the number of years the property is held for investment, among other factors. The subjectivity of assumptions used in the future cash flow analysis, including discount rates, could result in an incorrect assessment of the property's fair value and could result in the misstatement of the carrying value of Columbia Property Trust's real estate assets and related intangible assets and net income.

In the third quarter of 2012, Columbia Property Trust focused on refining the portfolio by marketing and negotiating the sale of a collection of nine assets in outlying markets (the "Nine Property Sale"). Columbia Property Trust evaluated the recoverability of the carrying values of these assets pursuant to the accounting policy outlined above and determined that the carrying value of the 180 E 100 South property in Salt Lake City, Utah, one of the properties in the Nine Property Sale, was no longer recoverable due to the change in disposition strategy and the shortening of the expected hold period for this asset in the third quarter of 2012. As a result, Columbia Property Trust reduced the carrying value of the 180 E 100 South property to reflect fair value and recorded a corresponding property impairment loss of \$18.5 million in the third quarter of 2012, which is included in operating income (loss) from discontinued operations in the accompanying statement of operations.

In connection with furthering its portfolio repositioning efforts, in the first quarter of 2013, Columbia Property Trust initiated a process to market 18 properties for sale. Pursuant to the accounting policy outlined above, Columbia Property Trust evaluated the recoverability of the carrying values of each of these properties and determined that the 120 Eagle Rock property in East Hanover, New Jersey, and the 333 & 777 Republic Drive property in Allen Park,

Michigan, were no longer recoverable due to shortening the respective expected property holding periods in connection with these repositioning efforts. As a result, Columbia Property Trust reduced the carrying value of the 120 Eagle Rock property and the 333 & 777 Republic Drive property to reflect their respective fair values estimated, based on projected discounted future cash flows and recorded corresponding property impairment losses of \$11.7 million and \$5.2 million, respectively, in the first quarter of 2013, which are included in operating income (loss) from discontinued operations in the accompanying statement of operations. In connection with finalizing the terms of the sale agreement for these 18 properties (the "18 Property Sale") in November 2013, Columbia Property Trust reduced the aggregate

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carrying value of the assets therein to fair value, as estimated based on the approximate contract price of \$500 million, by recognizing an additional impairment loss of \$12.9 million in the third quarter of 2013, which is included in operating income (loss) from discontinued operations in the accompanying statement of operations.

In the first quarter of 2014, Columbia Property Trust revised its investment strategy for the 160 Park Avenue Building (formerly known as the 180 Park Avenue, #103 Building) in Florham Park, New Jersey, to sell the property to a user in the near-term. As a result, management reduced its intended holding period for the building and reevaluated the property's carrying value as of March 31, 2014, pursuant to the accounting policy outlined above. Columbia Property Trust concluded that the 160 Park Avenue Building was not recoverable and reduced its carrying value to reflect its fair value, estimated based on recently quoted market prices (Level 2), by recording an impairment loss of approximately \$13.6 million in the first quarter of 2014. The sale of the 160 Park Avenue Building closed on June 4, 2014, for \$10.2 million, exclusive of transaction costs.

In the second quarter of 2014, Columbia Property Trust decided to pursue a near-term sale of the 200 South Orange Building (formerly known as the SunTrust Building) in Orlando, Florida. As a result, management reduced its intended holding period for the building and reevaluated the property's carrying value in the second quarter of 2014. In connection with negotiating the terms of the sale, Columbia Property Trust reduced the carrying value of the 200 South Orange Building to reflect fair value, estimated based on an approximate net contract price of \$18.4 million (Level 1), by recording an impairment loss of \$1.4 million in the second quarter. The sale of the 200 South Orange Building closed on June 30, 2014, for \$18.4 million, net of transaction costs.

In the fourth quarter of 2014, Columbia Property Trust identified \$500 million to \$600 million of properties in its portfolio that fall outside of its targeted investment strategy, which are candidates for near-term disposition. Columbia Property Trust is in the process of developing our marketing strategy for these assets. Columbia Property Trust plans to carefully evaluate the disposition options revealed through our marketing efforts, and to pursue those which provide the best opportunity to optimize shareholder value. In connection with initiating this process, Columbia Property Trust evaluated the recoverability of the carrying values of each of these properties and determined that the carrying value of the Bannockburn Lake III property, a vacant property located in Bannockburn, Illinois, is no longer recoverable due to reducing its expected property holding period to less than one year. As a result, in the fourth quarter of 2014, Columbia Property Trust reduced the carrying value of the Bannockburn Lake III property to \$5.0 million, estimated based on current projected discounted future cash flows, by recording an impairment loss of \$10.1 million.

The fair value measurements used in this evaluation of nonfinancial assets are considered to be Level 3 valuations within the fair value hierarchy outlined above, as there are significant unobservable inputs. Examples of inputs that were utilized in the fair value calculations include estimated holding periods, discount rates, market capitalization rates, expected lease rental rates, and potential sales prices. The table below represents the detail of the adjustments recognized for 2014, 2013 and 2012 (in thousands) using Level 3 inputs.

Property	Net Book Value	Impairment Loss Recognized	Fair Value
2014			
Bannockburn Lake III	\$15,148	\$(10,148)	) \$5,000
2013			
120 Eagle Rock	\$23,808	\$(11,708)	) \$12,100
333 & 777 Republic Drive	\$13,359	\$(5,159)	) \$8,200
2012			
180 E 100 South	\$30,847	\$(18,467)	) \$12,380
Assets Held for Sale			

Columbia Property Trust classifies assets as held for sale according to Accounting Standard Codification 360, Accounting for the Impairment or Disposal of Long-Lived Assets ("ASC 360"). According to ASC 360, assets are considered held for sale when the following criteria are met:

• Management, having the authority to approve the action, commits to a plan to sell the property.

•

The property is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such property.

An active program to locate a buyer and other actions required to complete the plan to sell the property have been initiated.

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The sale of the property is probable, and transfer of the property is expected to qualify for recognition as a completed sale, within one year.

The property is being actively marketed for sale at a price that is reasonable in relation to its current fair value.

Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

At such time that a property is determined to be held for sale, its carrying amount is reduced to the lower of its depreciated book value or its estimated fair value, less costs to sell, and depreciation is no longer recognized. As of December 31, 2014, none of Columbia Property Trust's properties met the criteria to be classified as held for sale in the accompanying balance sheet.

Allocation of Purchase Price of Acquired Assets

Upon the acquisition of real properties, Columbia Property Trust allocates the purchase price of properties to tangible assets, consisting of land, building, site improvements, and identified intangible assets and liabilities, including the value of in-place leases, based in each case on Columbia Property Trust's estimate of their fair values in accordance with ASC 820 (see Fair Value Measurements section above for additional details).

The fair values of the tangible assets of an acquired property (which includes land, building, and site improvements) are determined by valuing the property as if it were vacant, and the "as-if-vacant" value is then allocated to land, building, and site improvements based on management's determination of the relative fair value of these assets.

Management determines the as-if-vacant fair value of a property using methods similar to those used by independent appraisers. Factors considered by management in performing these analyses include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases, including leasing commissions and other related costs. In estimating carrying costs, management includes real estate taxes, insurance, and other operating expenses during the expected lease-up periods based on current market demand.

Intangible Assets and Liabilities Arising from In-Place Leases Where Columbia Property Trust is the Lessor

As further described below, in-place leases with Columbia Property Trust as the lessor may have values related to: direct costs associated with obtaining a new tenant, opportunity costs associated with lost rentals that are avoided by acquiring an in-place lease, tenant relationships, and effective contractual rental rates that are above or below market rates:

Direct costs associated with obtaining a new tenant, including commissions, tenant improvements, and other direct costs, are estimated based on management's consideration of current market costs to execute a similar lease. Such direct costs are included in intangible lease origination costs in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases.

The value of opportunity costs associated with lost rentals avoided by acquiring an in-place lease is calculated based on contractual amounts to be paid pursuant to the in-place leases over a market absorption period for a similar lease.

Such opportunity costs ("Absorption Period Costs") are included in intangible lease assets in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases.

The value of tenant relationships is calculated based on expected renewal of a lease or the likelihood of obtaining a particular tenant for other locations. Values associated with tenant relationships are included in intangible lease assets in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases.

The value of effective rental rates of in-place leases that are above or below the market rates of comparable leases is calculated based on the present value (using a discount rate that reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be received pursuant to the in-place leases and (ii)

management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining terms of the leases. The capitalized above-market and below-market lease values are recorded as intangible lease assets or liabilities and amortized as an adjustment to rental income over the remaining terms of the respective leases.

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As of December 31, 2014 and 2013, Columbia Property Trust had the following gross intangible in-place lease assets and liabilities (in thousands):

		Intangible Lease Assets		Intangible	Intangible
		Above-Market	Absorption	Lease	Below-Market
		In-Place	Period Costs	Origination	In-Place Lease
		Lease Assets		Costs	Liabilities
December 31, 2014	Gross	\$79,805	\$370,412	\$325,154	\$159,240
	Accumulated Amortization	(61,619)	(237,084)	(219,626)	(84,935)
	Net	\$18,186	\$133,328	\$105,528	\$74,305
December 31, 2013	Gross	\$80,836	\$388,686	\$365,487	\$150,364
	Accumulated Amortization	(56,859)	(229,065)	(216,598)	(76,500)
	Net	\$23,977	\$159,621	\$148,889	\$73,864

During 2014, 2013, and 2012, Columbia Property Trust recognized the following amortization of intangible lease assets and liabilities (in thousands):

		Intangible Lease Assets		Intangible	Intangible
		Above-Market	Absorption	Lease	Below-Market
		In-Place	Period Costs	Origination	In-Place Lease
		Lease Assets		Costs	Liabilities
For the years ended December 31,					
2014		\$5,368	\$36,474	\$33,037	\$15,507
2013		\$6,077	\$38,879	\$38,978	\$14,411
2012		\$8,901	\$48,997	\$42,866	\$15,324

The remaining net intangible assets and liabilities as of December 31, 2014, will be amortized as follows (in thousands):

		Intangible Lease Assets		Intangible	Intangible
		Above-Market	Absorption	Lease	Below-Market
		In-Place	Period Costs	Origination	In-Place Lease
		Lease Assets		Costs	Liabilities
For the years ending December 31,					
2015		\$4,480	\$35,284	\$28,483	\$17,198
2016		3,748	24,942	21,587	11,895
2017		1,879	16,687	14,777	8,073
2018		1,075	12,297	10,269	6,596
2019		1,035	10,969	9,198	5,893
Thereafter		5,969	33,149	21,214	24,650
		\$18,186	\$133,328	\$105,528	\$74,305
Weighted-Average Amortization Period		3 years	4 years	4 years	6 years

Intangible Assets and Liabilities Arising from In-Place Leases Where Columbia Property Trust is the Lessee
In-place ground leases where Columbia Property Trust is the lessee may have value associated with effective contractual rental rates that are above or below market rates at the time of execution or assumption. Such values are calculated based on the present value (using a discount rate that reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place lease and (ii) management's estimate of fair market lease rates for the corresponding in-place lease at the time of execution or assumption, measured over a period equal to the remaining terms of the leases. The capitalized above-market and below-market in-place lease values are recorded as intangible lease liabilities and assets, respectively, and are amortized as an adjustment to property operating cost over the remaining term of the respective leases. Columbia Property Trust had gross below-market lease assets of approximately \$110.7 million as of December 31, 2014 and 2013, net of accumulated amortization of \$15.1 million and \$13.1 million as of December 31, 2014 and 2013, respectively.

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recognized amortization expense related to these assets of approximately \$2.1 million for each of the years ended 2014, 2013, and 2012.

As of December 31, 2014, the remaining net below-market lease asset will be amortized as follows (in thousands):

For the years ending December 31:

2015	\$2,069
2016	2,069
2017	2,069
2018	2,069
2019	2,069
Thereafter	85,209
	\$95,554
Weighted-Average Amortization Period	47 years

Cash and Cash Equivalents

Columbia Property Trust considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents may include cash and short-term investments. Short-term investments are stated at cost, which approximates fair value as of December 31, 2014 and 2013.

