

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D C 20549

FORM 10-K

- (X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 For the fiscal year ended December 31, 1997
OR
() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 For the transition period from____to____

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
(Address of principal executive offices)

60606
(Zip Code)

(312) 344-4300
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

COMMON STOCK
(Title of class)

NEW YORK STOCK EXCHANGE
(Name of exchange on which registered)
91/2% SERIES A CUMULATIVE PREFERRED STOCK

DEPOSITARY SHARES EACH REPRESENTING 1/100 OF A SHARE OF 8 3/4% SERIES B CUMULATIVE PREFERRED STOCK
DEPOSITARY SHARES EACH REPRESENTING 1/100 OF A SHARE OF 85/8% SERIES C CUMULATIVE PREFERRED STOCK
DEPOSITARY SHARES EACH REPRESENTING 1/100 OF A SHARE OF 7 95% SERIES D CUMULATIVE PREFERRED STOCK
DEPOSITARY SHARES EACH REPRESENTING 1/100 OF A SHARE OF 7 90% SERIES E CUMULATIVE PREFERRED STOCK

(Title of class)

NEW YORK STOCK EXCHANGE
(Name of exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act:
NONE

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes X No

--- ---

Indicate by checkmark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K []

The aggregate market value of the voting and non-voting stock held by non-affiliates of the Registrant was approximately \$1.2 billion based on the closing price on the New York Stock Exchange for such stock on March 16, 1998

At March 16, 1998, 36,551,087 shares of the Registrant's Common Stock, \$ 01 par value, were outstanding

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference to the Registrant's definitive proxy statement to be filed with respect to the Annual Meeting of Stockholders to be held on May 14, 1998

2

FIRST INDUSTRIAL REALTY TRUST, INC

TABLE OF CONTENTS

	PAGE

PART I	
Item 1 Business.....	3
Item 2 The Properties.....	7
Item 3 Legal Proceedings.....	23
Item 4 Submission of Matters to a Vote of Security Holders.....	23
PART II	
Item 5 Market for Registrant's Common Equity and Related Stockholder Matters.....	23
Item 6. Selected Financial Data	23
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	26
Item 8. Financial Statements and Supplementary Data	34
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures.....	34
PART III	
Item 10.Directors and Executive Officers of the Registrant	34
Item 11.Executive Compensation	34
Item 12.Security Ownership of Certain Beneficial Owners and Management	34
Item 13.Certain Relationships and Related Transactions	34
PART IV	
Item 14.Exhibits, Financial Statements, Financial Statement Schedule and Reports on Form 8-K.....	35
SIGNATURES	40

1

3

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1993, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. First Industrial Realty Trust, Inc. (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 REITs), availability of capital, interest rates, competition, supply and demand for industrial properties in the Company's current and proposed market areas and general accounting principles, policies

and guidelines applicable to REITs. 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.

PART I

ITEM 1. BUSINESS

THE COMPANY

GENERAL

First Industrial Realty Trust, Inc. and its subsidiary partnerships (the "Company") is a self-administered and fully integrated real estate company which owns, manages, acquires and develops industrial real estate. The Company completed its initial public offering in June 1994 (the "Initial Offering"). Upon consummation of the Initial Offering, the Company owned 226 bulk warehouse and light industrial properties which contained an aggregate of 17.4 million square feet of gross leasable area ("GLA"). As of December 31, 1997, the Company's portfolio consisted of 769 in-service bulk warehouse and light industrial properties containing approximately 56.6 million square feet of GLA located in 22 states.

The Company's interests in its properties and land parcels are held through partnerships controlled by the Company, including First Industrial, L.P. (the "Operating Partnership"), of which the Company is the sole general partner, as well as, among others, First Industrial Financing Partnership, L.P. (the "Financing Partnership"), First Industrial Securities, L.P. (the "Securities Partnership"), First Industrial Mortgage Partnership, L.P. (the "Mortgage Partnership"), First Industrial Pennsylvania, L.P. (the "Pennsylvania Partnership"), First Industrial Harrisburg, L.P. (the "Harrisburg Partnership"), First Industrial Indianapolis, L.P. (the "Indianapolis Partnership") and First Industrial Development Services, L.P., the sole general partner of each is a wholly-owned subsidiary of the Company, and the sole limited partner of each is the Operating Partnership.

The Company's initial interest in the Operating Partnership was obtained in connection with the Initial Offering in exchange for the contribution of substantially all of the net proceeds thereof. Immediately prior to the Initial Offering, the Operating Partnership, which had previously been controlled by members of The Shidler Group, owned 23 properties. In connection with the Initial Offering, (1) entities affiliated with First Industrial Chairman of the Board Jay H. Shidler and other members of The Shidler Group contributed to the Operating Partnership 30 additional properties and the assets of certain property management operations and received \$3.2 million in cash and ownership of 2,306,399 shares of the Company's common stock and 830,017 limited partnership interests in the Operating Partnership ("Units") having an aggregate value of \$73.7 million (based on the initial public offering price of \$23.50) and the assumption by the Operating Partnership of \$107.4 million of indebtedness owed to affiliates of Jay H. Shidler and other members of The Shidler Group, (2) businesses of which First Industrial Executive Officers Michael G. Damone and Anthony Muscatello, and former Senior Regional Director Steven B. Hoyt were principals, contributed to the Operating Partnership 97 properties in the Detroit, central Pennsylvania and Minneapolis/St. Paul areas, respectively, and certain property management operations (such businesses, together with The Shidler Group, the "Contributing Businesses") and received \$3.9 million in cash, 475,710 Units having a value of \$11.2 million (based on the initial public offering price of \$23.50) and the assumption of \$131.4 million of indebtedness, (3) the Company and the Operating Partnership contributed a portion of the net proceeds of the Initial Offering to the Financing Partnership, (4) the Financing Partnership entered into a \$300 million mortgage loan and (5) the Operating Partnership and the Financing Partnership acquired 76 additional properties from unaffiliated third parties.

First Industrial Realty Trust, Inc. is a Maryland corporation organized on August 10, 1993, and is a real estate investment trust ("REIT") under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the

"Code").

The Company is continuing and expanding the midwestern industrial property business of The Shidler Group, a national organization with over 20 years experience in the industrial real estate business. The Company utilizes an operating approach which combines the effectiveness of locally based, or decentralized, property management, acquisition and development functions with the cost efficiencies of centralized acquisition and development support, capital markets expertise, asset management and fiscal control systems. At March 16, 1998, the Company had 298 employees.

The Company has grown and will seek to continue to grow through the acquisition of additional industrial properties and businesses, and through the development, primarily on a pre-leased basis, of build-to-suit properties.

3

5

BUSINESS OBJECTIVES AND GROWTH PLANS

The Company's fundamental business objective is to maximize the total return to its stockholders through increases in per share distributions and increases in the value of the Company's properties and operations. The Company's growth plan includes the following elements:

- o Internal Growth. The Company seeks to grow internally by (i) increasing revenues by renewing or re-leasing spaces subject to expiring leases at higher rental levels; (ii) increasing occupancy levels at properties where vacancies exist and maintaining occupancy elsewhere; (iii) controlling and minimizing operating expenses; and (iv) renovating existing properties.
- o External Growth. The Company seeks to grow externally through (i) the acquisition of portfolios of industrial properties, industrial property businesses or individual properties which meet the Company's investment parameters; (ii) the development of primarily build-to-suit properties; and (iii) the expansion of its properties.

BUSINESS STRATEGIES

The Company utilizes the following seven strategies in connection with the operation of its business:

- o Organization Strategy. The Company implements its decentralized property operations strategy through the use of experienced regional management teams and local property managers. Each operating region is headed by a senior regional director, who is a senior executive officer of, and has an equity interest in, the Company. The Company provides acquisition, development and financing assistance, asset management oversight and financial reporting functions from its headquarters in Chicago to support its regional operations. The Company believes the size of its portfolio enables it to realize operating efficiencies by spreading overhead over many properties and by negotiating quantity purchasing discounts.
- o Market Strategy. The Company invests in markets where it can achieve size and economies of scale. Based on the size of its portfolios in its current markets, which as of December 31, 1997 averaged approximately 2.4 million square feet per market, and the experience of its senior regional directors, the Company believes that it has sufficient market presence and resources to compete effectively. As of December 31, 1997, the Company owned portfolios in the metropolitan areas of Atlanta, Georgia; Chicago, Illinois; Cincinnati, Ohio; Cleveland, Ohio; Columbus, Ohio; Dallas, Texas; Dayton, Ohio; Denver, Colorado; Des Moines, Iowa; Detroit, Michigan; Grand Rapids, Michigan; Houston, Texas; Indianapolis, Indiana; Milwaukee, Wisconsin; Minneapolis/St. Paul, Minnesota; Nashville, Tennessee; New Orleans, Louisiana; Phoenix, Arizona; Salt Lake City, Utah; St. Louis, Missouri and Tampa, Florida, as well as the regional areas of Central Pennsylvania, Long Island, New York and New Jersey.

- o Leasing and Marketing Strategy. The Company has an operational management strategy designed to enhance tenant satisfaction and portfolio performance. The Company pursues an active leasing strategy, which includes aggressively marketing available space, renewing existing leases at higher rents per square foot and seeking leases which provide for the pass-through of property-related expenses to the tenant. The Company also has local and national marketing programs which focus on the business and brokerage communities and national tenants.
- o Acquisition Strategy. The Company's acquisition strategy is to acquire properties in its current markets to capitalize on local market expertise and maximize operating effectiveness and efficiencies and, as appropriate opportunities arise, acquire additional properties in other markets where it can achieve sufficient size and scale, as well as hire top-quality management.
- o Development Strategy. Of the 769 properties in the Company's portfolio at December 31, 1997, 197 have been developed by its current or former management. The Company will continue to leverage the development capabilities of its management, many of whom are leading developers in their respective markets. In 1996, the Company formed a new subsidiary ("First Industrial Development Services, L.P.") to focus on development activities.
- o Disposition Strategy. The Company continually evaluates local market conditions and property-related factors and will sell a property when it believes it is to the Company's advantage to do so.

4

6

- o Financing Strategy. The Company believes that the size of its portfolio, the diversity of its properties and tenants and the financial strength of the Company allow it access to the public capital markets which are not generally available to smaller, less diversified property owners because of the portfolio size and diversity requirements.

RECENT DEVELOPMENTS

In 1997, the Company acquired or completed development of 399 properties and two expansions for a total estimated investment of approximately \$912.6 million (\$115.2 million of which was issued as partnership Units) to expand the in-service portfolio by 73 percent. The Company also sold ten in-service properties, one property under redevelopment and several parcels of land for approximately \$33.7 million of gross proceeds. At December 31, 1997, the Company owned 769 in-service properties containing approximately 56.6 million square feet.

The Company improved its capital structure through the following activities:

- o The Company legally defeased the \$300.0 million mortgage loan (the "1994 Defeased Mortgage Loan") in April 1997 and subsequently paid off and retired the 1994 Defeased Mortgage Loan on January 2, 1998.
- o The Company continued to pay down and retire secured debt and replace it with senior unsecured debt at lower interest rates.
- o The Company issued senior unsecured debt, through the Operating Partnership, with staggered maturity dates. During 1997, the Company, through the Operating Partnership, issued \$650.0 million of senior unsecured debt with maturity dates ranging from 2005 to 2027.
- o The Company terminated its \$200.0 million unsecured revolving credit facility (the "1996 Unsecured Acquisition Facility") and entered into a \$300.0 million unsecured revolving credit facility (the "1997 Unsecured Acquisition Facility"). The 1997 Unsecured Acquisition Facility initially bears interest at the London Interbank Offered Rate ("LIBOR") plus .80% which is .20% less than the 1996 Unsecured Acquisition Facility for LIBOR

borrowings.

- o The Company issued preferred stock. On May 14, 1997, the Company issued 4,000,000 depositary shares, representing 1/100th of a share of the Company's 8 3/4%, \$.01 par value, Series B Cumulative Preferred Stock, at an initial offering price of \$25 per depositary share, which resulted in gross proceeds of \$100.0 million. On June 6, 1997, the Company issued 2,000,000 depositary shares, representing 1/100th of a share of the Company's 85/8%, \$.01 par value, Series C Preferred Stock, at an initial offering price of \$25 per depositary share which resulted in gross proceeds of \$50.0 million.
- o The Company issued common stock and the Operating Partnership issued Units. The Company issued 637,440 shares of \$.01 par value common stock on September 16, 1997, at an initial offering price of \$31.375 per share which resulted in gross proceeds of \$20.0 million. On October 15, 1997, the Company issued 5,400,000 shares of \$.01 par value common stock at an initial offering price of \$33.40 per share which resulted in gross proceeds of \$180.4 million. In 1997, the Operating Partnership issued, in the aggregate, Units valued at approximately \$115.2 million.

During the period January 1, 1998 through March 16, 1998, the Company purchased 56 properties containing an aggregate of 2.9 million square feet of GLA for approximately \$103.4 million, or \$36.20 per square foot. The purchase price consisted of approximately \$101.5 million cash and Units valued at approximately \$1.9 million.

On January 27, 1998, the Company registered approximately \$789.2 million of common stock, preferred stock and depositary shares and \$400.0 million of debt securities.

On February 4, 1998, the Company issued 5,000,000 Depositary shares, each representing 1/100th of a share of the Company's 7.95%, \$.01 par value, Series D Cumulative Preferred Stock at an initial offering price of \$25 per Depositary Share, which resulted in gross proceeds of \$125.0 million.

On March 18, 1998, the Company issued 3,000,000 Depositary shares, each representing 1/100th of a share of the Company's 7.90%, \$.01 par value, Series E Cumulative Preferred Stock at an initial offering price of \$25 per Depositary Share, which resulted in gross proceeds of \$75.0 million.

FUTURE ACQUISITIONS AND DEVELOPMENT

The Company has an active acquisition and development program through which it is continually engaged in identifying, negotiating and consummating portfolio and individual industrial property acquisitions and developments. As a result, the Company is currently engaged in negotiations relating to the possible acquisitions and developments of a number of properties located in the Company's current markets and other markets into which the Company may expand.

When evaluating potential acquisitions and development, the Company will consider such factors as: (i) the geographic area and type of property; (ii) the location, construction quality, condition and design of the property; (iii) the potential for capital appreciation of the property; (iv) the ability of the Company to improve the property's performance through renovation; (v) the terms of tenant leases, including the potential for rent increases; (vi) the potential for economic growth and the tax and regulatory environment of the area in which the property is located; (vii) the potential for expansion of the physical layout of the property and/or the number of sites; (viii) the occupancy and demand by tenants for properties of a similar type in the vicinity; and (ix) competition from existing properties and the potential for the construction of new properties in the area.

INDUSTRY

Industrial properties are typically used for the design, assembly, packaging, storage and distribution of goods and/or the provision of services. As a result, the demand for industrial space in the United States is related to the level of economic output. Historically, occupancy rates for industrial

property in the United States have been higher than those for other types of commercial property. The Company believes that the higher occupancy rate in the industrial property sector is a result of the construction-on-demand nature of, and the comparatively short development time required for, industrial property. The following table summarizes the occupancy rates by region for industrial properties for the past five years:

INDUSTRIAL SPACE OCCUPANCY RATES BY REGION

REGION	DECEMBER 31,				
	1993	1994	1995	1996	1997
Midwest	92.8%	93.9%	95.1%	94.3%	93.3%
East	91.6	91.7	92.1	91.6	90.4
South	91.4	91.7	90.9	90.5	90.4
West	91.0	92.5	93.0	93.3	91.7
United States	91.7	92.6	93.1	92.7	91.6

Source: CB Commercial Real Estate Group, Inc.

ITEM 2. THE PROPERTIES

GENERAL

At December 31, 1997, First Industrial owned 769 in-service properties containing approximately 56.6 million square feet of GLA in 22 states, with a diverse base of more than 2,500 tenants engaged in a wide variety of businesses, including manufacturing, retailing, wholesale trade, distribution and professional services. The properties are generally located in business parks which have convenient access to interstate highways and rail and air transportation. The median age of the properties as of December 31, 1997 was approximately 13 years.

The Company classifies its properties into two industrial categories: bulk warehouse and light industrial. The Company's bulk warehouse properties are generally used for bulk storage of materials and manufactured goods and its light industrial properties are generally used for the design, assembly, packaging and distribution of goods and, in some cases, the provision of services. Each of the properties is wholly owned by the Company. The following table summarizes certain information as of December 31, 1997 with respect to the Company's properties. Information in the table excludes properties under development at December 31, 1997.

PROPERTY SUMMARY

METROPOLITAN/ REGIONAL AREA	BULK WAREHOUSE		LIGHT INDUSTRIAL		TOTAL	
	GLA	NUMBER OF PROPERTIES	GLA	NUMBER OF PROPERTIES	GLA	NUMBER OF PROPERTIES
Atlanta	3,446,535	18	575,256	11	4,021,791	29
Central Pennsylvania	3,397,351	18	844,207	15	4,241,558	33
Chicago	3,969,361	25	1,647,151	21	5,616,512	46
Cincinnati	951,080	3	681,375	6	1,632,455	9
Cleveland	--	--	355,141	8	355,141	8
Columbus	1,608,804	4	56,849	1	1,665,653	5
Dallas	1,088,017	10	482,313	10	1,570,330	20
Dayton	--	--	322,746	6	322,746	6
Denver	--	--	3,651,688	95	3,651,688	95
Des Moines	879,043	5	54,000	1	933,043	6
Detroit	2,852,057	59	2,450,870	59	5,302,927	118

Grand Rapids	2,786,591	22	40,400	3	2,826,991	25
Houston	1,959,956	17	514,064	7	2,474,020	24
Indianapolis	2,249,853	8	1,588,319	29	3,838,172	37
Long Island	924,385	8	2,507,387	42	3,431,772	50
Milwaukee	--	--	464,292	10	464,292	10
Minneapolis/St Paul	1,864,987	16	3,241,993	45	5,106,980	61
Nashville	1,299,040	7	480,118	8	1,779,158	15
New Jersey	344,176	3	1,567,596	47	1,911,772	50
New Orleans	--	--	557,453	15	557,453	15
Phoenix	--	--	535,394	5	535,394	5
Salt Lake City	--	--	498,233	36	498,233	36
St. Louis	978,321	14	420,827	4	1,399,148	18
Tampa	153,377	2	919,841	28	1,073,218	30
Other (a)	837,055	8	520,204	10	1,357,259	18
Total	31,589,989	247	24,977,717	522	56,567,706	769

TOTAL

	OCCUPANCY AT 12/31/97	GLA AS A % OF TOTAL PORTFOLIO
Atlanta	91%	7%
Central Pennsylvania	100%	7%
Chicago	94%	10%
Cincinnati	90%	3%
Cleveland	67%	1%
Columbus	99%	3%
Dallas	99%	3%
Dayton	98%	1%
Denver	94%	7%
Des Moines	100%	2%
Detroit	97%	9%
Grand Rapids	96%	5%
Houston	99%	4%
Indianapolis	97%	7%
Long Island	94%	6%
Milwaukee	98%	1%
Minneapolis/St Paul	96%	9%
Nashville	99%	3%
New Jersey	95%	3%
New Orleans	89%	1%
Phoenix	100%	1%
Salt Lake City	88%	1%
St. Louis	94%	2%
Tampa	93%	2%
Other (a)	99%	2%
Total	96%	100%

(a) Properties are located in Denton and Abilene, Texas; Wichita, Kansas; West Lebanon, New Hampshire; Green Bay, Wisconsin; Shreveport and Baton Rouge, Louisiana and Clarion, Iowa

PROPERTY ACQUISITION ACTIVITY

During 1997, the Company completed 56 separate property acquisition transactions totaling approximately 22 9 million square feet of GLA at a total purchase price of approximately \$862 4 million, or \$37 68 per square foot The 389 properties acquired have the following characteristics:

METROPOLITAN AREA	GLA	PROPERTY TYPE	OCCUPANCY AT 12/31/97	ACQUISITION DATE
Indianapolis, IN	482,400	Bulk Warehouse	100%	January 9, 1997
Long Island, NY	2,733,751	Bulk Warehouse/Light Industrial	94%	January 31, 1997
Dayton, OH	58,746	Light Industrial	100%	February 20, 1997
York, PA	312,500	Bulk Warehouse	100%	March 17, 1997
Detroit, MI	179,400	Bulk Warehouse	99%	March 21, 1997
Mechanicsburg, PA	162,500	Light Industrial	100%	March 24, 1997
Buffalo Grove, IL	84,956	Light Industrial	100%	March 28, 1997
New Brighton, MN	112,082	Light Industrial	100%	March 31, 1997
Brooklyn Park, MN	79,675	Light Industrial	82%	March 31, 1997
Minneapolis, MN	49,190	Light Industrial	100%	April 3, 1997
Columbus, OH	243,000	Bulk Warehouse	93%	April 4, 1997
Alsip, IL	320,171	Bulk Warehouse	97%	May 29, 1997
West Allis, WI	92,815	Light Industrial	100%	June 2, 1997
Mechanicsburg, PA	178,600	Bulk Warehouse	100%	June 2, 1997

Wauwatosa, WI	25,150	Light Industrial	100%	June 5, 1997
Green Bay, WI	25,254	Light Industrial	100%	June 13, 1997
LaGrange, IL	59,075	Light Industrial	100%	June 20, 1997
Wauwatosa, WI	39,800	Light Industrial	100%	June 26, 1997
Elk Grove, IL	212,040	Light Industrial	100%	June 30, 1997
New Jersey	697,778	Bulk Warehouse/Light Industrial	96%	June 30, 1997
Oakland, NJ	52,402	Light Industrial	100%	July 11, 1997
New Jersey	75,000	Light Industrial	93%	July 18, 1997
Indianapolis, IN	161,539	Light Industrial	100%	July 30, 1997
New Jersey	458,666	Light Industrial	98%	July 31, 1997
New Jersey	110,000	Light Industrial	100%	August 1, 1997
Polk, IA	54,000	Light Industrial	100%	August 29, 1997
New Jersey	118,750	Light Industrial	96%	August 29, 1997
New Jersey	117,108	Light Industrial	100%	August 29, 1997
Independence, OH	169,116	Light Industrial	92%	September 19, 1997
Taylor, MI	102,400	Bulk Warehouse	100%	September 23, 1997
Indianapolis, IN	353,000	Light Industrial	100%	September 23, 1997
Atlanta, GA	97,518	Bulk Warehouse	100%	September 26, 1997
Hazelwood, MO	35,114	Light Industrial	100%	September 30, 1997
Florence, KY	570,000	Light Industrial	100%	September 30, 1997
Cleveland, OH	51,525	Light Industrial	100%	October 1, 1997
Ford City, IL	563,458	Bulk Warehouse/Light Industrial	68%	October 11, 1997
Nashville, TN	480,118	Light Industrial	96%	October 17, 1997
Hicksville, NY	68,635	Light Industrial	89%	October 23, 1997
Ford City, IL	391,470	Bulk Warehouse/Light Industrial	93%	October 23, 1997
Cleveland, OH	32,000	Light Industrial	100%	October 28, 1997
Denver, CO	3,573,495	Light Industrial	94%	October 30, 1997
Eden Prairie, MN	89,456	Light Industrial	100%	October 31, 1997
Indianapolis, IN	100,000	Bulk Warehouse	92%	November 19, 1997
Denver, CO	71,344	Light Industrial	100%	December 4, 1997
New Jersey	175,820	Bulk Warehouse/Light Industrial	79%	December 5, 1997
Phoenix, AZ	437,342	Light Industrial	100%	December 5, 1997
Hicksville, NY	100,000	Light Industrial	100%	December 9, 1997
Multiple Markets(a)	4,751,077	Bulk Warehouse/Light Industrial	98%	December 9, 1997
Tampa, FL	919,841	Bulk Warehouse/Light Industrial	92%	December 11, 1997
Phoenix, AZ	98,052	Light Industrial	100%	December 19, 1997
Salt Lake City, UT	498,233	Light Industrial	88%	December 23, 1997
Denver, PA	623,832	Bulk Warehouse	100%	December 23, 1997
Houston, TX	346,819	Light Industrial	95%	December 23, 1997
Hilliard, OH	255,470	Bulk Warehouse	100%	December 29, 1997
Hauppauge, NY	21,900	Light Industrial	0%	December 29, 1997
Ronkonkoma, NY	613,040	Light Industrial	94%	December 29, 1997

Total	22,886,423			

(a) Markets include Dallas and Houston, Texas; New Orleans, Louisiana; Tampa, Florida and Atlanta, Georgia

10
PROPERTY DEVELOPMENT ACTIVITY

During 1997, the Company completed ten developments and two expansions totaling approximately 1.7 million square feet of GLA at a total cost of approximately \$50.2 million, or \$28.88 per square foot. The developed properties have the following characteristics:

METROPOLITAN AREA	GLA	PROPERTY TYPE	OCCUPANCY AT 12/31/97	COMPLETION DATE

Middleton, PA	216,387	Bulk Warehouse	100%	March 1, 1997
Livonia, MI	140,365	Bulk Warehouse	100%	March 1, 1997
Atlanta, GA	181,200	Bulk Warehouse	(a)	March 10, 1997
Grand Rapids, MI	17,000 (b)	Bulk Warehouse	100%	April 1, 1997
Indianapolis, IN	10,000	Bulk Warehouse	100%	April 1, 1997
Middleton, PA	321,333	Bulk Warehouse	100%	June 1, 1997
Livonia, MI	127,800	Bulk Warehouse	100%	November 21, 1997
Shreveport, LA	250,000	Bulk Warehouse	100%	December 1, 1997
Atlanta, GA	24,660 (b)	Light Industrial	100%	December 8, 1997
St Louis, MO	178,800	Bulk Warehouse	100%	December 12, 1997
Clarion, IA	126,900	Bulk Warehouse	100%	December 16, 1997
Livonia, MI	145,232	Bulk Warehouse	100%	December 31, 1997

Total 1,739,677
=====

- (a) Property was sold on June 30, 1997
(b) Expansion

At December 31, 1997, the Company had 12 projects under development, with an estimated completion GLA of 2.5 million square feet and an estimated completion cost of approximately \$90.4 million

PROPERTY SALES

During 1997, the Company sold ten in-service properties totaling approximately .8 million square feet of GLA, one property held for redevelopment and several land parcels Total gross sales proceeds approximated \$33.7 million The in-service properties sold have the following characteristics:

METROPOLITAN AREA	GLA	PROPERTY TYPE	SALE DATE
-----	-----	-----	-----
Atlanta, GA	202,880	Bulk Warehouse	June 30, 1997
Atlanta, GA	181,200	Bulk Warehouse	June 30, 1997
Nashville, TN(a)	227,267	Light Industrial	June 30, 1997
Maryland Heights, MO	42,090	Light Industrial	September 16, 1997
Farmington Hills, MI	17,564	Bulk Warehouse	October 29, 1997
Troy, MI	54,675	Light Industrial	December 15, 1997
Plymouth, MI	27,990	Light Industrial	December 18, 1997
Maryland Heights, MO	31,484	Bulk Warehouse	December 22, 1997

Total	785,150		
	=====		

- (a) Comprised of three properties

PROPERTY ACQUISITIONS SUBSEQUENT TO YEAR END

During the period January 1, 1998 through March 16, 1998, the Company completed 12 separate property transactions totaling approximately 2.9 million square feet of GLA for approximately \$103.4 million, or \$36.20 per square foot, with the following characteristics:

METROPOLITAN AREA	GLA	PROPERTY TYPE	ACQUISITION DATE
-----	-----	-----	-----
Chicago, IL	53,500	Light Industrial	January 9, 1998
Chicago, IL	149,500	Light Industrial	January 12, 1998
Chicago, IL	203,548	Bulk Warehouse/Light Industrial	January 12, 1998
Minneapolis, MN	318,013	Light Industrial	January 15, 1998
Chicago, IL	288,000	Bulk Warehouse	January 16, 1998
West Valley, UT	183,772	Light Industrial	January 28, 1998
Chicago, IL	309,386	Bulk Warehouse/Light Industrial	January 30, 1998
Denver, CO	448,186	Light Industrial	January 30, 1998
Springboro, OH	69,220	Light Industrial	February 11, 1998
Garden City, NY	42,700	Light Industrial	March 3, 1998
Detroit, MI	75,200	Light Industrial	March 12, 1998
Indianapolis, IN	181,950	Light Industrial	March 4, 1998
Exton, PA	534,360	Light Industrial	March 12, 1998

	2,857,335		
	=====		

DETAIL PROPERTY LISTING

The following table lists all of the Company's properties as of December 31, 1997, by geographic market area

PROPERTY LISTING

BUILDING ADDRESS -----	LOCATION CITY/STATE -----	ENCUMBRANCES -----	YEAR BUILT- RENOVATED -----
ATLANTA			
4250 River Green Parkway	Duluth, GA	(c)	1988
3400 Corporate Parkway	Duluth, GA	(c)	1987
3450 Corporate Parkway	Duluth, GA	(c)	1988
3500 Corporate Parkway	Duluth, GA	(c)	1991
3425 Corporate Parkway	Duluth, GA	(c)	1990
1650 GA Highway 155	McDonough, GA		1991
415 Industrial Park Road	Cartersville, GA		1986
434 Industrial Park Road	Cartersville, GA		1988
435 Industrial Park Road	Cartersville, GA		1986
14101 Industrial Park Blvd	Covington, GA		1984
801-804 Blacklawn Road	Conyers, GA		1982
1665 Dogwood Drive	Conyers, GA		1973
1715 Dogwood Drive	Conyers, GA		1973
11235 Harland Drive	Covington, GA		1988
700 Westlake Parkway	Atlanta, GA		1990
800 Westlake Parkway	Atlanta, GA		1991
4050 Southmeadow Parkway	Atlanta, GA		1991
4051 Southmeadow Parkway	Atlanta, GA		1989
4071 Southmeadow Parkway	Atlanta, GA		1991
4081 Southmeadow Parkway	Atlanta, GA		1989
1875 Rockdale Industrial Blvd	Conyers, GA		1966
370 Great Southwest Parkway (j)	Atlanta, GA		1986
955 Cobb Place	Kennesaw, GA		1991
6105 Boatrock Boulevard	Atlanta, GA		1972
1640 Sands Place	Marietta, GA		1977
3312 N Berkeley Lake Road	Duluth, GA		1969
3495 Bankhead Highway (j)	Atlanta, GA		1986
CENTRAL PENNSYLVANIA			
1214-B Freedom Road	Cranberry, PA		1982
401 Russell Drive	Middletown, PA		1990
2700 Commerce Drive	Middletown, PA		1990
2701 Commerce Drive	Middletown, PA		1989
2780 Commerce Drive	Middletown, PA		1989
5035 Ritter Road	Mechanicsburg, PA		1988
5070-B Ritter Road(j)	Mechanicsburg, PA		1989
6340 Flank Drive	Harrisburg, PA		1988
6345 Flank Drive	Harrisburg, PA		1989
6360 Flank Drive	Harrisburg, PA		1988
6380 Flank Drive	Harrisburg, PA		1991
6400 Flank Drive	Harrisburg, PA		1992
6405 Flank Drive	Harrisburg, PA		1991
100 Schantz Road	Allentown, PA		1993
794 Roble Road	Allentown, PA		1984
7355 Williams Avenue	Allentown, PA		1989
2600 Beltline Avenue	Reading, PA		1985
7125 Grayson Road	Harrisburg, PA		1991
7253 Grayson Road	Harrisburg, PA		1990
5 Keystone Drive	Lebanon, PA		1995
5020 Louise Drive	Mechanicsburg, PA	(b)	1995
7195 Grayson Road	Harrisburg, PA	(b)	1994
400 First Street	Middletown, PA		1963/96
401 First Street	Middletown, PA		1963/96
600 Hunter Lane	Middletown, PA		1997

300 Hunter Lane	Middletown, PA	1996
3380 Susquehanna Trail North	York, PA	1990
495 East Locust Lane	York, PA	1993
350 Old Silver Spring Road	Mechanicsburg, PA	1968
4500 Westport Drive	Mechanicsburg, PA	1996
500 Industrial Lane	Middletown, PA	1970/96
41 Weaver Road	Denver, PA	1974

BUILDING ADDRESS -----	BUILDING TYPE -----	LAND AREA (ACRES) -----	GLA ---	OCCUPANCY AT 12/31/97 -----
ATLANTA				
4250 River Green Parkway	Light Industrial	2.14	28,942	100%
3400 Corporate Parkway	Light Industrial	3.73	59,959	86%
3450 Corporate Parkway	Light Industrial	2.38	37,346	67%
3500 Corporate Parkway	Light Industrial	2.80	44,242	100%
3425 Corporate Parkway	Light Industrial	3.49	42,978	77%
1650 GA Highway 155	Bulk Warehouse	12.80	228,400	100%
415 Industrial Park Road	Bulk Warehouse	9.27	119,657	100%
434 Industrial Park Road	Bulk Warehouse	8.07	57,493	100%
435 Industrial Park Road	Bulk Warehouse	8.03	71,000	0%
14101 Industrial Park Blvd	Bulk Warehouse	9.25	92,160	100%
801-804 Blacklawn Road	Bulk Warehouse	6.67	111,090	91%
1665 Dogwood Drive	Bulk Warehouse	9.46	198,000	100%
1715 Dogwood Drive	Bulk Warehouse	4.61	100,000	100%
11235 Harland Drive	Bulk Warehouse	5.39	32,361	100%
700 Westlake Parkway	Light Industrial	3.50	56,400	82%
800 Westlake Parkway	Bulk Warehouse	7.40	132,400	80%
4050 Southmeadow Parkway	Light Industrial	6.60	87,328	100%
4051 Southmeadow Parkway	Bulk Warehouse	11.20	171,671	0%
4071 Southmeadow Parkway	Bulk Warehouse	17.80	209,918	100%
4081 Southmeadow Parkway	Bulk Warehouse	12.83	254,172	100%
1875 Rockdale Industrial Blvd	Bulk Warehouse	5.70	121,600	100%
370 Great Southwest Parkway (j)	Light Industrial	8.06	150,536	81%
955 Cobb Place	Bulk Warehouse	8.73	97,518	100%
6105 Boatrock Boulevard	Light Industrial	1.79	32,000	100%
1640 Sands Place	Light Industrial	1.97	35,525	100%
3312 N. Berkeley Lake Road	Bulk Warehouse	52.11	1,040,276	100%
3495 Bankhead Highway (j)	Bulk Warehouse	20.50	408,819	100%
			-----	-----
	SUBTOTAL OR AVERAGE		4,021,791	91%
			-----	-----
CENTRAL PENNSYLVANIA				
1214-B Freedom Road	Bulk Warehouse	5.99	32,779	100%
401 Russell Drive	Bulk Warehouse	5.20	52,800	100%
2700 Commerce Drive	Bulk Warehouse	3.60	32,000	100%
2701 Commerce Drive	Light Industrial	6.40	48,000	100%
2780 Commerce Drive	Light Industrial	2.00	21,600	100%
5035 Ritter Road	Light Industrial	5.50	56,000	96%
5070-B Ritter Road(j)	Light Industrial	5.20	60,000	100%
6340 Flank Drive	Light Industrial	6.70	68,200	100%
6345 Flank Drive	Light Industrial	7.00	69,443	100%
6360 Flank Drive	Light Industrial	5.30	46,500	98%
6380 Flank Drive	Light Industrial	3.70	32,000	88%
6400 Flank Drive	Light Industrial	5.30	53,439	100%
6405 Flank Drive	Light Industrial	5.96	32,000	100%
100 Schantz Road	Bulk Warehouse	12.37	100,000	100%
794 Roble Road	Light Industrial	16.68	101,750	100%
7355 Williams Avenue	Light Industrial	3.94	43,425	100%
2600 Beltline Avenue	Bulk Warehouse	5.89	69,190	100%
7125 Grayson Road	Bulk Warehouse	17.17	300,000	100%
7253 Grayson Road	Bulk Warehouse	12.42	196,000	100%
5 Keystone Drive	Bulk Warehouse	14.00	88,400	100%
5020 Louise Drive	Light Industrial	5.06	49,350	100%
7195 Grayson Road	Bulk Warehouse	6.02	100,000	100%
400 First Street	Bulk Warehouse	14.88	167,500	100%
401 First Street	Bulk Warehouse	43.55	490,140	100%
600 Hunter Lane	Bulk Warehouse	14.77	216,387	100%

300 Hunter Lane	Bulk Warehouse	16.71	321,333	100%
3380 Susquehanna Trail North	Bulk Warehouse	10.00	112,500	100%
495 East Locust Lane	Bulk Warehouse	15.00	200,000	100%
350 Old Silver Spring Road	Light Industrial	20.00	162,500	100%
4500 Westport Drive	Bulk Warehouse	11.20	178,600	100%
500 Industrial Lane	Bulk Warehouse	10.29	115,890	100%
41 Weaver Road	Bulk Warehouse	85.00	623,832	100%
			-----	-----
	Subtotal or Average		4,241,558	100%
			-----	-----

10

12

BUILDING ADDRESS -----	LOCATION CITY/STATE -----	ENCUMBRANCES -----	YEAR BUILT- RENOVATED -----
CHICAGO			
1330 West 43rd Street	Chicago, IL		1977
2300 Hammond Drive	Schaumburg, IL		1970
6500 North Lincoln Avenue	Lincolnwood, IL		1965/88
3600 West Pratt Avenue	Lincolnwood, IL		1953/88
917 North Shore Drive	Lake Bluff, IL		1974
6750 South Sayre Avenue	Bedford Park, IL		1975
7200 S. Leamington	Bedford Park, IL		1950
585 Slawin Court	Mount Prospect, IL		1992
2300 Windsor Court	Addison, IL		1986
3505 Thayer Court	Aurora, IL		1989
3600 Thayer Court	Aurora, IL		1989
736-776 Industrial Drive	Elmhurst, IL		1975
5310-5352 East Avenue	Countryside, IL		1975
12330-12358 South LaTrobe	Alsip, IL		1975
305-311 Era Drive	Northbrook, IL		1978
700-714 Landwehr Road	Northbrook, IL		1978
720-730 Landwehr Road	Northbrook, IL	(c)	1978
3170-3190 MacArthur Boulevard	Northbrook, IL	(c)	1978
4330 South Racine Avenue	Chicago, IL		1978
13040 S. Crawford Avenue	Alsip, IL		1976
20W201 101st Street	Lemont, IL	(c)	1988
11241 Melrose Street	Franklin Park, IL		1969
280-296 Palatine Road	Wheeling, IL	(c)	1978
3150-3160 MacArthur Boulevard	Northbrook, IL	(b)	1978
2101-2125 Gardner Road	Broadview, IL	(b)	1950/69
365 North Avenue	Carol Stream, IL	(b)	1969
2942 MacArthur Boulevard	Northbrook, IL	(b)	1979
12301-12325 S. Laramie Avenue	Alsip, IL		1975
6300 West Howard Street	Niles, IL		1956/64
301 Hintz	Wheeling, IL		1960
301 Alice	Wheeling, IL		1965
1001 Commerce Court	Buffalo Grove, IL		1989
11939 South Central Avenue	Alsip, IL		1972
405 East Shawmut	La Grange, IL		1965
2201 Lunt	Elk Grove Village, IL		1963
1010-50 Sesame Street	Bensenville, IL	(g)	1976
5555 West 70th Place	Bedford Park, IL		1973
3200-3250 South St. Louis (j)	Chicago, IL		1968
3110-3130 South St. Louis	Chicago, IL		1968
7301 South Hamlin	Chicago, IL		1975/86
3740 West 74th Street	Chicago, IL		1975/86
7401 South Pulaski	Chicago, IL		1975/86
3900 West 74th Street	Chicago, IL		1975/86
7501 South Pulaski	Chicago, IL		1975/86
410 West 169th Street	South Holland, IL		1974

CINCINNATI

9900-9970 Princeton-Glendale	Cincinnati, OH	(d)	1970
2940 Highland Avenue	Cincinnati, OH	(d)	1969/74
4700-4750 Creek Road	Blue Ash, OH	(d)	1960
4860 Duff Drive	Cincinnati, OH		1979
4866 Duff Drive	Cincinnati, OH		1979
4884 Duff Drive	Cincinnati, OH		1979
4890 Duff Drive	Cincinnati, OH		1979
9636-9643 Interoccean Drive	Cincinnati, OH		1983
7600 Empire Drive	Florence, KY		1964

