

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2002
 Transition report pursuant to Section 13 or 15(d) of the Securities Exchange
Act of 1934

Commission File Number 1-13102

FIRST INDUSTRIAL REALTY TRUST, INC.
(Exact Name of Registrant as Specified in its Charter)

MARYLAND
(State or Other Jurisdiction of
Incorporation or Organization)

36-3935116
(I.R.S. Employer
Identification No.)

311 S. WACKER DRIVE, SUITE 4000, CHICAGO, ILLINOIS 60606
(Address of Principal Executive Offices)

(312) 344-4300
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the preceding 12 months, and (2) has been subject to such filing requirements
for the past 90 days. Yes No

Number of shares of Common Stock, \$.01 par value, outstanding as of May 3, 2002:
39,380,560

FIRST INDUSTRIAL REALTY TRUST, INC.
FORM 10-Q
FOR THE PERIOD ENDED MARCH 31, 2002

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

	March 31, 2002 -----	December 31, 2001 -----
ASSETS		
Assets:		
Investment in Real Estate:		
Land	\$ 423,008	\$ 421,828
Buildings and Improvements	2,134,814	2,137,666
Furniture, Fixtures and Equipment	1,258	1,258
Construction in Progress	148,166	154,175
Less: Accumulated Depreciation	(288,242)	(276,820)
	-----	-----
Net Investment in Real Estate	2,419,004	2,438,107
Real Estate Held for Sale, Net of Accumulated Depreciation and Amortization of \$3,761 at March 31, 2002 and \$4,033 at December 31, 2001		
	28,535	30,750
Cash and Cash Equivalents	2,075	---
Restricted Cash	60,568	22,764
Tenant Accounts Receivable, Net	11,499	11,956
Investments in Joint Ventures	10,494	9,010
Deferred Rent Receivable	15,579	15,442
Deferred Financing Costs, Net	11,255	11,717
Prepaid Expenses and Other Assets, Net	101,199	81,654
	-----	-----
Total Assets	\$ 2,660,208	\$ 2,621,400
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage Loans Payable, Net	\$ 86,924	\$ 87,459
Senior Unsecured Debt, Net	1,048,525	1,048,491
Acquisition Facility Payable	219,500	182,500
Accounts Payable and Accrued Expenses	59,030	71,031
Rents Received in Advance and Security Deposits	23,554	26,684
Dividends/Distributions Payable	38,684	31,196
	-----	-----
Total Liabilities	1,476,217	1,447,361
	-----	-----
Minority Interest	177,564	178,442
Commitments and Contingencies	---	---
Stockholders' Equity:		
Preferred Stock (\$.01 par value, 10,000,000 shares authorized, 40,000, 20,000, 50,000 and 30,000 shares of Series B, C, D and E Cumulative Preferred Stock, respectively, issued and outstanding at March 31, 2002 and December 31, 2001, having a liquidation preference of \$2,500 per share (\$100,000), \$2,500 per share (\$50,000), \$2,500 per share (\$125,000) and \$2,500 per share (\$75,000), respectively)	1	1
Common Stock (\$.01 par value, 100,000,000 shares authorized, 40,694,338 and 40,302,287 shares issued and 39,296,738 and 38,904,687 shares outstanding at March 31, 2002 and December 31, 2001, respectively)	407	403
Additional Paid-in-Capital	1,210,389	1,197,877
Distributions in Excess of Accumulated Earnings	(147,290)	(143,958)
Unearned Value of Restricted Stock Grants	(8,228)	(6,247)
Accumulated Other Comprehensive Loss	(8,754)	(12,381)
Treasury Shares at Cost (1,397,600 shares at March 31, 2002 and December 31, 2001)	(40,098)	(40,098)
	-----	-----
Total Stockholders' Equity	1,006,427	995,597
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 2,660,208	\$ 2,621,400
	=====	=====

The accompanying notes are an integral part of the financial statements.

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
	-----	-----
Revenues:		
Rental Income	\$ 68,671	\$ 74,164
Tenant Recoveries and Other Income	20,656	24,737
	-----	-----
Total Revenues	89,327	98,901
	-----	-----
Expenses:		
Real Estate Taxes	14,069	14,868
Repairs and Maintenance	4,794	5,629
Property Management	3,420	3,465
Utilities	2,275	3,255
Insurance	609	585
Other	2,216	2,859
General and Administrative	5,163	4,602
Interest Expense	19,784	21,202
Amortization of Deferred Financing Costs	462	442
Depreciation and Other Amortization	18,721	17,081
	-----	-----
Total Expenses	71,513	73,988
	-----	-----
Income from Continuing Operations Before Equity in Income of Joint Ventures, Income Allocated to Minority Interest and		
Gain on Sale of Real Estate	17,814	24,913
Equity in Income of Joint Ventures	222	186
Gain on Sale of Real Estate	640	13,876
Minority Interest Allocable to Continuing Operations	(1,707)	(4,837)
	-----	-----
Income from Continuing Operations	16,969	34,138
Income from Discontinued Operations (Including Gain on Sale of Real Estate of \$15,028 for the Three Months Ended March 31, 2002) ...	16,274	1,258
Minority Interest Allocable to Discontinued Operations	(2,470)	(197)
	-----	-----
Net Income	30,773	35,199
Less: Preferred Stock Dividends	(7,231)	(8,211)
	-----	-----
Net Income Available to Common Stockholders	\$ 23,542	\$ 26,988
	=====	=====
Income from Continuing Operations Available to Common Stockholders Per Weighted Average Common Share Outstanding:		
Basic	\$.25	\$.67
	=====	=====
Diluted	\$.25	\$.66
	=====	=====
Net Income Available to Common Stockholders Per Weighted Average Common Share Outstanding:		
Basic	\$.60	\$.69
	=====	=====
Diluted	\$.60	\$.69
	=====	=====
Net Income	\$ 30,773	\$ 35,199
Other Comprehensive Income:		
Cumulative Transition Adjustment	---	(14,920)
Settlement of Interest Rate Protection Agreement	---	371
Mark-to-Market of Interest Rate Protection Agreements	3,573	(137)
Amortization of Interest Rate Protection Agreements	54	90
	-----	-----
Comprehensive Income	\$ 34,400	\$ 20,603
	=====	=====

The accompanying notes are an integral part of the financial statements.

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 30,773	\$ 35,199
Income Allocated to Minority Interest	4,177	5,034
	-----	-----
Income Before Minority Interest	34,950	40,233
 Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	16,240	15,069
Amortization of Deferred Financing Costs	462	442
Other Amortization	3,786	3,753
Equity in Income of Joint Ventures	(222)	(186)
Distributions from Joint Ventures	181	186
Gain on Sale of Real Estate	(15,668)	(13,876)
Increase in Tenant Accounts Receivable and Prepaid Expenses and Other Assets, Net	(2,860)	(7,480)
Increase in Deferred Rent Receivable	(704)	(294)
Decrease in Accounts Payable and Accrued Expenses and Rents Received in Advance and Security Deposits	(13,511)	(4,312)
Increase in Restricted Cash	(6)	(104)
	-----	-----
Net Cash Provided by Operating Activities	22,648	33,431
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of and Additions to Investment in Real Estate	(66,881)	(106,825)
Net Proceeds from Sales of Investment in Real Estate	60,332	56,360
Contributions to Joint Ventures	(2,176)	---
Distributions from Joint Ventures	---	251
Repayment of Mortgage Loans Receivable	13,036	3,381
(Increase) Decrease in Restricted Cash	(37,798)	20,002
	-----	-----
Net Cash Used in Investing Activities	(33,487)	(26,831)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Proceeds from Exercise of Employee Stock Options	10,062	5,060
Repurchase of Restricted Stock	(1,679)	(1,588)
Purchase of U.S. Government Securities	(750)	(1,123)
Proceeds from Senior Unsecured Debt	---	199,390
Dividends/Distributions	(31,196)	(30,275)
Preferred Stock Dividends	---	(8,211)
Repayments on Mortgage Loans Payable	(523)	(1,625)
Proceeds from Acquisition Facility Payable	83,500	99,300
Repayments on Acquisition Facility Payable	(46,500)	(260,000)
Cost of Debt Issuance and Prepayment Fees	---	(1,896)
	-----	-----
Net Cash Provided by (Used in) Financing Activities	12,914	(968)
	-----	-----
Net Increase in Cash and Cash Equivalents	2,075	5,632
Cash and Cash Equivalents, Beginning of Period	---	7,731
	-----	-----
Cash and Cash Equivalents, End of Period	\$ 2,075	\$ 13,363
	=====	=====

The accompanying notes are an integral part of the financial statements.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

1. ORGANIZATION AND FORMATION OF COMPANY

First Industrial Realty Trust, Inc. (the "Company") was organized in the state of Maryland on August 10, 1993. The Company is a real estate investment trust as defined in the Internal Revenue Code. The Company's operations are conducted primarily through First Industrial, L.P. (the "Operating Partnership") of which the Company is the sole general partner with an approximate 85.0% ownership interest at March 31, 2002. Minority interest in the Company at March 31, 2002 represents the approximate 15.0% aggregate partnership interest in the Operating Partnership held by the limited partners thereof.

As of March 31, 2002, the Company owned 914 in-service properties located in 24 states, containing an aggregate of approximately 63.1 million square feet of gross leasable area ("GLA"). Of the 914 in-service properties owned by the Company, 774 are held by the Operating Partnership, 115 are held by limited partnerships in which the Operating Partnership is the limited partner and wholly-owned subsidiaries of the Company are the general partners, 11 are held by limited liability companies of which the Operating Partnership is the sole member and 14 are held by an entity wholly-owned by the Operating Partnership. The Company, through wholly-owned limited liability companies of which the Operating Partnership is the sole member, also owns minority equity interests in, and provides asset and property management services to, three joint ventures which invest in industrial properties (the "September 1998 Joint Venture", the "September 1999 Joint Venture" and the "December 2001 Joint Venture").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited interim financial statements have been prepared in accordance with the accounting policies described in the financial statements and related notes included in the Company's 2001 Form 10-K and should be read in conjunction with such financial statements and related notes. The following notes to these interim financial statements highlight significant changes to the notes included in the December 31, 2001 audited financial statements included in the Company's 2001 Form 10-K and present interim disclosures as required by the Securities and Exchange Commission.

In order to conform with generally accepted accounting principles, management, in preparation of the Company's financial statements, is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of March 31, 2002 and December 31, 2001, and the reported amounts of revenues and expenses for each of the three months ended March 31, 2002 and 2001. Actual results could differ from those estimates.

In the opinion of management, all adjustments consist of normal recurring adjustments necessary for a fair statement of the financial position of the Company as of March 31, 2002 and the results of its operations and its cash flows for each of the three months ended March 31, 2002 and 2001.

Tenant Accounts Receivable, Net:

The Company provides an allowance for doubtful accounts against the portion of tenants accounts receivable which is estimated to be uncollectible. Tenant accounts receivable in the consolidated balance sheets are shown net of an allowance for doubtful accounts of approximately \$2,050 as of March 31, 2002 and December 31, 2001.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Discontinued Operations:

On January 1, 2002, the Company adopted the Financial Accounting Standards Board's ("FASB") Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long Lived Assets" ("FAS 144"). FAS 144 addresses final accounting and reporting for the disposal of long lived assets. FAS 144 requires that the results of operations and gains or losses on the sale of properties sold subsequent to December 31, 2001 that were not classified as held for sale at December 31, 2001 and the results of operations from properties that were classified as held for sale subsequent to December 31, 2001 be presented in discontinued operations. FAS 144 also requires prior period results of operations for these properties to be restated and presented in discontinued operations in prior consolidated statements of operations.

Recent Accounting Pronouncements:

On April 30, 2002, the FASB issued Financial Accounting Standards No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections" ("FAS 145"). FAS 145 rescinds both Statement of Financial Accounting Standards No. 4, "Reporting Gains and Losses from Extinguishment of Debt" ("FAS 4"), and the amendment to FAS 4, Statement of Financial Accounting Standards No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements". FAS 145 eliminates the requirement that gains and losses from the extinguishment of debt be aggregated and, if material, classified as an extraordinary item, net of the related income tax effect, unless the criteria in Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations- Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" are met. FAS 145 is effective for transactions occurring subsequent to May 15, 2002. The Company is currently assessing the impact of FAS 145 on its consolidated financial position, liquidity, and results of operations.

Reclassification:

Certain 2001 items have been reclassified to conform to the 2002 presentation.

3. INVESTMENTS IN JOINT VENTURES

During the three months ended March 31, 2002, the Company, through wholly-owned limited liability companies in which the Operating Partnership is the sole member, recognized, in the aggregate, approximately \$224 in asset management fees from the September 1998 Joint Venture and the September 1999 Joint Venture, collectively and approximately \$243 in property management fees from the September 1998 Joint Venture, the September 1999 Joint Venture and the December 2001 Joint Venture, collectively. The Company, through a wholly-owned limited liability company in which the Operating Partnership is the sole member, invested approximately \$2,176 in the December 2001 Joint Venture. The Company, through wholly-owned limited liability companies in which the Operating Partnership is the sole member, received distributions of approximately \$181 from the September 1998 Joint Venture and the September 1999 Joint Venture, collectively. As of March 31, 2002, the September 1998 Joint Venture owned 90 industrial properties comprising approximately 4.3 million square feet of GLA, the September 1999 Joint Venture owned 36 industrial properties comprising approximately 1.0 million square feet of GLA and the December 2001 Joint Venture had economic interests in 11 industrial properties comprising approximately 2.2 million square feet of GLA. The properties purchased by the December 2001 Joint Venture were purchased from the Company. The Company deferred 15% of the gain resulting from these sales which is equal to the Company's economic interest in the December 2001 Joint Venture.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

4. MORTGAGE LOANS PAYABLE, NET, SENIOR UNSECURED DEBT, NET AND ACQUISITION FACILITY PAYABLE

Mortgage Loans Payable, Net:

On December 29, 1995, the Company, through an entity in which the Operating Partnership is the sole limited partner and a wholly-owned subsidiary of the Company is the general partner (the "Mortgage Partnership"), entered into a \$40,200 mortgage loan (the "1995 Mortgage Loan"). In January 2002, the Company purchased approximately \$.8 million of U.S. Government securities as substitute collateral to execute a legal defeasance of approximately \$.8 million of the 1995 Mortgage Loan. The terms of the legal defeasance require the Mortgage Partnership to use the gross proceeds from the maturities of the U.S. Government securities to pay down and subsequently retire the defeased portion of the 1995 Mortgage Loan in January 2003. The Company is carrying the defeased portion of the 1995 Mortgage Loan on its balance sheet until it pays down and retires the defeased portion of the 1995 Mortgage Loan in January 2003. Upon the execution of the legal defeasance, one of the 21 properties collateralizing the 1995 Mortgage Loan was released and subsequently sold.

Acquisition Facility Payable:

In January 2002, the Company entered into an interest rate swap agreement (the "Interest Rate Swap Agreement") which fixed the interest rate on a portion of the Company's outstanding borrowings on its 2000 Unsecured Acquisition Facility. The Company designated this transaction as a cash flow hedge. The Interest Rate Swap Agreement has a notional value of \$25,000, is effective from February 4, 2002 through February 4, 2003 and fixed the LIBOR Rate at 2.4975%. Any payments or receipts from the Interest Rate Swap Agreement will be treated as a component of interest expense. The Company anticipates that the Interest Rate Swap Agreement will be 100% effective and, as a result, the change in value will be shown in other comprehensive income.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

4. MORTGAGE LOANS PAYABLE, NET, SENIOR UNSECURED DEBT, NET AND ACQUISITION FACILITY PAYABLE, CONTINUED

The following table discloses certain information regarding the Company's mortgage loans payable, senior unsecured debt and acquisition facility payable:

	OUTSTANDING BALANCE AT		ACCRUED INTEREST PAYABLE AT		INTEREST RATE AT	
	MARCH 31, 2002	DECEMBER 31, 2001	MARCH 31, 2002	DECEMBER 31, 2001	MARCH 31, 2002	MATURITY DATE
MORTGAGE LOANS PAYABLE, NET						
1995 Mortgage Loan	\$ 37,912 (1)	\$ 38,063	\$ 160	\$ 160	7.220%	1/11/26 (1)
CIGNA Loan	33,021	33,214	206	207	7.500%	4/01/03
Assumed Loans	6,411	6,538	---	---	9.250%	1/01/13
LB Loan II	705	705	38	24	8.000%	(2)
Acquisition Mortgage Loan III..	3,039	3,065	22	---	8.875%	6/01/03
Acquisition Mortgage Loan IV...	2,274	2,286	17	---	8.950%	10/01/06
Acquisition Mortgage Loan V ...	2,648 (3)	2,665 (3)	---	---	9.010%	9/01/06
Acquisition Mortgage Loan VI...	914 (3)	923 (3)	7	7	8.875%	11/01/06
Total	\$ 86,924	\$ 87,459	\$ 450	\$ 398		
SENIOR UNSECURED DEBT, NET						
2005 Notes	\$ 50,000	\$ 50,000	\$ 1,246	\$ 383	6.900%	11/21/05
2006 Notes	150,000	150,000	3,500	875	7.000%	12/01/06
2007 Notes	149,973 (4)	149,972 (4)	4,307	1,457	7.600%	5/15/07
2011 PATS	99,575 (4)	99,563 (4)	2,786	942	7.375%	5/15/11 (5)
2017 Notes	99,850 (4)	99,847 (4)	2,500	625	7.500%	12/01/17
2027 Notes	99,878 (4)	99,877 (4)	2,701	914	7.150%	5/15/27 (6)
2028 Notes	199,793 (4)	199,791 (4)	3,209	7,009	7.600%	7/15/28
2011 Notes	199,456 (4)	199,441 (4)	655	4,343	7.375%	3/15/11
Total	\$1,048,525	\$1,048,491	\$ 20,904	\$ 16,548		
ACQUISITION FACILITY PAYABLE						
2000 Unsecured Acquisition Facility	\$ 219,500	\$ 182,500	\$ 559	\$ 571	3.31%	6/30/03

- (1) Approximately \$3.0 million of this loan has been defeased and will be paid in full in January 2003.
- (2) The maturity date of the LB Loan II is based on a contingent event relating to the environmental status of the property collateralizing the loan.
- (3) At March 31, 2002, the Acquisition Mortgage Loan V and the Acquisition Mortgage Loan VI are net of unamortized premiums of \$171 and \$38 respectively. At December 31, 2001 the Acquisition Mortgage Loan V and the Acquisition Mortgage Loan VI are net of unamortized premiums of \$180 and \$41, respectively.
- (4) At March 31, 2002, the 2007 Notes, 2011 PATS, 2017 Notes, 2027 Notes, 2028 Notes and the 2011 Notes are net of unamortized discounts of \$27, \$425, \$150, \$122, \$207 and \$544, respectively. At December 31, 2001, the 2007 Notes, 2011 PATS, 2017 Notes, 2027 Notes, 2028 Notes and the 2011 Notes are net of unamortized discounts of \$28, \$437, \$153, \$123, \$209 and \$559, respectively.
- (5) The 2011 PATS are redeemable at the option of the holder thereof, on May 15, 2004.
- (6) The 2027 Notes are redeemable at the option of the holders thereof, on May 15, 2002. The Company has received redemption notices from holders representing \$84,930 of the 2027 Notes outstanding.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

4. MORTGAGE LOANS PAYABLE, NET, SENIOR UNSECURED DEBT, NET AND ACQUISITION FACILITY PAYABLE, CONTINUED

The following is a schedule of the stated maturities and scheduled principal payments of the mortgage loans payable, senior unsecured debt and acquisition facility payable for the next five years ending December 31, and thereafter:

	Amount
Remainder of 2002	\$ 86,605
2003	259,060
2004	1,407
2005	51,537
2006	156,497
Thereafter	800,404

Total	\$ 1,355,510
	=====

The maturity date of the LB Loan II is based on a contingent event. As a result, this loan is not included in the preceding table. The table presents \$84,930 of the 2027 Notes as being due in 2002 due to redemption notices the Company has received from certain holders. The table presents the remaining \$15,070 as coming due in 2027.

Other Comprehensive Income:

In conjunction with the prior issuances of senior unsecured debt, the Company entered into interest rate protection agreements to fix the interest rate on anticipated offerings of senior unsecured debt (the "Interest Rate Protection Agreements"). In the next 12 months, the Company will amortize approximately \$234 of the Interest Rate Protection Agreements into net income as an increase to interest expense.

The following is a rollforward of the accumulated other comprehensive loss balance relating to derivative transactions:

Balance at December 31, 2001.....	\$(12,381)
Mark-to-Market of Interest Rate Protection Agreements and Interest Rate Swap Agreements.....	3,573
Amortization of Interest Rate Protection Agreements.....	54

Balance at March 31, 2002.....	\$ (8,754)
	=====

5. STOCKHOLDERS' EQUITY

Restricted Stock:

During the three months ended March 31, 2002, the Company awarded 90,260 shares of restricted common stock to certain employees and 965 shares of restricted common stock to certain Directors. These shares of restricted common stock had a fair value of approximately \$3,144 on the date of grant. The restricted common stock vests over periods from one to ten years. Compensation expense will be charged to earnings over the respective vesting period.

Non-Qualified Employee Stock Options:

During the three months ended March 31, 2002, the Company issued 870,600 non-qualified employee stock options to certain officers, Directors and employees of the Company. These non-qualified employee stock options vest over periods from one to three years, have a strike price of \$30.53 per share and expire ten years from the date of grant.

During the three months ended March 31, 2002, certain employees of the Company exercised 354,953 non-qualified employee stock options. Net proceeds to the Company were approximately \$10,062.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

5. STOCKHOLDERS' EQUITY, CONTINUED

Dividends/Distributions:

The following table summarizes dividends/distributions paid during the three months ended March 31, 2002.

COMMON STOCK/OPERATING PARTNERSHIP UNITS

	Record Date -----	Payable Date -----	Dividend/Distribution Per Share/Unit -----	Total Dividend/Distribution -----
Fourth Quarter 2001	December 31, 2001	January 22, 2002	\$.6800	\$ 31,196

6. ACQUISITION AND DEVELOPMENT OF REAL ESTATE

During the three months ended March 31, 2002, the Company acquired 15 industrial properties comprising approximately .8 million square feet of GLA. The aggregate purchase price for these acquisitions totaled approximately \$41,704, excluding costs incurred in conjunction with the acquisition of the properties. The Company also completed the development of three industrial properties comprising approximately .8 million square feet of GLA at a cost of approximately \$24.2 million.

7. SALES OF REAL ESTATE, REAL ESTATE HELD FOR SALE AND DISCONTINUED OPERATIONS

During the three months ended March 31, 2002, the Company sold 20 industrial properties comprising approximately 2.4 million square feet of GLA that were not classified as held for sale at December 31, 2001, two properties comprising approximately .1 million square feet of GLA that were classified as held for sale at December 31, 2001 and several land parcels. Gross proceeds from these sales were approximately \$96,931. The gain on sale of real estate was approximately \$15,668. In accordance with FAS 144, the results of operations and gain on sale of real estate for the 20 sold properties that were not identified as held for sale at December 31, 2001 are included in discontinued operations.

At March 31, 2002, the Company had 12 industrial properties comprising approximately 1.2 million square feet of GLA held for sale. Eleven of the 12 properties comprising approximately 1.1 million square feet of GLA that were held for sale as of March 31, 2002 were identified as held for sale as of December 31, 2001. In accordance with FAS 144, the results of operations of the property identified as held for sale during the three months ended March 31, 2002 are included in discontinued operations. There can be no assurance that such properties held for sale will be sold.

The following table discloses certain information regarding the 11 industrial properties identified held for sale by the Company prior to January 1, 2002.

	THREE MONTHS ENDED MARCH 31,	
	2002 -----	2001 -----
Total Revenues	\$ 1,390	\$ 1,218
Operating Expenses	(535)	(575)
Depreciation and Amortization	---	(7)
Income from Operations	\$ 855 =====	\$ 636 =====

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

8. SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS

Supplemental disclosure of cash flow information:

	Three Months Ended	
	March 31, 2002	March 31, 2001
Interest paid, net of capitalized interest	\$ 15,388	\$ 11,429
Interest capitalized	\$ 2,855	\$ 1,973
Supplemental schedule of noncash investing and financing activities:		
Distribution payable on common stock/units	\$ 31,453	\$ 30,537
Distribution payable on preferred stock	\$ 7,231	\$ 8,211
Issuance of units in exchange for property	\$ ---	\$ 1,491
Exchange of units for common shares:		
Minority interest	\$ (322)	\$ (2,512)
Common stock	---	1
Additional paid-in capital	322	2,511
	\$ ---	\$ ---
In conjunction with the property and land acquisitions, the following liabilities were assumed:		
Purchase of real estate	\$ 41,704	\$ 73,294
Accrued real estate taxes and security deposits	(348)	(676)
	\$ 41,356	\$ 72,618
In conjunction with certain property sales, the Company provided seller financing on behalf of certain buyers:		
Notes Receivable	\$ 28,838	\$ ---

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

9. EARNINGS PER SHARE

The computation of basic and diluted EPS is presented below:

	Three Months Ended	
	March 31, 2002	March 31, 2001
Numerator:		

Income from Continuing Operations	\$ 16,969	\$ 34,138
Less: Preferred Stock Dividends	(7,231)	(8,211)
	-----	-----
Income from Continuing Operations Available to Common Stockholders, Net of Minority Interest -For Basic and Diluted EPS	9,738	25,927
Discontinued Operations, Net of Minority Interest ...	13,804	1,061
	-----	-----
Net Income Available to Common Stockholders-For Basic and Diluted EPS	\$ 23,542	\$ 26,988
	=====	=====
Denominator:		

Weighted Average Shares - Basic	38,977,524	38,950,566
Effect of Dilutive Securities:		
Employee and Director Common Stock Options	279,647	416,657
	-----	-----
Weighted Average Shares- Diluted	39,257,171	39,367,223
	=====	=====
Basic EPS:		

Income from Continuing Operations Available to Common Stockholders, Net of Minority Interest	\$.25	\$.67
	=====	=====
Discontinued Operations, Net of Minority Interest ...	\$.35	\$.03
	=====	=====
Net Income Available to Common Stockholders	\$.60	\$.69
	=====	=====
Diluted EPS:		

Income from Continuing Operations Available to Common Stockholders, Net of Minority Interest	\$.25	\$.66
	=====	=====
Discontinued Operations, Net of Minority Interest ...	\$.35	\$.03
	=====	=====
Net Income Available to Common Stockholders	\$.60	\$.69
	=====	=====

10. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company is involved in legal actions arising from the ownership of its properties. In management's opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a materially adverse effect on the consolidated financial position, operations or liquidity of the Company.

The Company has committed to the construction of 42 development projects totaling approximately 4.3 million square feet of GLA for an estimated investment of approximately \$209.2 million. Of this amount, approximately \$44.5 million remains to be funded. These developments are expected to be funded with proceeds from the sale of select properties, cash flows from operations and borrowings under the Company's 2000 Unsecured Acquisition Facility. The Company expects to place in service all of the development projects during the next twelve months. There can be no assurance that the Company will place these projects in service during the next twelve months or that the actual completion cost will not exceed the estimated completion cost stated above.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

11. SUBSEQUENT EVENTS

From April 1, 2002 to May 3, 2002, the Company acquired 11 industrial properties for an aggregate purchase price of approximately \$45,190 excluding costs incurred in conjunction with the acquisition of these industrial properties. The Company also sold one industrial property for approximately \$20,863 of gross proceeds.

On April 1, 2002, the Company paid first quarter preferred stock dividends of \$54.688 per share (equivalent to \$.54688 per Depositary Share) on its Series B Preferred Stock, \$53.906 per share (equivalent to \$.53906 per Depositary Share) on its Series C Preferred Stock, \$49.687 per share (equivalent to \$.49687 per Depositary Share) on its Series D Preferred Stock and \$49.375 per share (equivalent to \$.49375 per Depositary Share) on its Series E Preferred Stock. The preferred stock dividends paid on April 1, 2002 totaled, in the aggregate, approximately \$7,231.

On April 12, 2002, the Company called for the redemption of all of its outstanding Series B Preferred Stock at the price of \$25.00 per share, plus accrued and unpaid dividends. The redemption date will be May 14, 2002.

On April 15, 2002, the Company, through the Operating Partnership, issued \$200,000 of senior unsecured debt which matures on April 15, 2012 and bears a coupon interest rate of 6.875% (the "2012 Notes"). The issue price of the 2012 Notes was 99.310%. Interest is paid semi-annually in arrears on October 15 and April 15. The Company also entered into interest rate protection agreements which were used to fix the interest rate on the 2012 Notes prior to issuance. The Company settled the interest rate protection agreements for approximately \$1,772 of proceeds which will be included in other comprehensive income. The debt issue discount and the settlement amount of the interest rate protection agreements are being amortized over the life of the 2012 Notes as an adjustment to interest expense. The 2012 Notes contain certain covenants including limitations on incurrence of debt and debt service coverage.

On April 15, 2002, the Company, through the Operating Partnership, issued \$50,000 of senior unsecured debt which matures on April 15, 2032 and bears a coupon interest rate of 7.75% (the "2032 Notes"). The issue price of the 2032 Notes was 98.660%. Interest is paid semi-annually in arrears on October 15 and April 15. The debt issue discount is being amortized over the life of the 2032 Notes as an adjustment to interest expense. The 2032 Notes contain certain covenants including limitations on incurrence of debt and debt service coverage.

On April 15, 2002, the Company received redemption notices from holders representing \$84,930 of the 2027 Notes outstanding. The redemption notices require the Company to payoff and retire \$84,930 of the 2027 Notes on May 15, 2002.

On April 22, 2002, the Company and the Operating Partnership paid a first quarter 2002 dividend/distribution of \$.6800 per common share/Unit, totaling approximately \$31,453.

FIRST INDUSTRIAL REALTY TRUST, INC.
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

The following discussion and analysis of First Industrial Realty Trust, Inc.'s (the "Company") financial condition and results of operations should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this Form 10-Q.

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and is including this statement for purposes of complying with those safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words "believe", "expect", "intend", "anticipate", "estimate", "project" or similar expressions. The Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on the operations and future prospects of the Company on a consolidated basis include, but are not limited to, changes in: economic conditions generally and the real estate market specifically, legislative/regulatory changes (including changes to laws governing the taxation of real estate investment trusts), availability of financing, interest rate levels, competition, supply and demand for industrial properties in the Company's current and proposed market areas, potential environmental liabilities, slippage in development or lease-up schedules, tenant credit risks, higher-than-expected costs, and general accounting principles, policies and guidelines applicable to real estate investment trusts. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Further information concerning the Company and its business, including additional factors that could materially affect the Company's financial results, is included herein and in the Company's other filings with the Securities and Exchange Commission.

The Company was organized in the state of Maryland on August 10, 1993. The Company is a real estate investment trust ("REIT") as defined in the Internal Revenue Code. The Company's operations are conducted primarily through First Industrial, L.P. (the "Operating Partnership") of which the Company is the sole general partner with an approximate 85.0% ownership interest at March 31, 2002. Minority interest in the Company at March 31, 2002 represents the approximate 15.0% aggregate partnership interest in the Operating Partnership held by the limited partners thereof.