Tenant Receivables, net

Tenant receivables comprise rental and reimbursement billings due from tenants and the cumulative amount of future adjustments necessary to present rental income on a straight-line basis. Tenant receivables are recorded at the original amount earned, less an allowance for any doubtful accounts, which approximates fair value. Management assesses the realizability of tenant receivables on an ongoing basis and provides for allowances as such balances, or portions thereof, become uncollectible.

Columbia Property Trust adjusted the allowance for doubtful accounts by recording a provision for doubtful accounts, net of recoveries, in general and administrative expenses in the accompanying consolidated statements of operations of approximately \$0.5 million and \$(0.1) million for 2014 and 2013, respectively.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets primarily include earnest money deposits, escrow accounts held by lenders to pay future real estate taxes, insurance and tenant improvements, notes receivable, non-tenant receivables, prepaid taxes, insurance and operating costs, certain corporate assets, hotel inventory, and deferred tax assets. Prepaid expenses and other assets will be expensed as incurred. As of December 31, 2014, prepaid expenses and other assets included \$27.0 million of earnest money deposits paid in 2014 for the January 2015 property acquisitions described in Note 3, Real Estate and Other Transactions. These deposits were applied to the purchase prices at closing.

Deferred Financing Costs

Deferred financing costs comprise costs incurred in connection with securing financing from third-party lenders and are capitalized and amortized over the term of the related financing arrangements. Columbia Property Trust recognized amortization of deferred financing costs for the years ended December 31, 2014, 2013, and 2012, of approximately \$3.5 million, \$3.8 million, and \$3.2 million, respectively, which is included in interest expense in the accompanying consolidated statements of operations.

Deferred Lease Costs

Deferred lease costs comprise costs incurred to procure leases, which are capitalized and recognized as amortization expense on a straight-line basis over the terms of the lease. Such costs are capitalized and recognized as operating expenses over the lease term. Columbia Property Trust recognized amortization of deferred lease costs of approximately \$12.2 million, \$13.1 million, and \$10.9 million for 2014, 2013, and 2012, respectively, the majority of which is recorded as amortization expense. Upon receiving notification of a tenant's intention to terminate a lease, unamortized deferred lease costs are amortized over the shortened lease period.

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Investments in Development Authority Bonds and Obligations Under Capital Leases

In connection with the acquisition of certain real estate assets, Columbia Property Trust has assumed investments in development authority bonds and corresponding obligations under capital leases of land or buildings. The county development authority issued bonds to developers to finance the initial development of these projects, a portion of which was then leased back to the developer under a capital lease. This structure enabled the developer to receive property tax abatements over the concurrent terms of the development authority bonds and capital leases. The remaining property tax abatement benefits transferred to Columbia Property Trust upon assumption of the bonds and corresponding capital leases at acquisition. The development authority bonds and the obligations under the capital leases are both recorded at their net present values, which Columbia Property Trust believes approximates fair value. The related amounts of interest income and expense are recognized as earned in equal amounts and, accordingly, do not impact net income. In December 2013, upon maturity, Columbia Property Trust settled the \$216.0 million and \$250.0 million development authority bonds and the corresponding obligations under capital leases related to the Lenox Park Buildings and Lindbergh Center, respectively. In December 2012, upon maturity, Columbia Property Trust settled the \$60.0 million development authority bond and the corresponding obligation under capital lease related to the One Glenlake Parkway Building.

Line of Credit and Notes Payable

Certain mortgage notes included in line of credit, term loan, and notes payable in the accompanying consolidated balance sheets were assumed upon the acquisition of real properties. When debt is assumed, Columbia Property Trust records the loan at fair value. The fair value adjustment is amortized to interest expense over the term of the loan using the effective interest method.

Bonds Payable

On April 4, 2011, Columbia Property Trust sold \$250.0 million of its seven-year unsecured 5.875% senior notes at 99.295% of their face value (the "2018 Bonds Payable"). The discount on bonds payable is amortized to interest expense over the term of the bonds using the effective-interest method.

Noncontrolling Interests

Noncontrolling interests represent the equity interests of consolidated subsidiaries that are not owned by Columbia Property Trust. Noncontrolling interests are adjusted for contributions, distributions, and earnings attributable to the noncontrolling interest holders of the consolidated joint ventures. Pursuant to the terms of the consolidated joint venture agreements, all earnings and distributions are allocated to joint ventures in accordance with the terms of the respective joint venture agreements. Earnings allocated to such noncontrolling interest holders are recorded as net loss (income) attributable to noncontrolling interests in the accompanying consolidated statements of operations.

In April 2012, Columbia Property Trust purchased the remaining 0.7% interest in the Robbins Road Property for \$0.3 million from an unaffiliated party. The purchase price approximated the book value of the noncontrolling interest at the time of purchase.

Redeemable Common Stock

In preparation for listing, Columbia Property Trust terminated its former share redemption program (the "SRP") effective July 31, 2013. Previously, under the SRP, the decision to honor redemptions, subject to certain plan requirements and limitations, fell outside the control of Columbia Property Trust. As a result, until the termination of the SRP, Columbia Property Trust recorded redeemable common stock in the temporary equity section of its consolidated balance sheet.

Preferred Stock

Columbia Property Trust is authorized to issue up to 100.0 million shares of one or more classes or series of preferred stock with a par value of \$0.01 per share. Columbia Property Trust's board of directors may determine the relative rights, preferences, and privileges of each class or series of preferred stock issued, which may be more beneficial than the rights, preferences, and privileges attributable to Columbia Property Trust's common stock. To date, Columbia Property Trust has not issued any shares of preferred stock.

Common Stock

The par value of Columbia Property Trust's issued and outstanding shares of common stock is classified as common stock, with the remainder allocated to additional paid-in capital.

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Table of ContentsIndex to Financial Statements**Distributions**

To maintain its status as a REIT, Columbia Property Trust is required by the Internal Revenue Code of 1986, as amended (the "Code"), to make distributions to stockholders each taxable year equal to at least 90% of its REIT taxable income, computed without regard to the dividends-paid deduction and by excluding net capital gains attributable to stockholders ("REIT taxable income"). Distributions to the stockholders are determined by the board of directors of Columbia Property Trust and are dependent upon a number of factors relating to Columbia Property Trust, including funds available for payment of distributions, financial condition, the timing of property acquisitions, capital expenditure requirements, and annual distribution requirements in order to maintain Columbia Property Trust's status as a REIT under the Code.

Interest Rate Swap Agreements

Columbia Property Trust enters into interest rate swap contracts to mitigate its interest rate risk on the related financial instruments. Columbia Property Trust does not enter into derivative or interest rate transactions for speculative purposes; however, certain of its derivatives may not qualify for hedge accounting treatment. Columbia Property Trust records the fair value of its interest rate swaps either as prepaid expenses and other assets or as accounts payable, accrued expenses, and accrued capital expenditures. Changes in the fair value of the effective portion of interest rate swaps that are designated as cash flow hedges are recorded as other comprehensive income, while changes in the fair value of the ineffective portion of a hedge, if any, is recognized currently in earnings. Changes in the fair value of interest rate swaps that do not qualify for hedge accounting treatment are recorded as gain (loss) on interest rate swaps. Amounts received or paid under interest rate swap agreements are recorded as interest expense for contracts that qualify for hedge accounting treatment and as loss on interest rate swaps for contracts that do not qualify for hedge accounting treatment.

The following tables provide additional information related to Columbia Property Trust's interest rate swaps as of December 31, 2014 and 2013 (in thousands):

Instrument Type	Balance Sheet Classification	Estimated Fair Value as of	
		December 31, 2014	2013
Derivatives designated as hedging instruments:			
Interest rate contracts	Accounts payable	\$(1,968)	\$(3,307)
Derivatives not designated as hedging instruments:			
Interest rate contracts	Accounts payable	\$(2,633)	\$(7,579)

Columbia Property Trust applied the provisions of ASC 820 in recording its interest rate swaps at fair value. The fair values of the interest rate swaps, classified under Level 2, were determined using a third-party proprietary model that is based on prevailing market data for contracts with matching durations, current and anticipated London Interbank Offered Rate ("LIBOR") information, and reasonable estimates about relevant future market conditions. Columbia Property Trust has determined that the fair value, as determined by the third party, is reasonable. The fair value of Columbia Property Trust's interest rate swaps were \$(4.6) million and \$(10.9) million at December 31, 2014 and 2013, respectively.

	Years ended December 31,		
	2014	2013	2012
Market value adjustment to interest rate swaps designated as hedging instruments and included in other comprehensive income	\$1,339	\$1,997	\$(5,305)
Loss on interest rate swap recognized through earnings	\$(371)	\$(342)	\$(1,225)

During the periods presented, there was no hedge ineffectiveness required to be recognized into earnings on the interest rate swaps that qualified for hedge accounting treatment.

Revenue Recognition

All leases on real estate assets held by Columbia Property Trust are classified as operating leases, and the related base rental income is generally recognized on a straight-line basis over the terms of the respective leases. Tenant reimbursements are recognized as revenue in the period that the related operating cost is incurred and are billed to

tenants pursuant to the terms of the underlying leases. Rental income and tenant reimbursements collected in advance are recorded as deferred income in the accompanying

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consolidated balance sheets. Lease termination fees are recorded as other property income and recognized once the tenant has lost the right to lease the space and Columbia Property Trust has satisfied all obligations under the related lease or lease termination agreement.

In conjunction with certain acquisitions, Columbia Property Trust has entered into master lease agreements with various sellers, whereby the sellers are obligated to pay rent pertaining to certain nonrevenue-producing spaces either at the time of, or subsequent to, the property acquisition. These master leases were established at the time of acquisition to mitigate the potential negative effects of lost rental revenues and expense reimbursement income. Columbia Property Trust records payments received under master lease agreements as a reduction of the basis of the underlying property rather than rental income. There were no proceeds received from master leases during 2014, 2013, or 2012.

Columbia Property Trust owns a full-service hotel through a taxable REIT subsidiary. Revenues derived from the operations of the hotel include, but are not limited to, revenues from rental of rooms, food and beverage sales, telephone usage, and other service revenues. Revenue is recognized when rooms are occupied, when services have been performed, and when products are delivered.

Income Taxes

Columbia Property Trust has elected to be taxed as a REIT under the Code, and has operated as such beginning with its taxable year ended December 31, 2003. To qualify as a REIT, Columbia Property Trust must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of its REIT taxable income, as defined by the Code, to its stockholders. As a REIT, Columbia Property Trust generally is not subject to income tax on income it distributes to stockholders. Columbia Property Trust's stockholder distributions typically exceed its taxable income due to the inclusion of noncash expenses, such as depreciation, in taxable income. As a result, Columbia Property Trust typically does not incur federal income taxes other than as described in the following paragraph. Columbia Property Trust is, however, subject to certain state and local taxes related to the operations of properties in certain locations, which have been provided for in the accompanying consolidated financial statements. Columbia Property Trust TRS, LLC ("Columbia TRS"), Columbia KCP TRS, LLC ("Columbia KCP TRS"), and Columbia Energy TRS, LLC ("Columbia Energy TRS") (collectively, the "TRS Entities") are wholly owned subsidiaries of Columbia Property Trust, are organized as Delaware limited liability companies, and operate, among other things, a full-service hotel. Columbia Property Trust has elected to treat the TRS Entities as taxable REIT subsidiaries. Columbia Property Trust may perform certain additional, noncustomary services for tenants of its buildings through the TRS Entities; however, any earnings related to such services are subject to federal and state income taxes. In addition, for Columbia Property Trust to continue to qualify as a REIT, Columbia Property Trust must limit its investments in taxable REIT subsidiaries to 25% of the value of the total assets. The TRS Entities' deferred tax assets and liabilities represent temporary differences between the financial reporting basis and the tax basis of assets and liabilities based on the enacted rates expected to be in effect when the temporary differences reverse. If applicable, Columbia Property Trust records interest and penalties related to uncertain tax positions as general and administrative expense in the accompanying consolidated statements of operations.