CLEVELAND

21510-21600 Alexander Rd (k)	Oakwood, OH		1985
5405 & 5505 Valley Belt Rd (j)	Independence, OH		1983
10145 Philipp Parkway	Streetsboro, OH		1994
4410 Hamann	Willoughby, OH		1975
6675 Parkland Boulevard	Solon, OH		1991

COLUMBUS

6911 Americana Parkway	Columbus, OH		1980
3800 Lockbourne Industrial Pky	Columbus, OH		1986
1819 North Walcutt Road	Columbus, OH		1973
3880 Groveport Road	Obetz, OH		1986
4300 Cemetery Road	Hilliard, OH		1968

BUILDING ADDRESS -----	BUILDING TYPE -----	LAND AREA (ACRES) -----	GLA ---	OCCUPANCY AT 12/31/97 -----
CHICAGO				
1330 West 43rd Street	Bulk Warehouse	4.25	109,728	100%
2300 Hammond Drive	Bulk Warehouse	4.13	77,000	100%
6500 North Lincoln Avenue	Light Industrial	2.52	63,050	10%
3600 West Pratt Avenue	Bulk Warehouse	6.35	205,481	82%
917 North Shore Drive	Bulk Warehouse	4.27	84,575	100%
6750 South Sayre Avenue	Bulk Warehouse	2.51	63,383	100%
7200 S. Leamington	Bulk Warehouse	12.24	310,752	100%
585 Slawin Court	Light Industrial	3.71	38,150	100%
2300 Windsor Court	Bulk Warehouse	6.80	105,100	100%
3505 Thayer Court	Bulk Warehouse	4.60	64,220	100%
3600 Thayer Court	Light Industrial	6.80	67,058	100%
736-776 Industrial Drive	Bulk Warehouse	3.79	80,520	100%
5310-5352 East Avenue	Bulk Warehouse	4.77	88,042	100%
12330-12358 South LaTrobe	Bulk Warehouse	3.71	85,390	88%
305-311 Era Drive	Light Industrial	1.82	27,549	100%
700-714 Landwehr Road	Light Industrial	1.99	41,835	100%
720-730 Landwehr Road	Light Industrial	4.29	66,912	100%
3170-3190 MacArthur Boulevard	Light Industrial	2.14	41,820	58%
4330 South Racine Avenue	Bulk Warehouse	5.57	168,000	100%
13040 S. Crawford Avenue	Bulk Warehouse	15.12	400,076	100%
20W201 101st Street	Light Industrial	8.72	160,200	100%
11241 Melrose Street	Bulk Warehouse	2.47	77,031	100%
280-296 Palatine Road	Bulk Warehouse	4.67	90,387	100%
3150-3160 MacArthur Boulevard	Light Industrial	2.14	41,820	100%
2101-2125 Gardner Road	Bulk Warehouse	9.98	323,425	100%
365 North Avenue	Bulk Warehouse	28.65	225,000	100%
2942 MacArthur Boulevard	Light Industrial	3.12	49,730	100%
12301-12325 S. Laramie Avenue	Bulk Warehouse	8.83	204,586	100%
6300 West Howard Street	Light Industrial	19.50	364,000	100%
301 Hintz	Light Industrial	2.51	43,636	100%
301 Alice	Light Industrial	2.88	65,450	100%
1001 Commerce Court	Light Industrial	5.37	84,956	100%

11939 South Central Avenue	Bulk Warehouse	12.60	320,171	97%
405 East Shawmut	Light Industrial	3.39	59,075	100%
2201 Lunt	Light Industrial	7.98	212,040	100%
1010-50 Sesame Street	Bulk Warehouse	8.00	252,000	100%
5555 West 70th Place	Light Industrial	2.50	41,531	100%
3200-3250 South St. Louis (j)	Light Industrial	8.66	74,685	64%
3110-3130 South St. Louis	Light Industrial	4.00	23,254	100%
7301 South Hamlin	Bulk Warehouse	1.49	56,017	43%
3740 West 74th Street	Light Industrial	2.14	80,400	100%
7401 South Pulaski	Bulk Warehouse	5.36	201,420	97%
3900 West 74th Street	Bulk Warehouse	2.13	79,907	100%
7501 South Pulaski	Bulk Warehouse	3.88	145,714	0%
410 West 169th Street	Bulk Warehouse	6.40	151,436	100%
			-----	-----
	SUBTOTAL OR AVERAGE		5,616,512	94%
			-----	-----
CINCINNATI				
9900-9970 Princeton-Glendale	Bulk Warehouse	10.64	185,580	97%
2940 Highland Avenue	Bulk Warehouse	17.08	500,500	75%
4700-4750 Creek Road	Bulk Warehouse	15.32	265,000	96%
4860 Duff Drive	Light Industrial	1.02	15,986	100%
4866 Duff Drive	Light Industrial	1.02	16,000	100%
4884 Duff Drive	Light Industrial	1.59	25,000	60%
4890 Duff Drive	Light Industrial	1.59	25,018	100%
9636-9643 Interoccean Drive	Light Industrial	4.13	29,371	86%
7600 Empire Drive	Light Industrial	38.73	570,000	100%
			-----	-----
	SUBTOTAL OR AVERAGE		1,632,455	90%
			-----	-----
CLEVELAND				
21510-21600 Alexander Rd (k)	Light Industrial	5.70	106,721	98%
5405 & 5505 Valley Belt Rd (j)	Light Industrial	6.23	62,395	83%
10145 Philipp Parkway	Light Industrial	4.00	51,525	100%
4410 Hamann	Light Industrial	1.40	32,000	100%
6675 Parkland Boulevard	Light Industrial	10.41	102,500	0%
			-----	-----
	SUBTOTAL OR AVERAGE		355,141	67%
			-----	-----
COLUMBUS				
6911 Americana Parkway	Light Industrial	4.05	56,849	89%
3800 Lockbourne Industrial Pky	Bulk Warehouse	43.60	404,734	100%
1819 North Walcutt Road	Bulk Warehouse	11.33	243,000	93%
3880 Groveport Road	Bulk Warehouse	22.13	705,600	100%
4300 Cemetery Road	Bulk Warehouse	62.71	255,470	100%
			-----	-----
	SUBTOTAL OR AVERAGE		1,665,653	99%
			-----	-----

11

13

BUILDING ADDRESS	LOCATION CITY/STATE	ENCUMBRANCES	YEAR BUILT- RENOVATED
-----	-----	-----	-----
DALLAS			
1275-1281 Roundtable Drive	Dallas, TX		1966
2406-2416 Walnut Ridge	Dallas, TX		1978
12750 Perimeter Drive	Dallas, TX		1979
1324-1343 Roundtable Drive	Dallas, TX		1972
1405-1409 Avenue II East	Grand Prairie, TX		1969
2651-2677 Manana	Dallas, TX		1966
2401-2419 Walnut Ridge	Dallas, TX		1978
4248-4252 Simonton	Farmers Ranch, TX		1973
900-906 Great Southwest Pkwy	Arlington, TX		1972
2179 Shiloh Road	Garland, TX		1982
2159 Shiloh Road	Garland, TX		1982
2701 Shiloh Road	Garland, TX		1981
12784 Perimeter Drive (k)	Dallas, TX		1981
3000 West Commerce	Dallas, TX		1980

3030 Hansboro	Dallas, TX	1971
5222 Cockrell Hill	Dallas, TX	1973
405-407 113th	Arlington, TX	1969
816 111th Street	Arlington, TX	1972

DAYTON

6094-6104 Executive Boulevard	Huber Heights, OH	1975
6202-6220 Executive Boulevard	Huber Heights, OH	1996
6268-6294 Executive Boulevard	Huber Heights, OH	1989
5749-5753 Executive Boulevard	Huber Heights, OH	1975
2200-2224 Sandridge Road	Moriane, OH	1983
6230-6266 Executive Boulevard	Huber Heights, OH	1979

DENVER

7100 North Broadway - Bldg 1	Denver, CO	1978
7100 North Broadway - Bldg 2	Denver, CO	1978
7100 North Broadway - Bldg 3	Denver, CO	1978
7100 North Broadway - Bldg 5	Denver, CO	1978
7100 North Broadway - Bldg 6	Denver, CO	1978
10691 East Bethany Drive	Aurora, CO	1979
20100 East 32nd Avenue Parkway	Aurora, CO	1997
15700 - 15820 West 6th Avenue	Golden, CO	1978
12850-15884 West 6th Avenue	Golden, CO	1978
5454 Washington	Denver, CO	1985
5801 West 6th Avenue	Lakewood, CO	1980
5805 West 6th Avenue	Lakewood, CO	1980
5815 West 6th Avenue	Lakewood, CO	1980
5825 West 6th Avenue	Lakewood, CO	1980
5835 West 6th Avenue	Lakewood, CO	1980
525 East 70th Street	Denver, CO	1985
565 East 70th Street	Denver, CO	1985
605 East 70th Street	Denver, CO	1985
625 East 70th Street	Denver, CO	1985
665 East 70th Street	Denver, CO	1985
700 West 48th Street	Denver, CO	1984
702 West 48th Street	Denver, CO	1984
3370 North Peoria Street	Aurora, CO	1978
3390 North Peoria Street	Aurora, CO	1978
3508-3538 North Peoria Street	Aurora, CO	1978
3568 North Peoria Street	Aurora, CO	1978
3350 North Peoria Street	Aurora, CO	1978
4785 Elati	Denver, CO	1972
4770 Fox Street	Denver, CO	1972
1550 West Evans	Denver, CO	1975
12401-41 East 37th Avenue	Denver, CO	1980
3751 - 71 Revere Street	Denver, CO	1980
3871 Revere Street	Denver, CO	1980
5454 Havana Street	Denver, CO	1980
5500 Havana Street	Denver, CO	1980
4570 Ivy Street	Denver, CO	1985
5855 Stapleton Drive North	Denver, CO	1985
5885 Stapleton Drive North	Denver, CO	1985
5200-5280 North Broadway	Denver, CO	1977
5977-5995 North Broadway	Denver, CO	1978
2952-5978 North Broadway	Denver, CO	1978
6400 North Broadway	Denver, CO	1982
875 Parfer Street	Lakewood, CO	1975

BUILDING ADDRESS	BUILDING TYPE	LAND AREA (ACRES)	GLA	OCCUPANCY AT 12/31/97
-----	-----	-----	---	-----
DALLAS				
1275-1281 Roundtable Drive	Light Industrial	1.75	30,642	100%

2406-2416 Walnut Ridge	Light Industrial	1.76	44,000	100%
12750 Perimeter Drive	Light Industrial	6.72	178,200	100%
1324-1343 Roundtable Drive	Light Industrial	2.09	47,000	100%
1405-1409 Avenue II East	Light Industrial	1.79	36,000	100%
2651-2677 Manana	Bulk Warehouse	2.55	82,229	100%
2401-2419 Walnut Ridge	Light Industrial	1.20	30,000	100%
4248-4252 Simonton	Bulk Warehouse	8.18	205,693	100%
900-906 Great Southwest Pkwy	Bulk Warehouse	3.20	69,761	100%
2179 Shiloh Road	Bulk Warehouse	3.63	65,700	100%
2159 Shiloh Road	Light Industrial	1.15	20,800	100%
2701 Shiloh Road	Bulk Warehouse	8.20	214,650	100%
12784 Perimeter Drive (k)	Light Industrial	4.57	95,671	86%
3000 West Commerce	Bulk Warehouse	11.23	128,478	100%
3030 Hansboro	Bulk Warehouse	3.71	100,000	100%
5222 Cockrell Hill	Bulk Warehouse	4.79	96,506	100%
405-407 113th	Bulk Warehouse	2.75	60,000	100%
816 111th Street	Bulk Warehouse	2.89	65,000	100%
			-----	-----
	SUBTOTAL OR AVERAGE		1,570,330	99%
			-----	-----
DAYTON				
6094-6104 Executive Boulevard	Light Industrial	3.33	43,200	100%
6202-6220 Executive Boulevard	Light Industrial	3.79	64,000	100%
6268-6294 Executive Boulevard	Light Industrial	4.03	60,800	100%
5749-5753 Executive Boulevard	Light Industrial	1.15	12,000	50%
2200-2224 Sandridge Road	Light Industrial	2.96	58,746	100%
6230-6266 Executive Boulevard	Light Industrial	5.30	84,000	100%
			-----	-----
	SUBTOTAL OR AVERAGE		322,746	98%
			-----	-----
DENVER				
7100 North Broadway - Bldg 1	Light Industrial	16.80	32,269	100%
7100 North Broadway - Bldg 2	Light Industrial	16.90	32,500	98%
7100 North Broadway - Bldg 3	Light Industrial	11.60	22,259	84%
7100 North Broadway - Bldg 5	Light Industrial	15.00	28,789	57%
7100 North Broadway - Bldg 6	Light Industrial	22.50	38,255	91%
10691 East Bethany Drive	Light Industrial	1.84	25,026	91%
20100 East 32nd Avenue Parkway	Light Industrial	4.10	51,300	90%
15700 - 15820 West 6th Avenue	Light Industrial	1.92	52,758	96%
12850-15884 West 6th Avenue	Light Industrial	1.92	31,856	100%
5454 Washington	Light Industrial	4.00	34,740	88%
5801 West 6th Avenue	Light Industrial	1.03	15,500	60%
5805 West 6th Avenue	Light Industrial	1.03	20,358	93%
5815 West 6th Avenue	Light Industrial	1.03	20,765	100%
5825 West 6th Avenue	Light Industrial	1.03	20,748	100%
5835 West 6th Avenue	Light Industrial	1.03	20,490	100%
525 East 70th Street	Light Industrial	5.18	12,000	100%
565 East 70th Street	Light Industrial	5.18	29,990	88%
605 East 70th Street	Light Industrial	5.18	34,000	88%
625 East 70th Street	Light Industrial	5.18	24,000	100%
665 East 70th Street	Light Industrial	5.18	24,000	100%
700 West 48th Street	Light Industrial	5.40	53,471	100%
702 West 48th Street	Light Industrial	5.40	130,426	22%
3370 North Peoria Street	Light Industrial	1.64	26,993	100%
3390 North Peoria Street	Light Industrial	1.46	22,699	100%
3508-3538 North Peoria Street	Light Industrial	2.61	40,653	100%
3568 North Peoria Street	Light Industrial	2.24	34,775	85%
3350 North Peoria Street	Light Industrial	2.16	33,573	100%
4785 Elati	Light Industrial	3.34	34,777	100%
4770 Fox Street	Light Industrial	3.38	26,565	100%
1550 West Evans	Light Industrial	3.92	78,788	100%
12401-41 East 37th Avenue	Light Industrial	1.19	26,922	77%
3751 - 71 Revere Street	Light Industrial	2.41	54,666	100%
3871 Revere Street	Light Industrial	3.19	75,625	100%
5454 Havana Street	Light Industrial	2.68	42,504	100%
5500 Havana Street	Light Industrial	2.19	34,776	100%
4570 Ivy Street	Light Industrial	1.77	31,355	100%
5855 Stapleton Drive North	Light Industrial	2.33	41,268	100%
5885 Stapleton Drive North	Light Industrial	3.05	53,893	100%
5200-5280 North Broadway	Light Industrial	1.54	31,780	100%
5977-5995 North Broadway	Light Industrial	4.96	50,280	100%
2952-5978 North Broadway	Light Industrial	7.91	88,977	100%
6400 North Broadway	Light Industrial	4.51	69,430	100%
875 Parfer Street	Light Industrial	3.06	49,216	100%

BUILDING ADDRESS -----	LOCATION CITY/STATE -----	ENCUMBRANCES -----	YEAR BUILT- RENOVATED -----
DENVER (CON'T)			
4721 Ironton Street	Denver, CO		1969
833 Parfer Street	Lakewood, CO		1974
11005 West 8th Avenue	Lakewood, CO		1974
7100 North Broadway - 7	Denver, CO		1985
7100 North Broadway - 8	Denver, CO		1985
6804 East 48th Avenue	Denver, CO		1973
15350 East Hinsdale Drive	Denver, CO		1987
15353 East Hinsdale Drive	Englewood, CO		1987
15373 East Hinsdale Drive	Englewood, CO		1987
4611 East 46th Avenue	Denver, CO		1974
East 47th Drive -A	Denver, CO		1997
East 47th Drive - B	Denver, CO		1997
Centennial Airport Business Pk	Denver, CO		1997
9500 W. 49th Street - A	Wheatridge, CO		1997
9500 W. 49th Street - B	Wheatridge, CO		1997
9500 W. 49th Street - C	Wheatridge, CO		1997
9500 W. 49th Street - D	Wheatridge, CO		1997
8100 South Park Way - A	Littleton, CO		1997
8100 South Park Way - B	Littleton, CO		1984
8100 South Park Way - C	Littleton, CO		1984
451-591 East 124th Avenue	Littleton, CO		1979
14100 East Jewell	Aurora, CO		1980
14190 East Jewell	Aurora, CO		1980
608 Garrison Street	Lakewood, CO		1984
610 Garrison Street	Lakewood, CO		1984
1111 West Evans (A&C)	Denver, CO		1986
1111 West Evans (B)	Denver, CO		1986
15000 West 6th Avenue	Golden, CO		1985
14998 West 6th Avenue E	Golden, CO		1995
14998 West 6th Avenue F	Englewood, CO		1995
12503 East Euclid Drive	Denver, CO		1986
6547 South Racine Circle	Englewood, CO		1996
7800 East Iliff Avenue	Denver, CO		1983
2369 South Trenton Way	Denver, CO		1983
2370 South Trenton Way	Denver, CO		1983
2422 South Trenton Way	Denver, CO		1983
2452 South Trenton Way	Denver, CO		1983
8122 South Park Lane - A	Littleton, CO		1986
8122 South Park Lane - B	Littleton, CO		1986
1600 South Abilene	Aurora, CO		1986
1620 South Abilene	Aurora, CO		1986
1640 South Abilene	Aurora, CO		1986
13900 East Florida Avenue	Aurora, CO		1986
4301 South Federal Boulevard	Englewood, CO		1997
14401-14492 East 33rd Place	Aurora, CO		1979
11701 East 53rd Avenue	Denver, CO		1985
5401 Oswego Street	Denver, CO		1985
2630 West 2nd Avenue	Denver, CO		1970
2650 West 2nd Avenue	Denver, CO		1970
14818 West 6th Avenue Bldg A	Golden, CO		1985
14828 West 6th Avenue Bldg B	Golden, CO		1985
2075 South Valentia	Denver, CO		1981
DES MOINES			
1550 East Washington Avenue	Des Moines, IA		1987
1600 East Washington Avenue	Des Moines, IA		1987
5701 NE 17th Street	Des Moines, IA		1968
4121 McDonald Avenue	Des Moines, IA		1977

4141 McDonald Avenue	Des Moines, IA	1976
4161 McDonald Avenue	Des Moines, IA	1979

DETROIT

2654 Elliott	Troy, MI	(c)	1986
1731 Thorncroft	Troy, MI	(c)	1969
1653 E. Maple	Troy, MI	(c)	1990
47461 Clipper	Plymouth, MI	(c)	1992
47522 Galleon	Plymouth, MI	(c)	1990
4150 Varsity Drive	Ann Arbor, MI	(c)	1986
1330 Crooks Road	Clawson, MI	(c)	1960
12000 Merriman Road	Livonia, MI		1975
238 Executive Drive	Troy, MI		1973
256 Executive Drive	Troy, MI		1974
301 Executive Drive	Troy, MI		1974
449 Executive Drive	Troy, MI		1975
501 Executive Drive	Troy, MI		1984

BUILDING ADDRESS -----	BUILDING TYPE -----	LAND AREA (ACRES) -----	GLA ---	OCCUPANCY AT 12/31/97 -----
DENVER (CON'T)				
4721 Ironton Street	Light Industrial	2.84	50,160	100%
833 Parfer Street	Light Industrial	2.57	24,800	100%
11005 West 8th Avenue	Light Industrial	2.57	25,672	100%
7100 North Broadway - 7	Light Industrial	2.30	24,822	97%
7100 North Broadway - 8	Light Industrial	2.30	9,107	100%
6804 East 48th Avenue	Light Industrial	2.23	46,464	100%
15350 East Hinsdale Drive	Light Industrial	3.18	20,800	100%
15353 East Hinsdale Drive	Light Industrial	2.28	15,600	100%
15373 East Hinsdale Drive	Light Industrial	0.85	6,240	100%
4611 East 46th Avenue	Light Industrial	1.20	28,600	100%
East 47th Drive -A	Light Industrial	3.00	51,200	100%
East 47th Drive - B	Light Industrial	2.50	43,720	100%
Centennial Airport Business Pk	Light Industrial	3.20	59,270	100%
9500 W. 49th Street - A	Light Industrial	1.74	19,217	100%
9500 W. 49th Street - B	Light Industrial	1.74	15,441	100%
9500 W. 49th Street - C	Light Industrial	1.74	29,174	100%
9500 W. 49th Street - D	Light Industrial	1.74	41,615	100%
8100 South Park Way - A	Light Industrial	3.33	52,160	100%
8100 South Park Way - B	Light Industrial	0.78	12,259	100%
8100 South Park Way - C	Light Industrial	4.28	67,520	100%
451-591 East 124th Avenue	Light Industrial	4.96	59,711	100%
14100 East Jewell	Light Industrial	3.67	58,553	100%
14190 East Jewell	Light Industrial	1.84	29,442	92%
608 Garrison Street	Light Industrial	2.17	25,000	86%
610 Garrison Street	Light Industrial	2.17	25,000	89%
1111 West Evans (A&C)	Light Industrial	2.00	36,894	100%
1111 West Evans (B)	Light Industrial	0.50	4,725	100%
15000 West 6th Avenue	Light Industrial	5.25	69,583	85%
14998 West 6th Avenue E	Light Industrial	2.29	42,832	100%
14998 West 6th Avenue F	Light Industrial	2.29	20,424	100%
12503 East Euclid Drive	Light Industrial	10.90	97,871	100%
6547 South Racine Circle	Light Industrial	3.92	60,112	59%
7800 East Iliff Avenue	Light Industrial	3.06	22,296	96%
2369 South Trenton Way	Light Industrial	4.80	33,267	100%
2370 South Trenton Way	Light Industrial	3.27	22,735	100%
2422 South Trenton Way	Light Industrial	3.94	27,413	73%
2452 South Trenton Way	Light Industrial	6.78	47,931	100%
8122 South Park Lane - A	Light Industrial	5.09	46,182	95%
8122 South Park Lane - B	Light Industrial	2.28	20,389	100%
1600 South Abilene	Light Industrial	3.53	47,930	100%
1620 South Abilene	Light Industrial	2.04	27,666	100%
1640 South Abilene	Light Industrial	2.80	37,948	100%
13900 East Florida Avenue	Light Industrial	1.44	19,493	86%
4301 South Federal Boulevard	Light Industrial	2.80	35,381	100%
14401-14492 East 33rd Place	Light Industrial	4.75	100,100	100%
11701 East 53rd Avenue	Light Industrial	4.19	81,981	100%
5401 Oswego Street	Light Industrial	2.80	53,838	100%
2630 West 2nd Avenue	Light Industrial	0.50	8,260	100%
2650 West 2nd Avenue	Light Industrial	2.80	36,081	100%
14818 West 6th Avenue Bldg A	Light Industrial	2.54	39,776	100%
14828 West 6th Avenue Bldg B	Light Industrial	2.54	41,925	91%
2075 South Valentia	Light Industrial	2.42	22,093	86%
			-----	-----
	SUBTOTAL OR AVERAGE		3,651,688	94%
			-----	-----
DES MOINES				
1550 East Washington Avenue	Bulk Warehouse	13.25	192,466	100%
1600 East Washington Avenue	Bulk Warehouse	6.78	81,866	100%
5701 NE 17th Street	Light Industrial	2.30	54,000	100%
4121 McDonald Avenue	Bulk Warehouse	11.02	177,431	100%
4141 McDonald Avenue	Bulk Warehouse	11.03	263,196	100%
4161 McDonald Avenue	Bulk Warehouse	11.02	164,084	100%

	SUBTOTAL OR AVERAGE	----- 933,043 -----	----- 100% -----
DETROIT			
2654 Elliott	Light Industrial	0.75	9,700
1731 Thorncroft	Light Industrial	2.26	38,000
1653 E. Maple	Light Industrial	1.38	23,392
47461 Clipper	Light Industrial	1.10	11,600
47522 Galleon	Light Industrial	0.90	13,507
4150 Varsity Drive	Light Industrial	4.32	26,400
1330 Crooks Road	Light Industrial	5.55	42,360
12000 Merriman Road	Bulk Warehouse	9.28	180,000
238 Executive Drive	Bulk Warehouse	1.32	13,740
256 Executive Drive	Bulk Warehouse	1.12	11,273
301 Executive Drive	Bulk Warehouse	1.27	20,411
449 Executive Drive	Bulk Warehouse	2.12	33,001
501 Executive Drive	Light Industrial	1.57	18,061

13

15

BUILDING ADDRESS -----	LOCATION CITY/STATE -----	ENCUMBRANCES -----	YEAR BUILT- RENOVATED -----
DETROIT (CON'T)			
645 Executive Drive	Troy, MI		1972
451 Robbins Drive	Troy, MI		1975
700 Stephenson Highway	Troy, MI		1978
800 Stephenson Highway	Troy, MI		1979
1150 Stephenson Highway	Troy, MI		1982
1200 Stephenson Highway	Troy, MI		1980
1035 Crooks Road	Troy, MI		1980
1095 Crooks Road	Troy, MI		1986
1416 Meijer Drive	Troy, MI		1980
1624 Meijer Drive	Troy, MI		1984
1972 Meijer Drive	Troy, MI		1985
2112 Meijer Drive	Troy, MI		1980
1621 Northwood Drive	Troy, MI		1977
1707 Northwood Drive	Troy, MI		1983
1749 Northwood Drive	Troy, MI		1977
1788 Northwood Drive	Troy, MI		1977
1821 Northwood Drive	Troy, MI		1977
1826 Northwood Drive	Troy, MI		1977
1864 Northwood Drive	Troy, MI		1977
1902 Northwood Drive	Troy, MI		1977
1921 Northwood Drive	Troy, MI		1977
2230 Elliott Avenue	Troy, MI		1974
2237 Elliott Avenue	Troy, MI		1974
2277 Elliott Avenue	Troy, MI		1975
2291 Elliott Avenue	Troy, MI		1974
2451 Elliott Avenue	Troy, MI		1974
2730 Research Drive	Rochester Hills, MI		1988
2791 Research Drive	Rochester Hills, MI		1991
2871 Research Drive	Rochester Hills, MI		1991
2911 Research Drive	Rochester Hills, MI		1992
3011 Research Drive	Rochester Hills, MI		1988
2870 Technology Drive	Rochester Hills, MI		1988
2890 Technology Drive	Rochester Hills, MI		1991
2900 Technology Drive	Rochester Hills, MI		1992
2920 Technology Drive	Rochester Hills, MI		1992
2930 Technology Drive	Rochester Hills, MI		1991
2950 Technology Drive	Rochester Hills, MI		1991
2960 Technology Drive	Rochester Hills, MI		1992
23014 Commerce Drive	Farmington Hills, MI		1983
23028 Commerce Drive	Farmington Hills, MI		1983
25065 Commerce Drive	Farmington Hill, MI		1983
23035 Commerce Drive	Farmington Hills, MI		1983
23042 Commerce Drive	Farmington Hills, MI		1983
23070 Commerce Drive	Farmington Hills, MI		1983
23079 Commerce Drive	Farmington Hills, MI		1983
23093 Commerce Drive	Farmington Hills, MI		1983
23135 Commerce Drive	Farmington Hills, MI		1986

23149 Commerce Drive	Farmington Hills, MI		1985
23163 Commerce Drive	Farmington Hills, MI		1986
23177 Commerce Drive	Farmington Hills, MI		1986
23192 Commerce Drive	Farmington Hills, MI		1986
23206 Commerce Drive	Farmington Hills, MI		1985
23290 Commerce Drive	Farmington Hills, MI		1980
23370 Commerce Drive	Farmington Hills, MI		1980
24492 Indoplex Circle	Farmington Hills, MI		1976
24528 Indoplex Circle	Farmington Hills, MI		1976
31800 Plymouth Road - Bldg 1	Livonia, MI	(a)	1968/89
31800 Plymouth Road - Bldg 2	Livonia, MI	(a)	1968/89
31800 Plymouth Road - Bldg 3	Livonia, MI	(a)	1968/89
31800 Plymouth Road - Bldg 6	Livonia, MI	(a)	1968/89
31800 Plymouth Road - Bldg 7	Livonia, MI	(a)	1968/89
21477 Bridge Street	Southfield, MI		1986
2965 Technology Drive	Rochester Hills, MI	(b)	1995
1451 Lincoln Avenue	Madison Heights, MI	(b)	1967
4400 Purks Drive	Auburn Hills, MI	(b)	1987
4177A Varsity Drive	Ann Arbor, MI	(b)	1993
6515 Cobb Drive	Sterling Heights, MI	(b)	1984
32450 N. Avis Drive	Madison Heights, MI		1974
32200 N. Avis Drive	Madison Heights, MI		1973
32440-32442 Industrial Drive	Madison Heights, MI		1979
32450 Industrial Drive	Madison Heights, MI		1979
11813 Hubbard	Livonia, MI		1979
11844 Hubbard	Livonia, MI		1979
11866 Hubbard	Livonia, MI		1979
12050-12190 Hubbard (j)	Livonia, MI		1981

BUILDING ADDRESS -----	BUILDING TYPE -----	LAND AREA (ACRES) -----	GIA ---	OCCUPANCY AT 12/31/97 -----
DETROIT (CON'T)				
645 Executive Drive	Light Industrial	2.27	32,470	100%
451 Robbins Drive	Bulk Warehouse	1.88	28,401	100%
700 Stephenson Highway	Light Industrial	3.13	29,344	100%
800 Stephenson Highway	Light Industrial	4.39	48,200	0%
1150 Stephenson Highway	Light Industrial	1.70	18,107	100%
1200 Stephenson Highway	Light Industrial	2.65	25,025	100%
1035 Crooks Road	Light Industrial	1.74	23,320	100%
1095 Crooks Road	Light Industrial	2.83	35,042	100%
1416 Meijer Drive	Light Industrial	1.20	17,944	100%
1624 Meijer Drive	Light Industrial	3.42	44,040	100%
1972 Meijer Drive	Light Industrial	2.36	37,075	100%
2112 Meijer Drive	Bulk Warehouse	4.12	34,558	100%
1621 Northwood Drive	Bulk Warehouse	1.54	24,900	100%
1707 Northwood Drive	Light Industrial	1.69	28,750	100%
1749 Northwood Drive	Bulk Warehouse	1.69	26,125	100%
1788 Northwood Drive	Light Industrial	1.55	12,480	100%
1821 Northwood Drive	Light Industrial	2.07	35,050	100%
1826 Northwood Drive	Light Industrial	1.22	12,480	100%
1864 Northwood Drive	Light Industrial	1.55	12,480	100%
1902 Northwood Drive	Light Industrial	3.65	62,925	100%
1921 Northwood Drive	Bulk Warehouse	2.33	42,000	100%
2230 Elliott Avenue	Bulk Warehouse	0.90	12,612	100%
2237 Elliott Avenue	Light Industrial	0.96	12,612	100%
2277 Elliott Avenue	Light Industrial	0.96	12,612	100%
2291 Elliott Avenue	Bulk Warehouse	1.06	12,200	100%
2451 Elliott Avenue	Bulk Warehouse	1.68	24,331	100%
2730 Research Drive	Bulk Warehouse	3.52	57,850	100%
2791 Research Drive	Light Industrial	4.48	64,199	100%
2871 Research Drive	Bulk Warehouse	3.55	49,543	100%
2911 Research Drive	Bulk Warehouse	5.72	80,078	100%
3011 Research Drive	Light Industrial	2.55	32,637	100%
2870 Technology Drive	Bulk Warehouse	2.41	24,445	100%
2890 Technology Drive	Light Industrial	1.76	24,410	100%
2900 Technology Drive	Light Industrial	2.15	31,047	100%
2920 Technology Drive	Bulk Warehouse	1.48	19,011	100%

2930 Technology Drive	Bulk Warehouse	1.41	17,994	100%
2950 Technology Drive	Light Industrial	1.48	19,996	100%
2960 Technology Drive	Bulk Warehouse	3.83	41,565	100%
23014 Commerce Drive	Light Industrial	0.65	7,200	100%
23028 Commerce Drive	Bulk Warehouse	1.26	20,265	0%
25065 Commerce Drive	Light Industrial	0.91	12,705	100%
23035 Commerce Drive	Light Industrial	1.23	15,200	100%
23042 Commerce Drive	Light Industrial	0.75	8,790	100%
23070 Commerce Drive	Light Industrial	1.43	16,765	100%
23079 Commerce Drive	Light Industrial	0.85	10,830	100%
23093 Commerce Drive	Bulk Warehouse	3.87	49,040	100%
23135 Commerce Drive	Light Industrial	2.02	23,969	100%
23149 Commerce Drive	Bulk Warehouse	6.32	47,700	100%
23163 Commerce Drive	Bulk Warehouse	1.51	19,020	100%
23177 Commerce Drive	Bulk Warehouse	2.29	32,127	100%
23192 Commerce Drive	Light Industrial	0.69	7,306	100%
23206 Commerce Drive	Light Industrial	1.30	19,822	100%
23290 Commerce Drive	Bulk Warehouse	2.56	42,930	100%
23370 Commerce Drive	Light Industrial	0.67	8,741	0%
24492 Indoplex Circle	Bulk Warehouse	1.63	24,000	100%
24528 Indoplex Circle	Bulk Warehouse	2.26	34,650	100%
31800 Plymouth Road - Bldg 1	Light Industrial	42.71	705,829	99%
31800 Plymouth Road - Bldg 2	Bulk Warehouse	11.81	184,614	100%
31800 Plymouth Road - Bldg 3	Bulk Warehouse	6.13	98,024	96%
31800 Plymouth Road - Bldg 6	Bulk Warehouse	9.06	183,959	100%
31800 Plymouth Road - Bldg 7	Bulk Warehouse	1.64	26,836	100%
21477 Bridge Street	Light Industrial	3.10	41,500	100%
2965 Technology Drive	Light Industrial	4.92	66,395	100%
1451 Lincoln Avenue	Light Industrial	3.92	75,000	100%
4400 Purks Drive	Light Industrial	13.04	87,100	100%
4177A Varsity Drive	Light Industrial	2.48	11,050	100%
6515 Cobb Drive	Light Industrial	2.91	47,597	100%
32450 N. Avis Drive	Light Industrial	3.23	55,820	100%
32200 N. Avis Drive	Light Industrial	6.15	88,700	100%
32440-32442 Industrial Drive	Light Industrial	1.41	19,200	63%
32450 Industrial Drive	Light Industrial	0.76	10,350	100%
11813 Hubbard	Light Industrial	1.95	33,300	100%
11844 Hubbard	Light Industrial	2.16	38,500	100%
11866 Hubbard	Light Industrial	2.32	41,380	100%
12050-12190 Hubbard (j)	Light Industrial	6.10	85,086	100%

BUILDING ADDRESS -----	LOCATION CITY/STATE -----	ENCUMBRANCES -----	YEAR BUILT- RENOVATED -----
DETROIT (CON'T)			
38200 Plymouth	Livonia, MI		1997
38220 Plymouth	Livonia, MI		1988
38300 Plymouth	Livonia, MI		1997
12707 Eckles Road	Plymouth, MI		1990
9300-9328 Harrison Rd	Romulus, MI		1978
9330-9358 Harrison Rd	Romulus, MI		1978
28420-28448 Highland Rd	Romulus, MI		1979
28450-28478 Highland Rd	Romulus, MI		1979
28421-28449 Highland Rd	Romulus, MI		1980
28451-28479 Highland Rd	Romulus, MI		1980
28825-28909 Highland Rd	Romulus, MI		1981
28933-29017 Highland Rd	Romulus, MI		1982
28824-28908 Highland Rd	Romulus, MI		1982
28932-29016 Highland Rd	Romulus, MI		1982
9710-9734 Harrison Road	Romulus, MI		1987
9740-9772 Harrison Road	Romulus, MI		1987
9840-9868 Harrison Road	Romulus, MI		1987
9800-9824 Harrison Road	Romulus, MI		1987
29265-29285 Airport Drive	Romulus, MI		1983
29185-29225 Airport Drive	Romulus, MI		1983

29149-29165 Airport Drive	Romulus, MI	1984
29101-29115 Airport Drive	Romulus, MI	1985
29031-29045 Airport Drive	Romulus, MI	1985
29050-29062 Airport Drive	Romulus, MI	1986
29120-29134 Airport Drive	Romulus, MI	1986
29200-29214 Airport Drive	Romulus, MI	1985
9301-9339 Middlebelt Road	Romulus, MI	1983
21405 Trolley Industrial Road	Taylor, MI	1971
26980 Trolley Industrial Drive	Taylor, MI	1997

GRAND RAPIDS

3232 Kraft Avenue	Grand Rapids, MI	(c)	1988
8181 Logistics Drive	Grand Rapids, MI	(c)	1990
5062 Kendrick Court	Grand Rapids, MI	(c)	1987
2 84th Street	Byron Center, MI		1986
100 84th Street	Byron Center, MI		1979
150 84th Street	Byron Center, MI		1977
511 76th Street	Grand Rapids, MI		1986
553 76th Street	Grand Rapids, MI		1985
555 76th Street	Grand Rapids, MI		1987
2925 Remico Avenue	Grandville, MI		1988
2935 Walkent Court	Grand Rapids, MI		1991
3300 Kraft Avenue	Grand Rapids, MI		1987
3366 Kraft Avenue	Grand Rapids, MI		1987
4939 Starr Avenue	Grand Rapids, MI		1985
5001 Kendrick Court	Grand Rapids, MI		1983
5050 Kendrick Court	Grand Rapids, MI	(a)	1988
5015 52nd Street	Grand Rapids, MI	(a)	1987
5025 28th Street	Grand Rapids, MI		1967
5079 33rd Street	Grand Rapids, MI		1990
5333 33rd Street	Grand Rapids, MI		1991
5130 Patterson Ave	Grand Rapids, MI		1987
425 Gordon Industrial Court	Grand Rapids, MI	(b)	1990
2851 Prairie Street	Grandville, MI	(b)	1989
2945 Walkent Court	Grand Rapids, MI	(b)	1993
537 76th Street	Grand Rapids, MI	(b)	1987

HOUSTON

2102-2314 Edwards Street	Houston, TX	1961
4545 Eastpark Drive	Houston, TX	1972
3351 Ranch Street	Houston, TX	1970
3851 Yale Street	Houston, TX	1971
3337-3347 Ranch Street	Houston, TX	1970
8505 North Loop East	Houston, TX	1981
4749-4799 Eastpark Dr	Houston, TX	1979
4851 Homestead Road	Houston, TX	1973
3365-3385 Ranch Street	Houston, TX	1970
5050 Campbell Road	Houston, TX	1970
4300 Pine Timbers	Houston, TX	1980
10600 Hampstead	Houston, TX	1974
2300 Fairway Park Drive	Houston, TX	1974
7969 Blakenship	Houston, TX	1972
8001 Kempwood	Houston, TX	1972
7901 Blankenship	Houston, TX	1972
2500-2530 Fairway Park	Houston, TX	1974

BUILDING ADDRESS	BUILDING TYPE	LAND AREA (ACRES)	GLA	OCCUPANCY AT 12/31/97
-----	-----	-----	---	-----
DETROIT (CON'T)				
38200 Plymouth	Bulk Warehouse	11.43	140,365	100%
38220 Plymouth	Bulk Warehouse	13.14	145,232	100%
38300 Plymouth	Bulk Warehouse	6.95	127,800	100%
12707 Eckles Road	Light Industrial	2.62	42,300	100%

