

RAMCO GERSHENSON PROPERTIES TRUST

Form S-3/A

April 19, 2002

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As filed with the Securities and Exchange Commission on April 19, 2002

Registration No. 333-57871

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**AMENDMENT NO. 3**  
**TO**  
**Form S-3**  
**REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

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**Ramco-Gershenson Properties Trust**

*(Exact name of registrant as specified in its charter)*

**Maryland**

*(State or other jurisdiction of incorporation or organization)*

**13-6908486**

*(I.R.S. Employer Identification No.)*

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**27600 Northwestern Highway, Suite 200**  
**Southfield, Michigan 48034**  
**(248) 350-9900**

*(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)*

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**Dennis E. Gershenson**  
**Chief Executive Officer**  
**Ramco-Gershenson Properties Trust**  
**27600 Northwestern Highway, Suite 200**  
**Southfield, Michigan 48034**  
**(248) 350-9900**

*(Name, address, including zip code, and telephone number, including area code, of agent for service)*

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**Copies To:**

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**Approximate date of commencement of proposed sale to public:** As soon as practicable after the effective date of this Registration Statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

**CALCULATION OF REGISTRATION FEE**

Title of securities to be registered	Amount to be registered	Proposed maximum aggregate price per share(1)	Proposed maximum aggregate offering price(1)	Amount of registration fee
Common Shares of Beneficial Interest, \$0.01 par value	4,025,000	\$17.685	\$71,182,125	\$6,549(2)

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended based on the average of the high and low sales price of the common shares on the New York Stock Exchange on April 4, 2002.
- (2) Previously paid with the Registration Statement filed on June 26, 1998.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is declared effective. This preliminary prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, Dated April 19, 2002

# Ramco-Gershenson Properties Trust

## 3,500,000 Shares

### Common Shares of Beneficial Interest

This is a public offering of 3,500,000 common shares of beneficial interest of Ramco-Gershenson Properties Trust.

Our common shares are listed on The New York Stock Exchange under the symbol RPT. On April 5, 2002, the last reported sale price of our common shares was \$17.88.

**Investing in the common shares involves risk. See Risk Factors beginning on page 8.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$ .	\$
Underwriting discounts and commissions	\$ .	\$
Proceeds, before expenses, to Ramco-Gershenson Properties Trust	\$ .	\$

We have granted the underwriters the right to purchase up to 525,000 additional common shares to cover over-allotments.

## Deutsche Bank Securities

**McDonald Investments Inc.**

**Robertson Stephens**

The date of this prospectus is , 2002

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Consent of Deloitte & Touche LLP

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different or additional information. This prospectus is not an offer to sell nor is it seeking an offer to buy the common shares in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus and the documents incorporated by reference are accurate only as of their respective dates, regardless of the time of delivery of this prospectus or any sale of our common shares.

### **WHERE YOU CAN GET MORE INFORMATION**

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission, also known as the SEC. You can receive copies of these reports, proxy and information statements and other information, at prescribed rates, from the SEC by addressing written requests to the SEC's Public Reference Room at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549. In addition, you can read and copy our reports, proxy and information statements, and any other information or materials we file with the SEC at the public reference facilities and at the regional offices of the SEC, in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. The SEC also maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers, such as us, that file electronically with the SEC. The address of the SEC's Web site is <http://www.sec.gov>.

We have filed with the SEC a registration statement on Form S-3 to register the common shares that we are offering in this prospectus. This prospectus is part of the registration statement and does not include all of the information contained in the registration statement. For further information about us and the common shares offered, you should review the registration statement. You can inspect or copy the registration statement, at prescribed rates, at the SEC's public reference facilities at the addresses listed above.

Statements contained in this prospectus concerning the provisions of documents are necessarily summaries of those documents and when any of those documents is an exhibit to the registration statement, each such statement is qualified in its entirety by reference to the copy of the document filed with the SEC.

### **INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The SEC allows us to incorporate by reference the information and reports we file with it, which means that we can disclose important information to you by referring you to those documents. The information we incorporate in this prospectus by reference is an important part of this prospectus, and some of the information that we file after the date of this prospectus with the SEC will be incorporated automatically in this prospectus and update and supercede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, until we sell all of the common shares offered by this prospectus.

our annual report on Form 10-K for the year ended December 31, 2001 (except for Item 8),

our current report on Form 8-K filed with the SEC on April 19, 2002, and

the description of our common shares contained in our registration statement on Form 8-A filed with the SEC on November 1, 1988 (which incorporates by reference pages 101-119 of our prospectus/proxy statement filed with the SEC on November 1, 1988), as updated by the description of our common shares contained in our definitive proxy statement on Schedule 14A for our special meeting of shareholders held on December 18, 1997.