Operating Segments

Columbia Property Trust establishes its operating segments at the building level, and none of its operating segments meet the quantitative or qualitative thresholds to be considered an individual reportable segment. Therefore, Columbia Property Trust aggregates all of its operating segments into one reporting segment.

Reclassification

Certain prior period amounts may be reclassified to conform with the current-period financial statement presentation, including discontinued operations (see Note 12, Discontinued Operations) and equity accounts impacted by the Reverse Stock Split (see Note 7, Stockholders' Equity).

Recent Accounting Pronouncements

In April 2014, Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components on an Entity ("ASU 2014-08"), which raises the threshold used to determine whether revenues and expenses associated with dispositions are

reclassified to discontinued operations in the statement of operations. Under the new standard, typical asset sales will remain in continuing operations, whereas, asset sales that represent a strategic shift in operations (for example, exiting a major geographical area) would be reclassified to discontinued operations. ASU 2014-08 is required beginning with the first quarter of 2015; however, Columbia Property Trust elected to adopt the new standard effective April 1, 2014.

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In May 2014, the FASB issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"), which establishes a comprehensive model to account for revenue arising from contracts with customers. ASU 2014-09 applies to all contracts with customers except those that are within the scope of other topics in the FASB's Accounting Standards Codification such as real estate leases. ASU 2014-09 will require companies to perform a five-step analysis of transactions to determine when and how revenue is recognized. ASU 2014-09 will be effective for Columbia Property Trust beginning on January 1, 2017, and early adoption is not permitted. Columbia Property Trust is currently in the process of evaluating the potential impact, if any, ASU 2014-09 will have on its financial statements and disclosures.

In August 2014, the FASB issued Accounting Standards Update 2014-15, Presentation of Financial Statements – Going Concern ("ASU 2014-15"), which provides guidance about the responsibility of management to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures if necessary. ASU 2014-15 will be effective for Columbia Property Trust beginning on January 1, 2017, and early adoption is permitted. Columbia Property Trust does not expect the adoption of ASU 2014-15 to have a material impact on its financial statements and disclosures.

3. Real Estate and Other Transactions

Acquisitions

During 2014, Columbia Property Trust acquired interests in the following properties (in thousands). Columbia Property Trust did not acquire any real estate assets during 2013.

	2014	
Location	221 Main Street Building San Francisco, CA	650 California Street Building San Francisco, CA
Date acquired	April 22, 2014	September 9, 2014
Purchase price:		
Land	\$60,509	\$75,384
Building and improvements	161,853	221,135
Intangible lease assets	12,776	19,306
Intangible lease origination costs	3,475	4,290
Intangible below market lease liability	(10,323	) (9,908
Total purchase price	\$228,290	\$310,207

Note 2, Summary of Significant Accounting Policies, provides a discussion of the estimated useful life for each asset class.

221 Main Street Building

On April 22, 2014, Columbia Property Trust acquired the 221 Main Street Building, a 388,000-square-foot office building in San Francisco, California (the "221 Main Street Building"), for \$228.8 million, exclusive of transaction costs. The acquisition was funded with a \$73.0 million assumed mortgage note, \$116.0 million of borrowings on the JPMorgan Chase Credit Facility (the "JPMorgan Chase Credit Facility"), and cash on hand. Columbia Property Trust recognized revenues of \$12.7 million and a net loss of \$10.9 million from the 221 Main Street Building acquisition for the period from April 22, 2014 to December 31, 2014. The net loss includes acquisition-related expenses of \$6.1 million.

As of the acquisition date, the 221 Main Street Building was 82.8% leased to 40 tenants, including DocuSign, Inc. (16%), and no other tenant leases more than 10% of the building based on annualized lease revenue.

650 California Street Building

On September 9, 2014, Columbia Property Trust acquired the 650 California Street Building, a 478,000-square-foot office building in San Francisco, California (the "650 California Street Building"), for \$310.2 million, exclusive of transaction costs. The acquisition was funded with a \$130.0 million assumed mortgage note, \$118.0 million of borrowings on the JPMorgan Chase Credit Facility, and cash on hand. Columbia Property Trust recognized revenues of \$8.0 million and a net loss of \$9.7 million from the 650 California Street Building acquisition for the period from

September 9, 2014 to December 31, 2014. The net loss includes acquisition-related expenses of \$8.0 million.

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As of the acquisition date, the 650 California Street Building was 88.1% leased to 18 tenants, including Littler Mendelson (24%), Credit Suisse (13%), and Goodby Silverstein (11%).

2015 Acquisitions

On January 7, 2015, Columbia Property Trust acquired a portfolio of two assets, which includes 315 Park Avenue South, a 341,000-square-foot office building in New York, New York (the "315 Park Avenue South Building") and 1881 Campus Commons, a 245,000-square-foot office building in Reston, Virginia (the "1881 Campus Commons Building"). This portfolio was acquired for \$436.0 million, exclusive of transaction costs. An earnest money deposit of \$17.0 million was prepaid for this transaction in December 2014, and is included in prepaid expenses and other assets in the accompanying consolidated balance sheet.

On January 8, 2015, Columbia Property Trust acquired a 274,000-square-foot office building in Boston, Massachusetts (the "116 Huntington Avenue Building"), for \$152.0 million, inclusive of capital credits. An earnest money deposit of \$10.0 million was prepaid for this transaction in December 2014, and is included in prepaid expenses and other assets in the accompanying consolidated balance sheet.

These acquisitions were funded with \$300.0 million in proceeds from the the Bridge Loan (as described in Note 4, Line of Credit, Term Loan, and Notes Payable), \$140.0 million of borrowings on the JPMorgan Chase Credit Facility (as described in Note 4, Line of Credit, Term Loan, and Notes Payable), and cash on hand.

Pro Forma Financial Information

The following unaudited pro forma statements of operations presented for 2014, 2013, and 2012 have been prepared for Columbia Property Trust to give effect to the acquisition of both the 650 California Street Building and the 221 Main Street Building as if the acquisitions occurred on January 1, 2012. The following unaudited pro forma financial results for Columbia Property Trust have been prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisitions of the 650 California Street Building and the 221 Main Street Building been consummated as of January 1, 2012 (in thousands).

	2014	2013	2012
Revenues	\$555,472	\$550,675	\$517,958
Net income (loss)	\$90,999	\$(17,969)	\$(665)
Net income (loss) per share – basic	\$0.73	\$(0.13)	\$—
Net income (loss) per share – diluted	\$0.73	\$(0.13)	\$—

Dispositions

As a result of adopting ASU 2014-08 effective April 1, 2014 (see Note 2, Significant Accounting Policies), for all periods presented in the accompanying consolidated statements of operations, the revenues and expenses associated with the second and third quarter 2014 property sales described below are included in continuing operations, while the revenues and expenses associated with sales executed before April 1, 2014, are classified as discontinued operations.

160 Park Avenue Building

On June 4, 2014, Columbia Property Trust closed on the sale of the 160 Park Avenue Building (formerly known as the 180 Park Avenue, #103 Building) in Florham Park, New Jersey, for \$10.2 million, exclusive of transaction costs. Columbia Property Trust recognized an impairment loss of \$13.6 million related to this building in the first quarter of 2014, as further described in Note 2, Significant Accounting Policies.

200 South Orange Building

On June 30, 2014, Columbia Property Trust closed on the sale of the 200 South Orange Building in Orlando, Florida, for \$18.8 million, exclusive of transaction costs. This transaction resulted in a \$1.4 million impairment loss in the second quarter of 2014, as further described in Note 2, Significant Accounting Policies.

7031 Columbia Gateway Drive Building

On July 1, 2014, Columbia Property Trust closed on the sale of the 7031 Columbia Gateway Drive Building in Columbia, Maryland, for \$59.5 million, exclusive of transaction costs, yielding a gain on sale of real estate assets of \$7.7 million.

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9 Technology Drive Building

On August 22, 2014, Columbia Property Trust closed on the sale of the 9 Technology Drive Building in Westborough, Massachusetts, for \$47.0 million, exclusive of purchase price adjustments and transaction costs, yielding a gain on sale of real estate assets of \$11.1 million.

Lenox Park Property

On October 3, 2014, Columbia Property Trust closed on the sale of the five buildings comprising the Lenox Park Property in Atlanta, Georgia, for \$290.0 million, exclusive of transaction costs, yielding a gain on sale of real estate assets of \$56.5 million in the fourth quarter of 2014.

18 Property Sale

On November 5, 2013, Columbia Property Trust closed on the 18 Property Sale to an unaffiliated third party for \$521.5 million, exclusive of closing costs. In connection with marketing these assets for sale and finalizing the terms of the sale agreement, Columbia Property Trust recognized aggregate impairment losses of \$29.7 million. After considering the impact of these impairment losses, upon closing in the fourth quarter of 2013, the 18 Property Sale yielded a loss of \$0.4 million, which is included in gain (loss) on disposition of discontinued operations in the accompanying consolidated statement of operations.

The following properties make up the 18 Property Sale:

2500 Windy Ridge Parkway	Sterling Commerce Center	11200 West Parkland Avenue
4100-4300 Wildwood Parkway	4300 Centreway Place	One Century Place
4200 Wildwood Parkway	919 Hidden Ridge	1200 Morris Drive
4241 Irwin Simpson	333 & 777 Republic Drive	15815 25th Avenue West
8990 Duke Road	120 Eagle Rock	16201 25th Avenue West
Chase Center Building	College Park Plaza	13655 Riverport Drive

Dvintsev Business Center – Tower B

On March 21, 2013, Columbia Property Trust closed on the sale of the Dvintsev Business Center – Tower B building in Moscow, Russia, and its holding entity, Landlink Ltd., which was 100% owned by Columbia Property Trust, for \$67.5 million, exclusive of transaction costs, resulting in a gain on disposition of discontinued operations in the accompanying consolidated statement of operations of \$10.0 million.

Other Transactions

As described in Note 10, Related-Party Transactions and Agreements, Columbia Property Trust acquired Columbia Property Trust Advisory Services, LLC ("Columbia Property Trust Advisory Services") and Columbia Property Trust Services, LLC ("Columbia Property Trust Services") on February 28, 2013. The following unaudited pro forma statements of operations presented for 2013 and 2012, have been prepared for Columbia Property Trust to give effect to the acquisitions of Columbia Property Trust Advisory Services and Columbia Property Trust Services as if the acquisitions occurred on January 1, 2012. The following unaudited pro forma financial results for Columbia Property Trust have been prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisitions of Columbia Property Trust Advisory Services and Columbia Property Trust Services been consummated as of January 1, 2012 (in thousands).

	As of December 31,		
	2014	2013	2012
Revenues	*	\$526,966	\$479,056
Net income attributable to common shareholders	*	\$47,661	\$47,591

* Columbia Property Trust owned Columbia Property Trust Advisory Services and Columbia Property Trust Services for all of 2014.

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4. Line of Credit, Term Loan, and Notes Payable

As of December 31, 2014 and 2013, Columbia Property Trust had the following line of credit, term loan, and notes payable indebtedness outstanding (excluding bonds payable; see Note 5, Bonds Payable) in thousands:

Facility	Rate as of		Term Debt		Outstanding Balance as of	
	December 31, 2014		or Interest	Maturity	2014	2013
\$450 Million Term Loan	LIBOR + 130 bp	(1)	Interest only	2/3/2016	\$450,000	\$450,000
Market Square Buildings mortgage note	5.07	%	Interest only	7/1/2023	325,000	325,000
333 Market Street Building mortgage note	LIBOR + 202 bp	(2)	Interest only	7/1/2015	206,810	207,559
650 California Street Building mortgage note	3.60	%	Interest only	7/1/2019	130,000	—
100 East Pratt Street Building mortgage note	5.08	%	Interest only	6/11/2017	105,000	105,000
221 Main Building mortgage note	3.95	%	Interest only	5/10/2017	73,000	—
263 Shuman Boulevard Building mortgage note	5.55	%	Interest only	7/1/2017	49,000	49,000
SanTan Corporate Center mortgage notes	5.83	%	Interest only	10/11/2016	39,000	39,000
One Glenlake Building mortgage note	5.80	%	Term debt	12/10/2018	32,074	34,713
215 Diehl Road Building mortgage note	5.55	%	Interest only	7/1/2017	21,000	21,000
544 Lakeview Building mortgage note	5.54	%	Interest only	12/1/2014	—	8,977
JPMorgan Chase Credit Facility	LIBOR + 110 bp	(3)	Interest only	8/21/2017	—	—
Total indebtedness					\$1,430,884	\$1,240,249

Columbia Property Trust is party to an interest rate swap agreement, which effectively fixes its interest rate on the \$450 Million Term Loan (the "450 Million Term Loan") at 2.07% per annum and terminates on February 3, 2016.