9300-9328 Harrison Rd	Bulk Warehouse	2.53	29,280	75%
9330-9358 Harrison Rd	Bulk Warehouse	2.53	29,280	63%
28420-28448 Highland Rd	Bulk Warehouse	2.53	29,280	100%
28450-28478 Highland Rd	Bulk Warehouse	2.53	29,340	100%
28421-28449 Highland Rd	Bulk Warehouse	2.53	29,280	88%
28451-28479 Highland Rd	Bulk Warehouse	2.53	29,280	100%
28825-28909 Highland Rd	Bulk Warehouse	2.53	29,284	100%
28933-29017 Highland Rd	Bulk Warehouse	2.53	29,280	100%
28824-28908 Highland Rd	Bulk Warehouse	2.53	29,280	100%
28932-29016 Highland Rd	Bulk Warehouse	2.53	29,280	100%
9710-9734 Harrison Road	Bulk Warehouse	2.22	25,925	100%
9740-9772 Harrison Road	Bulk Warehouse	2.53	29,414	50%
9840-9868 Harrison Road	Bulk Warehouse	2.53	29,280	100%
9800-9824 Harrison Road	Bulk Warehouse	2.22	25,620	100%
29265-29285 Airport Drive	Bulk Warehouse	2.05	23,707	100%
29185-29225 Airport Drive	Bulk Warehouse	3.17	36,658	100%
29149-29165 Airport Drive	Bulk Warehouse	2.89	33,440	100%
29101-29115 Airport Drive	Bulk Warehouse	2.53	29,287	100%
29031-29045 Airport Drive	Bulk Warehouse	2.53	29,280	100%
29050-29062 Airport Drive	Bulk Warehouse	2.22	25,620	100%
29120-29134 Airport Drive	Bulk Warehouse	2.53	29,282	100%
29200-29214 Airport Drive	Bulk Warehouse	2.53	29,280	100%
9301-9339 Middlebelt Road	Light Industrial	1.29	15,170	100%
21405 Trolley Industrial Road	Bulk Warehouse	11.25	179,400	99%
26980 Trolley Industrial Drive	Bulk Warehouse	5.43	102,400	100%
			-----	-----
	SUBTOTAL OR AVERAGE		5,302,927	97%
			-----	-----
GRAND RAPIDS				
3232 Kraft Avenue	Bulk Warehouse	13.15	216,000	92%
8181 Logistics Drive	Bulk Warehouse	10.00	222,000	100%
5062 Kendrick Court	Bulk Warehouse	2.06	31,750	100%
2 84th Street	Bulk Warehouse	3.01	30,000	67%
100 84th Street	Bulk Warehouse	4.20	81,000	100%
150 84th Street	Light Industrial	1.95	16,000	100%
511 76th Street	Bulk Warehouse	14.44	202,500	100%
553 76th Street	Light Industrial	1.16	10,000	59%
555 76th Street	Bulk Warehouse	12.50	200,000	100%
2925 Remico Avenue	Bulk Warehouse	3.40	66,505	100%
2935 Walkent Court	Bulk Warehouse	6.13	64,961	42%
3300 Kraft Avenue	Bulk Warehouse	11.57	200,000	100%
3366 Kraft Avenue	Bulk Warehouse	12.35	200,000	94%
4939 Starr Avenue	Bulk Warehouse	3.87	30,000	100%
5001 Kendrick Court	Bulk Warehouse	4.00	61,500	100%
5050 Kendrick Court	Bulk Warehouse	26.94	413,500	100%
5015 52nd Street	Bulk Warehouse	4.11	61,250	100%
5025 28th Street	Light Industrial	3.97	14,400	100%
5079 33rd Street	Bulk Warehouse	6.74	109,875	100%
5333 33rd Street	Bulk Warehouse	8.09	101,250	100%
5130 Patterson Ave	Bulk Warehouse	6.57	30,000	100%
425 Gordon Industrial Court	Bulk Warehouse	8.77	173,875	100%
2851 Prairie Street	Bulk Warehouse	5.45	117,251	84%
2945 Walkent Court	Bulk Warehouse	4.45	93,374	100%
537 76th Street	Bulk Warehouse	5.26	80,000	100%
			-----	-----
	SUBTOTAL OR AVERAGE		2,826,991	96%
			-----	-----
HOUSTON				
2102-2314 Edwards Street	Bulk Warehouse	5.02	115,248	100%
4545 Eastpark Drive	Bulk Warehouse	3.80	81,295	100%
3351 Ranch Street	Bulk Warehouse	4.04	82,500	100%
3851 Yale Street	Bulk Warehouse	5.77	132,554	100%
3337-3347 Ranch Street	Bulk Warehouse	2.29	60,085	100%
8505 North Loop East	Bulk Warehouse	4.99	107,769	100%
4749-4799 Eastpark Dr	Bulk Warehouse	7.75	182,563	100%
4851 Homestead Road	Bulk Warehouse	3.63	142,250	90%
3365-3385 Ranch Street	Bulk Warehouse	3.31	82,140	100%
5050 Campbell Road	Bulk Warehouse	6.10	121,875	100%
4300 Pine Timbers	Bulk Warehouse	4.80	113,400	100%
10600 Hampstead	Light Industrial	1.26	19,063	100%
2300 Fairway Park Drive	Light Industrial	1.25	19,008	100%
7969 Blakenship	Light Industrial	2.27	48,140	100%
8001 Kempwood	Light Industrial	1.45	33,034	100%
7901 Blankenship	Light Industrial	2.17	48,000	100%
2500-2530 Fairway Park	Bulk Warehouse	8.72	213,638	100%

17

BUILDING ADDRESS -----	LOCATION CITY/STATE -----	ENCUMBRANCES -----	YEAR BUILT- RENOVATED -----
HOUSTON (CON'T)			
6550 Longpointe	Houston, TX		1980
1815 Turning Basin Drive	Houston, TX		1980
1819 Turning Basin Drive	Houston, TX		1980
4545 Mossford Drive	Houston, TX		1975
1805 Turning Basin Drive	Houston, TX		1980
7000 Empire Drive	Houston, TX	(i)	1980
9777 West Gulfbank Drive	Houston, TX	(i)	1980
INDIANAPOLIS			
2900 North Shadeland	Indianapolis, IN	(d)	1957/1992
2400 North Shadeland	Indianapolis, IN		1970
2402 North Shadeland	Indianapolis, IN		1970
7901 West 21st Street	Indianapolis, IN		1985
1445 Brookville Way	Indianapolis, IN	(d)	1989
1440 Brookville Way	Indianapolis, IN	(d)	1990
1240 Brookville Way	Indianapolis, IN	(d)	1990
1220 Brookville Way	Indianapolis, IN	(d)	1990
1345 Brookville Way	Indianapolis, IN	(e)	1992
1350 Brookville Way	Indianapolis, IN	(d)	1994
1315 Sadlier Circle East Drive	Indianapolis, IN	(e)	1970/1992
1341 Sadlier Circle East Drive	Indianapolis, IN	(e)	1971/1992
1322-1438 Sadlier Circle East Dr	Indianapolis, IN	(e)	1971/1992
1327-1441 Sadlier Circle West Dr	Indianapolis, IN	(e)	1992
1304 Sadlier Circle East Drive	Indianapolis, IN	(e)	1971/1992
1402 Sadlier Circle East Drive	Indianapolis, IN	(e)	1970/1992
1504 Sadlier Circle East Drive	Indianapolis, IN	(e)	1971/1992
1311 Sadlier Circle East Drive	Indianapolis, IN	(e)	1971/1992
1365 Sadlier Circle East Drive	Indianapolis, IN	(e)	1971/1992
1352-1354 Sadlier Circle E Drive	Indianapolis, IN	(e)	1970/1992
1335 Sadlier Circle East Drive	Indianapolis, IN	(e)	1971/1992
1327 Sadlier Circle East Drive	Indianapolis, IN	(e)	1971/1992
1425 Sadlier Circle East Drive	Indianapolis, IN	(e)	1971/1992
1230 Brookville Way	Indianapolis, IN	(d)	1995
6951 East 30th Street	Indianapolis, IN		1995
6701 East 30th Street	Indianapolis, IN		1995
6737 East 30th Street	Indianapolis, IN		1995
1225 Brookville Way	Indianapolis, IN		1997
6555 East 30th Street	Indianapolis, IN		1969/1981
2432-2436 Shadeland	Indianapolis, IN		1968
8402-8440 East 33rd Street	Indianapolis, IN		1977
8520-8630 East 33rd Street	Indianapolis, IN		1976
8710-8768 East 33rd Street	Indianapolis, IN		1979
3316-3346 North Pagosa Court	Indianapolis, IN		1977
3331 Raton Court	Indianapolis, IN		1979
4430 Airport Expressway	Indianapolis, IN		1970
6751 East 30th Street	Indianapolis, IN		1997
LONG ISLAND			
1140 Motor Parkway	Huppauge, NY		1978
10 Edison Street	Amityville, NY		1971
120 Secatogue Avenue	Farmingdale, NY		1957
100 Lauman Lane	Hicksville, NY		1968

200 Finn Court	Farmingdale, NY	1965
243 Dixon Avenue	Amityville, NY	1978
717 Broadway Avenue	Holbrook, NY	1967
725 Broadway Avenue	Holbrook, NY	1967
270 Duffy Avenue	Hicksville, NY	1956
280 Duffy Avenue	Hicksville, NY	1956
575 Underhill Boulevard	Syosset, NY	1967
5 Sidney Court	Lindenhurst, NY	1962
7 Sidney Court	Lindenhurst, NY	1964
450 Commack Road	Deer Park, NY	1964
99 Layfayette Drive	Syosset, NY	1964
65 East Bethpage Road	Plainview, NY	1960
171 Milbar Boulevard	Farmingdale, NY	1961
95 Horseblock Road	Yaphank, NY	1971
151-171 East 2nd Street	Huntington, NY	1968
171-175 East 2nd Street	Huntington, NY	1969
35 Bloomingdale Road	Hicksville, NY	1962
15-39 Tec Street	Hicksville, NY	1965
100 Tec Street	Hicksville, NY	1965
51-89 Tec Street	Hicksville, NY	1965
502 Old Country Road	Hicksville, NY	1965
80-98 Tec Street	Hicksville, NY	1965
201-233 Park Avenue	Hicksville, NY	1962

BUILDING ADDRESS -----	BUILDING TYPE -----	LAND AREA (ACRES) -----	GLA ---	OCCUPANCY AT 12/31/97 -----
HOUSTON (CON'T)				
6550 Longpointe	Bulk Warehouse	4.13	97,700	100%
1815 Turning Basin Drive	Bulk Warehouse	6.34	139,630	100%
1819 Turning Basin Drive	Bulk Warehouse	2.85	65,494	100%
4545 Mossford Drive	Bulk Warehouse	3.56	66,565	100%
1805 Turning Basin Drive	Bulk Warehouse	7.60	155,250	100%
7000 Empire Drive	Light Industrial	6.25	94,781	94%
9777 West Gulfbank Drive	Light Industrial	15.45	252,038	96%
	SUBTOTAL OR AVERAGE		2,474,020	99%
INDIANAPOLIS				
2900 North Shadeland	Bulk Warehouse	60.00	976,273	98%
2400 North Shadeland	Light Industrial	2.45	40,000	100%
2402 North Shadeland	Light Industrial	7.55	121,539	100%
7901 West 21st Street	Light Industrial	12.00	353,000	100%
1445 Brookville Way	Light Industrial	8.79	115,200	100%
1440 Brookville Way	Bulk Warehouse	9.64	166,400	100%
1240 Brookville Way	Bulk Warehouse	3.50	63,000	100%
1220 Brookville Way	Light Industrial	2.10	10,000	100%
1345 Brookville Way	Light Industrial	5.50	132,000	100%
1350 Brookville Way	Bulk Warehouse	2.87	38,460	100%
1315 Sadlier Circle East Drive	Light Industrial	1.33	14,000	100%
1341 Sadlier Circle East Drive	Light Industrial	2.03	32,400	100%
1322-1438 Sadlier Circle East Dr	Light Industrial	3.79	36,000	100%
1327-1441 Sadlier Circle West Dr	Light Industrial	5.50	54,000	100%
1304 Sadlier Circle East Drive	Light Industrial	2.42	17,600	100%
1402 Sadlier Circle East Drive	Light Industrial	4.13	40,800	100%
1504 Sadlier Circle East Drive	Light Industrial	4.14	54,000	100%
1311 Sadlier Circle East Drive	Light Industrial	1.78	13,200	100%
1365 Sadlier Circle East Drive	Light Industrial	2.16	30,000	100%
1352-1354 Sadlier Circle E Drive	Light Industrial	3.50	44,000	55%
1335 Sadlier Circle East Drive	Light Industrial	1.20	20,000	100%
1327 Sadlier Circle East Drive	Light Industrial	1.20	12,800	100%
1425 Sadlier Circle East Drive	Light Industrial	2.49	5,000	100%
1230 Brookville Way	Light Industrial	1.96	15,000	100%
6951 East 30th Street	Light Industrial	3.81	44,000	100%
6701 East 30th Street	Light Industrial	3.00	7,820	100%
6737 East 30th Street	Bulk Warehouse	11.01	87,500	100%
1225 Brookville Way	Light Industrial	1.00	10,000	100%
6555 East 30th Street	Bulk Warehouse	37.00	331,826	78%
2432-2436 Shadeland	Light Industrial	4.57	70,560	100%
8402-8440 East 33rd Street	Light Industrial	4.70	55,200	100%
8520-8630 East 33rd Street	Light Industrial	5.30	81,000	83%
8710-8768 East 33rd Street	Light Industrial	4.70	43,200	100%
3316-3346 North Pagosa Court	Light Industrial	5.10	81,000	100%
3331 Raton Court	Light Industrial	2.80	35,000	100%
4430 Airport Expressway	Bulk Warehouse	32.00	486,394	100%
6751 East 30th Street	Bulk Warehouse	6.34	100,000	92%
	SUBTOTAL OR AVERAGE		3,838,172	97%
LONG ISLAND				
1140 Motor Parkway	Bulk Warehouse	8.00	153,500	100%

10 Edison Street	Light Industrial	1.40	34,400	100%
120 Secatogue Avenue	Bulk Warehouse	2.60	63,571	66%
100 Lauman Lane	Bulk Warehouse	1.90	36,700	74%
200 Finn Court	Bulk Warehouse	5.00	105,000	100%
243 Dixon Avenue	Light Industrial	1.30	22,250	100%
717 Broadway Avenue	Bulk Warehouse	12.30	150,000	100%
725 Broadway Avenue	Bulk Warehouse	8.00	122,160	82%
270 Duffy Avenue	Light Industrial	8.40	134,382	97%
280 Duffy Avenue	Light Industrial	2.60	49,200	100%
575 Underhill Boulevard	Light Industrial	16.60	233,424	97%
5 Sidney Court	Light Industrial	1.70	29,300	100%
7 Sidney Court	Light Industrial	5.10	34,000	100%
450 Commack Road	Light Industrial	5.10	60,005	96%
99 Lafayette Drive	Bulk Warehouse	10.90	221,454	99%
65 East Bethpage Road	Light Industrial	1.40	27,276	93%
171 Milbar Boulevard	Light Industrial	2.30	62,600	99%
95 Horseblock Road	Light Industrial	20.00	180,906	79%
151-171 East 2nd Street	Light Industrial	2.70	42,725	100%
171-175 East 2nd Street	Light Industrial	2.60	42,374	100%
35 Bloomingdale Road	Light Industrial	1.40	32,850	100%
15-39 Tec Street	Light Industrial	1.10	17,350	100%
100 Tec Street	Light Industrial	1.20	25,000	100%
51-89 Tec Street	Light Industrial	1.20	21,850	85%
502 Old Country Road	Light Industrial	0.50	10,000	100%
80-98 Tec Street	Light Industrial	0.75	13,050	100%
201-233 Park Avenue	Light Industrial	1.70	36,917	100%

16

18

BUILDING ADDRESS -----	LOCATION CITY/STATE -----	ENCUMBRANCES -----	YEAR BUILT- RENOVATED -----
LONG ISLAND (CON'T)			
6851 Jericho Turnpike	Syosset, NY		1969
One Fairchild Court	Plainview, NY		1959
79 Express Street	Plainview, NY		1972
92 Central Avenue	Farmingdale, NY		1961
160 Engineer Drive	Hicksville, NY		1966
260 Engineers Drive	Hicksville, NY		1966
87-119 Engineers Drive (j)	Hicksville, NY		1966
950-970 South Broadway	Hicksville, NY		1966
290 Duffy Avenue	Hicksville, NY	(f)	1974
185 Price Parkway	Farmingdale, NY		1969
62 Alpha Plaza	Hicksville, NY		1968
90 Alpha Plaza	Hicksville, NY		1969
325 Duffy Avenue	Hicksville, NY		1970
939 Motor Parkway	Hauppauge, NY		1977
2070 5th Avenue	Ronkonkoma, NY		1975
200 13th Avenue	Ronkonkoma, NY		1979
100 13th Avenue	Ronkonkoma, NY		1979
1 Comac Loop	Ronkonkoma, NY		1980
80 13th Avenue	Ronkonkoma, NY		1983
90 13th Avenue	Ronkonkoma, NY		1982
33 Comac Loop	Ronkonkoma, NY		1983
101-125 Comac Street	Ronkonkoma, NY		1985
MILWAUKEE			
N25 W23050 Paul Road	Pewaukee, WI		1989
N25 W23255 Paul Road	Pewaukee, WI		1987
N27 W23293 Roundy Drive	Pewaukee, WI		1989
6523 North Sidney Place	Glendale, WI		1978
8800 West Bradley	Milwaukee, WI		1982
1435 North 113th Street	Wauwatosa, WI		1993
11217-43 West Becher Street	West Allis, WI		1979
2152 South 114th Street	West Allis, WI		1980
4560 North 124th Street	Wauwatosa, WI		1976
12221 West Feerick Street	Wauwatosa, WI		1971

MINNEAPOLIS/ST. PAUL

2700 Freeway Boulevard	Brooklyn Center, MN	(c)	1981
6507-6545 Cecilia Circle	Bloomington, MN		1980
6403-6545 Cecilia Drive	Bloomington, MN		1980
1275 Corporate Center Drive	Eagan, MN		1990
1279 Corporate Center Drive	Eagan, MN		1990
2815 Eagandale Boulevard	Eagan, MN		1990
6201 West 111th Street	Bloomington, MN	(a)	1987
6925-6943 Washington Avenue	Edina, MN		1972
6955-6973 Washington Avenue	Edina, MN		1972
7251-7267 Washington Avenue	Edina, MN		1972
7301-7325 Washington Avenue	Edina, MN		1972
7101 Winnetka Avenue North	Brooklyn Park, MN	(a)	1990
7600 Golden Triangle Drive	Eden Prairie, MN		1989
7830-7848 12th Avenue South	Bloomington, MN		1978
7850-7890 12th Avenue South	Bloomington, MN		1978
7900 Main Street Northeast	Fridley, MN		1973
7901 Beech Street Northeast	Fridley, MN		1975
9901 West 74th Street	Eden Prairie, MN		1983/88
10120 West 76th Street	Eden Prairie, MN		1987
7615 Golden Triangle	Eden Prairie, MN		1987
7625 Golden Triangle Drive	Eden Prairie, MN		1987
2605 Fernbrook Lane North	Plymouth, MN		1987
12155 Nicollet Avenue	Burnsville, MN		1995
6655 Wedgewood Road	Maple Grove, MN	(b)	1989
900 Apollo Road	Eagan, MN	(b)	1970
7316 Aspen Land	Brooklyn Park, MN	(b)	1978
10175-10205 Crosstown Circle	Eden Prairie, MN		1980
11201 Hampshire Avenue South	Bloomington, MN		1986
12220-12222 Nicollet Avenue	Burnsville, MN		1989/90
12250-12268 Nicollet Avenue	Burnsville, MN		1989/90
12224-12226 Nicollet Avenue	Burnsville, MN		1989/90
305 2nd Street Northwest	New Brighton, MN		1991
953 Westgate Drive	St Paul, MN		1991
980 Lone Oak Road	Eagan, MN		1992
990 Lone Oak Road	Eagan, MN		1989
1030 Lone Oak Road	Eagan, MN		1988
1060 Lone Oak Road	Eagan, MN		1988
5400 Nathan Lane	Plymouth, MN		1990
6464 Sycamore Court	Maple Grove, MN		1990

BUILDING ADDRESS	BUILDING TYPE	LAND AREA (ACRES)	GLA	OCCUPANCY AT 12/31/97
-----	-----	-----	---	-----
LONG ISLAND (CON'T)				
6851 Jericho Turnpike	Light Industrial	11.80	134,991	91%
One Fairchild Court	Light Industrial	5.75	57,420	93%
79 Express Street	Light Industrial	4.70	72,146	79%
92 Central Avenue	Bulk Warehouse	4.70	72,000	92%
160 Engineer Drive	Light Industrial	1.90	29,500	100%
260 Engineers Drive	Light Industrial	2.80	52,900	100%
87-119 Engineers Drive (j)	Light Industrial	1.70	36,800	100%
950-970 South Broadway	Light Industrial	2.65	55,146	90%
290 Duffy Avenue	Light Industrial	3.00	55,050	100%
185 Price Parkway	Light Industrial	6.40	100,000	100%
62 Alpha Plaza	Light Industrial	2.64	34,600	100%
90 Alpha Plaza	Light Industrial	1.36	34,035	78%
325 Duffy Avenue	Light Industrial	6.64	100,000	100%
939 Motor Parkway	Light Industrial	1.50	21,900	0%
2070 5th Avenue	Light Industrial	3.66	50,296	100%
200 13th Avenue	Light Industrial	4.70	72,089	100%
100 13th Avenue	Light Industrial	4.14	62,898	100%
1 Comac Loop	Light Industrial	5.18	63,765	73%
80 13th Avenue	Light Industrial	6.22	87,102	87%
90 13th Avenue	Light Industrial	6.95	105,519	100%
33 Comac Loop	Light Industrial	5.37	71,904	92%
101-125 Comac Street	Light Industrial	8.42	99,467	95%
			-----	-----
	SUBTOTAL OR AVERAGE		3,431,772	94%
			-----	-----
MILWAUKEE				
N25 W23050 Paul Road	Light Industrial	4.50	37,765	100%
N25 W23255 Paul Road	Light Industrial	4.80	55,940	100%

N27 W23293 Roundy Drive	Light Industrial	3.64	39,468	100%
6523 North Sidney Place	Light Industrial	4.00	43,440	83%
8800 West Bradley	Light Industrial	8.00	78,000	100%
1435 North 113th Street	Light Industrial	4.69	51,950	100%
11217-43 West Becher Street	Light Industrial	1.74	29,099	100%
2152 South 114th Street	Light Industrial	3.30	63,680	100%
4560 North 124th Street	Light Industrial	1.31	25,150	100%
12221 West Feerick Street	Light Industrial	1.90	39,800	100%
			-----	-----
	SUBTOTAL OR AVERAGE		464,292	98%
			-----	-----

MINNEAPOLIS/ST. PAUL

2700 Freeway Boulevard	Light Industrial	7.76	78,741	100%
6507-6545 Cecilia Circle	Light Industrial	9.65	74,118	79%
6403-6545 Cecilia Drive	Light Industrial	9.65	87,322	92%
1275 Corporate Center Drive	Bulk Warehouse	1.50	19,675	100%
1279 Corporate Center Drive	Bulk Warehouse	1.50	19,792	100%
2815 Eagandale Boulevard	Bulk Warehouse	2.20	29,106	100%
6201 West 111th Street	Bulk Warehouse	37.00	424,866	100%
6925-6943 Washington Avenue	Light Industrial	2.75	37,169	88%
6955-6973 Washington Avenue	Light Industrial	2.25	31,189	96%
7251-7267 Washington Avenue	Light Industrial	1.82	26,250	100%
7301-7325 Washington Avenue	Light Industrial	1.92	27,287	100%
7101 Winnetka Avenue North	Light Industrial	14.18	252,978	100%
7600 Golden Triangle Drive	Light Industrial	6.79	73,855	100%
7830-7848 12th Avenue South	Light Industrial	8.11	82,837	100%
7850-7890 12th Avenue South	Light Industrial	8.11	67,271	86%
7900 Main Street Northeast	Bulk Warehouse	6.09	97,020	100%
7901 Beech Street Northeast	Bulk Warehouse	6.07	97,020	100%
9901 West 74th Street	Bulk Warehouse	8.86	150,000	100%
10120 West 76th Street	Light Industrial	4.52	57,798	100%
7615 Golden Triangle	Light Industrial	4.61	52,820	100%
7625 Golden Triangle Drive	Light Industrial	4.61	73,125	97%
2605 Fernbrook Lane North	Light Industrial	6.37	80,769	90%
12155 Nicollet Avenue	Bulk Warehouse	5.80	48,000	100%
6655 Wedgewood Road	Light Industrial	17.88	131,288	100%
900 Apollo Road	Bulk Warehouse	39.00	312,265	100%
7316 Aspen Land	Bulk Warehouse	6.63	97,640	100%
10175-10205 Crosstown Circle	Light Industrial	2.30	30,335	98%
11201 Hampshire Avenue South	Light Industrial	5.90	60,480	100%
12220-12222 Nicollet Avenue	Light Industrial	1.80	17,116	100%
12250-12268 Nicollet Avenue	Light Industrial	4.30	42,465	100%
12224-12226 Nicollet Avenue	Light Industrial	2.40	23,607	78%
305 2nd Street Northwest	Light Industrial	5.43	62,293	99%
953 Westgate Drive	Light Industrial	3.17	51,906	100%
980 Lone Oak Road	Light Industrial	11.40	154,950	100%
990 Lone Oak Road	Light Industrial	11.41	153,607	100%
1030 Lone Oak Road	Bulk Warehouse	6.30	83,076	100%
1060 Lone Oak Road	Light Industrial	6.50	82,728	100%
5400 Nathan Lane	Light Industrial	5.70	72,089	100%
6464 Sycamore Court	Light Industrial	6.40	79,702	100%

BUILDING ADDRESS	LOCATION CITY/STATE	ENCUMBRANCES	YEAR BUILT- RENOVATED
-----	-----	-----	-----
MINNEAPOLIS/ST. PAUL (CON'T)			
6701 Parkway Circle	Brooklyn Center, MN		1987
6601 Shingle Creek	Brooklyn Center, MN		1985
6707 Shingle Creek Parkway	Brooklyn Center, MN	(b)	1986
9401 73rd Avenue North	Brooklyn Park, MN		1995
1905 West Country Road C	Roseville, MN		1993
2720 Arthur Street	Roseville, MN		1995
10205 51st Avenue North	Plymouth, MN		1990
4100 Peavey Road	Chaska, MN		1988
11300 Hampshire Avenue South	Bloomington, MN		1983
375 Rivertown Drive	Woodbury, MN		1996
5205 Highway 169	Plymouth, MN		1960
6451-6595 Citywest Parkway	Eden Prairie, MN		1984
7100-7198 Shady Oak Road (k)	Eden Prairie, MN		1982
1565 First Avenue NW	New Brighton, MN		1978
7125 Northland Terrace	Brooklyn Park, MN		1996
6900 Shady Oak Road	Eden Prairie, MN		1980
7550-7588 Washington Square	Eden Prairie, MN		1975
7500-7546 Washington Square	Eden Prairie, MN		1975
5240-5300 Valley Industrial Blvd	Shakopee, MN		1973

6477-6525 City West Parkway Eden Prairie, MN 1984

NASHVILLE

1621 Heil Quaker Boulevard	Nashville, TN	(c)	1975
417 Harding Industrial Drive	Nashville, TN	(a)	1972
520 Harding Drive (j)	Nashville, TN	(a)	1975
3099 Barry Drive	Portland, TN		1995
3150 Barry Drive	Portland, TN		1993
1650 Elm Hill Pike	Nashville, TN		1984
1821 Air Lane Drive	Nashville, TN		1984
1102 Appleton Drive	Nashville, TN		1984
1920 Air Lane Drive	Nashville, TN		1985
1931 Air Lane Drive	Nashville, TN		1984
470 Metroplex Drive (j)	Nashville, TN		1986
1150 Antiock Pike	Nashville, TN		1987
5599 Highway 31 West	Portland, TN		1995

NEW JERSEY

116 Lehigh Drive	Fairfield, NJ		1986
60 Ethel Road West	Piscataway, NJ		1982
70 Ethel Road West	Piscataway, NJ		1979
105 Neptune Boulevard	Neptune, NJ		1989
140 Hanover Avenue	Hanover, NJ		1964/1988
601-629 Montrose Avenue	South Plainfield, NJ		1974
3 Marlen	Hamilton, NJ		1981
5 Marlen	Hamilton, NJ		1981
7 Marlen	Hamilton, NJ		1982
8 Marlen	Hamilton, NJ		1982
15 Marlen	Hamilton, NJ		1982
17 Marlen	Hamilton, NJ		1981
1 South Gold Drive	Hamilton, NJ		1973
2 South Gold Drive	Hamilton, NJ		1974
5 South Gold Drive	Hamilton, NJ		1974
6 South Gold Drive	Hamilton, NJ		1975
7 South Gold Drive	Hamilton, NJ		1976
8 South Gold Drive	Hamilton, NJ		1977
9 South Gold Drive	Hamilton, NJ		1980
11 South Gold Drive	Hamilton, NJ		1979
12 South Gold Drive	Hamilton, NJ		1980
9 Princess Road	Lawrenceville, NJ		1985
11 Princess Road	Lawrenceville, NJ		1985
15 Princess Road	Lawrenceville, NJ		1986
17 Princess Road	Lawrenceville, NJ		1986
220 Hanover Avenue	Hanover, NJ		1987
244 Sheffield Street	Mountainside, NJ		1965/1986
30 Troy Road	Hanover, NJ		1972
15 Leslie Court	Hanover, NJ		1971
20 Leslie Court	Hanover, NJ		1974
25 Leslie Court	Hanover, NJ		1975
130 Algonquin Parkway	Hanover, NJ		1973
150 Algonquin Parkway	Hanover, NJ		1973
55 Locust Avenue	Roseland, NJ		1980
31 West Forest Street (j)	Englewood, NJ		1978
25 World's Fair Drive	Franklin, NJ		1986
14 World's Fair Drive	Franklin, NJ		1980
16 World's Fair Drive	Franklin, NJ		1981

BUILDING ADDRESS	BUILDING TYPE	LAND AREA (ACRES)	GLA	OCCUPANCY AT 12/31/97
-----	-----	-----	---	-----

MINNEAPOLIS/ST. PAUL (CON'T)

6701 Parkway Circle	Light Industrial	4.44	75,000	100%
6601 Shingle Creek	Light Industrial	4.59	68,899	99%
6707 Shingle Creek Parkway	Light Industrial	4.22	75,939	100%
9401 73rd Avenue North	Light Industrial	4.46	59,782	100%
1905 West Country Road C	Light Industrial	4.60	47,735	100%

2720 Arthur Street	Light Industrial	6.06	74,337	100%
10205 51st Avenue North	Light Industrial	2.00	30,476	100%
4100 Peavey Road	Light Industrial	8.27	78,029	64%
11300 Hampshire Avenue South	Bulk Warehouse	9.94	125,950	54%
375 Rivertown Drive	Bulk Warehouse	11.33	172,800	100%
5205 Highway 169	Light Industrial	7.92	97,770	95%
6451-6595 Citywest Parkway	Light Industrial	6.98	83,189	99%
7100-7198 Shady Oak Road (k)	Bulk Warehouse	14.44	187,777	100%
1565 First Avenue NW	Light Industrial	8.87	112,082	100%
7125 Northland Terrace	Light Industrial	5.89	79,675	82%
6900 Shady Oak Road	Light Industrial	4.60	49,190	100%
7550-7588 Washington Square	Light Industrial	2.70	29,739	100%
7500-7546 Washington Square	Light Industrial	5.40	44,600	100%
5240-5300 Valley Industrial Blvd	Light Industrial	9.06	80,000	88%
6477-6525 City West Parkway	Light Industrial	7.00	89,456	64%

SUBTOTAL OR AVERAGE		5,106,980	96%
---------------------	--	-----------	-----

NASHVILLE

1621 Heil Quaker Boulevard	Bulk Warehouse	11.29	160,661	100%
417 Harding Industrial Drive	Bulk Warehouse	13.70	207,440	100%
520 Harding Drive (j)	Bulk Warehouse	16.64	392,128	100%
3099 Barry Drive	Bulk Warehouse	6.20	109,058	100%
3150 Barry Drive	Bulk Warehouse	26.32	268,253	100%
1650 Elm Hill Pike	Light Industrial	3.46	41,228	100%
1821 Air Lane Drive	Light Industrial	2.54	25,300	100%
1102 Appleton Drive	Light Industrial	1.73	28,022	82%
1920 Air Lane Drive	Light Industrial	3.19	49,912	81%
1931 Air Lane Drive	Light Industrial	10.11	87,549	95%
470 Metroplex Drive (j)	Light Industrial	8.11	102,052	99%
1150 Antioch Pike	Light Industrial	9.83	146,055	100%
5599 Highway 31 West	Bulk Warehouse	20.00	161,500	100%

SUBTOTAL OR AVERAGE		1,779,158	99%
---------------------	--	-----------	-----

NEW JERSEY

116 Lehigh Drive	Bulk Warehouse	5.00	106,184	100%
60 Ethel Road West	Light Industrial	3.93	42,802	100%
70 Ethel Road West	Light Industrial	3.78	61,500	100%
105 Neptune Boulevard	Light Industrial	10.00	20,440	80%
140 Hanover Avenue	Light Industrial	2.95	25,261	72%
601-629 Montrose Avenue	Light Industrial	5.83	75,000	93%
3 Marlen	Light Industrial	1.11	13,174	100%
5 Marlen	Light Industrial	1.56	21,000	100%
7 Marlen	Light Industrial	2.05	28,400	100%
8 Marlen	Light Industrial	4.36	60,001	100%
15 Marlen	Light Industrial	1.19	13,562	100%
17 Marlen	Light Industrial	1.32	20,030	100%
1 South Gold Drive	Light Industrial	1.50	20,009	95%
2 South Gold Drive	Light Industrial	1.15	33,928	62%
5 South Gold Drive	Light Industrial	1.97	24,000	100%
6 South Gold Drive	Light Industrial	1.00	13,580	100%
7 South Gold Drive	Light Industrial	1.00	10,218	100%
8 South Gold Drive	Light Industrial	1.14	16,907	100%
9 South Gold Drive	Light Industrial	1.00	13,566	100%
11 South Gold Drive	Light Industrial	1.97	33,114	100%
12 South Gold Drive	Light Industrial	1.29	20,240	100%
9 Princess Road	Light Industrial	2.36	24,375	100%
11 Princess Road	Light Industrial	5.33	55,000	82%
15 Princess Road	Light Industrial	2.00	20,625	100%
17 Princess Road	Light Industrial	1.82	18,750	100%
220 Hanover Avenue	Bulk Warehouse	29.27	158,242	100%
244 Sheffield Street	Light Industrial	2.20	23,000	100%
30 Troy Road	Light Industrial	1.31	17,345	100%
15 Leslie Court	Light Industrial	3.08	18,000	100%
20 Leslie Court	Light Industrial	1.38	17,997	100%
25 Leslie Court	Light Industrial	1.30	70,755	100%
130 Algonquin Parkway	Light Industrial	5.50	29,008	100%
150 Algonquin Parkway	Light Industrial	2.47	17,531	100%
55 Locust Avenue	Bulk Warehouse	13.63	79,750	100%
31 West Forest Street (j)	Light Industrial	6.00	110,000	100%
25 World's Fair Drive	Light Industrial	1.81	20,000	100%
14 World's Fair Drive	Light Industrial	4.53	60,000	100%
16 World's Fair Drive	Light Industrial	3.62	43,400	100%

BUILDING ADDRESS	LOCATION CITY/STATE	ENCUMBRANCES	YEAR BUILT- RENOVATED
NEW JERSEY (CON'T)			
18 World's Fair Drive	Franklin, NJ		1982
23 World's Fair Drive	Franklin, NJ		1982
12 World's Fair Drive	Franklin, NJ		1981
1 World's Fair Drive	Franklin, NJ		1983
2 World's Faire Drive	Franklin, NJ		1982

49 Napoleon Court	Franklin, NJ		1982
50 Napoleon Court	Franklin, NJ		1982
22 World's Fair Drive	Franklin, NJ		1983
26 World's Fair Drive	Franklin, NJ		1984
24 World's Fair Drive	Franklin, NJ		1984
12 Wright Way	Oakland, NJ		1981

NEW ORLEANS

520-524 Elmwood Park Blvd (j)	Jefferson, LA		1986
125 Mallard St	St. Rose, LA	(h)	1984
107 Mallard	St. Rose, LA	(h)	1985
125 James Drive West	St. Rose, LA	(h)	1990
161 James Drive West	St. Rose, LA		1986
150 James Drive East	St. Rose, LA		1986
115 James Drive West	St. Rose, LA	(h)	1986
100 James Drive	St. Rose, LA	(h)	1980
143 Mallard St	St. Rose, LA	(h)	1982
160 James Drive East	St. Rose, LA	(h)	1981
190 James Drive East	St. Rose, LA	(h)	1987
120 Mallard St	St. Rose, LA	(h)	1981
110 James Drive West	St. Rose, LA	(h)	1983
150 Canvasback Drive	St. Rose, LA		1986

PHOENIX

7340 South Kyrene Road	Tempe, AZ		1996
7350 S Kyrene Road	Tempe, AZ		1996
7360 South Kyrene Road	Tempe, AZ		1996
7343 South Hardy Drive	Tempe, AZ		1997
7333 South Hardy Drive	Tempe, AZ		1997

SALT LAKE CITY

2255 South 300 West (m)	Salt Lake City, UT		1980
512 Lawndale Drive (n)	Salt Lake City, UT		1981

ST LOUIS

8921-8957 Frost Avenue	Hazelwood, MO	(c)	1971
9043-9083 Frost Avenue	Hazelwood, MO	(c)	1970
2121 Chapin Industrial Drive	Vinita Park, MO		1969/87
1200 Andes Boulevard	Olivette, MO		1967
1248 Andes Boulevard	Olivette, MO		1967
1208-1226 Ambassador Blvd	Olivette, MO		1966
1250 Ambassador Boulevard	Olivette, MO		1967
1503-1525 Fairview Industrial	Olivette, MO		1967
2462-2470 Schuetz Road	St. Louis, MO		1965
10431-10449 Midwest Industrial	Olivette, MO		1967
10751 Midwest Industrial Blvd	Olivette, MO		1965
11652-11666 Fairgrove Industrial	St. Louis, MO		1966
11674-11688 Fairgrove Industrial	St. Louis, MO		1967
2337 Centerline Drive	Maryland Heights, MO		1967
6951 North Hanley Road (j)	Hazelwood, MO		1965
4560 Anglum Road	Hazelwood, MO		1970
2760 South 1st Street	St. Louis, MO		1997

TAMPA

6614 Adamo Drive	Tampa, FL		1967
202 Kelsey	Tampa, FL		1989
6202 Benjamin Road	Tampa, FL		1981
6204 Benjamin Road	Tampa, FL		1982
6206 Benjamin Road	Tampa, FL		1983
6302 Benjamin Road	Tampa, FL		1983
6304 Benjamin Road	Tampa, FL		1984
6306 Benjamin Road	Tampa, FL		1984
6308 Benjamin Road	Tampa, FL		1984
5313 Johns Road	Tampa, FL		1991
5602 Thompson Center Court	Tampa, FL		1972