As of March 31, 2002, the Company owned 914 in-service properties located in 24 states, containing an aggregate of approximately 63.1 million square feet of gross leasable area ("GLA"). Of the 914 in-service properties owned by the Company, 774 are held by the Operating Partnership, 115 are held by limited partnerships in which the Operating Partnership is the limited partner and wholly-owned subsidiaries of the Company are the general partners, 11 are held by limited liability companies of which the Operating Partnership is the sole member and 14 are held by an entity wholly-owned by the Operating Partnership. The Company, through wholly-owned limited liability companies of which the Operating Partnership is the sole member, also owns minority equity interests in, and provides asset and property management services to, three joint ventures which invest in industrial properties (the "September 1998 Joint Venture", the "September 1999 Joint Venture" and the "December 2001 Joint Venture").

RESULTS OF OPERATIONS

At March 31, 2002, the Company owned 914 in-service properties with approximately 63.1 million square feet of GLA, compared to 968 in-service properties with approximately 68.2 million square feet of GLA at March 31, 2001. During the period between April 1, 2001 and March 31, 2002, the Company acquired 67 in-service properties containing approximately 3.8 million square feet of GLA, completed development of eight properties totaling approximately 1.7 million square feet of GLA and sold 127 in-service properties totaling approximately 10.2 million square feet of GLA, three out of service properties and several land parcels. The Company also took six properties out of service that are under

redevelopment, comprising approximately .7 million square feet of GLA and placed in service four properties comprising approximately .3 million square feet of GLA.

COMPARISON OF THREE MONTHS ENDED MARCH 31, 2002 TO THREE MONTHS ENDED MARCH 31, 2001

Rental income and tenant recoveries and other income decreased by approximately \$9.6 million or 9.7% due primarily to a decrease in average GLA and a decrease in average occupancy for the three months ended March 31, 2002 as compared to the three months ended March 31, 2001. Rental income and tenant recoveries and other income from properties owned prior to January 1, 2001 decreased by approximately \$1.2 million or 1.6% due primarily to a decrease in tenant recoveries due to a decrease in property expenses (as discussed below) for the three months ended March 31, 2002 as compared to the three months ended March 31, 2001.

Property expenses, which include real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses decreased by approximately \$3.3 million or 10.7%. This decrease is due primarily to decreases in real estate taxes, repairs and maintenance and utilities. The decrease in real estate taxes and utilities is due to a decrease in average GLA for the three months ended March 31, 2002 as compared to the three months ended March 31, 2001. The decrease in repairs and maintenance is due to a decrease in maintenance expenses. Property expenses from properties owned prior to January 1, 2001 decreased by approximately \$0.7 million or 3.1% due primarily to the explanations above.

General and administrative increased by approximately \$0.6 million due primarily to increases in employee compensation and additional employees.

Interest expense decreased by approximately \$1.4 million for the three months ended March 31, 2002 compared to the three months ended March 31, 2001 due primarily to a decrease in the weighted average interest rate on the Company's outstanding debt for the three months ended March 31, 2002 (6.69%) as compared to the three months ended March 31, 2001 (7.26%), as well as an increase in capitalized interest due to an increase in development activities. This was slightly offset by a higher average debt balance outstanding for the three months ended March 31, 2002 as compared to the three months ended March 31, 2001. The average debt balance outstanding for the three months ended March 31, 2002 and 2001 was approximately \$1,348.1 million and \$1,274.6 million, respectively.

Amortization of deferred financing costs remained relatively unchanged.

Depreciation and other amortization increased by approximately \$1.6 million due primarily to a decrease in the number of properties the Company considered held for sale at March 31, 2002 as compared to March 31, 2001.

Equity in income of joint ventures remained relatively unchanged.

The \$0.6 million gain on sale of real estate for the three months ended March 31, 2002 resulted from the sale of two industrial properties that were identified as held for sale at December 31, 2001. Gross proceeds from these sales were approximately \$4.8 million.

The \$13.9 million gain on sale of real estate for the three months ended March 31, 2001 resulted from the sale of 24 industrial properties and several land parcels. Gross proceeds from these sales were approximately \$60.9 million.

Income from discontinued operations of approximately \$16.3 million for the three months ended March 31, 2002 reflects the results of operations and gain on sale of 20 industrial properties and several land parcels that were sold during the three months ended March 31, 2002 as well as the results of operations of one industrial property identified as held for sale during the three months ended March 31, 2002. Gross

proceeds from the sales of the 20 industrial properties and several land parcels were approximately \$92.1 million, resulting in a gain on sale of real estate of approximately \$15.0 million.

Income from discontinued operations of approximately \$1.3 million for the three months ended March 31, 2001 reflects the results of operations of the 20 industrial properties that were sold during the three months ended March 31, 2002 as well as the results of operations of one industrial property identified as held for sale during the three months ended March 31, 2002.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2002, the Company's cash and cash equivalents was approximately \$2.1 million and restricted cash was approximately \$60.6 million. Included in restricted cash are approximately \$2.6 million of cash reserves required to be set aside under the Company's \$40.0 million mortgage loan (the "1995 Mortgage Loan") for payments of security deposit refunds, capital expenditures, interest, real estate taxes, insurance and releasing costs. The portion of the cash reserve relating to payments for capital expenditures, interest, real estate taxes and insurance for properties collateralizing the 1995 Mortgage Loan is established monthly, distributed to the Company as such expenditures are made and is replenished to a level adequate to make the next periodic payment of such expenditures. The portion of the cash reserve relating to security deposit refunds is adjusted as tenants turn over. The portion of cash reserves relating to releasing costs resulted from a deposit of a lease termination fee that will be used to cover the costs of releasing that space. Also included in restricted cash is approximately \$58.0 million of gross proceeds from the sales of certain properties. These sales proceeds will be disbursed as the Company exchanges properties under Section 1031 of the Internal Revenue Code.

THREE MONTHS ENDED MARCH 31, 2002

Net cash provided by operating activities of approximately \$22.6 million for the three months ended March 31, 2002 was comprised primarily of net income before minority interest of approximately \$34.9 million and adjustments for non-cash items of approximately \$4.1 million, offset by the net change in operating assets and liabilities of approximately \$16.4 million. The adjustments for the non-cash items of approximately \$4.1 million are primarily comprised of depreciation and amortization of approximately \$20.5 million, offset by the gain on sale of real estate of approximately \$15.7 million and the effect of the straight-lining of rental income of approximately \$.7 million.

Net cash used in investing activities of approximately \$33.5 million for the three months ended March 31, 2002 was comprised primarily of the acquisition of real estate, development of real estate, capital expenditures related to the expansion and improvement of existing real estate, an increase in restricted cash from sales proceeds deposited with an intermediary for Section 1031 exchange purposes and contributions to the December 2001 Joint Venture, offset by the net proceeds from the sale of real estate and the repayment of mortgage loans receivable.

Net cash provided by financing activities of approximately \$12.9 million for the three months ended March 31, 2002 was comprised primarily of repayments on mortgage loans payable, the repurchase of restricted stock, the purchase of U.S. Government securities used as substitute collateral to execute a legal defeasance of a portion of the 1995 Mortgage Loan and common and preferred stock dividends and unit distributions, offset by the net proceeds from the exercise of employee stock options and net borrowings under the Company's \$300 million unsecured line of credit (the "2000 Unsecured Acquisition Facility").

THREE MONTHS ENDED MARCH 31, 2001

Net cash provided by operating activities of approximately \$33.4 million for the three months ended March 31, 2001 was comprised primarily of net income before minority interest of approximately \$40.2 million, adjustments for non-cash items of approximately \$5.1 million offset by the net change in operating assets and liabilities of approximately \$11.9 million. The adjustments for the non-cash items of

approximately \$5.1 million are primarily comprised of depreciation and amortization of approximately \$19.3 million, offset by the gain on sale of real estate of approximately \$13.9 million and the effect of the straight-lining of rental income of approximately \$.3 million.

Net cash used in investing activities of approximately \$26.8 million for the three months ended March 31, 2001 was comprised primarily of the acquisition of real estate, development of real estate, capital expenditures related to the expansion and improvement of existing real estate, offset by a decrease in restricted cash from sales proceeds deposited with an intermediary for Section 1031 exchange purposes, the net proceeds from the sale of real estate, distributions from two of the Company's industrial real estate joint ventures and the repayment of mortgage loans receivable.

Net cash used in financing activities of approximately \$1.0 million for the three months ended March 31, 2001 was comprised primarily of repayments on mortgage loans payable, the repurchase of restricted stock, the purchase of U.S. Government securities used as substitute collateral to execute a legal defeasance of a portion of the 1995 Mortgage Loan, common and preferred stock dividends and unit distributions, debt issuance costs incurred in conjunction with the issuance of senior unsecured debt and net repayments under the 2000 Unsecured Acquisition Facility, offset by the proceeds from the issuance of senior unsecured debt and net proceeds from the exercise of employee stock options.

INVESTMENT IN REAL ESTATE AND DEVELOPMENT OF REAL ESTATE

During the three months ended March 31, 2002, the Company purchased 15 industrial properties comprising, in the aggregate, approximately .8 million square feet of GLA for an aggregate purchase price of approximately \$41.7 million, excluding costs incurred in conjunction with the acquisition of the properties. The Company also completed the development of three industrial properties comprising approximately .8 million square feet of GLA at a cost of approximately \$24.2 million.

The Company has committed to the construction of 42 development projects totaling approximately 4.3 million square feet of GLA for an estimated investment of approximately \$209.2 million. Of this amount, approximately \$44.5 million remains to be funded. These developments are expected to be funded with proceeds from the sale of select properties, cash flows from operations and borrowings under the Company's 2000 Unsecured Acquisition Facility. The Company expects to place in service all of the development projects during the next twelve months. There can be no assurance that the Company will place these projects in service during the next twelve months or that the actual completion cost will not exceed the estimated completion cost stated above.

SALE OF REAL ESTATE, REAL ESTATE HELD FOR SALE AND DISCONTINUED OPERATIONS

During the three months ended March 31, 2002, the Company sold 20 industrial properties comprising approximately 2.4 million square feet of GLA that were not classified as held for sale at December 31, 2001, two properties comprising approximately .1 million square feet of GLA that were classified as held for sale at December 31, 2001 and several land parcels. Gross proceeds from these sales were approximately \$96.9 million. In accordance with FAS 144, the results of operations and gain on sale of real estate for the 20 sold properties that were not identified as held for sale at December 31, 2001 are included in discontinued operations.

At March 31, 2002, the Company had 12 industrial properties comprising approximately 1.2 million square feet of GLA held for sale. Eleven of the 12 properties comprising approximately 1.1 million square feet of GLA that were held for sale as of March 31, 2002 were identified as held for sale as of December 31, 2001. Income from operations for these 11 industrial properties held for sale for the three months ended March 31, 2002 and 2001 is approximately \$.9 million and \$.6 million, respectively. Net carrying value of the 12 industrial properties held for sale at March 31, 2002 is approximately \$28.5 million. In accordance with FAS 144, the results of operations of the property identified as held for sale during the three months ended March 31, 2002 are included in discontinued operations. There can be no assurance that such properties held for sale will be sold.

INVESTMENTS IN JOINT VENTURES

During the three months ended March 31, 2002, the Company, through wholly-owned limited liability companies in which the Operating Partnership is the sole member, recognized, in the aggregate, approximately \$.5 million in asset management and property management fees from the September 1998 Joint Venture, the September 1999 Joint Venture and the December 2001 Joint Venture, collectively. The Company, through a wholly-owned limited liability company in which the Operating Partnership is the sole member, invested approximately \$2.2 million in the December 2001 Joint Venture. The Company, through wholly-owned limited liability companies in which the Operating Partnership is the sole member, received distributions of approximately \$.2 million from the September 1998 Joint Venture and the September 1999 Joint Venture, collectively. As of March 31, 2002, the September 1998 Joint Venture owned 90 industrial properties comprising approximately 4.3 million square feet of GLA, the September 1999 Joint Venture owned 36 industrial properties comprising approximately 1.0 million square feet of GLA and the December 2001 Joint Venture had economic interests in 11 industrial properties comprising approximately 2.2 million square feet of GLA. The properties purchased by the December 2001 Joint Venture were purchased from the Company. The Company deferred 15% of the gain resulting from these sales which is equal to the Company's economic interest in the December 2001 Joint Venture.

MORTGAGE LOANS PAYABLE

In January 2002, the Company purchased approximately \$.8 million of U.S. Government securities as substitute collateral to execute a legal defeasance of approximately \$.8 million of the 1995 Mortgage Loan. The terms of the legal defeasance require the Mortgage Partnership to use the gross proceeds from the maturities of the U.S. Government securities to pay down and subsequently retire the defeased portion of the 1995 Mortgage Loan in January 2003. The Company is carrying the defeased portion of the 1995 Mortgage Loan on its balance sheet until it pays down and retires the defeased portion of the 1995 Mortgage Loan in January 2003. Upon the execution of the legal defeasance, one of the 21 properties collateralizing the 1995 Mortgage Loan was released and subsequently sold.

MARKET RISK

The following discussion about the Company's risk-management activities includes "forward-looking statements" that involve risk and uncertainties. Actual results could differ materially from those projected in the forward-looking statements.

This analysis presents the hypothetical gain or loss in earnings, cash flows or fair value of the financial instruments and derivative instruments which are held by the Company at March 31, 2002 that are sensitive to changes in the interest rates. While this analysis may have some use as a benchmark, it should not be viewed as a forecast.

In the normal course of business, the Company also faces risks that are either non-financial or non-quantifiable. Such risks principally include credit risk and legal risk and are not represented in the following analysis.

At March 31, 2002, \$1,210.5 million (approximately 89.3% of total debt at March 31, 2002) of the Company's debt was fixed rate debt (included in the fixed rate debt is \$75.0 million of borrowings under the Company's 2000 Unsecured Acquisition Facility which the Company fixed the interest rate via interest rate swap agreements) and \$144.5 million (approximately 10.7% of total debt at March 31, 2002) was variable rate debt. The Company also has outstanding a written put option (the "Written Option") which was issued in conjunction with the initial offering of one tranche of senior unsecured debt as well as interest rate protection agreements with a notional value of \$100 million which fixed the interest rate

on a forecasted offering of unsecured debt (the "Treasury Locks"). Currently, the Company does not enter into financial instruments for trading or other speculative purposes.

For fixed rate debt, changes in interest rates generally affect the fair value of the debt, but not earnings or cash flows of the Company. Conversely, for variable rate debt, changes in the interest rate generally do not impact the fair value of the debt, but would affect the Company's future earnings and cash flows. The interest rate risk and changes in fair market value of fixed rate debt generally do not have a significant impact on the Company until the Company is required to refinance such debt. See Note 4 to the consolidated financial statements for a discussion of the maturity dates of the Company's various fixed rate debt.

Based upon the amount of variable rate debt outstanding at March 31, 2002, a 10% increase or decrease in the interest rate on the Company's variable rate debt would decrease or increase, respectively, future net income and cash flows by approximately \$.5 million per year. A 10% increase in interest rates would decrease the fair value of the fixed rate debt at March 31, 2002 by approximately \$50.4 million to \$1,143.9 million. A 10% decrease in interest rates would increase the fair value of the fixed rate debt at March 31, 2002 by approximately \$55.6 million to \$1,249.9 million. A 10% increase in interest rates would decrease the fair value of the Written Option at March 31, 2002 by approximately \$1.8 million to \$3.4 million. A 10% decrease in interest rates would increase the fair value of the Written Option at March 31, 2002 by approximately \$2.5 million to \$7.7 million. The Company settled the Treasury Locks on April 5, 2002 for proceeds of approximately \$2.3 million.

ISSUANCE OF RESTRICTED STOCK AND EMPLOYEE STOCK OPTIONS

During the three months ended March 31, 2002, the Company awarded 90,260 shares of restricted common stock to certain employees and 965 shares of restricted common stock to certain Directors. These shares of restricted common stock had a fair value of approximately \$3.1 million on the date of grant. The restricted common stock vests over periods from one to ten years. Compensation expense will be charged to earnings over the respective vesting periods.

During the three months ended March 31, 2002, the Company issued 870,600 non-qualified employee stock options to certain officers, Directors and employees of the Company. These non-qualified employee stock options vest over periods from one to three years, have a strike price of \$30.53 per share and expire ten years from the date of grant.

COMMON STOCK

During the three months ended March 31, 2002, certain employees of the Company exercised 354,953 non-qualified employee stock options. Net proceeds to the Company were approximately \$10.1 million.

DIVIDENDS/DISTRIBUTIONS

On January 22, 2002, the Company and the Operating Partnership paid a fourth quarter 2001 distribution of \$.6800 per common share/Unit, totaling approximately \$31.2 million.

SUBSEQUENT EVENTS

From April 1, 2002 to May 3, 2002, the Company acquired 11 industrial properties for an aggregate purchase price of approximately \$45.2 million, excluding costs incurred in conjunction with the acquisition of these industrial properties. The Company also sold one industrial property for approximately \$20.9 million of gross proceeds.

On April 1, 2002, the Company paid first quarter preferred stock dividends of \$54.688 per share (equivalent to \$.54688 per Depositary Share) on its Series B Preferred Stock, \$53.906 per share (equivalent

to \$.53906 per Depositary Share) on its Series C Preferred Stock, \$49.687 per share (equivalent to \$.49687 per Depositary Share) on its Series D Preferred Stock and \$49.375 per share (equivalent to \$.49375 per Depositary Share) on its Series E Preferred Stock. The preferred stock dividends paid on April 1, 2002 totaled, in the aggregate, approximately \$7.2 million.

On April 12, 2002, the Company called for the redemption of all of its outstanding Series B Preferred Stock at the price of \$25.00 per share, plus accrued and unpaid dividends. The redemption date will be May 14, 2002.

On April 15, 2002, the Company, through the Operating Partnership, issued \$200.0 million of senior unsecured debt which matures on April 15, 2012 and bears a coupon interest rate of 6.875% (the "2012 Notes"). The issue price of the 2012 Notes was 99.310%. Interest is paid semi-annually in arrears on October 15 and April 15. The Company also entered into interest rate protection agreements which were used to fix the interest rate on the 2012 Notes prior to issuance. The Company settled the interest rate protection agreements for approximately \$1.8 million of proceeds which will be included in other comprehensive income. The debt issue discount and the settlement amount of the interest rate protection agreements are being amortized over the life of the 2012 Notes as an adjustment to interest expense. The 2012 Notes contain certain covenants including limitations on incurrence of debt and debt service coverage.

On April 15, 2002, the Company, through the Operating Partnership, issued \$50.0 million of senior unsecured debt which matures on April 15, 2032 and bears a coupon interest rate of 7.75% (the "2032 Notes"). The issue price of the 2032 Notes was 98.660%. Interest is paid semi-annually in arrears on October 15 and April 15. The debt issue discount is being amortized over the life of the 2032 Notes as an adjustment to interest expense. The 2032 Notes contain certain covenants including limitations on incurrence of debt and debt service coverage.

On April 15, 2002, the Company received redemption notices from holders representing \$84.9 million of the 2027 Notes outstanding. The redemption notices require the Company to payoff and retire \$84.9 million of the 2027 Notes on May 15, 2002.

On April 22, 2002, the Company and the Operating Partnership paid a first quarter 2002 dividend/distribution of \$.6800 per common share/Unit, totaling approximately \$31.5 million.

SHORT-TERM AND LONG-TERM LIQUIDITY NEEDS

The Company has considered its short-term (one year or less) liquidity needs and the adequacy of its estimated cash flow from operations and other expected liquidity sources to meet these needs. The Company believes that its principle short-term liquidity needs are to fund normal recurring expenses, debt service requirements and the minimum distribution required to maintain the Company's REIT qualification under the Internal Revenue Code. The Company anticipates that these needs will be met with cash flows provided by operating activities.

The Company expects to meet long-term (greater than one year) liquidity requirements such as property acquisitions, developments, scheduled debt maturities, major renovations, expansions and other nonrecurring capital improvements through the disposition of select assets, long-term unsecured indebtedness and the issuance of additional equity securities. As of March 31, 2002, \$589.2 million of common stock, preferred stock and depositary shares and \$500.0 million of debt securities were registered and unissued under the Securities Act of 1933, as amended. As of May 3, 2002, \$589.2 million of common stock, preferred stock and depositary shares and \$250.0 million of debt securities were registered and unissued under the Securities Act of 1933, as amended. The Company also may finance the development or acquisition of additional properties through borrowings under the 2000 Unsecured Acquisition Facility. At March 31, 2002, borrowings under the 2000 Unsecured Acquisition Facility bore interest at a weighted average interest rate of 3.31%. The 2000 Unsecured Acquisition Facility bears interest at a floating rate of LIBOR plus ...80%, or the Prime Rate, at the Company's election. As of May 3, 2002, the

Company had approximately \$297.8 million available for additional borrowings under the 2000 Unsecured Acquisition Facility.

OTHER

On April 30, 2002, the FASB issued Financial Accounting Standards No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections" ("FAS 145"). FAS 145 rescinds both Statement of Financial Accounting Standards No. 4, "Reporting Gains and Losses from Extinguishment of Debt" ("FAS 4"), and the amendment to FAS 4, Statement of Financial Accounting Standards No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements". FAS 145 eliminates the requirement that gains and losses from the extinguishment of debt be aggregated and, if material, classified as an extraordinary item, net of the related income tax effect, unless the criteria in Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations- Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" are met. FAS 145 is effective for transactions occurring subsequent to May 15, 2002. The Company is currently assessing the impact of FAS 145 on its consolidated financial position, liquidity, and results of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Response to this item is included in Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" above.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS
None.

ITEM 2. CHANGES IN SECURITIES
None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES
None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS
None.

ITEM 5. OTHER INFORMATION
Not Applicable.

ITEM 6. EXHIBITS AND REPORT ON FORM 8-K

a) Exhibits:

Exhibit Number	Description
10.1*	Employment Agreement, dated March 31, 2002, between First Industrial Realty Trust, Inc. and Michael J. Havala
10.2*	Employment Agreement, dated March 31, 2002, between First Industrial Realty Trust, Inc. and Johannson L. Yap
10.3*	Employment Agreement, dated March 25, 2002, between First Industrial Realty Trust, Inc. and David P. Draft

b) Report on Form 8-K:
None.

* Filed herewith.

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The Company has prepared supplemental financial and operating information which is available without charge upon request to the Company, or please visit our website at www.firstindustrial.com. Please direct requests as follows:

First Industrial Realty Trust, Inc.
311 S. Wacker, Suite 4000
Chicago, IL 60606
Attention: Investor Relations

SIGNATURE

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.

FIRST INDUSTRIAL REALTY TRUST, INC.

Date: May 9, 2002

By: /s/ Scott A. Musil

Scott A. Musil
Senior Vice President- Controller
(Chief Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Description
10.1*	Employment Agreement, dated March 31, 2002, between First Industrial Realty Trust, Inc. and Michael J. Havala
10.2*	Employment Agreement, dated March 31, 2002, between First Industrial Realty Trust, Inc. and Johansson L. Yap
10.3*	Employment Agreement, dated March 25, 2002, between First Industrial Realty Trust, Inc. and David P. Draft

* Filed herewith.

MICHAEL J. HAVALA
EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), is made and entered into as of the 31st day of March, 2002 (the "Effective Date"), by and between First Industrial Realty Trust, Inc., a Maryland corporation (the "Employer"), and Michael J. Havala (the "Executive").

RECITALS

A. The Employer desires to employ the Executive as an officer of the Employer for a specified term.

B. The Executive is willing to accept such employment, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements hereinafter contained, it is covenanted and agreed by and between the parties hereto as follows:

AGREEMENTS

1. TERM WITH AUTOMATIC RENEWAL PROVISIONS. THE EXECUTIVE'S EMPLOYMENT HEREUNDER SHALL BE FOR A CONTINUOUS AND SELF-RENEWING TWO (2) YEAR "EVERGREEN" TERM (CALCULATED ON A DAY TO DAY BASIS), COMMENCING AS OF THE EFFECTIVE DATE, UNLESS SOONER TERMINATED AT ANY TIME BY EITHER PARTY, WITH OR WITHOUT CAUSE, SUCH TERMINATION TO BE EFFECTIVE AS OF THIRTY (30) DAYS AFTER WRITTEN NOTICE TO THAT EFFECT IS DELIVERED TO THE OTHER PARTY. NOTWITHSTANDING THE PRECEDING PROVISIONS OF THIS SECTION 1, THE TERM OF THIS AGREEMENT SHALL, IF NOT PREVIOUSLY TERMINATED, EXPIRE OF ITS OWN ACCORD, AND WITHOUT NOTICE TO OR FROM EITHER PARTY, ON THE SEVENTIETH (70TH) BIRTHDAY OF THE EXECUTIVE ("RETIREMENT DATE").

2. POSITION AND DUTIES. The Employer hereby employs the Executive as Chief Financial Officer of the Employer, or in such other comparable or other capacity as shall be mutually agreed between the Employer and the Executive by amendment of this Agreement. During the period of the Executive's employment hereunder, the Executive shall devote his best efforts and full business time (excluding any periods of disability, vacation, sick leave or other leave to which the Executive is entitled), energy, skills and attention to the business and affairs of the Employer, on an exclusive basis. The Executive's duties and authority shall consist of and include all duties and authority customarily performed and held by persons holding equivalent positions with real estate investment trusts ("REIT's") similar in nature and size to the Employer, as such duties and authority are reasonably defined, modified and delegated from time to time by the Chief Executive Officer of the Employer (the "CEO"). The Executive shall have the powers necessary to perform the duties assigned to him, and shall be provided such supporting services, staff, secretarial and other assistance, office space and accouterments as shall be reasonably necessary and appropriate in light of such assigned duties, as determined by the CEO, but in any event shall be no less favorable to the Executive than such supporting services, assistance, office

space and accouterments provided to other Senior Headquarters Executives (as defined in Section 3(c) below) of the Employer.

3. COMPENSATION. As compensation for the services to be provided by the Executive hereunder, the Executive shall receive the following compensation and other benefits:

(a) BASE SALARY. The Executive shall receive a minimum aggregate annual "Base Salary" at the rate of Two Hundred and Eighty-four Thousand Dollars (\$284,000) per annum, payable in periodic installments in accordance with the regular payroll practices of the Employer. Such Base Salary shall, during the term hereof, be subject to discretionary increase (but not decrease), on an annual fiscal year basis, as recommended by the CEO and approved by the Compensation Committee of the Board of Directors of the Employer (the "Compensation Committee"), in accordance with the Employer's compensation policies, as they may be established from time to time. After any such increase, "Base Salary" shall refer to the increased amount and shall not thereafter be reduced.

(b) PERFORMANCE BONUS. The Executive may receive an annual "Performance Bonus," payable within sixty (60) days after the end of the fiscal year of the Employer. The amount (if any) of and the form of the entitlements (i.e., cash, equity-based awards, or a combination of cash and equity-based awards) comprising any annual Performance Bonus shall be as recommended by the CEO and approved by the Compensation Committee in its sole discretion; shall not be subject to any minimum or guaranteed amount; and shall be generally based on a combination of company-wide and individual performance criteria. The Executive's "Maximum Bonus Percentages" and "Maximum Performance Bonus" are set forth in Exhibit A to this Agreement and the Executive's "Maximum Cash Performance Bonus" for any fiscal year shall be his Base Salary for such year multiplied by the Maximum Bonus Percentage for the Cash Bonus Component of the Performance Bonus as set forth in Exhibit A. Prior to January 1 of each calendar year, the Executive shall provide the CEO with a written "Personal Achievement Plan" that sets forth the Executive's individual performance goals for such calendar year, which goals shall reflect and be consistent with the Employer's then-current business plan. Whether all or any of the individual elements of the Executive's Personal Achievement Plan are achieved during the year shall guide, but shall not bind, the CEO in making his recommendation of the amount of the Executive's Performance Bonus. For purposes of this Agreement, the term "Cash Performance Bonus" shall mean that component of the Performance Bonus paid or payable in cash.

(c) BENEFITS. The Executive shall be entitled to participate in all plans and benefits that may be from time to time accorded to all, and not simply any one of, the Executive, the Employer's Chief Investment Officer, and the Employer's Executive Vice President-Operations (collectively, the "Senior Headquarters Executives") and shall receive supplemental life and disability insurance coverages comparable (as a percentage of Base Salary) to those received by the CEO, all as determined from time to time by the CEO and approved (if necessary) by the Compensation Committee of the Board. In addition to the foregoing perquisites, plans and benefits, commencing in fiscal 2002, the Executive shall receive an annual allowance of two thousand seven hundred and fifty-six dollars (\$2,756) for personal financial planning and personal income tax preparation, which allowance shall (i) be paid no later than

March 30 of each year and (ii) increase five percent (5%) per annum (on a compounded basis), commencing as of the allowance payment due on or before March 30, 2003.

(d) VACATIONS. The Executive shall be entitled to annual vacations in accordance with the vacation policy of the Employer, which vacations shall be taken at a time or times mutually agreeable to the Employer and the Executive; provided, however, that the Executive shall be entitled to at least four (4) weeks of paid vacations annually.

(e) WITHHOLDING. The Employer shall be entitled to withhold, from amounts payable to the Executive hereunder, any federal, state or local withholding or other taxes or charges which, from time to time, it is required to withhold. The Employer shall be entitled to rely upon the advice and counsel of its independent accountants with regard to any question concerning the amount or requirement of any such withholding.

4. TERMINATION.

(a) PREMATURE TERMINATION WITHOUT NOTICE. Notwithstanding Section 1 hereof, the Employer may terminate the Executive's employment on an immediate basis and without notice, in an emergency circumstance, when reasonably necessary to preserve or protect the Employer's interests; and in the case of such an immediate termination, the Employer shall pay the Executive one (1) month's Base Salary in addition to any other amounts then due to the Executive as a result of the termination (it being understood that the applicable termination-based amount then due shall be determined based on the Section of this Agreement pursuant to which the Executive's employment is terminated). In the event that the circumstances giving rise to an emergency termination give rise to payment of a Severance Amount that includes a prorated Cash Performance Bonus for the then-current year, then such Cash Performance Bonus shall be prorated as if the Executive had remained employed by the Employer for an additional period of thirty (30) days beyond the date of actual immediate emergency termination of his employment as described above.

(b) VOLUNTARY TERMINATION BY EXECUTIVE. In the event that the Executive voluntarily terminates his employment under this Agreement, other than pursuant to Section 4(c) (Constructive Discharge) or 4(g) (Change in Control), then the Employer shall only be required to pay to the Executive such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the effective date of the termination, and the Employer shall not be obligated to pay any Performance Bonus for the then-current fiscal year, or have any further obligations whatsoever to the Executive, other than payment of any Performance Bonuses previously approved by the Compensation Committee for any prior fiscal year(s) that remain unpaid, reimbursement of previously approved expenses, any amounts or rights vested pursuant to the Scheduled Benefits [as defined in Section 10(b) hereof], and any amounts or rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

(c) CONSTRUCTIVE DISCHARGE. If, at any time during the term of this Agreement, the Executive is Constructively Discharged (as hereinafter defined), then the Executive shall have the right, by written notice to the Employer given within thirty (30) days

after such Constructive Discharge, which notice shall specify the grounds for such Constructive Discharge, to terminate his employment hereunder, effective as of fifteen (15) days after such notice, and the Executive shall have no further obligations under this Agreement except as specified in Sections 5 and 6. The Executive shall in such event receive from the Employer the Severance Amount and other entitlements described and defined in subparagraph (f) of this Section 4. Notwithstanding the foregoing, if the Executive is Constructively Discharged on or within one (1) year after the occurrence of an event constituting a Change in Control Event [as defined in subparagraph (g) of this Section 4], then the Executive shall receive the Change in Control Severance Amount [as defined in subparagraph (g) of this Section 4] in lieu of the Severance Amount that would otherwise be paid in respect of a Constructive Discharge under this Section 4(c), and such termination shall also be deemed a Change in Control Termination for purposes of Section 6 of this Agreement.

