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KOGER EQUITY INC  
Form 8-K  
August 15, 2002

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): August 13, 2002  
-----

KOGER EQUITY, INC.  
-----

(Exact Name of Registrant as Specified in Its Charter)

FLORIDA  
-----

State or Other Jurisdiction of Incorporation)

1-9997

59-2898045

-----  
(Commission File Number)

(IRS Employer  
Identification No.)

433 PLAZA REAL, SUITE 335  
BOCA RATON, FLORIDA

33432

-----  
(Address of Principal Executive Offices)

(Zip Code)

(561) 395-9666

-----  
(Registrant's Telephone Number, Including Area Code)

NA

-----  
(Former Name or Former Address, if Changed Since Last Reports)

Item 9. Regulation FD Disclosure

Koger Equity, Inc. announced its quarterly results for the period ended June 30, 2002, as more particularly described in its News Release, dated August 13, 2002, and related Supplemental Information, dated June 30, 2002, on the Company's web site, a copy of which is attached hereto as Exhibit 99 and by this reference made a part hereof.

For more information on Koger Equity, Inc., contact the company at 866-321-0712 or visit its Web site at [www.koger.com](http://www.koger.com).

Item 7. Financial Statements and Exhibits.

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(c) Exhibits

| Exhibit Number | Description of Exhibit   |
|----------------|--|
| 99             | Koger Equity, Inc. News Release, dated August 13, 2002, and related Supplemental Information, dated June 30, 2002. |

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SIGNATURES

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

KOGER EQUITY, INC.

Dated: August 13, 2002

By: /S/ Robert E. Onisko

-----  
Robert E. Onisko  
Title: Vice President and  
Chief Financial Officer

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EXHIBIT INDEX

The following designated exhibit is filed herewith:

| Exhibit Number | Description of Exhibit   |
|----------------|--|
| 99             | Koger Equity, Inc. News Release, dated August 13, 2002, and related Supplemental Information, dated June 30, 2002. |

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Exhibit 99

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KOGER EQUITY, INC.  
433 Plaza Real, Suite 335  
Boca Raton, Florida 33432

### Contacts:

Robert Onisko  
Chief Financial Officer  
Koger Equity, Inc.  
(561) 395-9666

Investor Relations:  
Brad Cohen  
Integrated Corporate Relations, Inc.  
203-222-9013

### KOGER EQUITY REPORTS SECOND QUARTER 2002 RESULTS

- Announces the Termination of the AP-Knight Management Contract -

Boca Raton, Florida, August 13, 2002 (Business Wire) -- Koger Equity, Inc. (NYSE: KE), a self-managed real estate investment trust (REIT), which owns, operates, and manages suburban office buildings throughout the Southeastern and Southwestern United States, today announced its results for the second quarter ended June 30, 2002. Certain of the Company's results, as compared to the prior year, have been affected by the sale of assets in December 2001.

#### Highlights include:

- o Same-store net operating income for the second quarter 2002 increased 5.8%, compared to the second quarter 2001.
- o Operating margins for the second quarter increased to 62.6% as compared to 62.1% for the second quarter 2001.
- o New net rent versus expiring net rent during the second quarter 2002 increased 10.3% on new and backfill leasing and 1.0% on renewal leasing.
- o Payout ratio to funds from operations (FFO) was 68.6% and cash available for distribution (CAD) was 95.3% for the second quarter.

Total rental revenues in the second quarter 2002 were \$31.9 million, as compared to \$41.6 million in the second quarter of 2001. Funds from operations (FFO) for the second quarter totaled \$11.0 million, or \$0.51 per fully diluted share, as compared to FFO of \$17.7 million, or \$0.63 per fully diluted share in the same period of fiscal 2001. Fully diluted earnings per share (EPS) for the second quarter 2002 was \$0.20, compared to EPS of \$0.32 in the prior period. The decreases in revenue and earnings are attributable to the sale of approximately 36% of Koger's assets during fiscal 2001.

Same-store net operating income for the second quarter 2002 increased 5.8% on a GAAP basis and 5.9% on a cash basis compared to the second quarter 2001. Occupancy on this same-store portfolio, which consists of 118 properties, decreased to 88.9% at June 30, 2002 from 90.8% at June 30, 2001. The majority of the occupancy decrease is attributable to economic softness in the Atlanta market.

For the quarter total leasing activity was approximately 324,000. In addition, the weighted average net rental rate on new leases signed, excluding first generation space, was \$12.25 per square foot. This represents a 2.4% increase from the \$11.96 per square foot which was the average rental rate on

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expiring leases.

"While we sold more than one third of our non-core assets in fiscal 2001, we are encouraged by our stronger than expected second quarter results, and are starting to experience a slight recovery in our southeastern office markets, due to modest absorption and a stabilizing job market," commented Thomas Crocker, Chief Executive Officer of Koger Equity. "Although we continue to believe that economic uncertainty is a reality that may affect results, we believe Koger's current asset portfolio is well positioned. More importantly, however, due to our balance sheet strength, the Company is poised to quickly take advantage of strategic opportunities when they come along."

### Year-to-Date Results:

For the six months ended June 30, 2002, FFO totaled \$22.5 million on rental revenues of \$62.5 million compared with FFO of \$35.2 million on rental revenues of \$83.2 million for the same period in 2001. EPS for the first six months of 2002 totaled \$0.44 per diluted share compared to EPS of \$0.65 in the first half of 2001.

Same-store net operating income for the six months ended June 30, 2002, increased 6.1% on a GAAP basis and 6.3% on a cash basis compared to the six months ended June 30, 2001. For the first six months of 2002, total lease activity for the office portfolio reached 799,000 square feet. The weighted average net rental rate on leasing activity year-to-date was at \$11.56 on new leases compared to \$11.46 on expiring leases. Based on the current outlook, and Koger's results to date, the Company is reaffirming its fiscal 2002 diluted FFO per share guidance of \$2.00. In addition, Koger expects to provide fiscal 2003 FFO per diluted share guidance prior to the end of the third quarter.

However, some likely assumptions for fiscal 2003 include:

- o The termination of the management agreement for the assets sold to AP-Knight, LP. in fiscal 2001.
- o The State of Florida's decision to eliminate its Labor Department in Tallahassee.
- o Insurance premium increases in the second half of fiscal 2002.

In conjunction with the termination of the management agreement, the Company announced that Board of Director member John R S Jacobsson will resign. He is also a director of Apollo Real Estate Advisors, LP.

Mr. Crocker concluded, "While we achieved positive comparable same store operating margins through the first six-months of fiscal 2002, we are still attempting to factor into our budgets for fiscal 2003 the uncertain leasing traffic throughout our portfolio, reduced management fee income, and unrealistic asset pricing that seems pervasive in this current market. That said, we continue to believe in the long-term viability of our strategy, which focuses on buying class A assets at the right price in the right markets and doing so without sacrificing our balance sheet strength. We believe that this strategy will succeed, however, our collective experience calls for a patient approach in this economy. That said, we believe Koger is well positioned to maximize total return for shareholders over time, particularly with our equity at current levels."