5411 Johns Road	Tampa, FL	1997
5525 Johns Road	Tampa, FL	1993
5607 Johns Road	Tampa, FL	1991

BUILDING ADDRESS -----	BUILDING TYPE -----	LAND AREA (ACRES) -----	GLA ---	OCCUPANCY AT 12/31/97 -----
NEW JERSEY (CON'T)				
18 World's Fair Drive	Light Industrial	1.12	12,809	100%
23 World's Fair Drive	Light Industrial	1.20	15,540	100%
12 World's Fair Drive	Light Industrial	3.85	65,000	100%
1 World's Fair Drive	Light Industrial	3.85	53,372	100%
2 World's Faire Drive	Light Industrial	2.06	59,310	75%
49 Napoleon Court	Light Industrial	2.06	32,487	0%
50 Napoleon Court	Light Industrial	1.52	20,158	100%
22 World's Fair Drive	Light Industrial	3.52	50,000	90%
26 World's Fair Drive	Light Industrial	3.41	47,000	100%
24 World's Fair Drive	Light Industrial	3.45	47,000	100%
12 Wright Way	Light Industrial	6.52	52,402	100%
			-----	-----
	SUBTOTAL OR AVERAGE		1,911,772	95%
NEW ORLEANS				
520-524 Elmwood Park Blvd (j)	Light Industrial	5.32	102,209	81%
125 Mallard St	Light Industrial	1.38	23,436	33%
107 Mallard	Light Industrial	1.48	23,436	94%
125 James Drive West	Light Industrial	3.30	38,692	100%
161 James Drive West	Light Industrial	2.80	47,474	93%
150 James Drive East	Light Industrial	3.60	49,275	100%
115 James Drive West	Light Industrial	2.07	21,408	100%
100 James Drive	Light Industrial	6.66	48,000	100%
143 Mallard St	Light Industrial	1.48	23,436	100%
160 James Drive East	Light Industrial	3.66	25,772	23%
190 James Drive East	Light Industrial	4.47	36,357	100%
120 Mallard St	Light Industrial	3.41	53,440	100%
110 James Drive West	Light Industrial	1.57	24,018	96%
150 Canvasback Drive	Light Industrial	2.80	40,500	100%
			-----	-----
	SUBTOTAL OR AVERAGE		557,453	89%
PHOENIX				
7340 South Kyrene Road	Light Industrial	7.20	63,720	100%
7350 S Kyrene Road	Light Industrial	5.36	99,384	100%
7360 South Kyrene Road	Light Industrial	5.42	99,384	100%
7343 South Hardy Drive	Light Industrial	7.84	174,854	100%
7333 South Hardy Drive	Light Industrial	7.90	98,052	100%
			-----	-----
	SUBTOTAL OR AVERAGE		535,394	100%
SALT LAKE CITY				
2255 South 300 West (m)	Light Industrial	4.56	102,942	100%
512 Lawndale Drive (n)	Light Industrial	35.00	395,291	85%
			-----	-----
	SUBTOTAL OR AVERAGE		498,233	88%
ST LOUIS				
8921-8957 Frost Avenue	Bulk Warehouse	2.00	100,000	100%
9043-9083 Frost Avenue	Bulk Warehouse	2.69	145,000	100%
2121 Chapin Industrial Drive	Light Industrial	23.40	280,905	100%
1200 Andes Boulevard	Bulk Warehouse	2.77	66,600	100%
1248 Andes Boulevard	Light Industrial	3.15	60,708	100%
1208-1226 Ambassador Blvd	Bulk Warehouse	2.11	49,600	100%
1250 Ambassador Boulevard	Bulk Warehouse	1.52	31,500	100%
1503-1525 Fairview Industrial	Bulk Warehouse	2.18	46,431	89%
2462-2470 Schuetz Road	Bulk Warehouse	2.28	43,868	100%
10431-10449 Midwest Industrial	Bulk Warehouse	2.40	55,125	99%
10751 Midwest Industrial Blvd	Light Industrial	1.70	44,100	100%
11652-11666 Fairgrove Industrial	Bulk Warehouse	1.92	31,484	100%
11674-11688 Fairgrove Industrial	Bulk Warehouse	1.53	31,500	100%
2337 Centerline Drive	Bulk Warehouse	3.46	75,600	100%
6951 North Hanley Road (j)	Bulk Warehouse	9.50	122,813	33%
4560 Anglum Road	Light Industrial	2.60	35,114	98%
2760 South 1st Street	Bulk Warehouse	11.00	178,800	100%
			-----	-----
	SUBTOTAL OR AVERAGE		1,399,148	94%
TAMPA				
6614 Adamo Drive	Bulk Warehouse	2.78	41,377	100%
202 Kelsey	Bulk Warehouse	6.30	112,000	100%
6202 Benjamin Road	Light Industrial	2.04	29,845	100%
6204 Benjamin Road	Light Industrial	4.16	60,975	72%
6206 Benjamin Road	Light Industrial	3.94	57,708	100%
6302 Benjamin Road	Light Industrial	2.03	29,747	100%
6304 Benjamin Road	Light Industrial	2.04	29,845	100%
6306 Benjamin Road	Light Industrial	2.58	37,861	99%
6308 Benjamin Road	Light Industrial	3.22	47,256	80%
5313 Johns Road	Light Industrial	1.36	25,690	100%
5602 Thompson Center Court	Light Industrial	1.39	14,914	100%
5411 Johns Road	Light Industrial	1.98	30,204	100%
5525 Johns Road	Light Industrial	1.46	24,139	100%
5607 Johns Road	Light Industrial	1.34	13,500	50%

21

BUILDING ADDRESS	LOCATION CITY/STATE	ENCUMBRANCES	YEAR BUILT- RENOVATED	BUILDING TYPE	LAND AREA (ACRES)	GLA	OCCUPANCY AT 12/31/97
TAMPA (CON'T.)							
5709 Johns Road	Tampa, FL		1990	Light Industrial	1.80	25,480	100%
5711 Johns Road	Tampa, FL		1990	Light Industrial	1.80	25,455	100%
4410 East Adamo Drive	Tampa, FL		1990	Light Industrial	5.60	101,744	100%
4420 East Adamo Drive	Tampa, FL		1990	Light Industrial	1.40	26,650	100%
4430 East Adamo Drive	Tampa, FL		1987	Light Industrial	3.75	64,551	79%
4440 East Adamo Drive	Tampa, FL		1988	Light Industrial	3.75	64,800	100%
4450 East Adamo Drive	Tampa, FL		1969	Light Industrial	4.00	46,462	48%
5453 West Waters Avenue	Tampa, FL		1987	Light Industrial	0.66	7,200	63%
5455 West Waters Avenue	Tampa, FL		1987	Light Industrial	2.97	32,424	100%
5553 West Waters Avenue	Tampa, FL		1987	Light Industrial	2.97	32,424	100%
5501 West Waters Avenue	Tampa, FL		1990	Light Industrial	1.53	15,870	100%
5503 West Waters Avenue	Tampa, FL		1990	Light Industrial	0.68	7,060	100%
5555 West Waters Avenue	Tampa, FL		1990	Light Industrial	2.31	23,947	100%
5557 West Waters Avenue	Tampa, FL		1990	Light Industrial	0.57	5,860	100%
5903 Johns Road	Tampa, FL		1987	Light Industrial	1.20	11,600	100%
4107 North Himes Avenue	Tampa, FL		1990	Light Industrial	1.86	26,630	92%
SUBTOTAL OR AVERAGE						1,073,218	93%
OTHER							
2800 Airport Road (1)	Denton, TX		1965	Light Industrial	29.91	222,403	100%
3501 Maple Street	Abilene, TX		1980	Bulk Warehouse	34.42	123,700	100%
4200 West Harry Street (k)	Wichita, KS	(a)	1972	Bulk Warehouse	21.45	177,655	100%
Industrial Park No. 2	West Lebanon, NH		1968	Light Industrial	10.27	156,200	100%
931 Discovery Road	Green Bay, WI		1997	Light Industrial	4.22	25,254	100%
11200 Industriplex Boulevard	Baton Rouge, LA		1986	Light Industrial	3.00	42,355	100%
11441 Industriplex Boulevard	Baton Rouge, LA		1987	Light Industrial	2.40	35,596	77%
11301 Industriplex Boulevard	Baton Rouge, LA		1985	Light Industrial	2.50	38,396	100%
6565 Exchequer Drive	Baton Rouge, LA		1986	Bulk Warehouse	5.30	108,800	100%
2675 Valley View Drive	Shreveport, LA		1997	Bulk Warehouse	12.00	250,000	100%
300 10th Street NW	Clarion, IA		1997	Bulk Warehouse	8.63	126,900	100%
9580 Interport Drive	Shreveport, LA		1989	Bulk Warehouse	3.00	50,000	100%
SUBTOTAL OR AVERAGE						1,357,259	99%
TOTAL					56,567,706	96%	

- (a) These properties collateralize the 1994 Defeased Mortgage Loan (hereinafter defined). On January 2, 1998, the 1994 Defeased Mortgage Loan was paid off and retired and the remaining 15 properties were released.
- (b) These properties are owned by the Securities Partnership. The Securities Partnership guarantees the payment on the Series A Cumulative Preferred Stock of dividends and amounts upon redemption, liquidation, dissolution or winding-up.
- (c) These properties collateralize the 1995 Mortgage Loan (hereinafter defined).
- (d) These properties collateralize the CIGNA Loan (hereinafter defined).
- (e) These properties collateralize the Assumed Loans (hereinafter defined).
- (f) This property collateralizes the LB Mortgage Loan II (hereinafter defined).
- (g) This property collateralizes the Acquisition Mortgage Loan I (hereinafter defined).
- (h) These properties collateralize the Acquisition Mortgage Loan II (hereinafter defined).
- (i) These properties collateralize the Acquisition Mortgage Loan III

(hereinafter defined).

- (j) Comprised of two properties.
- (k) Comprised of three properties.
- (l) Comprised of five properties.
- (m) Comprised of seven properties.
- (n) Comprised of 29 properties.

20

22

TENANT AND LEASE INFORMATION

The Company has a diverse base of more than 2,500 tenants engaged in a wide variety of businesses including manufacturing, retail, wholesale trade, distribution and professional services. Most leases have an initial term of between three and five years and provide for periodic rental increases that are either fixed or based on changes in the Consumer Price Index. Industrial tenants typically have net or semi-net leases and pay as additional rent their percentage of the property's operating costs, including the costs of common area maintenance, property taxes and insurance. As of December 31, 1997, approximately 96% of the GLA of the properties was leased, and no single tenant or group of related tenants accounted for more than 1.1% of the Company's rent revenues, nor did any single tenant or group of related tenants occupy more than 1.8% of the Company's total GLA as of December 31, 1997.

The following table shows scheduled lease expirations for all leases for the Company's properties as of December 31, 1997.

YEAR OF EXPIRATION (1)	NUMBER OF LEASES EXPIRING	GLA EXPIRING (2)	PERCENTAGE OF GLA EXPIRING	ANNUAL BASE RENT UNDER EXPIRING LEASES (IN THOUSANDS)	PERCENTAGE OF TOTAL ANNUAL BASE RENT EXPIRING (2)
1998	771	10,468,035	19.4%	\$ 46,468	19.8%
1999	583	10,304,946	19.1%	44,971	19.3%
2000	533	9,110,048	16.9%	40,048	17.2%
2001	295	7,325,683	13.6%	30,479	13.1%
2002	253	5,745,269	10.6%	25,181	10.8%
2003	78	2,836,997	5.2%	12,365	5.3%
2004	41	2,401,969	4.4%	9,156	3.9%
2005	26	1,539,413	2.8%	7,417	3.2%
2006	19	707,094	1.3%	3,585	1.5%
2007	19	1,623,218	3.0%	5,288	2.3%
Thereafter	17	2,023,561	3.7%	8,372	3.6%
Total	2,635	54,086,233	100.0%	\$ 233,332	100.0%

-
- (1) Lease expirations as of December 31, 1997 assume tenants do not exercise existing renewal, termination, or purchase options.
 - (2) Does not include existing vacancies of 2,481,473 aggregate square feet.

MORTGAGE LOANS/PREFERRED STOCK GUARANTEE

Contemporaneously with the consummation of the Initial Offering, the Company, through the Financing Partnership, entered into a \$300.0 million mortgage loan. On April 4, 1997, the Company purchased U.S. Government securities as substitute collateral to execute a legal defeasance of the \$300.0 million mortgage loan (the "1994 Defeased Mortgage Loan"). Upon execution of the legal defeasance, 180 of the 195 properties collateralizing the 1994 Defeased Mortgage Loan were released, leaving 15 properties and the U.S. Government securities as collateral. On January 2, 1998, the Company used the gross

proceeds from the maturity of the U.S. Government securities to pay off and retire the 1994 Defeased Mortgage Loan. Due to the retirement of the 1994 Defeased Mortgage Loan, the remaining collateral of 15 properties was released on January 2, 1998.

In 1995, the Company issued 1,650,000 shares of 9.5%, \$.01 par value, Series A Cumulative Preferred Stock (the "Series A Preferred Stock") at an initial offering price of \$25 per share. The Series A Preferred Stock is not redeemable prior to November 17, 2000. On or after November 17, 2000, the Series A Preferred Stock is redeemable for cash at the option of the Company, in whole or in part, at \$25 per share, or \$41.3 million in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series A Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

The payment of dividends on, and payments on liquidation or redemption of, the Series A Preferred Stock is guaranteed by the Securities Partnership ("the Guarantor") which holds 19 properties pursuant to a Guarantee and Payment Agreement (the "Guarantee Agreement"). The Series A Preferred Stock is the only class of securities of the Company which has the benefit of such guarantee. To the extent the Company fails to make any payment of dividends or pay any portion of the liquidation preference on or the redemption price of any shares of Series A

21

23

Preferred Stock, the Guarantor will be obligated to pay an amount to each holder of Series A Preferred Stock equal to any such shortfall.

On December 29, 1995, the Company, through the Mortgage Partnership, entered into a \$40.2 million mortgage loan (the "1995 Mortgage Loan"). In the first quarter of 1996, the Company, through the Mortgage Partnership, made a one-time payoff of \$.2 million on the 1995 Mortgage Loan which decreased the outstanding balance to \$40.0 million. The 1995 Mortgage Loan matures on January 11, 2026. The 1995 Mortgage Loan is collateralized by first mortgage liens on 23 properties owned by the Mortgage Partnership. The 1995 Mortgage Loan may be prepaid only after January 11, 2003.

On March 20, 1996, the Company, through the Operating Partnership and the Indianapolis Partnership, entered into a \$36.8 million mortgage loan (the "CIGNA Loan") that is collateralized by first mortgage liens on seven properties in Indianapolis, Indiana and three properties in Cincinnati, Ohio. The CIGNA Loan matures on April 1, 2003. The CIGNA Loan may be prepaid only after April 30, 1999 in exchange for the greater of a 1% prepayment fee or a yield maintenance premium.

On March 20, 1996, the Company, through the Operating Partnership, assumed a \$6.4 million mortgage loan and a \$3.0 million mortgage loan (together, the "Assumed Loans") that are collateralized by 13 properties in Indianapolis, Indiana and one property in Indianapolis, Indiana, respectively. The Assumed Loans mature on January 1, 2013. The Assumed Loans may be prepaid only after December 22, 1999 in exchange for the greater of a 1% prepayment fee or a yield maintenance premium.

On January 31, 1997, the Company, through the Operating Partnership, assumed a mortgage loan in the amount of \$.7 million (the "LB Mortgage Loan II"), which is collateralized by a property located in Long Island, New York. The LB Mortgage Loan II matures 180 days after the completion of a contingent event relating to the environmental status of the property collateralizing the loan.

On October 23, 1997, the Company, through the Operating Partnership, assumed a \$4.2 million mortgage loan (the "Acquisition Mortgage Loan I") which is collateralized by a property in Bensenville, Illinois. The Acquisition Mortgage Loan I matures on August 1, 2008. The Acquisition Mortgage Loan I may be prepaid after July 15, 1998 in exchange for a prepayment fee.

On December 9, 1997, the Company, through the Operating Partnership, assumed a \$8.0 million mortgage loan (the "Acquisition Mortgage Loan II") that is collateralized by ten properties in St. Charles, Louisiana. The Acquisition Mortgage Loan II matures on April 1, 2006. The Acquisition Mortgage Loan II may

be prepaid only after April 9, 1999 in exchange for the greater of a 1% prepayment fee or a yield maintenance premium.

On December 23, 1997, the Company, through the Operating Partnership, assumed a \$3.6 million mortgage loan (the "Acquisition Mortgage Loan III") that is collateralized by two properties in Houston, Texas. The Acquisition Mortgage Loan III matures on June 1, 2003. The Acquisition Mortgage Loan III may be prepaid only after June 30, 1998 in exchange for the greater of a 2% prepayment fee or a yield maintenance premium.

PROPERTY MANAGEMENT

At December 31, 1997, Company employees managed 755 of the Company's 769 properties and 14 properties were managed at the local level by parties other than the Company, with oversight by the Company's Senior Regional Directors. In each of these cases, the Company retains control over all leasing, capital investment decisions, rent collection, accounting and most operational decisions, allowing its local third-party managers limited operational authority.

22

24 ITEM 3 LEGAL PROCEEDINGS

The Company is involved in legal proceedings arising in the ordinary course of business. All such proceedings, taken together, are not expected to have a material impact on the Company.

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5 MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

The following table sets forth for the periods indicated the high and low closing prices per share and distributions declared per share for the Company's common stock which trades on the New York Stock Exchange under the trading symbol "FR".

QUARTER ENDED -----	HIGH ----	LOW ---	DISTRIBUTION DECLARED -----
December 31, 1997	\$ 37 3/8	\$ 32 1/8	\$.5300
September 30, 1997	34	28 1/2	.5050
June 30, 1997	31 1/8	29 1/4	.5050
March 31, 1997	32 3/8	29	.5050
December 31, 1996	30 7/8	24 7/8	.5050
September 30, 1996	26	22 1/2	.4875
June 30, 1996	24 5/8	21 3/4	.4875
March 31, 1996	25	21 3/8	.4875

The Company had 307 common stockholders of record as of March 16, 1998.

The Company has determined that, for federal income tax purposes, approximately 62.3% of the total \$2.045 in distributions per share paid with respect to 1997 represents ordinary dividend income to its stockholders, approximately 2.1% represents 28% long-term capital gain and the remaining 35.6% represents a return of capital. In order to maintain its status as a REIT, the Company is required to meet certain tests, including distributing at least 95% of its REIT taxable income, or approximately \$1.54 per share for 1997.

ITEM 6 SELECTED FINANCIAL DATA

The following sets forth selected financial and operating data for the Company on a pro forma and historical consolidated basis and the Contributing Businesses on a historical combined basis. The following data should be read in conjunction with the financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this Form 10-K. The pro forma statement of operations for the year ended December 31, 1994 includes the historical results of the Company's operations from July 1, 1994 to December 31, 1994 and the operations of the Contributing Businesses for the period of January 1, 1994 to June 30, 1994 and were prepared as if the Initial Offering and the related transactions had occurred on January 1, 1994. The historical statements of operations for the years ended December 31, 1997, 1996 and 1995 and the six months ended December 31, 1994 include the results of operations of the Company as derived from the Company's audited financial statements. The historical balance sheet data and other data as of December 31, 1997, 1996, 1995 and 1994 include the balances of the Company. The historical balance sheet data as of June 30, 1994 and December 31, 1993 and the combined statements of operations for the six months ended June 30, 1994 and the year ended December 31, 1993 have been derived from the historical financial statements of the Contributing Businesses. In the opinion of management, financial data as of and for the periods ended June 30, 1994 and December 31, 1993 include all adjustments necessary to present fairly the information set forth therein.

23

25

	THE COMPANY					CONTRIBUTING BUSINESSES	
	HISTORICAL					HISTORICAL	
	YEAR ENDED	YEAR ENDED	YEAR ENDED	PRO FORMA YEAR ENDED	HISTORICAL SIX MONTHS ENDED	SIX MONTHS ENDED	YEAR ENDED
	12/31/97	12/31/96	12/31/95	12/31/94	12/31/94	6/30/94	12/31/93
(IN THOUSANDS, EXCEPT PER SHARE, RATIO AND PROPERTY DATA)							
STATEMENTS OF OPERATIONS DATA:							
Total Revenues	\$ 223,203	\$ 140,055	\$ 106,486	\$ 87,923	\$ 46,570	\$ 22,816	\$ 33,237
Property Expenses	59,762	39,224	28,302	22,714	11,853	6,036	8,832
General & Administrative							
Expense	6,248	4,018	3,135	2,310	1,097	795	1,416
Interest Expense	49,859	28,954	28,591	19,528	10,588	11,773	18,187
Amortization of Interest Rate							
Protection Agreements and							
Deferred Financing Cost	2,812	3,286	4,438	6,113	2,904	858	997
Depreciation & Other							
Amortization	39,573	28,049	22,264	19,189	9,802	4,744	7,105
Gain (Loss) from Disposition							
of Interest Rate							
Protection Agreements (a) ...	1,430	--	(6,410)	--	--	--	--
Management and Construction							
Income (Loss), Net	--	--	--	--	--	(81)	(99)
Gain on Sales of Properties ...	5,003	4,344	--	--	--	--	--
Minority Interest	5,312	2,931	997	1,405	778	--	--
Income (Loss) Before							
Extraordinary Items	66,070	37,937	12,349	16,664	9,548	(1,471)	(3,399)
Extraordinary Loss (b)	14,124	2,273	--	--	--	1,449	--
Net Income (Loss)	\$ 51,946	\$ 35,664	\$ 12,349	\$ 16,664	\$ 9,548	\$ (2,920)	\$ (3,399)
Preferred Stock Dividends	(11,856)	(3,919)	(468)	--	--		
Net Income Available to Common							
Stockholders	\$ 40,090	\$ 31,745	\$ 11,881	\$ 16,664	\$ 9,548		
Net Income Available to Common							
Stockholders Before							
Extraordinary Loss Per Share							
(Basic)	\$ 1.72	\$ 1.37	\$.63	\$.92	\$.51		
Net Income Available to Common							
Stockholders Before							
Extraordinary Loss Per Share							
(Diluted)	\$ 1.70	\$ 1.37	\$.63	\$.92	\$.51		
Net Income Available to Common							
Stockholders Per Share							
(Basic)	\$ 1.27	\$ 1.28	\$.63	\$.92	\$.51		
Net Income Available to							
Common Stockholders Per Share							
(Diluted)	\$ 1.26	\$ 1.28	\$.63	\$.92	\$.51		
Distributions Per Share	\$ 2.045	\$ 1.9675	\$ 1.905		\$.945		
Weighted Average Number of							
Common Shares Outstanding							

(Basic)	31,508	24,756	18,889	18,182	18,881	
Weighted Average Number of Common Shares Outstanding- (Diluted)	31,814	24,842	18,889	18,182	18,881	
BALANCE SHEET DATA (END OF PERIOD):						
Real Estate, Before Accumulated Depreciation.....	\$1,994,346	\$1,050,779	\$ 757,516	\$ 669,608	597,504	\$ 209,177
Real Estate, After Accumulated Depreciation	1,873,316	959,322	688,767	620,294	556,902	171,162
Total Assets	2,272,163	1,022,600	753,904	691,081	616,767	189,789
Mortgage Loans, Acquisition Facilities Payable, Senior Unsecured Debt, Construction Loans and Promissory Notes Payable	879,592	406,401	399,958	348,700	305,000	179,568
Mortgage Loans	--	--	--	--	--	7,624
(affiliated)						
Deceased Mortgage Loan Payable	300,000	--	--	--	--	--
Total Liabilities	1,266,079	447,178	426,972	374,849	323,703	227,553
Stockholders' Equity/ (Net Deficit)	854,590	532,561	306,023	292,420	269,326	(37,764)
OTHER DATA:						
Cash Flows From Operating Activities	\$ 102,635	62,621	38,541	18,033	5,026	8,700
Cash Flows From Investing Activities	(805,505)	(240,571)	(84,159)	(73,840)	(374,757)	(17,124)
Cash Flows From Financing Activities	708,446	176,677	45,420	57,475	374,152	9,093
Funds From Operations ("FFO") (c)	92,361	60,546	41,428	20,128	3,273	3,706
Ratio of Earnings to Fixed Charges and Preferred Stock Dividends (d)	1.79 x	1.88 x	1.56 x	1.76 x	-- (e)	-- (e)
Total Properties (f)	769	379	271	246	226	124
Total GLA in sq. ft (f)	56,567,706	32,700,069	22,562,755	19,169,321	17,393,813	6,376,349
Occupancy % f)	96%	97%	97%	97%	97%	94%

26

- (a) Gain (loss) from disposition of Interest Rate Protection Agreements.
- (b) Upon consummation of the Initial Offering in June 1994, certain Contributing Businesses' loans were repaid and the related unamortized deferred financing fees totaling \$1.5 million were written off. In 1996, the Company terminated certain revolving credit facilities. The Company recorded an extraordinary loss of \$2.3 million which is comprised of a prepayment fee, the write-off of unamortized deferred financing fees, legal costs and other expenses. In 1997, the Company terminated certain mortgage loans, an unsecured loan and a revolving credit facility and obtained a commitment to pay off and retire another mortgage loan. The Company recorded an extraordinary loss of \$14.1 million which is comprised of prepayment fees, the write-off of unamortized deferred financing fees, legal costs and other expenses.
- (c) Management considers funds from operations to be one financial measure of the operating performance of an equity REIT that provides a relevant basis for comparison among REITs and it is presented to assist investors in analyzing the performance of the Company. In accordance with the National Association of Real Estate Investment Trusts' definition of funds from operations, the Company calculates funds from operations to be equal to net income, excluding gains (or losses) from debt restructuring and sales of property, plus depreciation and amortization, excluding amortization of deferred financing costs and interest rate protection agreements, and after adjustments for unconsolidated partnerships and joint ventures. Funds from operations does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs, including the payment of dividends and distributions. Funds from operations should not be considered as a substitute for net income as a measure of results of operations or for cash flow from operating activities calculated in accordance with generally accepted accounting principles as a measure of liquidity. Funds from operations as calculated by the Company may not be comparable to similarly titled but differently calculated measures of other REITs. The following is a reconciliation of net income to funds from operations:

	Year Ended 12/31/97	Year Ended 12/31/96	Year Ended 12/31/95	Six Months Ended 12/31/94	Six Months Ended 6/30/94	Year Ended 12/31/93
Net Income (Loss)						
Available to Common Stockholders.....	\$ 40,090	31,745	11,881	9,548	(2,920)	(3,399)
Adjustments:						
Depreciation and Other Amortization.....	39,268	27,941	22,140	9,802	4,744	7,105
Disposition of Interest Rate Protection Agreement.....	(1,430)	--	6,410	--	--	--
Gain on Sales of Properties.....	(5,003)	(4,344)	--	--	--	--
Extraordinary Items.....	14,124	2,273	--	--	1,449	--
Minority Interest.....	5,312	2,931	997	778	--	--
Funds From Operations.....	\$ 92,361	\$ 60,546	\$ 41,428	\$ 20,128	\$ 3,273	\$ 3,706

- (d) For purposes of computing the ratios of earnings to fixed charges and preferred stock dividends, earnings have been calculated by adding fixed charges (excluding capitalized interest) to income (loss) before disposition of interest rate protection agreement, gain on sales of properties, minority interest and extraordinary items. Fixed charges consist of interest costs, whether expensed or capitalized, and amortization of interest rate protection agreement(s) and deferred financing costs.
- (e) Earnings were inadequate to cover fixed charges by approximately \$1.4 million and \$3.4 million for the six months ended June 30, 1994 and the year ended December 31, 1993 respectively, which periods were prior to the Company's initial public offering.
- (f) As of end of period and excludes properties under development.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with "Selected Financial and Operating Data" and the historical Consolidated and Combined Financial Statements and Notes thereto appearing elsewhere in this Form 10-K.

RESULTS OF OPERATIONS

COMPARISON OF YEAR ENDED DECEMBER 31, 1997 TO YEAR ENDED DECEMBER 31, 1996

At December 31, 1997, the Company owned 769 in-service properties containing approximately 56.6 million square feet of GLA, compared to 379 in-service properties with approximately 32.7 million square feet of GLA at December 31, 1996. During 1997, the Company acquired 389 properties containing approximately 22.9 million square feet of GLA, completed development of ten properties and expansions of two properties totaling 1.7 million square feet of GLA and sold ten in-service properties totaling .8 million square feet of GLA, one property held for redevelopment and several land parcels.

Rental income and tenant recoveries and other income increased in 1997 over 1996 by \$70.4 million or 50.2% due primarily to the properties acquired after December 31, 1995. Revenues from properties owned prior to January 1, 1996 increased in 1997 over 1996 by \$2.1 million or 2.0% due primarily to increased rental rates upon renewal or replacement of tenant leases. Interest income-defeasance in 1997 represents interest income earned on U.S. Government securities and cash proceeds from such securities upon maturity that were pledged as collateral to legally defease the 1994 Defeased Mortgage Loan.

Property expenses, which include real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, increased in 1997 over 1996 by \$20.5 million or 52.4% due primarily to properties acquired after December 31, 1995. For properties owned prior to

January 1, 1996, property expenses remained relatively unchanged.

General and administrative expense increased in 1997 over 1996 by \$2.2 million due primarily to the additional expenses associated with managing the Company's growing operations including additional professional fees relating to additional properties owned and personnel to manage and expand the Company's business.

Interest expense increased by \$20.9 million for the year ended December 31, 1997 compared to the year ended December 31, 1996 due primarily to a higher average debt balance to fund the purchase of U.S. Government securities to legally defease the 1994 Defeased Mortgage Loan and to fund the acquisition and development of additional properties.

Depreciation and other amortization increased in 1997 over 1996 by \$11.5 million due primarily to the additional depreciation and amortization related to the properties acquired and placed in service after December 31, 1995.

The \$1.4 million gain on the disposition of interest rate protection agreements represents the sale of the Company's interest rate protection agreements in April 1997. The Company entered into a new interest rate protection agreement at a cost of approximately \$.2 million with a notional value of \$300 million which expired at the end of 1997.

The \$5.0 million gain on sales of properties resulted from the sale of ten in-service properties, one property under redevelopment and several parcels of land. Gross proceeds for these property sales totaled approximately \$33.7 million.

The \$14.1 million extraordinary loss in 1997 represents the write-off of unamortized deferred financing costs, prepayment fees, legal fees and other costs incurred to terminate various mortgage loans, an unsecured loan and a revolving line of credit and the commitment to retire the 1994 Defeased Mortgage Loan.

COMPARISON OF YEAR ENDED DECEMBER 31, 1996 TO YEAR ENDED DECEMBER 31, 1995

At December 31, 1996, the Company owned 379 in-service properties containing approximately 32.7 million square feet of GLA, compared to 271 in-service properties with approximately 22.6 million square feet of GLA at December 31, 1995. During 1996, the Company acquired 112 properties containing approximately 10.4 million square

feet of GLA, completed development of two properties totaling .2 million square feet of GLA and sold six properties totaling .4 million square feet of GLA.

Rental income and tenant recoveries and other income increased in 1996 over 1995 by \$33.6 million or 31.5% due primarily to the properties acquired after December 31, 1994. Revenues from properties owned prior to January 1, 1995 increased in 1996 over 1995 by \$3.2 million or 3.3% due primarily to increased rental rates upon renewal or replacement of tenant leases and additional amounts charged to tenants for additional property expenses incurred in 1996.

Property expenses, which include real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, increased in 1996 over 1995 by \$10.9 million or 38.6% due primarily to properties acquired after December 31, 1994. For properties owned prior to January 1, 1995, property expenses increased in 1996 over 1995 by \$1.2 million or 4.8% due to additional snow removal expenses incurred in the Minneapolis and Harrisburg metropolitan areas, additional repair and maintenance expenses incurred in the Chicago metropolitan area and increased real estate taxes in the majority of the Company's geographical markets.

General and administrative expense increased in 1996 over 1995 by \$.9 million due primarily to the additional expenses associated with managing the

Company's growing operations, including additional professional fees relating to additional properties owned and personnel to manage and expand the Company's business.

Interest expense increased by \$.4 million for the year ended December 31, 1996 compared to the year ended December 31, 1995 due primarily to a higher average outstanding debt balance to fund the acquisition of additional properties, however, the resulting impact on interest expense was partially offset by lower interest rates in 1996 on the Company's \$150 million secured revolving line of credit.

Depreciation and amortization increased in 1996 over 1995 by \$5.8 million due primarily to the additional depreciation and amortization related to the properties acquired after December 31, 1994.

The \$6.4 million loss from disposition of interest rate protection agreement in 1995 resulted from the replacement of the Company's interest rate protection agreement entered into in connection with the 1994 Mortgage Loan with new interest rate protection agreements. Approximately \$6.3 million of the loss is a non-cash loss, representing the difference between the unamortized cost of the replaced interest rate protection agreement and the cost of the new interest rate agreements.

The \$4.3 million gain on sales of properties in 1996 resulted from the sale of six properties. Gross proceeds for these property sales totaled approximately \$15.0 million.

The \$2.3 million extraordinary loss in 1996 represents the write-off of unamortized deferred financing costs, a prepayment fee, legal fees and other costs that were incurred to terminate various mortgage loans and various revolving lines of credit.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 1997, the Company's unrestricted cash and cash equivalents totaled \$13.2 million and restricted cash totaled \$313.1 million. Included in restricted cash are \$3.9 million of cash reserves required to be set aside under the 1995 Mortgage Loan for payments of security deposit refunds, tenant improvements, capital expenditures, interest, real estate taxes and insurance. The portion of cash reserves relating to security deposit refunds is adjusted as tenants turn over. The portion of cash reserves relating to payments for tenant improvements, capital expenditures, interest, real estate taxes and insurance 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. Also included in restricted cash are \$306.0 million of reserves that were used to defease the Company's \$300.0 million mortgage loan (the "1994 Defeased Mortgage Loan"). On January 2, 1998, \$306.0 million of this cash reserve was used to pay off and retire the 1994 Defeased Mortgage Loan and to fund a \$6.0 million prepayment fee. The remaining \$3.2 million of reserves was returned to the Company in January 1998.

27

29

Net cash provided by operating activities was \$102.6 million for the year ended December 31, 1997 compared to \$62.6 million for the year ended December 31, 1996 and \$38.5 million for the year ended December 31, 1995. The increases are primarily due to increased net operating income (which is defined as total revenues less property related expenses) as discussed in the "Results of Operations" above.

Net cash used in investing activities was \$805.5 million for the year ended December 31, 1997 compared to \$240.6 million for the year ended December 31, 1996 and \$84.2 million for the year ended December 31, 1995. The majority of the cash used in investing activities was for the acquisition of new properties offset by proceeds from the sales of real estate.

Net cash provided by financing activities for the year ended December 31, 1997 increased to \$708.5 million from \$176.7 million for the year ended December 31, 1996, reflecting the issuance of 6.0 million shares of common stock, 6.0 million depositary shares representing .06 million shares of preferred stock and \$650.0 million of senior unsecured debt offset, in part, by

increased distributions to the common stockholders and First Industrial L.P. unitholders (the "Unitholders") and dividends to the preferred stockholders due to the issuance of additional preferred stock. Net cash provided by financing activities for the year ended December 31, 1996 was \$176.7 million, compared to \$45.4 million for the year ended December 31, 1995, reflecting the issuance of 10.9 million shares of common stock offset in part by increased distributions to the common stockholders and Unitholders, dividends to the preferred stockholders and a net pay down on the Company's \$150.0 million revolving line of credit.

Funds from operations increased by \$31.8 million or 52.6% in 1997 compared to 1996 and increased by \$19.1 million or 46.2% in 1996 compared to 1995 as a result of the factors discussed in the analysis of operating results above. Management considers funds from operations to be one financial measure of the operating performance of an equity REIT that provides a relevant basis for comparison among REITs and it is presented to assist investors in analyzing the performance of the Company. In accordance with the National Association of Real Estate Investment Trusts' definition of funds from operations, the Company calculates funds from operations to be equal to net income, excluding gains (or losses) from debt restructuring and sales of property, plus depreciation and amortization, excluding amortization of deferred financing costs and interest rate protection agreements, and after adjustments for unconsolidated partnerships and joint ventures. Funds from operations does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs, including the payment of dividends and distributions. Funds from operations should not be considered as a substitute for net income as a measure of results of operations or for cash flow from operating activities (calculated in accordance with generally accepted accounting principles) as a measure of liquidity. Funds from operations as calculated by the Company may not be comparable to similarly titled but differently calculated measures of other REITs.

The ratio of earnings to fixed charges and preferred stock dividends was 1.79 for the year ended December 31, 1997 compared to 1.88 for the year ended December 31, 1996 and 1.56 for the year ended December 31, 1995. The decrease in the earnings to fixed charges and preferred stock dividends between fiscal years 1997 and 1996 is primarily due to additional interest expense and preferred stock dividends incurred in fiscal year 1997 from additional debt and preferred stock issued to fund property acquisitions and to legally defease the 1994 Mortgage Loan, which is partially offset by higher net operating income from the property acquisitions as discussed in "Results of Operations" above. The increase in the earnings to fixed charges and preferred stock dividends between fiscal year 1996 and 1995 is primarily due to increased net operating income as discussed in "Results of Operations" above.

In 1997, the Company acquired 389 industrial properties comprising approximately 22.9 million square feet of GLA for a total purchase price of approximately \$862.4 million, completed the development of ten properties and expansions of two properties comprising approximately 1.7 million square feet of GLA at a cost of approximately \$50.2 million and sold ten in-service properties comprising approximately .8 million square feet of GLA, one property held for redevelopment and several land parcels for gross proceeds of \$33.7 million.

The Company has committed to the construction of 12 industrial properties with an estimated completion GLA of approximately 2.5 million square feet. The estimated total construction costs are approximately \$90.4 million. These developments are expected to be funded with cash flow from operations, as well as borrowings under the 1997 Unsecured Acquisition Facility.

In 1997, the Company and the Operating Partnership paid a quarterly distribution of \$.505 per share/Unit related to each of the first, second and third quarters. In addition, the Company and Operating Partnership paid a fourth quarter 1997 distribution of \$.53 per share/Unit on January 20, 1998. The total distributions paid to the Company's stockholders and the Operating Partnership's limited partners related to 1997 totaled \$73.8 million.

In 1997, the Company paid a quarterly preferred dividend of \$.59375 per share on its Series A Cumulative Preferred Stock related to each of the first, second, third and fourth quarters. The total preferred dividends paid to the

Company's Series A Cumulative Preferred Stock stockholders related to 1997 totaled \$3.9 million.

In 1997, the Company paid a period prorated preferred dividend of \$27.95 per share (equivalent to \$.2795 per Depositary Share) on its Series B Cumulative Preferred Stock related to the second quarter and a \$54.688 per share (equivalent to \$.54688 per Depositary Share) for each of the third and fourth quarters. The total preferred dividends paid to the Company's Series B Cumulative Preferred Stock stockholders related to 1997 totaled \$5.5 million.

In 1997, the Company paid a period prorated preferred dividend of \$68.123 per share (equivalent to \$.68123 per Depositary Share) on its Series C Cumulative Preferred Stock related to each of the second and third quarters and \$53.906 per share (equivalent to \$.53906 per Depositary Share) for the fourth quarter. The total preferred dividends paid to the Company's Series C Cumulative Preferred Stock stockholders related to 1997 totaled \$2.4 million.

In conjunction with an acquisition of a portfolio of properties on January 31, 1997, the Company, through the Operating Partnership, assumed two mortgage loans in the amount of \$3.8 million (the "LB Mortgage Loan I") and \$.7 million (the "LB Mortgage Loan II"). The LB Mortgage Loan I, which was collateralized by a property located in Long Island, New York and provided for interest only payments prior to its maturity date of July 11, 1998, was paid off and retired by the Company on December 19, 1997. The LB Mortgage Loan II, which is collateralized by a property located in Long Island, New York, is interest free until February, 1998, at which time the LB Mortgage Loan II bears interest at 8.00% and provides for interest only payments prior to maturity. The LB Mortgage Loan II matures 180 days after the completion of a contingent event relating to the environmental status of the property collateralizing the loan.

In conjunction with the acquisition of a portfolio of properties on October 23, 1997, the Company, through the Operating Partnership, assumed a mortgage loan in the amount of \$4.2 million (the "Acquisition Mortgage Loan I"). The Acquisition Mortgage Loan I is collateralized by a property in Bensenville, Illinois, bears interest at a fixed rate of 8.50% and provides for monthly principal and interest payments based on a 15-year amortization schedule. The Acquisition Mortgage Loan I matures on August 1, 2008. The Acquisition Mortgage Loan I may be prepaid after July 15, 1998 in exchange for a prepayment fee.