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**We will provide, without charge, at the written or oral request of anyone to whom this prospectus is delivered, copies of the documents incorporated by reference in this prospectus other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing. Written requests should be directed to Ramco-Gershenson Properties Trust, 27600 Northwestern Highway, Suite 200, Southfield, Michigan 48034, Attention: Dawn Garcia-Hendershot. Telephone requests may be directed to (248) 728-1526.**

**FORWARD-LOOKING STATEMENTS**

Some of the statements in this prospectus are forward-looking statements. These forward-looking statements include statements relating to our performance in the Management's Discussion and Analysis of Financial Condition and Results of Operations, Use of Proceeds and Description of the Company sections of this prospectus. In addition, we may make forward-looking statements in future filings with the SEC and in written materials, press releases and oral statements issued by us or on our behalf. Forward-looking statements include statements regarding the intent, belief or current expectations of us or our officers, including statements preceded by, followed by or including forward-looking terminology such as may, will, should, believe, expect, anticipate, estimate, continue, predict or similar expressions, with respect to such matters.

It is important to note that our actual results could differ materially from those anticipated from the forward-looking statements depending on various important factors, which include those factors discussed under Risk Factors, beginning on page 8, and the following:

our success or failure in implementing our business strategy,

economic conditions generally and in the commercial real estate and finance markets specifically,

our cost of capital, which depends in part on our asset quality, our relationships with lenders and other capital providers, our business prospects and outlook and general market conditions, and

changes in governmental regulations, tax rates and similar matters.

You should read this prospectus, as well as the documents incorporated by reference in them, including our financial statements and the notes to financial statements, before deciding whether to invest in our common shares.

All forward-looking statements in this prospectus are based on information available to us on the date of this prospectus. We do not undertake to update any forward-looking statements that may be made by us or on our behalf in this prospectus or otherwise.

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**SUMMARY**

*This summary highlights selected information contained in greater detail elsewhere in this prospectus. This summary is not complete and does not contain all of the information you should consider before investing in our common shares. You should read this entire prospectus and the documents incorporated by reference carefully. Throughout this prospectus we refer to Ramco-Gershenson Properties Trust, a Maryland real estate investment trust, and its subsidiaries, including Ramco-Gershenson Properties, L.P. and Ramco-Gershenson, Inc., and their predecessors, as we, our and us, unless otherwise noted.*

**Our Business**

We are a fully integrated, self-administered and self-managed real estate investment trust, also known as a REIT, that develops, acquires, manages and owns community shopping centers in the midwestern, southeastern and mid-Atlantic regions of the United States. As of December 31, 2001, we had a portfolio of 57 shopping centers totaling approximately 11.4 million square feet of gross leaseable area located in 12 states. Our properties consist of 56 community shopping centers, nine of which are power centers and three of which are single tenant facilities. We also own one enclosed regional mall. Our shopping centers are located in convenient and easily-accessible locations with abundant parking which are close to residential communities and offer excellent visibility for our tenants and easy access for shoppers.

For approximately half a century, Ramco-Gershenson, Inc. and its predecessor developed and owned shopping centers throughout the United States. Over that time, we developed or acquired over 60 shopping centers with a total of over 16.5 million square feet.

In May 1996, RPS Realty Trust acquired through a reverse merger substantially all the shopping centers and retail properties as well as the management company and business operations of Ramco-Gershenson, Inc. and certain of its affiliates. The resulting trust changed its name to Ramco-Gershenson Properties Trust.

**Competitive Strengths**

Based on our long history in the shopping center industry, the caliber of our management team and the quality of our assets, we feel that we are uniquely positioned to capitalize on opportunities in the real estate market as they present themselves.

*Community Shopping Center Focus*

We are predominantly a community shopping center company with a focus on acquiring, developing and managing centers primarily anchored by grocery stores and nationally-recognized discount department stores. It is our belief that centers with a grocery and/or discount component attract consumers seeking value-priced products. Since these products are required to satisfy everyday needs, customers usually visit the centers on a weekly basis.

*Markets In Which We Operate*

Our shopping centers are primarily located in major metropolitan areas in the midwestern and southeastern regions of the United States. Within specific markets, we seek a convenient and easily accessible location with abundant parking facilities, close to residential communities, with excellent visibility for our tenants and easy access for shoppers. In both of these regions we have concentrated a number of centers in reasonable proximity to each other in order to achieve market penetration as well as efficiencies in management, oversight and purchasing.