### Forward Looking Statement

Estimates of future FFO per share are by definition, and certain other matters discussed in this press release may be, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Although Koger Equity, Inc. believes the expectations reflected in such forward-looking

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statements are based on reasonable assumptions; there can be no assurance that its expectations will be attained. Certain factors that could cause actual results to differ materially from the Company's expectations are set forth as risk factors in the company's SEC reports and filings, including its annual report on Form 10-K. Included among these factors are changes in general economic conditions, including changes in the economic conditions affecting industries in which its principal tenants compete; its ability to timely lease or re-lease space at current or anticipated rents; its ability to achieve economies of scale over time; the demand for tenant services beyond those traditionally provided by landlords; changes in interest rates; changes in operating costs; its ability to attract and retain high-quality personnel at a reasonable cost in a highly competitive labor environment; future demand for its debt and equity securities; its ability to refinance its debt on reasonable terms at maturity; and its ability to complete current and future development projects on schedule and on budget. Many of these factors are beyond the Company's ability to control or predict. Forward-looking statements are not guarantees of performance. For forward-looking statements contained or incorporated by reference herein, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

### Conference Call Details:

Company management will further discuss its 2002 second quarter results on a conference call scheduled for Tuesday, August 13, 2002 at 5:00 PM EDT. To participate in the call, please dial (800) 388-8975. Due to call volume, we suggest that participants dial in 15 minutes before the scheduled start of the call. A replay of the call will be available until August 20th at 11:59 p.m. ET. Please dial (800) 428-6051, password 255955. The conference call will also be broadcast live over the Internet at <http://www.koger.com>

Koger Equity, Inc. owns and operates 121 office buildings, containing 7.71 million rentable square feet, located primarily in 12 suburban office parks in eight cities in the Southeastern United States.

Additionally, the Second Quarter Supplemental Disclosure package and further information about Koger Equity, Inc. can be found on the Company's web site at <http://www.koger.com>.

KOGER EQUITY, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In Thousands except per Share Data)

|                                  | For the            |           |           |
|----------------------------------|--------------------|-----------|-----------|
|                                  | Three Months Ended | 6/30/01   | 6/30/02   |
|                                  | 6/30/02            | 6/30/01   | 6/30/00   |
| Revenues                         |                    |           |           |
| Rental and other rental services | \$ 31,855          | \$ 41,628 | \$ 62,115 |
| Management fees                  | 963                | 1,362     | 1,362     |
| Interest                         | 87                 | 195       | 195       |
| Other                            | --                 | --        | --        |
|                                  | 32,905             | 43,185    | 64,667    |
| Total revenues                   | 32,905             | 43,185    | 64,667    |

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|  |          |          |       |
|--|----------|----------|-------|
| Expenses   |          |          |       |
| Property operations  | 11,928   | 15,766   | 22,   |
| Depreciation and amortization  | 6,731    | 8,816    | 13,   |
| Mortgage and loan interest   | 6,029    | 6,654    | 11,   |
| General and administrative   | 2,947    | 1,833    | 5,    |
| Direct cost of management fees   | 822      | 945      | 1,    |
| Other  | 49       | 59       |       |
|  | -----    | -----    | ----- |
| Total expenses   | 28,506   | 34,073   | 54,   |
|  | -----    | -----    | ----- |
| Income Before Loss on Sale or Disposition of<br>Assets, Income Taxes and Minority Interest | 4,399    | 9,112    | 9,    |
| Gain (loss) on sale or disposition of assets   | --       | 3        |       |
|  | -----    | -----    | ----- |
| Income Before Income Taxes and Minority Interest   | 4,399    | 9,115    | 9,    |
| Income taxes   | 62       | 152      |       |
|  | -----    | -----    | ----- |
| Income Before Minority Interest  | 4,337    | 8,963    | 9,    |
| Minority interest  | --       | 250      |       |
|  | -----    | -----    | ----- |
| Net Income   | \$ 4,337 | \$ 8,713 | \$ 9, |
|  | =====    | =====    | ===== |
| Earnings Per Share:  |          |          |       |
| Basic  | \$ 0.20  | \$ 0.33  | \$ 0  |
|  | =====    | =====    | ===== |
| Diluted  | \$ 0.20  | \$ 0.32  | \$ 0  |
|  | =====    | =====    | ===== |
| Weighted Average Shares:   |          |          |       |
| Basic  | 21,255   | 26,807   | 21,   |
|  | =====    | =====    | ===== |
| Diluted  | 21,469   | 26,869   | 21,   |
|  | =====    | =====    | ===== |

KOGER EQUITY, INC.  
FUNDS FROM OPERATIONS  
(In Thousands except per Share Data)

|                                      | For the            |          |       |
|--------------------------------------|--------------------|----------|-------|
|                                      | Three Months Ended |          |       |
|                                      | 6/30/02            | 6/30/01  | 6/30  |
|                                      | -----              | -----    | ----- |
| Net income                           | \$ 4,337           | \$ 8,713 | \$ 9, |
| Depreciation - real estate           | 6,277              | 8,097    | 12,   |
| Amortization - deferred tenant costs | 338                | 552      |       |
| Amortization - goodwill              | --                 | 43       |       |
| Minority interest                    | --                 | 250      |       |
| Loss (gain) on sale or disposition:  |                    |          |       |
| Operating properties                 | --                 | --       |       |
| Non-operating assets                 |                    |          |       |

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|   |           |           |        |
|---|-----------|-----------|--------|
|   | --        | (3)       |        |
| Funds from operations                               | \$ 10,952 | \$ 17,652 | \$ 22, |
| Weighted average shares/units outstanding - diluted | 21,469    | 27,869    | 21,    |
| Funds from operations, per diluted share/unit       | \$ 0.51   | \$ 0.63   | \$ 1   |

KOGER EQUITY, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(In Thousands)

June 30,  
2002

ASSETS

Real estate investments:

Operating properties:

|                          |           |
|--------------------------|-----------|
| Land                     | \$ 98,253 |
| Buildings                | 685,975   |
| Furniture and equipment  | 2,987     |
| Accumulated depreciation | (136,010) |

|  |         |
|--|---------|
| Operating properties, net  | 651,205 |
| Undeveloped land held for investment   | 13,779  |
| Undeveloped land held for sale, net of allowance   | 76      |
| Cash and cash equivalents  | 14,564  |
| Accounts receivable, net of allowance for uncollectible accounts<br>of \$1,284 and \$1,114                 | 9,802   |
| Cost in excess of fair value of net assets acquired, net of<br>accumulated amortization of \$683 and \$683 | 595     |
| Other assets   | 11,809  |

TOTAL ASSETS \$701,830

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

|                                     |           |
|-------------------------------------|-----------|
| Mortgages and loans payable         | \$321,217 |
| Accounts payable                    | 1,837     |
| Accrued real estate taxes payable   | 6,358     |
| Other accrued liabilities           | 8,903     |
| Dividends payable                   | 7,452     |
| Advance rents and security deposits | 4,656     |

Total Liabilities 350,423

Minority interest --

Shareholders' equity:

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|  |           |
|--|-----------|
| Common stock                               | 298       |
| Capital in excess of par value             | 471,974   |
| Notes receivable from stock sales          | (5,066)   |
| Retained earnings                          | 15,784    |
| Treasury stock, at cost                    | (131,583) |
|  | -----     |
| Total Shareholders' Equity                 | 351,407   |
|  | -----     |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$701,830 |
|  | =====     |

Koger Equity, Inc.  
Supplemental  
Information  
June 30, 2002

Koger Equity, Inc.  
Supplemental Information  
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KOGER EQUITY, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