In conjunction with the acquisition of a portfolio of properties on December 9, 1997, the Company, through the Operating Partnership, assumed a mortgage loan in the amount of \$8.0 million (the "Acquisition Mortgage Loan II"). The Acquisition Mortgage Loan II is collateralized by ten properties in St. Charles, Louisiana, bears interest at a fixed rate of 7.75% and provides for monthly principal and interest payments based on a 22-year amortization schedule. The Acquisition Mortgage Loan II matures April 1, 2006. The Acquisition Mortgage Loan II may be prepaid only after April 9, 1999 in exchange for the greater of a 1% prepayment fee or a yield maintenance premium.

In conjunction with the acquisition of a portfolio of properties on December 23, 1997, the Company, through the Operating Partnership, assumed a Mortgage Loan in the amount of \$3.6 million (the "Acquisition Mortgage Loan III"). The Acquisition Mortgage Loan III is collateralized by two properties in Houston, Texas, bears interest at a fixed interest rate of 8.875% and provides for monthly principal and interest payments based on a 20-year amortization schedule. The Acquisition Mortgage Loan III matures on June 1, 2003. The Acquisition Mortgage Loan III may be prepaid only after June 30, 1998 in exchange for the greater of a 2% prepayment fee or a yield maintenance premium.

On April 4, 1997, the Company, through the Operating Partnership, entered into a \$309.8 million unsecured loan (the "Defeasance Loan"). The Defeasance Loan bore interest at LIBOR plus 1% and had a scheduled maturity of July 1, 1999. The gross proceeds from the Defeasance Loan were used to purchase U.S. Government Securities as substitute collateral to execute a legal defeasance of the 1994 Mortgage Loan (the "1994 Defeased Mortgage Loan"). The Defeasance Loan was paid off and retired in May 1997.

On May 13, 1997, the Company, through the Operating Partnership, issued \$150.0 million of senior unsecured debt which matures on May 15, 2007 and bears a coupon interest rate of 7.60% (the "2007 Notes"). The issue price of the 2007

Notes was 99.965%. Interest is paid semi-annually in arrears on May 15 and November 15. The Company also entered into an interest rate protection agreement which was used to fix the interest rate on the 2007 Notes prior to issuance. The debt issue discount and the settlement cost of the interest rate protection agreement are being amortized over the life of the 2007 Notes as an adjustment to the interest expense. The 2007 Notes contain certain covenants, including limitation on incurrence of debt and debt service coverage.

On May 13, 1997, the Company, through the Operating Partnership, issued \$100.0 million of senior unsecured debt which matures on May 15, 2027, and bears a coupon interest rate of 7.15% (the "2027 Notes"). The issue price of the 2027 Notes was 99.854%. The 2027 Notes are redeemable, at the option of the holders thereof, on May 15, 2002. Interest is paid semi-annually in arrears on May 15 and November 15. The Company also entered into an interest rate protection agreement which was used to fix the interest rate on the 2027 Notes prior to issuance. The debt issue discount and the settlement cost of the interest rate protection agreement are being amortized over the life of the 2027 Notes as an adjustment to interest expense. The 2027 Notes contain certain covenants including limitation on incurrence of debt and debt service coverage.

On May 22, 1997, the Company, through the Operating Partnership, issued \$100.0 million of senior unsecured debt which matures on May 15, 2011 and bears a coupon interest rate of 7.375% (the "2011 Notes"). The issue price of the 2011 Notes was 99.348%. Interest is paid semi-annually in arrears on May 15 and November 15. The 2011 Notes are redeemable, at the option of the holder thereof, on May 15, 2004 (the "Put Option"). The Company received approximately \$1.8 million of proceeds from the holder of the 2011 Notes as consideration for the Put Option. The Company will amortize the Put Option proceeds over the life of the Put Option as an adjustment to interest expense. The Company also entered into an interest rate protection agreement which was used to fix the interest rate on the 2011 Notes prior to issuance. The debt issue discount and the proceeds from the settlement of the interest rate protection agreement are being amortized over the life of the 2011 Notes as an adjustment to interest expense. The 2011 Notes contain certain covenants including limitation on incurrence of debt and debt service coverage.

On November 20, 1997, the Company, through the Operating Partnership, issued \$50.0 million of senior unsecured debt which matures on November 21, 2005 and bears a coupon interest rate of 6.90% (the "2005 Notes"). The issue price of the 2005 Notes was 100%. Interest is paid semi-annually in arrears on May 21 and November 21. The 2005 Notes contain certain covenants including limitation on incurrence of debt and debt service coverage.

On November 24, 1997, the Company, through the Operating Partnership, entered into a \$25.0 million unsecured loan (the "November 1997 Unsecured Loan"). The November 1997 Unsecured Loan bore interest at LIBOR plus .8% and had a scheduled maturity date of December 31, 1997. The November 1997 Unsecured Loan was paid off and retired on December 5, 1997.

On December 8, 1997, the Company, through the Operating Partnership, issued \$150.0 million of senior unsecured debt which matures on December 1, 2006 and bears a coupon interest rate of 7.0% (the "2006 Notes"). The issue price of the 2006 Notes was 100%. Interest is paid semi-annually in arrears on June 1 and December 1. The Company also entered into an interest rate protection agreement which was used to fix the interest rate on the 2006 Notes prior to issuance. The settlement cost of the interest rate protection agreement is being amortized over the life of the 2006 Notes as an adjustment to interest expense. The 2006 Notes contain certain covenants including limitation on incurrence of debt and debt service coverage.

On December 8, 1997, the Company, through the Operating Partnership, issued \$100.0 million of unsecured debt which matures on December 1, 2017 and bears a coupon interest rate of 7.5% (the "2017 Notes"). The issue price of the 2017 Notes was 99.808%. Interest is paid semi-annually in arrears on June 1 and December 1. The Operating Partnership will amortize the debt issue discount over the life of the 2017 Notes as an adjustment to interest expense. The 2017 Notes may be redeemed at any time at the option of the Company, in whole or in part, at a redemption price equal to the sum of the principal amount of the 2017 Notes being redeemed plus accrued interest thereon to the redemption date and any make-whole amount, as defined in the Prospectus Supplement relating to the 2017 Notes.

In December 1997, the Operating Partnership terminated the 1996 Unsecured Acquisition Facility and entered into a \$300 million unsecured revolving credit facility (the "1997 Unsecured Acquisition Facility") which

initially bears interest at LIBOR plus .8% or a "Corporate Base Rate" and provides for interest only payments until maturity. The

30

32

Operating Partnership may borrow under the facility to finance the acquisition of additional properties and for other corporate purposes, including to obtain additional working capital. The 1997 Unsecured Acquisition Facility contains certain financial covenants relating to debt service coverage, market value net worth, dividend payout ratio and total funded indebtedness.

On September 16, 1997, the Company issued 637,440 shares of \$.01 par value Common Stock (the "September 1997 Equity Offering"). The price per share in the September 1997 Equity Offering was \$31.38, resulting in gross offering proceeds of \$20.0 million. Proceeds to the Company, net of underwriters' discount and total offering expenses, were approximately \$18.9 million.

On October 15, 1997, the Company issued 5,400,000 shares of \$.01 par value Common Stock (the "October 1997 Equity Offering"). The price per share was \$33.40 resulting in gross offering proceeds of \$180.4 million. Proceeds to the Company, net of underwritings' discount and the total offering expenses, were approximately \$176.6 million.

On May 14, 1997, the Company issued 4,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 8 3/4%, \$.01 par value, Series B Cumulative Preferred Stock (the "Series B Preferred Stock"), at an initial offering price of \$25 per Depositary Share. Dividends on the Series B Preferred Stock, represented by the Depositary Shares, are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series B Preferred Stock ranks senior to payments on the Company's Common Stock and pari passu with the Company's Series A Preferred Stock and Series C Preferred Stock (hereinafter defined); however, the Series A Preferred Stock has the benefit of a guarantee by First Industrial Securities, L.P. The Series B Preferred Stock is not redeemable prior to May 14, 2002. On or after May 14, 2002, the Series B Preferred Stock is redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to \$25 per Depositary Share, or \$100.0 million in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series B Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

On June 6, 1997, the Company issued 2,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 8 5/8%, \$.01 par value, Series C Cumulative Preferred Stock (the "Series C Preferred Stock"), at an initial offering price of \$25 per Depositary Share. Dividends on the Series C Preferred Stock, represented by the Depositary Shares, are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series C Preferred Stock ranks senior to payments on the Company's Common Stock and pari passu with the Company's Series A Preferred Stock and Series B Preferred Stock; however, the Series A Preferred Stock has the benefit of a guarantee by First Industrial Securities, L.P. The Series C Preferred Stock is not redeemable prior to June 6, 2007. On or after June 6, 2007, the Series C Preferred Stock are redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to \$25 per Depositary Share, or \$50.0 million in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series C Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

On September 4, 1997, the Board of Directors of the Company declared a dividend distribution of one Preferred Share Purchase Right ("Right") for each outstanding share of common stock, par value \$.01 per share, of the Company (the "Common Stock"). The dividend distribution was made on October 20, 1997 to stockholders of record as of the close of business on October 19, 1997. In addition, a Right will attach to each share of Common Stock issued in the future. Each Right entitles the registered holder to purchase from the Company one one-hundredth of a share of Junior Participating Preferred Stock (the "Junior Preferred Stock"), at a price of \$125 per one one-hundredth of a share (the "Purchase Price"), subject to adjustment. The Rights become exercisable only if a person or group of affiliated or associated persons (an "Acquiring Person") acquires, or obtains the right to acquire, beneficial ownership of Common Stock or other voting securities ("Voting Stock") that have 15% or more

of the voting power of the outstanding shares of Voting Stock, or if an Acquiring Person commences or makes an announcement of an intention to commence a tender offer or exchange offer to acquire beneficial ownership of Voting Stock that have 15% or more of the voting power of the outstanding shares of Voting Stock. The Rights will expire on October 19, 2007, unless redeemed earlier by the Company at \$.001 per Right, or exchanged by the Company at an exchange ratio of one share of Common Stock per Right.

31

33

In the event that a person becomes an Acquiring Person, each holder of a Right, other than the Acquiring Person, is entitled to receive, upon exercise, (1) Common Stock having a value equal to two times the Purchase Price of the Right or (2) common stock of the acquiring company having a value equal to two times the Purchase Price of the Right.

The Junior Preferred Stock ranks junior to all other series of the Company's preferred stock with respect to payment of dividends and as to distributions of assets in liquidation. Each share of Junior Preferred Stock has a quarterly dividend rate per share equal to the greater of \$1.00 or 100 times the per share amount of any dividend (other than a dividend payable in shares of Common Stock or a subdivision of the Common Stock) declared on the Common Stock, subject to certain adjustments. In the event of liquidation, the holder of the Junior Preferred Stock is entitled to receive a preferred liquidation payment per share of \$1.00 (plus accrued and unpaid dividends) or, if greater, an amount equal to 100 times the payment to be made per share of Common Stock, subject to certain adjustments.

On February 4, 1998, the Company issued 5,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 7.95%, \$.01 par value, Series D Cumulative Preferred Stock (the "Series D Preferred Stock"), at an initial offering price of \$25 per Depositary Share. Dividends on the Series D Preferred Stock, represented by the Depositary Shares, are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series D Preferred Stock ranks senior to payments on the Company's Common Stock and pari passu with the Company's Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock; however, the Series A Preferred Stock has the benefit of a guarantee by First Industrial Securities, L.P. The Series D Preferred Stock is not redeemable prior to February 4, 2003. On or after February 4, 2003, the Series D Preferred Stock is redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to \$25 per Depositary Share, or \$125.0 million in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series D Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

On March 18, 1998, the Company issued 3,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 7.90%, \$.01 par value, Series E Cumulative Preferred Stock (the "Series E Preferred Stock"), at an initial offering price of \$25 per Depositary Share. Dividends on the Series E Preferred Stock, represented by the Depositary Shares, are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series E Preferred Stock ranks senior to payments on the Company's Common Stock and pari passu with the Company's Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock; however, the Series A Preferred Stock has the benefit of a guarantee by First Industrial Securities, L.P. The Series E Preferred Stock is not redeemable prior to March 18, 2003. On or after March 18, 2003, the Series E Preferred Stock is redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to \$25 per Depositary Share, or \$75.0 million in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series E Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

In March 1998, the Company declared a first quarter dividend of \$.53 per share on its common stock which is payable on April 20, 1998. The Company also declared a first quarter dividend of \$.59375 per share, \$.54.688 per share (\$.54688 per depositary share), \$.53.906 per share (\$.53906 per depositary share) and a partial period dividend of \$30.365 per share (\$.30365 per depositary share) on its Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock, respectively, which is payable on

March 31, 1998.

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 principal 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, scheduled debt maturities, major renovations, expansions and other non-recurring capital improvements through long-term unsecured indebtedness and the issuance of additional equity securities. On January 27, 1998, the Company registered under the Securities Act of 1933, as amended (the "Securities Act"), approximately \$789.2 million

32

34

of common stock, preferred stock and depository shares and \$400.0 million of debt securities. As of March 18, 1998, \$589.2 million of common stock, preferred stock and depository shares and \$400.0 million of debt securities remained registered under the Securities Act and were unissued. The Company may finance the acquisition or development of additional properties through borrowings under the 1997 Unsecured Acquisition Facility. At December 31, 1997, borrowings under the 1997 Unsecured Acquisition Facility bore interest at a weighted average interest rate of 6.77%. As of March 18, 1998, the Company had \$229.6 million available in additional borrowings under the 1997 Unsecured Acquisition Facility. While the Company may sell properties if property or market conditions make it desirable, the Company does not expect to sell assets in the foreseeable future to satisfy its liquidity requirements.

ENVIRONMENTAL

The Company incurred environmental costs of \$.3 million and \$.1 million in 1997 and 1996, respectively. The Company estimates 1998 costs of approximately \$.2 million. The Company estimates that the aggregate cost which needs to be expended in 1998 and beyond with regard to currently identified environmental issues will not exceed approximately \$.6 million, a substantial amount of which will be the primary responsibility of the tenant, the seller to the Company or another responsible party. This estimate was determined by a third party evaluation.

YEAR 2000 CONCERNS

The Company believes, based on discussions with its current systems' vendor, that its software applications and operational programs will properly recognize calendar dates beginning in the Year 2000. In addition, the Company is discussing with its major vendors and customers the possibility of any interface difficulties relating to the Year 2000 which may affect the Company. To date, no significant concerns have been identified; however, there can be no assurance that there will not be any Year 2000-related operating problems or expenses that will arise with the Company's computer systems and software or in connection with the Company's interface with the computer systems and software of its vendors and customers.

OTHER

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income." This statement, effective for fiscal years beginning after December 15, 1997, requires the Company to report components of comprehensive income in a financial statement that is displayed with the same prominence as other financial statements. Comprehensive income is defined by Concepts Statement No. 6, "Elements of Financial Statements" as the change in the equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The Company has not yet determined its comprehensive income.

In June 1997, the FASB issued Statement of Financial Accounting

Standards No. 131, " Disclosures about Segments of an Enterprise and Related Information." This statement, effective for financial statements for periods beginning after December 15, 1997, requires that a public business enterprise report financial and descriptive information about its reportable operating segments. Generally, financial information is required to be reported on the basis that it is used internally for evaluating segment performance and deciding how to allocate resources to segments. The Company has not yet determined the impact of this statement on its financial statements.

INFLATION

For the last several years, inflation has not had a significant impact on the Company because of the relatively low inflation rates in the Company's markets of operation. Most of the Company's leases require the tenants to pay their share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation. In addition, many of the outstanding leases expire within five years which may enable the Company to replace existing leases with new leases at higher base rentals if rents of existing leases are below the then-existing market rate.

33

35

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Index to Financial Statements and Financial Statement Schedule on page F-1 of this Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

PART III

ITEM 10, 11, 12, 13. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT, EXECUTIVE COMPENSATION, SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by Item 10, Item 11, Item 12 and Item 13 will be contained in a definitive proxy statement which the Registrant anticipates will be filed no later than April 10, 1998, and thus is incorporated herein by reference in accordance with General Instruction G(3) to Form 10-K.

34

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS, FINANCIAL STATEMENT SCHEDULE AND REPORTS ON FORM 8-K

- (a) FINANCIAL STATEMENTS, FINANCIAL STATEMENT SCHEDULE AND EXHIBITS
(1 & 2) See Index to Financial Statements and
Financial Statement Schedule on page F-1 of this
Form 10-K

(3) Exhibits:

Exhibit No. -----	Description -----
3.1	Amended and Restated Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.1 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
3.2	Amended and Restated Bylaws of the Company, dated September 4, 1997 (incorporated by reference to Exhibit 1 of the Company's Form 8-K, dated September 4, 1997, as filed on September 29, 1997, File No. 1-13102)
3.3	Articles of Amendment to the Company's Articles of Incorporation, dated June 20, 1994 (incorporated by reference to Exhibit 3.2 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
3.4	Articles Supplementary relating to the Company's 9 1/2% Series A Cumulative Preferred Stock, \$.01 par value (incorporated by reference to Exhibit 3.4 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
3.5	Articles of Amendment to the Company's Articles of Incorporation, dated May 31, 1996 (incorporated by reference to Exhibit 3.3 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
3.6	Articles Supplementary relating to the Company's 8 3/4% Series B Cumulative Preferred Stock, \$.01 par value (incorporated by reference to Exhibit 3.1 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102)
3.7	Articles Supplementary relating to the Company's 8 5/8% Series C Cumulative Preferred Stock, \$.01 par value (incorporated by reference to Exhibit 3.1 of the Form 8-K of the Company dated June 6, 1997, File No. 1-13102)
3.8	Articles Supplementary relating to the Company's 7.95% Series D Cumulative Preferred Stock, \$.01 par value (incorporated by

reference to Exhibit 4.1 of the Form 8-K of the Company dated February 6, 1997, File No. 1-13102)

- 3.9* Articles Supplementary relating to the Company's 7.90% Series E Cumulative Preferred Stock, \$.01 par value.
- 3.10 Articles Supplementary relating to the Company's Junior Participating Preferred Stock, \$.01 par value (incorporated by reference to Exhibit 4.10 of Form S-3 of the Company and First Industrial, L.P. dated September 24, 1997, Registration No. 333-29879)
- 4.1 Form of Amended and Restated Articles of Incorporation of First Industrial Securities Corporation (incorporated by reference to Exhibit 4.5 of the Company's Registration Statement on Form S-3, File No. 33-97014)
- 4.2 Form of Articles Supplementary of First Industrial Securities Corporation (incorporated by reference to Exhibit 4.6 of the Company's Registration Statement on Form S-3, File No. 33-97014)
- 4.3 Loan Agreement by and between Nomura Asset Capital Corporation and First Industrial Financing Partnership, L.P. (incorporated by reference to Exhibit 4.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
- 4.4 Amendment to Loan Agreement by and between Nomura Asset Capital Corporation and First Industrial Financing Partnership, L.P. (incorporated by reference to Exhibit 4.2 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)

35

Exhibit No.	Description
-----	-----
4.5	Form of Guarantee and Payment Agreement between First Industrial Securities, L.P. and First Industrial Securities Corporation for the benefit of American National Bank and Trust Company of Chicago (incorporated by reference to Exhibit 4.8 of the Company's Registration Statement on Form S-3, File No. 33-97014)
4.6	Form of Agency and Advance Agreement among First Industrial Realty Trust, Inc., First Industrial Securities, L.P. and American National Bank and Trust Company of Chicago (incorporated by reference to Exhibit 4.9 of the Company's Registration Statement on Form S-3, File No. 33-97014)
4.7	Form of Guarantee Agency Agreement among First Industrial Realty Trust, Inc., First Industrial Securities, L.P. and American National Bank and Trust Company of Chicago (incorporated by reference to Exhibit 4.10 of the Company's Registration Statement on Form S-3, File No. 33-97014)
4.8	Form of Limited Partnership Agreement of First Industrial Securities, L.P. (incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-3, File No. 33-97014)
4.9	Deposit Agreement, dated May 14, 1997, by and among the Company, First Chicago Trust Company of New York and holders from time to

time of Depositary Receipts (incorporated by reference to Exhibit 4.3 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102)

- 4.10 Deposit Agreement, dated June 6, 1997, by and among the Company, First Chicago Trust Company of New York and holders from time to time of Depositary Receipts (incorporated by reference to Exhibit 4.2 of the Form 8-K of the Company, dated June 6, 1997, File No. 1-13102)
- 4.11 Deposit Agreement, dated February 6, 1998, by and among the Company, First Chicago Trust Company of New York and holders from time to time of Depositary Receipts (incorporated by reference to Exhibit 4.2 of the Form 8-K of the Company, dated February 6, 1998, File No. 1-13102)
- 4.12 * Deposit Agreement, Dated March 18, 1998, by and among the Company, First Chicago Trust Company of New York and holders from time to time of Depositary Receipts.
- 4.13 Indenture, dated as of May 13, 1997, between First Industrial, L.P. and First Trust National Association, as Trustee (incorporated by reference to Exhibit 4.1 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102)
- 4.14 Supplemental Indenture No. 1, dated as of May 13, 1997, between First Industrial, L.P. and First Trust National Association as Trustee relating to \$150 million of 7.60% Notes due 2007 and \$100 million of 7.15% Notes due 2027 (incorporated by reference to Exhibit 4.2 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102).
- 4.15 Supplemental Indenture No. 2, dated as of May 22, 1997, between First Industrial, L.P. and First Trust National Association as Trustee relating to \$100 million of 7 3/8% Notes due 2011 (incorporated by reference to Exhibit 4.4 of the Form 10-Q of First Industrial, L.P. for the fiscal quarter ended March 31, 1997, File No. 333-21873)
- 4.16 Supplemental Indenture No. 3 dated October 28, 1997 between First Industrial, L.P. and First Trust National Association providing for the issuance of Medium-term Notes due Nine Months or more from Date of Issue (incorporated by reference to Exhibit 4 of Form 8-K of First Industrial, L.P., dated November 3, 1997, as filed November 3, 1997, File No. 333-21873)
- 4.17* 6.90% Medium-Term Note due 2005 in principal amount of \$50 million issued by First Industrial, L.P.
- 4.18* 7.00% Medium-Term Note due 2006 in principal amount of \$150 million issued by First Industrial, L.P.
- 4.19* 7.50% Medium-Term Note due 2017 in principal amount of \$100 million issued by First Industrial, L.P.
- 4.20 Trust Agreement, dated as of May 16, 1997, between First Industrial, L.P. and First Bank National Association, as Trustee (incorporated by reference to Exhibit 4.5 of the Form 10-Q of the Operating Partnership for the fiscal quarter ended March 31, 1997, File No. 333-21873)
- 4.21 Rights Agreement, dated as of September 16, 1997, between the Company and First Chicago Trust Company of New York, as Rights Agent (incorporated by reference to Exhibit 99.1 of Form 8-A12B as filed on September 24, 1997, File No. 1-13102)

Exhibit No.	Description
-----	-----
4.22*	Unsecured Revolving Credit Agreement (the "Unsecured Revolving Credit Agreement"), dated as of December 15, 1997, by and among First Industrial, L.P., First Industrial Realty Trust, Inc. and The First National Bank of Chicago, Union Bank of Switzerland, New York Branch and certain other banks
10.1 *	Sixth Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated March 18, 1998.
10.2	Non-Competition Agreement between Jay H. Shidler and First Industrial Realty Trust, Inc. (incorporated by reference to Exhibit 10.16 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
10.3	Form of Non-Competition Agreement between each of Michael T. Tomasz, Paul T. Lambert, Michael J. Havala, Michael W. Brennan, Michael G. Damone, Duane H. Lund, and Johansson L. Yap and First Industrial Realty Trust, Inc. (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.4+	1994 Stock Incentive Plan (incorporated by reference to Exhibit 10.37 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
10.5	Letter of Resignation from Paul T. Lambert to First Industrial, dated January 10, 1996 (incorporated by reference to Exhibit 10.40 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.6+	Employee Stock Option Agreement Amendment for Paul T. Lambert, dated December 31, 1995 (incorporated by reference to Exhibit 10.41 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.7+	Separation Agreement, dated January 10, 1996, between First Industrial and Paul T. Lambert (incorporated by reference to Exhibit 10.42 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.8	Noncompetition Agreement between First Industrial and Paul T. Lambert, dated January 1, 1996 (incorporated by reference to Exhibit 10.43 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.9	Interest Rate Protection Agreement (incorporated by reference to Exhibit 10.40 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
10.10	Interest Rate Protection Termination Agreement between First Industrial Financing Partnership, L.P. and UBS Securities (Swaps) Inc. (incorporated by reference to Exhibit 10.45 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.11	Interest Rate Protection Agreement between First Industrial Financing Partnership, L.P. and UBS Securities (Swaps) Inc. (incorporated by reference to Exhibit 10.46 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.12	Interest Rate Swap Agreement between First Industrial, L.P. and UBS Securities (Swaps) Inc. (incorporated by reference to Exhibit 10.47 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.13	First Industrial Realty Trust, Inc. Deferred Income Plan (incorporated by reference to Exhibit 10 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1996, File No. 1-13102)

- 10.14 Contribution Agreement, dated March 19, 1996, among FR Acquisitions, Inc. and the parties listed on the signature pages thereto (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company, dated April 3, 1996, File No. 1-13102)
- 10.15 Contribution Agreement, dated January 31, 1997, among FR Acquisitions, Inc. and the parties listed on the signature pages thereto (incorporated by reference to Exhibit 10.58 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102)
- 10.16+ Employment Agreement, dated December 4, 1996, between the Company and Michael T. Tomasz (incorporated by reference to Exhibit 10.59 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102)
- 10.17+ Employment Agreement, dated February 1, 1997, between the Company and Michael W. Brennan (incorporated by reference to Exhibit 10.60 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102)

37

38

Exhibit No. - - - - -	Description - - - - -
10.18+	Employment Agreement, dated January 31, 1997, between the Company and Jan Burman (incorporated by reference to Exhibit 10.61 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102)
10.19*+	Employment Agreement, dated December 9, 1997, between the Company and Scott P. Sealy, Sr.
10.20*+	Employment Agreement, dated December 10, 1997, between the Company and Donald Thompson
10.21+	1997 Stock Incentive Plan (incorporated by reference to Exhibit 10.62 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102)
12.1*	Computation of ratios of earnings to fixed charges and preferred stock dividends of the Company
21.1*	Subsidiaries of the Registrant
23*	Consent of Coopers & Lybrand L.L.P.
27*	Financial Data Schedule
*	Filed herewith.
+	Indicates a compensatory plan or arrangement contemplated by Item 14 a (3) of Form 10-K.

(B) REPORTS ON FORM 8-K AND FORM 8-K/A

Report on Form 8-K/A No. 2 filed October 16, 1997, dated June 30, 1997, relating to the acquisition of 68 properties, one parking lot and land parcels for future development. The reports include Combined Historical Statements of Revenues and Certain Expenses for the acquired properties and Pro Forma Statements of

Operations for First Industrial Realty Trust, Inc.

Report on Form 8-K filed October 21, 1997, dated October 15, 1997, Underwriting Agreement dated October 6, 1997 for 5,400,000 shares of the Company's Common Stock, par value \$.01 per share.

Report on Form 8-K filed November 14, 1997, dated October 30, 1997, relating to the acquisition of 127 properties, the negotiations to acquire an additional 79 properties and the acquisition of land parcels for future development. The reports include Combined Historical Statements of Revenues and Certain Expenses for the acquired and to be acquired properties and Pro Forma Statements of Operations for First Industrial Realty Trust, Inc.

Report on Form 8-K dated December 11, 1997, as amended by the report on Form 8-K/A No. 1 filed January 22, 1998, as further amended by the report on Form 8-K/A No. 2 filed February 26, 1998, relating to the acquisition of 85 properties, the negotiations to acquire an additional property and the acquisition of land parcels for future development. The reports include Combined Historical Statements of Revenues and Certain Expenses for the acquired and to be acquired properties and Pro Forma Balance Sheet and Pro Forma Statements of Operations for First Industrial Realty Trust, Inc.

38

39

The Company has prepared supplemental financial and operating information which is available without charge upon request to the Company. Please direct requests as follows:

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

39

40

SIGNATURES

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

FIRST INDUSTRIAL REALTY TRUST, INC.

Date: March 23, 1998

By: /s/ Michael T. Tomasz

Michael T. Tomasz
President, Chief Executive Officer and Director
(Principal Executive Officer)

Date: March 23, 1998

By: /s/ Michael J. Havala

Michael J. Havala
Chief Financial Officer
(Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature

Title

Date

- - - - -

/s/ Jay H. Shidler

Chairman of the Board of Directors

March 23, 1998

- - - - -

Jay H. Shidler

/s/ Michael T. Tomasz

President, Chief Executive Officer
and Director

March 23, 1998

- - - - -

Michael T. Tomasz

/s/ Michael W. Brennan

Chief Operating Officer and Director

March 23, 1998

- - - - -

Michael W. Brennan

/s/ Michael G. Damone

Director of Strategic Planning
and Director

March 23, 1998

- - - - -

Michael G. Damone

/s/ John L. Leshner

Director

March 23, 1998

- - - - -

John L. Leshner

/s/ Kevin W. Lynch

Director

March 23, 1998

- - - - -

Kevin W. Lynch

/s/ John E. Rau

Director

March 23, 1998

- - - - -

John E. Rau

/s/ Robert J. Slater

Director

March 23, 1998

- - - - -

Robert J. Slater

/s/ J. Steven Wilson

Director

March 23, 1998

- - - - -

J. Steven Wilson

Exhibit No. - - - - -	Description - - - - -
3.1	Amended and Restated Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.1 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
3.2	Amended and Restated Bylaws of the Company, dated September 4, 1997 (incorporated by reference to Exhibit 1 of the Company's Form 8-K, dated September 4, 1997, as filed on September 29, 1997, File No. 1-13102)
3.3	Articles of Amendment to the Company's Articles of Incorporation, dated June 20, 1994 (incorporated by reference to Exhibit 3.2 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
3.4	Articles Supplementary relating to the Company's 91/2% Series A Cumulative Preferred Stock, \$.01 par value (incorporated by reference to Exhibit 3.4 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
3.5	Articles of Amendment to the Company's Articles of Incorporation, dated May 31, 1996 (incorporated by reference to Exhibit 3.3 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
3.6	Articles Supplementary relating to the Company's 8 3/4% Series B Cumulative Preferred Stock, \$.01 par value (incorporated by reference to Exhibit 3.1 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102)
3.7	Articles Supplementary relating to the Company's 8 5/8% Series C Cumulative Preferred Stock, \$.01 par value (incorporated by reference to Exhibit 3.1 of the Form 8-K of the Company dated June 6, 1997, File No. 1-13102)
3.8	Articles Supplementary relating to the Company's 7.95% Series D Cumulative Preferred Stock, \$.01 par value (incorporated by reference to Exhibit 4.1 of the Form 8-K of the Company dated February 6, 1997, File No. 1-13102)
3.9*	Articles Supplementary relating to the Company's 7.90% Series E Cumulative Preferred Stock, \$.01 par value.
3.10	Articles Supplementary relating to the Company's Junior Participating Preferred Stock, \$.01 par value (incorporated by reference to Exhibit 4.10 of Form S-3 of the Company and First Industrial, L.P. dated September 24, 1997, Registration No. 333-29879)
4.1	Form of Amended and Restated Articles of Incorporation of First Industrial Securities Corporation (incorporated by reference to Exhibit 4.5 of the Company's Registration Statement on Form S-3, File No. 33-97014)
4.2	Form of Articles Supplementary of First Industrial Securities Corporation (incorporated by reference to Exhibit 4.6 of the Company's Registration Statement on Form S-3, File No. 33-97014)
4.3	Loan Agreement by and between Nomura Asset Capital Corporation and First Industrial Financing Partnership, L.P. (incorporated by reference to Exhibit 4.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
4.4	Amendment to Loan Agreement by and between Nomura Asset Capital Corporation and First Industrial Financing Partnership, L.P. (incorporated by reference to Exhibit 4.2 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File

No. 1-13102)

- 4.5 Form of Guarantee and Payment Agreement between First Industrial Securities, L.P. and First Industrial Securities Corporation for the benefit of American National Bank and Trust Company of Chicago (incorporated by reference to Exhibit 4.8 of the Company's Registration Statement on Form S-3, File No. 33-97014)
- 4.6 Form of Agency and Advance Agreement among First Industrial Realty Trust, Inc., First Industrial Securities, L.P. and American National Bank and Trust Company of Chicago (incorporated by reference to Exhibit 4.9 of the Company's Registration Statement on Form S-3, File No. 33-97014)

41

42

Exhibit No.	Description
- - - - -	- - - - -
4.7	Form of Guarantee Agency Agreement among First Industrial Realty Trust, Inc., First Industrial Securities, L.P. and American National Bank and Trust Company of Chicago (incorporated by reference to Exhibit 4.10 of the Company's Registration Statement on Form S-3, File No. 33-97014)
4.8	Form of Limited Partnership Agreement of First Industrial Securities, L.P. (incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-3, File No. 33-97014)
4.9	Deposit Agreement, dated May 14, 1997, by and among the Company, First Chicago Trust Company of New York and holders from time to time of Depositary Receipts (incorporated by reference to Exhibit 4.3 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102)
4.10	Deposit Agreement, dated June 6, 1997, by and among the Company, First Chicago Trust Company of New York and holders from time to time of Depositary Receipts (incorporated by reference to Exhibit 4.2 of the Form 8-K of the Company, dated June 6, 1997, File No. 1-13102)
4.11	Deposit Agreement, dated February 6, 1998, by and among the Company, First Chicago Trust Company of New York and holders from time to time of Depositary Receipts (incorporated by reference to Exhibit 4.2 of the Form 8-K of the Company, dated February 6, 1998, File No. 1-13102)
4.12 *	Deposit Agreement dated March 18, 1998, by and among the Company, First Chicago Trust Company of New York and holders from time to time of Depositary Receipts.
4.13	Indenture, dated as of May 13, 1997, between First Industrial, L.P. and First Trust National Association, as Trustee (incorporated by reference to Exhibit 4.1 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102).
4.14	Supplemental Indenture No. 1, dated as of May 13, 1997, between First Industrial, L.P. and First Trust National Association as Trustee relating to \$150 million of 7.60% Notes due 2007 and \$100 million of 7.15% Notes due 2027 (incorporated by reference to Exhibit 4.2 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102).
4.15	Supplemental Indenture No. 2, dated as of May 22, 1997, between First Industrial, L.P. and First Trust National Association as Trustee relating to \$100 million of 7 3/8% Notes due 2011

(incorporated by reference to Exhibit 4.4 of the Form 10-Q of First Industrial, L.P. for the fiscal quarter ended March 31, 1997, File No. 333-21873)

- 4.16 Supplemental Indenture No. 3 dated October 28, 1997 between First Industrial, L.P. and First Trust National Association providing for the issuance of Medium-term Notes due Nine Months or more from Date of Issue (incorporated by reference to Exhibit 4 of Form 8-K of First Industrial, L.P., dated November 3, 1997, as filed November 3, 1997, File No. 333-21873)
- 4.17* 6.90% Medium-Term Note due 2005 in principal amount of \$50 million issued by First Industrial, L.P.
- 4.18* 7.00% Medium-Term Note due 2006 in principal amount of \$150 million issued by First Industrial, L.P.
- 4.19* 7.50% Medium-Term Note due 2017 in principal amount of \$100 million issued by First Industrial, L.P.
- 4.20 Trust Agreement, dated as of May 16, 1997, between First Industrial, L.P. and First Bank National Association, as Trustee (incorporated by reference to Exhibit 4.5 of the Form 10-Q of the Operating Partnership for the fiscal quarter ended March 31, 1997, File No. 333-21873)
- 4.21 Rights Agreement, dated as of September 16, 1997, between the Company and First Chicago Trust Company of New York, as Rights Agent (incorporated by reference to Exhibit 99.1 of Form 8-A12B as filed on September 24, 1997, File No. 1-13102)
- 4.22* Unsecured Revolving Credit Agreement (the "Unsecured Revolving Credit Agreement"), dated as of December 15, 1997, by and among First Industrial, L.P., First Industrial Realty Trust, Inc. and The First National Bank of Chicago, Union Bank of Switzerland, New York Branch and certain other banks
- 10.1 * Sixth Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated March 18, 1998

Exhibit No.	Description
- - - - -	- - - - -
10.2	Non-Competition Agreement between Jay H. Shidler and First Industrial Realty Trust, Inc. (incorporated by reference to Exhibit 10.16 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
10.3	Form of Non-Competition Agreement between each of Michael T. Tomasz, Paul T. Lambert, Michael J. Havala, Michael W. Brennan, Michael G. Damone, Duane H. Lund, and Johansson L. Yap and First Industrial Realty Trust, Inc. (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.4+	1994 Stock Incentive Plan (incorporated by reference to Exhibit 10.37 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
10.5	Letter of Resignation from Paul T. Lambert to First Industrial, dated January 10, 1996 (incorporated by reference to Exhibit 10.40 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.6+	Employee Stock Option Agreement Amendment for Paul T. Lambert, dated December 31, 1995 (incorporated by reference to Exhibit 10.41 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)

- 10.7+ Separation Agreement, dated January 10, 1996, between First Industrial and Paul T. Lambert (incorporated by reference to Exhibit 10.42 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
- 10.8 Noncompetition Agreement between First Industrial and Paul T. Lambert, dated January 1, 1996 (incorporated by reference to Exhibit 10.43 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
- 10.9 Interest Rate Protection Agreement (incorporated by reference to Exhibit 10.40 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
- 10.10 Interest Rate Protection Termination Agreement between First Industrial Financing Partnership, L.P. and UBS Securities (Swaps) Inc. (incorporated by reference to Exhibit 10.45 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
- 10.11 Interest Rate Protection Agreement between First Industrial Financing Partnership, L.P. and UBS Securities (Swaps) Inc. (incorporated by reference to Exhibit 10.46 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
- 10.12 Interest Rate Swap Agreement between First Industrial, L.P. and UBS Securities (Swaps) Inc. (incorporated by reference to Exhibit 10.47 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
- 10.13 First Industrial Realty Trust, Inc. Deferred Income Plan (incorporated by reference to Exhibit 10 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1996, File No. 1-13102)
- 10.14 Contribution Agreement, dated March 19, 1996, among FR Acquisitions, Inc. and the parties listed on the signature pages thereto (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company, dated April 3, 1996, File No. 1-13102)
- 10.15 Contribution Agreement, dated January 31, 1997, among FR Acquisitions, Inc. and the parties listed on the signature pages thereto (incorporated by reference to Exhibit 10.58 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102)
- 10.16+ Employment Agreement, dated December 4, 1996, between the Company and Michael T. Tomasz (incorporated by reference to Exhibit 10.59 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102)
- 10.17+ Employment Agreement, dated February 1, 1997, between the Company and Michael W. Brennan (incorporated by reference to Exhibit 10.60 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102)
- 10.18+ Employment Agreement, dated January 31, 1997, between the Company and Jan Burman (incorporated by reference to Exhibit 10.61 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102)
- 10.19*+ Employment Agreement, dated December 9, 1997, between the Company and Scott P. Sealy, Sr.
- 10.20*+ Employment Agreement, dated December 10, 1997, between the Company and Donald Thompson
- 10.21+ 1997 Stock Incentive Plan (incorporated by reference to Exhibit 10.62 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102)
- 12.1* Computation of ratios of earnings to fixed charges and preferred stock dividends of the Company

21.1* Subsidiaries of the Registrant

43

44

Exhibit No.	Description
-----	-----
23*	Consent of Coopers & Lybrand L.L.P.
27*	Financial Data Schedule
*	Filed herewith.
+	Indicates a compensatory plan or arrangement contemplated by Item 14 a (3) of Form 10-K.

44

45

FIRST INDUSTRIAL REALTY TRUST, INC.

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE

	PAGE
FINANCIAL STATEMENTS	
Report of Independent Accountants	F-2
Consolidated Balance Sheets of First Industrial Realty Trust, Inc. (the "Company") as of December 31, 1997 and 1996	F-3
Consolidated Statements of Operations of the Company for the Years Ended December 31, 1997, 1996 and 1995	F-4
Consolidated Statements of Changes in Stockholders' Equity of the Company for the Years Ended December 31, 1997, 1996 and 1995	F-5
Consolidated Statements of Cash Flows of the Company for the Years Ended December 31, 1997, 1996 and 1995	F-6
Notes to Consolidated Financial Statements	F-7
FINANCIAL STATEMENT SCHEDULE	
Schedule III: Real Estate and Accumulated Depreciation	S-1

F-1

46

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of
First Industrial Realty Trust, Inc.

