Supplemental Disclosure

On December 3, 2013, Thomas Properties Group, Inc., which we refer to as TPGI, and Parkway Properties, Inc., which we refer to as Parkway, agreed on a settlement in principle with the plaintiff in *Osieczanek v. Thomas Properties Group, Inc. et. al.*, Case No. 9029-VCG, currently pending in the Court of Chancery of the State of Delaware. The settlement remains subject to appropriate documentation by the parties and approval by the court.

As part of the settlement, TPGI and Parkway agreed to make the disclosures set forth herein. Information concerning the proposed merger is set forth in, or incorporated by reference into, the joint proxy statement/prospectus dated November 6, 2013 related to the special meetings of stockholders of each of TPGI and Parkway, which we refer to as the joint proxy statement/prospectus. The joint proxy statement/prospectus is supplemented by, and should be read as part of and in conjunction with, the information set forth herein.

Background of the Proposed Transaction

- As previously disclosed on page 60 of the joint proxy statement/prospectus, TPGI had preliminary discussions in March and April of 2013 with Company C, Company D, and a number of other parties regarding the possibility of a strategic transaction involving TPGI or its properties. The total number of parties with which TPGI had preliminary discussions was 17. The types of transactions discussed included mergers involving TPGI and other public and private companies, financial investments in TPGI by private equity firms, and joint ventures. All but three of these discussions were initiated by TPGI.

- As previously disclosed on page 61 of the joint proxy statement/prospectus, by early June of 2013, TPGI had conducted preliminary discussions with a number of potential investors and merger partners. Such discussions included 13 potential investors and four potential merger partners.

- As previously disclosed on page 61 of the joint proxy statement/prospectus, by early June 2013, it became clear to TPGI after discussions with Morgan Stanley that, although TPGI had conducted preliminary discussions with a number of potential investors and merger partners, Parkway, Company B, Company C and Company D were the parties most interested in proceeding and capable of executing a transaction with TPGI on a timely basis. TPGI assessed their interest level based on their written proposals, discussions with Mr. Thomas and representatives of Morgan Stanley, and the extent of their due diligence. TPGI assessed their execution capability based on each company's financial condition and access to liquidity and, in the case of Company C and Company D (each of which proposed a merger transaction), the trading price and public float of its common stock.

- As previously disclosed on page 63 of the joint proxy statement/prospectus, at a special meeting held on July 12, 2013, at which the TPGI Board approved the agreements to be entered into with CalSTRS, the TPGI Board discussed the relative merits of the merger proposals and the joint venture proposal. These relative merits included the value of the merger consideration offered, the impact of each proposal on TPGI's ability to timely satisfy its obligations in connection with the liquidation of TPG/CalSTRS, the nature and quality of the real estate assets of the possible merger parties, each company's ability to complete the transaction it proposed on a timely basis, and the long term prospects for TPGI stockholders after the transaction. At this time, based primarily on the value of the merger consideration being offered and the level of due diligence they had completed, TPGI was focusing primarily on the merger proposal from Company C.

- As previously disclosed on page 63 of the joint proxy statement/prospectus, at a special meeting held on July 12, 2013, the independent directors delegated to Mr. Fox primary responsibility for discussing the various transactions with management and identifying any potential conflicts of interest and how to address them. The independent directors selected Mr. Fox based on Mr. Fox's extensive experience in the real estate investment industry, his nine years of experience as a director of TPGI, his previous experience as the Chairman and Chief Executive Officer of Center Trust, a REIT that was acquired in a public company merger transaction similar to the one being contemplated by TPGI, his background as a certified public accountant, and his prior involvement, on behalf of TPGI in his role as lead independent director, reviewing potential strategic transactions and discussing such transactions with management.

- As previously disclosed on page 63 of the joint proxy statement/prospectus, at the conclusion of the July 12, 2013 board meeting, the independent directors met in executive session and discussed the various strategic alternatives and the potential for conflicts of interest with management. The potential conflicts of interest considered by the independent directors included those associated with Mr. Thomas's ownership of TPGI operating partnership units and the potential for him to recognize taxable income with respect to such units in a transaction in which stockholders might not recognize taxable income; his role as chairman of the board of the surviving company following a merger as proposed by various bidders and any compensation he might receive in such capacity; and any severance payments he might receive upon a change in control of TPGI.