(1) This interest rate swap agreement qualifies for hedge accounting treatment; therefore, changes in fair value are recorded as a market value adjustment to interest rate swap in the accompanying consolidated statements of other comprehensive income.

(2) Columbia Property Trust is party to an interest rate swap agreement, which effectively fixes its interest rate on the 333 Market Street Building mortgage note at 4.75% per annum and terminates on July 1, 2015. This interest rate swap agreement does not qualify for hedge accounting treatment; therefore, changes in fair value are recorded as loss on interest rate swaps in the accompanying consolidated statements of operations.

JPMorgan Chase Credit Facility debt bears interest at a rate based on, at the option of Columbia Property Trust, LIBOR for seven-day or one-, two-, three-, or six-month periods, plus an applicable margin ranging from 1.00% to 1.70%, or the alternate base rate for any day is the greatest of the rate of interest publicly announced by JPMorgan Chase Bank ("JPMorgan Chase Bank") as its prime rate in effect in its principal office in New York City for such day plus an applicable margin ranging from 0.00% to 0.70%.

221 Main Street Building Mortgage Note

In April 2014, in connection with acquiring the 221 Main Street Building in San Francisco, California, Columbia Property Trust assumed a \$73.0 million mortgage note payable (the "221 Main Street Building Mortgage Note"), which is secured by the property. At the time of acquisition, Columbia Property Trust evaluated the 221 Main Street Building Mortgage Note and determined that the face value of the note approximates its fair value. The fair value of the 221 Main Street Building Mortgage Note was estimated by obtaining estimates for similar facilities from multiple

market participants as of the respective reporting dates (Level 2). The 221 Main Street Building Mortgage Note is due on May 10, 2017, and requires monthly interest-only payments at an interest rate of 3.95% per annum.

650 California Street Building Mortgage Note

In September 2014, in connection with acquiring the 650 California Street Building in San Francisco, California, Columbia Property Trust assumed a \$130.0 million mortgage note payable (the "650 California Street Building Mortgage Note"), which is secured by the property. At the time of acquisition, Columbia Property Trust evaluated the 650 California Street Building Mortgage Note and determined that the face value of the note approximates its fair value. The fair value of the 650 California Street Building Mortgage Note was estimated by obtaining estimates for similar facilities from multiple market participants as of the respective reporting dates (Level 2). The 650 California Street Building Mortgage Note is due on July 1, 2019. Through June 2015, the 650 California Street Building Mortgage Note requires monthly, interest-only payments at an interest rate of 3.60% per annum. Beginning in July 2015, monthly payments will be \$591,000 monthly (\$7.1 million annually), consisting of principal and interest.

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Bridge Loan

On January 6, 2015, Columbia Property Trust entered into a \$300 million, six-month, unsecured loan with a syndicate of banks led by JPMorgan Chase Bank (the "Bridge Loan") to finance a portion of the the real estate assets purchased in January 2015. At the Columbia Property Trust's option, borrowings under the Bridge Loan bear interest at either (i) an alternate base rate plus an applicable margin ranging from 0.00% to 0.80% or (ii) LIBOR plus an applicable margin based on four stated pricing levels ranging from 1.00% to 1.80%, in each case based on Columbia Property Trust's credit rating. Subject to customary conditions, Columbia Property Trust may increase the borrowings under the Bridge Loan up to two times up to an aggregate amount of \$150 million. Each increase must be in an increment of \$25 million.

The Bridge Loan matures on July 6, 2015, with a six-month extension at the option of Columbia Property Trust, and may be prepaid by Columbia Property Trust at any time without premium or penalty. In addition, amounts under the Bridge Loan must be repaid by Columbia Property Trust with the net cash proceeds of certain financing activities and asset sales, including (i) the issuance of common or preferred equity securities, (ii) the incurrence of mortgage indebtedness on any property, (iii) the incurrence of unsecured indebtedness, or (iv) the sale of certain real estate assets or any equity interests.

Debt Covenants

Columbia Property Trust is subject to a \$25.0 million limitation on letters of credit that may be issued under the JPMorgan Chase Credit Facility. The JPMorgan Chase Credit Facility, and the Bridge Loan contain the following restrictive covenants:

- limits the ratio of debt to total asset value, as defined, to 50% or less during the term of the facility;
- limits the ratio of secured debt to total asset value, as defined, to 40% or less during the term of the facility;
- requires the ratio of unencumbered asset value, as defined, to total unsecured debt to be at least 2:1 at all times;
- requires maintenance of certain interest and fixed-charge coverage ratios;
- limits the ratio of secured recourse debt to total asset value, as defined, to 10% or less at all times;
- requires maintenance of certain minimum tangible net worth balances; and
- limits investments that fall outside Columbia Property Trust's core investments of improved office properties located in the United States.

As of December 31, 2014, Columbia Property Trust believes it was in compliance with the restrictive covenants on its outstanding debt obligations.

Fair Value of Debt

The estimated fair value of Columbia Property Trust's line of credit, term loan, and notes payable as of December 31, 2014 and 2013, was approximately \$1,465.2 million and \$1,245.3 million, respectively. Columbia Property Trust estimated the fair value of its line of credit by obtaining estimates for similar facilities from multiple market participants as of the respective reporting dates. Therefore, the fair values determined are considered to be based on observable market data for similar instruments (Level 2). The fair values of all other debt instruments were estimated based on discounted cash flow analyses using the current incremental borrowing rates for similar types of borrowing arrangements as of the respective reporting 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.

Interest Paid

As of December 31, 2014 and 2013, Columbia Property Trust's weighted-average interest rate on its line of credit and notes payable was approximately 3.95% and 4.08%, respectively. Columbia Property Trust made interest payments of approximately \$56.1 million, \$59.6 million, and \$50.1 million during 2014, 2013, and 2012, respectively, none of which was capitalized.

Debt Maturities and Extinguishment

On October 8, 2014, Columbia Property Trust repaid the mortgage note for the 544 Lakeview Building for \$9.1 million, resulting in a loss on early extinguishment of debt of \$23,000. The original maturity date for the 544 Lakeview Building mortgage note was December 1, 2014. There were no other debt maturities during 2014.

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The following table summarizes the aggregate maturities of Columbia Property Trust's line of credit, term loan, and notes payable as of December 31, 2014 (in thousands):

2015	\$210,821
2016	494,460
2017	253,728
2018	25,860
2019	121,015
Thereafter	325,000
Total	\$1,430,884

5. Bonds Payable

In 2011, Columbia Property Trust issued \$250.0 million of its seven-year, unsecured 5.875% senior notes at 99.295% of their face value. Columbia Property Trust received proceeds from the 2018 Bonds Payable, net of fees, of \$246.7 million. The 2018 Bonds Payable require semiannual interest payments in April and October based on a contractual annual interest rate of 5.875%, which is subject to adjustment in certain circumstances. In the accompanying consolidated balance sheets, the 2018 Bonds Payable are shown net of the initial issuance discount of approximately \$1.8 million, which is amortized to interest expense over the term of the 2018 Bonds Payable using the effective interest method. The principal amount of the 2018 Bonds Payable is due and payable on the maturity date, April 1, 2018. Interest payments of \$14.7 million were made on the 2018 Bonds Payable during 2014 and 2013.

The restrictive covenants on the 2018 Bonds Payable as defined pursuant to an indenture include:

- limits to Columbia Property Trust's ability to merge or consolidate with another entity or transfer all or substantially all of Columbia Property Trust's property and assets, subject to important exceptions and qualifications;
- a limitation on the ratio of debt to total assets, as defined, to 60%;
- limits to Columbia Property Trust's ability to incur debt if the consolidated income available for debt service to annual debt service charge, as defined, for four previous consecutive fiscal quarters is less than 1.5:1 on a pro forma basis;
- limits to Columbia Property Trust's ability to incur liens if, on an aggregate basis for Columbia Property Trust, the secured debt amount would exceed 40% of the value of the total assets; and
- a requirement that the ratio of unencumbered asset value, as defined, to total unsecured debt be at least 150% at all times.

As of December 31, 2014, Columbia Property Trust believes it was in compliance with the restrictive covenants on its 2018 Bonds Payable. The 2018 Bonds Payable were originally issued through a private offering and subsequently registered.

The estimated fair value of the 2018 Bonds Payable as of December 31, 2014 and 2013 was approximately \$250.6 million and \$250.8 million, respectively. The fair value of the 2018 Bonds Payable was estimated based on discounted cash flow analyses using the current incremental borrowing rates for similar types of borrowing as the 2018 Bonds Payable arrangements, as of the respective reporting dates (Level 2). 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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6. Commitments and Contingencies

Obligations Under Operating Leases

Columbia Property Trust owns three properties that are subject to ground leases with expiration dates of December 31, 2058; February 28, 2062; and July 31, 2099. We incurred \$2.1 million in rent expense related to such ground leases in 2014, 2013, and 2012. As of December 31, 2014, the remaining required payments under the terms of these ground leases are as follows (in thousands):

2015	\$2,557
2016	2,557
2017	2,702
2018	2,731
2019	2,731
Thereafter	202,798
Total	\$216,076

Obligations Under Capital Leases

The Three Glenlake Building is subject to a capital lease of land. This obligation requires payments equal to the amounts of principal and interest receivable from related investments in development authority bonds, which matures in 2021. The required payments under the terms of the leases are as follows as of December 31, 2014 (in thousands):

2015	\$7,200
2016	7,200
2017	7,200
2018	7,200
2019	7,200
Thereafter	134,400
	170,400
Amounts representing interest	(50,400)
Total	\$120,000

Commitments Under Existing Lease Agreements

Certain lease agreements include provisions that, at the option of the tenant, may obligate Columbia Property Trust to expend capital to expand an existing property or provide other expenditures for the benefit of the tenant. As of December 31, 2014, no tenants have exercised such options that had not been materially satisfied.

Litigation

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

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is not currently involved in any legal proceedings of which management would consider the outcome to be reasonably likely to have a material adverse effect on the results of operations or financial condition of Columbia Property Trust.

7. Stockholders' Equity

Long-Term Incentive Plan

Columbia Property Trust maintains a long-term incentive plan that provides for grants of stock to be made to certain employees and independent directors of Columbia Property Trust (the "Long-Term Incentive Plan"). In July 2013, Columbia Property Trust's shareholders approved the Long-Term Incentive Plan, and 2,000,000 shares were authorized and reserved for issuance under the Long-Term Incentive Plan.

Employee Grants

On January 21, 2014, Columbia Property Trust granted 143,740 shares of common stock to employees, net of 12,752 shares withheld to settle the related tax liability, under the Long-Term Incentive Plan for 2013 performance (the "2013 LTIP Employee Grant"), of which 25% vested upon grant, and the remaining shares will vest ratably, with the passage of time, on January 31, 2015, 2016, and 2017. Employees will receive quarterly dividends related to their entire grant, including the unvested shares, on each dividend payment date. A summary of the activity for the employee stock grants under the Long-Term Incentive Plan for 2014, follows:

	Shares (in thousands)	Weighted-Average, Grant-Date Fair Value ⁽¹⁾
Unvested shares as of January 1, 2014	—	\$—
Granted	144	\$24.82
Vested	(39)	) \$24.82
Forfeited	(1)	) \$24.82
Unvested shares as of December 31, 2014	104	⁽²⁾ \$24.82

⁽¹⁾ Columbia Property Trust determined the weighted-average grant-date fair value using the market closing price on the date of the grant.

