



FRP HOLDINGS, INC./NEWS

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FRP HOLDINGS, INC. (NASDAQ: FRPH) ANNOUNCES RESULTS FOR THE SECOND QUARTER OF 2017

Jacksonville, Fla., Aug. 03, 2017 (GLOBE NEWSWIRE) -- FRP Holdings, Inc. (NASDAQ-FRPH)

Second Quarter Consolidated Results of Operations.

Net income for the second quarter of 2017 was \$1,713,000 or \$.17 per share versus \$774,000 or \$.08 per share in the same period last year. The increase is a result of a \$2,000,000 environmental remediation expense during the same quarter last year offset by a \$620,000 increase this year in equity in loss of joint ventures, primarily as a result of expenses and depreciation during the lease up of Phase I (Dock 79) of RiverFront. Total revenues were \$9,360,000, up 1.3%, versus the same period last year. Consolidated total operating profit was up 102.7% as a result of the prior year's \$2,000,000 environmental remediation expense.

Second Quarter Segment Operating Results.

Asset Management Segment:

Total revenues in this segment were \$7,194,000, up \$267,000 or 3.9%, over the same period last year. Net Operating Income (NOI) in this segment for the second quarter was \$5,412,000, compared to \$5,485,000 in the same period last year, a decrease of 1.3%. That revenue increased while NOI decreased is primarily the result of an increase in reimbursable and non-reimbursable expenses. The reimbursable expenses increased revenue without increasing NOI, and the non-reimbursable expenses did nothing for revenue and adversely affected NOI. We ended the second quarter with total occupied square feet of 3,459,473 versus 3,319,891 at the end of the same period last year, an increase of 4.2% or 139,582 square feet. Our overall occupancy rate was 86.8%.

Depreciation and amortization expense increased primarily because of the completion of a 79,550 square foot warehouse at Hollander Business Park in April 2016 and a 103,448 square foot warehouse at Patriot Business Center in April of 2017.

Mining Royalty Lands Segment:

Total revenues in this segment were \$1,833,000, a decrease of 11%, versus \$2,059,000 in the same period last year. This drop is due to \$179,000 decrease in royalties at our Manassas, Va. quarry, a \$74,000 decrease in royalties at our Tyrone, Ga. location, as well as a \$67,000 decrease in royalties at

our Lake Sand, Fl. location. Royalties are down in Manassas because of Vulcan's mining a portion of the quarry not owned by the Company for two months this quarter. Vulcan should return to our portion for the remainder of the year. Royalties were down in Tyrone compared to last year because of excessive rainfall. As stated last quarter, royalties have fallen off in Lake Sand as a consequence of Vulcan having fully depleted our proven reserves there. Further capital expenditures would be required by our tenant to change their mining plan at Lake Sand and realize more than three million tons of possible reserves, which we do not anticipate any time soon. Total operating profit in this segment was \$1,673,000, a decrease of \$215,000 versus \$1,888,000 in the same period last year.

Land Development and Construction Segment:

The Land Development and Construction segment is responsible for (i) seeking out and identifying opportunistic purchases of income producing warehouse/office buildings, and (ii) developing our non-income producing properties into income production.

With respect to ongoing projects:

- Our new spec building at Patriot Business Center was placed in service this quarter in April and is currently 49.9% occupied and 83.0% leased. It will be 100% leased and occupied in the third quarter
- In February, the D.C. Zoning Commission voted 5-0 in favor of the Planned Unit Development (PUD) of Phase II of our RiverFront on the Anacostia project. After formal publishing of the record and a 35 day appeal period we anticipate formal approval in the third quarter of this calendar year
- We are fully engaged in the formal process of seeking PUD entitlements for our 118 acre tract in Hampstead, Md

Finally, it has been nearly a year since we placed Dock 79 and its 305 residential units "in service." As of June 30, the residential units were 88.20% occupied and 92.46% leased, while retail units remain 80.0% leased with just one space remaining. The project is currently above pro forma in effective rents and leasing absorption with residential stabilization achieved in the third quarter of 2017. However, because of operating losses and depreciation during the lease up of Phase I (Dock 79) of RiverFront on the Anacostia this quarter, equity in loss of joint ventures was \$806,000 (including a loss of \$10,000 in the Brooksville Joint Venture).