Dollars in thousands

|  | (Unaudited)<br>6/30/02 | (Unaudited)<br>3/31/02 | 12/31/01         |
|--|------------------------|------------------------|------------------|
| <b>ASSETS</b>  |                        |                        |                  |
| Real Estate Investments:                                 |                        |                        |                  |
| Operating properties:                                    |                        |                        |                  |
| Land   | \$98,253               | \$110,084              | \$91,000         |
| Buildings  | 685,975                | 670,895                | 568,000          |
| Furniture and equipment                                  | 2,987                  | 2,933                  | 3,000            |
| Accumulated depreciation                                 | (136,010)              | (129,617)              | (123,000)        |
| Operating properties - net                               | 651,205                | 654,295                | 539,000          |
| Properties under construction:                           |                        |                        |                  |
| Land   | 0                      | 0                      |                  |
| Buildings  | 0                      | 0                      |                  |
| Undeveloped land held for investment                     | 13,779                 | 13,779                 | 13,000           |
| Undeveloped land held for sale                           | 76                     | 76                     |                  |
| Cash and temporary investments                           | 14,564                 | 16,461                 | 113,000          |
| Accounts receivable, net                                 | 9,802                  | 10,441                 | 11,000           |
| Cost in excess of fair value of net assets acquired, net | 595                    | 595                    |                  |
| Other assets   | 11,809                 | 11,722                 | 11,000           |
| <b>TOTAL ASSETS</b>                                      | <b>\$701,830</b>       | <b>\$707,369</b>       | <b>\$690,000</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>              |                        |                        |                  |
| <b>Liabilities:</b>                                      |                        |                        |                  |
| Mortgages and loan payable                               | \$321,217              | \$327,415              | \$248,000        |
| Accounts payable   | 1,837                  | 2,046                  | 4,000            |
| Accrued real estate taxes payable                        | 6,358                  | 3,273                  | 1,000            |
| Accrued liabilities - other                              | 8,903                  | 8,607                  | 9,000            |
| Dividends payable  | 7,452                  | 7,433                  | 44,000           |
| Advance rents and security deposits                      | 4,656                  | 4,876                  | 5,000            |
| Total Liabilities  | 350,423                | 353,650                | 313,000          |
| Minority interest  | 0                      | 0                      | 22,000           |
| <b>Shareholders' Equity:</b>                             |                        |                        |                  |
| Common stock   | 298                    | 298                    |                  |
| Capital in excess of par value                           | 471,974                | 471,205                | 469,000          |
| Notes receivable from stock sales                        | (5,066)                | (5,066)                | (5,000)          |
| Retained earnings  | 15,784                 | 18,898                 | 21,000           |
| Treasury stock, at cost                                  | (131,583)              | (131,616)              | (131,000)        |

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|  |           |           |        |
|--|-----------|-----------|--------|
| Total Shareholders' Equity                 | 351,407   | 353,719   | 354,   |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$701,830 | \$707,369 | \$690, |

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KOGER EQUITY, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

Dollars in thousands

|  | 12/31/01         | 12/31/00         | 12/31/99         |
|--|------------------|------------------|------------------|
| <b>ASSETS</b>  |                  |                  |                  |
| Real Estate Investments:                                 |                  |                  |                  |
| Operating properties:                                    |                  |                  |                  |
| Land   | \$91,919         | \$138,214        | \$140,061        |
| Buildings  | 568,285          | 805,935          | 784,769          |
| Furniture and equipment                                  | 3,082            | 2,631            | 2,693            |
| Accumulated depreciation                                 | (123,999)        | (155,817)        | (137,452)        |
| Operating properties - net                               | 539,287          | 790,963          | 790,071          |
| Properties under construction:                           |                  |                  |                  |
| Land   | 0                | 2,128            | 8,347            |
| Buildings  | 0                | 12,023           | 41,912           |
| Undeveloped land held for investment                     | 13,779           | 13,899           | 16,034           |
| Undeveloped land held for sale                           | 76               | 76               | 1,103            |
| Cash and temporary investments                           | 113,370          | 1,615            | 0                |
| Accounts receivable, net                                 | 11,574           | 13,232           | 10,512           |
| Investment in Koger Realty Services, Inc.                | 0                | 2,533            | 2,319            |
| Cost in excess of fair value of net assets acquired, net | 595              | 1,360            | 1,530            |
| Other assets   | 11,904           | 13,193           | 13,911           |
| <b>TOTAL ASSETS</b>                                      | <b>\$690,585</b> | <b>\$851,022</b> | <b>\$885,739</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>              |                  |                  |                  |
| Liabilities:   |                  |                  |                  |
| Mortgages and loans payable                              | \$248,683        | \$343,287        | \$351,528        |
| Accounts payable   | 4,962            | 4,961            | 12,716           |
| Accrued real estate taxes payable                        | 1,007            | 4,175            | 1,383            |
| Accrued liabilities - other                              | 9,206            | 10,562           | 13,162           |
| Dividends payable  | 44,159           | 9,392            | 9,370            |
| Advance rents and security deposits                      | 5,103            | 7,014            | 6,570            |
| <b>Total Liabilities</b>                                 | <b>313,120</b>   | <b>379,391</b>   | <b>394,729</b>   |

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|  |           |           |           |
|--|-----------|-----------|-----------|
| Minority interest                          | 22,923    | 23,138    | 23,184    |
| -----                                      |           |           |           |
| Shareholders' Equity:                      |           |           |           |
| Common stock                               | 297       | 296       | 288       |
| Capital in excess of par value             | 469,779   | 468,277   | 457,945   |
| Notes receivable from stock sales          | (5,066)   | (6,250)   | 0         |
| Retained earnings                          | 21,180    | 20,261    | 30,546    |
| Treasury stock, at cost                    | (131,648) | (34,091)  | (20,953)  |
| -----                                      |           |           |           |
| Total Shareholders' Equity                 | 354,542   | 448,493   | 467,826   |
| -----                                      |           |           |           |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$690,585 | \$851,022 | \$885,739 |
| =====                                      |           |           |           |

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KOGER EQUITY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF OPERATIONS  
(Unaudited)

In thousands, except per share data

|   | Three Months Ended |           |           |
|---|--------------------|-----------|-----------|
|   | 6/30/02            | 3/31/02   | 12/31/01  |
| -----   |                    |           |           |
| REVENUES  |                    |           |           |
| Rental and other rental services                              | \$ 31,855          | \$ 30,596 | \$ 40,161 |
| Management fees   | 963                | 787       | 550       |
| Interest  | 87                 | 145       | 180       |
| Other   | 0                  | 3         | 0         |
| -----   |                    |           |           |
| Total revenues  | 32,905             | 31,531    | 40,891    |
| -----   |                    |           |           |
| EXPENSES  |                    |           |           |
| Property operations   | 11,928             | 10,459    | 14,859    |
| Depreciation and amortization                                 | 6,731              | 6,522     | 7,945     |
| Mortgage and loan interest                                    | 6,029              | 5,795     | 6,053     |
| General and administrative                                    | 2,947              | 2,510     | 2,264     |
| Direct cost of management fees                                | 822                | 1,010     | 720       |
| Other   | 49                 | 33        | 18        |
| -----   |                    |           |           |
| Total expenses  | 28,506             | 26,329    | 31,859    |
| -----   |                    |           |           |
| INCOME BEFORE GAIN (LOSS) ON SALE<br>OR DISPOSITION OF ASSETS | 4,399              | 5,202     | 9,032     |
| Gain (loss) on sale or disposition of assets                  | 0                  | 1         | 39,189    |
| -----   |                    |           |           |
| INCOME BEFORE INCOME TAXES                                    | 4,399              | 5,203     | 48,221    |
| -----   |                    |           |           |

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|                                   |          |          |           |
|-----------------------------------|----------|----------|-----------|
| Income taxes                      | 62       | 32       | 235       |
| INCOME BEFORE MINORITY INTEREST   | 4,337    | 5,171    | 47,986    |
| Minority interest                 | 0        | 20       | 107       |
| NET INCOME                        | \$ 4,337 | \$ 5,151 | \$ 47,879 |
| EARNINGS PER SHARE - Diluted      | \$ 0.20  | \$ 0.24  | \$ 1.86   |
| WEIGHTED AVERAGE SHARES - Diluted | 21,469   | 21,283   | 25,785    |
| OPERATING MARGIN                  | 62.6%    | 65.8%    | 63.0%     |

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KOGER EQUITY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF OPERATIONS  
(Unaudited)