As of December 31, 2014, we expect approximately 98,800 of the 104,000 unvested shares to ultimately vest,

⁽²⁾ assuming a forfeiture rate of 5%, which was determined based on peer company data, adjusted for the specifics of the Long-Term Incentive Plan.

On January 21, 2015, Columbia Property Trust granted 123,187 shares of common stock to employees, net of 11,368 shares withheld to settle the related tax liability, under the Long-Term Incentive Plan (the "2014 LTIP Employee Grant"), of which 25% vested upon grant, and the remaining shares will vest ratably, with the passage of time, on January 31, 2016, 2017, and 2018.

Independent Director Grants

Beginning in January 2014, Columbia Property Trust pays quarterly installments of the independent directors' annual equity retainers by granting shares to the independent directors, which vest at the time of grant. In October 2013, Columbia Property Trust paid the annual equity retainer for 2013. A summary of these grants, made under the Long-Term Incentive Plan, follows:

Date of Grant	Shares	Weighted-Average Grant-Date Fair Value
2015 Director Grants:		
January 2, 2015	5,850	\$25.75
2014 Director Grants:		
January 21, 2014	3,344	\$24.82
April 1, 2014	2,968	\$27.22
July 1, 2014	3,016	\$25.78
October 1, 2014	4,960	\$23.89
2013 Director Grant:		
September 13, 2013	6,820	\$29.32

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Stock-Based Compensation Expense

In 2014, Columbia Property Trust incurred \$2.0 million in stock-based compensation expense, of which \$0.4 million related to the issuance of shares to independent directors as described above, \$0.7 million related to the amortization of unvested awards under the 2013 LTIP Employee Grant, and \$0.9 million related to the 2014 LTIP Employee Grant, which was authorized, and employee service related to these awards began on January 1, 2014. The 2014 LTIP Employee Grant was granted in January 2015, with 25% of the grant vesting on the grant date and the remaining shares vesting ratably on January 31, 2016, 2017, and 2018. In 2013, Columbia Property Trust incurred approximately \$1.1 million of stock-based compensation expense, of which \$0.2 million related to the issuance of shares to independent directors and \$0.9 million related to future employee awards related to service during 2013, which were granted in January 2014. These expenses are included in general and administrative expenses in the accompanying consolidated statement of operations. There was \$1.7 million and \$0.9 million of unrecognized compensation costs related to unvested awards under the 2013 LTIP Employee Grant as of December 31, 2014 and December 31, 2013, respectively. This amount will be amortized over the respective vesting period, ranging from one year to three years at the time of grant.

Reverse Stock Split

On August 6, 2013, Columbia Property Trust's board of directors approved a four-for-one reverse stock split (the "Reverse Stock Split"). The Reverse Stock Split became effective on August 14, 2013 (the "Effective Date"), causing every four shares of common stock that were issued and outstanding as of the Effective Date to be automatically combined into one issued and outstanding share of common stock. The share combination affected all shareholders uniformly and did not affect any shareholder's percentage ownership interest or any shareholder rights. In addition, the par value and number of authorized shares of common stock remained unchanged. The Reverse Stock Split requires retroactive adjustment; therefore, all share and per-share data for prior periods has been adjusted to reflect the Reverse Stock Split.

Authorized Shares

On July 1, 2014, Columbia Property Trust reduced the number of common shares authorized from 900,000,000 to 225,000,000, which is proportionally equal to the reduction in shares outstanding as a result of the Reverse Stock Split.

Listing

On October 10, 2013, Columbia Property Trust listed its shares of common stock on the New York Stock Exchange (the "NYSE") under the ticker symbol "CXP." Columbia Property Trust has incurred \$4.1 million of costs related to the listing during 2013, primarily related to professional and legal fees associated with the listing. Such fees have been recorded separately as listing costs in the accompanying statement of operations.

Tender Offer

On October 10, 2013, Columbia Property Trust commenced a modified "Dutch-auction" tender offer to purchase for cash up to \$300.0 million in value of shares of its common stock (the "Tender Offer"). As a result of the Tender Offer, on November 18, 2013, we accepted for purchase 9.4 million shares of common stock at a purchase price of \$25.00 per share, for an aggregate cost to Columbia Property Trust of \$234.1 million, exclusive of fees and expenses related to the Tender Offer.

Independent Director Stock Option Plan

Columbia Property Trust maintains an independent director stock option plan that provides for grants of stock to be made to independent directors of Columbia Property Trust (the "Director Plan"). On April 24, 2008, the Conflicts Committee of the Board of Directors suspended the Director Plan in connection with the registration of a public offering of shares of its common stock in certain states. A total of 25,000 shares have been authorized and reserved for issuance under the Director Plan.

Under the Director Plan, options to purchase 625 shares of common stock at \$48.00 per share were granted upon initially becoming an independent director of Columbia Property Trust. Of these options, 20% are exercisable immediately on the date of grant. An additional 20% of these options become exercisable on each anniversary for four years following the date of grant. Additionally, effective on the date of each annual stockholder meeting, beginning in

2004, each independent director was granted options to purchase 250 additional shares of common stock at the greater of (1) \$48.00 per share or (2) the fair market value (as defined in the Director Plan) on the last business day preceding the date of the annual stockholder meeting. These options are 100% exercisable two years after the date of grant. All options granted under the Director Plan expire no later than the tenth anniversary of the date of grant and may expire sooner if the independent director dies, is disabled, or ceases to serve as a director. In the event of a corporate transaction or other recapitalization event, the Conflicts Committee will adjust the number of shares, class of shares, exercise price, or other terms of the Director Plan to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Director Plan or with respect to any option as necessary. No stock option may be exercised if such exercise would jeopardize Columbia Property Trust's status as a REIT under the Code, and no stock option may be granted if the

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grant, when combined with those issuable upon exercise of outstanding options or warrants granted to Columbia Property Trust's advisor, directors, officers, or any of their affiliates, would exceed 10% of Columbia Property Trust's outstanding shares. No option may be sold, pledged, assigned, or transferred by an independent director in any manner other than by will or the laws of descent or distribution.

A summary of stock option activity under the Director Plan during 2014, 2013, and 2012, follows:

	Number	Exercise Price	Exercisable
Outstanding as of December 31, 2011	7,375	\$48	7,250
Granted	—		
Expired	—		
Outstanding as of December 31, 2012	7,375	\$48	7,375
Granted	—		
Expired	—		
Outstanding as of December 31, 2013	7,375	\$48	7,375
Granted	—		
Expired	(3,500)		
Outstanding as of December 31, 2014	3,875	\$48	3,875

Columbia Property Trust has evaluated the fair values of options granted under the Director Plan using the Black-Scholes-Merton model and concluded that such values are insignificant as of the end of the period presented. The weighted-average contractual remaining life for options that were exercisable as of December 31, 2014, was approximately 1.75 years.

8. Operating Leases

Columbia Property Trust's real estate assets are leased to tenants under operating leases for which the terms vary, including certain provisions to extend the lease agreement, options for early terminations, subject to specified penalties, and other terms and conditions as negotiated. Columbia Property Trust retains substantially all of the risks and benefits of ownership of the real estate assets leased to tenants. Amounts required as security deposits vary depending upon the terms of the respective leases and the creditworthiness of the tenant; however, such deposits generally are not significant. Therefore, exposure to credit risk exists to the extent that the receivables exceed this amount. Security deposits related to tenant leases are included in accounts payable, accrued expenses, and accrued capital expenditures in the accompanying consolidated balance sheets.

Based on 2014 Annualized Lease Revenue, as defined, none of our tenants comprised more than 6% of Columbia Property Trust's portfolio. Tenants in the legal services, banking, and business services industries each comprise 18%, 14%, and 8%, respectively, of Columbia Property Trust's 2014 Annualized Lease Revenue. Columbia Property Trust's properties are located in 12 states and the District of Columbia.

As of December 31, 2014, approximately 19%, 12%, and 10% of Columbia Property Trust's office properties are located in San Francisco, metropolitan District of Columbia, and northern New Jersey, respectively.

The future minimum rental income from Columbia Property Trust's investment in real estate assets under noncancelable operating leases, excluding properties under development, as of December 31, 2014, is as follows (in thousands):

2015	\$376,623
2016	361,085
2017	306,788
2018	269,712
2019	248,991
Thereafter	1,070,022
Total	\$2,633,221

9. Supplemental Disclosures of Noncash Investing and Financing Activities

Outlined below are significant noncash investing and financing activities for the years ended December 31, 2014, 2013, and 2012 (in thousands):

	Years ended December 31,		
	2014	2013	2012
Investment in real estate funded with other assets	\$3,807	\$—	\$—
Other assets assumed upon acquisition	\$2,493	\$741	\$130
Other liabilities assumed upon acquisition	\$2,004	\$741	\$—
Other liabilities settled at disposition	\$—	\$872	\$—
Interest rate swap assumed upon acquisition of property	\$—	\$—	\$11,560
Notes payable assumed at acquisition	\$203,000	\$—	\$208,330
Interest accruing into notes payable	\$—	\$186	\$306
Amortization of discounts (premiums) on debt	\$396	\$(363)	\$364
Market value adjustment to interest rate swaps that qualify for hedge accounting treatment	\$1,339	\$1,997	\$(5,305)
Accrued capital expenditures and deferred lease costs	\$17,283	\$15,997	\$16,325
Accrued deferred financing costs	\$—	\$—	\$35
Common stock issued to employees and directors, and amortized (net of amounts withheld for taxes)	\$1,642	\$—	\$—
Accrued redemptions of common stock	\$—	\$—	\$3,655
Transfer of development authority bonds	\$—	\$466,000	\$60,000
Stock-based compensation expense	\$—	\$1,055	\$—
Increase (decrease) in redeemable common stock	\$—	\$(99,526)	\$13,621

10. Related-Party Transactions and Agreements

During 2013, Columbia Property Trust was party to agreements with various entities of Wells Real Estate Funds ("WREF"), which served as our Advisor (the "Advisor"). Since January 1, 2014, Columbia Property Trust has had no contractual relationship with WREF.

Transition Services Agreement – Columbia Property Trust exercised the option to acquire Columbia Property Trust Advisory Services and Columbia Property Trust Services from WREF (the "Assignment Options") on February 13, 2013, as provided for in the Transition Services Agreement, as amended (the "Transition Services Agreement"). No payment was associated with the Assignment Options; however, Columbia Property Trust was required to pay WREF a total of \$8.8 million, for the work required to transfer sufficient employees, proprietary systems and processes, and assets to Columbia Property Trust Advisory Services and Columbia Property Trust Services.

Consulting Services Agreement – Under the Consulting Services Agreement, WREF provided consulting services with respect to the same matters that were provided under the Advisory Agreement, described below (the "Consulting Services Agreement"). The Consulting Services Agreement terminated on December 31, 2013. The fees incurred under the Consulting Services Agreement are included in general and administrative expense in the accompanying consolidated statement of operations.

Advisory Agreement – Under the terms of the advisory agreement in place from January 1, 2013 to February 27, 2013 (the "Advisory Agreement"), Columbia Property Trust incurred fees and reimbursements payable to the Advisor for asset management and administrative services.

Related-Party Costs

Pursuant to the terms of the agreements described above, Columbia Property Trust incurred the following related-party costs during 2014, 2013, and 2012, respectively (in thousands):

	Years ended December 31,		
	2014	2013	2012
Consulting services	\$—	\$25,417	\$—
Transition services	—	5,750	3,008
Asset management fees	—	5,083	32,000
Administrative reimbursements, net ⁽¹⁾	—	1,939	11,099
Investor services	—	829	—
Property management fees	—	523	4,462
Construction fees ⁽²⁾	—	139	220
Other	—	69	126
Acquisition fees	—	—	1,500
Disposition fees	—	—	1,311
Total	\$—	\$39,749	\$53,726

(1) Administrative reimbursements are presented net of reimbursements from tenants of approximately \$0.7 million and \$4.4 million for the years ended December 31, 2013 and 2012, respectively.