First Six Months Consolidated Results of Operations.

Net income for the first six months of 2017 was \$3,156,000 or \$.32 per share versus \$2,594,000 or \$.26 per share in the first six months last year. The increase is a result of a prior year \$2,000,000 remediation expense offset by a \$1,305,000 increase this year in equity in loss of joint ventures, primarily as a result of expenses and depreciation during the lease up of Phase I (Dock 79) of RiverFront. Total revenues were \$18,682,000, down 0.9%, versus the first six months last year. Consolidated total operating profit was up 35%.

First Six Months Segment Operating Results.

Asset Management Segment:

Total revenues in this segment were \$14,479,000, down \$22,000 or 0.2%, over the first six months last year. The decrease in revenue is primarily due to lower snow removal reimbursements during the first quarter as a result of a milder 2017 winter. Given its nature as a reimbursement, snow removal is largely a pass through expense, and expenses were down a like amount. Net Operating Income in this segment for the first six months of 2017 was \$11,101,000, compared to \$10,927,000 in the first six months of 2016, an increase of 1.6%.

Depreciation and amortization expense increased primarily because of the purchase of the Gilroy Center in Baltimore County in July of 2016 and the completion of a 79,550 square foot warehouse at Hollander Business Park in April 2016 and a 103,448 square foot warehouse at Patriot Business Center in April of 2017.

Corporate expense increased due to a first quarter stock option modification expense of \$191,000 and increased internal and external audit expense incurred as a result of the conversion from the previous fiscal year (ending September 30) to one that follows the calendar year.

Mining Royalty Lands Segment:

Total revenues in this segment were \$3,595,000, a decrease of 6.3%, versus \$3,837,000 in the first six months last year. This drop is largely due to a \$133,000 decrease in royalties at our Manassas, Va. location, a \$130,000 decrease at our Tyrone, Ga. location, and a \$156,000 decrease in royalties at our Lake Sand, Fl. location. Royalties are down in Manassas because of Vulcan's mining a portion of the quarry not owned by the Company for two months this past quarter. Vulcan should return to our portion for the remainder of the year. Royalties were down in Tyrone compared to last year because of excessive rainfall this past quarter. As stated last quarter, royalties have fallen off in Lake Sand as a consequence of Vulcan having fully depleted our proven reserves there. Further capital expenditures would be required by our tenant to change their mining plan at Lake Sand and realize more than three million tons of possible reserves, which we do not anticipate any time soon. Total operating profit in this segment was \$3,232,000, a decrease of \$230,000 versus \$3,462,000 in the first six months last year.

Land Development and Construction Segment:

The Land Development and Construction segment is responsible for (i) seeking out and identifying opportunistic purchases of income producing warehouse/office buildings, and (ii) developing our non-income producing properties into income production.

With respect to ongoing projects:

- Our new spec building at Patriot Business Center was placed in service this quarter in April and is currently 49.9% occupied and 83.0% leased. It will be 100% leased and occupied in the third quarter
- In February, the D.C. Zoning Commission voted 5-0 in favor of the Planned Unit Development (PUD) of Phase II of our RiverFront on the Anacostia project. After formal publishing of the record and a 35 day appeal period we anticipate formal approval in the third quarter of this calendar year

- We are fully engaged in the formal process of seeking PUD entitlements for our 118 acre tract in Hampstead, Md
- During the first quarter, we completed construction of the bulkhead at our 664E property on the Anacostia ahead of schedule and under budget.

Finally, it has been nearly a year since we placed Dock 79 and its 305 residential units “in service.” As of June 30, the residential units were 88.20% occupied and 92.46% leased, while retail units remain 80.0% leased with just one space remaining. The project is currently above pro forma in effective rents and leasing absorption with residential stabilization achieved in the third quarter of 2017. However, because of operating losses and depreciation during the lease up of Phase I (Dock 79) of RiverFront on the Anacostia this quarter, equity in loss of joint ventures was \$1,577,000 (including a loss of \$19,000 in the Brooksville Joint Venture).