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*Proactive Asset Management*

We use our asset management personnel to perform a variety of functions, including playing a major role in creating and assessing leasing, redevelopment, acquisition and development opportunities. Our proactive approach to leasing has allowed us to consistently maintain a high occupancy rate, ranging between 93.0% and 95.5% during each of the last five years. Our asset management team also helps to ensure that our centers remain competitive in their respective trade areas. In addition, when considering an acquisition, we use our experience and tenant contacts to look for value-added opportunities. We maintain strong relationships with national and regional anchor tenants, allowing us to assess their interest in our prospective developments.

*Experienced Management Team*

Our management team has an average of approximately 27 years of experience in the real estate industry, including acquisition, development, financing, leasing and asset management experience. Our 45-year history as a shopping center developer provides us with the ability to discover attractive investment opportunities. Our management and trustees currently own 19.9% of our company (assuming the conversion into our common shares of all of our outstanding preferred shares and all of the outstanding units in our operating partnership but excluding our outstanding stock options), which aligns management's interests with that of our shareholders.

**Business Strategy**

Our goal is to maximize total return for our shareholders by improving operating income and enhancing asset value. We pursue our goal through:

An aggressive approach to repositioning, renovating and expanding our shopping centers. Since 1996, we have completed the repositioning of 19 shopping centers, producing a weighted average return on incremental invested capital of 14.7%.

The acquisition of community shopping centers in the midwestern, southeastern and mid-Atlantic regions of the United States with a focus on grocery and nationally-recognized discount department store anchor tenants.

The development of new shopping centers in emerging areas in metropolitan markets in which we currently operate and where we believe demand for a center exists.

A proactive approach to leasing unoccupied spaces and occupied spaces where leases are about to expire.

**Table of Contents****Geographic Diversification**

The following table sets forth the distribution by region and by state of our gross leaseable area and annualized base rent as of December 31, 2001.

Region/State	Number of Properties	Company Owned Gross Leaseable Area		Annualized Base Rent(2)	
		Total Sq. Ft.(1)	% of Total Portfolio	Total	% of Total Portfolio
<b>Midwestern</b>					
Michigan	22	4,093,003	41.8	\$ 30,310,224	43.6
Ohio	4	786,696	8.0	6,621,321	9.5
Wisconsin	2	538,413	5.5	3,963,058	5.7
Subtotal Midwestern	28	5,418,112	55.4	40,894,604	58.8
<b>Southeastern</b>					
Florida	10	1,197,579	12.2	7,712,971	11.1
Tennessee	6	806,590	8.2	4,515,575	6.5
Georgia	4	547,331	5.6	3,213,370	4.6
North Carolina	3	544,627	5.6	3,194,857	4.6
South Carolina	2	433,588	4.4	2,561,631	3.7
Alabama	1	126,701	1.3	787,937	1.1
Subtotal Southeastern	26	3,656,416	37.4	21,986,342	31.6
<b>Mid-Atlantic</b>					
New Jersey	1	224,138	2.3	2,716,554	3.9
Virginia	1	240,042	2.5	2,556,412	3.7
Maryland	1	250,016	2.6	1,416,244	2.0
Subtotal Mid-Atlantic	3	714,196	7.3	6,689,211	9.6
<b>Total</b>	<b>57</b>	<b>9,788,724</b>	<b>100.0</b>	<b>\$ 69,570,157</b>	<b>100.0</b>

(1) Represents (a) gross leaseable area with respect to our shopping centers and (b) rentable square feet with respect to our single-tenant properties.

(2) We calculate annualized base rent for all leases in place on December 1, 2001 by multiplying total base rent for December 2001 by 12.

**Occupancy**

The following table sets forth the occupancy rates by category of our properties for 2000 and 2001. Our overall occupancy rates for 2000 and 2001 were 93.7% and 95.5%, respectively.

	2000	2001
Community Centers	94.2%	95.6%
Enclosed Regional Mall	89.9	94.0

**Year End Results**

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Our diluted funds from operations for the twelve months ended December 31, 2001 were \$31.6 million, up from \$30.1 million for the twelve months ended December 31, 2000, representing a 4.9% increase. Our total revenues for the twelve months ended December 31, 2001 increased 2.8%, or \$2.4 million, to \$91.0 million, from \$88.5 million for the twelve months ended December 31, 2000.

During 2001, we acquired two new shopping centers through joint ventures in which we have a 40% interest for an aggregate purchase price of approximately \$27 million, and we sold two shopping centers and four outparcels for approximately \$29 million. We also completed three redevelopment projects, commenced expansion of two shopping centers and announced the de-malling and expansion of one of our shopping centers.