(2) Construction fees are capitalized to real estate assets as incurred.

There were no amounts due to affiliates as of December 31, 2014 or December 31, 2013.

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11. Income Taxes

Columbia Property Trust's income tax basis net income during 2014, 2013, and 2012 (in thousands) follows:

	2014	2013	2012
GAAP basis financial statement net income attributable to the common stockholders of Columbia Property Trust, Inc.	\$92,635	\$15,720	\$48,039
Increase (decrease) in net income resulting from:			
Depreciation and amortization expense for financial reporting purposes in excess of amounts for income tax purposes	69,832	72,554	81,681
Rental income accrued for financial reporting purposes in excess of amounts for income tax purposes	(8,437)	(26,565)	(24,798)
Net amortization of above-/below-market lease intangibles for financial reporting purposes less than amounts for income tax purposes	(9,394)	(8,186)	(3,423)
Gain on interest rate swaps that do not qualify for hedge accounting treatment for financial reporting purposes in excess of amounts for income tax purposes	(4,945)	(5,530)	(173)
Bad debt expense for financial reporting purposes less than amounts for income tax purposes	(1)	(65)	(5,034)
Gains or losses on disposition of real property for financial reporting purposes that are more favorable than amounts for income tax purposes	(47,159)	(78,559)	(61,198)
Other expenses for financial reporting purposes in excess of amounts for income tax purposes	31,991	9,710	7,349
Income tax basis net income (loss), prior to dividends-paid deduction	\$124,522	\$(20,921)	\$42,443

As of December 31, 2014, the tax basis carrying value of Columbia Property Trust's total assets was approximately \$5.2 billion. For income tax purposes, distributions to common stockholders are characterized as ordinary income, capital gains, or as a return of a stockholder's invested capital. Columbia Property Trust's distributions per common share are summarized as follows:

	2014	2013	2012
Ordinary income	83.1	% —	% 16
Capital gains	—	% —	% —
Return of capital	16.9	% 100	% 84
Total	100	% 100	% 100

As of December 31, 2014, returns for the calendar years 2010 through 2014 remain subject to examination by U.S. or various state tax jurisdictions.

No provisions for federal income taxes have been made in the accompanying consolidated financial statements, other than the provisions relating to Columbia TRS, Columbia KCP TRS, and Columbia Energy TRS, as we made distributions in excess of taxable income for the periods presented. We are subject to certain state and local taxes related to property operations in certain locations, which have been provided for in our accompanying consolidated financial statements. The income taxes recorded by the TRS Entities for the years ended December 31, 2014, 2013, and 2012, are as follows:

	Years ended December 31,		
	2014	2013	2012
Federal income tax	\$318	\$307	\$265
State income tax	35	2	14
Total income tax	\$353	\$309	\$279

As of December 31, 2014 and 2013, Columbia Property Trust had no deferred tax liabilities. As of December 31, 2014 and 2013, Columbia Property Trust had a deferred tax asset of \$0.3 million and \$0.6 million, respectively, included in

prepaid expenses and other assets in the accompanying consolidated balance sheets. Columbia Property Trust has assessed its ability to realize this deferred tax asset and determined that it is more likely than not that the deferred tax asset of \$0.3 million as of December 31, 2014, is realizable.

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12. Discontinued Operations

As a result of implementing ASU 2014-08 effective April 1, 2014 (see Note 2, Significant Accounting Policies), beginning in the second quarter of 2014, the operating results for properties sold will generally be included in continuing operations. The following properties were sold prior to implementing ASU 2014-08 and are, therefore, included in discontinued operations in the accompanying consolidated statements of operations for all periods presented:

- the properties included in the 18 Property Sale, which closed on November 5, 2013, for \$521.5 million and resulted in a net loss of \$0.4 million;

- Dvintsev Business Center – Tower B in Moscow, Russia, which sold on March 21, 2013, along with its holding entity, Landlink, Ltd., which was 100% owned by Columbia Property Trust, for \$67.5 million and resulted in a gain of \$10.0 million;

- the properties included in the Nine Property Sale, which closed in December 2012 for \$260.5 million and resulted in a net gain of \$3.2 million;

- 5995 Opus Parkway and Emerald Point, both of which closed in January 2012 for \$60.1 million and resulted in aggregate gains of \$16.9 million.

The following table shows the revenues and expenses of the above-described discontinued operations (in thousands). 2014 amounts reflect post closing adjustments and true ups related to the 18 Property Sale, which closed prior to our adoption of ASU 2014-08.

	Years ended December 31,		
	2014	2013	2012
Revenues:			
Rental income	\$4	\$48,550	\$91,132
Tenant reimbursements	115	11,205	18,059
Other property income	—	291	5,471
	119	60,046	114,662
Expenses:			
Property operating costs	(250	) 21,232	36,996
Asset and property management fees	7	1,501	7,974
Depreciation	—	11,730	21,609
Amortization	—	7,590	15,776
Impairment loss on real estate assets	—	29,737	18,467
General and administrative	755	1,360	748
Total expenses	512	73,150	101,570
Operating income (loss)	(393	) (13,104	) 13,092
Other income (expense):			
Interest expense	3	(3,804	) (6,610
Interest and other income	—	293	16
Loss on early extinguishment of debt	—	(4,709) —
Income (loss) from discontinued operations before income tax expense	(390	) (21,324	) 6,498
Income tax expense	—	(1	) (14
Income (loss) from discontinued operations	(390	) (21,325	) 6,484
Gain (loss) on disposition of discontinued operations	(1,627) 11,225	20,117
Income (loss) from discontinued operations	\$(2,017) \$(10,100) \$26,601

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13. Earnings Per Share

For 2014, the basic and diluted earnings-per-share computations, net income, and income from continuing operations have been reduced for the dividends paid on unvested shares related to the 2013 LTIP Employee Grant and the 2014 LTIP Employee Grant. The following table reconciles the numerator for the basic and diluted earnings per share computations shown on the consolidated statements of income for 2014, 2013, and 2012 (in thousands):

	2014	2013	2012
Net income	\$92,635	\$15,720	\$48,039
Distributions paid on unvested shares	(128) —	—
Net income used to calculate basic and diluted earnings per share	\$92,507	\$15,720	\$48,039

The following table reconciles the denominator for the basic and diluted earnings-per-share computations shown on the consolidated statements of income for 2014, 2013, and 2012 (in thousands):

	2014	2013	2012
Weighted-average common shares – basic	124,860	134,085	136,672
Plus incremental weighted-average shares from time-vested conversions less assumed share repurchases:			
2013 LTIP Employee Grant	29	—	—
2014 LTIP Employee Grant	29	—	—
Weighted-average common shares – diluted	124,918	134,085	136,672

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14. Quarterly Results (unaudited)

Presented below is a summary of the unaudited quarterly financial information for the years ended December 31, 2014 and 2013(in thousands, except per-share data):

	2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	\$ 129,168	\$ 136,757	\$ 136,981	\$ 137,891
Net income attributable to common stockholders of Columbia Property Trust, Inc.	\$ 3,400	\$ 8,021	\$ 24,988	\$ 56,226 ⁽¹⁾
Basic net income attributable to common stockholders of Columbia Property Trust, Inc. per share	\$ 0.03	\$ 0.06	\$ 0.20	\$ 0.45
Diluted net income attributable to common stockholders of Columbia Property Trust, Inc. per share	\$ 0.03	\$ 0.06	\$ 0.20	\$ 0.45
Distributions declared per share	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30
	2013			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues ⁽²⁾	\$ 128,792	\$ 131,897	\$ 132,502	\$ 133,387
Net income (loss) attributable to common stockholders of Columbia Property Trust, Inc.	\$ (22,608) ⁽³⁾	\$ 20,601	\$ 4,800	\$ 12,927
Basic net income (loss) attributable to common stockholders of Columbia Property Trust, Inc. per share ⁽⁴⁾	\$ (0.17)	\$ 0.15	\$ 0.04	\$ 0.10
Diluted net income (loss) attributable to common stockholders of Columbia Property Trust, Inc. per share ⁽⁴⁾	\$ (0.17)	\$ 0.15	\$ 0.04	\$ 0.10
Distributions declared per share ⁽⁴⁾	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.30

(1) Net income for the fourth quarter of 2014 includes gains on sales of real estate of \$56.6 million (See Note 3, Real Estate and Other Transactions), partially offset by impairment losses of \$10.1 million.

(2) Prior-period amounts adjusted to conform with current-period presentation, including classifying revenues generated by properties sold as discontinued operations for all periods presented (see Note 12, Discontinued Operations).

(3) Net income for the first quarter of 2013 reflects the incurrence of nonrecurring fees under the Consulting and Transitions Services Agreements (See Note 10, Related-Party Transactions and Agreements).

(4) All computations using share amounts have been retroactively adjusted to reflect the August 14, 2013, four-for-one reverse stock split (See Note 7, Stockholders' Equity).

15. Financial Information for Parent Guarantor, Other Guarantor Subsidiaries, and Non-Guarantor Subsidiaries
The 2018 Bonds Payable (see Note 5, Bonds Payable) were issued by Columbia Property Trust OP and are guaranteed by Columbia Property Trust. As a result of amending the \$450 Million Term Loan and the JPMorgan Chase Credit Facility in August 2013, all of the indirect and direct subsidiaries of Columbia Property Trust that previously guaranteed the \$450 Million Term Loan, the JPMorgan Chase Credit Facility, and the 2018 Bonds Payable were released under customary circumstances as guarantors, which resulted in the reclassification of prior-period amounts from the guarantor to the non-guarantor groupings within the condensed consolidating financial statements to conform with the current period presentation. In accordance with SEC Rule 3-10(c), Columbia Property Trust includes herein condensed consolidating financial information in lieu of separate financial statements of the subsidiary issuer (Columbia Property Trust OP) and Subsidiary Guarantors, as defined in the bond indenture, because all of the following criteria are met:

- (1) the subsidiary issuer (Columbia Property Trust OP) is 100% owned by the parent company guarantor (Columbia Property Trust);
- (2) the guarantees are full and unconditional; and
- (3) the guarantees are joint and several.

Columbia Property Trust uses the equity method with respect to its investment in subsidiaries included in its condensed consolidating financial statements. Set forth below are Columbia Property Trust's condensed consolidating balance sheets as of December 31,

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2014 and 2013 (in thousands), as well as its condensed consolidating statements of operations and its condensed consolidating statements of comprehensive income for 2014, 2013, and 2012 (in thousands); and its condensed consolidating statements of cash flows for 2014, 2013, and 2012 (in thousands).