For purposes of this Agreement, the Executive shall be deemed to have been "Constructively Discharged" upon the occurrence of any one of the following events:

(i) The Executive shall be removed from the position with the Employer set forth in Section 2 hereof, by the CEO or the Board, other than as a result of the Executive's appointment to a position of comparable or superior authority and responsibility, or other than for Cause, subject, however, to the following caveats and exclusions, none of which shall constitute a Constructive Discharge: (A) the Employer shall be permitted to broaden and expand the Executive's responsibilities, whether in the same or different position; (B) the Employer may, in connection with Executive's disability as described in Section 4(e), appoint Executive to the position that is both (x) related to the position set forth in Section 2 hereof and (y) the next highest position then available with the Employer that the Executive is physically and professionally qualified to perform at the time of such appointment (the "Substitute Position"); and (C) the Employer may reduce the Executive's Base Salary to a level that is not less than the greater of (y) the minimum Base Salary established for fiscal year 2002 as set forth in Section 3(a) hereof and (z) eighty-five percent (85%) of the Executive's then-current Base Salary, provided that such reduction occurs generally concurrently with, and as a component of, a comprehensive reduction of Base Salaries (or reduction in number) of the other Senior Headquarters Executives then employed by Employer, and provided that, in the context of a general pay reduction, Executive's Base Salary reduction is reasonably comparable to that imposed on the other Senior Headquarters Executives; it being specifically understood and agreed that none of the events described in (A), (B), and (C) above shall constitute a "Constructive Discharge" hereunder; or

(ii) The Executive shall fail to be vested by the Employer with the powers, authority and support services customarily attendant to said office within the REIT industry, other than for Cause and other than due to financial constraints applicable to the Employer resulting in a generalized reduction of support services within the Employer; or

(iii) The Employer shall formally notify the Executive, in writing, that the employment of the Executive will be terminated (other than for Cause) or materially modified (other than for Cause) in the future, or that the Executive will be Constructively Discharged in the future; or

(iv) The Employer shall change the primary employment location of the Executive to a place that is more than fifty (50) miles from the primary employment location as of the Effective Date of this Agreement, other than in connection with a general relocation of the headquarters office (or staff) of the Employer; or

(v) The Employer shall commit a material breach of its obligations under this Agreement, which it shall fail to cure or commence to cure within thirty (30) days after receipt of written notice thereof from the Executive.

(d) PAYMENTS UPON DEATH. This Agreement shall terminate upon the death of the Executive. Upon the Executive's death and the resulting termination of this Agreement, the Employer shall only be obligated to pay such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the date of death plus seventy-five percent (75%) of his "Maximum Cash Performance Bonus," as set forth in Exhibit A to this Agreement, for the then-current year as described in Section 3(b), such Cash Performance Bonus to be prorated through the date of death on a strict per diem basis, and the Employer shall not have any further obligations to the Executive (other than payment of any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid, reimbursement of previously approved expenses, any amounts or rights vested pursuant to the Scheduled Benefits), and any amounts or rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of ERISA. The amount that the Employer shall be obligated to pay upon the Executive's death shall be delivered to such beneficiary, designee or fiduciary as Executive may have designated in writing or, failing such designation, to the executor or administrator of his estate, in full settlement and satisfaction of all claims and demands on behalf of the Executive. Such payments shall be in addition to such other death benefits of the Employer as shall have been made available for the benefit of the Executive, and in full settlement and satisfaction of all payments provided for in this Agreement. The Employer and the Executive agree that the Employer shall maintain, at all times during the term of this Agreement, such supplemental life insurance for the benefit of the Executive as is set forth in Section 3(c) hereof.

(e) PAYMENTS UPON DISABILITY. In the event of the Executive's "disability" (as defined below), the Employer, acting reasonably and in good faith, may determine whether or not the basis for, or the cause of, the Executive's disability is work-related.

(i) If the Employer determines that the basis for, or the cause of, the Executive's disability is not work-related, the Employer may deliver a written notice to the Executive advising of the Employer's election to terminate the Employee's employment, in which case the subject of, and the basis for, the termination shall be the Executive's disability; and upon delivery of such termination notice, the Executive's employment shall be terminated. Upon the termination of the Executive's employment under this Section 4(e)(i), the Employer shall only be obligated to pay to the Executive such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the effective date of termination, and the Employer shall not have any further obligations to the Executive (other than payment of any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid, reimbursement of previously approved expenses, any amounts or rights vested pursuant to the Scheduled Benefits, and any amounts or

rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of ERISA).

(ii) If the basis for, or the cause of, the Executive's disability is "work-related" (as defined below), then the Employer shall, at the CEO's election, either (A) terminate the Executive's employment and pay him the Severance Amount [as defined in subparagraph (f) of this Section 4], in thirty-six (36) equal monthly installments commencing within thirty (30) days after the Executive's employment is terminated under this Section 4(e); or (B) appoint and reassign the Executive to a Substitute Position, as defined in subparagraph (c)(i) of this Section 4, with an adjustment in Base Salary (and Performance Bonus targets) to levels then attributable to that Substitute Position, and such appointment and reassignment shall not constitute a Constructive Discharge under subparagraph (c) of this Section 4. In the event of an adjustment in Performance Bonus targets due to reassignment based on disability, the Performance Bonus for the then-expired portion of the then-current fiscal year as of such reassignment shall be paid to Executive, when otherwise due following the termination of such fiscal year, based on a per diem proration of seventy-five percent (75%) of the Maximum Cash Performance Bonus for Executive's pre-disability position, prorated through the date of reassignment. If the Executive declines the Substitute Position, then the Executive shall be deemed to have voluntarily terminated his employment pursuant to subparagraph (b) of this Section 4, and he shall be entitled to no Severance Amount or other entitlements other than those enumerated in Section 4(b) hereof.

(iii) For purposes hereof, the Executive's "disability" shall be deemed to be "work-related" if the disability is either (A) a result of an accident or incident that would entitle the Executive to workers' compensation benefits under the Illinois Workers' Compensation Act, as amended, if such benefits were sought by the Executive; or (B) a result of an injury sustained at and during an Employer-sponsored function or event, which function or event is conducted for business, rather than recreational, purposes (e.g. an annual retreat that the Executive is required to attend, and at which both business meetings and recreational activities are conducted, with the Executive required to participate in all such activities, rather than a company picnic to which the Executive is invited and at which the Executive elects to participate in Employer-sponsored recreational activities).

(iv) For purposes hereof, "disability" shall mean the Executive's inability, as a result of physical or mental incapacity, substantially to perform his duties hereunder for a period of either six (6) consecutive months, or one hundred twenty (120) business days within a consecutive twelve (12) month period. In the event of a dispute regarding the Executive's "disability," or whether the basis for, or the cause of, the disability is "work-related," such dispute shall be resolved through arbitration as provided in subparagraph (d) of Section 10 hereof, except that the arbitrator appointed by the American Arbitration Association shall be a duly licensed medical doctor.

(v) The Executive shall be entitled to the compensation and benefits provided under this Agreement during any period of incapacitation occurring during the term of this Agreement prior to the establishment of the Executive's "disability" and subsequent termination of his employment.

(vi) The Employer and the Executive agree that the Employer shall maintain, at all times during the term of this Agreement, such supplemental disability insurance for the benefit of the Executive as is set forth in Section 3(c) hereof.

(vii) During the period that the monthly payments are made under subparagraph (ii) above, such payments shall be reduced by the amount of the monthly disability payments made under the supplemental disability insurance maintained by the Employer for the benefit of the Executive as is set forth in Section 3(c) hereof.

(f) PAYMENTS UPON TERMINATION WITHOUT CAUSE OR THROUGH CONSTRUCTIVE DISCHARGE. In the event of the termination of the employment of the Executive under this Agreement: (y) by the Employer "Without Cause," meaning for any reason other than in accordance with the provisions of subparagraph (d) (death), subparagraph (e) (disability), subparagraph (g) (Change in Control) or subparagraph (i) (for Cause) of this Section 4; or (z) by the Executive pursuant to a Constructive Discharge under subparagraph (c) of this Section 4; then notwithstanding any actual or allegedly available alternative employment or other mitigation of damages by (or which may be available to) the Executive, the Employer shall provide Executive with the following entitlements:

(i) The Employer shall, within thirty (30) days of termination of employment, pay to the Executive, subject to the "Age-Based Adjustments" provided and defined in Section 4(h) below, a "Severance Amount" equal to the sum of:

- (A) three (3) times the then-current annual amount of his Base Salary; plus
- (B) seventy-five percent (75%) of his Maximum Cash Performance Bonus for the then-current year as described in Section 3(b), such Cash Performance Bonus to be prorated through the date of termination on a strict per diem basis. In addition, if the Performance Bonus for the fiscal year immediately preceding the year in which such termination of employment occurs shall not have been determined by the Compensation Committee as of the date of such termination, then the Compensation Committee shall, within thirty (30) days following such termination, make such determination for the preceding year, subject to the provision that the amount so determined shall not be less than seventy-five percent (75%) of the Maximum Performance Bonus established for such preceding year.

(ii) The Employer shall also:

- (A) notwithstanding the vesting schedule otherwise applicable, fully vest Executive's options, other than options that may by their terms vest upon or be subject to the attainment of

any individual or company-wide performance criteria (e.g., and without limitation, Consolidated Incentive Program options), outstanding under the First Industrial Realty Trust, Inc. 1994 Stock Incentive Plan, the First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan, the First Industrial Realty Trust, Inc. 2001 Stock Incentive Plan and any similar plan subsequently adopted by the Employer (collectively referred to herein as the "SIP Options"), and awards outstanding under the First Industrial Realty Trust, Inc. Deferred Income Plan ("DIP Awards"), effective as of the date of termination;

- (B) notwithstanding the terms of the grant or award documentation, release and eliminate all unexpired transfer and encumbrance restrictions otherwise applicable to any restricted stock owned by the Executive, effective as of the date of termination;
- (C) allow a period of eighteen (18) months following the termination of employment for the Executive to exercise any such SIP Options; and
- (D) continue for the Executive his health insurance coverage, whether single or family, so as to provide a scope of coverage comparable to that which was in effect as of the date of termination, for a period of three (3) years following such termination or until such time as substitute health insurance coverage with comparable benefits is available to him at a cost comparable to that borne by him under the Employer's policy, by virtue of other employment or family members' insurance benefits secured or made available after termination.

(iii) The entitlements described in this subparagraph (f) shall be in addition to the payment of such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the effective date of termination, and the payment of any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid, reimbursement of previously approved expenses, any amounts or rights vested pursuant to the Scheduled Benefits, and any amounts or rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of ERISA.

(iv) Payment to the Executive of the Severance Amount and those items enumerated in subparagraph (iii) above will be made in a single lump sum within thirty (30) days after a termination effectuated by the Employer Without Cause or by the Executive based on Constructive Discharge.

(g) CHANGE IN CONTROL.

(i) In the event of a Change in Control (as defined below) of the Employer resulting in or associated with (as, when and to the extent herein provided) the termination of the Executive's employment which is undertaken at the initiative of either (y) the Employer under subparagraph (g)(ii)(A) below, or (z) the Executive, under subparagraph (g)(ii)(B) below ("Change in Control Termination"), the following entitlements shall become operative:

- (A) The Executive shall be entitled to receive a "Change in Control Severance Amount" equal to the sum of the following amounts:
- (1) two (2) times the then-current annual amount of his Base Salary; plus
 - (2) his Maximum Cash Performance Bonus for the then-current fiscal year as described in Section 3(b), prorated through the date of termination on a strict per diem basis; plus
 - (3) if the Performance Bonus for the fiscal year immediately preceding the year in which the Change in Control Termination occurs shall not have been determined by the Compensation Committee as of the date of such termination, then the Compensation Committee shall, within thirty (30) days following such termination, make such determination for the preceding year and such amount shall be paid to the Executive hereunder, subject to the provision that the amount so determined shall not be less than seventy-five percent (75%) of the Maximum Performance Bonus established for such preceding year, and; provided further, that if, as of the date of such termination, First Industrial Realty Trust, Inc.'s Compensation Committee does not make the determination required by this subparagraph (3), then the amount payable pursuant to this subparagraph shall not be less than seventy-five percent (75%) of the Maximum Performance Bonus established for such preceding year; plus
 - (4) a "Double Historical Average Cash Bonus," which shall be calculated as follows: first, there will be a computation of the average of the percentages of his

Maximum Cash Performance Bonus paid (or that have been declared, but remain unpaid, as of the date of a Change in Control Termination) as annual Cash Performance Bonuses for the two (2) immediately preceding fiscal years of the Employer ("Historical Average Cash Bonus Percentage"); second, the Historical Average Cash Bonus Percentage will then be multiplied by his Maximum Cash Performance Bonus Percentage attributable to the year of his Change in Control Termination, with the resulting percentage thereby derived being his "Change in Control Bonus Percentage"; third, the Change in Control Bonus Percentage shall be multiplied by his Base Salary as of the date of his Change in Control Termination, with the resulting product being his "Historical Average Cash Bonus"; and fourth, his Historical Average Cash Bonus is multiplied by two (2), with the resulting product being his "Double Historical Average Cash Bonus." See Example #1 on Exhibit C hereto for a mathematical example of the preceding calculation. Notwithstanding the immediately preceding sentence and Example #1 on Exhibit C, in the event that (i) the Cash Performance Bonus paid for either of the two (2) fiscal years immediately preceding a Change in Control Termination is less than 100% of the Maximum Cash Performance Bonus Percentage for such fiscal year, and (ii) an equity-based Performance Bonus having a stated aggregate value as of issuance of \$100,000 or more was granted to the Executive in respect of such years (such year in which (i) and (ii) occur thereby constituting a "Deficient Bonus Year"), then for purposes of calculating the Double Historical Average Cash Bonus component of the Change in Control Severance Amount, the minimum Cash Bonus Percentage for any Deficient Bonus Year (or Years) will be 100%. See Example #2 on Exhibit C hereto for a mathematical example of the immediately preceding calculation. If, as of a Change in Control Event, the Executive has not received (or had declared by the Compensation Committee) two Historical Cash Performance Bonuses with respect to, and while holding, the position set forth in Section 2, then the percentage of Maximum Cash

Performance Bonus used to calculate the Historical Cash Bonus Percentages shall be the percentage of Maximum Cash Performance Bonus paid to Executive's predecessor with respect to the particular position set forth in Section 2 during that portion of the two (2) preceding fiscal years of the Employer during which Executive did not hold the requisite position, subject to a minimum percentage of 100% for any Deficient Bonus Year arising on the basis of his predecessor's compensation history.

- (B) The Employer shall also provide the following entitlements to the Executive:
- (1) notwithstanding the vesting schedule otherwise applicable, the Employer shall fully vest Executive's options, other than options that may by their terms vest upon or be subject to the attainment of any individual or company-wide performance criteria (e.g., and without limitation, Consolidated Incentive Program options), outstanding under the First Industrial Realty Trust, Inc. 1994 Stock Incentive Plan, the First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan, the First Industrial Realty Trust, Inc. 2001 Stock Incentive Plan and any similar plan subsequently adopted by the Employer (collectively referred to herein as the "SIP Options"), and awards outstanding under the First Industrial Realty Trust, Inc. Deferred Income Plan ("DIP Awards"), effective as of date of the Change in Control Termination;
 - (2) notwithstanding the terms of the grant or award documentation, the Employer shall release and eliminate all unexpired transfer and encumbrance restrictions otherwise applicable to any restricted stock owned by the Executive, effective as of date of the Change in Control Termination;
 - (3) the Employer shall allow a period of eighteen (18) months following the termination of employment for the Executive to exercise any such SIP Options; and
 - (4) the Employer shall continue for the Executive his health insurance coverage, whether single or family,

in effect as of the date of termination for three (3) years following such termination or until such time as substitute health insurance with comparable benefits is available to him at a cost comparable to that borne by him under the Employer's policy, by virtue of other employment or family members' insurance benefits secured or made available after termination.

(C) The Change in Control Severance Amount shall:

- (1) be reduced by any amount paid or otherwise payable to the Executive pursuant to Sections 4(c) (Constructive Discharge), 4(e) (disability) or 4(f) (termination by Employer without Cause); and
- (2) be in addition to: such current Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid as of the effective date of termination; the payment of amounts any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid; reimbursement of previously approved or otherwise authorized expenses; any amounts or rights theretofore vested pursuant to the Scheduled Benefits; and any amounts or rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of ERISA.

(D) The Change in Control Severance Amount will be paid in a single lump sum, on (I) the date of the Change in Control Event, if the Executive's employment is in fact terminated concurrent with the Change in Control Event [or was terminated by the Employer prior to the Change in Control Event so as to give rise to a Change in Control Severance Amount entitlement as of the Change in Control Event, pursuant to subparagraph (ii)(A) below]; or (II) within thirty (30) days after the Executive terminates his employment following a Change in Control Event under subparagraph (ii)(B) below.

(ii) The following (and only the following) events shall constitute a Change in Control Termination under this subparagraph (g):

- (A) Executive's employment is terminated by the Employer (or its successor) for any reason other than for Cause or due to death or disability, within either of the respective three hundred sixty-five (365) day periods either preceding or following the event constituting a Change in Control; or
- (B) The Executive terminates his employment under this Agreement upon and through written notice given to the Employer within thirty (30) days after the occurrence of a "Triggering Circumstance," as defined and described below, such right of termination to exist only if (x) the Triggering Circumstance described in (i) or (ii) below occurs within a period of three hundred sixty-five (365) days following a Change in Control Event; or (y) either of the Triggering Circumstances described in (iii) or (iv) below occurs within a period of seven hundred thirty (730) days [subject to extension for (iii) as set forth below] following a Change in Control Event. The following

shall constitute "Triggering Circumstances" hereunder, entitling the Executive to terminate his employment following a Change in Control Event and receive a Change in Control Severance Amount: (i) the Change in Control Event gives rise to a change in employment circumstances that would otherwise constitute a Constructive Discharge; (ii) the Change in Control Event results in a relocation of the Executive's primary place of employment to a location that is more than fifty (50) miles from his primary employment location with Employer as of the Effective Date of this Agreement, even if such relocation is pursuant to a general merger-induced or other general headquarters office relocation and would, in the absence of a Change in Control Event, not constitute a Constructive Discharge hereunder; (iii) the Company (or its successor), following the Change in Control Event, pays Cash Performance Bonuses to the Executive, attributable to either of those two (2) certain fiscal years respectively constituting (w) the fiscal year in which the Change in Control Event occurs and (x) the next succeeding fiscal year ("Post-CIC Fiscal Years"), at a level that is less than the greater of (y) the amount equal to the average of the percentages of Base Salary paid as Cash Performance Bonuses for the two (2) fiscal years preceding the Change in Control Event and (z) the amount equal to one hundred percent (100%) of the respective Base Salaries then in place for each of the Post-CIC Fiscal Years [it being understood that the seven hundred thirty (730) day period

for determining whether there is a deficiency in a Cash Performance Bonus for the second of the two (2) Post-CIC Fiscal Years shall be extended as necessary to encompass the date on which the Cash Performance Bonus for the second Post-CIC Fiscal Year is actually paid]; or (iv) the annual Base Salary payable to the Executive for either Post-CIC Fiscal Year is less than the Base Salary in effect as of the occurrence of the Change in Control Event. In addition to the foregoing Triggering Circumstance events described in (i) through (iv) above giving rise to the Executive's right to effectuate a Change in Control Termination, it shall also constitute a Triggering Circumstance, and the Executive shall also be entitled to effectuate such Change in Control Termination if, as of the effective date of a Change in Control Event, the successor employer/acquiring entity does not affirm, in writing, its assumption of the obligations of the Employer under this Agreement, and its agreement to perform such obligations for the benefit of the Executive following the Change in Control Event. Any Change in Control Termination by the Executive shall be effectuated by written notice provided to the Employer or its successor within thirty (30) days following the Executive's actual knowledge of the first occurrence of a Triggering Circumstance which, in the case of (iii) or (iv) above, shall constitute the Executive's receipt of the initial non-conforming Base Salary payment or Cash Performance Bonus payment in question. The failure of the Executive to give a timely notice of termination as hereinabove provided following the occurrence of a Triggering Circumstance shall constitute a waiver of the Executive's right to initiate a Change in Control Termination by reason of such Triggering Circumstance. Executive shall have no right to initiate a Change in Control Termination giving rise to an entitlement to a Change in Control Severance Amount unless a Triggering Circumstance shall have occurred and shall have been acted upon by Executive on a timely basis as hereinabove provided.

(iii) For purposes of this Agreement, the term "Change in Control Event" shall mean the following events:

- (A) The consummation of the acquisition by any person [as such term is defined in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")] of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of forty percent

(40%) or more of the combined voting power embodied in the then-outstanding voting securities of the Employer; or

- (B) The persons who, as of the date hereof, constitute the Employer's Board of Directors (the "Incumbent Directors") cease, in opposition to the Nominating Committee of the Board and as a result of a tender offer, proxy contest, merger or similar transaction or event (as opposed to turnover caused by death or resignation), to constitute at least a majority of the Board, provided that any person becoming a director of the Employer subsequent to the date hereof whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors, or by a Nominating Committee duly appointed by such Incumbent Directors, or by successors of either who shall have become Directors other than as a result of a hostile attempt to change Directors, whether through a tender offer, proxy contest or similar transaction or event shall be considered an Incumbent Director; or
- (C) The consummation of:
- (1) a merger or consolidation of the Employer, if the stockholders of the Employer as constituted in the aggregate immediately before such merger or consolidation do not, as a result of and following such merger or consolidation, own, directly or indirectly, more than seventy-five percent (75%) of the combined voting power of the then outstanding voting securities of the entity resulting from such merger or consolidation in substantially the same proportion as was represented by their ownership of the combined voting power of the voting securities of the Employer outstanding immediately before such merger or consolidation; or
 - (2) a liquidation, sale or other ultimate disposition or transfer of all or substantially all of the total assets of the Employer and its subsidiaries, which shall be deemed to have occurred for purposes of ascertaining when a Change in Control Event has taken place when, as and if the Employer shall have disposed, in a single transaction or set of related transactions, of more than fifty percent (50%) of its and its subsidiaries' total real estate portfolio, pursuant to a declared plan of liquidation, such

percentage of the portfolio to be deemed to have been transferred at such time as the Employer and its Subsidiaries shall have disposed of fifty percent (50%) or more of their properties in relation to overall undepreciated (i.e. cost-based) book value, net operating income or square footage of developed properties.

(iv) Notwithstanding the immediately preceding subparagraph (iii), a Change in Control Event shall not be deemed to occur solely because forty percent (40%) or more of the combined voting power of the then-outstanding securities of the Employer is acquired by:

- (A) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained for employees of the entity; or
- (B) any corporation or other entity which, immediately prior to such acquisition, is substantially owned directly or indirectly by the Employer or by its stockholders in the same proportion as their ownership of stock in the Employer immediately prior to such acquisition.

(v) If it is determined, in the opinion of the Employer's independent accountants, in consultation, if necessary, with the Employer's independent legal counsel, that any Change in Control Severance Amount, either separately or in conjunction with any other payments, benefits and entitlements received by the Executive in respect of a Change in Control Termination hereunder or under any other plan or agreement under which the Executive participates or to which he is a party, would constitute an "Excess Parachute Payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and thereby be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then in such event the Employer shall pay to the Executive a "grossing-up" amount equal to the amount of such Excise Tax, plus all federal and state income or other taxes with respect to the payment of the amount of such Excise Tax, including all such taxes with respect to any such grossing-up amount. If, at a later date, the Internal Revenue Service assesses a deficiency against the Executive for the Excise Tax which is greater than that which was determined at the time such amounts were paid, then the Employer shall pay to the Executive the amount of such unreimbursed Excise Tax plus any interest, penalties and reasonable professional fees or expenses incurred by the Executive as a result of such assessment, including all such taxes with respect to any such additional amount. The highest marginal tax rate applicable to individuals at the time of the payment of such amounts will be used for purposes of determining the federal and state income and other taxes with respect thereto. Employer shall withhold from any amounts paid under this Agreement the amount of any Excise Tax or other federal, state or local taxes then required to be withheld. Computations of the amount of any grossing-up supplemental compensation paid under this subparagraph shall be conclusively made by the Employer's independent accountants, in consultation, if necessary, with the Employer's independent legal

counsel. If, after the Executive receives any gross-up payments or other amount pursuant to this subparagraph (v), the Executive receives any refund with respect to the Excise Tax, the Executive shall promptly pay the Employer the amount of such refund within ten (10) days of receipt by the Executive.

(h) AGE-BASED ADJUSTMENTS. It is recognized and acknowledged that Executive intends and wishes to retire by the Retirement Date, on which date he shall have attained the age of seventy (70), which shall be the mandatory retirement age for senior management of the Employer. This Agreement shall accordingly terminate, on an automatic basis, as provided in Section 1 above, as of said Retirement Date. In addition, it is mutually acknowledged and agreed that the Severance Amount owed to the Executive in the event of a termination of this Agreement pursuant to Section 4(c) or 4(f) hereof (respectively dealing with Constructive Discharge and termination by Employer without Cause) shall be gradually reduced during the three (3) year pre-retirement transition period preceding the Retirement Date, by being made subject to "Age-Based Adjustments," based on the following schedule:

Age of Executive as of Date of Termination -----	% of Severance Amount Due Per Age-Based Adjustment -----
67	75%
68	50%
69	25%
70	0%

(i) TERMINATION FOR CAUSE. The employment of the Executive under this Agreement may be terminated by the Employer on the basis of "Cause," as hereinafter defined. If the Executive's employment is terminated by the Employer for Cause under this subparagraph (i), then the Employer shall only be obligated to pay to the Executive such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the effective date of termination, but the Employer shall not be required to pay to the Executive any Performance Bonus for the then-current fiscal year, or have any further obligations whatsoever to the Executive, other than any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid; reimbursement for previously approved expenses; and continuation of any amounts or rights vested pursuant to the Scheduled Benefits that remain vested upon and notwithstanding the Executive's termination for Cause, in which event such rights to payment or continuation shall be determined pursuant to the terms of the plans under which such Scheduled Benefits are provided, and not the terms of this subparagraph (i) of Section 4. Termination for "Cause" shall mean the termination of the Executive's employment on the basis or as a result of: (i) the Executive being found guilty of a felony; (ii) the Executive's commission of an act that disqualifies the Executive (whether under the Employer's by-laws, or under any statute, regulation, law or rule applicable to the Employer) from serving as an officer or director of the Employer; or (iii) a recurring pattern of material and willful dereliction of duty of the Executive's material responsibilities, where such recurring failure has a material adverse effect upon the business of the Employer, as reasonably determined by the CEO, in the CEO's good faith determination. In making such determination, it is understood that the CEO shall interpret and apply the above-described standards (of materiality, or willful dereliction, and of adversity) in a manner that is normal and customary within the

Employer's industry. Executive shall be entitled to thirty (30) days' prior written notice (the "Termination Notice") of the Employer's intention to terminate his employment for Cause, and such Termination Notice shall: specify the grounds for such termination; afford the Executive a reasonable opportunity to cure any conduct or act (if curable) alleged as grounds for such termination; and a reasonable opportunity to present to the CEO his position regarding any dispute relating to the existence of such Cause. Notwithstanding the foregoing procedure, the Employer (through the CEO) shall have the unilateral right to make the final substantive determination as to whether the Executive (through the CEO) has properly remedied or otherwise addressed those matters described in the Termination Notice as grounds for termination of the Executive's employment; and in the event that the Employer determines (as of the expiration of the above-contemplated 30-day period), that the Executive has not appropriately remedied or otherwise addressed those matters, then the Executive's term of employment shall, in all events, automatically terminate as of the thirtieth (30th) day after the Employer delivers the Termination Notice, without any responsibility or obligation of the Employer to provide the Executive with any further notice or explanation of the grounds for his termination. If the Executive challenges his termination for Cause under the provisions of Section 10(d) hereof and the arbitrator finds that the Executive did not engage in conduct which properly entitled the Employer to terminate the Executive's employment for Cause under the criteria set forth above, then the Employer shall pay to the Executive, within thirty (30) days of the arbitrator's decision: the Severance Amount as if his termination of employment had been effectuated pursuant to Section 4(f) hereunder; with interest on the Severance Amount at the rate of eighteen percent (18%) from the date of the Termination Notice to the date payment is ordered made of such Severance Amount to be paid thereon; plus the amount of the Executive's reasonable attorneys' fees incurred in such arbitration.

(j) RESIGNATION FROM RELATED POSITIONS. Upon the termination of the Executive's employment with the Employer, for any reason whatsoever, the Executive shall immediately resign from any and all officerships, directorships, committee memberships and all other elected or appointed positions, of any nature, that the Executive then holds with any or all of the Employer and its affiliates.

(k) STOCK REDEMPTION. Upon the termination of the Executive's employment with the Employer, for any reason whatsoever, the Executive shall permit the Employer or its affiliate(s), as the case may be, to immediately redeem any and all common or preferred stock (or any partnership or membership interests, as the case may be) that the Executive then owns in any affiliate(s) of Employer, which redemption shall occur at the same cash price (if any) as Executive actually initially paid to acquire such stock (or partnership or membership interests, as the case may be). In no event, however, shall the foregoing requirement apply to any stock (common or preferred) that Executive owns in Employer, or to any limited partnership interests (so-called "OP Units") that the Executive owns in First Industrial, L.P., a Delaware limited partnership in which the Employer is the general partner and which is commonly referred to as the "Operating Partnership."

5. CONFIDENTIALITY AND LOYALTY. The Executive acknowledges that, during the course of his employment prior to his entry into this Agreement, he has produced, received and had access to, and may hereafter continue to produce, receive and otherwise have access to,

various materials, records, data, trade secrets and information not generally available to the public, specifically including any information concerning projects in the "Pipeline" as defined in Section 6(a)(ii) below (collectively, "Confidential Information") regarding the Employer and its subsidiaries and affiliates. Accordingly, during the term of this Agreement and for the one (1) year period immediately subsequent to any termination of this Agreement, on any basis, the Executive shall hold in confidence and shall not directly or indirectly for his own benefit or for the benefit of any other person or entity, for economic gain or otherwise, disclose, use, copy or make lists of any such Confidential Information, except to the extent that (a) such information is or thereafter becomes lawfully available from public sources; or (b) such disclosure is authorized in writing by the Employer; or (c) such disclosure is determined by court order or official governmental ruling to be required by law or by any competent administrative agency or judicial authority; or (d) such disclosure is otherwise reasonably necessary or appropriate in connection with the performance by the Executive of his duties hereunder. All records, files, documents, computer diskettes, computer programs and other computer-generated material, as well as all other materials or copies thereof relating to the Employer's business, which the Executive shall prepare or use, shall be and remain the sole property of the Employer, shall not be removed from the Employer's premises without its written consent, and shall be promptly returned to the Employer upon termination of the Executive's employment hereunder.

6. NON-COMPETITION COVENANT.

(a) Restrictive Covenant.