Potential REIT Conversion

Whether through strategic acquisitions, organic growth, joint ventures, or putting our non-income producing land to work, our constant aim is to create and grow shareholder value. To that end, we have for some time explored the possibility of converting this company into a Real Estate Investment Trust (REIT), with the idea that this may be a more efficient structure given the nature of our business. Though no final decision has been made, in order to have the option to convert to a REIT in 2017, the board has already elected to change from our previous fiscal year (ending September 30), to a fiscal year that follows the calendar year as is required of a REIT. This change went into effect January 1, 2017 and will require one-time additional auditing expenses of \$120,000 which will be reflected in 2017. Thus, this past quarter, and every quarter ended June 30 will now be the second quarter of our fiscal year. Finally, consistent with having the option to elect REIT status, we have contributed our mining reserves into a wholly owned subsidiary. Because the parent company still retains control of the land itself, the portion of the mining royalties’ income that is not attributable to the reserves, but instead more closely resembles ground rents, will be retained by the parent company and will qualify as “REIT-able” income. The subsidiary will receive only the income attributable to the reserves it now controls. This structure is intended to assure that we will meet the asset and income tests applicable to REITs. These preliminary steps will not have a material impact on our operations if the Company does not elect REIT status.

Summary and Outlook

As mentioned last quarter, we were informed by Vulcan Materials Company that Lee County issued Vulcan a Mine Operating Permit (MOP) for our section of their operations in Ft. Myers, the last of the permits required to begin mining this property. This action is the culmination of over twenty years of work to get this property fully entitled and allows Vulcan to begin production immediately. Vulcan has now begun mining at this location. While production in our third quarter will be offset by prepaid royalties, going forward, Vulcan’s ability finally to realize the reserves at this site should positively impact revenue and income as it creates an opportunity to collect more than the minimums from this location.

During the remainder of this year, we expect to reach residential stabilization of Phase I (Dock 79) of RiverFront on the Anacostia and continue pre-development activities for Phase II with the expectation

that we will break ground in the last quarter of this year or the first quarter of 2018. Our biggest decision this year will be whether or not to convert this company into a Real Estate Investment Trust. As mentioned previously, we have taken steps to ensure that we at least have the option. Any changes in the federal tax code will factor into our analysis of the costs and benefits of REIT status.

Subsequent Events

The occupancy of the residential units of our Riverfront Holdings I, LLC joint venture exceeded 90% in July 2017. The result of this is that FRP has one year to elect to have the property sold or to cause a “Conversion”. The “Conversion” assumes a sales value, calculates the distributions under our agreement with MRP and changes the ownership going forward based on MRP’s development incentives. The stabilization and resulting FRP election represent a change in control of the joint venture from MRP to FRP. Accordingly, under the accounting rules FRP will be considered the primary beneficiary of this joint venture and we will consolidate the results of the joint venture at current fair value in our financial statements effective July 2017. This consolidation will have a material impact on our financial statements.

Conference Call.

The Company will host a conference call on Thursday, August 3, 2017 at 2:00 p.m. (EDT). Analysts, stockholders and other interested parties may access the teleconference live by calling 1-877-804-1916 (pass code 38477) within the United States. International callers may dial 1-334-323-7224 (pass code 38477). Computer audio live streaming is available via the Internet through the Company’s website at www.frpholdings.com. You may also click on this link for the live streaming <http://stream.conferenceamerica.com/frp080317>. For the archived audio via the internet, click on the following link <http://archive.conferenceamerica.com/archivestream/frp080317.mp3>. If using the Company’s website, click on the Investor Relations tab, then select the earnings conference stream. An audio replay will be available for sixty days following the conference call. To listen to the audio replay, dial toll free 1-877-919-4059, international callers dial 1-334-323-0140. The passcode of the audio replay is 27374141. Replay options: “1” begins playback, “4” rewind 30 seconds, “5” pause, “6” fast forward 30 seconds, “0” instructions, and “9” exits recording. There may be a 30-40 minute delay until the archive is available following the conclusion of the conference call.