Condensed Consolidating Balance Sheets (in thousands)

	As of December 31, 2014				
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non- Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Assets:					
Real estate assets, at cost:					
Land	\$—	\$6,241	\$778,860	\$—	\$785,101
Buildings and improvements, net	—	29,899	2,996,532	—	3,026,431
Intangible lease assets, net	—	—	247,068	—	247,068
Construction in progress	—	433	17,529	—	17,962
Total real estate assets	—	36,573	4,039,989	—	4,076,562
Cash and cash equivalents	119,488	10,504	19,798	—	149,790
Investment in subsidiaries	2,409,941	2,120,018	—	(4,529,959)	—
Tenant receivables, net of allowance	—	246	6,699	—	6,945
Straight-line rent receivable	—	781	115,708	—	116,489
Prepaid expenses and other assets	204,079	148,226	19,734	(319,896)	52,143
Deferred financing costs, net	—	6,020	2,406	—	8,426
Intangible lease origination costs, net	—	—	105,528	—	105,528
Deferred lease costs, net	—	1,658	101,337	—	102,995
Investment in development authority bonds	—	—	120,000	—	120,000
Total assets	\$2,733,508	\$2,324,026	\$4,531,199	\$(4,849,855)	\$4,738,878
Liabilities:					
Line of credit, term loan, and notes payable	\$—	\$450,000	\$1,299,232	\$(318,348)	\$1,430,884
Bonds payable, net	—	249,182	—	—	249,182
Accounts payable, accrued expenses, and accrued capital expenditures	30	9,749	96,497	—	106,276
Due to affiliates	—	24	1,524	(1,548)	—
Deferred income	—	171	24,582	—	24,753
Intangible lease liabilities, net	—	—	74,305	—	74,305
Obligations under capital leases	—	—	120,000	—	120,000
Total liabilities	30	709,126	1,616,140	(319,896)	2,005,400
Equity:					
Total equity	2,733,478	1,614,900	2,915,059	(4,529,959)	2,733,478
Total liabilities, redeemable common stock, and equity	\$2,733,508	\$2,324,026	\$4,531,199	\$(4,849,855)	\$4,738,878

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Condensed Consolidating Balance Sheets (in thousands)

	As of December 31, 2013				
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non- Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Assets:					
Real estate assets, at cost:					
Land	\$—	\$6,241	\$700,697	\$—	\$706,938
Building and improvements, net	—	24,185	2,952,102	—	2,976,287
Intangible lease assets, net	—	—	281,220	—	281,220
Construction in progress	—	28	7,921	—	7,949
Total real estate assets	—	30,454	3,941,940	—	3,972,394
Cash and cash equivalents	53,322	20,708	25,825	—	99,855
Investment in subsidiaries	2,557,347	2,286,982	—	(4,844,329)	—
Tenant receivables, net of allowance	—	—	7,414	—	7,414
Straight-line rent receivable	—	22	113,570	—	113,592
Prepaid expenses and other assets	177,185	150,806	26,602	(322,170)	32,423
Deferred financing costs, net	—	8,762	1,626	—	10,388
Intangible lease origination costs, net	—	—	148,889	—	148,889
Deferred lease costs, net	—	1,495	86,032	—	87,527
Investment in development authority bonds	—	—	120,000	—	120,000
Total assets	\$2,787,854	\$2,499,229	\$4,471,898	\$(5,166,499)	\$4,592,482
Liabilities:					
Lines of credit, term loan, and notes payable	\$—	\$450,000	\$1,110,838	\$(320,589)	\$1,240,249
Bonds payable, net	—	248,930	—	—	248,930
Accounts payable, accrued expenses, and accrued capital expenditures	31	11,816	87,831	—	99,678
Due to affiliates	—	(925)	2,506	(1,581)	—
Deferred income	—	146	21,792	—	21,938
Intangible lease liabilities, net	—	—	73,864	—	73,864
Obligations under capital leases	—	—	120,000	—	120,000
Total liabilities	31	709,967	1,416,831	(322,170)	1,804,659
Equity:					
Total equity	2,787,823	1,789,262	3,055,067	(4,844,329)	2,787,823
Total liabilities, redeemable common stock, and equity	\$2,787,854	\$2,499,229	\$4,471,898	\$(5,166,499)	\$4,592,482

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Consolidating Statements of Operations (in thousands)

For the Year Ended December 31, 2014

	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non- Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)	
Revenues:						
Rental income	\$—	\$1,150	\$413,752	\$(361	) \$414,541
Tenant reimbursements	—	222	95,153	—	95,375	
Hotel income	—	—	22,885	—	22,885	
Other property income	—	—	8,220	(224	) 7,996
	—	1,372	540,010	(585	) 540,797
Expenses:						
Property operating costs	—	2,716	161,367	(361	) 163,722
Hotel operating costs	—	—	18,792	—	18,792	
Asset and property management fees:						
Related-party	—	17	—	(17) —	
Other	—	—	2,258	—	2,258	
Depreciation	—	1,795	115,971	—	117,766	
Amortization	—	121	78,722	—	78,843	
Impairment loss on real estate assets	—	—	25,130	—	25,130	
General and administrative	149	9,701	21,632	(207	) 31,275
Acquisition expenses	—	—	14,142	—	14,142	
	149	14,350	438,014	(585	) 451,928
Real estate operating income (loss)	(149	) (12,978	) 101,996	—	88,869
Other income (expense):						
Interest expense	—	(30,271) (64,105) 18,665	(75,711)
Interest and other income	7,969	10,724	7,247	(18,665	) 7,275
Loss on interest rate swaps	—	—	(371) —	(371)
Loss on early extinguishment of debt	—	—	(23) —	(23)
Income from equity investment	84,815	113,976	—	(198,791) —	
	92,784	94,429	(57,252) (198,791) (68,830)
Income before income tax expense	92,635	81,451	44,744	(198,791	) 20,039
Income tax expense	—	(4) (658) —	(662)
Income before gains of sale of real estate assets	92,635	81,447	44,086	(198,791	) 19,377
Gains on sale of real estate assets	—	—	75,275	—	75,275	
Income from continuing operations	92,635	81,447	119,361	(198,791	) 94,652
Discontinued operations:						
Operating loss from discontinued operations	—	—	(390) —	(390)
Loss on disposition of discontinued operations	—	—	(1,627) —	(1,627)
Loss from discontinued operations	—	—	(2,017) —	(2,017)
	\$92,635	\$81,447	\$117,344	\$(198,791	) \$92,635

Net income attributable to the
common stockholders of Columbia
Property Trust, Inc.

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Consolidating Statements of Operations (in thousands)

For the Year Ended December 31, 2013

	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non- Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Revenues:					
Rental income	\$—	\$403	\$406,791	\$(287	) \$406,907
Tenant reimbursements	—	149	90,726	—	90,875
Hotel income	—	—	23,756	—	23,756
Other property income	—	17	5,208	(185	) 5,040
	—	569	526,481	(472	) 526,578
Expenses:					
Property operating costs	—	1,966	152,880	(287	) 154,559
Hotel operating costs	—	—	18,340	—	18,340
Asset and property management fees:					
Related-party	4,397	15	313	(32	) 4,693
Other	—	—	1,671	—	1,671
Depreciation	—	1,247	106,858	—	108,105
Amortization	—	28	78,682	—	78,710
General and administrative	16	43,555	18,448	(153	) 61,866
Listing fees	317	3,743	—	—	4,060
	4,730	50,554	377,192	(472	) 432,004
Real estate operating income (loss)	(4,730	) (49,985	) 149,289	—	94,574
Other income (expense):					
Interest expense	—	(32,659	) (88,137	) 18,855	(101,941
Interest and other income	7,987	10,874	34,023	(18,855	) 34,029
Loss on interest rate swaps	—	—	(342	) —	(342
Income from equity investment	12,463	86,101	—	(98,564) —
	20,450	64,316	(54,456	) (98,564	) (68,254
Income before income tax expense	15,720	14,331	94,833	(98,564	) 26,320
Income tax expense	—	(3	) (497	) —	(500
Income from continuing operations	15,720	14,328	94,336	(98,564	) 25,820
Discontinued operations:					
Operating income (loss) from discontinued operations	—	658	(21,983	) —	(21,325
Gain on disposition of discontinued operations	—	—	11,225	—	11,225
Income (loss) from discontinued operations	—	658	(10,758	) —	(10,100
Net income attributable to the common stockholders of Columbia Property Trust, Inc.	\$15,720	\$14,986	\$83,578	\$(98,564) \$15,720

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Consolidating Statements of Operations (in thousands)

	For the Year Ended December 31, 2012				
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non- Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Revenues:					
Rental income	\$—	\$1,649	\$380,280	\$(133	) \$381,796
Tenant reimbursements	—	103	90,756	(2,457	) 88,402
Hotel income	—	—	23,049	—	23,049
Other property income	—	86	1,024	(86	) 1,024
	—	1,838	495,109	(2,676	) 494,271
Expenses:					
Property operating costs	—	1,634	148,025	(2,457	) 147,202
Hotel operating costs	—	—	18,495	(133	) 18,362
Asset and property management fees:					
Related-party	26,264	58	4,191	(1,141	) 29,372
Other	—	—	2,421	—	2,421
Depreciation	—	710	97,988	—	98,698
Amortization	—	357	86,101	—	86,458
General and administrative	49	21,436	3,128	—	24,613
Acquisition fees and expenses	—	—	1,876	—	1,876
	26,313	24,195	362,225	(3,731	) 409,002
Real estate operating income (loss)	(26,313	) (22,357	) 132,884	1,055	85,269
Other income (expense):					
Interest expense	—	(32,469	) (88,414	) 18,997	(101,886
Interest and other income	7,988	11,018	39,847	(18,997	) 39,856
Loss on interest rate swaps	—	—	(1,225	) —	(1,225
Income from equity investment	66,364	92,228	—	(158,592) —
	74,352	70,777	(49,792	) (158,592	) (63,255
Income before income tax expense	48,039	48,420	83,092	(157,537	) 22,014
Income tax expense	—	(14	) (558	) —	(572
Income from continuing operations	48,039	48,406	82,534	(157,537	) 21,442
Discontinued operations:					
Operating income from discontinued operations	—	5,942	542	—	6,484
Gain on disposition of discontinued operations	—	—	20,117	—	20,117
Income from discontinued operations	—	5,942	20,659	—	26,601
Net income	48,039	54,348	103,193	(157,537	) 48,043
Less: net income attributable to noncontrolling interests	—	—	(4	) —	(4
Net income attributable to the common stockholders of Columbia Property Trust, Inc.	\$48,039	\$54,348	\$103,189	\$(157,537) \$48,039

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Consolidating Statements of Comprehensive Income (in thousands)

For the Year Ended December 31, 2014

	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non- Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Net income attributable to the common stockholders of Columbia Property Trust, Inc.	\$92,635	\$81,447	\$117,344	\$(198,791)	\$92,635
Market value adjustment to interest rate swap	1,339	1,339	—	(1,339)	1,339
Comprehensive income	\$93,974	\$82,786	\$117,344	\$(200,130)	\$93,974

For the Year Ended December 31, 2013

	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non- Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Net income attributable to the common stockholders of Columbia Property Trust, Inc.	\$15,720	\$14,986	\$83,578	\$(98,564)	\$15,720
Foreign currency translation adjustment	(83)	—	(83)	83	(83)
Market value adjustment to interest rate swap	1,997	1,997	—	(1,997)	1,997
Comprehensive income	\$17,634	\$16,983	\$83,495	\$(100,478)	\$17,634

For the Year Ended December 31, 2012

	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non- Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Net income attributable to the common stockholders of Columbia Property Trust, Inc.	\$48,039	\$54,348	\$103,189	\$(157,537)	\$48,039
Market value adjustment to interest rate swap	(5,305)	(5,305)	—	5,305	(5,305)
Comprehensive income attributable to the common stockholders of Columbia Property Trust, Inc.	42,734	49,043	103,189	(152,232)	42,734
Comprehensive income attributable to noncontrolling interests	—	—	4	—	4
Comprehensive income	\$42,734	\$49,043	\$103,193	\$(152,232)	\$42,738

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Consolidating Statements of Cash Flows (in thousands)

	For the Year Ended December 31, 2014				Consolidating Adjustments	Columbia Property Trust (Consolidated)
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non- Guarantors			
Cash flows from operating activities	\$ (122)	\$ (38,618)	\$ 275,646	\$—		\$ 236,906
Cash flows from investing activities:						
Net proceeds from sale of real estate	—	418,207	—	—		418,207
Investment in real estate and related assets	(5,000)	(366,380)	(70,615)	—		(441,995)
Investments in subsidiaries	67,403	—	—	(67,403)		—
Net cash provided by (used in) investing activities	62,403	51,827	(70,615)	(67,403)		(23,788)
Cash flows from financing activities:						
Borrowings, net of fees and prepayment penalty on early extinguishment of debt	—	282,807	(1,289)	—		281,518
Repayments	—	(283,000)	(11,739)	—		(294,739)
Loss on early extinguishment of debt	—	—	—	—		—
Redemptions of common stock and fees, net of issuances	—	—	—	—		—
Distributions	(149,962)	—	—	—		(149,962)
Intercompany transfers, net	153,847	(23,220)	(198,030)	67,403		—
Net cash provided by (used in) financing activities	3,885	(23,413)	(211,058)	67,403		(163,183)
Net increase (decrease) in cash and cash equivalents	66,166	(10,204)	(6,027)	—		49,935
Cash and cash equivalents, beginning of period	53,322	20,708	25,825	—		99,855
Cash and cash equivalents, end of period	\$ 119,488	\$ 10,504	\$ 19,798	\$—		\$ 149,790