We have audited the consolidated financial statements and the financial statement schedule of First Industrial Realty Trust, Inc. (the "Company") as listed on page F-1 of this Form 10-K. These financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the financial statement schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of First Industrial Realty Trust, Inc. as of December 31, 1997 and 1996, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1997 in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

COOPERS & LYBRAND L.L.P.

Chicago, Illinois
February 17, 1998

F-2

47

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	December 31, 1997	December 31, 1996
	-----	-----
ASSETS		
Assets:		
Investment in Real Estate:		
Land	\$ 299,020	\$ 153,390
Buildings and Improvements	1,663,731	880,924
Furniture, Fixtures and Equipment	1,437	1,662
Construction in Progress	30,158	14,803
Less: Accumulated Depreciation	(121,030)	(91,457)
	-----	-----
Net Investment in Real Estate	1,873,316	959,322
Cash and Cash Equivalents	13,222	7,646
Restricted Cash	313,060	11,837
Tenant Accounts Receivable, Net	6,280	4,667

Deferred Rent Receivable	10,144	8,290
Interest Rate Protection Agreements, Net	--	8,376
Deferred Financing Costs, Net	8,594	7,442
Prepaid Expenses and Other Assets, Net	47,547	15,020
	-----	-----
Total Assets	\$ 2,272,163	\$ 1,022,600
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:

Mortgage Loans Payable	\$ 101,198	\$ 392,082
Defeased Mortgage Loan Payable	300,000	--
Senior Unsecured Debt, Net	648,994	--
Acquisition Facilities Payable	129,400	4,400
Promissory Notes Payable	--	9,919
Accounts Payable and Accrued Expenses	50,373	18,374
Rents Received in Advance and Security Deposits	14,104	6,122
Dividends/Distributions Payable	22,010	16,281
	-----	-----
Total Liabilities	1,266,079	447,178
	-----	-----

Minority Interest	151,494	42,861
Commitments and Contingencies	--	--

Stockholders' Equity:

Preferred Stock (\$.01 par value, 10,000,000 shares authorized, 1,650,000, 40,000 and 20,000 shares of Series A, B and C Cumulative Preferred Stock, respectively, issued and outstanding at December 31, 1997 having a liquidation preference of \$25 per share (\$41,250), \$2,500 per share (\$100,000) and \$2,500 per share (\$50,000), respectively, and 1,650,000 shares of Series A Cumulative Preferred Stock issued and outstanding at December 31, 1996 having a liquidation preference of \$25 per share (\$41,250))	17	17
Common Stock (\$.01 par value, 100,000,000 shares authorized, 36,433,859 and 29,939,417 shares issued and outstanding at December 31, 1997 and 1996, respectively)	364	299
Additional Paid-in-Capital	934,622	584,009
Distributions in Excess of Accumulated Earnings	(76,996)	(51,764)
Unearned Value of Restricted Stock Grants	(3,417)	--
	-----	-----
Total Stockholders' Equity	854,590	532,561
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 2,272,163	\$ 1,022,600
	=====	=====

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

F-3

48

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

	Year Ended December 31, 1997	Year Ended December 31, 1996	Year Ended December 31, 1995
	-----	-----	-----
Revenues:			
Rental Income	\$ 164,389	\$ 109,113	\$ 83,522
Tenant Recoveries and Other Income	46,028	30,942	22,964
Interest Income- Defeasance	12,786	--	--
	-----	-----	-----
Total Revenues	223,203	140,055	106,486
	-----	-----	-----
Expenses:			
Real Estate Taxes	34,653	23,371	16,998

Repairs and Maintenance	8,278	5,408	3,872
Property Management	7,850	5,067	3,539
Utilities	5,801	3,582	2,060
Insurance	568	877	903
Other	2,612	919	930
General and Administrative	6,248	4,018	3,135
Interest Expense	49,859	28,954	28,591
Amortization of Interest Rate Protection Agreements and Deferred Financing Costs	2,812	3,286	4,438
Depreciation and Other Amortization	39,573	28,049	22,264
	-----	-----	-----
Total Expenses	158,254	103,531	86,730
	-----	-----	-----
Income Before Gain (Loss) on Disposition of Interest			
Rate Protection Agreements, Gain on Sales of Properties, Minority Interest and Extraordinary Loss	64,949	36,524	19,756
Gain (Loss) on Disposition of Interest Rate Protection Agreements	1,430	--	(6,410)
Gain on Sales of Properties	5,003	4,344	--
	-----	-----	-----
Income Before Minority Interest and Extraordinary Loss	71,382	40,868	13,346
Income Allocated to Minority Interest	(5,312)	(2,931)	(997)
	-----	-----	-----
Income Before Extraordinary Loss	66,070	37,937	12,349
Extraordinary Loss	(14,124)	(2,273)	--
	-----	-----	-----
Net Income	51,946	35,664	12,349
Preferred Stock Dividends	(11,856)	(3,919)	(468)
	-----	-----	-----
Net Income Available to Common Stockholders	\$ 40,090	\$ 31,745	\$ 11,881
	=====	=====	=====
Net Income Available to Common Stockholders Before Extraordinary Loss Per Weighted Average Common Share Outstanding			
Basic	\$ 1.72	\$ 1.37	\$.63
	=====	=====	=====
Diluted	\$ 1.70	\$ 1.37	\$.63
	=====	=====	=====
Extraordinary Loss Per Weighted Average Common Share Outstanding			
Basic	\$ (.45)	\$ (.09)	\$ ---
	=====	=====	=====
Diluted	\$ (.44)	\$ (.09)	\$ ---
	=====	=====	=====
Net Income Available to Common Stockholders Per Weighted Average Common Share Outstanding			
Basic	\$ 1.27	\$ 1.28	\$.63
	=====	=====	=====
Diluted	\$ 1.26	\$ 1.28	\$.63
	=====	=====	=====

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

F-4

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(DOLLARS IN THOUSANDS, except per Share data)

Preferred	Common	Additional Paid-In	Retained	Distributions In Excess of	Unearned Value of Rest.
-----------	--------	-----------------------	----------	-------------------------------	----------------------------

	Total	Stock	Stock	Capital	Earnings	Accum. Earnings	Stock Grants
	-----	-----	-----	-----	-----	-----	-----
Balance at December 31, 1994 ..	\$ 292,420	\$ --	\$ 189	\$ 301,201	\$ --	\$ (8,970)	\$ --
Net Proceeds from Issuance of Preferred Stock	36,719	17	--	36,702	--	--	--
Preferred Stock Dividends (\$2.837 per Series A Share) ..	(468)	--	--	--	(468)	--	--
Distributions (\$1.905 per Share/Unit)	(38,898)	--	--	--	(12,878)	(26,020)	--
Net Income Before Minority Interest	13,346	--	--	--	13,346	--	--
Minority Interest: Allocation of Income	(997)	--	--	--	--	(997)	--
Distributions (\$1.905 per Unit)	2,896	--	--	--	--	2,896	--
Conversion of Units to Common Stock	1,005	--	1	1,004	--	--	--
	-----	-----	-----	-----	-----	-----	-----
Balance at December 31, 1995 ..	306,023	17	190	338,907	--	(33,091)	--
Net Proceeds from Issuance of Common Stock	244,040	--	109	243,931	--	--	--
Preferred Stock Dividends (\$2.375 per Series A Share) ..	(3,919)	--	--	--	(3,919)	--	--
Distributions (\$1.9675 per Share/Unit)	(54,318)	--	--	--	(34,676)	(19,642)	--
Exercise of Stock Options	228	--	--	228	--	--	--
Net Income Before Minority Interest	38,595	--	--	--	38,595	--	--
Minority Interest: Allocation of Income	--	--	--	--	--	--	--
Distributions (\$1.9675 per Unit)	(2,931)	--	--	--	--	(2,931)	--
	3,900	--	--	--	--	3,900	--
Conversion of Units to Common Stock	943	--	--	943	--	--	--
	-----	-----	-----	-----	-----	-----	-----
Balance at December 31, 1996...	532,561	17	299	584,009	--	(51,764)	--
Net Proceeds from Issuance of Preferred Stock	144,289	--	--	144,289	--	--	--
Net Proceeds from Issuance of Common Stock	195,456	--	60	195,396	--	--	--
Issuance of Restricted Stock ..	--	--	1	3,654	--	--	(3,655)
Amortization of Restricted Stock	238	--	--	--	--	--	238
Grants Preferred Stock Dividends (\$2.375 per Series A Share, \$137.326 per Series B Share and \$122.029 per Series C Share)	(11,856)	--	--	--	(11,856)	--	--
Distributions (\$2.045 per Share/Unit)	(73,836)	--	--	--	(45,402)	(28,434)	--
Exercise of Stock Options	3,883	--	2	3,881	--	--	--
Net Income Before Minority Interest	57,258	--	--	--	57,258	--	--
Minority Interest: Allocation of Income	(5,312)	--	--	--	--	(5,312)	--
Distributions (\$2.045 per Unit)	8,514	--	--	--	--	8,514	--
Conversion of Units to Common Stock	3,395	--	2	3,393	--	--	--
	-----	-----	-----	-----	-----	-----	-----
Balance at December 31, 1997 ..	\$ 854,590	\$ 17	\$ 364	\$ 934,622	\$ --	\$ (76,996)	\$ (3,417)
	=====	=====	=====	=====	=====	=====	=====

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

F-5

50

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

	Year Ended December 31, 1997	Year Ended December 31, 1996	Year Ended December 31, 1995
	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	\$ 51,946	\$ 35,664	\$ 12,349
Income Allocated to Minority Interest	5,312	2,931	997
	-----	-----	-----
Income Before Minority Interest	57,258	38,595	13,346
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	35,286	24,542	19,440

Amortization of Interest Rate Protection Agreement and			
Deferred Financing Costs	2,812	3,286	4,438
Other Amortization	4,353	3,507	2,824
Provision for Bad Debts	850	100	352
Gain on Sales of Properties	(5,003)	(4,344)	--
(Gain)Loss from Disposition of Interest Rate Protection			
Agreements	(1,430)	--	6,410
Extraordinary Loss	14,124	2,273	--
Increase in Tenant Accounts Receivable, Prepaid Expenses			
and Other Assets	(23,034)	(4,448)	(5,207)
Increase in Deferred Rent Receivable	(2,075)	(1,189)	(1,584)
Increase in Accounts Payable and Accrued Expenses and Rents			
Received in Advance and Security Deposits	17,644	2,085	953
Increase in Organization Costs	(185)	(68)	(153)
Decrease (Increase) in Restricted Cash	2,035	(1,718)	(2,278)
	-----	-----	-----
Net Cash Provided by Operating Activities	102,635	62,621	38,541
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of and Additions to Investment in Real Estate	(827,871)	(257,156)	(87,908)
Proceeds from Sale of Investment in Real Estate	33,658	14,972	--
Funding of Mortgage Loans Receivable	(18,785)	--	--
Repayment of Mortgage Loans Receivable	4,751	--	--
(Increase) Decrease in Restricted Cash	2,742	1,613	3,749
	-----	-----	-----
Net Cash Used in Investing Activities	(805,505)	(240,571)	(84,159)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from Sale of Common Stock	200,360	260,703	--
Common Stock Underwriting Discounts/Offering Costs	(5,221)	(15,190)	--
Proceeds from Exercise of Employee Stock Options	3,883	--	--
Proceeds from Sale of Preferred Stock	150,000	--	41,250
Preferred Stock Underwriting Discounts/Offering Costs	(5,710)	(408)	(4,123)
Proceeds from Sale of Interest Rate Protection Agreements .	9,950	--	--
Purchase of Interest Rate Protection Agreements	(150)	--	--
Purchase of U.S. Government Securities	(300,000)	--	--
Proceeds from Maturity of U.S. Government Securities	300,000	--	--
Increase in Restricted Cash- Defeasance	(306,000)	--	--
Proceeds from Senior Unsecured Debt	983,757	--	--
Repayment of Senior Unsecured Debt	(334,800)	--	--
Other Proceeds from Senior Unsecured Debt	2,377	--	--
Other Costs of Senior Unsecured Debt	(2,294)	--	--
Dividends/Distributions	(68,107)	(47,991)	(38,592)
Preferred Stock Dividends	(11,856)	(4,387)	--
Proceeds from Mortgage Loans Payable	--	36,750	52,850
Repayments on Mortgage Loans Payable	(11,156)	(935)	(6,000)
Proceeds from Acquisition Facilities Payable	540,100	103,523	83,943
Repayments on Acquisition Facilities Payable	(415,100)	(147,357)	(84,408)
Proceeds from Construction Loans Payable	--	--	4,873
Repayment of Construction Loans Payable	--	(4,873)	--
Repayment of Promissory Notes Payable	(9,919)	--	--
Cost of Debt Issuance and Retirement of Debt	(11,668)	(3,158)	(4,373)
	-----	-----	-----
Net Cash Provided by Financing Activities	708,446	176,677	45,420
	-----	-----	-----
Net Increase (Decrease) in Cash and Cash Equivalents	5,576	(1,273)	(198)
Cash and Cash Equivalents, Beginning of Period	7,646	8,919	9,117
	-----	-----	-----
Cash and Cash Equivalents, End of Period	\$ 13,222	\$ 7,646	\$ 8,919
	=====	=====	=====

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

F-6

51

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

1. ORGANIZATION AND FORMATION OF COMPANY

First Industrial Realty Trust, Inc. was organized in the state of

Maryland on August 10, 1993. First Industrial Realty Trust, Inc. is a real estate investment trust ("REIT") as defined in the Internal Revenue Code. First Industrial Realty Trust, Inc. and its subsidiaries (as discussed below) (the "Company") is continuing and expanding the midwestern industrial property business of The Shidler Group and the properties and businesses contributed by three other contributing businesses (the "Contributing Businesses").

The Company began operations on July 1, 1994. The Company's operations are conducted primarily through First Industrial, L.P. (the "Operating Partnership") of which the Company is the sole general partner. As of December 31, 1997, the Company owned 769 in-service properties located in 22 states, containing an aggregate of approximately 56.6 million square feet (unaudited) of gross leasable area ("GLA"). Of the 769 properties owned by the Company, 193 are held by First Industrial Financing Partnership, L.P. (the "Financing Partnership"), 522 are held by the Operating Partnership, six are held by First Industrial Pennsylvania, L.P. (the "Pennsylvania Partnership"), five are held by First Industrial Harrisburg, L.P. (the "Harrisburg Partnership"), 19 are held by First Industrial Securities, L.P. (the "Securities Partnership"), 23 are held by First Industrial Mortgage Partnership, L.P. (the "Mortgage Partnership") and one is held by First Industrial Indianapolis, L.P. (the "Indianapolis Partnership").

2. BASIS OF PRESENTATION

First Industrial Realty Trust, Inc. is the sole general partner of the Operating Partnership, with an approximate 86.0% ownership interest at December 31, 1997. Minority interest at December 31, 1997, represents the approximately 14.0% aggregate partnership interest in the Operating Partnership held by the limited partners thereof. First Industrial Realty Trust, Inc. is the sole stockholder of First Industrial Finance Corporation, First Industrial Pennsylvania Corporation, First Industrial Harrisburg Corporation, First Industrial Securities Corporation, First Industrial Mortgage Corporation, First Industrial Indianapolis Corporation and FI Development Services Corporation, which are the sole general partners of the Financing Partnership, the Pennsylvania Partnership, the Harrisburg Partnership, the Securities Partnership, the Mortgage Partnership, the Indianapolis Partnership, and First Industrial Development Services, L.P., respectively. The Operating Partnership is the sole limited partner of the Financing Partnership, the Pennsylvania Partnership, the Harrisburg Partnership, the Securities Partnership, the Mortgage Partnership, the Indianapolis Partnership, and First Industrial Development Services, L.P. The Operating Partnership is also the sole member of FR Development Services, LLC, and the majority stockholder of First Industrial Enterprises of Michigan and FR Development Services, Inc. The consolidated financial statements of the Company at December 31, 1997 and 1996 and for each of the three years ended December 31, 1997 include the accounts and operations of the Company and its subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 December 31, 1997 and 1996, and the reported amounts of revenues and expenses for the years ended December 31, 1997, 1996 and 1995. Actual results could differ from those estimates.

F-7

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Cash and Cash Equivalents:

Cash and cash equivalents include all cash and liquid investments with an initial maturity of three months or less. The carrying amount approximates fair value due to the short maturity of these investments.

Investment in Real Estate and Depreciation:

Purchase accounting has been applied when ownership interests in properties were acquired for cash. The historical cost basis of properties has been carried over when the Contributing Businesses' ownership interests were exchanged for Operating Partnership units on July 1, 1994 and purchase accounting has been used for all other properties that were subsequently acquired for Operating Partnership units.

The Company reviews its properties on a quarterly basis for impairment and provides a provision if impairments are determined. First, to determine if impairment may exist, the Company reviews its properties and identifies those which have had either an event of change or event of circumstances warranting further assessment of recoverability. Then, the Company estimates the fair value of those properties on an individual basis by capitalizing the expected net operating income. Such amounts are then compared to the property's depreciated cost to determine whether an impairment exists.

Interest expense, real estate taxes and other directly related expenses incurred during construction periods are capitalized and depreciated commencing with the date placed in service, on the same basis as the related assets. Depreciation expense is computed using the straight-line method based on the following useful lives:

	Years -----
Buildings and Improvements.....	31.5 to 40
Land Improvements.....	15
Furniture, Fixtures and Equipment.....	5 to 10

Construction expenditures for tenant improvements and leasing commissions are capitalized and amortized over the terms of each specific lease. Repairs and maintenance are charged to expense when incurred. Expenditures for improvements are capitalized.

When assets are sold or retired, their costs and related accumulated depreciation are removed from the accounts with the resulting gains or losses reflected in net income or loss.

Deferred Financing Costs:

Deferred financing costs include fees and costs incurred to obtain long-term financing. These fees and costs are being amortized over the terms of the respective loans. Accumulated amortization of deferred financing costs was \$1,672 and \$4,549 at December 31, 1997 and 1996, respectively. Unamortized deferred financing fees are written-off when debt is retired before the maturity date (see Note 9).

F-8

Revenue Recognition:

Rental income is recognized on a straight-line method under which contractual rent increases are recognized evenly over the lease term. Tenant recovery income includes payments from tenants for taxes, insurance and other property operating expenses and is recognized as revenues in the same period the related expenses are incurred by the Company.

The Company provides an allowance for doubtful accounts against the portion of tenant accounts receivable which is estimated to be uncollectible. Accounts receivable in the consolidated balance sheets are shown net of an allowance for doubtful accounts of \$1,450 and \$600 as of December 31, 1997 and December 31, 1996, respectively.

Income Taxes:

The Company has elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). As a result, the Company generally is not subject to federal income taxation at the corporate level to the extent it distributes annually at least 95% of its REIT taxable income, as defined in the Code, to its stockholders and satisfies certain other requirements. Accordingly, no provision has been made for federal income taxes in the accompanying consolidated financial statements.

The Company and certain of its subsidiaries are subject to certain state and local income, excise and franchise taxes. The provision for such state and local taxes has been reflected in general and administrative expense in the consolidated statements of operations and has not been separately stated due to its insignificance.

For federal income tax purposes, the cash distributions paid to stockholders may be characterized as ordinary income, return of capital (generally non-taxable) or capital gains. Distributions paid for the year ended December 31, 1997, totaling \$65,322, are characterized 62.30% (\$1.274 per share) as ordinary income, 35.60% (\$.728 per share) as return of capital and 2.10% (\$.043 per share) as 28% long-term capital gain. Distributions paid for the year ended December 31, 1996 totaling \$50,418 are characterized 65.97% (\$1.300 per share) as ordinary income and 34.03% (\$.670 per share) as return of capital. Distributions paid for the year ended December 31, 1995 totaling \$36,003 are characterized 40.17% (\$.765 per share) as ordinary income and 59.83% (\$1.140 per share) as return of capital.

Earnings Per Common Share:

The Company has adopted the Financial Accounting Standards Board Statement of Financial Accounting Standards No. 128, "Earnings Per Share" ("FAS 128"). Net income per weighted average share - basic is based on the weighted average common shares outstanding. Net income per weighted average share - diluted is based on the weighted average common shares outstanding plus the effect of in-the-money employee stock options. See Note 10 for the disclosure required under FAS 128.

Fair Value of Financial Instruments:

The Company's financial instruments include short-term investments, tenant accounts receivable, accounts payable, other accrued expenses, mortgage loans payable, acquisition facilities payable, senior unsecured debt and interest rate protection agreements. The fair value of the short-term investments, tenant accounts receivable, accounts payable and other accrued expenses were not materially different from their carrying or contract values.

F-9

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

See Note 4 for the fair values of the mortgage loans payable, acquisition facilities payable, senior unsecured debt and interest rate protection

agreements.

Derivative Financial Instruments:

The Company's interest rate protection agreements (the "Agreements") are used to limit the interest rate on the Company's \$300,000 mortgage loan and fix the interest rate on anticipated offerings of senior unsecured debt. Receipts or payments resulting from the Agreements used to limit the interest rate on the Company's \$300,000 mortgage loan are recognized as adjustments to interest expense. In the event that the Company terminates these Agreements, the Company would recognize a gain (loss) from the disposition of the Agreements equal to the amount of cash received or paid at termination less the carrying value of the Agreements on the Company's balance sheet. Receipts or payments resulting from the settlement of Agreements used to fix the interest rate on anticipated offerings of senior unsecured debt are amortized over the life of the senior unsecured debt that the Agreements were used to hedge as an adjustment to interest expense using the effective interest method (or the straight line method if this method is not materially different from the effective interest method). The credit risks associated with the Agreements are controlled through the evaluation and monitoring of the creditworthiness of the counterparty. In the event that the counterparty fails to meet the terms of the Agreements, the Company's exposure is limited to the current value of the interest rate differential, not the notional amount, and the Company's carrying value of the Agreements on the balance sheet. The Agreements have been executed with creditworthy financial institutions. As such, the Company considers the risk of nonperformance to be remote.

Recent Accounting Pronouncements:

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income." This statement, effective for fiscal years beginning after December 15, 1997, requires the Company to report components of comprehensive income in a financial statement that is displayed with the same prominence as other financial statements. Comprehensive income is defined by Concepts Statement No. 6, "Elements of Financial Statements" as the change in the equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The Company has not yet determined its comprehensive income.

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information." This statement, effective for financial statements for periods beginning after December 15, 1997, requires that a public business enterprise report financial and descriptive information about its reportable operating segments. Generally, financial information is required to be reported on the basis that it is used internally for evaluating segment performance and deciding how to allocate resources to segments. The Company has not yet determined the impact of this statement on its financial statements.

Reclassification:

Certain 1996 items have been reclassified to conform to the 1997 presentation.

F-10

55

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

4. MORTGAGE LOANS, SENIOR UNSECURED DEBT, ACQUISITION FACILITIES, PROMISSORY NOTES PAYABLE AND INTEREST RATE PROTECTION AGREEMENTS

Mortgage Loans:

On June 30, 1994, the Company, through the Financing Partnership, entered into a \$300,000 mortgage loan (the "1994 Mortgage Loan"). On April 4, 1997, the Company purchased U.S. Government securities as substitute collateral to execute a legal defeasance of the \$300,000 mortgage loan (the "1994 Defeased

Mortgage Loan") (See Note 9). Upon the execution of the legal defeasance, 180 of the 195 properties collateralizing the 1994 Defeased Mortgage Loan were released leaving 15 properties and the U.S. Government securities as collateral. On January 2, 1998, the Company used the gross proceeds from the maturity of the U.S. Government securities to pay off and retire the 1994 Defeased Mortgage Loan. Due to the retirement of the 1994 Defeased Mortgage Loan, the remaining 15 properties were released on January 2, 1998. The 1994 Defeased Mortgage Loan provided for interest only payments at a floating interest rate of LIBOR plus 1.40% which such interest rate had been limited to 7.2% from June 30, 1994 through June 30, 1995 through the use of the 1994 Interest Rate Protection Agreement (hereinafter defined). From July 1, 1995 through May 15, 1997, the 1994 Defeased Mortgage Loan's interest rate had been effectively fixed at the rate of 6.97% through the use of the 1995 Interest Rate Protection Agreements (hereinafter defined). From May 16, 1997 through December 31, 1997, the 1994 Defeased Mortgage Loan's interest rate had been limited to 7.2% through the use of the 1997 Interest Rate Protection Agreement (hereinafter defined).

Under the terms of the 1994 Defeased Mortgage Loan, certain cash reserves were required to be and had been set aside for payment of tenant improvements, capital expenditures, interest, real estate taxes, insurance and potential environmental costs as well as certain other cash reserves to pay off and retire the 1994 Defeased Mortgage Loan. The amount of cash reserves for payment of potential environmental costs was determined by the lender and was established at the closing of the 1994 Defeased Mortgage Loan. The amounts included in the cash reserves relating to payments of tenant improvements, capital expenditures, interest, real estate taxes and insurance were determined by the lender and approximated the next periodic payment of such items. At December 31, 1997 and 1996, these reserves totaled \$310,943 and \$10,223, respectively, and are included in Restricted Cash. Such cash reserves were invested in a money market fund at December 31, 1997. The maturity of these investments is one day; accordingly, cost approximates fair market value. On January 2, 1998, \$300,000 of these cash reserves were used to pay down and retire the 1994 Defeased Mortgage Loan, \$6,000 of these cash reserves were used to pay a prepayment fee on the 1994 Defeased Mortgage Loan and the remaining cash reserves were returned to the Company.

On December 29, 1995, the Company, through the Mortgage Partnership, entered into a \$40,200 mortgage loan (the "1995 Mortgage Loan"). In the first quarter of 1996, the Company made a one time paydown of \$200 on the 1995 Mortgage Loan which decreased the outstanding balance to \$40,000. The 1995 Mortgage Loan matures on January 11, 2026 and provides for interest only payments through January 11, 1998, after which monthly principal and interest payments are required based on a 28-year amortization schedule. The interest rate under the 1995 Mortgage Loan is fixed at 7.22% per annum through January 11, 2003. After January 11, 2003, the interest rate adjusts through a predetermined formula based on the applicable Treasury rate. The 1995 Mortgage Loan is collateralized by 23 properties held by the Mortgage Partnership. The 1995 Mortgage Loan may be prepaid after January 11, 2003.

Under the terms of the 1995 Mortgage Loan, certain cash reserves are required to be and have been set aside for refunds of security deposits and payments of capital expenditures, interest, real estate taxes and insurance. The amount of cash reserves segregated for security deposits is adjusted as tenants turn over. The amounts included in the cash reserves relating to payments of capital expenditures, interest, real estate taxes and insurance were determined by the lender and approximate the next periodic payment of such items. At December 31, 1997 and 1996, these reserves totaled \$2,117 and \$1,614, respectively, and are included in Restricted Cash. Such cash reserves

F-11

56

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

4. MORTGAGE LOANS, SENIOR UNSECURED DEBT, ACQUISITION FACILITIES, PROMISSORY NOTES PAYABLE AND INTEREST RATE PROTECTION AGREEMENTS, CONTINUED

were invested in a money market fund at December 31, 1997. The maturity of these

investments is one day; accordingly, cost approximates fair market value.

On December 14, 1995, the Company, through First Industrial Harrisburg, L.P., entered into a \$6,650 mortgage loan (the "Harrisburg Mortgage Loan") that was collateralized by first mortgage liens on three properties in Harrisburg, Pennsylvania. The Harrisburg Mortgage Loan bore interest at a rate based on LIBOR plus 1.5% or prime plus 2.25%, at the Company's option, and provided for interest only payments through May 31, 1996, with monthly principal and interest payments required subsequently based on a 26.5-year amortization schedule. On December 15, 1997, the Company paid off and retired the Harrisburg Mortgage Loan (see Note 9).

On March 20, 1996, the Company, through the Operating Partnership, and the Indianapolis Partnership, entered into a \$36,750 mortgage loan (the "CIGNA Loan") that is collateralized by seven properties in Indianapolis, Indiana and three properties in Cincinnati, Ohio. The CIGNA Loan bears interest at a fixed interest rate of 7.50% and provides for monthly principal and interest payments based on a 25-year amortization schedule. The CIGNA Loan matures on April 1, 2003. The CIGNA Loan may be prepaid only after April 30, 1999 in exchange for the greater of a 1% prepayment fee or a yield maintenance premium.

On March 20, 1996, the Company, through the Operating Partnership, assumed a \$6,424 mortgage loan and a \$2,993 mortgage loan (together, the "Assumed Loans") that are collateralized by 13 properties in Indianapolis, Indiana and one property in Indianapolis, Indiana, respectively. The Assumed Loans bear interest at a fixed rate of 9.25% and provide for monthly principal and interest payments based on a 16.75-year amortization schedule. The Assumed Loans mature on January 1, 2013. The Assumed Loans may be prepaid only after December 22, 1999 in exchange for the greater of a 1% prepayment fee or a yield maintenance premium.

In conjunction with an acquisition of a portfolio of properties on January 31, 1997, the Company, through the Operating Partnership, assumed two mortgage loans in the amount of \$3,800 (the "LB Mortgage Loan I") and \$705 (the "LB Mortgage Loan II"). The LB Mortgage Loan I, which was collateralized by a property located in Long Island, New York and provided for interest only payments prior to its maturity date of July 11, 1998, was paid off and retired by the Company on December 19, 1997 (see Note 9). The LB Mortgage Loan II, which is collateralized by a property located in Long Island, New York, is interest free until February, 1998, at which time the LB Mortgage Loan II bears interest at 8.00% and provides for interest only payments prior to maturity. The LB Mortgage Loan II matures 180 days after the completion of a contingent event relating to the environmental status of the property collateralizing the loan.

In conjunction with the acquisition of a portfolio of properties on October 23, 1997, the Company, through the Operating Partnership, assumed a mortgage loan in the amount of \$4,153 (the "Acquisition Mortgage Loan I"). The Acquisition Mortgage Loan I is collateralized by a property in Bensenville, Illinois, bears interest at a fixed rate of 8.50% and provides for monthly principal and interest payments based on a 15-year amortization schedule. The Acquisition Mortgage Loan I matures on August 1, 2008. The Acquisition Mortgage Loan I may be prepaid after July 15, 1998 in exchange for a prepayment fee.

In conjunction with the acquisition of a portfolio of properties on December 9, 1997, the Company, through the Operating Partnership, assumed a mortgage loan in the amount of \$7,997 (the "Acquisition Mortgage Loan II"). The Acquisition Mortgage Loan II is collateralized by ten properties in St. Charles, Louisiana, bears interest at a fixed

F-12

57

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

4. MORTGAGE LOANS, SENIOR UNSECURED DEBT, ACQUISITION FACILITIES, PROMISSORY
NOTES PAYABLE AND INTEREST RATE PROTECTION AGREEMENTS, CONTINUED

rate of 7.75% and provides for monthly principal and interest payments based on a 22-year amortization schedule. The Acquisition Mortgage Loan II matures on

April 1, 2006. The Acquisition Mortgage Loan II may be prepaid only after April 9, 1999 in exchange for the greater of a 1% prepayment fee or a yield maintenance premium.

In conjunction with the acquisition of a portfolio of properties on December 23, 1997, the Company, through the Operating Partnership, assumed a mortgage loan in the amount of \$3,598 (the "Acquisition Mortgage Loan III"). The Acquisition Mortgage Loan III is collateralized by two properties in Houston, Texas, bears interest at a fixed interest rate of 8.875% and provides for monthly principal and interest payments based on a 20-year amortization schedule. The Acquisition Mortgage Loan III matures on June 1, 2003. The Acquisition Mortgage Loan III may be prepaid only after June 30, 1998 in exchange for the greater of a 2% prepayment fee or a yield maintenance premium.

Senior Unsecured Debt:

On April 4, 1997, the Company, through the Operating Partnership, entered into a \$309,800 unsecured loan (the "Defeasance Loan"). The Defeasance Loan bore interest at LIBOR plus 1% and had a scheduled maturity of July 1, 1999. The gross proceeds from the Defeasance Loan were used to purchase U.S. Government Securities as substitute collateral to execute a legal defeasance of the 1994 Defeased Mortgage Loan. The Defeasance Loan was paid off and retired in May, 1997 (See Note 9).

On May 13, 1997, the Company, through the Operating Partnership, issued \$150,000 of senior unsecured debt which matures on May 15, 2007 and bears a coupon interest rate of 7.60% (the "2007 Notes"). The issue price of the 2007 Notes was 99.965%. Interest is paid semi-annually in arrears on May 15 and November 15. The Company also entered into an interest rate protection agreement which was used to fix the interest rate on the 2007 Notes prior to issuance. The debt issue discount and the settlement amount of the interest rate protection agreement are being amortized over the life of the 2007 Notes as an adjustment to the interest expense. The 2007 Notes contain certain covenants including limitation on incurrence of debt and debt service coverage.

On May 13, 1997, the Company, through the Operating Partnership, issued \$100,000 of senior unsecured debt which matures on May 15, 2027, and bears a coupon interest rate of 7.15% (the "2027 Notes"). The issue price of the 2027 Notes was 99.854%. The 2027 Notes are redeemable, at the option of the holders thereof, on May 15, 2002. Interest is paid semi-annually in arrears on May 15 and November 15. The Company also entered into an interest rate protection agreement which was used to fix the interest rate on the 2027 Notes prior to issuance. The debt issue discount and the settlement amount of the interest rate protection agreement are being amortized over the life of the 2027 Notes as an adjustment to interest expense. The 2027 Notes contain certain covenants including limitation on incurrence of debt and debt service coverage.

On May 22, 1997, the Company, through the Operating Partnership, issued \$100,000 of senior unsecured debt which matures on May 15, 2011 and bears a coupon interest rate of 7.375% (the "2011 Notes"). The issue price of the 2011 Notes was 99.348%. Interest is paid semi-annually in arrears on May 15 and November 15. The 2011 Notes are redeemable, at the option of the holder thereof, on May 15, 2004 (the "Put Option"). The Company received approximately \$1,781 of proceeds from the holder of the 2011 Notes as consideration for the Put Option. The Company amortizes the Put Option amount over the life of the Put Option as an adjustment to interest expense. The Company also entered into an interest rate protection agreement which was used to fix the interest rate on the 2011 Notes prior to issuance. The debt issue discount and the settlement amount of the interest rate protection

F-13

agreement are being amortized over the life of the 2011 Notes as an adjustment to interest expense. The 2011 Notes contain certain covenants including limitation on incurrence of debt and debt service coverage.

On November 20, 1997, the Company, through the Operating Partnership, issued \$50,000 of senior unsecured debt which matures on November 21, 2005 and bears a coupon interest rate of 6.90% (the "2005 Notes"). The issue price of the 2005 Notes was 100%. Interest is paid semi-annually in arrears on May 21 and November 21. The 2005 Notes contain certain covenants including limitation on incurrence of debt and debt service coverage.

On November 24, 1997, the Company, through the Operating Partnership, entered into a \$25,000 unsecured loan (the "November 1997 Unsecured Loan"). The November 1997 Unsecured Loan bore interest at LIBOR plus .80% and had a scheduled maturity date of December 31, 1997. The November 1997 Unsecured Loan was paid off and retired on December 5, 1997 (see Note 9).

On December 8, 1997, the Company, through the Operating Partnership, issued \$150,000 of senior unsecured debt which matures on December 1, 2006 and bears a coupon interest rate of 7.00% (the "2006 Notes"). The issue price of the 2006 Notes was 100%. Interest is paid semi-annually in arrears on June 1 and December 1. The Company also entered into an interest rate protection agreement which was used to fix the interest rate on the 2006 Notes prior to issuance. The settlement amount of the interest rate protection agreement is being amortized over the life of the 2006 Notes as an adjustment to interest expense. The 2006 Notes contain certain covenants including limitation on incurrence of debt and debt service coverage.

On December 8, 1997, the Company, through the Operating Partnership, issued \$100,000 of unsecured debt which matures on December 1, 2017 and bears a coupon interest rate of 7.50% (the "2017 Notes"). The issue price of the 2017 Notes was 99.808%. Interest is paid semi-annually in arrears on June 1 and December 1. The Operating Partnership will amortize the debt issue discount over the life of the 2017 Notes as an adjustment to interest expense. The 2017 Notes may be redeemed at any time at the option of the Company, in whole or in part, at a redemption price equal to the sum of the principal amount of the 2017 Notes being redeemed plus accrued interest thereon to the redemption date and any make-whole amount, as defined in the Prospectus Supplement relating to the 2017 Notes.

Acquisition Facilities:

In connection with the Initial Offering, the Company, through the Operating Partnership, entered into a \$100,000 collateralized revolving credit facility (the "1994 Acquisition Facility"). During the quarter ended June 30, 1995, the capacity of the 1994 Acquisition Facility was increased to \$150,000. Borrowings under the 1994 Acquisition Facility bore interest at a floating rate equal to LIBOR plus 2.00% or a "Corporate Base Rate" plus .50%, at the Company's election. Effective July 12, 1996, the lenders reduced the interest rate to LIBOR plus 1.75%. In December 1996, the Company terminated the 1994 Acquisition Facility (see Note 9) and entered into a \$200,000 unsecured revolving credit facility (the "1996 Unsecured Acquisition Facility") which initially bore interest at LIBOR plus 1.10% or a "Corporate Base Rate" plus .25% and provided for interest only payments until the maturity date. In December 1997, the Company terminated the 1996 Unsecured Acquisition Facility (see Note 9) and entered into a \$300,000 unsecured revolving credit facility (the "1997 Unsecured Acquisition Facility") which initially bears interest at LIBOR plus .80% or a "Corporate Base Rate" at the Company's election, and provides for interest only payments until maturity. The Company may borrow under the facility to finance the acquisition of additional properties and for other corporate purposes, including to obtain additional working capital. The 1997 Unsecured Acquisition Facility contains certain financial covenants relating to debt service coverage, market value net worth, dividend payout ratio and total funded indebtedness.

(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

4. MORTGAGE LOANS, SENIOR UNSECURED DEBT, ACQUISITION FACILITIES, PROMISSORY NOTES PAYABLE AND INTEREST RATE PROTECTION AGREEMENTS, CONTINUED

In December 1995, the Company, through the Operating Partnership, entered into a \$24,219 collateralized revolving credit facility (the "1995 Credit Line"). The 1995 Credit Line bore interest at a floating rate of LIBOR plus 2.45%. The Company terminated the 1995 Credit Line in February 1996 (See Note 9).

In May 1996, the Company, through the Operating Partnership, entered into a \$10,000 collateralized revolving credit facility (the "1996 Credit Line"). The 1996 Credit Line bore interest at a floating rate from LIBOR plus 2.45% to LIBOR plus 2.75%, depending on the term of the interest rate option. The Company terminated the 1995 Credit Line in November 1996 (See Note 9).

In September 1996, the Company, through the Operating Partnership, entered into a \$40,000 revolving credit facility ("1996 Acquisition Facility"). Borrowings under the 1996 Acquisition Facility bore interest at a floating rate equal to LIBOR plus 2.00% or a "Corporate Base Rate" plus .50%, at the Company's election. The Company terminated the 1996 Acquisition Facility in November 1996 (see Note 9).

Promissory Notes Payable:

On September 30, 1996, the Company, through the Operating Partnership, entered into a \$6,489 promissory note and a \$3,430 promissory note (collectively referred to as "Promissory Notes") as partial consideration for the purchase of two properties in Columbus, Ohio. Both Promissory Notes bore interest at 8.00%. The Promissory Notes were paid off and retired on January 6, 1997.