In thousands, except per share data

|  | 2001      | 2000      | 1999      |
|--|-----------|-----------|-----------|
| <b>REVENUES</b>  |           |           |           |
| Rental and other rental services                       | \$165,623 | \$164,733 | \$156,153 |
| Management fees  | 4,080     | 1,793     | 2,384     |
| Interest   | 776       | 703       | 457       |
| Income from Koger Realty Services, Inc.                | 81        | 645       | 1,099     |
| Total revenues   | 170,560   | 167,874   | 160,093   |
| <b>EXPENSES</b>  |           |           |           |
| Property operations                                    | 61,608    | 61,868    | 60,582    |
| Depreciation and amortization                          | 35,099    | 35,133    | 32,314    |
| Mortgage and loan interest                             | 26,112    | 27,268    | 21,893    |
| General and administrative                             | 8,412     | 20,217    | 8,633     |
| Direct cost of management fees                         | 3,378     | 898       | 1,432     |
| Other  | 189       | 217       | 1,143     |
| Recovery of loss on land held for sale                 | 0         | 0         | 0         |
| Total expenses   | 134,798   | 145,601   | 125,997   |
| INCOME BEFORE GAIN ON SALE<br>OR DISPOSITION OF ASSETS | 35,762    | 22,273    | 34,096    |
| Gain on sale or disposition of assets                  | 39,189    | 6,015     | 3,851     |
| INCOME BEFORE INCOME TAXES                             | 74,951    | 28,288    | 37,947    |
| Income taxes   | 684       | (21)      | 187       |

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|  |          |          |          |
|--|----------|----------|----------|
| INCOME BEFORE MINORITY INTEREST                | 74,267   | 28,309   | 37,760   |
| Minority interest                              | 1,044    | 1,156    | 1,174    |
|  | -----    | -----    | -----    |
| INCOME BEFORE EXTRAORDINARY ITEM               | 73,223   | 27,153   | 36,586   |
| Extraordinary loss on early retirement of debt | 0        | 0        | 0        |
|  | -----    | -----    | -----    |
| NET INCOME                                     | \$73,223 | \$27,153 | \$36,586 |
|  | =====    | =====    | =====    |
| EARNINGS PER SHARE - Diluted                   | \$ 2.75  | \$ 1.01  | \$ 1.35  |
|  | =====    | =====    | =====    |
| WEIGHTED AVERAGE SHARES - Diluted              | 26,610   | 26,962   | 27,019   |
|  | =====    | =====    | =====    |
| OPERATING MARGIN                               | 62.8%    | 62.4%    | 61.2%    |
|  | =====    | =====    | =====    |

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KOGER EQUITY, INC. AND SUBSIDIARIES  
FUNDS FROM OPERATIONS  
(Unaudited)

In thousands, except per share data

|  | Three Months Ended |          |           |
|--|--------------------|----------|-----------|
|  | 6/30/02            | 3/31/02  | 12/31/01  |
|  | -----              | -----    | -----     |
| Funds from Operations:                                     |                    |          |           |
| Net income   | \$ 4,337           | \$ 5,151 | \$ 47,879 |
| Depreciation - real estate                                 | 6,277              | 6,042    | 7,270     |
| Amortization - deferred tenant costs                       | 338                | 364      | 514       |
| Amortization - goodwill                                    | 0                  | 0        | 42        |
| Minority interest  | 0                  | 20       | 107       |
| Loss (gain) on sale of operating properties                | 0                  | (1)      | (39,189)  |
| Loss (gain) on sale of non-operating assets                | 0                  | 0        | 0         |
|  | -----              | -----    | -----     |
| Funds from Operations                                      | 10,952             | 11,576   | 16,623    |
| Cash Available for Distribution:                           |                    |          |           |
| Add (Deduct):  |                    |          |           |
| Rental income from straight-line rents                     | (534)              | (460)    | (338)     |
| Amortization of deferred financing costs                   | 299                | 289      | 228       |
| Building improvements                                      | (1,285)            | (965)    | (1,032)   |
| 2nd generation tenant improvements                         | (1,070)            | (906)    | (1,625)   |
| 2nd generation leasing commissions                         | (479)              | (88)     | (614)     |
|  | -----              | -----    | -----     |
| Cash Available for Distribution                            | \$ 7,883           | \$ 9,446 | \$ 13,242 |
|  | =====              | =====    | =====     |
| Weighted average common shares/units outstanding - diluted | 21,469             | 21,350   | 26,785    |

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|                                 |         |             |         |
|---------------------------------|---------|-------------|---------|
| Per share/unit - diluted:       |         |             |         |
| Funds from operations           | \$ 0.51 | \$ 0.54     | \$ 0.62 |
| Cash available for distribution | \$ 0.37 | \$ 0.44     | \$ 0.49 |
| Dividends paid                  | \$ 0.35 | \$ 2.09 (a) | \$ 0.35 |
| Dividend payout ratio:          |         |             |         |
| Funds from operations           | 68.6%   | 64.8%       | 56.5%   |
| Cash available for distribution | 95.3%   | 79.5%       | 71.4%   |

(a) Amount includes a special dividend of \$1.74 per share paid in January 2002.

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KOGER EQUITY, INC. AND SUBSIDIARIES  
FUNDS FROM OPERATIONS  
(Unaudited)

In thousands, except per share data

|  | 2001     | 2000     | 1999     |
|--|----------|----------|----------|
| Funds from Operations:                   |          |          |          |
| Net income                               | \$73,223 | \$27,153 | \$36,586 |
| Depreciation - real estate               | 32,261   | 31,720   | 28,800   |
| Amortization - deferred tenant costs     | 2,172    | 1,923    | 2,132    |
| Amortization - goodwill                  | 170      | 170      | 170      |
| Minority interest                        | 1,044    | 1,156    | 1,174    |
| Gain on sale of operating properties     | (39,189) | (5,963)  | (3,846)  |
| Gain on sale of non-operating assets     | 0        | (52)     | (5)      |
| Recovery of loss on land held for sale   | 0        | 0        | 0        |
| Loss on early retirement of debt         | 0        | 0        | 0        |
| Funds from Operations                    | 69,681   | 56,107   | 65,011   |
| Cash Available for Distribution:         |          |          |          |
| Add (Deduct):                            |          |          |          |
| Rental income from straight-line rents   | (1,470)  | (1,897)  | (1,764)  |
| Amortization of deferred financing costs | 908      | 888      | 836      |
| Building improvements                    | (3,049)  | (2,804)  | (3,741)  |
| 2nd generation tenant improvements       | (6,604)  | (8,362)  | (13,204) |
| 2nd generation leasing commissions       | (1,389)  | (1,712)  | (1,736)  |
| Cash Available for Distribution          | \$58,077 | \$42,220 | \$45,402 |

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|   |         |         |         |
|---|---------|---------|---------|
| Weighted average common shares/units<br>outstanding - diluted | 27,610  | 27,962  | 28,019  |
| Per share/unit - diluted:                                     |         |         |         |
| Funds from operations   | \$ 2.52 | \$ 2.01 | \$ 2.32 |
| Cash available for distribution                               | \$ 2.10 | \$ 1.51 | \$ 1.62 |
| Dividends paid  | \$ 1.40 | \$ 1.40 | \$ 1.30 |
| Dividend payout ratio:  |         |         |         |
| Funds from operations   | 55.6%   | 69.7%   | 56.0%   |
| Cash available for distribution                               | 66.7%   | 92.7%   | 80.2%   |