(i) The Employer and the Executive have jointly reviewed the tenant lists, property submittals, logs, broker lists, and operations of the Employer, and have agreed that as an essential ingredient of and in consideration of this Agreement and the Employer's agreement to make the payment of the amounts described in Sections 3 and 4 hereof when and as herein described, the Executive hereby agrees, except with the express prior written consent of the Employer, and subject to the limitations set forth in Section 5(c) below, that for a period of one (1) year [or in the case of a Change in Control Termination, six (6) months] after the termination of the Executive's employment with the Employer (the "Restrictive Period"), he will not directly or indirectly in any manner compete with the business of the Employer, including, but not by way of limitation, by directly or indirectly owning, managing, operating, controlling, financing, or by directly or indirectly serving as an employee, officer or director of or consultant to, or by soliciting or inducing, or attempting to solicit or induce, any employee or agent of Employer to terminate employment with Employer and become employed by the following:

- (A) any company listed as an industrial or mixed office/industrial (but not pure office) REIT or Real Estate Operating Company in the Realty Stock Review, a Dow Jones & Co. Publication, (a "Peer Group Member") a copy of such listing for the month prior of the Effective Date hereof being attached hereto as Exhibit D, or
- (B) any person, firm, partnership, corporation, trust or other entity (including, but not limited to, Peer Group Members)

which, as a material component of its business (other than for its own use as an owner or user), invests in industrial warehouse facilities and properties similar to the Employer's investments and holdings: (1) in any geographic market or territory in which the Employer owns properties or has an office either as of the date hereof or as of the date of termination of the Executive's employment; or (2) in any market in which an acquisition or other investment by the Employer or any affiliate of the Employer is pending as of the date of termination, as conclusively evidenced by the existence of a Request for Proposal or an executed Agreement of Purchase and Sale, Contribution (or Merger) Agreement or Letter of Intent, Confidentiality Agreement, Due Diligence Agreement, Pursuit Cost Agreement, Partnership or Joint Venture Agreement, or by a Post Acceptance Conference Call (PACC) memorandum or Investment Committee (IC) approval in existence at the time of the termination of the Executive's employment.

(ii) In addition, during the Restrictive Period, the Executive shall not act as a principal, investor or broker/intermediary, or serve as an employee, officer, advisor or consultant, to any person or entity, in connection with or concerning any investment opportunity of the Employer that is in the "Pipeline" (as defined below) as of the effective date of the termination of the Executive's employment. Within ten (10) business days after the Executive's termination of employment, the CEO shall deliver to the Executive a written statement of the investment opportunities in the Pipeline as of the effective date of the termination of the Executive's employment (the "Pipeline Statement"), and the Executive shall then review the Pipeline Statement for accuracy and completeness, to the best of his knowledge, and advise the CEO of any corrections required to the Pipeline Statement. The Executive's receipt of any Severance Amount under Sections 4(b), (e) and (f) shall be conditioned on his either acknowledging, in writing, the accuracy and completeness of the Pipeline Statement, or advising the CEO, in writing, of any corrections or revisions required to the Pipeline Statement in order to make it accurate and complete, to the best of the Executive's knowledge. The restrictions concerning any one individual investment opportunity in the Pipeline shall continue until the first to occur of (i) expiration of the Restrictive Period; or (ii) the Executive's receipt from the Employer of written notice that the Employer has abandoned such investment opportunity, such notice not to affect the restrictions on all other investment opportunities contained in the Pipeline Statement during the remainder of the Restrictive Period. An investment opportunity shall be considered in the "Pipeline" if, as of the effective date of the termination of the Executive's employment, the investment opportunity is pending (for example, is the subject of a letter of intent) or proposed (for example, has been presented to, or been bid on by, the Employer in writing or otherwise) or under consideration by the Employer, whether at the PACC, IC, staff level(s) or otherwise, and relates to any of the following potential forms of transaction: (A) an acquisition for cash; (B) an UPREIT transaction; (C) a transaction under the "First Exchange"

program; (D) a development project or venture; (E) a joint venture partnership or other cooperative relationship, whether through a DOWNREIT relationship or otherwise; (F) an "Opportunity Fund" or other private investment in or co-investment with the Employer; (G) any debt placement opportunity by or in Employer; (H) any service or other fee-generating opportunity by the Employer; or (I) any other investment by the Employer or an affiliate of the Employer, in or with any party or by any party in the Employer or an affiliate of the Employer.

(iii) The Restrictions contained in subparagraphs (i) and (ii) above are collectively referred to as the "Restrictive Covenant." If the Executive violates the Restrictive Covenant and the Employer brings legal action for injunctive or other relief, the Employer shall not, as a result of the time involved in obtaining such relief, be deprived of the benefit of the full period of the Restrictive Covenant. Accordingly, the Restrictive Covenant shall be deemed to have the duration specified in this subparagraph (i) computed from the date the relief is granted, but reduced by the time between the period when the Restrictive Period began to run and the date of the first violation of the Restrictive Covenant by the Executive. In the event that a successor of the Employer assumes and agrees to perform this Agreement or otherwise acquires the Employer, this Restrictive Covenant shall continue to apply only to the primary markets of the Employer as they existed immediately before such assumption or acquisition, and shall not apply to any of the successor's other offices or markets. The foregoing Restrictive Covenant shall not prohibit the Executive from owning, directly or indirectly, capital stock or similar securities that are listed on a securities exchange or quoted on the National Association of Securities Dealers Automated Quotation System and that do not represent more than five percent (5%) of the outstanding capital stock of any corporation.

(b) RELIEF FROM RESTRICTIVE COVENANTS. In the event the Executive shall desire to engage in any activity that would violate the Restrictive Covenant which he reasonably and in good faith believes would be immaterial to the economic and proprietary interests of the Employer or any of its affiliates, he may, prior to (but not after) engaging in such activity, submit to the CEO a written request for relief from the Restrictive Covenant, which written request shall set forth the scope of the proposed activity, the scope of the requested relief and the basis upon which Executive believes such activity to be immaterial to the interests of the Employer. Within ten (10) business days after receipt of the Executive's written request, and subject to the specific approval of the Board, the CEO shall advise the Executive, in writing, as to whether the requested relief shall be granted. The parties agree that such relief shall be granted only if the CEO reasonably determines that the reasonably anticipated impact on the Employer of the grant of such relief is in fact immaterial to and fully compatible with the economic and proprietary interests of the Employer (and its separate regions, ventures, divisions, subsidiaries and affiliates), it being specifically hereby understood and acknowledged by the Executive that a purportedly "minor" percentage impact on company-wide revenues or expenses of the Employer shall not be deemed to be per se immaterial.

(c) TERMINATION OF RESTRICTIVE COVENANT - CERTAIN CHANGE IN CONTROL TERMINATION BY EXECUTIVE. If the Executive terminates his employment with the successor of the Employer following a Change in Control Event in the absence of a Triggering Circumstance, so as to effectuate a termination of his employment without any entitlement of or claim by the Executive to a Change in Control Severance Amount, then the Restrictive Covenant set forth in

this Section 6 shall not be operative with respect to the Executive following such termination, during the Restrictive Period or otherwise, but the obligations of the Executive set forth in Section 5 as to Confidential Information shall remain operative as therein provided.

(d) REMEDIES FOR BREACH OF RESTRICTIVE COVENANT. The Executive acknowledges that the restrictions contained in Sections 5 and 6 of this Agreement are reasonable and necessary for the protection of the legitimate proprietary business interests of the Employer; that any violation of these restrictions would cause substantial injury to the Employer and such interests; that the Employer would not have entered into this Agreement with the Executive without receiving the additional consideration offered by the Executive in binding himself to these restrictions; and that such restrictions were a material inducement to the Employer to enter into this Agreement. In the event of any violation of these restrictions or statement of intent by the Executive to violate any of these restrictions, the Employer shall automatically be relieved of any and all further financial and other obligations to the Executive under this Agreement, in relation to Severance Payments or otherwise, and shall be entitled to all rights, remedies or damages available at law, in equity or otherwise under this Agreement; and, without limitation, shall be entitled to temporary and preliminary injunctive relief, granted by a court of competent jurisdiction, to prevent or restrain any such violation by the Executive and any and all persons directly or indirectly acting for or with him, as the case may be, such injunctive relief to be available pending the outcome of the arbitration process provided under Section 10(d) of this Agreement, which arbitration process will entitle the arbitrator to determine that permanent injunctive relief is to be granted to the Employer, whereupon such relief shall be granted by a court of competent jurisdiction, based on the determination of the arbitrator.

7. INTERCORPORATE TRANSFERS. If the Executive shall be transferred by the Employer to an affiliate of the Employer, such transfer, by itself and without any adverse financial or functional impact on the Executive, shall not be deemed a Constructive Discharge or otherwise be deemed to terminate or modify this Agreement, and the employing corporation or other entity to which the Executive is transferred shall, for all purposes of this Agreement, be construed as standing in the same place and stead as the Employer as of the effective date of such transfer provided, however, that at all times after such transfer, First Industrial Realty Trust, Inc. shall remain liable for all obligations of the Employer hereunder, including the payment of all Base Salary, Performance Bonuses or other amounts set forth herein. For purposes hereof, an affiliate of the Employer shall mean any corporation or other entity directly or indirectly controlling, controlled by, or under common control with, the Employer.

8. INTEREST IN ASSETS AND PAYMENTS. Neither the Executive nor his estate shall acquire any rights in any funds or other assets of the Employer, otherwise than by and through the actual payment of amounts payable hereunder; nor shall the Executive or his estate have any power to transfer, assign, anticipate, pledge, hypothecate or otherwise encumber any of said payments; nor shall any of such payments be subject to seizure for the payment of any debt, judgment, alimony, separate maintenance or be transferable by operation of law in the event or as a result of any bankruptcy, insolvency or other legal proceeding otherwise relating to the Executive.

9. INDEMNIFICATION.

(a) During the term of this Agreement and thereafter throughout all applicable limitations periods, the Employer shall provide the Executive (including his heirs, personal representatives, executors and administrators), with such coverage as shall be generally available to senior officers of the Employer under the Employer's then-current directors' and officers' liability insurance policy, at the Employer's expense.

(b) In addition to the insurance coverage provided for in paragraph (a) of this Section 9, the Employer shall defend, hold harmless and indemnify the Executive (and his heirs, executors and administrators) to the fullest extent permitted under applicable law, and subject to each of the requirements, limitations and specifications set forth in the Articles of Incorporation, Bylaws and other organizational documents of the Employer, against all expenses and liabilities reasonably incurred by him in connection with or arising out of, any action, suit or proceeding in which the Executive may be involved by reason of his having been an officer of the Employer (whether or not he continues to be an officer at the time of such expenses or liabilities are incurred), such expenses and liabilities to include, but not be limited to, judgments, court costs and attorneys' fees and the cost of reasonable settlements.

(c) In the event the Executive becomes a party, or is threatened to be made a party, to any action, suit or proceeding for which the Employer has agreed to provide insurance coverage or indemnification under this Section 9, the Employer shall, to the full extent permitted under applicable law, and subject to the each of the requirements, limitations and specifications set forth in the Articles of Incorporation, Bylaws and other organizational documents of the Employer, advance all expenses (including the reasonable attorneys' fees of the attorneys selected by Employer and approved by Executive for the representation of the Executive), judgments, fines and amounts paid in settlement (collectively "Expenses") incurred by the Executive in connection with the investigation, defense, settlement, or appeal of any threatened, pending or completed action, suit or proceeding, subject to receipt by the Employer of a written undertaking from the Executive covenanting: (i) to reimburse the Employer for the amount of all of the Expenses actually paid by the Employer to or on behalf of the Executive in the event it shall be ultimately determined, by the court or the arbitrator, as applicable to the case, that the Executive is not entitled to indemnification by the Employer for such Expenses; and (ii) to assign to the Employer all rights of the Executive to insurance proceeds, under any policy of directors' and officers' liability insurance or otherwise, to the extent of the amount of the Expenses actually paid by the Employer to or on behalf of the Executive.

10. GENERAL PROVISIONS.

(a) SUCCESSORS; ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the Executive, the Employer, the Executive's personal representatives, the Employer's successors and assigns, and any successor or assign of the Employer shall be deemed the "Employer" hereunder. The Executive may neither assign his duties or obligations this Agreement, nor sell, assign, pledge, encumber, transfer or hypothecate his entitlement hereunder, and the Employer shall have no obligation to recognize any such purported alienation, or pay any funds to any party claiming the benefit thereof.

(b) ENTIRE AGREEMENT; MODIFICATIONS. This Agreement constitutes the entire agreement between the parties respecting the subject matter hereof, and supersedes all prior negotiations, undertakings, agreements and arrangements with respect thereto, whether written or oral; provided, however, that all benefits and rights conferred by those equity-based and other compensation plans as provided by the plans included on Exhibit B hereto (collectively, the "Scheduled Benefits") shall be governed by those equity-based and other compensation plans and ancillary documents, whether adopted or signed prior to or after the Effective Date of this Agreement and as such are modified by this Agreement. Except as otherwise explicitly provided herein, this Agreement may not be amended or modified except by written agreement signed by the Executive and the Employer.

(c) ENFORCEMENT AND GOVERNING LAW. The provisions of this Agreement shall be regarded as divisible and separate; if any of said provisions should be declared invalid or unenforceable by a court of competent jurisdiction, the validity and enforceability of the remaining provisions shall not be affected thereby. This Agreement shall be construed and the legal relations of the parties hereto shall be determined in accordance with the laws of the State of Illinois, as such state constitutes the situs of the headquarters office of the Employer and the place of employment hereunder, and such laws shall apply without reference to the rules of law regarding conflicts of law.

(d) ARBITRATION. Except only as otherwise provided in subparagraph (d) of Section 6, each and every dispute, controversy and contested factual and legal determination arising under or in connection with this Agreement or the Executive's employment by the Employer shall be committed to and be resolved exclusively through the arbitration process, in an arbitration proceeding, conducted by a single arbitrator sitting in Chicago, Illinois, in accordance with the rules of the American Arbitration Association (the "AAA") then in effect. The arbitrator shall be selected by the parties from a list of eleven (11) arbitrators provided by the AAA, provided that no arbitrator shall be related to or affiliated with either of the parties. No later than ten (10) days after the list of proposed arbitrators is received by the parties, the parties, or their respective representatives, shall meet at a mutually convenient location in Chicago, Illinois, or telephonically. At that meeting, the party who sought arbitration shall eliminate one (1) proposed arbitrator and then the other party shall eliminate one (1) proposed arbitrator. The parties shall continue to alternatively eliminate names from the list of proposed arbitrators in this manner until each party has eliminated five (5) proposed arbitrators. The remaining arbitrator shall arbitrate the dispute. Each party shall submit, in writing, the specific requested action or decision it wishes to take, or make, with respect to the matter in dispute ("Proposed Solution"), and the arbitrator shall be obligated to choose one (1) party's specific Proposed Solution, without being permitted to effectuate any compromise or "new" position; provided, however, that the arbitrator shall be authorized to award amounts not in dispute during the pendency of any dispute or controversy arising under or in connection with this Agreement. The party whose Proposed Solution is not selected shall bear the costs of all counsel, experts or other representatives that are retained by both parties, together with all costs of the arbitration proceeding, including, without limitation, the fees, costs and expenses imposed or incurred by the arbitrator. If the arbitrator ultimately chooses the Executive's Proposed Solution, then the Employer shall pay interest at the rate of eighteen percent (18%) interest, per annum, on the amount the arbitrator awards to the Executive (exclusive of attorneys' fees and costs and expenses of the arbitration), such interest to

be calculated from the date the amount payable under the Executive's Proposed Solution would have been paid under this Agreement, but for the dispute, through the date payment is ordered made. Judgment may be entered on the arbitrator's award in any court having jurisdiction, including, if applicable, entry of a permanent injunction under such subparagraph (d) of Section 6.

(e) PRESS RELEASES AND PUBLIC DISCLOSURE. Any press release or other public communication by either the Executive or the Employer with any other person concerning the terms, conditions or circumstances of Executive's employment, or the termination of such employment, shall be subject to prior written approval of both the Executive and the Employer, subject to the proviso that the Employer shall be entitled to make requisite and appropriate public disclosure of the terms of this Agreement and any termination hereof, without the Executive's consent or approval, as may be required under applicable statutes, and the rules and regulations of the Securities and Exchange Commission and New York Stock Exchange. Employer shall be entitled to rely on the advice and counsel of its legal counsel and other professional advisors in determining whether any such disclosure is required.

(f) PUT DEMAND AS TO RELEASED SECURITIES. If, pursuant to either of Sections 4(f) or 4(g) hereof, the Employer shall have prematurely released and eliminated all unexpired transfer and encumbrance restrictions otherwise applicable to any restricted shares of common stock of the Employer owned by the Executive, then the Executive shall, on a one-time basis exercisable within thirty (30) days of the date of such release of restrictions, have the right to put to the Employer, and require that the Employer purchase, such shares of restricted stock as shall have been released as above described ("Released Securities"). Such put shall be exercised by delivery of a "Put Demand" to the Employer, given in writing pursuant to the notice provisions hereof, which Put Demand: (i) shall encompass all of the Released Securities owned by the Executive; and (ii) shall in no event be applicable to or available in respect of any "Exempt Shares," which shall constitute those Released Securities that may otherwise be sold by the Executive, without registration, pursuant to either or both of Rules 144 and 145 of the Securities Act of 1933, as amended, within a period of one hundred twenty (120) days following the date of the release of the Executive's restricted shares. Upon its receipt of a timely and otherwise proper Put Demand from the Executive, the Employer shall thereby and thereupon become obligated, within a period of ten (10) days following the date of delivery of the Put Demand, to purchase, for cash, the Released Securities that were the subject of the Put Demand in question (in all events exclusive of Exempt Shares), at a price per share equal to the weighted average (by daily trading volume on the New York Stock Exchange) of the closing price of the Employer's shares of common stock for the thirty (30) trading days immediately preceding the date of delivery of the Put Demand. The specific date on which such purchase shall be consummated and closed shall be established pursuant to the mutual agreement of the parties and, in the absence of such agreement, on the tenth (10th) day following the date of delivery of the Put Demand (and if such day falls on a weekend or business holiday, then on the first business day thereafter). By his delivery of a Put Demand, the Executive shall become irrevocably obligated to sell, at the price above specified, all of the Released Securities that were the subject of the Put Demand. The transfer of the Released Securities to the Employer shall be effectuated pursuant to commercially reasonable and customary stock transfer and other related documentation prepared at Employer's expense by counsel to the Employer.

(g) INTEREST. If any amount due hereunder is not paid within ten (10) days of being due, then the Employer or the Executive, as applicable, shall pay interest at the rate of 200 basis points above the base commercial lending rate published in The Wall Street Journal in effect from time to time during the period of such non-payment; provided, however, that if the interest rate set forth above exceeds the highest legally-permissible interest rate, then the interest rate shall be reduced to the level of the highest legally permissible interest rate.

(h) WAIVER. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by the other party, shall be deemed a waiver of any similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

(i) NOTICES. Notices given pursuant to this Agreement shall be in writing, and shall be deemed given when received if personally delivered, or on the first (1st) business day after deposit with a commercial overnight delivery service. Notices to the Employer shall be addressed and delivered to the principal headquarters office of the Employer, Attention: President and Chief Executive Officer, with a copy concurrently so delivered to General Corporate Counsel to the Employer, Barack Ferrazzano Kirschbaum Perlman & Nagelberg, 333 West Wacker Drive, Suite 2700, Chicago, Illinois 60606, to the joint attention of Lynne D. Mapes-Riordan and Howard A. Nagelberg. Notices to the Executive shall be sent to the address set forth below the Executive's signature on this Agreement, or to such other address as Executive may hereafter designate in a written notice given to the Employer and its counsel.

(j) COUNTERPARTS. This Agreement and any amendments thereto may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

FIRST INDUSTRIAL REALTY TRUST,
INC., a Maryland corporation

MICHAEL J. HAVALA

By: /s/ Michael W. Brennan

/s/ Michael J. Havala

Michael W. Brennan
President and Chief Executive Officer

Address of Executive:

MICHAEL J. HAVALA

EMPLOYMENT AGREEMENT (THE "AGREEMENT")

EXHIBIT A

The Executive's Maximum Performance Bonus under Section 3(b) of the Agreement shall be equal to the sum of the following percentages of his Base Salary, as such percentages are modified from time to time by the Compensation Committee of the Board in accordance with its procedures governing the review and modification of executive compensation for the Employer:

BONUS COMPONENTS	MAXIMUM BONUS PERCENTAGE
Cash Bonus	180%
Equity-Based Bonus	140%

MICHAEL J. HAVALA

EMPLOYMENT AGREEMENT (THE "AGREEMENT")

EXHIBIT B

The Executive's Scheduled Benefits are those provided according to the following plans:

- A. First Industrial Realty Trust, Inc. 1994 Stock Incentive Plan and related awards and grant agreements thereunder.
- B. First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan and related awards and grant agreements thereunder.
- C. First Industrial Realty Trust, Inc. 2001 Stock Incentive Plan.
- D. First Industrial Realty Trust, Inc. Deferred Income Plan.

EMPLOYMENT AGREEMENT (THE "AGREEMENT")

EXHIBIT C

EXAMPLE #1

CALCULATION OF HYPOTHETICAL DOUBLE HISTORICAL AVERAGE CASH BONUS
WITH NO IMPACT OF DEFICIENT BONUS YEAR ADJUSTMENT

The first example below is a calculation that would be performed pursuant to Section 4(g)(i)(A)(3) of the Agreement.

Assume the following:

- Change in Control Termination is February 1, 2000.
- Base Salary during 1998, 1999 was \$100,000.
- Base Salary as of Change in Control Termination is \$150,000.
- For 1998 and 1999 the Maximum Cash Performance Bonus Percentage was 150%.
- For 2000 the Maximum Cash Performance Bonus Percentage is 180%.
- Cash Performance Bonus for 1998 was \$150,000 (or 100% of Maximum Cash Performance Bonus).
- Cash Performance Bonus for 1999 was \$75,000 (or 50% of Maximum Cash Performance Bonus).
- Equity-Based Performance Bonus value for 1999 was not more than \$100,000 (See below for example of year in which such value was \$100,000 or more).

Step 1 - Determine Historical Average Cash Bonus Percentage

1998 Cash Bonus Percentage (as a Percentage of the Maximum Cash Bonus Percentage)	100%
1999 Cash Bonus Percentage (as a Percentage of the Maximum Cash Bonus Percentage)	50%
Average of above percentages is the Historical Average Cash Bonus Percentage	75%
	====

Step 2 - Determine Change in Control Bonus Percentage

Historical Prior Average Cash Bonus Percentage	75%
Multiplied by Maximum Cash Performance Bonus Percentage for year of Change in Control Termination	x 180%
Change in Control Bonus Percentage is:	135%
	====

Step 3 - Determine Historical Average Cash Bonus

Change in Control Bonus Percentage	135%
Multiplied by Base Salary as of Change in Control Termination	x \$150,000

Historical Average Cash Bonus is:	\$202,500
	=====

Step 4 - Determine Double Historical Average Cash Bonus

Historical Average Cash Bonus	\$202,500
Multiplied by 2	x 2

Double Historical Average Cash Bonus is:	\$405,000
	=====

EXAMPLE #2

CALCULATION OF HYPOTHETICAL DOUBLE HISTORICAL AVERAGE CASH BONUS
WITH DEFICIENT BONUS YEAR ADJUSTMENT

The second example assumes that the 1999 Cash Performance Bonus triggers a Deficient Bonus Year.

Assume the following:

- The facts presented in Example #1 remain static
- Equity-based Performance Bonus value for 1999 was \$100,000 (contrary to Example #1)

Step 1 - Determine Historical Average Cash Bonus Percentage

1998 Cash Bonus Percentage (as a Percentage of the Maximum Cash Bonus Percentage)	100%
1999 Cash Bonus Percentage (as a Percentage of the Maximum Cash Bonus Percentage)	50%

Average of above percentages is the Historical Average Cash Bonus Percentage	75%
	====

Step 2 - Determine whether 1998 or 1999 was a "Deficient Bonus Year"

- 1998 was not a Deficient Bonus Year, because the Cash Performance Bonus Percentage paid was 100% of the Maximum Cash Performance Bonus.

- 1999 was a Deficient Bonus Year, because the Cash Bonus Percentage was 75%, which is less than 100%, and the value of the equity-based performance bonus was \$100,000 or more (contrary to Example #1). Because 1999 is a Deficient Bonus Year, the 1999 75% Cash Bonus Percentage is deemed to be 100% for purposes of the calculation of the Double Historical Average Cash Bonus.

Step 3 - Determine Historical Average Cash Bonus Percentage using 100% for 1999

1998 Cash Bonus Percentage	100%
1999 Deemed Cash Bonus Percentage	100%

Average of above percentages is Historical Average Cash Bonus Percentage	100%
	====

Step 4 - Determine Change in Control Bonus Percentage

Historical Average Cash Bonus Percentage	100%
Multiplied by Maximum Cash Performance Bonus Percentage for year of Change in Control Termination	x 180%

Change in Control Bonus Percentage is:	180%
	====

Step 5 - Determine Historical Average Cash Bonus

Change in Control Bonus Percentage	180%
Multiplied by Base Salary as of Change in Control Termination	x \$150,000

Historical Average Cash Bonus is:	\$270,000
	=====

Step 6 - Determine Double Historical Average Cash Bonus

Historical Average Cash Bonus	\$270,000
Multiplied by 2	x 2

Double Historical Average Cash Bonus is:	\$540,000
	=====

MICHAEL J. HAVALA

EMPLOYMENT AGREEMENT (THE "AGREEMENT")

EXHIBIT D

A copy of the list of industrial and mixed office/industrial REIT and Real Estate Operating Companies as published in the Realty Stock Review, a Dow Jones & Co. publication, for the month prior to the Effective Date of the Agreement is attached hereto.

D-1

JOHANNSON L. YAP
EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), is made and entered into as of the 31st day of March, 2002 (the "Effective Date"), by and between First Industrial Realty Trust, Inc., a Maryland corporation (the "Employer"), and Johannson L. Yap (the "Executive").

RECITALS

A. The Employer desires to employ the Executive as an officer of the Employer for a specified term.

B. The Executive is willing to accept such employment, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements hereinafter contained, it is covenanted and agreed by and between the parties hereto as follows:

AGREEMENTS

1. TERM WITH AUTOMATIC REMOVAL PROVISIONS. THE EXECUTIVE'S EMPLOYMENT HEREUNDER SHALL BE FOR A CONTINUOUS AND SELF-RENEWING TWO (2) YEAR "EVERGREEN" TERM (CALCULATED ON A DAY TO DAY BASIS), COMMENCING AS OF THE EFFECTIVE DATE, UNLESS SOONER TERMINATED AT ANY TIME BY EITHER PARTY, WITH OR WITHOUT CAUSE, SUCH TERMINATION TO BE EFFECTIVE AS OF THIRTY (30) DAYS AFTER WRITTEN NOTICE TO THAT EFFECT IS DELIVERED TO THE OTHER PARTY. NOTWITHSTANDING THE PRECEDING PROVISIONS OF THIS SECTION 1, THE TERM OF THIS AGREEMENT SHALL, IF NOT PREVIOUSLY TERMINATED, EXPIRE OF ITS OWN ACCORD, AND WITHOUT NOTICE TO OR FROM EITHER PARTY, ON THE SEVENTIETH (70TH) BIRTHDAY OF THE EXECUTIVE ("RETIREMENT DATE").

2. POSITION AND DUTIES. The Employer hereby employs the Executive as Chief Investment Officer of the Employer, or in such other comparable or other capacity as shall be mutually agreed between the Employer and the Executive by amendment of this Agreement. During the period of the Executive's employment hereunder, the Executive shall devote his best efforts and full business time (excluding any periods of disability, vacation, sick leave or other leave to which the Executive is entitled), energy, skills and attention to the business and affairs of the Employer, on an exclusive basis. The Executive's duties and authority shall consist of and include all duties and authority customarily performed and held by persons holding equivalent positions with real estate investment trusts ("REIT's") similar in nature and size to the Employer, as such duties and authority are reasonably defined, modified and delegated from time to time by the Chief Executive Officer of the Employer (the "CEO"). The Executive shall have the powers necessary to perform the duties assigned to him, and shall be provided such supporting services, staff, secretarial and other assistance, office space and accouterments as shall be reasonably necessary and appropriate in light of such assigned duties, as determined by the CEO, but in any

event shall be no less favorable to the Executive than such supporting services, assistance, office space and accouterments provided to other Senior Headquarters Executives (as defined in Section 3(c) below) of the Employer.

3. COMPENSATION. As compensation for the services to be provided by the Executive hereunder, the Executive shall receive the following compensation and other benefits:

(a) BASE SALARY. The Executive shall receive a minimum aggregate annual "Base Salary" at the rate of Three Hundred and Nine Thousand Dollars (\$309,000) per annum, payable in periodic installments in accordance with the regular payroll practices of the Employer. Such Base Salary shall, during the term hereof, be subject to discretionary increase (but not decrease), on an annual fiscal year basis, as recommended by the CEO and approved by the Compensation Committee of the Board of Directors of the Employer (the "Compensation Committee"), in accordance with the Employer's compensation policies, as they may be established from time to time. After any such increase, "Base Salary" shall refer to the increased amount and shall not thereafter be reduced.

(b) PERFORMANCE BONUS. The Executive may receive an annual "Performance Bonus," payable within sixty (60) days after the end of the fiscal year of the Employer. The amount (if any) of and the form of the entitlements (i.e., cash, equity-based awards, or a combination of cash and equity-based awards) comprising any annual Performance Bonus shall be as recommended by the CEO and approved by the Compensation Committee in its sole discretion; shall not be subject to any minimum or guaranteed amount; and shall be generally based on a combination of company-wide and individual performance criteria. The Executive's "Maximum Bonus Percentages" and "Maximum Performance Bonus" are set forth in Exhibit A to this Agreement and the Executive's "Maximum Cash Performance Bonus" for any fiscal year shall be his Base Salary for such year multiplied by the Maximum Bonus Percentage for the Cash Bonus Component of the Performance Bonus as set forth in Exhibit A. Prior to January 1 of each calendar year, the Executive shall provide the CEO with a written "Personal Achievement Plan" that sets forth the Executive's individual performance goals for such calendar year, which goals shall reflect and be consistent with the Employer's then-current business plan. Whether all or any of the individual elements of the Executive's Personal Achievement Plan are achieved during the year shall guide, but shall not bind, the CEO in making his recommendation of the amount of the Executive's Performance Bonus. For purposes of this Agreement, the term "Cash Performance Bonus" shall mean that component of the Performance Bonus paid or payable in cash.

(c) BENEFITS. The Executive shall be entitled to participate in all plans and benefits that may be from time to time accorded to all, and not simply any one of, the Executive, the Employer's Chief Financial Officer, and the Employer's Executive Vice President-Operations (collectively, the "Senior Headquarters Executives") and shall receive supplemental life and disability insurance coverages comparable (as a percentage of Base Salary) to those received by the CEO, all as determined from time to time by the CEO and approved (if necessary) by the Compensation Committee of the Board. In addition to the foregoing perquisites, plans and benefits, commencing in fiscal 2002, the Executive shall receive an annual allowance of two thousand seven hundred and fifty-six dollars (\$2,756) for personal financial planning and

personal income tax preparation, which allowance shall (i) be paid no later than March 30 of each year and (ii) increase five percent (5%) per annum (on a compounded basis), commencing as of the allowance payment due on or before March 30, 2003.