Investors are cautioned that any statements in this press release which relate to the future are, by their nature, subject to risks and uncertainties that could cause actual results and events to differ materially from those indicated in such forward-looking statements. These include, but are not limited to, levels of construction activity in the markets served by our mining properties, demand for flexible warehouse/office facilities in the Baltimore-Washington-Northern Virginia area, our ability to obtain zoning and entitlements necessary for property development, the impact of lending and capital market conditions on our liquidity, our ability to finance projects or repay our debt, general real estate investment and development risks, vacancies in our properties, risks associated with developing and managing properties in partnership with others, competition, our ability to renew leases or re-lease spaces as leases expire, illiquidity of real estate investments, bankruptcy or defaults of tenants, the impact of restrictions imposed by our credit facility, the level and volatility of interest rates, environmental liabilities, inflation risks, cybersecurity risks, as well as other risks listed from time to time in our SEC filings, including but not limited to, our annual and quarterly reports. In addition, if we elect REIT status these risk factors also would include our ability to qualify or to remain qualified as a

REIT, our ability to satisfy REIT distribution requirements, the impact of issuing equity, debt or both, and selling assets to satisfy our future distributions required as a REIT or to fund capital expenditures, future growth and expansion initiatives, the impact of the amount and timing of any future distributions, the impact from complying with REIT qualification requirements limiting our flexibility or causing us to forego otherwise attractive opportunities, our lack of experience operating as a REIT, legislative, administrative, regulatory or other actions affecting REITs, including positions taken by the Internal Revenue Service, the possibility that our Board of Directors will unilaterally revoke our REIT election, the possibility that the anticipated benefits of qualifying as a REIT will not be realized, or will not be realized within the expected time period, We have no obligation to revise or update any forward-looking statements, other than as imposed by law, as a result of future events or new information. Readers are cautioned not to place undue reliance on such forward-looking statements.

FRP Holdings, Inc. is a holding company engaged in the real estate business, namely (i) warehouse/office building ownership, leasing and management, (ii) mining royalty land ownership and leasing and (iii) land acquisition, entitlement and development primarily for future warehouse/office or residential building construction.

FRP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands except per share amounts)
(Unaudited)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2017	2016	2017	2016
Revenues:				
Rental revenue	\$ 6,222	6,082	12,505	12,171
Mining Royalty and rents	1,809	2,033	3,548	3,789
Revenue – reimbursements	1,329	1,128	2,629	2,898
Total Revenues	9,360	9,243	18,682	18,858
Cost of operations:				
Depreciation, depletion and amortization	2,202	2,066	4,261	3,995
Operating expenses	1,002	974	2,003	2,505
Environmental remediation expense	—	2,000	—	2,000
Property taxes	1,129	1,128	2,191	2,270
Management company indirect	475	425	944	921
Corporate expenses	566	684	1,893	1,692
Total cost of operations	5,374	7,277	11,292	13,383
Total operating profit	3,986	1,966	7,390	5,475
Interest income	—	—	—	1
Interest expense	(371)	(392)	(619)	(807)
Equity in loss of joint ventures	(806)	(186)	(1,577)	(272)
Gain (Loss) on investment land sold	—	(109)	—	(109)
Income before income taxes	2,809	1,279	5,194	4,288
Provision for income taxes	1,096	505	2,038	1,694
Net income	<u>\$ 1,713</u>	<u>774</u>	<u>3,156</u>	<u>2,594</u>
Earnings per common share:				
Basic	\$ 0.17	0.08	0.32	0.26
Diluted	\$ 0.17	0.08	0.32	0.26
Number of shares (in thousands) used in computing:				
-basic earnings per common share	9,965	9,864	9,948	9,858
-diluted earnings per common share	10,038	9,907	10,019	9,900

Asset Management Segment:

	Three Months Ended June 30					
(dollars in thousands)	2017	%	2016	%	Change	%
Rental revenue	\$ 6,008	83.5%	\$ 5,952	85.9%	\$ 56	0.9%
Revenue-reimbursements	1,186	16.5%	975	14.1%	211	21.6%
Total revenue	7,194	100.0%	6,927	100.0%	267	3.9%

Depreciation, depletion and amortization	2,057	28.6%	1,985	28.7%	72	3.6%
Operating expenses	923	12.8%	774	11.2%	149	19.3%
Property taxes	788	10.9%	668	9.6%	120	18.0%
Management company indirect	192	2.7%	182	2.6%	10	5.5%
Corporate expense	321	4.5%	354	5.1%	(33)	-9.3%
	<u>4,281</u>	<u>59.5%</u>	<u>3,963</u>	<u>57.2%</u>	<u>318</u>	<u>8.0%</u>
Cost of operations						
Operating profit	<u>\$ 2,913</u>	<u>40.5%</u>	<u>\$ 2,964</u>	<u>42.8%</u>	<u>\$ (51)</u>	<u>-1.7%</u>