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KOGER EQUITY, INC. AND SUBSIDIARIES  
NET OPERATING INCOME  
2002

|                             | Three Months Ended |         |         |          | Year    |
|-----------------------------|--------------------|---------|---------|----------|---------|
|                             | 3/31/02            | 6/30/02 | 9/30/02 | 12/31/02 | To Da   |
|                             | 3/31/02            | 6/30/02 | 9/30/02 | 12/31/02 | 6/30/02 |
|                             | \$(000)            | \$(000) | \$(000) | \$(000)  | \$(000) |
| Same Store Sales:           |                    |         |         |          |         |
| Revenues                    | 27,580             | 27,619  |         |          | 5       |
| Expenses                    | 9,178              | 9,657   |         |          | 1       |
| Net Operating Income        | 18,402             | 17,962  |         |          | 3       |
| 2001 and 2002 Acquisitions: |                    |         |         |          |         |
| Revenues                    | 2,206              | 3,305   |         |          |         |
| Expenses                    | 1,011              | 1,665   |         |          |         |
| Net Operating Income        | 1,195              | 1,640   |         |          |         |
| Building Completions (1):   |                    |         |         |          |         |
| Revenues                    | 782                | 823     |         |          |         |
| Expenses                    | 236                | 266     |         |          |         |
| Net Operating Income        | 546                | 557     |         |          |         |
| 2001 Property Sales:        |                    |         |         |          |         |
| Revenues                    | 27                 | 108     |         |          |         |

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|                      |        |        |  |   |
|----------------------|--------|--------|--|---|
| Expenses             | 33     | 340    |  |   |
| Net Operating Income | (6)    | (232)  |  |   |
| Total Company:       |        |        |  |   |
| Revenues             | 30,595 | 31,855 |  | 6 |
| Expenses             | 10,458 | 11,928 |  | 2 |
| Net Operating Income | 20,137 | 19,927 |  | 4 |

(1) Includes buildings completed after 12/31/00.

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KOGER EQUITY, INC. AND SUBSIDIARIES  
NET OPERATING INCOME  
2001

|                           | Three Months Ended |          |          |          |
|---------------------------|--------------------|----------|----------|----------|
|                           | 3/31/01            | 6/30/01  | 9/30/01  | 12/31/01 |
|                           | \$ (000)           | \$ (000) | \$ (000) | \$ (000) |
| Same Store Sales:         |                    |          |          |          |
| Revenues                  | 27,140             | 27,010   | 27,543   |          |
| Expenses                  | 9,833              | 10,035   | 9,993    |          |
| Net Operating Income      | 17,307             | 16,975   | 17,550   |          |
| 2001 Acquisitions:        |                    |          |          |          |
| Revenues                  | 0                  | 0        | 0        |          |
| Expenses                  | 0                  | 0        | 0        |          |
| Net Operating Income      | 0                  | 0        | 0        |          |
| Building Completions (1): |                    |          |          |          |
| Revenues                  | 171                | 495      | 742      |          |
| Expenses                  | 88                 | 182      | 248      |          |
| Net Operating Income      | 83                 | 313      | 494      |          |
| 2001 Property Sales:      |                    |          |          |          |
| Revenues                  | 14,280             | 14,123   | 13,958   |          |
| Expenses                  | 5,471              | 5,549    | 5,350    |          |
| Net Operating Income      | 8,809              | 8,574    | 8,608    |          |



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|                      |        |        |        |
|----------------------|--------|--------|--------|
| Total Company:       |        |        |        |
| Revenues             | 41,591 | 41,628 | 42,243 |
| Expenses             | 15,392 | 15,766 | 15,591 |
| Net Operating Income | 26,199 | 25,862 | 26,652 |

(1) Includes buildings completed after 12/31/00.

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KOGER EQUITY, INC. AND SUBSIDIARIES  
SUMMARY OF OUTSTANDING DEBT  
AS OF JUNE 30, 2002

| Description                                       | Average Interest Rate | Maturity   | Monthly Debt Service |
|---|-----------------------|------------|----------------------|
|   |                       |            | (\$ (000))           |
| <b>Fixed Rate:</b>                                |                       |            |                      |
| Northwestern Mutual - Tranche A                   | 8.19%                 | 01/02/07   | 789                  |
| Northwestern Mutual - Tranche B                   | 8.33%                 | 01/02/09   | 710                  |
| Northwestern Mutual - Tranche C                   | 7.10%                 | 01/02/07   | 105                  |
| Northwestern Mutual - Tranche D                   | 7.10%                 | 01/02/09   | 216                  |
| New York Life                                     | 8.00%                 | 12/10/02   | 68                   |
| Allstate Life                                     | 8.20%                 | 12/01/06   | 165                  |
| Total Fixed Rate Debt                             | 8.04%                 |            | 2,053                |
| <b>Variable Rate:</b>                             |                       |            |                      |
| GE Capital  | 7.88%                 | 06/30/21   | 13                   |
| Secured Revolving Credit Facility - \$125 Million | 3.74%                 | 12/27/2004 | 234                  |
| Total Variable Rate Debt                          | 3.82%                 |            | 247                  |
| Total Debt  | 7.04%                 |            | 2,300                |

Market Capitalization:  
Total Debt  
Common Stock

Total Market Capitalization

Schedule of Mortgage Maturities by Year (1):

2002  
 2003  
 2004  
 2005  
 2006  
 Thereafter

Total

(1) Does not include Secured Revolving Credit Facility.

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KOGER EQUITY, INC. AND SUBSIDIARIES  
 OPERATING PROPERTY ACQUISITIONS  
 1999, 2000, 2001 AND 2002

| Property             | Location      | Square Feet | Date Purchased |
|----------------------|---------------|-------------|----------------|
| 1999                 |               |             |                |
| Charlotte University | Charlotte, NC | 190,600     | 11/01/99       |
| Orlando Lake Mary    | Orlando, FL   | 318,000     | 11/01/99       |
|                      |               | 508,600     |                |
| 2000                 |               |             |                |
| None                 |               |             |                |
| 2001                 |               |             |                |
| None                 |               |             |                |
| 2002                 |               |             |                |
| Three Ravinia        | Atlanta, GA   | 845,000     | 01/31/02       |

(1) Purchase price consists of the contract price only and does not include closing costs.

KOGER EQUITY, INC. AND SUBSIDIARIES  
 BUILDING COMPLETIONS  
 1999, 2000, 2001 and 2002

| Property                  | Location           | Square Feet | Month Completed |
|---------------------------|--------------------|-------------|-----------------|
| -----                     |                    |             |                 |
| 1999                      |                    |             |                 |
| Glenridge Building        | Orlando, FL        | 75,800      | 01/1999         |
| Wingate Building (3)      | Greensboro, NC     | 98,300      | 01/1999         |
| Chisholm Building (3)     | San Antonio, TX    | 141,500     | 02/1999         |
| Coventry III Building (2) | El Paso, TX        | 21,900      | 07/1999         |
| Carlton Building          | Jacksonville, FL   | 112,000     | 09/1999         |
| Landstar Building         | Jacksonville, FL   | 180,900     | 12/1999         |
|                           |                    | -----       |                 |
|                           |                    | 630,400     |                 |
|                           |                    | =====       |                 |
| 2000                      |                    |             |                 |
| 3500 Building (3)         | Birmingham, AL     | 144,900     | 01/2000         |
| Columbia Building         | Atlanta, GA        | 90,200      | 01/2000         |
| Stuart Building           | Memphis, TN        | 83,700      | 01/2000         |
| Dover Building            | Orlando, FL        | 67,400      | 05/2000         |
| Duluth Building           | Atlanta, GA        | 103,200     | 05/2000         |
| Pasco Building            | St. Petersburg, FL | 89,800      | 05/2000         |
|                           |                    | -----       |                 |
|                           |                    | 579,200     |                 |
|                           |                    | =====       |                 |
| 2001                      |                    |             |                 |
| Collier Building          | Jacksonville, FL   | 113,500     | 02/2001         |
| Rosemont Building         | Orlando, FL        | 67,400      | 06/2001         |
|                           |                    | -----       |                 |
|                           |                    | 180,900     |                 |
|                           |                    | =====       |                 |
| 2002                      |                    |             |                 |
| None.                     |                    |             |                 |

(1) Includes land and building construction costs. Does not include tenant improvement costs.