(d) VACATIONS. The Executive shall be entitled to annual vacations in accordance with the vacation policy of the Employer, which vacations shall be taken at a time or times mutually agreeable to the Employer and the Executive; provided, however, that the Executive shall be entitled to at least four (4) weeks of paid vacations annually.

(e) WITHHOLDING. The Employer shall be entitled to withhold, from amounts payable to the Executive hereunder, any federal, state or local withholding or other taxes or charges which, from time to time, it is required to withhold. The Employer shall be entitled to rely upon the advice and counsel of its independent accountants with regard to any question concerning the amount or requirement of any such withholding.

4. TERMINATION.

(a) PREMATURE TERMINATION WITHOUT NOTICE. Notwithstanding Section 1 hereof, the Employer may terminate the Executive's employment on an immediate basis and without notice, in an emergency circumstance, when reasonably necessary to preserve or protect the Employer's interests; and in the case of such an immediate termination, the Employer shall pay the Executive one (1) month's Base Salary in addition to any other amounts then due to the Executive as a result of the termination (it being understood that the applicable termination-based amount then due shall be determined based on the Section of this Agreement pursuant to which the Executive's employment is terminated). In the event that the circumstances giving rise to an emergency termination give rise to payment of a Severance Amount that includes a prorated Cash Performance Bonus for the then-current year, then such Cash Performance Bonus shall be prorated as if the Executive had remained employed by the Employer for an additional period of thirty (30) days beyond the date of actual immediate emergency termination of his employment as described above.

(b) VOLUNTARY TERMINATION BY EXECUTIVE. In the event that the Executive voluntarily terminates his employment under this Agreement, other than pursuant to Section 4(c) (Constructive Discharge) or 4(g) (Change in Control), then the Employer shall only be required to pay to the Executive such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the effective date of the termination, and the Employer shall not be obligated to pay any Performance Bonus for the then-current fiscal year, or have any further obligations whatsoever to the Executive, other than payment of any Performance Bonuses previously approved by the Compensation Committee for any prior fiscal year(s) that remain unpaid, reimbursement of previously approved expenses, any amounts or rights vested pursuant to the Scheduled Benefits [as defined in Section 10(b) hereof], and any amounts or rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

(c) CONSTRUCTIVE DISCHARGE. If, at any time during the term of this Agreement, the Executive is Constructively Discharged (as hereinafter defined), then the

Executive shall have the right, by written notice to the Employer given within thirty (30) days after such Constructive Discharge, which notice shall specify the grounds for such Constructive Discharge, to terminate his employment hereunder, effective as of fifteen (15) days after such notice, and the Executive shall have no further obligations under this Agreement except as specified in Sections 5 and 6. The Executive shall in such event receive from the Employer the Severance Amount and other entitlements described and defined in subparagraph (f) of this Section 4. Notwithstanding the foregoing, if the Executive is Constructively Discharged on or within one (1) year after the occurrence of an event constituting a Change in Control Event [as defined in subparagraph (g) of this Section 4], then the Executive shall receive the Change in Control Severance Amount [as defined in subparagraph (g) of this Section 4] in lieu of the Severance Amount that would otherwise be paid in respect of a Constructive Discharge under this Section 4(c), and such termination shall also be deemed a Change in Control Termination for purposes of Section 6 of this Agreement.

For purposes of this Agreement, the Executive shall be deemed to have been "Constructively Discharged" upon the occurrence of any one of the following events:

(i) The Executive shall be removed from the position with the Employer set forth in Section 2 hereof, by the CEO or the Board, other than as a result of the Executive's appointment to a position of comparable or superior authority and responsibility, or other than for Cause, subject, however, to the following caveats and exclusions, none of which shall constitute a Constructive Discharge: (A) the Employer shall be permitted to broaden and expand the Executive's responsibilities, whether in the same or different position; (B) the Employer may, in connection with Executive's disability as described in Section 4(e), appoint Executive to the position that is both (x) related to the position set forth in Section 2 hereof and (y) the next highest position then available with the Employer that the Executive is physically and professionally qualified to perform at the time of such appointment (the "Substitute Position"); and (C) the Employer may reduce the Executive's Base Salary to a level that is not less than the greater of (y) the minimum Base Salary established for fiscal year 2002 as set forth in Section 3(a) hereof and (z) eighty-five percent (85%) of the Executive's then-current Base Salary, provided that such reduction occurs generally concurrently with, and as a component of, a comprehensive reduction of Base Salaries (or reduction in number) of the other Senior Headquarters Executives then employed by Employer, and provided that, in the context of a general pay reduction, Executive's Base Salary reduction is reasonably comparable to that imposed on the other Senior Headquarters Executives; it being specifically understood and agreed that none of the events described in (A), (B), and (C) above shall constitute a "Constructive Discharge" hereunder; or

(ii) The Executive shall fail to be vested by the Employer with the powers, authority and support services customarily attendant to said office within the REIT industry, other than for Cause and other than due to financial constraints applicable to the Employer resulting in a generalized reduction of support services within the Employer; or

(iii) The Employer shall formally notify the Executive, in writing, that the employment of the Executive will be terminated (other than for Cause) or materially modified

(other than for Cause) in the future, or that the Executive will be Constructively Discharged in the future; or

(iv) The Employer shall change the primary employment location of the Executive to a place that is more than fifty (50) miles from the primary employment location as of the Effective Date of this Agreement, other than in connection with a general relocation of the headquarters office (or staff) of the Employer; or

(v) The Employer shall commit a material breach of its obligations under this Agreement, which it shall fail to cure or commence to cure within thirty (30) days after receipt of written notice thereof from the Executive.

(d) PAYMENTS UPON DEATH. This Agreement shall terminate upon the death of the Executive. Upon the Executive's death and the resulting termination of this Agreement, the Employer shall only be obligated to pay such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the date of death plus seventy-five percent (75%) of his "Maximum Cash Performance Bonus," as set forth in Exhibit A to this Agreement, for the then-current year as described in Section 3(b), such Cash Performance Bonus to be prorated through the date of death on a strict per diem basis, and the Employer shall not have any further obligations to the Executive (other than payment of any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid, reimbursement of previously approved expenses, any amounts or rights vested pursuant to the Scheduled Benefits), and any amounts or rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of ERISA). The amount that the Employer shall be obligated to pay upon the Executive's death shall be delivered to such beneficiary, designee or fiduciary as Executive may have designated in writing or, failing such designation, to the executor or administrator of his estate, in full settlement and satisfaction of all claims and demands on behalf of the Executive. Such payments shall be in addition to such other death benefits of the Employer as shall have been made available for the benefit of the Executive, and in full settlement and satisfaction of all payments provided for in this Agreement. The Employer and the Executive agree that the Employer shall maintain, at all times during the term of this Agreement, such supplemental life insurance for the benefit of the Executive as is set forth in Section 3(c) hereof.

(e) PAYMENTS UPON DISABILITY. In the event of the Executive's "disability" (as defined below), the Employer, acting reasonably and in good faith, may determine whether or not the basis for, or the cause of, the Executive's disability is work-related.

(i) If the Employer determines that the basis for, or the cause of, the Executive's disability is not work-related, the Employer may deliver a written notice to the Executive advising of the Employer's election to terminate the Employee's employment, in which case the subject of, and the basis for, the termination shall be the Executive's disability; and upon delivery of such termination notice, the Executive's employment shall be terminated. Upon the termination of the Executive's employment under this Section 4(e)(i), the Employer shall only be obligated to pay to the Executive such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the effective date of termination,

and the Employer shall not have any further obligations to the Executive (other than payment of any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid, reimbursement of previously approved expenses, any amounts or rights vested pursuant to the Scheduled Benefits, and any amounts or rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of ERISA).

(ii) If the basis for, or the cause of, the Executive's disability is "work-related" (as defined below), then the Employer shall, at the CEO's election, either (A) terminate the Executive's employment and pay him the Severance Amount [as defined in subparagraph (f) of this Section 4], in thirty-six (36) equal monthly installments commencing within thirty (30) days after the Executive's employment is terminated under this Section 4(e); or (B) appoint and reassign the Executive to a Substitute Position, as defined in subparagraph (c)(i) of this Section 4, with an adjustment in Base Salary (and Performance Bonus targets) to levels then attributable to that Substitute Position, and such appointment and reassignment shall not constitute a Constructive Discharge under subparagraph (c) of this Section 4. In the event of an adjustment in Performance Bonus targets due to reassignment based on disability, the Performance Bonus for the then-expired portion of the then-current fiscal year as of such reassignment shall be paid to Executive, when otherwise due following the termination of such fiscal year, based on a pro diem proration of seventy-five percent (75%) of the Maximum Cash Performance Bonus for Executive's pre-disability position, prorated through the date of reassignment. If the Executive declines the Substitute Position, then the Executive shall be deemed to have voluntarily terminated his employment pursuant to subparagraph (b) of this Section 4, and he shall be entitled to no Severance Amount or other entitlements other than those enumerated in Section 4(b) hereof.

(iii) For purposes hereof, the Executive's "disability" shall be deemed to be "work-related" if the disability is either (A) a result of an accident or incident that would entitle the Executive to workers' compensation benefits under the Illinois Workers' Compensation Act, as amended, if such benefits were sought by the Executive; or (B) a result of an injury sustained at and during an Employer-sponsored function or event, which function or event is conducted for business, rather than recreational, purposes (e.g. an annual retreat that the Executive is required to attend, and at which both business meetings and recreational activities are conducted, with the Executive required to participate in all such activities, rather than a company picnic to which the Executive is invited and at which the Executive elects to participate in Employer-sponsored recreational activities).

(iv) For purposes hereof, "disability" shall mean the Executive's inability, as a result of physical or mental incapacity, substantially to perform his duties hereunder for a period of either six (6) consecutive months, or one hundred twenty (120) business days within a consecutive twelve (12) month period. In the event of a dispute regarding the Executive's "disability," or whether the basis for, or the cause of, the disability is "work-related," such dispute shall be resolved through arbitration as provided in subparagraph (d) of Section 10 hereof, except that the arbitrator appointed by the American Arbitration Association shall be a duly licensed medical doctor.

(v) The Executive shall be entitled to the compensation and benefits provided under this Agreement during any period of incapacitation occurring during the term of this Agreement prior to the establishment of the Executive's "disability" and subsequent termination of his employment.

(vi) The Employer and the Executive agree that the Employer shall maintain, at all times during the term of this Agreement, such supplemental disability insurance for the benefit of the Executive as is set forth in Section 3(c) hereof.

(vii) During the period that the monthly payments are made under subparagraph (ii) above, such payments shall be reduced by the amount of the monthly disability payments made under the supplemental disability insurance maintained by the Employer for the benefit of the Executive as is set forth in Section 3(c) hereof.

(f) PAYMENTS UPON TERMINATION WITHOUT CAUSE OR THROUGH CONSTRUCTIVE DISCHARGE. In the event of the termination of the employment of the Executive under this Agreement: (y) by the Employer "Without Cause," meaning for any reason other than in accordance with the provisions of subparagraph (d) (death), subparagraph (e) (disability), subparagraph (g) (Change in Control) or subparagraph (i) (for Cause) of this Section 4; or (z) by the Executive pursuant to a Constructive Discharge under subparagraph (c) of this Section 4; then notwithstanding any actual or allegedly available alternative employment or other mitigation of damages by (or which may be available to) the Executive, the Employer shall provide Executive with the following entitlements:

(i) The Employer shall, within thirty (30) days of termination of employment, pay to the Executive, subject to the "Age-Based Adjustments" provided and defined in Section 4(h) below, a "Severance Amount" equal to the sum of:

- (A) three (3) times the then-current annual amount of his Base Salary; plus
- (B) seventy-five percent (75%) of his Maximum Cash Performance Bonus for the then-current year as described in Section 3(b), such Cash Performance Bonus to be prorated through the date of termination on a strict per diem basis. In addition, if the Performance Bonus for the fiscal year immediately preceding the year in which such termination of employment occurs shall not have been determined by the Compensation Committee as of the date of such termination, then the Compensation Committee shall, within thirty (30) days following such termination, make such determination for the preceding year, subject to the provision that the amount so determined shall not be less than seventy-five percent (75%) of the Maximum Performance Bonus established for such preceding year.

(ii) The Employer shall also:

- (A) notwithstanding the vesting schedule otherwise applicable, fully vest Executive's options, other than options that may by their terms vest upon or be subject to the attainment of any individual or company-wide performance criteria (e.g., and without limitation, Consolidated Incentive Program options), outstanding under the First Industrial Realty Trust, Inc. 1994 Stock Incentive Plan, the First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan, the First Industrial Realty Trust, Inc. 2001 Stock Incentive Plan and any similar plan subsequently adopted by the Employer (collectively referred to herein as the "SIP Options"), and awards outstanding under the First Industrial Realty Trust, Inc. Deferred Income Plan ("DIP Awards"), effective as of the date of termination;
- (B) notwithstanding the terms of the grant or award documentation, release and eliminate all unexpired transfer and encumbrance restrictions otherwise applicable to any restricted stock owned by the Executive, effective as of the date of termination;
- (C) allow a period of eighteen (18) months following the termination of employment for the Executive to exercise any such SIP Options; and
- (D) continue for the Executive his health insurance coverage, whether single or family, so as to provide a scope of coverage comparable to that which was in effect as of the date of termination, for a period of three (3) years following such termination or until such time as substitute health insurance coverage with comparable benefits is available to him at a cost comparable to that borne by him under the Employer's policy, by virtue of other employment or family members' insurance benefits secured or made available after termination.

(iii) The entitlements described in this subparagraph (f) shall be in addition to the payment of such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the effective date of termination, and the payment of any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid, reimbursement of previously approved expenses, any amounts or rights vested pursuant to the Scheduled Benefits, and any amounts or rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of ERISA.

(iv) Payment to the Executive of the Severance Amount and those items enumerated in subparagraph (iii) above will be made in a single lump sum within thirty (30) days after a termination effectuated by the Employer Without Cause or by the Executive based on Constructive Discharge.

(g) CHANGE IN CONTROL.

(i) In the event of a Change in Control (as defined below) of the Employer resulting in or associated with (as, when and to the extent herein provided) the termination of the Executive's employment which is undertaken at the initiative of either (y) the Employer under subparagraph (g)(ii)(A) below, or (z) the Executive, under subparagraph (g)(ii)(B) below ("Change in Control Termination"), the following entitlements shall become operative:

- (A) The Executive shall be entitled to receive a "Change in Control Severance Amount" equal to the sum of the following amounts:
- (1) two (2) times the then-current annual amount of his Base Salary; plus
 - (2) his Maximum Cash Performance Bonus for the then-current fiscal year as described in Section 3(b), prorated through the date of termination on a strict per diem basis; plus
 - (3) if the Performance Bonus for the fiscal year immediately preceding the year in which the Change in Control Termination occurs shall not have been determined by the Compensation Committee as of the date of such termination, then the Compensation Committee shall, within thirty (30) days following such termination, make such determination for the preceding year and such amount shall be paid to the Executive hereunder, subject to the provision that the amount so determined shall not be less than seventy-five percent (75%) of the Maximum Performance Bonus established for such preceding year, and; provided further, that if, as of the date of such termination, First Industrial Realty Trust, Inc.'s Compensation Committee does not make the determination required by this subparagraph (3), then the amount payable pursuant to this subparagraph shall not be less than seventy-five percent (75%) of the

Maximum Performance bonus established for such preceding year; plus

- (4) a "Double Historical Average Cash Bonus," which shall be calculated as follows: first, there will be a computation of the average of the percentages of his Maximum Cash Performance Bonus paid (or that have been declared, but remain unpaid, as of the date of a Change in Control Termination) as annual Cash Performance Bonuses for the two (2) immediately preceding fiscal years of the Employer ("Historical Average Cash Bonus Percentage"); second, the Historical Average Cash Bonus Percentage will then be multiplied by his Maximum Cash Performance Bonus Percentage attributable to the year of his Change in Control Termination, with the resulting percentage thereby derived being his "Change in Control Bonus Percentage"; third, the Change in Control Bonus Percentage shall be multiplied by his Base Salary as of the date of his Change in Control Termination, with the resulting product being his "Historical Average Cash Bonus"; and fourth, his Historical Average Cash Bonus is multiplied by two (2), with the resulting product being his "Double Historical Average Cash Bonus." See Example #1 on Exhibit C hereto for a mathematical example of the preceding calculation. Notwithstanding the immediately preceding sentence and Example #1 on Exhibit C, in the event that (i) the Cash Performance Bonus paid for either of the two (2) fiscal years immediately preceding a Change in Control Termination is less than 100% of the Maximum Cash Performance Bonus Percentage for such fiscal year, and (ii) an equity-based Performance Bonus having a stated aggregate value as of issuance of \$100,000 or more was granted to the Executive in respect of such years (such year in which (i) and (ii) occur thereby constituting a "Deficient Bonus Year"), then for purposes of calculating the Double Historical Average Cash Bonus component of the Change in Control Severance Amount, the minimum Cash Bonus Percentage for any Deficient Bonus Year (or Years) will be 100%. See Example #2 on Exhibit C hereto for a mathematical example of the immediately

preceding calculation. If, as of a Change in Control Event, the Executive has not received (or had declared by the Compensation Committee) two Historical Cash Performance Bonuses with respect to, and while holding, the position set forth in Section 2, then the percentage of Maximum Cash Performance Bonus used to calculate the Historical Cash Bonus Percentages shall be the percentage of Maximum Cash Performance Bonus paid to Executive's predecessor with respect to the particular position set forth in Section 2 during that portion of the two (2) preceding fiscal years of the Employer during which Executive did not hold the requisite position, subject to a minimum percentage of 100% for any Deficient Bonus Year arising on the basis of his predecessor's compensation history.

- (B) The Employer shall also provide the following entitlements to the Executive:
- (1) notwithstanding the vesting schedule otherwise applicable, the Employer shall fully vest Executive's options, other than options that may by their terms vest upon or be subject to the attainment of any individual or company-wide performance criteria (e.g., and without limitation, Consolidated Incentive Program options), outstanding under the First Industrial Realty Trust, Inc. 1994 Stock Incentive Plan, the First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan, the First Industrial Realty Trust, Inc. 2001 Stock Incentive Plan and any similar plan subsequently adopted by the Employer (collectively referred to herein as the "SIP Options"), and awards outstanding under the First Industrial Realty Trust, Inc. Deferred Income Plan ("DIP Awards"), effective as of date of the Change in Control Termination;
 - (2) notwithstanding the terms of the grant or award documentation, the Employer shall release and eliminate all unexpired transfer and encumbrance restrictions otherwise applicable to any restricted stock owned by the Executive, effective as of date of the Change in Control Termination;

- (3) the Employer shall allow a period of eighteen (18) months following the termination of employment for the Executive to exercise any such SIP Options; and
 - (4) the Employer shall continue for the Executive his health insurance coverage, whether single or family, in effect as of the date of termination for three (3) years following such termination or until such time as substitute health insurance with comparable benefits is available to him at a cost comparable to that borne by him under the Employer's policy, by virtue of other employment or family members' insurance benefits secured or made available after termination.
- (C) The Change in Control Severance Amount shall:
- (1) be reduced by any amount paid or otherwise payable to the Executive pursuant to Sections 4(c) (Constructive Discharge), 4(e) (disability) or 4(f) (termination by Employer without Cause); and
 - (2) be in addition to: such current Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid as of the effective date of termination; the payment of amounts any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid; reimbursement of previously approved or otherwise authorized expenses; any amounts or rights theretofore vested pursuant to the Scheduled Benefits; and any amounts or rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of ERISA.
- (D) The Change in Control Severance Amount will be paid in a single lump sum, on (I) the date of the Change in Control Event, if the Executive's employment is in fact terminated concurrent with the Change in Control Event [or was terminated by the Employer prior to the Change in Control Event so as to give rise to a Change in Control Severance Amount entitlement as of the Change in Control Event, pursuant to subparagraph (ii)(A) below]; or (II) within thirty (30) days after the Executive terminates his

employment following a Change in Control Event under subparagraph (ii)(B) below.

(ii) The following (and only the following) events shall constitute a Change in Control Termination under this subparagraph (g):

- (A) Executive's employment is terminated by the Employer (or its successor) for any reason other than for Cause or due to death or disability, within either of the respective three hundred sixty-five (365) day periods either preceding or following the event constituting a Change in Control; or
- (B) The Executive terminates his employment under this Agreement upon and through written notice given to the Employer within thirty (30) days after the occurrence of a "Triggering Circumstance," as defined and described below, such right of termination to exist only if (x) the Triggering Circumstance described in (i) or (ii) below occurs within a period of three hundred sixty-five (365) days following a Change in Control Event; or (y) either of the Triggering Circumstances described in (iii) or (iv) below occurs within a period of seven hundred thirty (730) days [subject to extension for (iii) as set forth below] following a Change in Control Event. The following shall constitute "Triggering Circumstances" hereunder, entitling the Executive to terminate his employment following a Change in Control Event and receive a Change in Control Severance Amount: (i) the Change in Control Event gives rise to a change in employment circumstances that would otherwise constitute a Constructive Discharge; (ii) the Change in Control Event results in a relocation of the Executive's primary place of employment to a location that is more than fifty (50) miles from his primary employment location with Employer as of the Effective Date of this Agreement, even if such relocation is pursuant to a general merger-induced or other general headquarters office relocation and would, in the absence of a Change in Control Event, not constitute a Constructive Discharge hereunder; (iii) the Company (or its successor), following the Change in Control Event, pays Cash Performance Bonuses to the Executive, attributable to either of those two (2) certain fiscal years respectively constituting (w) the fiscal year in which the Change in Control Event occurs and (x) the next succeeding fiscal year ("Post-CIC Fiscal Years"), at a level that is less than the greater of (y) the amount equal to the average of the percentages of Base Salary paid as Cash

Performance Bonuses for the two (2) fiscal years preceding the Change in Control Event and (z) the amount equal to one hundred percent (100%) of the respective Base Salaries then in place for each of the Post-CIC Fiscal Years [it being understood that the seven hundred thirty (730) day period for determining whether there is a deficiency in a Cash Performance Bonus for the second of the two (2) Post-CIC Fiscal Years shall be extended as necessary to encompass the date on which the Cash Performance Bonus for the second Post-CIC Fiscal Year is actually paid]; or (iv) the annual Base Salary payable to the Executive for either Post-CIC Fiscal Year is less than the Base Salary in effect as of the occurrence of the Change in Control Event. In addition to the foregoing Triggering Circumstance events described in (i) through (iv) above giving rise to the Executive's right to effectuate a Change in Control Termination, it shall also constitute a Triggering Circumstance, and the Executive shall also be entitled to effectuate such Change in Control Termination if, as of the effective date of a Change in Control Event, the successor employer/acquiring entity does not affirm, in writing, its assumption of the obligations of the Employer under this Agreement, and its agreement to perform such obligations for the benefit of the Executive following the Change in Control Event. Any Change in Control Termination by the Executive shall be effectuated by written notice provided to the Employer or its successor within thirty (30) days following the Executive's actual knowledge of the first occurrence of a Triggering Circumstance which, in the case of (iii) or (iv) above, shall constitute the Executive's receipt of the initial non-conforming Base Salary payment or Cash Performance Bonus payment in question. The failure of the Executive to give a timely notice of termination as hereinabove provided following the occurrence of a Triggering Circumstance shall constitute a waiver of the Executive's right to initiate a Change in Control Termination by reason of such Triggering Circumstance. Executive shall have no right to initiate a Change in Control Termination giving rise to an entitlement to a Change in Control Severance Amount unless a Triggering Circumstance shall have occurred and shall have been acted upon by Executive on a timely basis as hereinabove provided.

(iii) For purposes of this Agreement, the term "Change in Control Event" shall mean the following events:

- (A) The consummation of the acquisition by any person [as such term is defined in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")] of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of forty percent (40%) or more of the combined voting power embodied in the then-outstanding voting securities of the Employer; or
- (B) The persons who, as of the date hereof, constitute the Employer's Board of Directors (the "Incumbent Directors") cease, in opposition to the Nominating Committee of the Board and as a result of a tender offer, proxy contest, merger or similar transaction or event (as opposed to turnover caused by death or resignation), to constitute at least a majority of the Board, provided that any person becoming a director of the Employer subsequent to the date hereof whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors, or by a Nominating Committee duly appointed by such Incumbent Directors, or by successors of either who shall have become Directors other than as a result of a hostile attempt to change Directors, whether through a tender offer, proxy contest or similar transaction or event shall be considered an Incumbent Director; or
- (C) The consummation of:
 - (1) a merger or consolidation of the Employer, if the stockholders of the Employer as constituted in the aggregate immediately before such merger or consolidation do not, as a result of and following such merger or consolidation, own, directly or indirectly, more than seventy-five percent (75%) of the combined voting power of the then outstanding voting securities of the entity resulting from such merger or consolidation in substantially the same proportion as was represented by their ownership of the combined voting power of the voting securities of the Employer outstanding immediately before such merger or consolidation; or
 - (2) a liquidation, sale or other ultimate disposition or transfer of all or substantially all of the total assets

of the Employer and its subsidiaries, which shall be deemed to have occurred for purposes of ascertaining when a Change in Control Event has taken place when, as and if the Employer shall have disposed, in a single transaction or set of related transactions, of more than fifty percent (50%) of its and its subsidiaries' total real estate portfolio, pursuant to a declared plan of liquidation, such percentage of the portfolio to be deemed to have been transferred at such time as the Employer and its Subsidiaries shall have disposed of fifty percent (50%) or more of their properties in relation to overall undepreciated (i.e. cost-based) book value, net operating income or square footage of developed properties.

(iv) Notwithstanding the immediately preceding subparagraph (iii), a Change in Control Event shall not be deemed to occur solely because forty percent (40%) or more of the combined voting power of the then-outstanding securities of the Employer is acquired by:

- (A) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained for employees of the entity; or
- (B) any corporation or other entity which, immediately prior to such acquisition, is substantially owned directly or indirectly by the Employer or by its stockholders in the same proportion as their ownership of stock in the Employer immediately prior to such acquisition.

(v) If it is determined, in the opinion of the Employer's independent accountants, in consultation, if necessary, with the Employer's independent legal counsel, that any Change in Control Severance Amount, either separately or in conjunction with any other payments, benefits and entitlements received by the Executive in respect of a Change in Control Termination hereunder or under any other plan or agreement under which the Executive participates or to which he is a party, would constitute an "Excess Parachute Payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and thereby be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then in such event the Employer shall pay to the Executive a "grossing-up" amount equal to the amount of such Excise Tax, plus all federal and state income or other taxes with respect to the payment of the amount of such Excise Tax, including all such taxes with respect to any such grossing-up amount. If, at a later date, the Internal Revenue Service assesses a deficiency against the Executive for the Excise Tax which is greater than that which was determined at the time such amounts were paid, then the Employer shall pay to the Executive the amount of such unreimbursed Excise Tax plus any interest, penalties and reasonable professional fees or

expenses incurred by the Executive as a result of such assessment, including all such taxes with respect to any such additional amount. The highest marginal tax rate applicable to individuals at the time of the payment of such amounts will be used for purposes of determining the federal and state income and other taxes with respect thereto. Employer shall withhold from any amounts paid under this Agreement the amount of any Excise Tax or other federal, state or local taxes then required to be withheld. Computations of the amount of any grossing-up supplemental compensation paid under this subparagraph shall be conclusively made by the Employer's independent accountants, in consultation, if necessary, with the Employer's independent legal counsel. If, after the Executive receives any gross-up payments or other amount pursuant to this subparagraph (v), the Executive receives any refund with respect to the Excise Tax, the Executive shall promptly pay the Employer the amount of such refund within ten (10) days of receipt by the Executive.

(h) AGE-BASED ADJUSTMENTS. It is recognized and acknowledged that Executive intends and wishes to retire by the Retirement Date, on which date he shall have attained the age of seventy (70), which shall be the mandatory retirement age for senior management of the Employer. This Agreement shall accordingly terminate, on an automatic basis, as provided in Section 1 above, as of said Retirement Date. In addition, it is mutually acknowledged and agreed that the Severance Amount owed to the Executive in the event of a termination of this Agreement pursuant to Section 4(c) or 4(f) hereof (respectively dealing with Constructive Discharge and termination by Employer without Cause) shall be gradually reduced during the three (3) year pre-retirement transition period preceding the Retirement Date, by being made subject to "Age-Based Adjustments," based on the following schedule:

Age of Executive as of ----- Date of Termination -----	% of Severance Amount Due ----- Per Age-Based Adjustment -----
67	75%
68	50%
69	25%
70	0%

(i) TERMINATION FOR CAUSE. The employment of the Executive under this Agreement may be terminated by the Employer on the basis of "Cause," as hereinafter defined. If the Executive's employment is terminated by the Employer for Cause under this subparagraph (i), then the Employer shall only be obligated to pay to the Executive such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the effective date of termination, but the Employer shall not be required to pay to the Executive any Performance Bonus for the then-current fiscal year, or have any further obligations whatsoever to the Executive, other than any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid; reimbursement for previously approved expenses; and continuation of any amounts or rights vested pursuant to the Scheduled Benefits that remain vested upon and notwithstanding the Executive's termination for Cause, in which event such rights to payment or continuation shall be determined pursuant to the terms of the plans under which such Scheduled Benefits are provided, and not the terms of this subparagraph (i) of Section 4. Termination for "Cause" shall mean the termination of the Executive's employment on the basis or as a result of:
(i) the Executive being found guilty of a felony; (ii)

the Executive's commission of an act that disqualifies the Executive (whether under the Employer's by-laws, or under any statute, regulation, law or rule applicable to the Employer) from serving as an officer or director of the Employer; or (iii) a recurring pattern of material and willful dereliction of duty of the Executive's material responsibilities, where such recurring failure has a material adverse effect upon the business of the Employer, as reasonably determined by the CEO, in the CEO's good faith determination. In making such determination, it is understood that the CEO shall interpret and apply the above-described standards (of materiality, or willful dereliction, and of adversity) in a manner that is normal and customary within the Employer's industry. Executive shall be entitled to thirty (30) days' prior written notice (the "Termination Notice") of the Employer's intention to terminate his employment for Cause, and such Termination Notice shall: specify the grounds for such termination; afford the Executive a reasonable opportunity to cure any conduct or act (if curable) alleged as grounds for such termination; and a reasonable opportunity to present to the CEO his position regarding any dispute relating to the existence of such Cause. Notwithstanding the foregoing procedure, the Employer (through the CEO) shall have the unilateral right to make the final substantive determination as to whether the Executive (through the CEO) has properly remedied or otherwise addressed those matters described in the Termination Notice as grounds for termination of the Executive's employment; and in the event that the Employer determines (as of the expiration of the above-contemplated 30-day period), that the Executive has not appropriately remedied or otherwise addressed those matters, then the Executive's term of employment shall, in all events, automatically terminate as of the thirtieth (30th) day after the Employer delivers the Termination Notice, without any responsibility or obligation of the Employer to provide the Executive with any further notice or explanation of the grounds for his termination. If the Executive challenges his termination for Cause under the provisions of Section 10(d) hereof and the arbitrator finds that the Executive did not engage in conduct which properly entitled the Employer to terminate the Executive's employment for Cause under the criteria set forth above, then the Employer shall pay to the Executive, within thirty (30) days of the arbitrator's decision: the Severance Amount as if his termination of employment had been effectuated pursuant to Section 4(f) hereunder; with interest on the Severance Amount at the rate of eighteen percent (18%) from the date of the Termination Notice to the date payment is ordered made of such Severance Amount to be paid thereon; plus the amount of the Executive's reasonable attorneys' fees incurred in such arbitration.