Mining Royalty Lands Segment:

(dollars in thousands)	Three Months Ended June 30			
	2017	%	2016	%
Mining Royalty and rents	\$ 1,809	98.7%	2,035	98.8%
Revenue-reimbursements	<u>24</u>	<u>1.3%</u>	<u>24</u>	<u>1.2%</u>
Total revenue	1,833	100.0%	2,059	100.0%
Depreciation, depletion and amortization	35	1.9%	15	0.7%
Operating expenses	39	2.1%	45	2.2%
Property taxes	58	3.2%	59	2.9%
Corporate expense	<u>28</u>	<u>1.5%</u>	<u>52</u>	<u>2.5%</u>
Cost of operations	<u>160</u>	<u>8.7%</u>	<u>171</u>	<u>8.3%</u>
Operating profit	<u>\$ 1,673</u>	<u>91.3%</u>	<u>\$ 1,888</u>	<u>91.7%</u>

Land Development and Construction Segment:

(dollars in thousands)	Three Months ended June 30		
	2017	2016	Change
Rental revenue	\$ 214	130	84
Royalty and rents	—	(2)	2
Revenue-reimbursements	<u>119</u>	<u>129</u>	<u>(10)</u>
Total revenue	333	257	76
Depreciation, depletion and amortization	110	66	44
Operating expenses	40	155	(115)
Environmental remediation expense	—	2,000	(2,000)
Property taxes	283	401	(118)
Management company indirect	283	243	40
Corporate expense	<u>217</u>	<u>278</u>	<u>(61)</u>
Cost of operations	<u>933</u>	<u>3,143</u>	<u>(2,210)</u>
Operating loss	<u>\$ (600)</u>	<u>(2,886)</u>	<u>2,286</u>

Asset Management Segment:

(dollars in thousands)	Six Months Ended June 30					
	2017	%	2016	%	Change	%
Rental revenue	\$ 12,111	83.6%	\$ 11,910	82.1%	\$ 201	1.7%
Revenue-reimbursements	2,368	16.4%	2,591	17.9%	(223)	-8.6%
Total revenue	14,479	100.0%	14,501	100.0%	(22)	-0.2%
Depreciation, depletion and amortization	4,022	27.8%	3,820	26.3%	202	5.3%
Operating expenses	1,818	12.6%	2,204	15.2%	(386)	-17.5%
Property taxes	1,525	10.5%	1,330	9.2%	195	14.7%
Management company indirect	379	2.6%	406	2.8%	(27)	-6.7%
Corporate expense	1,074	7.4%	874	6.0%	200	22.9%
Cost of operations	8,818	60.9%	8,634	59.5%	184	2.1%
Operating profit	<u>\$ 5,661</u>	<u>39.1%</u>	<u>\$ 5,867</u>	<u>40.5%</u>	<u>\$ (206)</u>	<u>-3.5%</u>

Mining Royalty Lands Segment:

(dollars in thousands)	Six Months Ended June 30			
	2017	%	2016	%
Mining Royalty and rents	\$ 3,548	98.7%	3,791	98.8%
Revenue-reimbursements	47	1.3%	46	1.2%
Total revenue	3,595	100.0%	3,837	100.0%
Depreciation, depletion and amortization	74	2.1%	46	1.2%
Operating expenses	78	2.2%	84	2.2%
Property taxes	117	3.2%	118	3.1%
Corporate expense	94	2.6%	127	3.3%
Cost of operations	363	10.1%	375	9.8%
Operating profit	<u>\$ 3,232</u>	<u>89.9%</u>	<u>\$ 3,462</u>	<u>90.2%</u>

Land Development and Construction Segment:

(dollars in thousands)	Six Months ended June 30		
	2017	2016	Change
Rental revenue	\$ 394	261	133
Royalty and rents	—	(2)	2
Revenue-reimbursements	214	261	(47)
Total revenue	608	520	88
Depreciation, depletion and amortization	165	129	36
Operating expenses	107	217	(110)
Environmental remediation expense	—	2,000	(2,000)
Property taxes	549	822	(273)
Management company indirect	565	515	50
Corporate expense	725	691	34

Cost of operations	<u>2,111</u>	<u>4,374</u>	<u>(2,263)</u>
Operating loss	<u>\$ (1,503)</u>	<u>(3,854)</u>	<u>2,351</u>

Non-GAAP Financial Measures.