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Consolidating Statements of Cash Flows (in thousands)

	For the Year Ended December 31, 2013			
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non- Guarantors	Columbia Property Trust (Consolidated)
Cash flows from operating activities	\$ (331	) \$ (84,270	) \$ 302,930	\$ 218,329
Cash flows from investing activities:				
Net proceeds from sale of real estate	14,127	551,818	—	565,945
Investment in real estate and related assets	—	(5,270	) (65,286	) (70,556
Net cash provided by (used in) investing activities	14,127	546,548	(65,286	) 495,389
Cash flows from financing activities:				
Borrowings, net of fees	—	297,320	(41	) 297,279
Repayments	—	(343,000	) (118,940	) (461,940
Loss on early extinguishment of debt	—	—	(4,709	) (4,709
Redemptions of common stock and fees, net of issuances	(306,574	) —	—	(306,574
Distributions	(191,473	) —	—	(191,473
Intercompany transfers	516,659	(400,712	) (115,947) —
Net cash provided by (used in) financing activities	18,612	(446,392	) (239,637	) (667,417
Net increase (decrease) in cash and cash equivalents	32,408	15,886	(1,993	) 46,301
Effect of foreign exchange rate on cash and cash equivalents	—	—	(103	) (103
Cash and cash equivalents, beginning of period	20,914	4,822	27,921	53,657
Cash and cash equivalents, end of period	\$ 53,322	\$ 20,708	\$ 25,825	\$ 99,855
	For the Year Ended December 31, 2012			
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non- Guarantors	Columbia Property Trust (Consolidated)
Cash flows from operating activities	\$ (49	) \$ (83,489	) \$ 336,377	\$ 252,839
Cash flows from investing activities:				
Net proceeds from sale of real estate	30,441	273,823	—	304,264
Investment in real estate and related assets	—	(193,410	) (79,807	) (273,217
Net cash provided by (used in) investing activities	30,441	80,413	(79,807	) 31,047
Cash flows from financing activities:				
Borrowings, net of fees	—	595,731	(929	) 594,802
Repayments	—	(591,000	) (36,191	) (627,191
Issuance of common stock, net of redemptions and fees	18,996	—	—	18,996
Distributions	(256,020	) —	(15	) (256,035
Intercompany transfers	216,255	(7,430	) (208,825) —
Redemptions of noncontrolling interest	—	—	(301	) (301
Net cash used in financing activities	(20,769	) (2,699	) (246,261	) (269,729
Net increase (decrease) in cash and cash equivalents	9,623	(5,775) 10,309	14,157
Effect of foreign exchange rate on cash and cash equivalents	—	—	32	32

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Cash and cash equivalents, beginning of period	11,291	10,597	17,580	39,468
Cash and cash equivalents, end of period	\$20,914	\$4,822	\$27,921	\$53,657

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16. Subsequent Events

Columbia Property Trust has evaluated subsequent events in connection with the preparation of its consolidated financial statements and notes thereto included in this report on Form 10-K and noted the following items in addition to those disclosed elsewhere in this report:

Property Acquisitions and Financing

During January 2015, Columbia Property Trust closed on the acquisitions of three properties. These acquisitions and the related financing transaction are described in Note 3, Real Estate and Other Transactions, and Note 4, Line of Credit, Term Loan, and Notes Payable, of the accompanying consolidated financial statements.

Dividend Declaration

On February 11, 2015, the board of directors declared dividends for the first quarter of 2015 in the amount of \$0.30 per share, payable on March 17, 2015 to stockholders of record on March 2, 2015.

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Columbia Property Trust, Inc.

Schedule III – Real Estate Assets and Accumulated Depreciation and Amortization

December 31, 2014

(in thousands)

Description	Location	Owner-ship %	Encumbrances	Initial Costs			Costs Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at December 31, 2014			Accumulated Depreciation and Amortization
				Land	Buildings and Improvements	Total		Land	Buildings and Improvements	Total	
515 POST OAK	Houston, TX	100%	None	\$6,100	\$28,905	\$35,005	\$9,761	\$6,241	\$38,525	\$44,766	\$8,267
170 PARK AVENUE	Florham Park, NJ	100%	None	10,802	62,595	73,397	(54,688)	4,125	14,584	18,709	3,729
ONE GLENLAKE PARKWAY	Atlanta, GA	100%	\$34,713	5,846	66,681	72,527	742	5,934	67,335	73,269	23,777
80 M STREET	Washington, DC	100%	None	26,248	76,269	102,517	(5,816)	26,806	69,895	96,701	23,496
ACXIOM	Downers Grove, IL	100%	None	10,504	51,795	62,299	958	10,640	52,617	63,257	15,599
800 NORTH FREDERICK	Gaithersburg, MD	100%	None	22,758	43,174	65,932	582	20,195	46,319	66,514	20,559
THE CORRIDORS III	Downers Grove, IL	100%	None	2,524	35,016	37,540	(2,034)	2,558	32,948	35,506	10,876
HIGHLAND LANDMARK III	Downers Grove, IL	100%	None	3,028	47,454	50,482	(3,592)	3,055	43,835	46,890	13,122
180 PARK AVENUE	Florham Park, NJ	100%	None	4,501	47,957	52,458	(3,016)	4,501	44,941	49,442	11,184
215 DIEHL ROAD	Naperville, IL	100%	\$21,000	3,452	17,456	20,908	4,144	3,472	21,580	25,052	8,366
100 EAST PRATT	Baltimore, MD	100%	\$105,000	31,234	140,217	171,451	35,139	31,777	174,813	206,590	60,604
ROBBINS ROAD	Westford, MA	100%	None	8,341	66,332	74,673	250	8,341	66,582	74,923	27,538
UNIVERSITY CIRCLE	East Palo Alto, CA	100%	None	27,493	278,288	305,781	(19,915)	27,756	258,110	285,866	63,652
5 HOUSTON CENTER	Houston, TX	100%	None	8,186	147,653	155,839	(17,528)	8,186	130,125	138,311	39,497
KEY CENTER TOWER	Cleveland, OH	100%	None	(a) 7,269	244,424	251,693	20,566	7,454	264,805	272,259	87,912
KEY CENTER MARRIOTT	Cleveland, OH	100%	None	3,473	34,458	37,931	16,278	3,629	50,580	54,209	17,287

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SANTAN CORPORATE CENTER	Chandler, AZ	100%	\$39,000	8,045	46,282	54,327	(1,867)	8,193	44,267	52,460	11,495
263 SHUMAN BOULEVARD	Naperville, IL	100%	\$49,000	7,142	41,535	48,677	6,890	7,233	48,334	55,567	19,327
80 PARK PLAZA INTERNATIONAL FINANCIAL TOWER	Newark, NJ	100%	None	31,766	109,952	141,718	22,484	32,221	131,981	164,202	47,027
	Jersey City, NJ	100%	None	29,061	141,544	170,605	17,407	29,712	158,300	188,012	49,998
STERLING COMMERCE PASADENA CORPORATE PARK	Irving, TX	100%	None	8,639	43,980	52,619	2,637	8,752	46,504	55,256	21,305
	Pasadena, CA	100%	None	53,099	59,630	112,729	352	53,099	59,982	113,081	14,267
222 EAST 41ST STREET	New York City, NY	100%	None	(a) —	324,520	324,520	(429)	—	324,091	324,091	72,842
BANNOCKBURN LAKE III	Bannockburn, IL	100%	None	7,635	11,002	18,637	(12,030)	2,797	3,810	6,607	1,608
SOUTH JAMAICA STREET	Englewood, CO	100%	None	13,429	109,781	123,210	3,252	13,735	112,727	126,462	32,657
LINDBERGH CENTER THREE GLENLAKE BUILDING	Atlanta, GA	100%	None	(a) —	262,468	262,468	3,252	—	265,720	265,720	52,966
	Atlanta, GA	100%	\$120,000 ^(b)	7,517	88,784	96,301	891	8,055	89,137	97,192	18,906
1580 WEST NURSERY ROAD	Linthicum, MD	100%	None	11,410	78,988	90,398	1,212	11,745	79,865	91,610	20,336
550 KING STREET BUILDINGS	Boston, MA	100%	None	8,632	74,625	83,257	8,177	8,632	82,802	91,434	19,457

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Columbia Property Trust, Inc.

Schedule III – Real Estate Assets and Accumulated Depreciation and Amortization

December 31, 2014

(in thousands)

Description	Location	Owner-ship %	Encumbrances	Initial Costs			Gross Amount at Which Carried December 31, 2014			
				Land	Buildings and Improvements	Total	Costs Capitalized Subsequent to Acquisition	Land	Buildings and Improvements	Total
CRANBERRY WOODS DRIVE	Cranberry Township, PA	100%	None	\$15,512	\$173,062	\$188,574	\$3,542	\$15,512	\$176,604	\$192,116
HOUSTON ENERGY CENTER I	Houston, TX	100%	None	4,734	79,344	84,078	5,045	4,734	84,389	89,123
MARKET SQUARE BUILDINGS	Washington, DC	100%	\$325,000	152,629	450,757	603,386	12,158	152,629	462,915	615,544
544 LAKEVIEW	Vernon Hills, IL	100% ^(c)	None	3,006	3,100	6,106	2,701	3,006	5,801	8,807
333 MARKET STREET	San Francisco, CA	100%	\$206,500	114,483	292,840	407,323	—	114,483	292,840	407,323
221 MAIN STREET	San Francisco, CA	100%	\$73,000	60,509	174,629	235,138	2,604	60,509	177,233	237,742
650 CALIFORNIA STREET	San Francisco, CA	100%	\$130,000	75,384	240,441	315,825	44	75,384	240,485	315,869
TOTAL REAL ESTATE ASSETS				\$794,391	\$4,195,938	\$4,990,329	\$60,153	\$785,101	\$4,265,381	\$5,050,710

(a) Property is owned subject to a long-term ground lease.

(b) As a result of the acquisition of the Three Glenlake Building, Columbia Property Trust acquired investments in bonds and certain obligations under capital leases in the amount of \$120.0 million.

(c) 544 Lakeview is owned through a subsidiary in which Columbia Property Trust holds a 50% ownership interest and owns 100% of the economic interest.

(d) Columbia Property Trust assets are depreciated or amortized using the straight-line method over the useful lives of the assets by class. Generally, tenant improvements are amortized over the shorter of economic life or lease term, lease intangibles are amortized over the respective lease term, building improvements are depreciated over 5-25 years and buildings are depreciated over 40 years.

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Columbia Property Trust, Inc.

Schedule III – Real Estate Assets and Accumulated Depreciation and Amortization

(in thousands)

	For the Years Ended December 31,		
	2014	2013	2012
Real Estate:			
Balance at beginning of year	\$4,875,866	\$5,507,769	\$5,483,193
Additions to/improvements of real estate	610,510	51,422	453,541
Sale/transfer of real estate	(399,499)	(614,822)	(328,804)
Impairment of real estate	(25,130)	(29,737)	(18,467)
Write-offs of building and tenant improvements	(1,230)	(492)	(301)
Write-offs of intangible assets ⁽¹⁾	(5,251)	(466)	(1,311)
Write-offs of fully depreciated assets	(4,784)	(37,808)	(80,082)
Balance at end of year	\$5,050,482	\$4,875,866	\$5,507,769
Accumulated Depreciation and Amortization:			
Balance at beginning of year	\$903,472	\$896,174	\$867,975
Depreciation and amortization expense	161,133	166,720	181,155
Sale/transfer of real estate	(80,607)	(120,981)	(71,654)
Write-offs of tenant improvements	(690)	(212)	(196)
Write-offs of intangible assets ⁽¹⁾	(4,604)	(421)	(1,024)
Write-offs of fully depreciated assets	(4,784)	(37,808)	(80,082)
Balance at end of year	\$973,920	\$903,472	\$896,174

⁽¹⁾ Consists of write-offs of intangible lease assets related to lease restructurings, amendments, and terminations.