F-15

60

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

4. MORTGAGE LOANS, SENIOR UNSECURED DEBT, ACQUISITION FACILITIES, PROMISSORY NOTES PAYABLE AND INTEREST RATE PROTECTION AGREEMENTS, CONTINUED

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

	OUTSTANDING BALANCE AT		ACCRUED INTEREST PAYABLE AT		INTEREST RATE AT	MATURITY DATE
	DECEMBER 31, 1997	DECEMBER 31, 1996	DECEMBER 31, 1997	DECEMBER 31, 1996	DECEMBER 31, 1997	
MORTGAGE LOANS PAYABLE						
1994 Mortgage Loan	\$ --	\$ 300,000	\$ --	\$ 1,750	N/A	N/A
1995 Mortgage Loan	40,000	40,000	168	168	7.22%	1/11/26
Harrisburg Mortgage Loan	--	6,504	--	39	N/A	N/A
CIGNA Loan	35,813	36,363	--	--	7.50%	4/01/03
Assumed Loans	8,950	9,215	--	--	9.25%	1/01/13
LB Mortgage Loan II	705	--	--	--	(1)	(1)
Acquisition Mortgage						
Loan I	4,135	--	29	--	8.50%	8/01/08
Acquisition Mortgage						
Loan II	7,997	--	52	--	7.75%	4/01/06
Acquisition Mortgage						
Loan III	3,598	--	27	--	8.875%	6/01/03

Total	\$ 101,198	\$ 392,082	\$ 276	\$ 1,957		
	=====	=====	=====	=====		
DEFEASED MORTGAGE LOAN						
1994 Defeased Mortgage						
Loan (formerly defined as						
the 1994 Mortgage Loan .						
	\$ 300,000	--	1,831	--	7.09%	1/02/98
	=====	=====	=====	=====		
SENIOR UNSECURED DEBT						
2005 Notes	\$ 50,000	\$ --	\$ 393	\$ --	6.90%	11/21/05
2006 Notes	150,000	--	671	--	7.00%	12/01/06
2007 Notes	149,951 (2)	--	1,457	--	7.60%	5/15/07
2011 Notes	99,377 (2)	--	942	--	7.375%	5/15/11 (3)
2017 Notes	99,809 (2)	--	479	--	7.50%	12/01/17 (4)
2027 Notes	99,857 (2)	--	914	--	7.15%	5/15/27 (5)
	-----	-----	-----	-----		
Total	\$ 648,994	\$ --	\$ 4,856	\$ --		
	=====	=====	=====	=====		
ACQUISITION FACILITY						
PAYABLE						
1996 Unsecured						
Acquisition Facility ..	\$ --	\$ 4,400	\$ --	\$ 3	N/A	N/A
1997 Unsecured						
Acquisition Facility ..	129,400	--	297	--	6.77%	4/30/01
	-----	-----	-----	-----		
Total	\$ 129,400	\$ 4,400	\$ 297	\$ 3		
	=====	=====	=====	=====		
PROMISSORY NOTES PAYABLE						
Promissory Notes	\$ --	\$ 9,919	\$ --	\$ 68	N/A	N/A
	=====	=====	=====	=====		

- (1) The LB Mortgage Loan II is interest free until February 1998 at which time the mortgage loan bears interest at 8%. The loan matures as described above.
- (2) The 2007 Notes, 2011 Notes, 2017 Notes and 2027 Notes are net of unamortized discounts of \$49, \$623, \$191 and \$143, respectively.
- (3) The 2011 Notes are redeemable at the option of the holder thereof, on May 15, 2004.
- (4) The 2017 notes are redeemable at the option of the Company at any time based upon a predetermined formula.
- (5) The 2027 Notes are redeemable at the option of the holders thereof, on May 15, 2002.

F-16

61

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

4. MORTGAGE LOANS, SENIOR UNSECURED DEBT, ACQUISITION FACILITIES, PROMISSORY NOTES PAYABLE AND INTEREST RATE PROTECTION AGREEMENTS, CONTINUED

Fair Value:

At December 31, 1996 the fair value of the Company's mortgage loans payable, acquisition facility payable and promissory notes payable were not materially different from their carrying values. The value of the interest rate protection agreements was approximately \$7,959. At December 31, 1997, the fair value of the Company's mortgage loans payable, senior unsecured debt, acquisition facility payable and interest rate protection agreements were as follows:

	Carrying Amount	Fair Value
	-----	-----
Mortgage Loans Payable .	\$ 101,198	\$ 105,838
Defeased Mortgage Loan Payable	300,000	300,000
Senior Unsecured Debt ..	648,994	666,954
Acquisition Facility ... Payable	129,400	129,400
Interest Rate Protection Agreements	--	(4,974)
	-----	-----
Total	\$ 1,179,592	\$ 1,197,218
	=====	=====

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

	Amount

1998	\$ 301,843
1999	2,036
2000	2,203
2001	131,764
2002	2,559
Thereafter	739,488

Total	\$1,179,893
	=====

The above table presents the 1994 Defeased Mortgage Loan maturing in 1998 due to its prepayment on January 2, 1998.

Interest Rate Protection Agreements:

In conjunction with obtaining the 1994 Mortgage Loan, the Company, through the Financing Partnership, purchased an interest rate protection agreement (the "1994 Interest Rate Protection Agreement") which effectively limited the interest rate during the initial five-year term of the 1994 Mortgage Loan to 7.20% per annum. Prior to the subsequent replacement of the 1994 Interest Rate Protection Agreement, its cost of \$18,450 had been capitalized and was being amortized over the five-year term of the agreement. Effective July 1, 1995, the Company replaced the 1994 Interest Rate Protection Agreement with new interest rate protection agreements and entered into interest rate swap agreements (together, the "1995 Interest Rate Protection Agreements") with a notional value of \$300,000, which together effectively fixed the annual interest rate on the 1994 Mortgage Loan at 6.97% for six years through June 30, 2001. As a result of the replacement of the interest rate protection agreement, the Company incurred a one-time loss of \$6,400. The costs of the 1995 Interest Rate Protection Agreements had been capitalized and were being amortized over the respective terms of the 1995 Interest Rate Protection Agreements. On May 16, 1997, the

4. MORTGAGE LOANS, SENIOR UNSECURED DEBT, ACQUISITION FACILITIES, PROMISSORY NOTES PAYABLE AND INTEREST RATE PROTECTION AGREEMENTS, CONTINUED

Company sold the 1995 Interest Rate Protection Agreements and entered into a new interest rate protection agreement (the "1997 Interest Rate Protection Agreement") at a cost of \$150 with a notional value of \$300,000 which expired at the end of 1997. The 1997 Interest Rate Protection Agreement effectively limited the interest rate on the 1994 Defeased Mortgage Loan to 7.20% until December 31, 1997. The cost of the 1997 Interest Rate Protection Agreement had been capitalized and was being amortized on a straight-line basis over the remaining life of the 1997 Interest Rate Protection Agreement. Accumulated amortization on the interest rate protection agreements was \$223 as of December 31, 1996. As of December 31, 1997 the interest rate protection agreements were fully amortized and written off.

The Company, from time to time, enters into interest rate protection agreements which are used to lock into a fixed interest rate on anticipated offerings of senior unsecured debt. At December 31, 1997, the following interest rate protection agreements were outstanding:

Notional Value	Interest Rate	Valuation Basis	Settlement Date
- - - - -	- - - - -	- - - - -	- - - - -
\$100,000	6.037%	10-Year Treasury	July 1, 1998
\$100,000	6.317%	30-Year Treasury	July 1, 1998
\$100,000	5.999%	30-Year Treasury	January 4, 1999

5. STOCKHOLDERS' EQUITY

Common Stock:

On February 2, 1996, the Company issued 5,175,000 shares of \$.01 par value common stock (the "February 1996 Equity Offering") inclusive of the underwriters' over-allotment option. The price per share in the February 1996 Equity Offering was \$22, resulting in gross offering proceeds of \$113,850. Proceeds to the Company, net of underwriters' discount and total offering expenses, were approximately \$106,343.

On October 25, 1996, the Company issued 5,750,000 shares of \$.01 par value common stock (the "October 1996 Equity Offering") inclusive of the underwriters' over-allotment option. The price per share in the October 1996 Equity Offering was \$25.50, resulting in gross offering proceeds of \$146,625. Proceeds to the Company, net of underwriters' discount and total offering expenses, were approximately \$137,697.

On September 16, 1997, the Company issued 637,440 shares of \$.01 par value common stock (the "September 1997 Equity Offering"). The price per share in the September 1997 Equity Offering was \$31.38, resulting in gross offering proceeds of \$20,000. Proceeds to the Company, net of underwriters' discount and total offering expenses, were approximately \$18,900.

On October 15, 1997, the Company issued 5,400,000 shares of \$.01 par value common stock (the "October 1997 Equity Offering"). The price per share was \$33.40 resulting in gross offering proceeds of \$180,360. Proceeds to the Company, net of underwritings' discount and the total offering expenses, were approximately \$176,556.

5. STOCKHOLDERS' EQUITY, CONTINUED

Preferred Stock:

In 1995, the Company issued 1,650,000 shares of 9.5%, \$.01 par value, Series A Cumulative Preferred Stock (the "Series A Preferred Stock") at an initial offering price of \$25 per share. Dividends on the Series A Preferred Stock are cumulative from the date of initial issuance and are payable quarterly in arrears. The payment of dividends and amounts upon liquidation, dissolution or winding-up ranks senior to the payments on the Company's \$.01 par value common stock ("Common Stock"). The Series A Preferred Stock is not redeemable prior to November 17, 2000. On or after November 17, 2000, the Series A Preferred Stock is redeemable for cash at the option of the Company, in whole or in part, at \$25.00 per share, or \$41,250 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series A Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

The payment of dividends on, and payments on liquidation or redemption of, the Series A Preferred Stock is guaranteed by the Securities Partnership (the "Guarantor") pursuant to a Guarantee and Payment Agreement (the "Guarantee Agreement"). The Series A Preferred Stock is the only class of securities of the Company which has the benefit of such guarantee. To the extent the Company fails to make any payment of dividend or pay any portion of the liquidation preference on or the redemption price of any shares of Series A Preferred Stock, the Guarantor will be obligated to pay an amount to each holder of Series A Preferred Stock equal to any such shortfall.

On May 14, 1997, the Company issued 4,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 8 3/4%, \$.01 par value, Series B Cumulative Preferred Stock (the "Series B Preferred Stock"), at an initial offering price of \$25 per Depositary Share. Dividends on the Series B Preferred Stock, represented by the Depositary Shares, are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series B Preferred Stock ranks senior to payments on the Company's Common Stock and pari passu with the Company's Series A Preferred Stock and Series C Preferred Stock (hereinafter defined). The Series B Preferred Stock is not redeemable prior to May 14, 2002. On or after May 14, 2002, the Series B Preferred Stock is redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to \$25 per Depositary Share, or \$100,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series B Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

On June 6, 1997, the Company issued 2,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 8 5/8%, \$.01 par value, Series C Cumulative Preferred Stock (the "Series C Preferred Stock"), at an initial offering price of \$25 per Depositary Share. Dividends on the Series C Preferred Stock, represented by the Depositary Shares, are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series C Preferred Stock ranks senior to payments on the Company's Common Stock and pari passu with the Company's Series A Preferred Stock and Series B Preferred Stock. The Series C Preferred Stock is not redeemable prior to June 6, 2007. On or after June 6, 2007, the Series C Preferred Stock are redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to \$25 per Depositary Share, or \$50,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series C Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

5. STOCKHOLDERS' EQUITY, CONTINUED

The following table summarizes certain information regarding the Company's preferred stock:

	Stated Value at		Initial	Optional
	December 31, 1997	December 31, 1996	Dividend Rate	Redemption Date
Series A Preferred Stock	\$ 41,250	\$ 41,250	9.5%	11/17/00
Series B Preferred Stock	100,000	--	8.75%	5/14/02
Series C Preferred Stock	50,000	--	8.625%	6/06/07
Total	\$191,250	\$ 41,250		

Shareholders' Rights Plan:

On September 4, 1997, the Board of Directors of the Company declared a dividend distribution of one Preferred Share Purchase Right ("Right") for each outstanding share of common stock, par value \$.01 per share, of the Company (the "Common Stock"). The dividend distribution was made on October 20, 1997 to stockholders of record as of the close of business on October 19, 1997. In addition, a Right will attach to each share of Common Stock issued in the future. Each Right entitles the registered holder to purchase from the Company one one-hundredth of a share of Junior Participating Preferred Stock (the "Junior Preferred Stock"), at a price of \$125 per one one-hundredth of a share (the "Purchase Price"), subject to adjustment. The Rights become exercisable only if a person or group of affiliated or associated persons (an "Acquiring Person") acquires, or obtains the right to acquire, beneficial ownership of Common Stock or other voting securities ("Voting Stock") that have 15% or more of the voting power of the outstanding shares of Voting Stock, or if an Acquiring Person commences or makes an announcement of an intention to commence a tender offer or exchange offer to acquire beneficial ownership of Voting Stock that have 15% or more of the voting power of the outstanding shares of Voting Stock. The Rights will expire on October 19, 2007, unless redeemed earlier by the Company at \$.001 per Right, or exchanged by the Company at an exchange ratio of one share of Common Stock per Right.

In the event that a person becomes an Acquiring Person, each holder of a Right, other than the Acquiring Person, is entitled to receive, upon exercise, (1) Common Stock having a value equal to two times the Purchase Price of the Right or (2) common stock of the acquiring company having a value equal to two times the Purchase Price of the Right.

The Junior Preferred Stock ranks junior to all other series of the Company's preferred stock with respect to payment of dividends and as to distributions of assets in liquidation. Each share of Junior Preferred Stock has a quarterly dividend rate per share equal to the greater of \$1.00 or 100 times the per share amount of any dividend (other than a dividend payable in shares of Common Stock or a subdivision of the Common Stock) declared on the Common Stock, subject to certain adjustments. In the event of liquidation, the holder of the Junior Preferred Stock is entitled to receive a preferred liquidation payment per share of \$1.00 (plus accrued and unpaid dividends) or, if greater, an amount equal to 100 times the payment to be made per share of Common Stock, subject to certain adjustments.

5. STOCKHOLDERS' EQUITY, CONTINUED

Dividends/Distributions:

The following table summarizes dividends/distributions for the past two years:

Common Stock/Operating Partnership Units

	Record Date	Payable Date	Dividend/ Distribution per Share/ Unit	Total Dividend/ Distribution
First Quarter 1996	March 29, 1996	April 22, 1996	\$.48750	\$12,477
Second Quarter 1996	June 28, 1996	July 22, 1996	\$.48750	\$12,759
Third Quarter 1996	September 27, 1996	October 21, 1996	\$.48750	\$12,801
Fourth Quarter 1996	December 31, 1996	January 20, 1997	\$.50500	\$16,281
First Quarter 1997	March 31, 1997	April 21, 1997	\$.50500	\$16,904
Second Quarter 1997	June 30, 1997	July 21, 1997	\$.50500	\$17,222
Third Quarter 1997	September 30, 1997	October 20, 1997	\$.50500	\$17,703
Fourth Quarter 1997	December 31, 1997	January 20, 1998	\$.53000	\$22,010

Series A Preferred Stock

	Record Date	Payable Date	Dividend per Share	Total Dividend
First Quarter 1996	March 15, 1996	March 31, 1996	\$.59375	\$ 980
Second Quarter 1996	June 14, 1996	June 30, 1996	\$.59375	\$ 980
Third Quarter 1996	September 16, 1996	September 30, 1996	\$.59375	\$ 980
Fourth Quarter 1996	December 13, 1996	December 31, 1996	\$.59375	\$ 980
First Quarter 1997	March 14, 1997	March 31, 1997	\$.59375	\$ 980
Second Quarter 1997	June 13, 1997	June 30, 1997	\$.59375	\$ 980
Third Quarter 1997	September 15, 1997	September 30, 1997	\$.59375	\$ 980
Fourth Quarter 1997	December 15, 1997	December 31, 1997	\$.59375	\$ 980

Series B Preferred Stock

	Record Date	Payable Date	Dividend per Share	Total Dividend
Second Quarter 1997	June 13, 1997	June 30, 1997	\$ 27.95000	\$ 1,119
Third Quarter 1997	September 15, 1997	September 30, 1997	\$ 54.68750	\$ 2,188
Fourth Quarter 1997	December 15, 1997	December 31, 1997	\$ 54.68750	\$ 2,188

Series C Preferred Stock

	Record Date	Payable Date	Dividend per Share	Total Dividend
Third Quarter 1997	September 15, 1997	September 30, 1997	\$ 68.12300 (1)	\$ 1,363
Fourth Quarter 1997	December 15, 1997	December 31, 1997	\$ 53.90600	\$ 1,078

(1) \$14.217 of this dividend relates to the second quarter of 1997.

F-21

FIRST INDUSTRIAL REALTY TRUST, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

6. ACQUISITION AND DEVELOPMENT OF REAL ESTATE

In 1997, the Company acquired 389 industrial properties comprising approximately 22.9 million square feet (unaudited) of GLA for a total purchase price of approximately \$862,350 and completed the development of ten properties and two expansions comprising approximately 1.7 million square feet (unaudited) of GLA at a cost of approximately \$50,246 .

7. SALES OF REAL ESTATE

In 1996, the Company sold six properties. Gross proceeds from these sales totaled approximately \$14,972. The gain on sales totaled approximately \$4,344.

In 1997, the Company sold ten in-service properties, one property held for redevelopment and several parcels of land. Gross proceeds from these sales totaled approximately \$33,658. The gain on sales totaled approximately \$5,003.

8. DISPOSITION OF INTEREST RATE PROTECTION AGREEMENT

In July 1995, the Company sold the 1994 Interest Rate Protection Agreement for approximately \$12,852. The loss on disposition of the 1994 Interest Rate Protection Agreement totaled approximately \$6,410.

In May 1997, the Company sold the 1995 Interest Rate Protection Agreements for approximately \$9,950. The gain on disposition of the 1995 Interest Rate Protection Agreement totaled approximately \$1,430.

9. EXTRAORDINARY ITEMS

In 1996, the Company terminated the 1994 Acquisition Facility, the 1995 Credit Line, the 1996 Credit Line and the 1996 Acquisition Facility before their contractual maturity date. As a result of these early retirements, the Company recorded an extraordinary loss of \$2,273 comprised of a prepayment fee, the write-off of unamortized deferred financing fees, legal costs and other expenses.

In 1997, the Company terminated the Harrisburg Mortgage Loan, the LB Mortgage Loan I, the Defeasance Loan and the 1996 Unsecured Acquisition Facility before their contractual maturity date. Also, the Company entered into a commitment to pay down and retire the 1994 Defeased Mortgage Loan on January 2, 1998. As a result of the early retirements and the commitment for early retirement of the 1994 Defeased Mortgage Loan, the Company recorded an extraordinary loss of \$14,124 comprised of prepayment fees, the write off of unamortized deferred financing fees, legal costs and other expenses.

F-22

67

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

10. EARNINGS PER SHARE

In February 1997, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 128, "Earnings per Share" ("FAS 128"), effective for financial statements ending after December 15, 1997. As required by this statement, the Company adopted the new standard for computing and presenting earnings per share (EPS) for the year ended December 31, 1997, and for all prior-periods' EPS data presented herein. The outstanding Operating Partnership units have been excluded from the diluted earnings per share calculation as there would be no effect on the amounts since the minority interests' share of income would also be added back to net income. The computation of basic and diluted EPS, as prescribed by FAS 128, is presented below:

Year Ended

Year Ended

Year Ended

	December 31, 1997 -----	December 31, 1996 -----	December 31, 1995 -----
Numerator:			
Income Before Extraordinary Loss	\$ 66,070	\$ 37,937	\$ 12,349
Less: Preferred Stock Dividends	(11,856)	(3,919)	(468)
	-----	-----	-----
Net Income Available to Common Stockholders Before Extraordinary Loss- For Basic and Diluted EPS	54,214	34,018	11,881
Extraordinary Loss	(14,124)	(2,273)	--
	-----	-----	-----
Net Income Available to Common Stockholders- For Basic and Diluted EPS	\$ 40,090 =====	\$ 31,745 =====	\$ 11,881 =====
Denominator:			
Weighted Average Common Shares Outstanding at December 31, 1997, 1996 and 1995, respectively- Basic	31,508,240	24,755,953	18,889,013
Effect of Dilutive Securities: Employee Common Stock Options	305,686 -----	86,447 -----	-- -----
Weighted Average Common Shares Outstanding at December 31, 1997, 1996 and 1995, respectively- Diluted	31,813,926 =====	24,842,400 =====	18,889,013 =====
Basic EPS:			
Net Income Available to Common Stockholders Before Extraordinary Loss	\$ 1.72 =====	\$ 1.37 =====	\$.63 =====
Extraordinary Loss	\$ (.45) =====	\$ (.09) =====	\$ -- =====
Net Income Available to Common Stockholders .	\$ 1.27 =====	\$ 1.28 =====	\$.63 =====
Diluted EPS:			
Net Income Available to Common Stockholders Before Extraordinary Loss	\$ 1.70 =====	\$ 1.37 =====	\$.63 =====
Extraordinary Loss	\$ (.44) =====	\$ (.09) =====	\$ -- =====
Net Income Available to Common Stockholders .	\$ 1.26 =====	\$ 1.28 =====	\$.63 =====

F-23

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

11. FUTURE RENTAL REVENUES

The Company's properties are leased to tenants under net and semi-net operating leases. Minimum lease payments receivable, excluding tenant

reimbursements of expenses, under noncancelable operating leases in effect as of December 31, 1997 are approximately as follows:

1998	\$	229,229
1999		190,315
2000		145,075
2001		108,223
2002		78,566
Thereafter		187,289

Total	\$	938,697
		=====

12. EMPLOYEE BENEFIT PLANS

The Company maintains two stock incentive plans (the "Stock Incentive Plans") which are administered by the Compensation Committee of the Board of Directors. Only officers and other employees of the Company and its affiliates generally are eligible to participate in the Stock Incentive Plans. However, Independent Directors of the Company receive automatic annual grants of options to purchase 10,000 shares at a per share exercise price equal to the fair market value of a share on the date of grant.

The Stock Incentive Plans authorize (i) the grant of stock options that qualify as incentive stock options under Section 422 of the Code, (ii) the grant of stock options that do not so qualify, (iii) restricted stock awards, (iv) performance share awards and (v) dividend equivalent rights. The exercise price of stock options will be determined by the Compensation Committee, but may not be less than 100% of the fair market value of the shares on the date of grant. Special provisions apply to awards granted under the Stock Incentive Plans in the event of a change in control in the Company. As of January 30, 1998, the Company has authorized 7.7 million shares for issuance under the Stock Incentive Plans, of which, 1.7 million shares are available for future grants. The outstanding stock options generally vest over one to two year periods and have lives of ten years. Stock option transactions are summarized as follows:

	Share	Weighted Average Exercise Price per Share	Exercise Price Per Share
	-----	-----	-----
Granted at Initial Offering	637,500	\$ 23.50	\$ 23.50

Outstanding at December 31, 1994	637,500	\$ 23.50	\$ 23.50
Granted	274,500	\$ 19.98	\$18.25 - \$20.25
Expired or Terminated	(54,000)	\$ 23.50	\$ 23.50

Outstanding at December 31, 1995	858,000	\$ 22.37	\$18.25 - \$23.50
Granted	263,500	\$ 22.94	\$22.75 - \$25.63
Exercised	(16,000)	\$ 23.50	\$ 23.50
Expired or Terminated	(12,000)	\$ 23.50	\$ 23.50

Outstanding at December 31, 1996	1,093,500	\$ 22.49	\$18.25 - \$25.63
Granted	538,000	\$ 30.32	\$28.50 - \$30.375
Exercised or Converted.....	(300,000)	\$ 22.50	\$18.25 - \$23.50

Outstanding at December 31, 1997	1,331,500	\$ 25.67	\$18.25 - \$30.375
	=====		

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

12. EMPLOYEE BENEFIT PLANS, CONTINUED

The following table summarizes currently outstanding and exercisable options as of December 31, 1997:

Range of Exercise Price	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$18.25-\$25.63	793,500	7.28	\$22.52	793,500	\$22.52
\$28.50-\$30.50	538,000	9.37	\$30.32	229,000	\$30.375

The Company applies Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", in accounting for its Stock Incentive Plans. Accordingly, no compensation expense has been recognized in the consolidated statements of operations. Had compensation cost for the Company's Stock Incentive Plans been determined based upon the fair value at the grant date for awards under the Stock Incentive Plans consistent with the methodology prescribed under Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation", net income and earnings per share would have been the pro forma amounts indicated in the table below:

	For the Year Ended		
	1997	1996	1995
Net Income Available to Common Stockholders- as reported	\$ 40,090	\$ 31,745	\$ 11,881
Net Income Available to Common Stockholders- pro forma	\$ 38,810	\$ 31,239	\$ 11,881
Net Income Available to Common Stockholders per Share- as reported- Basic .	\$ 1.27	\$ 1.28	\$.63
Net Income Available to Common Stockholders per Share- pro forma- Basic ...	\$ 1.23	\$ 1.26	\$.63
Net Income Available to Common Stockholders per Share- as reported- Diluted	\$ 1.26	\$ 1.28	\$.63
Net Income Available to Common Stockholders per Share- pro forma- Diluted .	\$ 1.22	\$ 1.26	\$.63

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected dividend yield	8.15%	7.16%	7.16%
Expected stock price volatility	20.01%	18.12%	18.12%
Risk-free interest rate	6.48%	6.81%	6.05%
Expected life of options	3.78	7.37	5.51

The weighted average fair value of options granted during 1997, 1996 and 1995 is \$2.72, \$2.43 and \$1.84 per option, respectively.

In September 1994, the Board of Directors approved and the Company adopted a 401(k)/Profit Sharing Plan. Under the Company's 401(k)/Profit Sharing Plan, all eligible employees may participate by making voluntary contributions. The Company may make, but is not required to make, matching contributions. For the years ended December 31, 1996 and 1995, the Company did not make any matching contributions. For the year ended December 31, 1997, the Company made a matching contribution of approximately \$108. In March 1996, the Board of Directors approved and the Company adopted a Deferred Income Plan (the "Plan"). Under the Plan, 194,164 unit awards and 138,500 unit awards were granted for the years ended December 31, 1997 and 1996 respectively, providing the recipients with deferred income benefits which vest in three equal annual installments. The expense related to these deferred income benefits is included in general and administrative expenses in the consolidated statements of operations.

During 1997, the Company awarded 59,946 shares of restricted Common Stock to certain employees, 1,274 of restricted Common Stock to certain

Directors and certain other employees of the Company converted certain employee stock options to 54,936 shares of restricted Common Stock. These restricted shares of Common Stock had

F-25

70

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

12. EMPLOYEE BENEFIT PLANS, CONTINUED

a fair value of \$3,654 on the date of grant. The restricted Common Stock vests over a period from two to ten years. Compensation expense will be charged to earnings over the vesting period.

13. RELATED PARTY TRANSACTIONS

The Company often obtains title insurance coverage for its properties from an entity for which an independent Director of the Company became the President, Chief Executive Officer and a Director in 1996.

On November 19, 1997, the Company exercised an option that was granted on March 19, 1996 to purchase a 100,000 square foot (unaudited) bulk warehouse property located in Indianapolis, Indiana for approximately \$3,338. The property was purchased from a partnership in which one of the Company's Senior Regional Directors was a limited partner.

From time to time, the Company utilizes real estate brokerage services from CB Commercial for which a relative of one of the Company's senior executive officers is an employee.

14. SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS

Supplemental disclosure of cash flow information:

	Year Ended December 31, 1997 -----	Year Ended December 31, 1996 -----	Year Ended December 31, 1995 -----
Interest paid, net of capitalized interest	\$ 44,627 =====	\$ 29,309 =====	\$ 28,248 =====
Interest capitalized	\$ 1,151 =====	\$ 501 =====	\$ 324 =====
Supplemental schedule of noncash investing and financing activities:			
Distribution payable on common stock/units	\$ 22,010 =====	\$ 16,281 =====	\$ 9,954 =====
Dividend payable on preferred stock	\$ -- =====	\$ -- =====	\$ 468 =====
Exchange of units for common shares:			
Minority interest	\$ (3,395)	\$ (943)	\$ (1,005)
Common stock	2	--	1
Additional paid in capital .	3,393	943	1,004
	----- \$ -- =====	----- \$ -- =====	----- \$ -- =====
Sale of interest rate protection agreement	\$ --	\$ --	\$ (12,852)
Purchase of interest rate protection and swap agreements	-- -----	-- -----	12,852 -----

	\$ -- =====	\$ -- =====	\$ -- =====
In conjunction with the property acquisitions, the following assets and liabilities were assumed:			
Purchase of real estate	\$ 862,350	\$ 252,991	\$ 63,855
Mortgage loans	(20,272)	(9,417)	--
Promissory notes	--	(9,919)	--
Operating partnership units	(115,230)	(23,863)	--
Accounts receivable	--	--	153
Accounts payable and accrued expenses	(11,414)	(2,626)	(1,115)
	-----	-----	-----
Acquisition of real estate	\$ 715,434	\$ 207,166	\$ 62,893
	=====	=====	=====

F-26

71

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

15. 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.

Thirty-four properties have leases granting the tenants options to purchase the property. Such options are exercisable at various times and at appraised fair market value or at a fixed purchase price generally in excess of the Company's net book value of the asset. The Company has no notice of any exercise of any tenant purchase option.

The Company has committed to the construction of 12 industrial properties totaling approximately 2.5 million square feet (unaudited). The estimated total construction costs are approximately \$90.4 million (unaudited). These developments are expected to be funded with cash flow from operations as well as borrowings under the 1997 Unsecured Acquisition Facility.

At December 31, 1997, the Company had two letters of credit outstanding in the amounts of \$980 and \$329. The \$980 letter of credit was required under the original issuance of the Series A Preferred Stock to guarantee the payment of one quarter's dividend on the Series A Preferred Stock. The Guarantee Agent of the Series A Preferred Stock is the beneficiary of this letter of credit which expires on June 29, 1998. The \$329 letter of credit is pledged to a municipality to guarantee the completion of certain site improvements at one of the Company's property developments. It expires on August 31, 1998.

16. SUBSEQUENT EVENTS (UNAUDITED)

During the period January 1, 1998 through March 16, 1998, the Company purchased 56 industrial properties containing an aggregate of 2.9 million square feet of GLA for approximately \$103,441, or \$36.20 per square foot. The aggregate purchase price consisted of approximately \$101,470 million in cash and Operating Partnership units valued at approximately \$1,971.

On January 2, 1998, the Company entered into an interest rate protection agreement to lock into a fixed interest rate on an anticipated offering of senior unsecured debt. The interest rate protection agreement had a notional value of \$50,000, an interest rate of 5.937% and a settlement date of October 2, 1998. This interest rate protection agreement's value is based on the 30-year Treasury.

On January 27, 1998, the Company registered approximately \$789,165 of common stock, preferred stock and depository shares and \$400,000 of debt

securities.

On February 4, 1998, the Company issued 5,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 7.95%, \$.01 par value, Series D Cumulative Preferred Stock (the "Series D Preferred Stock"), at an initial offering price of \$25 per Depositary Share. Dividends on the Series D Preferred Stock represented by the Depositary Shares are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the dividends and amounts upon liquidation, dissolution or winding up, the Series D Preferred Stock ranks senior to payments on the Company's \$.01 par value common stock and pari passu with the Company's Series A, B and C Preferred Stock. The Series D Preferred Stock is not redeemable prior to February 4, 2003. On or after February 4, 2003, the Series D Preferred Stock is redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to \$25 per Depositary Share, or \$125,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series D Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

F-27

72

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

16. SUBSEQUENT EVENTS (UNAUDITED), CONTINUED

On March 18, 1998, the Company issued 3,000,000 Depositary Shares, each representing 1/100th of a share of the Company's 7.90%, \$.01 par value, Series E Cumulative Preferred Stock (the "Series E Preferred Stock"), at an initial offering price of \$25 per Depositary Share. Dividends on the Series E Preferred Stock, represented by the Depositary Shares, are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series E Preferred Stock ranks senior to payments on the Company's Common Stock and pari passu with the Company's Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock; however, the Series A Preferred Stock has the benefit of a guarantee by First Industrial Securities, L.P. The Series E Preferred Stock is not redeemable prior to March 18, 2003. On or after March 18, 2003, the Series E Preferred Stock is redeemable for cash at the option of the Company, in whole or in part, at a redemption price equivalent to \$25 per Depositary Share, or \$75,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series E Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

In March 1998, the Company declared a first quarter dividend of \$.53 per share on its common stock which is payable on April 20, 1998. The Company also declared a first quarter dividend of \$.59375 per share, \$54.688 per share (\$.54688 per depositary share), \$53.906 per share (\$.53906 per depositary share) and a partial period dividend of \$30.365 per share (\$.30365 per depositary share) on its Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock, respectively, which is payable on March 31, 1998.

F-28

73

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

17. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	YEAR ENDED DECEMBER 31, 1997			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Total Revenues	\$ 46,143	\$ 52,648	\$ 56,377	\$ 68,035
Income Before Disposition of Interest Rate Protection				
Agreements, Gain on Sales of Properties,	13,190	15,091	17,180	19,488
Minority Interest and Extraordinary Loss				
Disposition of Interest Rate Protection Agreements	--	1,430	--	--
Gain on Sales of Properties	--	3,999	187	817
Income Before Minority Interest and Extraordinary Loss	13,190	20,520	17,367	20,305
Minority Interest	(1,356)	(594)	(1,552)	(1,810)
Income Before Extraordinary Loss	11,834	19,926	15,815	18,495
Extraordinary Loss	--	(12,563)	--	(1,561)
Net Income	11,834	7,363	15,815	16,934
Preferred Stock Dividends	(980)	(2,385)	(4,245)	(4,246)
Net Income Available to Common Stockholders	\$ 10,854	\$ 4,978	\$ 11,570	\$ 12,688
Earnings Per Share:				
Net Income Available to Common Stockholders Before Extraordinary Loss per Weighted Average Common Share Outstanding:				
Basic	\$.36	\$.58	\$.38	\$.40
Diluted	\$.36	\$.58	\$.38	\$.40
Net Income Available to Common Stockholders per Weighted Average Common Share Outstanding:				
Basic	\$.36	\$.17	\$.38	\$.36
Diluted	\$.36	\$.16	\$.38	\$.35

	YEAR ENDED DECEMBER 31, 1996			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Total Revenues	\$ 30,645	\$ 34,779	\$ 36,175	\$ 38,456
Income Before Gain on Sales of Properties, Minority Interest	6,986	8,558	9,419	11,561
and Extraordinary Loss				
Gain on Sales of Properties	--	4,320	--	24
Income Before Minority Interest and Extraordinary Loss	6,986	12,878	9,419	11,585
Minority Interest	(404)	(1,001)	(759)	(767)
Income Before Extraordinary Loss	6,582	11,877	8,660	10,818
Extraordinary Loss	(821)	--	--	(1,452)
Net Income	5,761	11,877	8,660	9,366
Preferred Stock Dividends	(980)	(980)	(980)	(979)
Net Income Available to Common Stockholders	\$ 4,781	\$ 10,897	\$ 7,680	\$ 8,387
Earnings Per Share:				
Net Income Available to Common Stockholders Before Extraordinary Loss per Weighted Average Common Share Outstanding:				
Basic	\$.25	\$.45	\$.32	\$.35
Diluted	\$.25	\$.45	\$.32	\$.34
Net Income Available to Common Stockholders per Weighted Average Common Share Outstanding:				
Basic	\$.21	\$.45	\$.32	\$.30
Diluted	\$.21	\$.45	\$.32	\$.29

18. PRO FORMA FINANCIAL INFORMATION (UNAUDITED)

The following Pro Forma Condensed Statements of Operations for the years ended December 31, 1997 and 1996 are presented as if the acquisition of 501 properties between January 1, 1996 and December 31, 1997 had been acquired on either January 1, 1996 or the lease commencement date if the property was developed and as if the February 1996 Equity Offering, the October 1996 Equity Offering, the Series B Preferred Stock Offering, the Series C Preferred Stock Offering, the September 1997 Equity Offering, the October 1997 Equity Offering, the assumption of secured debt, the issuance of the 2005 Notes, the issuance of the 2006 Notes and the issuance of the 2017 Notes had been completed on January 1, 1996.