- As previously disclosed on page 63 of the joint proxy statement/prospectus, at a special meeting held on July 19, 2013, Mr. Thomas described a preliminary indication of interest from Company E. The indication of interest of Company E was first communicated to Mr. Thomas on or about July 17, 2013. The terms of Company E's indication of interest were not sufficiently definite for a full discussion by the TPGI Board except to the extent the TPGI Board was able to discuss the acceptability of Company E as a potential partner in a merger transaction and the likelihood Company E would be able to provide sufficient financing for TPGI to be able to complete the liquidation of TPG/CalSTRS without raising additional capital.

- As previously disclosed on page 61 of the joint proxy statement/prospectus, on June 20, 2013, TPGI received non-binding indications of interest from each of Parkway, Company C and Company D. In its non-binding indication of interest, Parkway initially proposed that Mr. Thomas become chairman of the combined company receiving substantially the same compensation that he received from TPGI in 2012. However, on or about August 25, 2013, after the fixed exchange ratio and other principal economic terms of the proposed merger had been negotiated, Parkway approached Mr. Thomas about becoming the non-executive chairman of the combined company following the merger, with his compensation to be consistent with the fees paid to other non-executive directors of Parkway. Both Company C and Company D also proposed that Mr. Thomas serve on the board of directors of the combined company in their respective non-binding indications of interest, with Company C offering Mr. Thomas the role of non-executive chairman.

Morgan Stanley Analysis

- As previously disclosed on page 82 of the joint proxy statement/prospectus, Morgan Stanley conducted a discounted cash flow ("DCF") analysis of TPGI and Parkway. Morgan Stanley applied an illustrative range of capitalization rates, terminal multiples with respect to operating income from management fees and discount rates in its DCF analysis. Morgan Stanley selected these ranges based on its professional judgment and prior experience in transactions of this type after reviewing a number of factors including, among other things, market based capitalization rates, the quality of assets in TPGI's and Parkway's portfolio, market based terminal multiples, risks associated with TPGI's and Parkway's future management fees, other market data and macroeconomic factors.

- As previously disclosed on page 83 of the joint proxy statement/prospectus, Morgan Stanley conducted a contribution analysis as to each of TPGI and Parkway. This analysis was based on, among other things, TPGI management estimates of 2014 EBITDA and 2014 ATCF/FFO. These estimates were adjusted by TPGI management to reflect the planned liquidation of TPGI's joint venture with CalSTRS, including the distribution of City National Plaza to CalSTRS and the distribution of the Houston properties to TPGI, and were further adjusted to reflect pro forma ownership by TPGI of 51% of the Houston properties, with the remaining 49% to be purchased by a new joint venture partner with the proceeds of such purchase used to fund a portion of TPGI's contribution to the joint venture in connection with its liquidation. There were no proceeds to be received by TPGI in the liquidation.

- As previously disclosed on page 84 of the joint proxy statement/prospectus, Morgan Stanley conducted a net asset value analysis of TPGI and Parkway. This analysis was based on, among other things, (i) TPGI management estimates of asset value and (ii) mark-to-market adjustments to debt balances. TPGI management estimates of asset value were based on a number of factors including, among other things, current appraisals of the properties, application of market-based capitalization rates on current and future net operating income, market comparables, projected capital expenditures, application of market-based multiples on fee revenues, and market conditions. The mark-to-market adjustments to debt balances for TPGI and Parkway were $(4.6) million (excluding the Houston properties, whose valuations already reflected a mark-to-market adjustment) and $(19.4) million, respectively, and were based on a comparison of the existing cost of debt at each property relative to the assumed cost of debt at such property if it were to be refinanced at current market rates. In arriving at a net asset value per share for the combined company, Morgan Stanley accounted for planned portfolio activity associated with the TPG/CalSTRS liquidation, the redemption of TPGI's interest in the Commerce Square properties following the mergers and transaction costs. The adjustment associated with the planned liquidation of TPGI's joint venture with CalSTRS was to reflect ownership by the combined company of 100% of the Houston properties rather than 51% ownership of such properties as reflected in TPGI management's stand-alone model.

- As previously disclosed on page 85 of the joint proxy statement/prospectus, Morgan Stanley compared certain financial information of TPGI and Parkway with equivalent publicly available consensus estimates for other companies that share similar business characteristics. The companies were selected by Morgan Stanley because they are publicly traded REITs primarily focused on office properties with assets and operations that, for the purpose of Morgan Stanley's analysis, may be considered similar to those of TPGI and Parkway.