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**Recent Developments**

Two of our tenants, Kmart Corporation and Jacobson Stores Inc., filed for Chapter 11 bankruptcy protection during January 2002. Jacobson is an anchor tenant at one of our shopping centers, with a total annualized base rent at December 31, 2001 of approximately \$158,000. Kmart is our second largest tenant (based on the percentage of our total annualized base rent) and leases ten locations with a total annualized base rent at December 31, 2001 of approximately \$4,242,000. Builders Square is the lessee of two of these ten locations under leases guaranteed by Kmart. Kmart has rejected the lease guarantee for one of these locations, which is presently vacant. The other Builders Square location has been subleased to two subtenants. The eight other Kmart leases are located in major metropolitan markets. On March 8, 2002, Kmart announced its intention to close 284 stores, including three stores leased from us. Kmart will continue to be obligated under the leases for these stores unless it rejects the leases as part of its bankruptcy proceedings.

On March 14, 2002, we entered into an agreement to redeem 1,200,000 of our series A preferred shares upon consummation of a public offering of our common shares on or before September 26, 2002. We may also elect to redeem the shares before that date if we secure alternative financing of the redemption price. We issued these series A preferred shares beginning in September 1997 for a price of \$25.00 per share. The redemption price for the shares depends on the public offering price of the common shares sold in this offering, but the redemption price will not be less than \$22.14 per series A preferred share, or approximately \$26.6 million in the aggregate. If the public offering price of the common shares sold in this offering is \$17.88, which was the last sale price for our common shares reported on the New York Stock Exchange for April 5, 2002, the redemption price for the series A preferred shares would be \$22.69 per share, or \$27.2 million in the aggregate. The holder of the remaining 200,000 of our outstanding series A preferred shares has elected not to have us redeem its shares, and these series A preferred shares will automatically convert into 286,537 common shares upon the consummation of this offering.

We have recently decided to exercise our option to purchase the equity of our joint venture partner in RPT/Invest L.L.C., which owns the Rivertowne Square and Chester Springs shopping centers upon the completion of this offering. Pursuant to the terms of the limited liability company agreement for this joint venture, we have the option to purchase these shopping centers within 36 months of their original acquisition for a purchase price which is sufficient to provide the joint venture with a 20% internal rate of return compounded annually, after payment of all expenses, on the capital invested by the joint venture in the shopping centers. Assuming that we exercise the option to purchase the equity of our joint venture partner in RPT/Invest L.L.C. on April 30, 2002, we estimate that the purchase price would be approximately \$9.1 million.

On April 10, 2002, we sold Hickory Corners, a 178,000 square foot community shopping center located in Hickory, North Carolina, leaving us with a current portfolio of 56 shopping centers. The total proceeds from the sale were approximately \$10.7 million.

**First Quarter 2002 Results**

Our diluted funds from operations for the three months ended March 31, 2002 were \$7.5 million, compared with \$8.0 million for the three months ended March 31, 2001, representing a 6.3% decrease. This decrease is primarily the result of the major redevelopment of two of our shopping centers, Tel-Twelve Shopping Center and Shoppes of Lakeland. Our income from continuing operations for the three months ended March 31, 2002 was \$2.2 million, compared with \$6.1 million for the three months ended March 31, 2001. This decrease is primarily attributable to the \$5.0 million gain on sale of White Lake MarketPlace and Athens Towne Center which occurred in the first quarter of 2001.

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**The Offering**

Common Shares Offered by Us	3,500,000 shares
Common Shares to be Outstanding after the Offering	10,878,063 shares (11,403,063 shares if the underwriters exercise their overallotment option in full)
Use of Proceeds	We estimate that our net proceeds from this offering will be approximately \$57,575,000. We intend to use these proceeds to redeem 1,200,000 of our series A preferred shares, to purchase the equity of our joint venture partner in two projects and to pay down outstanding balances under our credit facility.
New York Stock Exchange Symbol	RPT
Public Offering Price	\$ . per share
Current Quarterly Dividends per Share	\$0.42 per share

The number of common shares outstanding after the offering is based on the number of common shares outstanding as of December 31, 2001. This number does not include shares reserved for issuance upon the exercise of outstanding options, the conversion of preferred shares and the exchange of units in our operating partnership, as detailed in Capitalization on page 17.

Unless otherwise indicated, all information contained in this prospectus assumes no exercise of the underwriters' over-allotment option.

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**Corporate Information**

Our executive offices are located at 27600 Northwestern Highway, Suite 200, Southfield, Michigan 48034. Our telephone number is (248) 350-9900.