(2) The El Paso Center was sold on August 11, 2000.

(3) These buildings were sold on December 12, 2001.

KOGER EQUITY, INC. AND SUBSIDIARIES  
 BUILDINGS UNDER CONSTRUCTION  
 JUNE 30, 2002

| Property | Location | Square Feet         | Expected Completion     |
|----------|----------|---------------------|-------------------------|
| None.    |          |                     |                         |
|          |          | -----<br>-<br>===== | -----<br>-----<br>===== |

(1) Includes land and building construction costs. Does not include tenant improvement costs.

KOGER EQUITY, INC. AND SUBSIDIARIES  
 TWENTY-FIVE LARGEST TENANTS  
 BASED ON ANNUALIZED GROSS RENTS  
 AS OF JUNE 30, 2002

| Tenant (a)                     | Number of Leases | Leased Square Feet | Term (Months) | Remaining Percent of Leased |
|--------------------------------|------------------|--------------------|---------------|-----------------------------|
| U S Government                 | 44               | 910,483            | 94            | 13.7%                       |
| State of Florida               | 47               | 760,242            | 33            | 11.4%                       |
| Blue Cross Blue Shield         | 11               | 565,925            | 28            | 8.5%                        |
| Six Continents Hotels          | 1                | 348,702            | 81            | 5.2%                        |
| Landstar Systems Holding, Inc. | 1                | 176,000            | 149           | 2.6%                        |
| CitiFinancial                  | 1                | 159,827            | 62            | 2.4%                        |
| Siemens                        | 5                | 114,028            | 9             | 1.7%                        |
| Zurich Insurance Company       | 2                | 97,913             | 55            | 1.5%                        |
| General Electric               | 3                | 89,163             | 7             | 1.3%                        |
| Hanover Insurance              | 1                | 89,500             | 6             | 1.3%                        |
| Hoechst Celanese Corp.         | 1                | 92,376             | 12            | 1.4%                        |
| Ford Motor Company             | 4                | 63,271             | 47            | 0.9%                        |
| Homeside Lending, Inc.         | 1                | 69,020             | 16            | 1.0%                        |
| ACS State Healthcare, LLC      | 1                | 52,486             | 80            | 0.8%                        |
| Dynamic Healthcare Tech Inc.   | 1                | 53,761             | 32            | 0.8%                        |

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|                            |       |           |       |       |
|----------------------------|-------|-----------|-------|-------|
| BellSouth                  | 4     | 66,526    | 43    | 1.0%  |
| Moody's Investor Services  | 1     | 58,072    | 2     | 0.9%  |
| Sara Lee Corp.             | 1     | 51,188    | 36    | 0.8%  |
| Enovia Corporation         | 1     | 44,095    | 26    | 0.7%  |
| Best Software, Inc.        | 1     | 47,110    | 78    | 0.7%  |
| Check Solutions Company    | 1     | 40,307    | 79    | 0.6%  |
| Navision Software US, Inc. | 1     | 37,783    | 62    | 0.6%  |
| Sungard Trust Systems Inc. | 2     | 43,569    | 48    | 0.7%  |
| Peerless Insurance Co.     | 1     | 36,306    | 41    | 0.5%  |
| HireCheck Inc.             | 1     | 30,226    | 68    | 0.5%  |
|                            | ----- | -----     |       |       |
| Total                      | 138   | 4,097,879 |       | 61.5% |
|                            | ===== | =====     |       | ===== |
| Weighted Average           |       |           | 58    |       |
|                            |       |           | ===== |       |

- (a) Actual tenant may be a subsidiary of, or an entity affiliated with, the named tenant.
- (b) Annualized Gross Rent is the monthly contractual base rent and current reimbursements under existing leases as of June 30, 2002 multiplied by 12.

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KOGER EQUITY, INC. AND SUBSIDIARIES  
REGIONAL SUMMARY OF MSAs  
AS OF JUNE 30, 2002

| MSA            | State | # of Bldgs | Age (yrs) | Square Feet | %     |
|----------------|-------|------------|-----------|-------------|-------|
| -----          | ----- | -----      | -----     | -----       | ----- |
| Atlanta        | GA    | 26         | 15        | 2,358,838   |       |
| Orlando        | FL    | 28         | 18        | 1,299,971   |       |
| Jacksonville   | FL    | 11         | 8         | 1,166,563   |       |
| Tallahassee    | FL    | 19         | 20        | 833,916     |       |
| Charlotte      | NC    | 15         | 15        | 708,878     |       |
| St. Petersburg | FL    | 15         | 19        | 669,248     |       |
| Memphis        | TN    | 6          | 9         | 528,114     |       |
| Richmond       | VA    | 1          | 16        | 145,008     |       |
|                |       | -----      | -----     | -----       | ----- |
| Total          |       | 121        | 15        | 7,710,536   |       |
|                |       | =====      | =====     | =====       | ===== |

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(a) Based on net operating income for the second quarter of 2002.

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KOGER EQUITY, INC. AND SUBSIDIARIES  
OCCUPANCY SUMMARY  
AS OF JUNE 30, 2002

|                | Square Footage   |                      |                | Total            | Percentage   |        |
|----------------|------------------|----------------------|----------------|------------------|--------------|--------|
|                | Occupied         | Leased, Not Occupied | Vacant         |                  | Occupied     | Leased |
| Atlanta        | 1,871,277        | 40,079               | 447,482        | 2,358,838        | 79.3%        |        |
| Orlando        | 1,215,820        | 6,548                | 77,603         | 1,299,971        | 93.5%        |        |
| Jacksonville   | 1,151,758        | 6,098                | 8,707          | 1,166,563        | 98.7%        |        |
| Tallahassee    | 651,426          | 0                    | 182,490        | 833,916          | 78.1%        |        |
| Charlotte      | 606,586          | 1,130                | 101,162        | 708,878          | 85.6%        |        |
| St. Petersburg | 575,697          | 7,210                | 86,341         | 669,248          | 86.0%        |        |
| Memphis        | 443,745          | 66                   | 84,303         | 528,114          | 84.0%        |        |
| Richmond       | 145,008          | 0                    | 0              | 145,008          | 100.0%       |        |
| <b>Total</b>   | <b>6,661,317</b> | <b>61,131</b>        | <b>988,088</b> | <b>7,710,536</b> | <b>86.4%</b> |        |

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KOGER EQUITY, INC. AND SUBSIDIARIES  
LEASE DISTRIBUTION  
AS OF JUNE 30, 2002

| Category       | Number of Leases (1) | Percent of Leases | Tenant Occupied Square Feet (2) | Percent of Square Feet | Annualized Gross Rent (3) | Average Annual Rent |
|----------------|----------------------|-------------------|---------------------------------|------------------------|---------------------------|---------------------|
| 2,500 or Less  | 426                  | 51.0%             | 521,688                         | 7.9%                   | \$9,206,510               |                     |
| 2,501 - 5,000  | 181                  | 21.7%             | 647,190                         | 9.8%                   | 11,892,083                |                     |
| 5,001 - 7,500  | 63                   | 7.5%              | 388,744                         | 5.9%                   | 7,146,484                 |                     |
| 7,501 - 10,000 | 34                   | 4.1%              | 301,154                         | 4.5%                   | 5,627,156                 |                     |