(j) RESIGNATION FROM RELATED POSITIONS. Upon the termination of the Executive's employment with the Employer, for any reason whatsoever, the Executive shall immediately resign from any and all officerships, directorships, committee memberships and all other elected or appointed positions, of any nature, that the Executive then holds with any or all of the Employer and its affiliates.

(k) STOCK REDEMPTION. Upon the termination of the Executive's employment with the Employer, for any reason whatsoever, the Executive shall permit the Employer or its affiliate(s), as the case may be, to immediately redeem any and all common or preferred stock (or any partnership or membership interests, as the case may be) that the Executive then owns in any affiliate(s) of Employer, which redemption shall occur at the same cash price (if any) as Executive actually initially paid to acquire such stock (or partnership or membership interests, as the case may be). In no event, however, shall the foregoing requirement apply to any stock

(common or preferred) that Executive owns in Employer, or to any limited partnership interests (so-called "OP Units") that the Executive owns in First Industrial, L.P., a Delaware limited partnership in which the Employer is the general partner and which is commonly referred to as the "Operating Partnership."

5. CONFIDENTIALITY AND LOYALTY. The Executive acknowledges that, during the course of his employment prior to his entry into this Agreement, he has produced, received and had access to, and may hereafter continue to produce, receive and otherwise have access to, various materials, records, data, trade secrets and information not generally available to the public, specifically including any information concerning projects in the "Pipeline" as defined in Section 6(a)(ii) below (collectively, "Confidential Information") regarding the Employer and its subsidiaries and affiliates. Accordingly, during the term of this Agreement and for the one (1) year period immediately subsequent to any termination of this Agreement, on any basis, the Executive shall hold in confidence and shall not directly or indirectly for his own benefit or for the benefit of any other person or entity, for economic gain or otherwise, disclose, use, copy or make lists of any such Confidential Information, except to the extent that (a) such information is or thereafter becomes lawfully available from public sources; or (b) such disclosure is authorized in writing by the Employer; or (c) such disclosure is determined by court order or official governmental ruling to be required by law or by any competent administrative agency or judicial authority; or (d) such disclosure is otherwise reasonably necessary or appropriate in connection with the performance by the Executive of his duties hereunder. All records, files, documents, computer diskettes, computer programs and other computer-generated material, as well as all other materials or copies thereof relating to the Employer's business, which the Executive shall prepare or use, shall be and remain the sole property of the Employer, shall not be removed from the Employer's premises without its written consent, and shall be promptly returned to the Employer upon termination of the Executive's employment hereunder.

6. NON-COMPETITION COVENANT.

(a) RESTRICTIVE COVENANT.

(i) The Employer and the Executive have jointly reviewed the tenant lists, property submittals, logs, broker lists, and operations of the Employer, and have agreed that as an essential ingredient of and in consideration of this Agreement and the Employer's agreement to make the payment of the amounts described in Sections 3 and 4 hereof when and as herein described, the Executive hereby agrees, except with the express prior written consent of the Employer, and subject to the limitations set forth in Section 5(c) below, that for a period of one (1) year [or in the case of a Change in Control Termination, six (6) months] after the termination of the Executive's employment with the Employer (the "Restrictive Period"), he will not directly or indirectly in any manner compete with the business of the Employer, including, but not by way of limitation, by directly or indirectly owning, managing, operating, controlling, financing, or by directly or indirectly serving as an employee, officer or director of or consultant to, or by soliciting or inducing, or attempting to solicit or induce, any employee or agent of Employer to terminate employment with Employer and become employed by the following:

- (A) any company listed as an industrial or mixed office/industrial (but not pure office) REIT or Real Estate Operating Company in the Realty Stock Review, a Dow Jones & Co. Publication, (a "Peer Group Member") a copy of such listing for the month prior of the Effective Date hereof being attached hereto as Exhibit D, or
- (B) any person, firm, partnership, corporation, trust or other entity (including, but not limited to, Peer Group Members) which, as a material component of its business (other than for its own use as an owner or user), invests in industrial warehouse facilities and properties similar to the Employer's investments and holdings: (1) in any geographic market or territory in which the Employer owns properties or has an office either as of the date hereof or as of the date of termination of the Executive's employment; or (2) in any market in which an acquisition or other investment by the Employer or any affiliate of the Employer is pending as of the date of termination, as conclusively evidenced by the existence of a Request for Proposal or an executed Agreement of Purchase and Sale, Contribution (or Merger) Agreement or Letter of Intent, Confidentiality Agreement, Due Diligence Agreement, Pursuit Cost Agreement, Partnership or Joint Venture Agreement, or by a Post Acceptance Conference Call (PACC) memorandum or Investment Committee (IC) approval in existence at the time of the termination of the Executive's employment.

(ii) In addition, during the Restrictive Period, the Executive shall not act as a principal, investor or broker/intermediary, or serve as an employee, officer, advisor or consultant, to any person or entity, in connection with or concerning any investment opportunity of the Employer that is in the "Pipeline" (as defined below) as of the effective date of the termination of the Executive's employment. Within ten (10) business days after the Executive's termination of employment, the CEO shall deliver to the Executive a written statement of the investment opportunities in the Pipeline as of the effective date of the termination of the Executive's employment (the "Pipeline Statement"), and the Executive shall then review the Pipeline Statement for accuracy and completeness, to the best of his knowledge, and advise the CEO of any corrections required to the Pipeline Statement. The Executive's receipt of any Severance Amount under Sections 4(b), (e) and (f) shall be conditioned on his either acknowledging, in writing, the accuracy and completeness of the Pipeline Statement, or advising the CEO, in writing, of any corrections or revisions required to the Pipeline Statement in order to make it accurate and complete, to the best of the Executive's knowledge. The restrictions concerning any one individual investment opportunity in the Pipeline shall continue until the first to occur of (i) expiration of the Restrictive Period; or (ii) the Executive's receipt from the Employer of written notice that the Employer has abandoned such investment opportunity, such

notice not to affect the restrictions on all other investment opportunities contained in the Pipeline Statement during the remainder of the Restrictive Period. An investment opportunity shall be considered in the "Pipeline" if, as of the effective date of the termination of the Executive's employment, the investment opportunity is pending (for example, is the subject of a letter of intent) or proposed (for example, has been presented to, or been bid on by, the Employer in writing or otherwise) or under consideration by the Employer, whether at the PACC, IC, staff level(s) or otherwise, and relates to any of the following potential forms of transaction: (A) an acquisition for cash; (B) an UPREIT transaction; (C) a transaction under the "First Exchange" program; (D) a development project or venture; (E) a joint venture partnership or other cooperative relationship, whether through a DOWNREIT relationship or otherwise; (F) an "Opportunity Fund" or other private investment in or co-investment with the Employer; (G) any debt placement opportunity by or in Employer; (H) any service or other fee-generating opportunity by the Employer; or (I) any other investment by the Employer or an affiliate of the Employer, in or with any party or by any party in the Employer or an affiliate of the Employer.

(iii) The Restrictions contained in subparagraphs (i) and (ii) above are collectively referred to as the "Restrictive Covenant." If the Executive violates the Restrictive Covenant and the Employer brings legal action for injunctive or other relief, the Employer shall not, as a result of the time involved in obtaining such relief, be deprived of the benefit of the full period of the Restrictive Covenant. Accordingly, the Restrictive Covenant shall be deemed to have the duration specified in this subparagraph (i) computed from the date the relief is granted, but reduced by the time between the period when the Restrictive Period began to run and the date of the first violation of the Restrictive Covenant by the Executive. In the event that a successor of the Employer assumes and agrees to perform this Agreement or otherwise acquires the Employer, this Restrictive Covenant shall continue to apply only to the primary markets of the Employer as they existed immediately before such assumption or acquisition, and shall not apply to any of the successor's other offices or markets. The foregoing Restrictive Covenant shall not prohibit the Executive from owning, directly or indirectly, capital stock or similar securities that are listed on a securities exchange or quoted on the National Association of Securities Dealers Automated Quotation System and that do not represent more than five percent (5%) of the outstanding capital stock of any corporation.

(b) RELIEF FROM RESTRICTIVE COVENANTS. In the event the Executive shall desire to engage in any activity that would violate the Restrictive Covenant which he reasonably and in good faith believes would be immaterial to the economic and proprietary interests of the Employer or any of its affiliates, he may, prior to (but not after) engaging in such activity, submit to the CEO a written request for relief from the Restrictive Covenant, which written request shall set forth the scope of the proposed activity, the scope of the requested relief and the basis upon which Executive believes such activity to be immaterial to the interests of the Employer. Within ten (10) business days after receipt of the Executive's written request, and subject to the specific approval of the Board, the CEO shall advise the Executive, in writing, as to whether the requested relief shall be granted. The parties agree that such relief shall be granted only if the CEO reasonably determines that the reasonably anticipated impact on the Employer of the grant of such relief is in fact immaterial to and fully compatible with the economic and proprietary interests of the Employer (and its separate regions, ventures, divisions, subsidiaries and affiliates), it being specifically hereby understood and acknowledged by the Executive that a purportedly "minor" percentage impact on company-wide revenues or expenses of the Employer shall not be deemed to be per se immaterial.

(c) TERMINATION OF RESTRICTIVE COVENANT - CERTAIN CHANGE IN CONTROL TERMINATION BY EXECUTIVE. If the Executive terminates his employment with the successor of the Employer following a Change in Control Event in the absence of a Triggering Circumstance, so as to effectuate a termination of his employment without any entitlement of or claim by the Executive to a Change in Control Severance Amount, then the Restrictive Covenant set forth in this Section 6 shall not be operative with respect to the Executive following such termination, during the Restrictive Period or otherwise, but the obligations of the Executive set forth in Section 5 as to Confidential Information shall remain operative as therein provided.

(d) REMEDIES FOR BREACH OF RESTRICTIVE COVENANT. The Executive acknowledges that the restrictions contained in Sections 5 and 6 of this Agreement are reasonable and necessary for the protection of the legitimate proprietary business interests of the Employer; that any violation of these restrictions would cause substantial injury to the Employer and such interests; that the Employer would not have entered into this Agreement with the Executive without receiving the additional consideration offered by the Executive in binding himself to these restrictions; and that such restrictions were a material inducement to the Employer to enter into this Agreement. In the event of any violation of these restrictions or statement of intent by the Executive to violate any of these restrictions, the Employer shall automatically be relieved of any and all further financial and other obligations to the Executive under this Agreement, in relation to Severance Payments or otherwise, and shall be entitled to all rights, remedies or damages available at law, in equity or otherwise under this Agreement; and, without limitation, shall be entitled to temporary and preliminary injunctive relief, granted by a court of competent jurisdiction, to prevent or restrain any such violation by the Executive and any and all persons directly or indirectly acting for or with him, as the case may be, such injunctive relief to be available pending the outcome of the arbitration process provided under Section 10(d) of this Agreement, which arbitration process will entitle the arbitrator to determine that permanent injunctive relief is to be granted to the Employer, whereupon such relief shall be granted by a court of competent jurisdiction, based on the determination of the arbitrator.

7. INTERCORPORATE TRANSFERS. If the Executive shall be transferred by the Employer to an affiliate of the Employer, such transfer, by itself and without any adverse financial or functional impact on the Executive, shall not be deemed a Constructive Discharge or otherwise be deemed to terminate or modify this Agreement, and the employing corporation or other entity to which the Executive is transferred shall, for all purposes of this Agreement, be construed as standing in the same place and stead as the Employer as of the effective date of such transfer provided, however, that at all times after such transfer, First Industrial Realty Trust, Inc. shall remain liable for all obligations of the Employer hereunder, including the payment of all Base Salary, Performance Bonuses or other amounts set forth herein. For purposes hereof, an affiliate of the Employer shall mean any corporation or other entity directly or indirectly controlling, controlled by, or under common control with, the Employer.

8. INTEREST IN ASSETS AND PAYMENTS. Neither the Executive nor his estate shall acquire any rights in any funds or other assets of the Employer, otherwise than by and through the actual payment of amounts payable hereunder; nor shall the Executive or his estate have any power to transfer, assign, anticipate, pledge, hypothecate or otherwise encumber any of said payments; nor shall any of such payments be subject to seizure for the payment of any debt, judgment, alimony, separate maintenance or be transferable by operation of law in the event or as a result of any bankruptcy, insolvency or other legal proceeding otherwise relating to the Executive.

9. INDEMNIFICATION.

(a) During the term of this Agreement and thereafter throughout all applicable limitations periods, the Employer shall provide the Executive (including his heirs, personal representatives, executors and administrators), with such coverage as shall be generally available to senior officers of the Employer under the Employer's then-current directors' and officers' liability insurance policy, at the Employer's expense.

(b) In addition to the insurance coverage provided for in paragraph (a) of this Section 9, the Employer shall defend, hold harmless and indemnify the Executive (and his heirs, executors and administrators) to the fullest extent permitted under applicable law, and subject to each of the requirements, limitations and specifications set forth in the Articles of Incorporation, Bylaws and other organizational documents of the Employer, against all expenses and liabilities reasonably incurred by him in connection with or arising out of, any action, suit or proceeding in which the Executive may be involved by reason of his having been an officer of the Employer (whether or not he continues to be an officer at the time of such expenses or liabilities are incurred), such expenses and liabilities to include, but not be limited to, judgments, court costs and attorneys' fees and the cost of reasonable settlements.

(c) In the event the Executive becomes a party, or is threatened to be made a party, to any action, suit or proceeding for which the Employer has agreed to provide insurance coverage or indemnification under this Section 9, the Employer shall, to the full extent permitted under applicable law, and subject to the each of the requirements, limitations and specifications set forth in the Articles of Incorporation, Bylaws and other organizational documents of the Employer, advance all expenses (including the reasonable attorneys' fees of the attorneys selected by Employer and approved by Executive for the representation of the Executive), judgments, fines and amounts paid in settlement (collectively "Expenses") incurred by the Executive in connection with the investigation, defense, settlement, or appeal of any threatened, pending or completed action, suit or proceeding, subject to receipt by the Employer of a written undertaking from the Executive covenanting: (i) to reimburse the Employer for the amount of all of the Expenses actually paid by the Employer to or on behalf of the Executive in the event it shall be ultimately determined, by the court or the arbitrator, as applicable to the case, that the Executive is not entitled to indemnification by the Employer for such Expenses; and (ii) to assign to the Employer all rights of the Executive to insurance proceeds, under any policy of directors' and officers' liability insurance or otherwise, to the extent of the amount of the Expenses actually paid by the Employer to or on behalf of the Executive.

10. GENERAL PROVISIONS.

(a) SUCCESSORS; ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the Executive, the Employer, the Executive's personal representatives, the Employer's successors and assigns, and any successor or assign of the Employer shall be deemed the "Employer" hereunder. The Executive may neither assign his duties or obligations this Agreement, nor sell, assign, pledge, encumber, transfer or hypothecate his entitlement hereunder, and the Employer shall have no obligation to recognize any such purported alienation, or pay any funds to any party claiming the benefit thereof.

(b) ENTIRE AGREEMENT; MODIFICATIONS. This Agreement constitutes the entire agreement between the parties respecting the subject matter hereof, and supersedes all prior negotiations, undertakings, agreements and arrangements with respect thereto, whether written or oral; provided, however, that all benefits and rights conferred by those equity-based and other compensation plans as provided by the plans included on Exhibit B hereto (collectively, the "Scheduled Benefits") shall be governed by those equity-based and other compensation plans and ancillary documents, whether adopted or signed prior to or after the Effective Date of this Agreement and as such are modified by this Agreement. Except as otherwise explicitly provided herein, this Agreement may not be amended or modified except by written agreement signed by the Executive and the Employer.

(c) ENFORCEMENT AND GOVERNING LAW. The provisions of this Agreement shall be regarded as divisible and separate; if any of said provisions should be declared invalid or unenforceable by a court of competent jurisdiction, the validity and enforceability of the remaining provisions shall not be affected thereby. This Agreement shall be construed and the legal relations of the parties hereto shall be determined in accordance with the laws of the State of Illinois, as such state constitutes the situs of the headquarters office of the Employer and the

place of employment hereunder, and such laws shall apply without reference to the rules of law regarding conflicts of law.

(d) ARBITRATION. Except only as otherwise provided in subparagraph (d) of Section 6, each and every dispute, controversy and contested factual and legal determination arising under or in connection with this Agreement or the Executive's employment by the Employer shall be committed to and be resolved exclusively through the arbitration process, in an arbitration proceeding, conducted by a single arbitrator sitting in Chicago, Illinois, in accordance with the rules of the American Arbitration Association (the "AAA") then in effect. The arbitrator shall be selected by the parties from a list of eleven (11) arbitrators provided by the AAA, provided that no arbitrator shall be related to or affiliated with either of the parties. No later than ten (10) days after the list of proposed arbitrators is received by the parties, the parties, or their respective representatives, shall meet at a mutually convenient location in Chicago, Illinois, or telephonically. At that meeting, the party who sought arbitration shall eliminate one (1) proposed arbitrator and then the other party shall eliminate one (1) proposed arbitrator. The parties shall continue to alternatively eliminate names from the list of proposed arbitrators in this manner until each party has eliminated five (5) proposed arbitrators. The remaining arbitrator shall arbitrate the dispute. Each party shall submit, in writing, the specific requested action or decision it wishes to take, or make, with respect to the matter in dispute ("Proposed Solution"), and the arbitrator shall be obligated to choose one (1) party's specific Proposed Solution, without being permitted to effectuate any compromise or "new" position; provided, however, that the arbitrator shall be authorized to award amounts not in dispute during the pendency of any dispute or controversy arising under or in connection with this Agreement. The party whose Proposed Solution is not selected shall bear the costs of all counsel, experts or other representatives that are retained by both parties, together with all costs of the arbitration proceeding, including, without limitation, the fees, costs and expenses imposed or incurred by the arbitrator. If the arbitrator ultimately chooses the Executive's Proposed Solution, then the Employer shall pay interest at the rate of eighteen percent (18%) interest, per annum, on the amount the arbitrator awards to the Executive (exclusive of attorneys' fees and costs and expenses of the arbitration), such interest to be calculated from the date the amount payable under the Executive's Proposed Solution would have been paid under this Agreement, but for the dispute, through the date payment is ordered made. Judgment may be entered on the arbitrator's award in any court having jurisdiction, including, if applicable, entry of a permanent injunction under such subparagraph (d) of Section 6.

(e) PRESS RELEASES AND PUBLIC DISCLOSURE. Any press release or other public communication by either the Executive or the Employer with any other person concerning the terms, conditions or circumstances of Executive's employment, or the termination of such employment, shall be subject to prior written approval of both the Executive and the Employer, subject to the proviso that the Employer shall be entitled to make requisite and appropriate public disclosure of the terms of this Agreement and any termination hereof, without the Executive's consent or approval, as may be required under applicable statutes, and the rules and regulations of the Securities and Exchange Commission and New York Stock Exchange. Employer shall be entitled to rely on the advice and counsel of its legal counsel and other professional advisors in determining whether any such disclosure is required.

(f) PUT DEMAND AS TO RELEASED SECURITIES. If, pursuant to either of Sections 4(f) or 4(g) hereof, the Employer shall have prematurely released and eliminated all unexpired transfer and encumbrance restrictions otherwise applicable to any restricted shares of common stock of the Employer owned by the Executive, then the Executive shall, on a one-time basis exercisable within thirty (30) days of the date of such release of restrictions, have the right to put to the Employer, and require that the Employer purchase, such shares of restricted stock as shall have been released as above described ("Released Securities"). Such put shall be exercised by delivery of a "Put Demand" to the Employer, given in writing pursuant to the notice provisions hereof, which Put Demand: (i) shall encompass all of the Released Securities owned by the Executive; and (ii) shall in no event be applicable to or available in respect of any "Exempt Shares," which shall constitute those Released Securities that may otherwise be sold by the Executive, without registration, pursuant to either or both of Rules 144 and 145 of the Securities Act of 1933, as amended, within a period of one hundred twenty (120) days following the date of the release of the Executive's restricted shares. Upon its receipt of a timely and otherwise proper Put Demand from the Executive, the Employer shall thereby and thereupon become obligated, within a period of ten (10) days following the date of delivery of the Put Demand, to purchase, for cash, the Released Securities that were the subject of the Put Demand in question (in all events exclusive of Exempt Shares), at a price per share equal to the weighted average (by daily trading volume on the New York Stock Exchange) of the closing price of the Employer's shares of common stock for the thirty (30) trading days immediately preceding the date of delivery of the Put Demand. The specific date on which such purchase shall be consummated and closed shall be established pursuant to the mutual agreement of the parties and, in the absence of such agreement, on the tenth (10th) day following the date of delivery of the Put Demand (and if such day falls on a weekend or business holiday, then on the first business day thereafter). By his delivery of a Put Demand, the Executive shall become irrevocably obligated to sell, at the price above specified, all of the Released Securities that were the subject of the Put Demand. The transfer of the Released Securities to the Employer shall be effectuated pursuant to commercially reasonable and customary stock transfer and other related documentation prepared at Employer's expense by counsel to the Employer.

(g) INTEREST. If any amount due hereunder is not paid within ten (10) days of being due, then the Employer or the Executive, as applicable, shall pay interest at the rate of 200 basis points above the base commercial lending rate published in The Wall Street Journal in effect from time to time during the period of such non-payment; provided, however, that if the interest rate set forth above exceeds the highest legally-permissible interest rate, then the interest rate shall be reduced to the level of the highest legally permissible interest rate.

(h) WAIVER. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by the other party, shall be deemed a waiver of any similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

(i) NOTICES. Notices given pursuant to this Agreement shall be in writing, and shall be deemed given when received if personally delivered, or on the first (1st) business day after deposit with a commercial overnight delivery service. Notices to the Employer shall be addressed and delivered to the principal headquarters office of the Employer, Attention:

President and Chief Executive Officer, with a copy concurrently so delivered to General Corporate Counsel to the Employer, Barack Ferrazzano Kirschbaum Perlman & Nagelberg, 333 West Wacker Drive, Suite 2700, Chicago, Illinois 60606, to the joint attention of Lynne D. Mapes-Riordan and Howard A. Nagelberg. Notices to the Executive shall be sent to the address set forth below the Executive's signature on this Agreement, or to such other address as Executive may hereafter designate in a written notice given to the Employer and its counsel.

(j) COUNTERPARTS. This Agreement and any amendments thereto may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

FIRST INDUSTRIAL REALTY TRUST,
INC., a Maryland corporation

JOHANNSON L. YAP

By: /s/ Michael W. Brennan

Michael W. Brennan
President and Chief Executive Officer

/s/ Johannson L. Yap

Address of Executive:

JOHANNSON L. YAP

EMPLOYMENT AGREEMENT (THE "AGREEMENT")

EXHIBIT A

The Executive's Maximum Performance Bonus under Section 3(b) of the Agreement shall be equal to the sum of the following percentages of his Base Salary, as such percentages are modified from time to time by the Compensation Committee of the Board in accordance with its procedures governing the review and modification of executive compensation for the Employer:

BONUS COMPONENTS	MAXIMUM BONUS PERCENTAGE
Cash Bonus	200%
Equity-Based Bonus	140%

JOHANNSON L. YAP

EMPLOYMENT AGREEMENT (THE "AGREEMENT")

EXHIBIT B

The Executive's Scheduled Benefits are those provided according to the following plans:

- A. First Industrial Realty Trust, Inc. 1994 Stock Incentive Plan and related awards and grant agreements thereunder.
- B. First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan and related awards and grant agreements thereunder.
- C. First Industrial Realty Trust, Inc. 2001 Stock Incentive Plan.
- D. First Industrial Realty Trust, Inc. Deferred Income Plan.

EMPLOYMENT AGREEMENT (THE "AGREEMENT")

EXHIBIT C

EXAMPLE #1

CALCULATION OF HYPOTHETICAL DOUBLE HISTORICAL AVERAGE CASH BONUS
WITH NO IMPACT OF DEFICIENT BONUS YEAR ADJUSTMENT

The first example below is a calculation that would be performed pursuant to Section 4(g)(i)(A)(3) of the Agreement.

Assume the following:

- Change in Control Termination is February 1, 2000.
- Base Salary during 1998, 1999 was \$100,000.
- Base Salary as of Change in Control Termination is \$150,000.
- For 1998 and 1999 the Maximum Cash Performance Bonus Percentage was 150%.
- For 2000 the Maximum Cash Performance Bonus Percentage is 180%.
- Cash Performance Bonus for 1998 was \$150,000 (or 100% of Maximum Cash Performance Bonus).
- Cash Performance Bonus for 1999 was \$75,000 (or 50% of Maximum Cash Performance Bonus).
- Equity-Based Performance Bonus value for 1999 was not more than \$100,000 (See below for example of year in which such value was \$100,000 or more).

Step 1 - Determine Historical Average Cash Bonus Percentage

1998 Cash Bonus Percentage (as a Percentage of the Maximum Cash Bonus Percentage)	100%
1999 Cash Bonus Percentage (as a Percentage of the Maximum Cash Bonus Percentage)	50%

Average of above percentages is the Historical Average Cash Bonus Percentage	75%
	====

Step 2 - Determine Change in Control Bonus Percentage

Historical Prior Average Cash Bonus Percentage	75%
Multiplied by Maximum Cash Performance Bonus Percentage for year of Change in Control Termination	x 180%

Change in Control Bonus Percentage is:	135%
	====

Step 3 - Determine Historical Average Cash Bonus

Change in Control Bonus Percentage		135%
Multiplied by Base Salary as of Change in Control Termination	x	\$150,000

Historical Average Cash Bonus is:		\$202,500
		=====

Step 4 - Determine Double Historical Average Cash Bonus

Historical Average Cash Bonus		\$202,500
Multiplied by 2	x	2

Double Historical Average Cash Bonus is:		\$405,000
		=====

EXAMPLE #2

CALCULATION OF HYPOTHETICAL DOUBLE HISTORICAL AVERAGE CASH BONUS
WITH DEFICIENT BONUS YEAR ADJUSTMENT

The second example assumes that the 1999 Cash Performance Bonus triggers a Deficient Bonus Year.

Assume the following:

- The facts presented in Example #1 remain static
- Equity-based Performance Bonus value for 1999 was \$100,000 (contrary to Example #1)

Step 1 - Determine Historical Average Cash Bonus Percentage

1998 Cash Bonus Percentage (as a Percentage of the Maximum Cash Bonus Percentage)		100%
1999 Cash Bonus Percentage (as a Percentage of the Maximum Cash Bonus Percentage)		50%

Average of above percentages is the Historical Average Cash Bonus Percentage		75%
		=====

Step 2 - Determine whether 1998 or 1999 was a "Deficient Bonus Year"

- 1998 was not a Deficient Bonus Year, because the Cash Performance Bonus Percentage paid was 100% of the Maximum Cash Performance Bonus.

- 1999 was a Deficient Bonus Year, because the Cash Bonus Percentage was 75%, which is less than 100%, and the value of the equity-based performance bonus was \$100,000 or more (contrary to Example #1). Because 1999 is a Deficient Bonus Year, the 1999 75% Cash Bonus Percentage is deemed to be 100% for purposes of the calculation of the Double Historical Average Cash Bonus.

Step 3 - Determine Historical Average Cash Bonus Percentage using 100% for 1999

1998 Cash Bonus Percentage	100%
1999 Deemed Cash Bonus Percentage	100%

Average of above percentages is Historical Average Cash Bonus Percentage	100%
	=====

Step 4 - Determine Change in Control Bonus Percentage

Historical Average Cash Bonus Percentage	100%
Multiplied by Maximum Cash Performance Bonus Percentage for year of Change in Control Termination	x 180%

Change in Control Bonus Percentage is:	180%
	=====

Step 5 - Determine Historical Average Cash Bonus

Change in Control Bonus Percentage	180%
Multiplied by Base Salary as of Change in Control Termination	x \$150,000

Historical Average Cash Bonus is:	\$270,000
	=====

Step 6 - Determine Double Historical Average Cash Bonus

Historical Average Cash Bonus	\$270,000
Multiplied by 2	x 2

Double Historical Average Cash Bonus is:	\$540,000
	=====

JOHANNSON L. YAP

EMPLOYMENT AGREEMENT (THE "AGREEMENT")

EXHIBIT D

A copy of the list of industrial and mixed office/industrial REIT and Real Estate Operating Companies as published in the Realty Stock Review, a Dow Jones & Co. publication, for the month prior to the Effective Date of the Agreement is attached hereto.

D-1

DAVID P. DRAFT
EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), is made and entered into as of the 25th day of March, 2002 (the "Effective Date"), by and between First Industrial Realty Trust, Inc., a Maryland corporation (the "Employer"), and David P. Draft (the "Executive").

RECITALS

A. The Employer desires to employ the Executive as an officer of the Employer for a specified term.

B. The Executive is willing to accept such employment, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements hereinafter contained, it is covenanted and agreed by and between the parties hereto as follows:

AGREEMENTS

1. POSITION AND DUTIES. The Employer hereby employs the Executive as Executive Vice President-Operations of the Employer, or in such other comparable or other capacity as shall be mutually agreed between the Employer and the Executive by amendment of this Agreement. During the period of the Executive's employment hereunder, the Executive shall devote his best efforts and full business time (excluding any periods of disability, vacation, sick leave or other leave to which the Executive is entitled), energy, skills and attention to the business and affairs of the Employer, on an exclusive basis. The Executive's duties and authority shall consist of and include all duties and authority customarily performed and held by persons holding equivalent positions with real estate investment trusts ("REIT's") similar in nature and size to the Employer, as such duties and authority are reasonably defined, modified and delegated from time to time by the Chief Investment Officer of the Employer (the "CIO"). The Executive shall have the powers necessary to perform the duties assigned to him, and shall be provided such supporting services, staff, secretarial and other assistance, office space and accouterments as shall be reasonably necessary and appropriate in light of such assigned duties, as determined by the CEO, but in any event shall be no less favorable to the Executive than such supporting services, assistance, office space and accouterments provided to other Senior Headquarters Executives (as defined in Section 2(c) below) of the Employer.

2. COMPENSATION. As compensation for the services to be provided by the Executive hereunder, the Executive shall receive the following compensation and other benefits:

(a) **BASE SALARY.** The Executive shall receive a minimum aggregate annual "Base Salary" at the rate of Two Hundred and Seventy-eight Thousand Dollars (\$278,000) per annum, payable in periodic installments in accordance with the regular payroll practices of the Employer. Such Base Salary shall, during the term hereof, be subject to discretionary increase (but not decrease), on an annual fiscal year basis, as recommended by the CEO and approved by the Compensation Committee of the Board of Directors of the Employer (the "Compensation Committee"), in accordance with the Employer's compensation policies, as they may be established from time to time. After any such increase, "Base Salary" shall refer to the increased amount and shall not thereafter be reduced.