**Table of Contents****Summary Financial Data**

The following summary financial data as of December 31, 1997, 1998, 1999, 2000 and 2001, and for each of the years in the five-year period ended December 31, 2001 have been derived from our audited financial statements, some of which appear elsewhere in this prospectus together with the report of Deloitte & Touche LLP, independent auditors. This summary financial data might not be a good indicator of our results for 2002. You should read the summary financial data together with our financial statements and the notes to our financial statements and with Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

	Year Ended or At December 31,				
	1997	1998	1999	2000	2001
<b>Operating Data (in thousands, except per share amounts):</b>					
Total revenue	\$ 59,244	\$ 76,755	\$ 84,299	\$ 88,532	\$ 90,973
Operating income	12,856	12,413	15,984	13,969	13,303
Gain on sale of real estate			974	3,795	5,550
Net income before cumulative effect of change in accounting principle	9,198	8,658	11,839	13,020	13,863
Cumulative effect of change in accounting principle(1)				(1,264)	
Net income	9,198	8,658	11,839	11,756	13,863
Preferred share dividends	278	1,614	3,407	3,360	3,360
Net income available to common shareholders	8,920	7,044	8,432	8,396	10,503
<b>Per Common Share Data:</b>					
Earning per share after cumulative effect of change in accounting principle:					
Basic	\$ 1.25	\$ 0.99	\$ 1.17	\$ 1.17	\$ 1.48
Diluted	1.25	0.98	1.17	1.17	1.47
Distributions to shareholders	\$ 11,967	\$ 11,970	\$ 12,126	\$ 12,091	\$ 11,942
Weighted average basic shares outstanding	7,123	7,133	7,218	7,186	7,105
Weighted average diluted shares outstanding	7,148	7,165	7,218	7,187	7,125
<b>Balance Sheet Data:</b>					
Cash and cash equivalents	\$ 5,033	\$ 4,550	\$ 5,744	\$ 2,939	\$ 5,542
Accounts receivable net	6,035	9,864	12,791	15,954	17,627
Investment in real estate (before accumulated depreciation)	473,213	535,980	542,955	557,995	557,349
Total assets	484,682	544,404	550,506	560,284	552,729
Mortgages and notes payable	295,618	328,248	337,552	354,008	347,275
Total liabilities	314,436	348,727	358,662	374,439	371,167
Minority interest	42,282	48,535	48,396	47,301	48,157
Shareholders equity	127,964	147,142	143,448	138,544	133,405

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## Year Ended or At December 31,

	1997	1998	1999	2000	2001
<b>Other Data:</b>					
Funds from operations diluted(2)	\$ 20,778	\$ 24,330	\$ 28,868	\$ 30,126	\$ 31,607
Funds available for distribution(3)	17,342	21,226	25,245	24,985	28,572
Cash provided by operating activities	17,026	16,794	23,954	17,126	24,556
Cash provided by (used in) investing activities	(153,183)	(38,280)	(10,703)	(12,779)	5,774
Cash (used in) provided by financing activities	137,649	21,003	(12,057)	(7,152)	(27,727)
Number of properties	50	54	54	56	57
Company owned GLA (in thousands)	8,372	9,029	9,213	10,043	9,789
Occupancy rate	93.6%	93.1%	93.0%	93.7%	95.5%

- (1) In 2000, we changed our method of accounting for percentage rental revenue in accordance with SEC Staff Accounting Bulletin No. 101, Revenue Recognition in Financial Statements. See Note 12 in the accompanying financial statements.
- (2) We generally consider funds from operations, also known as FFO, an appropriate supplemental measure of our financial performance because it is predicated on cash flow analyses. We have adopted the most recent National Association of Real Estate Investment Trusts definition of FFO, which was amended effective January 1, 2000. Under that definition, FFO represents income before minority interest, excluding extraordinary items, as defined under accounting principles generally accepted in the United States of America, gains on sales of depreciable property, plus real estate related depreciation and amortization (excluding amortization of financing costs), and after adjustments for unconsolidated partnerships and joint ventures. Our computation of FFO may, however, differ from the methodology for calculating FFO utilized by other real estate companies, and therefore, may not be comparable to these other real estate companies. FFO does not represent cash generated from operating activities in accordance with accounting principles generally accepted in the United States of America and should not be considered an alternative to net income as an indication of our performance or to cash flows from operating activities as a measure of liquidity or our ability to pay distributions. Furthermore, while net income and cash generated from operating, investing and financing activities, determined in accordance with accounting principles generally accepted in the United States of America, consider capital expenditures which have been and will be incurred in the future, the calculation of FFO does not.