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|                    |    |      |           |       |            |
|--------------------|----|------|-----------|-------|------------|
| 10,001 - 20,000    | 55 | 6.6% | 763,217   | 11.5% | 14,361,788 |
| 20,001 - 40,000    | 41 | 4.9% | 1,211,318 | 18.3% | 21,411,772 |
| 40,001 - 60,000    | 18 | 2.2% | 896,741   | 13.5% | 16,772,960 |
| 60,001 - 100,000   | 13 | 1.6% | 1,044,622 | 15.8% | 19,390,402 |
| 100,001 or Greater | 4  | 0.5% | 844,537   | 12.8% | 16,339,404 |

|                             |     |        |           |        |               |
|-----------------------------|-----|--------|-----------|--------|---------------|
| Total / Weighted<br>Average | 835 | 100.0% | 6,619,211 | 100.0% | \$122,148,559 |
|-----------------------------|-----|--------|-----------|--------|---------------|

Square footage occupied by tenants  
 Square footage attributable to vending/antenna  
 Square footage occupied by owner/building use

Total Occupied Square Footage

Leased square footage  
 Vacant square footage

Total Net Rentable Square Footage

- (1) Analysis does not include owner occupied space, vending leases and antenna leases.
- (2) Total net rentable square feet represented by existing leases.
- (3) Annualized Gross Rent is the monthly contractual base rent and current reimbursements under existing leases as of June 30, 2002 multiplied by 12.

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KOGER EQUITY, INC. AND SUBSIDIARIES  
 LEASE EXPIRATIONS  
 AS OF JUNE 30, 2002

| City    | Item                 | 2002      | 2003      | 2004      | 2005      | 2006      |
|---------|----------------------|-----------|-----------|-----------|-----------|-----------|
| Atlanta | Square Feet (1)      | 162,092   | 104,237   | 103,240   | 191,085   | 72,211    |
|         | % Square Feet (2)    | 6.89%     | 4.43%     | 4.39%     | 8.12%     | 3.07%     |
|         | Annualized Rent (3)  | 2,936,751 | 2,078,920 | 2,145,668 | 3,664,194 | 1,283,900 |
|         | Number of Leases (4) | 27        | 41        | 38        | 30        | 2         |
|         | Rent PSF             | \$18.12   | \$19.94   | \$20.78   | \$19.18   | \$17.7    |
| Orlando | Square Feet (1)      | 246,211   | 298,395   | 243,022   | 157,020   | 87,111    |
|         | % Square Feet (2)    | 18.93%    | 22.94%    | 18.69%    | 12.07%    | 6.70%     |

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|                |                      |            |            |            |            |          |
|----------------|----------------------|------------|------------|------------|------------|----------|
|                | Annualized Rent (3)  | 4,329,120  | 5,248,333  | 4,574,794  | 2,908,842  | 1,681,89 |
|                | Number of Leases (4) | 33         | 64         | 60         | 32         | 1        |
|                | Rent PSF             | \$17.58    | \$17.59    | \$18.82    | \$18.53    | \$19.3   |
| Jacksonville   | Square Feet (1)      | 7,504      | 323,548    | 92,737     | 168,926    | 79,82    |
|                | % Square Feet (2)    | 0.64%      | 27.74%     | 7.95%      | 14.48%     | 6.84     |
|                | Annualized Rent (3)  | 142,183    | 5,240,318  | 1,732,698  | 2,354,241  | 1,495,55 |
|                | Number of Leases (4) | 4          | 14         | 7          | 5          |          |
|                | Rent PSF             | \$18.95    | \$16.20    | \$18.68    | \$13.94    | \$18.7   |
| Tallahassee    | Square Feet (1)      | 142,730    | 94,844     | 66,031     | 5,763      | 174,48   |
|                | % Square Feet (2)    | 17.13%     | 11.38%     | 7.92%      | 0.69%      | 20.94    |
|                | Annualized Rent (3)  | 2,601,586  | 1,844,976  | 1,116,982  | 99,342     | 3,739,25 |
|                | Number of Leases (4) | 31         | 27         | 9          | 4          |          |
|                | Rent PSF             | \$18.23    | \$19.45    | \$16.92    | \$17.24    | \$21.4   |
| Charlotte      | Square Feet (1)      | 116,499    | 210,766    | 119,771    | 38,554     | 57,37    |
|                | % Square Feet (2)    | 16.44%     | 29.74%     | 16.90%     | 5.44%      | 8.10     |
|                | Annualized Rent (3)  | 1,960,944  | 3,809,019  | 2,157,622  | 658,290    | 919,96   |
|                | Number of Leases (4) | 11         | 26         | 21         | 12         |          |
|                | Rent PSF             | \$16.83    | \$18.07    | \$18.01    | \$17.07    | \$16.0   |
| St. Petersburg | Square Feet (1)      | 41,489     | 105,856    | 120,016    | 94,115     | 56,96    |
|                | % Square Feet (2)    | 6.19%      | 15.80%     | 17.92%     | 14.05%     | 8.50     |
|                | Annualized Rent (3)  | 704,418    | 1,607,538  | 1,755,080  | 1,515,501  | 937,20   |
|                | Number of Leases (4) | 26         | 38         | 20         | 19         |          |
|                | Rent PSF             | \$16.98    | \$15.19    | \$14.62    | \$16.10    | \$16.4   |
| Memphis        | Square Feet (1)      | 55,447     | 63,098     | 40,322     | 134,392    | 71,28    |
|                | % Square Feet (2)    | 10.52%     | 11.97%     | 7.65%      | 25.49%     | 13.52    |
|                | Annualized Rent (3)  | 1,067,475  | 1,230,557  | 807,705    | 2,470,593  | 1,297,20 |
|                | Number of Leases (4) | 12         | 17         | 12         | 22         |          |
|                | Rent PSF             | \$19.25    | \$19.50    | \$20.03    | \$18.38    | \$18.2   |
| Richmond       | Square Feet (1)      | 8,341      | 35,441     | 12,541     | 45,704     | 12,95    |
|                | % Square Feet (2)    | 5.75%      | 24.44%     | 8.65%      | 31.52%     | 8.93     |
|                | Annualized Rent (3)  | 164,323    | 875,216    | 248,369    | 894,355    | 241,02   |
|                | Number of Leases (4) | 2          | 8          | 4          | 5          |          |
|                | Rent PSF             | \$19.70    | \$24.70    | \$19.80    | \$19.57    | \$18.6   |
| Total          | Square Feet (1)      | 780,313    | 1,236,185  | 797,680    | 835,559    | 612,21   |
|                | % Square Feet (2)    | 10.13%     | 16.04%     | 10.35%     | 10.84%     | 7.95     |
|                | Annualized Rent (3)  | 13,906,800 | 21,934,877 | 14,538,918 | 14,565,358 | 11,596,0 |
|                | Number of Leases (4) | 146        | 235        | 171        | 129        | 7        |
|                | Rent PSF             | \$17.82    | \$17.74    | \$18.23    | \$17.43    | \$18.9   |
| City           | Item                 | 2008       | 2009       | 2010       | 2011       | 2011 +   |
| Atlanta        | Square Feet (1)      | 158,504    | 551,625    | 98,174     | 26,201     | 239,42   |
|                | % Square Feet (2)    | 6.73%      | 23.43%     | 4.17%      | 1.11%      | 10.17    |
|                | Annualized Rent (3)  | 3,171,324  | 13,447,388 | 1,748,395  | 626,573    | 4,284,82 |
|                | Number of Leases (4) | 6          | 8          | 1          | 1          |          |