(b) **PERFORMANCE BONUS.** The Executive may receive an annual "Performance Bonus," payable within sixty (60) days after the end of the fiscal year of the Employer. The amount (if any) of and the form of the entitlements (i.e., cash, equity-based awards, or a combination of cash and equity-based awards) comprising any annual Performance Bonus shall be as recommended by the CEO and approved by the Compensation Committee in its sole discretion; shall not be subject to any minimum or guaranteed amount; and shall be generally based on a combination of company-wide and individual performance criteria. The Executive's "Maximum Bonus Percentages" and "Maximum Performance Bonus" are set forth in Exhibit A to this Agreement and the Executive's "Maximum Cash Performance Bonus" for any fiscal year shall be his Base Salary for such year multiplied by the Maximum Bonus Percentage for the Cash Bonus Component of the Performance Bonus as set forth in Exhibit A. Prior to January 1 of each calendar year, the Executive shall provide the CEO with a written "Personal Achievement Plan" that sets forth the Executive's individual performance goals for such calendar year, which goals shall reflect and be consistent with the Employer's then-current business plan. Whether all or any of the individual elements of the Executive's Personal Achievement Plan are achieved during the year shall guide, but shall not bind, the CEO in making his recommendation of the amount of the Executive's Performance Bonus. For purposes of this Agreement, the term "Cash Performance Bonus" shall mean that component of the Performance Bonus paid or payable in cash.

(c) **BENEFITS.** The Executive shall be entitled to participate in all plans and benefits that may be from time to time accorded to all, and not simply any one of, the Executive, the Employer's Chief Financial Officer, and the Employer's Chief Investment Officer (collectively, the "Senior Headquarters Executives") and shall receive supplemental life and disability insurance coverages comparable (as a percentage of Base Salary) to those received by the CEO, all as determined from time to time by the CEO and approved (if necessary) by the Compensation Committee of the Board. In addition to the foregoing perquisites, plans and benefits, commencing in fiscal 2002, the Executive shall receive an annual allowance of two thousand seven hundred and fifty-six dollars (\$2,756) for personal financial planning and personal income tax preparation, which allowance shall (i) be paid no later than March 30 of each year and (ii) increase five percent (5%) per annum (on a compounded basis), commencing as of the allowance payment due on or before March 30, 2003.

(d) **VACATIONS.** The Executive shall be entitled to annual vacations in accordance with the vacation policy of the Employer, which vacations shall be taken at a time or

times mutually agreeable to the Employer and the Executive; provided, however, that the Executive shall be entitled to at least four (4) weeks of paid vacations annually.

(e) WITHHOLDING. The Employer shall be entitled to withhold, from amounts payable to the Executive hereunder, any federal, state or local withholding or other taxes or charges which, from time to time, it is required to withhold. The Employer shall be entitled to rely upon the advice and counsel of its independent accountants with regard to any question concerning the amount or requirement of any such withholding.

3. TERM AND TERMINATION.

(a) TERM. The Executive's employment hereunder shall be for a continuous and self-renewing two (2) year "evergreen" term (calculated on a day to day basis), commencing as of the Effective Date, unless sooner terminated at any time by either party, with or without Cause, such termination to be effective as of thirty (30) days after written notice to that effect is delivered to the other party. Notwithstanding the preceding provisions of this Section 3(a), the term of this Agreement shall, if not previously terminated, expire of its own accord, and without notice to or from either party, on the seventieth (70th) birthday of the Executive ("Retirement Date").

(b) PREMATURE TERMINATION WITHOUT NOTICE. Notwithstanding subparagraph (a) above, the Employer may terminate the Executive's employment on an immediate basis and without notice, in an emergency circumstance, when reasonably necessary to preserve or protect the Employer's interests; and in the case of such an immediate termination, the Employer shall pay the Executive one (1) month's Base Salary in addition to any other amounts then due to the Executive as a result of the termination (it being understood that the applicable termination-based amount then due shall be determined based on the Section of this Agreement pursuant to which the Executive's employment is terminated). In the event that the circumstances giving rise to an emergency termination give rise to payment of a Severance Amount that includes a prorated Cash Performance Bonus for the then-current year, then such Cash Performance Bonus shall be prorated as if the Executive had remained employed by the Employer for an additional period of thirty (30) days beyond the date of actual immediate emergency termination of his employment as described above.

(c) VOLUNTARY TERMINATION BY EXECUTIVE. In the event that the Executive voluntarily terminates his employment under this Agreement, other than pursuant to Section 3(d) (Constructive Discharge) or 3(h) (Change in Control), then the Employer shall only be required to pay to the Executive such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the effective date of the termination, and the Employer shall not be obligated to pay any Performance Bonus for the then-current fiscal year, or have any further obligations whatsoever to the Executive, other than payment of any Performance Bonuses previously approved by the Compensation Committee for any prior fiscal year(s) that remain unpaid, reimbursement of previously approved expenses, any amounts or rights vested pursuant to the Scheduled Benefits [as defined in Section 9(b) hereof], and any amounts or rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

(d) CONSTRUCTIVE DISCHARGE. If, at any time during the term of this Agreement, the Executive is Constructively Discharged (as hereinafter defined), then the Executive shall have the right, by written notice to the Employer given within thirty (30) days after such Constructive Discharge, which notice shall specify the grounds for such Constructive Discharge, to terminate his employment hereunder, effective as of fifteen (15) days after such notice, and the Executive shall have no further obligations under this Agreement except as specified in Sections 4 and 5. The Executive shall in such event receive from the Employer the Severance Amount and other entitlements described and defined in subparagraph (g) of this Section 3. Notwithstanding the foregoing, if the Executive is Constructively Discharged on or within one (1) year after the occurrence of an event constituting a Change in Control Event [as defined in subparagraph (h) of this Section 3], then the Executive shall receive the Change in Control Severance Amount [as defined in subparagraph (h) of this Section 3] in lieu of the Severance Amount that would otherwise be paid in respect of a Constructive Discharge under this Section 3(d), and such termination shall also be deemed a Change in Control Termination for purposes of Section 5 of this Agreement.

For purposes of this Agreement, the Executive shall be deemed to have been "Constructively Discharged" upon the occurrence of any one of the following events:

(i) The Executive shall be removed from the position with the Employer set forth in Section 1 hereof, by the CEO or the Board, other than as a result of the Executive's appointment to a position of comparable or superior authority and responsibility, or other than for Cause, subject, however, to the following caveats and exclusions, none of which shall constitute a Constructive Discharge: (A) the Employer shall be permitted to broaden and expand the Executive's responsibilities, whether in the same or different position; (B) the Employer may, in connection with Executive's disability as described in Section 3(f), appoint Executive to the position that is both (x) related to the position set forth in Section 1 hereof and (y) the next highest position then available with the Employer that the Executive is physically and professionally qualified to perform at the time of such appointment (the "Substitute Position"); and (C) the Employer may reduce the Executive's Base Salary to a level that is not less than the greater of (y) the minimum Base Salary established for fiscal year 2002 as set forth in Section 2(a) hereof and (z) eighty-five percent (85%) of the Executive's then-current Base Salary, provided that such reduction occurs generally concurrently with, and as a component of, a comprehensive reduction of Base Salaries (or reduction in number) of the other Senior Headquarters Executives then employed by Employer, and provided that, in the context of a general pay reduction, Executive's Base Salary reduction is reasonably comparable to that imposed on the other Senior Headquarters Executives; it being specifically understood and agreed that none of the events described in (A), (B), and (C) above shall constitute a "Constructive Discharge" hereunder; or

(ii) The Executive shall fail to be vested by the Employer with the powers, authority and support services customarily attendant to said office within the REIT industry, other than for Cause and other than due to financial constraints applicable to the Employer resulting in a generalized reduction of support services within the Employer; or

(iii) The Employer shall formally notify the Executive, in writing, that the employment of the Executive will be terminated (other than for Cause) or materially modified (other than for Cause) in the future, or that the Executive will be Constructively Discharged in the future; or

(iv) The Employer shall change the primary employment location of the Executive to a place that is more than fifty (50) miles from the primary employment location as of the Effective Date of this Agreement, other than in connection with a general relocation of the headquarters office (or staff) of the Employer; or

(v) The Employer shall commit a material breach of its obligations under this Agreement, which it shall fail to cure or commence to cure within thirty (30) days after receipt of written notice thereof from the Executive.

(e) PAYMENTS UPON DEATH. This Agreement shall terminate upon the death of the Executive. Upon the Executive's death and the resulting termination of this Agreement, the Employer shall only be obligated to pay such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the date of death plus seventy-five percent (75%) of his "Maximum Cash Performance Bonus," as set forth in Exhibit A to this Agreement, for the then-current year as described in Section 2(b), such Cash Performance Bonus to be prorated through the date of death on a strict per diem basis, and the Employer shall not have any further obligations to the Executive (other than payment of any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid, reimbursement of previously approved expenses, any amounts or rights vested pursuant to the Scheduled Benefits), and any amounts or rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of ERISA. The amount that the Employer shall be obligated to pay upon the Executive's death shall be delivered to such beneficiary, designee or fiduciary as Executive may have designated in writing or, failing such designation, to the executor or administrator of his estate, in full settlement and satisfaction of all claims and demands on behalf of the Executive. Such payments shall be in addition to such other death benefits of the Employer as shall have been made available for the benefit of the Executive, and in full settlement and satisfaction of all payments provided for in this Agreement. The Employer and the Executive agree that the Employer shall maintain, at all times during the term of this Agreement, such supplemental life insurance for the benefit of the Executive as is set forth in Section 2(c) hereof.

(f) PAYMENTS UPON DISABILITY. In the event of the Executive's "disability" (as defined below), the Employer, acting reasonably and in good faith, may determine whether or not the basis for, or the cause of, the Executive's disability is work-related.

(i) If the Employer determines that the basis for, or the cause of, the Executive's disability is not work-related, the Employer may deliver a written notice to the Executive advising of the Employer's election to terminate the Employee's employment, in which case the subject of, and the basis for, the termination shall be the Executive's disability; and upon delivery of such termination notice, the Executive's employment shall be terminated. Upon the termination of the Executive's employment under this Section 3(e)(i), the Employer

shall only be obligated to pay to the Executive such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the effective date of termination, and the Employer shall not have any further obligations to the Executive (other than payment of any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid, reimbursement of previously approved expenses, any amounts or rights vested pursuant to the Scheduled Benefits, and any amounts or rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of ERISA).

(ii) If the basis for, or the cause of, the Executive's disability is "work-related" (as defined below), then the Employer shall, at the CEO's election, either (A) terminate the Executive's employment and pay him the Severance Amount [as defined in subparagraph (g) of this Section 3], in thirty-six (36) equal monthly installments commencing within thirty (30) days after the Executive's employment is terminated under this Section 3(f); or (B) appoint and reassign the Executive to a Substitute Position, as defined in subparagraph (d)(i) of this Section 3, with an adjustment in Base Salary (and Performance Bonus targets) to levels then attributable to that Substitute Position, and such appointment and reassignment shall not constitute a Constructive Discharge under subparagraph (c) of this Section 3. In the event of an adjustment in Performance Bonus targets due to reassignment based on disability, the Performance Bonus for the then-expired portion of the then-current fiscal year as of such reassignment shall be paid to Executive, when otherwise due following the termination of such fiscal year, based on a pro rata proration of seventy-five percent (75%) of the Maximum Cash Performance Bonus for Executive's pre-disability position, prorated through the date of reassignment. If the Executive declines the Substitute Position, then the Executive shall be deemed to have voluntarily terminated his employment pursuant to subparagraph (c) of this Section 3, and he shall be entitled to no Severance Amount or other entitlements other than those enumerated in Section 3(c) hereof.

(iii) For purposes hereof, the Executive's "disability" shall be deemed to be "work-related" if the disability is either (A) a result of an accident or incident that would entitle the Executive to workers' compensation benefits under the Illinois Workers' Compensation Act, as amended, if such benefits were sought by the Executive; or (B) a result of an injury sustained at and during an Employer-sponsored function or event, which function or event is conducted for business, rather than recreational, purposes (e.g. an annual retreat that the Executive is required to attend, and at which both business meetings and recreational activities are conducted, with the Executive required to participate in all such activities, rather than a company picnic to which the Executive is invited and at which the Executive elects to participate in Employer-sponsored recreational activities).

(iv) For purposes hereof, "disability" shall mean the Executive's inability, as a result of physical or mental incapacity, substantially to perform his duties hereunder for a period of either six (6) consecutive months, or one hundred twenty (120) business days within a consecutive twelve (12) month period. In the event of a dispute regarding the Executive's "disability," or whether the basis for, or the cause of, the disability is "work-related," such dispute shall be resolved through arbitration as provided in subparagraph (d) of Section 9 hereof, except that the arbitrator appointed by the American Arbitration Association shall be a duly licensed medical doctor.

(v) The Executive shall be entitled to the compensation and benefits provided under this Agreement during any period of incapacitation occurring during the term of this Agreement prior to the establishment of the Executive's "disability" and subsequent termination of his employment.

(vi) The Employer and the Executive agree that the Employer shall maintain, at all times during the term of this Agreement, such supplemental disability insurance for the benefit of the Executive as is set forth in Section 2(c) hereof.

(vii) During the period that the monthly payments are made under subparagraph (ii) above, such payments shall be reduced by the amount of the monthly disability payments made under the supplemental disability insurance maintained by the Employer for the benefit of the Executive as is set forth in Section 2(c) hereof.

(g) PAYMENTS UPON TERMINATION WITHOUT CAUSE OR THROUGH CONSTRUCTIVE DISCHARGE. In the event of the termination of the employment of the Executive under this Agreement: (y) by the Employer "Without Cause," meaning for any reason other than in accordance with the provisions of subparagraph (e) (death), subparagraph (f) (disability), subparagraph (h) (Change in Control) or subparagraph (j) (for Cause) of this Section 3; or (z) by the Executive pursuant to a Constructive Discharge under subparagraph (d) of this Section 3; then notwithstanding any actual or allegedly available alternative employment or other mitigation of damages by (or which may be available to) the Executive, the Employer shall provide Executive with the following entitlements:

(i) The Employer shall, within thirty (30) days of termination of employment, pay to the Executive, subject to the "Age-Based Adjustments" provided and defined in Section 3(i) below, a "Severance Amount" equal to the sum of:

- (A) three (3) times the then-current annual amount of his Base Salary; plus
- (B) seventy-five percent (75%) of his Maximum Cash Performance Bonus for the then-current year as described in Section 2(b), such Cash Performance Bonus to be prorated through the date of termination on a strict per diem basis. In addition, if the Performance Bonus for the fiscal year immediately preceding the year in which such termination of employment occurs shall not have been determined by the Compensation Committee as of the date of such termination, then the Compensation Committee shall, within thirty (30) days following such termination, make such determination for the preceding year, subject to the provision that the amount so determined shall not be less than seventy-five percent (75%) of the Maximum Performance Bonus established for such preceding year.

(ii) The Employer shall also:

- (A) notwithstanding the vesting schedule otherwise applicable, fully vest Executive's options, other than options that may by their terms vest upon or be subject to the attainment of any individual or company-wide performance criteria (e.g., and without limitation, Consolidated Incentive Program options), outstanding under the First Industrial Realty Trust, Inc. 1994 Stock Incentive Plan, the First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan, the First Industrial Realty Trust, Inc. 2001 Stock Incentive Plan and any similar plan subsequently adopted by the Employer (collectively referred to herein as the "SIP Options"), and awards outstanding under the First Industrial Realty Trust, Inc. Deferred Income Plan ("DIP Awards"), effective as of the date of termination;
- (B) notwithstanding the terms of the grant or award documentation, release and eliminate all unexpired transfer and encumbrance restrictions otherwise applicable to any restricted stock owned by the Executive, effective as of the date of termination;
- (C) allow a period of eighteen (18) months following the termination of employment for the Executive to exercise any such SIP Options; and
- (D) continue for the Executive his health insurance coverage, whether single or family, so as to provide a scope of coverage comparable to that which was in effect as of the date of termination, for a period of three (3) years following such termination or until such time as substitute health insurance coverage with comparable benefits is available to him at a cost comparable to that borne by him under the Employer's policy, by virtue of other employment or family members' insurance benefits secured or made available after termination.

(iii) The entitlements described in this subparagraph (g) shall be in addition to the payment of such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the effective date of termination, and the payment of any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid, reimbursement of previously approved expenses, any amounts or rights vested pursuant to the Scheduled Benefits, and any amounts or rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of ERISA.

(iv) Payment to the Executive of the Severance Amount and those items enumerated in subparagraph (iii) above will be made in a single lump sum within thirty (30) days after a termination effectuated by the Employer Without Cause or by the Executive based on Constructive Discharge.

(h) CHANGE IN CONTROL.

(i) In the event of a Change in Control (as defined below) of the Employer resulting in or associated with (as, when and to the extent herein provided) the termination of the Executive's employment which is undertaken at the initiative of either (y) the Employer under subparagraph (h)(ii)(A) below, or (z) the Executive, under subparagraph (h)(ii)(B) below ("Change in Control Termination"), the following entitlements shall become operative:

- (A) The Executive shall be entitled to receive a "Change in Control Severance Amount" equal to the sum of the following amounts:
- (1) two (2) times the then-current annual amount of his Base Salary; plus
 - (2) his Maximum Cash Performance Bonus for the then-current fiscal year as described in Section 2(b), prorated through the date of termination on a strict per diem basis; plus
 - (3) if the Performance Bonus for the fiscal year immediately preceding the year in which the Change in Control Termination occurs shall not have been determined by the Compensation Committee as of the date of such termination, then the Compensation Committee shall, within thirty (30) days following such termination, make such determination for the preceding year and such amount shall be paid to the Executive hereunder, subject to the provision that the amount so determined shall not be less than seventy-five percent (75%) of the Maximum Performance Bonus established for such preceding year, and; provided further, that if, as of the date of such termination, First Industrial Realty Trust, Inc.'s Compensation Committee does not make the determination required by this subparagraph (3), then the amount payable pursuant to this subparagraph shall not be less than seventy-five percent (75%) of the

Maximum Performance Bonus established for such preceding year; plus

- (4) a "Double Historical Average Cash Bonus," which shall be calculated as follows: first, there will be a computation of the average of the percentages of his Maximum Cash Performance Bonus paid (or that have been declared, but remain unpaid, as of the date of a Change in Control Termination) as annual Cash Performance Bonuses for the two (2) immediately preceding fiscal years of the Employer ("Historical Average Cash Bonus Percentage"); second, the Historical Average Cash Bonus Percentage will then be multiplied by his Maximum Cash Performance Bonus Percentage attributable to the year of his Change in Control Termination, with the resulting percentage thereby derived being his "Change in Control Bonus Percentage"; third, the Change in Control Bonus Percentage shall be multiplied by his Base Salary as of the date of his Change in Control Termination, with the resulting product being his "Historical Average Cash Bonus"; and fourth, his Historical Average Cash Bonus is multiplied by two (2), with the resulting product being his "Double Historical Average Cash Bonus." See Example #1 on Exhibit C hereto for a mathematical example of the preceding calculation. Notwithstanding the immediately preceding sentence and Example #1 on Exhibit C, in the event that (i) the Cash Performance Bonus paid for either of the two (2) fiscal years immediately preceding a Change in Control Termination is less than 100% of the Maximum Cash Performance Bonus Percentage for such fiscal year, and (ii) an equity-based Performance Bonus having a stated aggregate value as of issuance of \$100,000 or more was granted to the Executive in respect of such years (such year in which (i) and (ii) occur thereby constituting a "Deficient Bonus Year"), then for purposes of calculating the Double Historical Average Cash Bonus component of the Change in Control Severance Amount, the minimum Cash Bonus Percentage for any Deficient Bonus Year (or Years) will be 100%. See Example #2 on Exhibit C hereto for a mathematical example of the immediately

preceding calculation. If, as of a Change in Control Event, the Executive has not received (or had declared by the Compensation Committee) two Historical Cash Performance Bonuses with respect to, and while holding, the position set forth in Section 1, then the percentage of Maximum Cash Performance Bonus used to calculate the Historical Cash Bonus Percentages shall be the percentage of Maximum Cash Performance Bonus paid to Executive's predecessor with respect to the particular position set forth in Section 1 during that portion of the two (2) preceding fiscal years of the Employer during which Executive did not hold the requisite position, subject to a minimum percentage of 100% for any Deficient Bonus Year arising on the basis of his predecessor's compensation history.

- (B) The Employer shall also provide the following entitlements to the Executive:
- (1) notwithstanding the vesting schedule otherwise applicable, the Employer shall fully vest Executive's options, other than options that may by their terms vest upon or be subject to the attainment of any individual or company-wide performance criteria (e.g., and without limitation, Consolidated Incentive Program options), outstanding under the First Industrial Realty Trust, Inc. 1994 Stock Incentive Plan, the First Industrial Realty Trust, Inc.'s 1997 Stock Incentive Plan, the First Industrial Realty Trust, Inc. 2001 Stock Incentive Plan and any similar plan subsequently adopted by the Employer (collectively referred to herein as the "SIP Options"), and awards outstanding under the First Industrial Realty Trust, Inc. Deferred Income Plan ("DIP Awards"), effective as of date of the Change in Control Termination;
 - (2) notwithstanding the terms of the grant or award documentation, the Employer shall release and eliminate all unexpired transfer and encumbrance restrictions otherwise applicable to any restricted stock owned by the Executive, effective as of date of the Change in Control Termination;

- (3) the Employer shall allow a period of eighteen (18) months following the termination of employment for the Executive to exercise any such SIP Options; and
 - (4) the Employer shall continue for the Executive his health insurance coverage, whether single or family, in effect as of the date of termination for three (3) years following such termination or until such time as substitute health insurance with comparable benefits is available to him at a cost comparable to that borne by him under the Employer's policy, by virtue of other employment or family members' insurance benefits secured or made available after termination.
- (C) The Change in Control Severance Amount shall:
- (1) be reduced by any amount paid or otherwise payable to the Executive pursuant to Sections 3(d) (Constructive Discharge), 3(e) (disability) or 3(g) (termination by Employer without Cause); and
 - (2) be in addition to: such current Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid as of the effective date of termination; the payment of amounts any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid; reimbursement of previously approved or otherwise authorized expenses; any amounts or rights theretofore vested pursuant to the Scheduled Benefits; and any amounts or rights vested pursuant to any "employee pension benefit plan" as such term is defined in Section 3(2)(A) of ERISA.
- (D) The Change in Control Severance Amount will be paid in a single lump sum, on (I) the date of the Change in Control Event, if the Executive's employment is in fact terminated concurrent with the Change in Control Event [or was terminated by the Employer prior to the Change in Control Event so as to give rise to a Change in Control Severance Amount entitlement as of the Change in Control Event, pursuant to subparagraph (ii)(A) below]; or (II) within thirty (30) days after the Executive terminates his

employment following a Change in Control Event under subparagraph (ii)(B) below.

(ii) The following (and only the following) events shall constitute a Change in Control Termination under this subparagraph (h):

- (A) Executive's employment is terminated by the Employer (or its successor) for any reason other than for Cause or due to death or disability, within either of the respective three hundred sixty-five (365) day periods either preceding or following the event constituting a Change in Control; or
- (B) The Executive terminates his employment under this Agreement upon and through written notice given to the Employer within thirty (30) days after the occurrence of a "Triggering Circumstance," as defined and described below, such right of termination to exist only if (x) the Triggering Circumstance described in (i) or (ii) below occurs within a period of three hundred sixty-five (365) days following a Change in Control Event; or (y) either of the Triggering Circumstances described in (iii) or (iv) below occurs within a period of seven hundred thirty (730) days [subject to extension for (iii) as set forth below] following a Change in Control Event. The following shall constitute "Triggering Circumstances" hereunder, entitling the Executive to terminate his employment following a Change in Control Event and receive a Change in Control Severance Amount: (i) the Change in Control Event gives rise to a change in employment circumstances that would otherwise constitute a Constructive Discharge; (ii) the Change in Control Event results in a relocation of the Executive's primary place of employment to a location that is more than fifty (50) miles from his primary employment location with Employer as of the Effective Date of this Agreement, even if such relocation is pursuant to a general merger-induced or other general headquarters office relocation and would, in the absence of a Change in Control Event, not constitute a Constructive Discharge hereunder; (iii) the Company (or its successor), following the Change in Control Event, pays Cash Performance Bonuses to the Executive, attributable to either of those two (2) certain fiscal years respectively constituting (w) the fiscal year in which the Change in Control Event occurs and (x) the next succeeding fiscal year ("Post-CIC Fiscal Years"), at a level that is less than the greater of (y) the amount equal to the average of the percentages of Base Salary paid as Cash

Performance Bonuses for the two (2) fiscal years preceding the Change in Control Event and (z) the amount equal to one hundred percent (100%) of the respective Base Salaries then in place for each of the Post-CIC Fiscal Years [it being understood that the seven hundred thirty (730) day period for determining whether there is a deficiency in a Cash Performance Bonus for the second of the two (2) Post-CIC Fiscal Years shall be extended as necessary to encompass the date on which the Cash Performance Bonus for the second Post-CIC Fiscal Year is actually paid]; or (iv) the annual Base Salary payable to the Executive for either Post-CIC Fiscal Year is less than the Base Salary in effect as of the occurrence of the Change in Control Event. In addition to the foregoing Triggering Circumstance events described in (i) through (iv) above giving rise to the Executive's right to effectuate a Change in Control Termination, it shall also constitute a Triggering Circumstance, and the Executive shall also be entitled to effectuate such Change in Control Termination if, as of the effective date of a Change in Control Event, the successor employer/acquiring entity does not affirm, in writing, its assumption of the obligations of the Employer under this Agreement, and its agreement to perform such obligations for the benefit of the Executive following the Change in Control Event. Any Change in Control Termination by the Executive shall be effectuated by written notice provided to the Employer or its successor within thirty (30) days following the Executive's actual knowledge of the first occurrence of a Triggering Circumstance which, in the case of (iii) or (iv) above, shall constitute the Executive's receipt of the initial non-conforming Base Salary payment or Cash Performance Bonus payment in question. The failure of the Executive to give a timely notice of termination as hereinabove provided following the occurrence of a Triggering Circumstance shall constitute a waiver of the Executive's right to initiate a Change in Control Termination by reason of such Triggering Circumstance. Executive shall have no right to initiate a Change in Control Termination giving rise to an entitlement to a Change in Control Severance Amount unless a Triggering Circumstance shall have occurred and shall have been acted upon by Executive on a timely basis as hereinabove provided.

(iii) For purposes of this Agreement, the term "Change in Control Event" shall mean the following events:

- (A) The consummation of the acquisition by any person [as such term is defined in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")] of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of forty percent (40%) or more of the combined voting power embodied in the then-outstanding voting securities of the Employer; or
- (B) The persons who, as of the date hereof, constitute the Employer's Board of Directors (the "Incumbent Directors") cease, in opposition to the Nominating Committee of the Board and as a result of a tender offer, proxy contest, merger or similar transaction or event (as opposed to turnover caused by death or resignation), to constitute at least a majority of the Board, provided that any person becoming a director of the Employer subsequent to the date hereof whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors, or by a Nominating Committee duly appointed by such Incumbent Directors, or by successors of either who shall have become Directors other than as a result of a hostile attempt to change Directors, whether through a tender offer, proxy contest or similar transaction or event shall be considered an Incumbent Director; or
- (C) The consummation of:
- (1) a merger or consolidation of the Employer, if the stockholders of the Employer as constituted in the aggregate immediately before such merger or consolidation do not, as a result of and following such merger or consolidation, own, directly or indirectly, more than seventy-five percent (75%) of the combined voting power of the then outstanding voting securities of the entity resulting from such merger or consolidation in substantially the same proportion as was represented by their ownership of the combined voting power of the voting securities of the Employer outstanding immediately before such merger or consolidation; or
 - (2) a liquidation, sale or other ultimate disposition or transfer of all or substantially all of the total assets of the Employer and its subsidiaries, which shall be deemed to have occurred for purposes of ascertaining when a Change in Control Event has

taken place when, as and if the Employer shall have disposed, in a single transaction or set of related transactions, of more than fifty percent (50%) of its and its subsidiaries' total real estate portfolio, pursuant to a declared plan of liquidation, such percentage of the portfolio to be deemed to have been transferred at such time as the Employer and its Subsidiaries shall have disposed of fifty percent (50%) or more of their properties in relation to overall undepreciated (i.e. cost-based) book value, net operating income or square footage of developed properties.

(iv) Notwithstanding the immediately preceding subparagraph (iii), a Change in Control Event shall not be deemed to occur solely because forty percent (40%) or more of the combined voting power of the then-outstanding securities of the Employer is acquired by:

- (A) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained for employees of the entity; or
- (B) any corporation or other entity which, immediately prior to such acquisition, is substantially owned directly or indirectly by the Employer or by its stockholders in the same proportion as their ownership of stock in the Employer immediately prior to such acquisition.

(v) If it is determined, in the opinion of the Employer's independent accountants, in consultation, if necessary, with the Employer's independent legal counsel, that any Change in Control Severance Amount, either separately or in conjunction with any other payments, benefits and entitlements received by the Executive in respect of a Change in Control Termination hereunder or under any other plan or agreement under which the Executive participates or to which he is a party, would constitute an "Excess Parachute Payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and thereby be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then in such event the Employer shall pay to the Executive a "grossing-up" amount equal to the amount of such Excise Tax, plus all federal and state income or other taxes with respect to the payment of the amount of such Excise Tax, including all such taxes with respect to any such grossing-up amount. If, at a later date, the Internal Revenue Service assesses a deficiency against the Executive for the Excise Tax which is greater than that which was determined at the time such amounts were paid, then the Employer shall pay to the Executive the amount of such unreimbursed Excise Tax plus any interest, penalties and reasonable professional fees or expenses incurred by the Executive as a result of such assessment, including all such taxes with respect to any such additional amount. The highest marginal tax rate applicable to individuals at the time of the payment of such amounts will be used for purposes of determining the federal and

state income and other taxes with respect thereto. Employer shall withhold from any amounts paid under this Agreement the amount of any Excise Tax or other federal, state or local taxes then required to be withheld. Computations of the amount of any grossing-up supplemental compensation paid under this subparagraph shall be conclusively made by the Employer's independent accountants, in consultation, if necessary, with the Employer's independent legal counsel. If, after the Executive receives any gross-up payments or other amount pursuant to this subparagraph (v), the Executive receives any refund with respect to the Excise Tax, the Executive shall promptly pay the Employer the amount of such refund within ten (10) days of receipt by the Executive.