To supplement the financial results presented in accordance with GAAP, FRP presents certain non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. The non-GAAP financial measure included in this quarterly report are net operating income (NOI). FRP uses these non-GAAP financial measures to analyze its continuing operations and to monitor, assess, and identify meaningful trends in its operating and financial performance. These measures are not, and should not be viewed as, substitutes for GAAP financial measures.

Net Operating Income Reconciliation Three months ended 06/30/17 (\$ in thousands)

	<u>Asset Management Segment</u>	<u>Land Development Segment</u>	<u>Mining Royalties Segment</u>	<u>FRP Holdings Totals</u>
Income (loss) from continuing operations	1,552	(853)	1,014	1,713
Income Tax Allocation	<u>990</u>	<u>(543)</u>	<u>649</u>	<u>1,096</u>
Inc. (loss) from continuing operations before income taxes	2,542	(1,396)	1,663	2,809
Less:				
Lease intangible rents	1	—		
Unrealized rents	70	—		
Plus:				
Equity in loss of Joint Venture	—	796		
Interest Expense	371	—		
Depreciation/Amortization	2,057	110		
Management Co. Indirect	192	283		
Allocated Corporate Expenses	<u>321</u>	<u>217</u>		
Net Operating Income (loss)	5,412	10		

Net Operating Income Reconciliation Three months ended 06/30/16 (\$ in thousands)

	<u>Asset Management Segment</u>	<u>Land Development Segment</u>	<u>Mining Royalties Segment</u>	<u>FRP Holdings Totals</u>
Income (loss) from continuing operations	1,556	(1,927)	1,145	774
Income Tax Allocation	<u>1,016</u>	<u>(1,259)</u>	<u>748</u>	<u>505</u>
Inc. (loss) from continuing operations before income taxes	2,572	(3,186)	1,893	1,279
Less:				
Lease intangible rents	5	—		
Plus:				
Unrealized rents	5	—		
Equity in loss of Joint Venture	—	176		
Loss on investment land sold	—	124		

Interest Expense	392	—
Depreciation/Amortization	1,985	66
Management Co. Indirect	182	243
Allocated Corporate Expenses	<u>354</u>	<u>278</u>

Net Operating Income (loss)	5,485	(2,299)
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Net Operating Income Reconciliation

Six months ended 06/30/17 (\$ in thousands)

	Asset Management Segment	Land Development Segment	Mining Royalties Segment	FRP Holdings Totals
Income (loss) from continuing operations	3,064	(1,860)	1,952	3,156
Income Tax Allocation	<u>1,978</u>	<u>(1,201)</u>	<u>1,261</u>	<u>2,038</u>
Inc. (loss) from continuing operations before income taxes	5,042	(3,061)	3,213	5,194

Less:

Lease intangible rents	4	—
Unrealized rents	31	—

Plus:

Equity in loss of Joint Venture	—	1,558
Interest Expense	619	—
Depreciation/Amortization	4,022	165
Management Co. Indirect	379	565
Allocated Corporate Expenses	<u>1,074</u>	<u>725</u>

Net Operating Income (loss)	11,101	(48)
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Net Operating Income Reconciliation

Six months ended 06/30/16 (\$ in thousands)

	Asset Management Segment	Land Development Segment	Mining Royalties Segment	FRP Holdings Totals
Income (loss) from continuing operations	3,061	(2,558)	2,091	2,594
Income Tax Allocation	<u>1,999</u>	<u>(1,669)</u>	<u>1,364</u>	<u>1,694</u>
Inc. (loss) from continuing operations before income taxes	5,060	(4,227)	3,455	4,288

Less:

Lease intangible rents	9	—
Other Income	—	1
Unrealized rents	31	—

Plus:

Equity in loss of Joint Venture	—	251
Loss on investment land sold	—	124
Interest Expense	807	—
Depreciation/Amortization	3,820	129
Management Co. Indirect	406	515
Allocated Corporate Expenses	<u>874</u>	<u>691</u>

Net Operating Income (loss)	10,927	(2,518)
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