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|                |                      |           |            |           |           |          |
|----------------|----------------------|-----------|------------|-----------|-----------|----------|
|                | Rent PSF             | \$20.01   | \$24.38    | \$17.81   | \$23.91   | \$17.9   |
| Orlando        | Square Feet (1)      | 90,204    | 25,000     | 635       | 0         |          |
|                | % Square Feet (2)    | 6.94%     | 1.92%      | 0.05%     | 0.00%     | 0.00     |
|                | Annualized Rent (3)  | 1,595,019 | 459,306    | 11,573    | 0         |          |
|                | Number of Leases (4) | 6         | 1          | 1         | 0         |          |
|                | Rent PSF             | \$17.68   | \$18.37    | \$18.23   | \$0.00    | \$0.0    |
| Jacksonville   | Square Feet (1)      | 0         | 0          | 0         | 26,947    | 176,00   |
|                | % Square Feet (2)    | 0.00%     | 0.00%      | 0.00%     | 2.31%     | 15.09    |
|                | Annualized Rent (3)  | 0         | 0          | 0         | 527,622   | 2,633,84 |
|                | Number of Leases (4) | 0         | 0          | 0         | 1         |          |
|                | Rent PSF             | \$0.00    | \$0.00     | \$0.00    | \$19.58   | \$14.9   |
| Tallahassee    | Square Feet (1)      | 48,876    | 0          | 0         | 26,696    |          |
|                | % Square Feet (2)    | 5.86%     | 0.00%      | 0.00%     | 3.20%     | 0.00     |
|                | Annualized Rent (3)  | 872,437   | 0          | 0         | 340,374   |          |
|                | Number of Leases (4) | 1         | 0          | 0         | 1         |          |
|                | Rent PSF             | \$17.85   | \$0.00     | \$0.00    | \$12.75   | \$0.0    |
| Charlotte      | Square Feet (1)      | 0         | 40,307     | 0         | 0         |          |
|                | % Square Feet (2)    | 0.00%     | 5.69%      | 0.00%     | 0.00%     | 0.00     |
|                | Annualized Rent (3)  | 0         | 735,396    | 0         | 0         |          |
|                | Number of Leases (4) | 0         | 1          | 0         | 0         |          |
|                | Rent PSF             | \$0.00    | \$18.24    | \$0.00    | \$0.00    | \$0.0    |
| St. Petersburg | Square Feet (1)      | 77,336    | 12,709     | 17,686    | 0         |          |
|                | % Square Feet (2)    | 11.55%    | 1.90%      | 2.64%     | 0.00%     | 0.00     |
|                | Annualized Rent (3)  | 1,457,427 | 170,936    | 244,774   | 0         |          |
|                | Number of Leases (4) | 2         | 1          | 1         | 0         |          |
|                | Rent PSF             | \$18.85   | \$13.45    | \$13.84   | \$0.00    | \$0.0    |
| Memphis        | Square Feet (1)      | 47,188    | 0          | 0         | 0         |          |
|                | % Square Feet (2)    | 8.95%     | 0.00%      | 0.00%     | 0.00%     | 0.00     |
|                | Annualized Rent (3)  | 900,057   | 0          | 0         | 0         |          |
|                | Number of Leases (4) | 3         | 0          | 0         | 0         |          |
|                | Rent PSF             | \$19.07   | \$0.00     | \$0.00    | \$0.00    | \$0.0    |
| Richmond       | Square Feet (1)      | 0         | 0          | 0         | 0         |          |
|                | % Square Feet (2)    | 0.00%     | 0.00%      | 0.00%     | 0.00%     | 0.00     |
|                | Annualized Rent (3)  | 0         | 0          | 0         | 0         |          |
|                | Number of Leases (4) | 0         | 0          | 0         | 0         |          |
|                | Rent PSF             | \$0.00    | \$0.00     | \$0.00    | \$0.00    | \$0.0    |
| Total          | Square Feet (1)      | 422,108   | 629,641    | 116,495   | 79,844    | 415,42   |
|                | % Square Feet (2)    | 5.48%     | 8.17%      | 1.51%     | 1.04%     | 5.39     |
|                | Annualized Rent (3)  | 7,996,264 | 14,813,026 | 2,004,742 | 1,494,569 | 6,918,66 |
|                | Number of Leases (4) | 18        | 11         | 3         | 3         |          |
|                | Rent PSF             | \$18.94   | \$23.53    | \$17.21   | \$18.72   | \$16.6   |

(1) Total net rentable square feet represented by expiring leases.

(2) Percentage of total net rentable feet represented by expiring leases.

(3) Annualized Gross Rent is the monthly contractual base rent and current reimbursements under existing leases as of June 30, 2002 multiplied by 12.

(4) Analysis does not include owner occupied space, vending leases and antenna leases.

KOGER EQUITY, INC. AND SUBSIDIARIES  
NET EFFECTIVE RENTS

|   | New & Backfill Leases |            |            |
|---|-----------------------|------------|------------|
|   | 06/30/2002            | 03/31/2002 | 12/31/2001 |
| Number of leases                                      | 29                    | 27         |            |
| Rentable square footage leased                        | 154,666               | 40,165     | 104,400    |
| Average per rentable square foot over the lease term: |                       |            |            |
| Gross Rent  | \$ 19.83              | \$ 17.66   | \$ 18.00   |
| Tenant improvements                                   | (1.96)                | (1.59)     | (1.00)     |
| Leasing commissions                                   | (0.98)                | (0.40)     | (0.00)     |
| Other/concessions                                     | -                     | -          | -          |
| Effective Rent  | 16.89                 | 15.67      | 16.00      |
| Expense stop  | (6.16)                | (5.26)     | (5.00)     |
| Equivalent effective net rent                         | \$ 10.73              | \$ 10.41   | \$ 10.00   |
| Average term (yrs)                                    | 6.0                   | 3.8        | 5.0        |
|   |                       |            |            |
|   | Renewal Leases        |            |            |
|   | 06/30/2002            | 03/31/2002 | 12/31/2001 |
| Number of leases                                      | 56                    | 45         |            |
| Rentable square footage leased                        | 169,543               | 434,600    | 104,200    |
| Average per rentable square foot over the lease term: |                       |            |            |
| Gross Rent  | \$ 18.53              | \$ 16.08   | \$ 17.00   |
| Tenant improvements                                   | (0.91)                | (0.56)     | (0.00)     |
| Leasing commissions                                   | (0.24)                | (0.10)     | (0.00)     |
| Other/concessions                                     | -                     | -          | -          |
| Effective Rent  | 17.38                 | 15.42      | 16.00      |
| Expense stop  | (5.55)                | (4.96)     | (5.00)     |
| Equivalent effective net rent                         | \$ 11.83              | \$ 10.46   | \$ 10.00   |
| Average term (yrs)                                    | 3.8                   | 4.2        | 4.0        |

KOGER EQUITY, INC. AND SUBSIDIARIES  
 SAME SUITE ANALYSIS  
 YEAR TO DATE JUNE 30, 2002

|                | Total Leasing (a) |                         |                              |
|----------------|-------------------|-------------------------|------------------------------|
|                | RSF<br>Leased     | New Net<br>Rent per RSF | Expiring Net<br>Rent per RSF |
| Atlanta        | 130,248           | \$13.88                 | \$13.25                      |
| Orlando        | 99,665            | \$11.58                 | \$10.78                      |
| Jacksonville   | 167,459           | \$10.10                 | \$10.57                      |
| Tallahassee    | 113,861           | \$11.38                 | \$11.12                      |
| Charlotte      | 8,773             | \$13.81                 | \$14.04                      |
| St. Petersburg | 96,447            | \$10.93                 | \$11.15                      |
| Memphis        | 39,281            | \$10.83                 | \$11.15                      |
| Richmond       | 19,295            | \$12.97                 | \$13.59                      |
| <b>Total</b>   | <b>675,029</b>    | <b>\$11.56</b>          | <b>\$11.46</b>               |

(a) Analysis includes leases fully executed from 1/1/02 to 6/30/02 for buildings owned at 6/30/02. Does not include First Generation space.