(i) AGE-BASED ADJUSTMENTS. It is recognized and acknowledged that Executive intends and wishes to retire by the Retirement Date, on which date he shall have attained the age of seventy (70), which shall be the mandatory retirement age for senior management of the Employer. This Agreement shall accordingly terminate, on an automatic basis, as provided in Section 3(a) above, as of said Retirement Date. In addition, it is mutually acknowledged and agreed that the Severance Amount owed to the Executive in the event of a termination of this Agreement pursuant to Section 3(d) or 3(g) hereof (respectively dealing with Constructive Discharge and termination by Employer without Cause) shall be gradually reduced during the three (3) year pre-retirement transition period preceding the Retirement Date, by being made subject to "Age-Based Adjustments," based on the following schedule:

Age of Executive as of ----- Date of Termination -----	% of Severance Amount Due ----- Per Age-Based Adjustment -----
67	75%
68	50%
69	25%
70	0%

(j) TERMINATION FOR CAUSE. The employment of the Executive under this Agreement may be terminated by the Employer on the basis of "Cause," as hereinafter defined. If the Executive's employment is terminated by the Employer for Cause under this subparagraph (j), then the Employer shall only be obligated to pay to the Executive such Base Salary and vacation pay for unused vacation days as shall have accrued and remain unpaid through the effective date of termination, but the Employer shall not be required to pay to the Executive any Performance Bonus for the then-current fiscal year, or have any further obligations whatsoever to the Executive, other than any Performance Bonuses previously approved by the Compensation Committee for prior fiscal year(s) that remain unpaid; reimbursement for previously approved expenses; and continuation of any amounts or rights vested pursuant to the Scheduled Benefits that remain vested upon and notwithstanding the Executive's termination for Cause, in which event such rights to payment or continuation shall be determined pursuant to the terms of the plans under which such Scheduled Benefits are provided, and not the terms of this subparagraph (j) of Section 3. Termination for "Cause" shall mean the termination of the Executive's employment on the basis or as a result of:

- (i) the Executive being found guilty of a felony; (ii) the Executive's commission of an act that disqualifies the Executive (whether under the Employer's by-laws, or under any statute, regulation, law or rule applicable to the Employer) from serving as an officer or director of the Employer; or (iii) a recurring pattern of material and

willful dereliction of duty of the Executive's material responsibilities, where such recurring failure has a material adverse effect upon the business of the Employer, as reasonably determined by the CEO, in the CEO's good faith determination. In making such determination, it is understood that the CEO shall interpret and apply the above-described standards (of materiality, or willful dereliction, and of adversity) in a manner that is normal and customary within the Employer's industry. Executive shall be entitled to thirty (30) days' prior written notice (the "Termination Notice") of the Employer's intention to terminate his employment for Cause, and such Termination Notice shall: specify the grounds for such termination; afford the Executive a reasonable opportunity to cure any conduct or act (if curable) alleged as grounds for such termination; and a reasonable opportunity to present to the CEO his position regarding any dispute relating to the existence of such Cause. Notwithstanding the foregoing procedure, the Employer (through the CEO) shall have the unilateral right to make the final substantive determination as to whether the Executive (through the CEO) has properly remedied or otherwise addressed those matters described in the Termination Notice as grounds for termination of the Executive's employment; and in the event that the Employer determines (as of the expiration of the above-contemplated 30-day period), that the Executive has not appropriately remedied or otherwise addressed those matters, then the Executive's term of employment shall, in all events, automatically terminate as of the thirtieth (30th) day after the Employer delivers the Termination Notice, without any responsibility or obligation of the Employer to provide the Executive with any further notice or explanation of the grounds for his termination. If the Executive challenges his termination for Cause under the provisions of Section 9(d) hereof and the arbitrator finds that the Executive did not engage in conduct which properly entitled the Employer to terminate the Executive's employment for Cause under the criteria set forth above, then the Employer shall pay to the Executive, within thirty (30) days of the arbitrator's decision: the Severance Amount as if his termination of employment had been effectuated pursuant to Section 3(g) hereunder; with interest on the Severance Amount at the rate of eighteen percent (18%) from the date of the Termination Notice to the date payment is ordered made of such Severance Amount to be paid thereon; plus the amount of the Executive's reasonable attorneys' fees incurred in such arbitration.

(k) RESIGNATION FROM RELATED POSITIONS. Upon the termination of the Executive's employment with the Employer, for any reason whatsoever, the Executive shall immediately resign from any and all officerships, directorships, committee memberships and all other elected or appointed positions, of any nature, that the Executive then holds with any or all of the Employer and its affiliates.

(l) STOCK REDEMPTION. Upon the termination of the Executive's employment with the Employer, for any reason whatsoever, the Executive shall permit the Employer or its affiliate(s), as the case may be, to immediately redeem any and all common or preferred stock (or any partnership or membership interests, as the case may be) that the Executive then owns in any affiliate(s) of Employer, which redemption shall occur at the same cash price (if any) as Executive actually initially paid to acquire such stock (or partnership or membership interests, as the case may be). In no event, however, shall the foregoing requirement apply to any stock (common or preferred) that Executive owns in Employer, or to any limited partnership interests (so-called "OP Units") that the Executive owns in First Industrial, L.P., a Delaware limited

partnership in which the Employer is the general partner and which is commonly referred to as the "Operating Partnership."

4. CONFIDENTIALITY AND LOYALTY. The Executive acknowledges that, during the course of his employment prior to his entry into this Agreement, he has produced, received and had access to, and may hereafter continue to produce, receive and otherwise have access to, various materials, records, data, trade secrets and information not generally available to the public, specifically including any information concerning projects in the "Pipeline" as defined in Section 5(a)(ii) below (collectively, "Confidential Information") regarding the Employer and its subsidiaries and affiliates. Accordingly, during the term of this Agreement and for the one (1) year period immediately subsequent to any termination of this Agreement, on any basis, the Executive shall hold in confidence and shall not directly or indirectly for his own benefit or for the benefit of any other person or entity, for economic gain or otherwise, disclose, use, copy or make lists of any such Confidential Information, except to the extent that (a) such information is or thereafter becomes lawfully available from public sources; or (b) such disclosure is authorized in writing by the Employer; or (c) such disclosure is determined by court order or official governmental ruling to be required by law or by any competent administrative agency or judicial authority; or (d) such disclosure is otherwise reasonably necessary or appropriate in connection with the performance by the Executive of his duties hereunder. All records, files, documents, computer diskettes, computer programs and other computer-generated material, as well as all other materials or copies thereof relating to the Employer's business, which the Executive shall prepare or use, shall be and remain the sole property of the Employer, shall not be removed from the Employer's premises without its written consent, and shall be promptly returned to the Employer upon termination of the Executive's employment hereunder.

5. NON-COMPETITION COVENANT.

(a) Restrictive Covenant.

(i) The Employer and the Executive have jointly reviewed the tenant lists, property submittals, logs, broker lists, and operations of the Employer, and have agreed that as an essential ingredient of and in consideration of this Agreement and the Employer's agreement to make the payment of the amounts described in Sections 2 and 3 hereof when and as herein described, the Executive hereby agrees, except with the express prior written consent of the Employer, and subject to the limitations set forth in Section 5(c) below, that for a period of one (1) year [or in the case of a Change in Control Termination, six (6) months] after the termination of the Executive's employment with the Employer (the "Restrictive Period"), he will not directly or indirectly in any manner compete with the business of the Employer, including, but not by way of limitation, by directly or indirectly owning, managing, operating, controlling, financing, or by directly or indirectly serving as an employee, officer or director of or consultant to, or by soliciting or inducing, or attempting to solicit or induce, any employee or agent of Employer to terminate employment with Employer and become employed by the following:

- (A) any company listed as an industrial or mixed office/industrial (but not pure office) REIT or Real Estate Operating Company in the Realty Stock Review, a Dow

Jones & Co. Publication, (a "Peer Group Member") a copy of such listing for the month prior of the Effective Date hereof being attached hereto as Exhibit D, or

- (B) any person, firm, partnership, corporation, trust or other entity (including, but not limited to, Peer Group Members) which, as a material component of its business (other than for its own use as an owner or user), invests in industrial warehouse facilities and properties similar to the Employer's investments and holdings: (1) in any geographic market or territory in which the Employer owns properties or has an office either as of the date hereof or as of the date of termination of the Executive's employment; or (2) in any market in which an acquisition or other investment by the Employer or any affiliate of the Employer is pending as of the date of termination, as conclusively evidenced by the existence of a Request for Proposal or an executed Agreement of Purchase and Sale, Contribution (or Merger) Agreement or Letter of Intent, Confidentiality Agreement, Due Diligence Agreement, Pursuit Cost Agreement, Partnership or Joint Venture Agreement, or by a Post Acceptance Conference Call (PACC) memorandum or Investment Committee (IC) approval in existence at the time of the termination of the Executive's employment.

(ii) In addition, during the Restrictive Period, the Executive shall not act as a principal, investor or broker/intermediary, or serve as an employee, officer, advisor or consultant, to any person or entity, in connection with or concerning any investment opportunity of the Employer that is in the "Pipeline" (as defined below) as of the effective date of the termination of the Executive's employment. Within ten (10) business days after the Executive's termination of employment, the CEO shall deliver to the Executive a written statement of the investment opportunities in the Pipeline as of the effective date of the termination of the Executive's employment (the "Pipeline Statement"), and the Executive shall then review the Pipeline Statement for accuracy and completeness, to the best of his knowledge, and advise the CEO of any corrections required to the Pipeline Statement. The Executive's receipt of any Severance Amount under Sections 3(c), (f) and (g) shall be conditioned on his either acknowledging, in writing, the accuracy and completeness of the Pipeline Statement, or advising the CEO, in writing, of any corrections or revisions required to the Pipeline Statement in order to make it accurate and complete, to the best of the Executive's knowledge. The restrictions concerning any one individual investment opportunity in the Pipeline shall continue until the first to occur of (i) expiration of the Restrictive Period; or (ii) the Executive's receipt from the Employer of written notice that the Employer has abandoned such investment opportunity, such notice not to affect the restrictions on all other investment opportunities contained in the Pipeline Statement during the remainder of the Restrictive Period. An investment opportunity shall be considered in the "Pipeline" if, as of the effective date of the termination of the Executive's

employment, the investment opportunity is pending (for example, is the subject of a letter of intent) or proposed (for example, has been presented to, or been bid on by, the Employer in writing or otherwise) or under consideration by the Employer, whether at the PACC, IC, staff level(s) or otherwise, and relates to any of the following potential forms of transaction: (A) an acquisition for cash; (B) an UPREIT transaction; (C) a transaction under the "First Exchange" program; (D) a development project or venture; (E) a joint venture partnership or other cooperative relationship, whether through a DOWNREIT relationship or otherwise; (F) an "Opportunity Fund" or other private investment in or co-investment with the Employer; (G) any debt placement opportunity by or in Employer; (H) any service or other fee-generating opportunity by the Employer; or (I) any other investment by the Employer or an affiliate of the Employer, in or with any party or by any party in the Employer or an affiliate of the Employer.

(iii) The Restrictions contained in subparagraphs (i) and (ii) above are collectively referred to as the "Restrictive Covenant." If the Executive violates the Restrictive Covenant and the Employer brings legal action for injunctive or other relief, the Employer shall not, as a result of the time involved in obtaining such relief, be deprived of the benefit of the full period of the Restrictive Covenant. Accordingly, the Restrictive Covenant shall be deemed to have the duration specified in this subparagraph (i) computed from the date the relief is granted, but reduced by the time between the period when the Restrictive Period began to run and the date of the first violation of the Restrictive Covenant by the Executive. In the event that a successor of the Employer assumes and agrees to perform this Agreement or otherwise acquires the Employer, this Restrictive Covenant shall continue to apply only to the primary markets of the Employer as they existed immediately before such assumption or acquisition, and shall not apply to any of the successor's other offices or markets. The foregoing Restrictive Covenant shall not prohibit the Executive from owning, directly or indirectly, capital stock or similar securities that are listed on a securities exchange or quoted on the National Association of Securities Dealers Automated Quotation System and that do not represent more than five percent (5%) of the outstanding capital stock of any corporation.

(b) RELIEF FROM RESTRICTIVE COVENANTS. In the event the Executive shall desire to engage in any activity that would violate the Restrictive Covenant which he reasonably and in good faith believes would be immaterial to the economic and proprietary interests of the Employer or any of its affiliates, he may, prior to (but not after) engaging in such activity, submit to the CEO a written request for relief from the Restrictive Covenant, which written request shall set forth the scope of the proposed activity, the scope of the requested relief and the basis upon which Executive believes such activity to be immaterial to the interests of the Employer. Within ten (10) business days after receipt of the Executive's written request, and subject to the specific approval of the Board, the CEO shall advise the Executive, in writing, as to whether the requested relief shall be granted. The parties agree that such relief shall be granted only if the CEO reasonably determines that the reasonably anticipated impact on the Employer of the grant of such relief is in fact immaterial to and fully compatible with the economic and proprietary interests of the Employer (and its separate regions, ventures, divisions, subsidiaries and affiliates), it being specifically hereby understood and acknowledged by the Executive that a purportedly "minor" percentage impact on company-wide revenues or expenses of the Employer shall not be deemed to be per se immaterial.

(c) TERMINATION OF RESTRICTIVE COVENANT - CERTAIN CHANGE IN CONTROL TERMINATION BY EXECUTIVE. If the Executive terminates his employment with the successor of the Employer following a Change in Control Event in the absence of a Triggering Circumstance, so as to effectuate a termination of his employment without any entitlement of or claim by the Executive to a Change in Control Severance Amount, then the Restrictive Covenant set forth in this Section 5 shall not be operative with respect to the Executive following such termination, during the Restrictive Period or otherwise, but the obligations of the Executive set forth in Section 4 as to Confidential Information shall remain operative as therein provided.

(d) REMEDIES FOR BREACH OF RESTRICTIVE COVENANT. The Executive acknowledges that the restrictions contained in Sections 4 and 5 of this Agreement are reasonable and necessary for the protection of the legitimate proprietary business interests of the Employer; that any violation of these restrictions would cause substantial injury to the Employer and such interests; that the Employer would not have entered into this Agreement with the Executive without receiving the additional consideration offered by the Executive in binding himself to these restrictions; and that such restrictions were a material inducement to the Employer to enter into this Agreement. In the event of any violation of these restrictions or statement of intent by the Executive to violate any of these restrictions, the Employer shall automatically be relieved of any and all further financial and other obligations to the Executive under this Agreement, in relation to Severance Payments or otherwise, and shall be entitled to all rights, remedies or damages available at law, in equity or otherwise under this Agreement; and, without limitation, shall be entitled to temporary and preliminary injunctive relief, granted by a court of competent jurisdiction, to prevent or restrain any such violation by the Executive and any and all persons directly or indirectly acting for or with him, as the case may be, such injunctive relief to be available pending the outcome of the arbitration process provided under Section 9(d) of this Agreement, which arbitration process will entitle the arbitrator to determine that permanent injunctive relief is to be granted to the Employer, whereupon such relief shall be granted by a court of competent jurisdiction, based on the determination of the arbitrator.

6. INTERCORPORATE TRANSFERS. If the Executive shall be transferred by the Employer to an affiliate of the Employer, such transfer, by itself and without any adverse financial or functional impact on the Executive, shall not be deemed a Constructive Discharge or otherwise be deemed to terminate or modify this Agreement, and the employing corporation or other entity to which the Executive is transferred shall, for all purposes of this Agreement, be construed as standing in the same place and stead as the Employer as of the effective date of such transfer provided, however, that at all times after such transfer, First Industrial Realty Trust, Inc. shall remain liable for all obligations of the Employer hereunder, including the payment of all Base Salary, Performance Bonuses or other amounts set forth herein. For purposes hereof, an affiliate of the Employer shall mean any corporation or other entity directly or indirectly controlling, controlled by, or under common control with, the Employer.

7. INTEREST IN ASSETS AND PAYMENTS. Neither the Executive nor his estate shall acquire any rights in any funds or other assets of the Employer, otherwise than by and through the actual payment of amounts payable hereunder; nor shall the Executive or his estate have any power to transfer, assign, anticipate, pledge, hypothecate or otherwise encumber any of said payments; nor shall any of such payments be subject to seizure for the payment of any debt,

judgment, alimony, separate maintenance or be transferable by operation of law in the event or as a result of any bankruptcy, insolvency or other legal proceeding otherwise relating to the Executive.

8. INDEMNIFICATION.

(a) During the term of this Agreement and thereafter throughout all applicable limitations periods, the Employer shall provide the Executive (including his heirs, personal representatives, executors and administrators), with such coverage as shall be generally available to senior officers of the Employer under the Employer's then-current directors' and officers' liability insurance policy, at the Employer's expense.

(b) In addition to the insurance coverage provided for in paragraph (a) of this Section 8, the Employer shall defend, hold harmless and indemnify the Executive (and his heirs, executors and administrators) to the fullest extent permitted under applicable law, and subject to each of the requirements, limitations and specifications set forth in the Articles of Incorporation, Bylaws and other organizational documents of the Employer, against all expenses and liabilities reasonably incurred by him in connection with or arising out of, any action, suit or proceeding in which the Executive may be involved by reason of his having been an officer of the Employer (whether or not he continues to be an officer at the time of such expenses or liabilities are incurred), such expenses and liabilities to include, but not be limited to, judgments, court costs and attorneys' fees and the cost of reasonable settlements.

(c) In the event the Executive becomes a party, or is threatened to be made a party, to any action, suit or proceeding for which the Employer has agreed to provide insurance coverage or indemnification under this Section 8, the Employer shall, to the full extent permitted under applicable law, and subject to each of the requirements, limitations and specifications set forth in the Articles of Incorporation, Bylaws and other organizational documents of the Employer, advance all expenses (including the reasonable attorneys' fees of the attorneys selected by Employer and approved by Executive for the representation of the Executive), judgments, fines and amounts paid in settlement (collectively "Expenses") incurred by the Executive in connection with the investigation, defense, settlement, or appeal of any threatened, pending or completed action, suit or proceeding, subject to receipt by the Employer of a written undertaking from the Executive covenanting: (i) to reimburse the Employer for the amount of all of the Expenses actually paid by the Employer to or on behalf of the Executive in the event it shall be ultimately determined, by the court or the arbitrator, as applicable to the case, that the Executive is not entitled to indemnification by the Employer for such Expenses; and (ii) to assign to the Employer all rights of the Executive to insurance proceeds, under any policy of directors' and officers' liability insurance or otherwise, to the extent of the amount of the Expenses actually paid by the Employer to or on behalf of the Executive.

9. GENERAL PROVISIONS.

(a) SUCCESSION; ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the Executive, the Employer, the Executive's personal representatives, the Employer's successors and assigns, and any successor or assign of the Employer shall be deemed

the "Employer" hereunder. The Executive may neither assign his duties or obligations this Agreement, nor sell, assign, pledge, encumber, transfer or hypothecate his entitlement hereunder, and the Employer shall have no obligation to recognize any such purported alienation, or pay any funds to any party claiming the benefit thereof.

(b) ENTIRE AGREEMENT; MODIFICATIONS. This Agreement constitutes the entire agreement between the parties respecting the subject matter hereof, and supersedes all prior negotiations, undertakings, agreements and arrangements with respect thereto, whether written or oral; provided, however, that all benefits and rights conferred by those equity-based and other compensation plans as provided by the plans included on Exhibit B hereto (collectively, the "Scheduled Benefits") shall be governed by those equity-based and other compensation plans and ancillary documents, whether adopted or signed prior to or after the Effective Date of this Agreement and as such are modified by this Agreement. Except as otherwise explicitly provided herein, this Agreement may not be amended or modified except by written agreement signed by the Executive and the Employer.

(c) ENFORCEMENT AND GOVERNING LAW. The provisions of this Agreement shall be regarded as divisible and separate; if any of said provisions should be declared invalid or unenforceable by a court of competent jurisdiction, the validity and enforceability of the remaining provisions shall not be affected thereby. This Agreement shall be construed and the legal relations of the parties hereto shall be determined in accordance with the laws of the State of Illinois, as such state constitutes the situs of the headquarters office of the Employer and the place of employment hereunder, and such laws shall apply without reference to the rules of law regarding conflicts of law.

(d) ARBITRATION. Except only as otherwise provided in subparagraph (d) of Section 5, each and every dispute, controversy and contested factual and legal determination arising under or in connection with this Agreement or the Executive's employment by the Employer shall be committed to and be resolved exclusively through the arbitration process, in an arbitration proceeding, conducted by a single arbitrator sitting in Chicago, Illinois, in accordance with the rules of the American Arbitration Association (the "AAA") then in effect. The arbitrator shall be selected by the parties from a list of eleven (11) arbitrators provided by the AAA, provided that no arbitrator shall be related to or affiliated with either of the parties. No later than ten (10) days after the list of proposed arbitrators is received by the parties, the parties, or their respective representatives, shall meet at a mutually convenient location in Chicago, Illinois, or telephonically. At that meeting, the party who sought arbitration shall eliminate one (1) proposed arbitrator and then the other party shall eliminate one (1) proposed arbitrator. The parties shall continue to alternatively eliminate names from the list of proposed arbitrators in this manner until each party has eliminated five (5) proposed arbitrators. The remaining arbitrator shall arbitrate the dispute. Each party shall submit, in writing, the specific requested action or decision it wishes to take, or make, with respect to the matter in dispute ("Proposed Solution"), and the arbitrator shall be obligated to choose one (1) party's specific Proposed Solution, without being permitted to effectuate any compromise or "new" position; provided, however, that the arbitrator shall be authorized to award amounts not in dispute during the pendency of any dispute or controversy arising under or in connection with this Agreement. The party whose Proposed Solution is not selected shall bear the costs of all counsel, experts or other representatives that are

retained by both parties, together with all costs of the arbitration proceeding, including, without limitation, the fees, costs and expenses imposed or incurred by the arbitrator. If the arbitrator ultimately chooses the Executive's Proposed Solution, then the Employer shall pay interest at the rate of eighteen percent (18%) interest, per annum, on the amount the arbitrator awards to the Executive (exclusive of attorneys' fees and costs and expenses of the arbitration), such interest to be calculated from the date the amount payable under the Executive's Proposed Solution would have been paid under this Agreement, but for the dispute, through the date payment is ordered made. Judgment may be entered on the arbitrator's award in any court having jurisdiction, including, if applicable, entry of a permanent injunction under such subparagraph (d) of Section 5.

(e) PRESS RELEASES AND PUBLIC DISCLOSURE. Any press release or other public communication by either the Executive or the Employer with any other person concerning the terms, conditions or circumstances of Executive's employment, or the termination of such employment, shall be subject to prior written approval of both the Executive and the Employer, subject to the proviso that the Employer shall be entitled to make requisite and appropriate public disclosure of the terms of this Agreement and any termination hereof, without the Executive's consent or approval, as may be required under applicable statutes, and the rules and regulations of the Securities and Exchange Commission and New York Stock Exchange. Employer shall be entitled to rely on the advice and counsel of its legal counsel and other professional advisors in determining whether any such disclosure is required.

(f) PUT DEMAND AS TO RELEASED SECURITIES. If, pursuant to either of Sections 3(g) or 3(h) hereof, the Employer shall have prematurely released and eliminated all unexpired transfer and encumbrance restrictions otherwise applicable to any restricted shares of common stock of the Employer owned by the Executive, then the Executive shall, on a one-time basis exercisable within thirty (30) days of the date of such release of restrictions, have the right to put to the Employer, and require that the Employer purchase, such shares of restricted stock as shall have been released as above described ("Released Securities"). Such put shall be exercised by delivery of a "Put Demand" to the Employer, given in writing pursuant to the notice provisions hereof, which Put Demand: (i) shall encompass all of the Released Securities owned by the Executive; and (ii) shall in no event be applicable to or available in respect of any "Exempt Shares," which shall constitute those Released Securities that may otherwise be sold by the Executive, without registration, pursuant to either or both of Rules 144 and 145 of the Securities Act of 1933, as amended, within a period of one hundred twenty (120) days following the date of the release of the Executive's restricted shares. Upon its receipt of a timely and otherwise proper Put Demand from the Executive, the Employer shall thereby and thereupon become obligated, within a period of ten (10) days following the date of delivery of the Put Demand, to purchase, for cash, the Released Securities that were the subject of the Put Demand in question (in all events exclusive of Exempt Shares), at a price per share equal to the weighted average (by daily trading volume on the New York Stock Exchange) of the closing price of the Employer's shares of common stock for the thirty (30) trading days immediately preceding the date of delivery of the Put Demand. The specific date on which such purchase shall be consummated and closed shall be established pursuant to the mutual agreement of the parties and, in the absence of such agreement, on the tenth (10th) day following the date of delivery of the Put Demand (and if such day falls on a weekend or business holiday, then on the first

business day thereafter). By his delivery of a Put Demand, the Executive shall become irrevocably obligated to sell, at the price above specified, all of the Released Securities that were the subject of the Put Demand. The transfer of the Released Securities to the Employer shall be effectuated pursuant to commercially reasonable and customary stock transfer and other related documentation prepared at Employer's expense by counsel to the Employer.

(g) INTEREST. If any amount due hereunder is not paid within ten (10) days of being due, then the Employer or the Executive, as applicable, shall pay interest at the rate of 200 basis points above the base commercial lending rate published in The Wall Street Journal in effect from time to time during the period of such non-payment; provided, however, that if the interest rate set forth above exceeds the highest legally-permissible interest rate, then the interest rate shall be reduced to the level of the highest legally permissible interest rate.

(h) WAIVER. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by the other party, shall be deemed a waiver of any similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

(i) NOTICES. Notices given pursuant to this Agreement shall be in writing, and shall be deemed given when received if personally delivered, or on the first (1st) business day after deposit with a commercial overnight delivery service. Notices to the Employer shall be addressed and delivered to the principal headquarters office of the Employer, Attention: President and Chief Executive Officer, with a copy concurrently so delivered to General Corporate Counsel to the Employer, Barack Ferrazzano Kirschbaum Perlman & Nagelberg, 333 West Wacker Drive, Suite 2700, Chicago, Illinois 60606, to the joint attention of Lynne D. Mapes-Riordan and Howard A. Nagelberg. Notices to the Executive shall be sent to the address set forth below the Executive's signature on this Agreement, or to such other address as Executive may hereafter designate in a written notice given to the Employer and its counsel.

(j) COUNTERPARTS. This Agreement and any amendments thereto may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

FIRST INDUSTRIAL REALTY TRUST,
INC., a Maryland corporation

DAVID P. DRAFT

By: /s/ Michael W. Brennan

Michael W. Brennan
President and Chief Executive Officer

/s/ David P. Draft

Address of Executive:

DAVID P. DRAFT

EMPLOYMENT AGREEMENT (THE "AGREEMENT")

EXHIBIT A

The Executive's Maximum Performance Bonus under Section 2(b) of the Agreement shall be equal to the sum of the following percentages of his Base Salary, as such percentages are modified from time to time by the Compensation Committee of the Board in accordance with its procedures governing the review and modification of executive compensation for the Employer:

BONUS COMPONENTS	MAXIMUM BONUS PERCENTGE
Cash Bonus	180%
Equity-Based Bonus	140%

EMPLOYMENT AGREEMENT (THE "AGREEMENT")

EXHIBIT B

The Executive's Scheduled Benefits are those provided according to the following plans:

- A. First Industrial Realty Trust, Inc. 1994 Stock Incentive Plan and related awards and grant agreements thereunder.
- B. First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan and related awards and grant agreements thereunder.
- C. First Industrial Realty Trust, Inc. 2001 Stock Incentive Plan.
- D. First Industrial Realty Trust, Inc. Deferred Income Plan.

EMPLOYMENT AGREEMENT (THE "AGREEMENT")

EXHIBIT C

EXAMPLE #1

CALCULATION OF HYPOTHETICAL DOUBLE HISTORICAL AVERAGE CASH BONUS
WITH NO IMPACT OF DEFICIENT BONUS YEAR ADJUSTMENT

The first example below is a calculation that would be performed pursuant to Section 3(h)(i)(A)(3) of the Agreement.

Assume the following:

- Change in Control Termination is February 1, 2000.
- Base Salary during 1998, 1999 was \$100,000.
- Base Salary as of Change in Control Termination is \$150,000.
- For 1998 and 1999 the Maximum Cash Performance Bonus Percentage was 150%.
- For 2000 the Maximum Cash Performance Bonus Percentage is 180%.
- Cash Performance Bonus for 1998 was \$150,000 (or 100% of Maximum Cash Performance Bonus).
- Cash Performance Bonus for 1999 was \$75,000 (or 50% of Maximum Cash Performance Bonus).
- Equity-Based Performance Bonus value for 1999 was not more than \$100,000 (See below for example of year in which such value was \$100,000 or more).

Step 1 - Determine Historical Average Cash Bonus Percentage

1998 Cash Bonus Percentage (as a Percentage of the Maximum Cash Bonus Percentage)	100%
1999 Cash Bonus Percentage (as a Percentage of the Maximum Cash Bonus Percentage)	50%

Average of above percentages is the Historical Average Cash Bonus Percentage	75%
	====

Step 2 - Determine Change in Control Bonus Percentage

Historical Prior Average Cash Bonus Percentage	75%
Multiplied by Maximum Cash Performance Bonus Percentage for year of Change in Control Termination	x 180%

Change in Control Bonus Percentage is:	135%
	====

Step 3 - Determine Historical Average Cash Bonus

Change in Control Bonus Percentage		135%
Multiplied by Base Salary as of Change in Control Termination	x	\$150,000

Historical Average Cash Bonus is:		\$202,500
		=====

Step 4 - Determine Double Historical Average Cash Bonus

Historical Average Cash Bonus		\$202,500
Multiplied by 2	x	2

Double Historical Average Cash Bonus is:		\$405,000
		=====

EXAMPLE #2

CALCULATION OF HYPOTHETICAL DOUBLE HISTORICAL AVERAGE CASH BONUS
WITH DEFICIENT BONUS YEAR ADJUSTMENT

The second example assumes that the 1999 Cash Performance Bonus triggers a Deficient Bonus Year.

Assume the following:

- The facts presented in Example #1 remain static
- Equity-based Performance Bonus value for 1999 was \$100,000 (contrary to Example #1)

Step 1 - Determine Historical Average Cash Bonus Percentage

1998 Cash Bonus Percentage (as a Percentage of the Maximum Cash Bonus Percentage)		100%
1999 Cash Bonus Percentage (as a Percentage of the Maximum Cash Bonus Percentage)		50%

Average of above percentages is the Historical Average Cash Bonus Percentage		75%
		=====

Step 2 - Determine whether 1998 or 1999 was a "Deficient Bonus Year"

- 1998 was not a Deficient Bonus Year, because the Cash Performance Bonus Percentage paid was 100% of the Maximum Cash Performance Bonus.

- 1999 was a Deficient Bonus Year, because the Cash Bonus Percentage was 75%, which is less than 100%, and the value of the equity-based performance bonus was \$100,000 or more (contrary to Example #1). Because 1999 is a Deficient Bonus Year, the 1999 75% Cash Bonus Percentage is deemed to be 100% for purposes of the calculation of the Double Historical Average Cash Bonus.

Step 3 - Determine Historical Average Cash Bonus Percentage using 100% for 1999

1998 Cash Bonus Percentage	100%
1999 Deemed Cash Bonus Percentage	100%

Average of above percentages is Historical Average Cash Bonus Percentage	100%
	====

Step 4 - Determine Change in Control Bonus Percentage

Historical Average Cash Bonus Percentage	100%
Multiplied by Maximum Cash Performance Bonus Percentage for year of Change in Control Termination	x 180%

Change in Control Bonus Percentage is:	180%
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Step 5 - Determine Historical Average Cash Bonus

Change in Control Bonus Percentage	180%
Multiplied by Base Salary as of Change in Control Termination	x \$150,000

Historical Average Cash Bonus is:	\$270,000
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Step 6 - Determine Double Historical Average Cash Bonus

Historical Average Cash Bonus	\$270,000
Multiplied by 2	x 2

Double Historical Average Cash Bonus is:	\$540,000
	=====

DAVID P. DRAFT

EMPLOYMENT AGREEMENT (THE "AGREEMENT")

EXHIBIT D

A copy of the list of industrial and mixed office/industrial REIT and Real Estate Operating Companies as published in the Realty Stock Review, a Dow Jones & Co. publication, for the month prior to the Effective Date of the Agreement is attached hereto.

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