PRO FORMA CONDENSED STATEMENTS OF OPERATIONS

	Year Ended	
	December 31, 1997	December 31, 1996
Total Revenues	\$ 293,404	\$ 262,175
Property Expenses	80,234	76,536
General and Administrative Expense	6,248	4,018
Interest Expense	62,135	47,383
Depreciation and Other Amortization	50,908	47,362
Amortization of Interest Rate Protection Agreements and Deferred Financing Costs	2,812	3,286
Income Before Disposition of Interest Rate Protection Agreements, Gain on Sales of Properties, Minority Interest and Extraordinary Item	91,067	83,590
Disposition of Interest Rate Protection Agreements ...	1,430	--
Gain on Sales of Properties	5,003	4,344
Income Before Minority Interest and Extraordinary Item	97,500	87,934
Income Allocated to Minority Interest	(11,361)	(10,074)
Income Before Extraordinary Item	86,139	77,860
Preferred Stock Dividends	(16,984)	(16,984)
Income Before Extraordinary Item Available to Common Stockholders	\$ 69,155	\$ 60,876
Income Before Extraordinary Item Available to Common Stockholders Per Weighted Average Common Share Outstanding- Basic	\$ 1.91	\$ 1.68
Income Before Extraordinary Item Available to Common Stockholders Per Weighted Average Common Share Outstanding- Diluted	\$ 1.89	\$ 1.68

F-30

75

FIRST INDUSTRIAL REALTY TRUST, INC.
SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
AS OF DECEMBER 31, 1997
(DOLLARS IN THOUSANDS)

LOCATION	(a)	(b) INITIAL COST -----
----------	-----	------------------------------

BUILDING ADDRESS - - - - -	(CITY/STATE) - - - - -	ENCUMBRANCES - - - - -	LAND - - -	BUILDINGS - - - - -
ATLANTA				
4250 River Green Parkway	Duluth, GA	(e)	\$ 264	\$ 1,522
3400 Corporate Parkway	Duluth, GA	(e)	281	1,621
3450 Corporate Parkway	Duluth, GA	(e)	506	2,904
3500 Corporate Parkway	Duluth, GA	(e)	260	1,500
3425 Corporate Parkway	Duluth, GA	(e)	385	2,212
1650 GA Highway 155	McDonough, GA		788	4,544
415 Industrial Park Road	Cartersville, GA		544	3,140
434 Industrial Park Road	Cartersville, GA		234	1,365
435 Industrial Park Road	Cartersville, GA		281	1,638
14101 Industrial Park Boulevard	Covington, GA		285	1,658
801-804 Blacklawn Road	Conyers, GA		361	2,095
1665 Dogwood Drive	Conyers, GA		635	3,662
1715 Dogwood Drive	Conyers, GA		288	1,675
11235 Harland Drive	Covington, GA		125	739
700 Westlake Parkway	Atlanta, GA		213	1,551
800 Westlake Parkway	Atlanta, GA		450	2,645
4050 Southmeadow Parkway	Atlanta, GA		401	2,813
4051 Southmeadow Parkway	Atlanta, GA		697	3,486
4071 Southmeadow Parkway	Atlanta, GA		750	4,460
4081 Southmeadow Parkway	Atlanta, GA		1,012	5,450
1875 Rockdale Industrial Blvd.	Conyers, GA		386	2,264
370 Great Southwest Parkway (1)	Atlanta, GA		527	2,984
955 Cobb Place	Kennesaw, GA		780	4,420
6105 Boatrock Blvd	Atlanta, GA		89	504
1640 Sands Place	Marietta, GA		162	920
3312 N. Berkeley Lake Road	Duluth, GA		2,937	16,644
3495 Bankhead Highway (1)	Atlanta, GA		983	5,568

CENTRAL PENNSYLVANIA				
1214-a Freedom Road	Cranberry Township, PA		31	994
401 Russell Drive	Middletown, PA		262	857
2700 Commerce Drive	Middletown, PA		196	997
2701 Commerce Drive	Middletown, PA		141	859
2780 Commerce Drive	Middletown, PA		113	743
5035 Ritter Road	Mechanicsburg, PA		360	1,442
5070-B Ritter Road (1)	Mechanicsburg, PA		395	2,322
6340 Flank Drive	Harrisburg, PA		361	2,363
6345 Flank Drive	Harrisburg, PA		293	2,297
6360 Flank Drive	Harrisburg, PA		218	2,286
6380 Flank Drive	Harrisburg, PA		109	1,317
6400 Flank Drive	Harrisburg, PA		153	1,312
6405 Flank Drive	Harrisburg, PA		221	1,462
100 Schantz Spring Road	Allentown, PA		532	3,144
794 Roble Road	Allentown, PA		915	5,391
7355 Williams Avenue	Allentown, PA		291	1,725
2600 Beltline Avenue	Reading, PA		341	2,038
7125 Grayson Road	Harrisburg, PA		1,514	8,779
7253 Grayson Road	Harrisburg, PA		894	5,168
5 Keystone Drive	Lebanon, PA		678	-
5020 Louise Drive	Mechanicsburg, PA	(d)	707	-
7195 Grayson	Harrisburg, PA	(d)	478	2,771
400 First Street	Middletown, PA		280	1,839
401 First Street	Middletown, PA		819	5,381
600 Hunter Lane	Middletown, PA		191	-
300 Hunter Lane	Middletown, PA		216	-
3380 Susquehanna Trail North	York, PA		450	2,550
495 East Locust Lane	York, PA		810	4,590
350 Old Silver Spring Road	Mechanicsburg, PA		510	2,890
4500 Westport Drive	Mechanicsburg, PA		690	3,970
500 Industrial Lane	Middletown, PA		194	1,272
41 Weaver Road	Denver, PA		2,501	14,171

BUILDING ADDRESS -----	COSTS		GROSS AMOUNTS CARRIED	
	CAPITALIZED SUBSEQUENT TO ACQUISITION OR COMPLETION -----	LAND -----	AT CLOSE OF PERIOD 12/31/97	
			BUILDING AND IMPROVEMENTS -----	TOTAL -----
ATLANTA				
4250 River Green Parkway	\$ 21	\$ 264	\$ 1,543	\$ 1,807
3400 Corporate Parkway	106	281	1,727	2,008
3450 Corporate Parkway	18	506	2,922	3,428
3500 Corporate Parkway	16	260	1,516	1,776
3425 Corporate Parkway	145	385	2,357	2,742
1650 GA Highway 155	165	788	4,709	5,497
415 Industrial Park Road	51	544	3,191	3,735
434 Industrial Park Road	72	234	1,437	1,671
435 Industrial Park Road	9	281	1,647	1,928
14101 Industrial Park Boulevard	515	285	2,173	2,458
801-804 Blacklawn Road	164	361	2,259	2,620
1665 Dogwood Drive	11	635	3,673	4,308
1715 Dogwood Drive	94	288	1,769	2,057
11235 Harland Drive	30	125	769	894
700 Westlake Parkway	510	223	2,051	2,274
800 Westlake Parkway	402	479	3,018	3,497
4050 Southmeadow Parkway	158	425	2,947	3,372
4051 Southmeadow Parkway	686	726	4,143	4,869
4071 Southmeadow Parkway	715	828	5,097	5,925
4081 Southmeadow Parkway	611	1,157	5,916	7,073
1875 Rockdale Industrial Blvd.	30	386	2,294	2,680
370 Great Southwest Parkway (1)	214	546	3,179	3,725
955 Cobb Place	167	804	4,563	5,367
6105 Boatrock Blvd	13	91	516	606
1640 Sands Place	34	166	951	1,116
3312 N. Berkeley Lake Road	788	3,046	17,323	20,369
3495 Bankhead Highway (1)	184	1,005	5,730	6,735
CENTRAL PENNSYLVANIA				
1214-a Freedom Road	617	205	1,437	1,642
401 Russell Drive	1,496	287	2,328	2,615
2700 Commerce Drive	671	206	1,658	1,864

2701 Commerce Drive	1,171	164	2,007	2,171
2780 Commerce Drive	1,033	209	1,680	1,889
5035 Ritter Road	2,401	442	3,761	4,203
5070-B Ritter Road (1)	1,897	506	4,108	4,614
6340 Flank Drive	2,522	563	4,683	5,246
6345 Flank Drive	2,767	587	4,770	5,357
6360 Flank Drive	849	359	2,994	3,353
6380 Flank Drive	795	234	1,987	2,221
6400 Flank Drive	1,257	281	2,441	2,722
6405 Flank Drive	1,256	313	2,626	2,939
100 Schantz Spring Road	75	533	3,218	3,751
794 Roble Road	45	915	5,436	6,351
7355 Williams Avenue	203	291	1,928	2,219
2600 Beltline Avenue	212	356	2,235	2,591
7125 Grayson Road	6	1,514	8,785	10,299
7253 Grayson Road	27	894	5,195	6,089
5 Keystone Drive	4,747	683	4,742	5,425
5020 Louise Drive	2,773	716	2,764	3,480
7195 Grayson	77	479	2,847	3,326
400 First Street	576	192	2,503	2,695
401 First Street	1,666	563	7,303	7,866
600 Hunter Lane	4,393	191	4,393	4,584
300 Hunter Lane	6,059	216	6,059	6,275
3380 Susquehanna Trail North	137	467	2,670	3,137
495 East Locust Lane	237	838	4,799	5,637
350 Old Silver Spring Road	243	542	3,101	3,643
4500 Westport Drive	196	727	4,129	4,856
500 Industrial Lane	264	133	1,597	1,730
41 Weaver Road	194	2,530	14,336	16,866

BUILDING ADDRESS	ACCUMULATED DEPRECIATION 12/31/97	YEAR BUILT/ RENOVATED	DEPRECIABLE LIVES (YEARS)
- - - - -	- - - - -	- - - - -	- - - - -
ATLANTA			
4250 River Green Parkway	\$ 127	1988	(q)
3400 Corporate Parkway	177	1987	(q)
3450 Corporate Parkway	237	1988	(q)
3500 Corporate Parkway	123	1991	(q)
3425 Corporate Parkway	211	1990	(q)
1650 GA Highway 155	468	1991	(q)
415 Industrial Park Road	278	1986	(q)
434 Industrial Park Road	121	1988	(q)
435 Industrial Park Road	147	1986	(q)
14101 Industrial Park Boulevard	149	1984	(q)
801-804 Blacklawn Road	256	1982	(q)
1665 Dogwood Drive	325	1973	(q)
1715 Dogwood Drive	195	1973	(q)
11235 Harland Drive	71	1988	(q)
700 Westlake Parkway	227	1990	(q)
800 Westlake Parkway	285	1991	(q)
4050 Southmeadow Parkway	276	1991	(q)
4051 Southmeadow Parkway	399	1989	(q)
4071 Southmeadow Parkway	480	1991	(q)
4081 Southmeadow Parkway	543	1989	(q)
1875 Rockdale Industrial Blvd.	202	1966	(q)
370 Great Southwest Parkway (1)	87	1986	(q)
955 Cobb Place	38	1991	(q)
6105 Boatrock Blvd	1	1972	(q)
1640 Sands Place	2	1977	(q)
3312 N. Berkeley Lake Road	823	1969	(q)
3495 Bankhead Highway (1)	150	1986	(q)
CENTRAL PENNSYLVANIA			
1214-a Freedom Road	450	1982	(q)
401 Russell Drive	611	1990	(q)
2700 Commerce Drive	366	1990	(q)
2701 Commerce Drive	346	1989	(q)
2780 Commerce Drive	370	1989	(q)
5035 Ritter Road	915	1988	(q)
5070-B Ritter Road (1)	917	1989	(q)
6340 Flank Drive	1,049	1988	(q)
6345 Flank Drive	1,065	1989	(q)
6360 Flank Drive	692	1988	(q)
6380 Flank Drive	423	1991	(q)
6400 Flank Drive	527	1992	(q)
6405 Flank Drive	552	1991	(q)
100 Schantz Spring Road	278	1993	(q)
794 Roble Road	474	1984	(q)
7355 Williams Avenue	238	1989	(q)
2600 Beltline Avenue	335	1985	(q)
7125 Grayson Road	814	1991	(q)
7253 Grayson Road	482	1990	(q)

5 Keystone Drive	291	1995	(q)
5020 Louise Drive	257	1995	(q)
7195 Grayson	219	1994	(q)
400 First Street	140	1963/96	(q)
401 First Street	405	1963/96	(q)
600 Hunter Lane	73	1997	(q)
300 Hunter Lane	75	1996	(q)
3380 Susquehanna Trail North	55	1990	(q)
495 East Locust Lane	99	1993	(q)
350 Old Silver Spring Road	64	1968	(q)
4500 Westport Drive	60	1996	(q)
500 Industrial Lane	88	1970/96	(q)
41 Weaver Road	30	1974	(q)

S-1

76

BUILDING ADDRESS -----	LOCATION (CITY/STATE) -----	(a) ENCUMBRANCES -----	(b) INITIAL COST -----	
			LAND ----	BUILDINGS -----
CHICAGO				
720-730 Landwehr Road	Northbrook, IL	(e)	521	2,985
3170-3190 MacArthur Boulevard	Northbrook, IL	(e)	370	2,126
20W201 101st Street	Lemont, IL	(e)	967	5,554
280-296 Palatine Road	Wheeling, IL	(e)	305	1,735
1330 West 43rd Street	Chicago, IL		369	1,464
2300 Hammond Drive	Schaumburg, IL		442	1,241
6500 North Lincoln Avenue	Lincolnwood, IL		613	1,336
3600 West Pratt Avenue	Lincolnwood, IL		1,050	5,767
917 North Shore Drive	Lake Bluff, IL		556	3,212
6750 South Sayre Avenue	Bedford Park, IL		224	1,309
585 Slawin Court	Mount Prospect, IL		611	3,505
2300 Windsor Court	Addison, IL		688	3,943
3505 Thayer Court	Aurora, IL		430	2,472
3600 Thayer Court	Aurora, IL		636	3,645
736-776 Industrial Drive	Elmhurst, IL		349	1,994
5310-5352 East Avenue	Countryside, IL		382	2,036
12330-12358 South Latrobe	Alsip, IL		381	2,067
305-311 Era Drive	Northbrook, IL		200	1,154
700-714 Landwehr Road	Northbrook, IL		357	2,052
4330 South Racine Avenue	Chicago, IL		448	1,893
13040 S. Crawford Ave.	Alsip, IL		1,073	6,193
11241 Melrose Street	Franklin Park, IL		332	1,931
3150-3160 MacArthur Boulevard	Northbrook, IL	(d)	439	2,518
2101-2125 Gardner Road	Broadview, IL	(d)	1,177	6,818
365 North Avenue	Carol Stream, IL	(d)	1,208	6,961
2942 MacArthur Boulevard	Northbrook, IL	(d)	315	1,803
7200 S Leamington	Bedford Park, IL		798	4,595
12301-12325 S Laramie Ave	Alsip, IL		650	3,692
6300 W Howard Street	Niles, IL		743	4,208
301 Hintz	Wheeling, IL		160	905
301 Alice	Wheeling, IL		218	1,236
1001 Commerce Court	Buffalo Grove, IL		615	3,485
11939 S Central Avenue	Alsip, IL		1,208	6,843
405 East Shawmut	La Grange, IL		368	2,083
2201 Lunt	Elk Grove Village, IL		469	2,656
1010-50 Sesame Street	Bensenville, IL	(i)	979	5,546
5555 West 70th Place	Bedford Park, IL		146	829
3200-3250 South St. Louis (l)	Chicago, IL		110	625
3110-3130 South St. Louis	Chicago, IL		115	650
7301 South Hamlin	Chicago, IL		149	846
3740 West 74th Street	Chicago, IL		190	1,075
7401 South Pulaski	Chicago, IL		664	3,763
3900 West 74th Street	Chicago, IL		137	778
7501 S. Pulaski	Chicago, IL		360	2,038
410 W 169th Street	South Holland, IL		462	2,618
CINCINNATI				
9900-9970 Princeton-Glendale	Cincinnati, OH	(f)	545	3,088
2940 Highland Avenue	Cincinnati, OH	(f)	1,717	9,730
4700-4750 Creek Road	Blue Ash, OH	(f)	1,080	6,118
4860 Duff Drive	Cincinnati, OH		67	378
4866 Duff Drive	Cincinnati, OH		67	379
4884 Duff Drive	Cincinnati, OH		104	591
4890 Duff Drive	Cincinnati, OH		104	592
9636-9643 Interoccean Drive	Cincinnati, OH		123	695
7600 Empire Drive	Florence, KY		900	5,100
CLEVELAND				
21510-21600 Alexander Road (m)	Oakwood, OH		509	2,883
5405 & 5505 Valley Belt Road (l)	Independence, OH		371	2,101
10145 Philipp Parkway	Streetsboro, OH		334	1,891
4410 Hamann	Willoughby, OH		138	782
6675 Parkland Blvd	Solon, OH		548	3,103

BUILDING ADDRESS	COSTS	GROSS AMOUNTS CARRIED		
	CAPITALIZED SUBSEQUENT TO ACQUISITION OR COMPLETION	LAND	BUILDING AND IMPROVEMENTS	TOTAL
CHICAGO				
720-730 Landwehr Road	9	521	2,994	3,515
3170-3190 MacArthur Boulevard	199	370	2,325	2,695
20W201 101st Street	432	968	5,985	6,953
280-296 Palatine Road	148	310	1,878	2,188
1330 West 43rd Street	527	375	1,985	2,360
2300 Hammond Drive	546	444	1,785	2,229
6500 North Lincoln Avenue	939	615	2,273	2,888
3600 West Pratt Avenue	462	1,050	6,229	7,279
917 North Shore Drive	48	556	3,260	3,816
6750 South Sayre Avenue	36	224	1,345	1,569
585 Slawin Court	1	611	3,506	4,117
2300 Windsor Court	180	688	4,123	4,811
3505 Thayer Court	17	430	2,489	2,919
3600 Thayer Court	52	636	3,697	4,333
736-776 Industrial Drive	256	349	2,250	2,599
5310-5352 East Avenue	537	382	2,573	2,955
12330-12358 South Latrobe	209	381	2,276	2,657
305-311 Era Drive	144	205	1,293	1,498
700-714 Landwehr Road	207	357	2,259	2,616
4330 South Racine Avenue	239	468	2,112	2,580
13040 S. Crawford Ave.	24	1,073	6,217	7,290
11241 Melrose Street	1,072	469	2,866	3,335
3150-3160 MacArthur Boulevard	30	439	2,548	2,987
2101-2125 Gardner Road	110	1,228	6,877	8,105
365 North Avenue	81	1,208	7,042	8,250
2942 MacArthur Boulevard	15	315	1,818	2,133
7200 S Leamington	466	818	5,041	5,859
12301-12325 S Laramie Ave	424	659	4,107	4,766
6300 W Howard Street	343	782	4,512	5,294
301 Hintz	71	167	969	1,136
301 Alice	58	225	1,287	1,512
1001 Commerce Court	99	626	3,573	4,199
11939 S Central Avenue	140	1,224	6,967	8,191
405 East Shawmut	104	379	2,176	2,555
2201 Lunt	1,145	560	3,710	4,270
1010-50 Sesame Street	171	1,003	5,693	6,696
5555 West 70th Place	80	157	898	1,055
3200-3250 South St. Louis (1)	47	116	666	782
3110-3130 South St. Louis	53	120	698	818
7301 South Hamlin	55	154	896	1,050
3740 West 74th Street	50	196	1,119	1,315
7401 South Pulaski	450	685	4,192	4,877
3900 West 74th Street	40	142	813	955
7501 S. Pulaski	86	371	2,113	2,484
410 W 169th Street	124	476	2,728	3,204
CINCINNATI				
9900-9970 Princeton-Glendale	750	566	3,817	4,383
2940 Highland Avenue	705	1,772	10,380	12,152
4700-4750 Creek Road	288	1,109	6,377	7,486
4860 Duff Drive	11	68	388	456
4866 Duff Drive	10	68	388	456
4884 Duff Drive	16	106	605	711
4890 Duff Drive	21	107	610	717
9636-9643 Interoccean Drive	28	125	721	846
7600 Empire Drive	104	915	5,189	6,104
CLEVELAND				
21510-21600 Alexander Road (m)	122	526	2,988	3,514
5405 & 5505 Valley Belt Road (1)	107	385	2,194	2,579
10145 Philipp Parkway	55	342	1,938	2,280
4410 Hamann	49	145	824	969
6675 Parkland Blvd	172	571	3,252	3,823

BUILDING ADDRESS	ACCUMULATED DEPRECIATION 12/31/97	YEAR BUILT/ RENOVATED	DEPRECIABLE LIVES (YEARS)
CHICAGO			
720-730 Landwehr Road	262	1978	(q)
3170-3190 MacArthur Boulevard	206	1978	(q)
20W201 101st Street	611	1988	(q)
280-296 Palatine Road	133	1978	(q)
1330 West 43rd Street	1,072	1977	(q)
2300 Hammond Drive	1,068	1970	(q)
6500 North Lincoln Avenue	1,036	1965/88	(q)
3600 West Pratt Avenue	561	1953/88	(q)
917 North Shore Drive	298	1974	(q)
6750 South Sayre Avenue	116	1975	(q)
585 Slawin Court	307	1992	(q)
2300 Windsor Court	418	1986	(q)
3505 Thayer Court	220	1989	(q)
3600 Thayer Court	328	1989	(q)
736-776 Industrial Drive	250	1975	(q)

5310-5352 East Avenue	234	1975	(q)
12330-12358 South Latrobe	203	1975	(q)
305-311 Era Drive	123	1978	(q)
700-714 Landwehr Road	201	1978	(q)
4330 South Racine Avenue	1,207	1978	(q)
13040 S. Crawford Ave.	517	1976	(q)
11241 Melrose Street	249	1969	(q)
3150-3160 MacArthur Boulevard	224	1978	(q)
2101-2125 Gardner Road	571	1950/69	(q)
365 North Avenue	571	1969	(q)
2942 MacArthur Boulevard	159	1979	(q)
7200 S Leamington	249	1950	(q)
12301-12325 S Laramie Ave	208	1975	(q)
6300 W Howard Street	226	1956/1964	(q)
301 Hintz	48	1960	(q)
301 Alice	64	1965	(q)
1001 Commerce Court	75	1989	(q)
11939 S Central Avenue	115	1972	(q)
405 East Shawmut	31	1965	(q)
2201 Lunt	42	1963	(q)
1010-50 Sesame Street	35	1976	(q)
5555 West 70th Place	6	1973	(q)
3200-3250 South St. Louis (1)	4	1968	(q)
3110-3130 South St. Louis	4	1968	(q)
7301 South Hamlin	7	1975/86	(q)
3740 West 74th Street	3	1975/86	(q)
7401 South Pulaski	28	1975/86	(q)
3900 West 74th Street	7	1975/86	(q)
7501 S. Pulaski	11	1975/86	(q)
410 W 169th Street	124	1974	(q)
CINCINNATI			
9900-9970 Princeton-Glendale	167	1970	(q)
2940 Highland Avenue	479	1969/1974	(q)
4700-4750 Creek Road	291	1960	(q)
4860 Duff Drive	11	1979	(q)
4866 Duff Drive	10	1979	(q)
4884 Duff Drive	16	1979	(q)
4890 Duff Drive	17	1979	(q)
9636-9643 Interoccean Drive	20	1983	(q)
7600 Empire Drive	43	1964	(q)
CLEVELAND			
21510-21600 Alexander Road (m)	25	1985	(q)
5405 & 5505 Valley Belt Road (1)	18	1983	(q)
10145 Philipp Parkway	12	1994	(q)
4410 Hamann	5	1975	(q)
6675 Parkland Blvd	101	1991	(q)

S-2

77

BUILDING ADDRESS -----	LOCATION (CITY/STATE) -----	(a) ENCUMBRANCES -----	(b) INITIAL COST -----	
			LAND ----	BUILDINGS -----
COLUMBUS				
6911 Americana Parkway	Columbus, OH		314	1,777
3800 Lockbourne Industrial Parkway	Columbus, OH		1,133	6,421
1819 North Walcutt Road	Columbus, OH		810	4,590
3800 Groveport Road	Obetz, OH		2,145	12,154
4300 Cemetery Road	Hilliard, OH		1,103	6,248
DALLAS				
1275-1281 Roundtable Drive	Dallas, TX		148	839
2406-2416 Walnut Ridge	Dallas, TX		178	1,006
12750 Perimeter Drive	Dallas, TX		638	3,618
1324-1343 Roundtable Drive	Dallas, TX		178	1,006
1405-1409 Avenue II East	Grand Prairie, TX		118	671
2651-2677 Manana	Dallas, TX		266	1,510
2401-2419 Walnut Ridge	Dallas, TX		148	839
4248-4252 Simonton	Farmers Ranch, TX		888	5,032
900-906 Great Southwest Pkwy	Arlington, TX		237	1,342
2179 Shiloh Road	Garland, TX		251	1,424
2159 Shiloh Road	Garland, TX		108	610

2701 Shiloh Road	Garland, TX	818	4,636
12784 Perimeter Drive (m)	Dallas, TX	350	1,986
3000 West Commerce	Dallas, TX	456	2,584
3030 Hansboro	Dallas, TX	266	1,510
5222 Cockrell Hill	Dallas, TX	296	1,677
405-407 113th	Arlington, TX	181	1,026
816 111th Street	Arlington, TX	251	1,421

DAYTON			
6094-6104 Executive Blvd	Huber Heights, OH	181	1,025
6202-6220 Executive Blvd	Huber Heights, OH	268	1,521
6268-6294 Executive Blvd	Huber Heights, OH	255	1,444
5749-5753 Executive Blvd	Huber Heights, OH	50	282
2200-2224 Sandridge Road	Moriane, OH	218	1,233
6230-6266 Executive Blvd	Huber Heights, OH	271	1,534

DENVER			
7100 North Broadway - 1	Denver, CO	201	1141
7100 North Broadway - 2	Denver, CO	203	1150
7100 North Broadway - 3	Denver, CO	139	787
7100 North Broadway - 5	Denver, CO	180	1018
7100 North Broadway - 6	Denver, CO	269	1526
10691 East Bethany Drive	Aurora, CO	186	1054
20100 East 32nd Avenue Parkway	Aurora, CO	333	1888
15700-15820 West 6th Avenue	Golden, Co	333	1887
12850-15884 West 6th Avenue	Golden, Co	201	1139
5454 Washington	Denver, CO	154	873
5801 West 6th Avenue	Lakewood, CO	74	418
5805 West 6th Avenue	Lakewood, CO	97	549
5815 West 6th Avenue	Lakewood, CO	99	560
5825 West 6th Avenue	Lakewood, CO	99	559
5835 West 6th Avenue	Lakewood, CO	97	552
525 East 70th Street	Denver, CO	68	384
565 East 70th Street	Denver, CO	169	960
605 East 70th Street	Denver, CO	192	1089
625 East 70th Street	Denver, CO	136	768
665 East 70th Street	Denver, CO	136	768
700 West 48th Street	Denver, CO	302	1711
702 West 48th Street	Denver, CO	135	763
3370 North Peoria Street	Aurora, CO	163	924
3390 North Peoria Street	Aurora, CO	145	822
3508-3538 North Peoria Street	Aurora, CO	260	1472
3568 North Peoria Street	Aurora, CO	222	1260
3350 North Peoria Street	Aurora, CO	215	1216
4785 Elati	Denver, CO	173	981
4770 Fox Street	Denver, CO	132	750
1550 W. Evans	Denver, CO	388	2200
12401-41 East 37th Ave	Denver, CO	129	732
3751-71 Revere Street	Denver, CO	262	1486
3871 Revere Street	Denver, CO	361	2047
5454 Havana Street	Denver, CO	204	1156
5500 Havana Street	Denver, CO	167	946
4570 Ivy Street	Denver, CO	219	1239
5855 Stapleton Drive North	Denver, CO	288	1630
5885 Stapleton Drive North	Denver, CO	376	2129

BUILDING ADDRESS	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION OR COMPLETION	GROSS AMOUNTS CARRIED AT CLOSE OF PERIOD 12/31/97		
		LAND	BUILDING AND IMPROVEMENTS	TOTAL
COLUMBUS				
6911 Americana Parkway	122	321	1,892	2,213
3800 Lockbourne Industrial Parkway	184	1,155	6,583	7,738
1819 North Walcutt Road	140	830	4,710	5,540
3800 Groveport Road	204	2,165	12,338	14,503
4300 Cemetery Road	80	1,160	6,271	7,431
DALLAS				
1275-1281 Roundtable Drive	36	154	870	1,023
2406-2416 Walnut Ridge	39	184	1,040	1,223
12750 Perimeter Drive	137	659	3,735	4,393
1324-1343 Roundtable Drive	40	184	1,041	1,224
1405-1409 Avenue II East	28	123	695	817
2651-2677 Manana	58	275	1,560	1,834
2401-2419 Walnut Ridge	34	153	869	1,021
4248-4252 Simonton	208	919	5,210	6,128
900-906 Great Southwest Pkwy	53	245	1,388	1,632
2179 Shiloh Road	33	256	1,453	1,708
2159 Shiloh Road	16	110	625	734
2701 Shiloh Road	695	923	5,227	6,149
12784 Perimeter Drive (m)	65	360	2,042	2,401
3000 West Commerce	87	469	2,659	3,127
3030 Hansboro	73	276	1,574	1,849
5222 Cockrell Hill	67	306	1,735	2,040
405-407 113th	26	185	1,049	1,233
816 111th Street	48	258	1,463	1,720
DAYTON				
6094-6104 Executive Blvd	75	187	1,094	1,281
6202-6220 Executive Blvd	96	275	1,610	1,885
6268-6294 Executive Blvd	97	262	1,534	1,796
5749-5753 Executive Blvd	46	53	325	378
2200-2224 Sandridge Road	103	226	1,328	1,554
6230-6266 Executive Blvd	99	281	1,623	1,904
DENVER				
7100 North Broadway - 1	13	203	1,152	1,355

7100 North Broadway - 2	12	205	1,160	1,365
7100 North Broadway - 3	8	140	794	934
7100 North Broadway - 5	22	181	1,039	1,220
7100 North Broadway - 6	17	272	1,540	1,812
10691 East Bethany Drive	12	188	1,064	1,252
20100 East 32nd Avenue Parkway	73	338	1,956	2,294
15700-15820 West 6th Avenue	31	338	1,913	2,251
12850-15884 West 6th Avenue	13	203	1,150	1,353
5454 Washington	13	156	884	1,040
5801 West 6th Avenue	0	74	418	492
5805 West 6th Avenue	0	97	549	646
5815 West 6th Avenue	0	99	560	659
5825 West 6th Avenue	0	99	559	658
5835 West 6th Avenue	0	97	552	649
525 East 70th Street	5	69	388	457
565 East 70th Street	12	171	970	1,141
605 East 70th Street	13	194	1,100	1,294
625 East 70th Street	9	137	776	913
665 East 70th Street	9	137	776	913
700 West 48th Street	31	307	1,737	2,044
702 West 48th Street	33	140	791	931
3370 North Peoria Street	10	165	932	1,097
3390 North Peoria Street	8	146	829	975
3508-3538 North Peoria Street	29	263	1,498	1,761
3568 North Peoria Street	18	224	1,276	1,500
3350 North Peoria Street	12	216	1,227	1,443
4785 Elati	13	175	992	1,167
4770 Fox Street	10	134	758	892
1550 W. Evans	46	395	2,239	2,634
12401-41 East 37th Ave	10	131	740	871
3751-71 Revere Street	31	267	1,512	1,779
3871 Revere Street	41	367	2,082	2,449
5454 Havana Street	15	206	1,169	1,375
5500 Havana Street	12	169	956	1,125
4570 Ivy Street	11	220	1,249	1,469
5855 Stapleton Drive North	15	290	1,643	1,933
5885 Stapleton Drive North	35	380	2,160	2,540

BUILDING ADDRESS	ACCUMULATED DEPRECIATION 12/31/97	YEAR BUILT/ RENOVATED	DEPRECIABLE LIVES (YEARS)
- - - - -	- - - - -	- - - - -	- - - - -
COLUMBUS			
6911 Americana Parkway	87	1980	(q)
3800 Lockbourne Industrial Parkway	214	1986	(q)
1819 North Walcutt Road	88	1973	(q)
3800 Groveport Road	406	1986	(q)
4300 Cemetery Road	13	1968	(q)
DALLAS			
1275-1281 Roundtable Drive	2	1966	(q)
2406-2416 Walnut Ridge	2	1978	(q)
12750 Perimiter Drive	8	1979	(q)
1324-1343 Roundtable Drive	2	1972	(q)
1405-1409 Avenue II East	1	1969	(q)
2651-2677 Manana	3	1966	(q)
2401-2419 Walnut Ridge	2	1978	(q)
4248-4252 Simonton	11	1973	(q)
900-906 Great Southwest Pkwy	3	1972	(q)
2179 Shiloh Road	3	1982	(q)
2159 Shiloh Road	1	1982	(q)
2701 Shiloh Road	11	1981	(q)
12784 Perimeter Drive (m)	4	1981	(q)
3000 West Commerce	6	1980	(q)
3030 Hansboro	3	1971	(q)
5222 Cockrell Hill	4	1973	(q)
405-407 113th	2	1969	(q)
816 111th Street	3	1972	(q)
DAYTON			
6094-6104 Executive Blvd	43	1975	(q)
6202-6220 Executive Blvd	63	1996	(q)
6268-6294 Executive Blvd	60	1989	(q)
5749-5753 Executive Blvd	12	1975	(q)
2200-2224 Sandridge Road	30	1983	(q)
6230-6266 Executive Blvd	55	1979	(q)
DENVER			
7100 North Broadway - 1	7	1978	(q)
7100 North Broadway - 2	7	1978	(q)
7100 North Broadway - 3	5	1978	(q)
7100 North Broadway - 5	7	1978	(q)
7100 North Broadway - 6	10	1978	(q)
10691 East Bethany Drive	7	1979	(q)

20100 East 32nd Avenue Parkway	13	1997	(q)
15700-15820 West 6th Avenue	12	1978	(q)
12850-15884 West 6th Avenue	7	1978	(q)
5454 Washington	5	1985	(q)
5801 West 6th Avenue	3	1980	(q)
5805 West 6th Avenue	3	1980	(q)
5815 West 6th Avenue	3	1980	(q)
5825 West 6th Avenue	3	1980	(q)
5835 West 6th Avenue	3	1980	(q)
525 East 70th Street	2	1985	(q)
565 East 70th Street	6	1985	(q)
605 East 70th Street	7	1985	(q)
625 East 70th Street	5	1985	(q)
665 East 70th Street	5	1985	(q)
700 West 48th Street	11	1984	(q)
702 West 48th Street	5	1984	(q)
3370 North Peoria Street	6	1978	(q)
3390 North Peoria Street	5	1978	(q)
3508-3538 North Peoria Street	9	1978	(q)
3568 North Peoria Street	8	1978	(q)
3350 North Peoria Street	8	1978	(q)
4785 Elati	6	1972	(q)
4770 Fox Street	5	1972	(q)
1550 W. Evans	14	1975	(q)
12401-41 East 37th Ave	5	1980	(q)
3751-71 Revere Street	9	1980	(q)
3871 Revere Street	13	1980	(q)
5454 Havana Street	7	1980	(q)
5500 Havana Street	6	1980	(q)
4570 Ivy Street	8	1985	(q)
5855 Stapleton Drive North	10	1985	(q)
5885 Stapleton Drive North	13	1985	(q)

S-3

78

BUILDING ADDRESS -----	LOCATION (CITY/STATE) -----	(a) ENCUMBRANCES -----	(b) INITIAL COST -----	
			LAND -----	BUILDINGS -----
5200-5280 North Broadway	Denver, CO		169	960
5977-5995 North Broadway	Denver, CO		268	1518
2952-5978 North Broadway	Denver, CO		414	2346
6400 North Broadway	Denver, CO		318	1804
875 Parfer Street	Lakewood, CO		288	1633
4721 Ironton Street	Denver, CO		232	1313
833 Parfer Street	Lakewood, CO		196	1112
11005 West 8th Avenue	Lakewood, CO		102	580
7100 North Broadway - 7	Denver, CO		215	1221
7100 North Broadway - 8	Denver, CO		79	448
6804 East 48th Avenue	Denver, CO		253	1435
15350 East Hinsdale Drive	Denver, CO		129	732
15353 East Hinsdale Drive	Englewood, CO		97	549
15373 East Hinsdale Drive	Englewood, CO		39	219
4611 East 46th Avenue	Denver, CO		129	732
East 47th Drive - A	Denver, CO		474	2689
East 47th Drive - B	Denver, CO		405	2296
Centenial Airport Business Pk.	Denver, CO		640	3629
9500 West 49th Street - A	Wheatridge, CO		432	2448
9500 West 49th Street - B	Wheatridge, CO		235	1330
9500 West 49th Street - C	Wheatridge, CO		602	3409
9500 West 49th Street - D	Wheatridge, CO		271	1537
8100 South Park Way - A	Littleton, CO		442	2507
8100 South Park Way - B	Littleton, CO		103	582
8100 South Park Way - C	Littleton, CO		568	3219
451-591 East 124th Avenue	Littleton, CO		386	2188
14100 East Jewell	Aurora, CO		395	2240
14190 East Jewell	Aurora, CO		199	1126
608 Garrison Street	Lakewood, CO		265	1501
610 Garrison Street	Lakewood, CO		264	1494
1111 West Evans (A&C)	Denver, CO		233	1321
1111 West Evans (B)	Denver, CO		30	169
15000 West 6th Avenue	Golden, Co		913	5174
14998 West 6th Avenue Bldg E	Golden, Co		565	3199
14998 West 6th Avenue Bldg F	Englewood, CO		269	1525
12503 East Euclid Drive	Denver, CO		1,219	6905
6547 South Racine Circle	Englewood, CO		748	4241
7800 East Iliff Avenue	Denver, CO		196	1110
2369 South Trenton Way	Denver, CO		292	1656
2370 South Trenton Way	Denver, CO		200	1132
2422 South Trenton Way	Denver, CO		241	1364
2452 South Trenton Way	Denver, CO		421	2386
8122 South Park Lane - A	Littleton, CO		394	2232
8122 South Park Lane - B	Littleton, CO		186	1054

1600 South Abilene	Aurora, CO	465	2633
1620 South Abilene	Aurora, CO	268	1520
1640 South Abilene	Aurora, CO	368	2085
13900 East Florida Ave	Aurora, CO	189	1071
4301 South Federal Boulevard	Englewood, CO	237	1341
14401-14492 East 33rd Place	Aurora, CO	445	2519
11701 East 53rd Avenue	Denver, CO	416	2355
5401 Oswego Street	Denver, CO	273	1547
2630 West 2nd Avenue	Denver, CO	53	299
2650 West 2nd Avenue	Denver, CO	221	1252
14818 West 6th Avenue Bldg A	Golden, Co	494	2799
14828 West 6th Avenue Bldg B	Golden, Co	519	2942
2075 South Valentia	Denver, CO	131	743
DES MOINES			
1550 East Washington Avenue	Des Moines, IA	610	4,251
1600 East Washington Avenue	Des Moines, IA	209	1,557
5701 NE 17th Street	Des Moines, IA	162	918
4121 McDonald Avenue	Des Moines, IA	390	2,931
4141 McDonald Avenue	Des Moines, IA	706	5,518
4161 McDonald Avenue	Des Moines, IA	389	3,046
DETROIT			
2654 Elliott	Troy, MI	(e) 57	334
1731 Thorncroft	Troy, MI	(e) 331	1,904
1653 E. Maple	Troy, MI	(e) 192	1,104
47461 Clipper	Plymouth, MI	(e) 122	723

BUILDING ADDRESS	COSTS		GROSS AMOUNTS CARRIED	
	CAPITALIZED SUBSEQUENT TO ACQUISITION OR COMPLETION		AT CLOSE OF PERIOD 12/31/97	
			LAND	BUILDING AND IMPROVEMENTS
5200-5280 North Broadway	11	171	969	1,140
5977-5995 North Broadway	28	272	1,542	1,814
2952-5978 North Broadway	49	421	2,388	2,809
6400 North Broadway	38	324	1,836	2,160
875 Parfer Street	28	292	1,657	1,949
4721 Ironton Street	27	236	1,336	1,572
833 Parfer Street	17	199	1,126	1,325
11005 West 8th Avenue	9	104	587	691
7100 North Broadway - 7	11	217	1,230	1,447
7100 North Broadway - 8	4	80	451	531
6804 East 48th Avenue	18	256	1,450	1,706
15350 East Hindsdale Drive	8	130	739	869
15353 East Hinsdale Drive	6	98	554	652
15373 East Hinsdale Drive	3	39	222	261
4611 East 46th Avenue	11	131	741	872
East 47th Drive - A	165	477	2,851	3,328
East 47th Drive - B	7	406	2,302	2,708
Centennial Airport Business Pk.	98	646	3,721	4,367
9500 West 49th Street - A	14	434	2,460	2,894
9500 West 49th Street - B	8	236	1,337	1,573
9500 West 49th Street - C	226	605	3,632	4,237
9500 West 49th Street - D	9	273	1,544	1,817
8100 South Park Way - A	31	447	2,533	2,980
8100 South Park Way - B	130	103	712	815
8100 South Park Way - C	39	574	3,252	3,826
451-591 East 124th Avenue	34	391	2,217	2,608
14100 East Jewell	34	400	2,269	2,669
14190 East Jewell	11	200	1,136	1,336
608 Garrison Street	12	267	1,511	1,778
610 Garrison Street	11	265	1,504	1,769
1111 West Evans (A&C)	14	235	1,333	1,568
1111 West Evans (B)	2	30	171	201
15000 West 6th Avenue	57	920	5,224	6,144
14998 West 6th Avenue Bldg E	21	568	3,217	3,785
14998 West 6th Avenue Bldg F	11	271	1,534	1,805
12503 East Euclid Drive	65	1,228	6,961	8,189
6547 South Racine Circle	40	754	4,275	5,029
7800 East Iliff Avenue	9	197	1,118	1,315
2369 South Trenton Way	14	294	1,668	1,962
2370 South Trenton Way	9	201	1,140	1,341
2422 South Trenton Way	12	243	1,374	1,617
2452 South Trenton Way	29	425	2,411	2,836
8122 South Park Lane - A	28	398	2,256	2,654
8122 South Park Lane - B	9	187	1,062	1,249
1600 South Abilene	30	469	2,659	3,128
1620 South Abilene	27	270	1,545	1,815
1640 South Abilene	20	370	2,103	2,473
13900 East Florida Ave	8	190	1,078	1,268
4301 South Federal Boulevard	14	239	1,353	1,592
14401-14492 East 33rd Place	171	452	2,683	3,135
11701 East 53rd Avenue	43	422	2,392	2,814
5401 Oswego Street	28	277	1,571	1,848
2630 West 2nd Avenue	3	53	302	355
2650 West 2nd Avenue	14	223	1,264	1,487
14818 West 6th Avenue Bldg A	47	497	2,843	3,340
14828 West 6th Avenue Bldg B	20	522	2,959	3,481
2075 South Valentia	10	133	751	884
DES MOINES				
1550 East Washington Avenue	771	623	5,009	5,632
1600 East Washington Avenue	165	221	1,710	1,931
5701 NE 17th Street	110	175	1,015	1,190
4121 McDonald Avenue	303	416	3,208	3,624
4141 McDonald Avenue	641	787	6,078	6,865
4161 McDonald Avenue	648	467	3,616	4,083
DETROIT				
2654 Elliott	46	57	380	437
1731 Thorncroft	20	331	1,924	2,255
1653 E. Maple	44	192	1,148	1,340

BUILDING ADDRESS - - - - -	ACCUMULATED DEPRECIATION 12/31/97 -----	YEAR BUILT/ RENOVATED -----	DEPRECIABLE LIVES (YEARS) -----
5200-5280 North Broadway	6	1977	(q)
5977-5995 North Broadway	10	1978	(q)
2952-5978 North Broadway	15	1978	(q)
6400 North Broadway	11	1982	(q)
875 Parfer Street	10	1975	(q)
4721 Ironton Street	8	1969	(q)
833 Parfer Street	7	1974	(q)
11005 West 8th Avenue	4	1974	(q)
7100 North Broadway - 7	8	1985	(q)
7100 North Broadway - 8	3	1985	(q)
6804 East 48th Avenue	9	1973	(q)
15350 East Hinsdale Drive	5	1987	(q)
15353 East Hinsdale Drive	3	1987	(q)
15373 East Hinsdale Drive	1	1987	(q)
4611 East 46th Avenue	5	1974	(q)
East 47th Drive - A	7	1997	(q)
East 47th Drive - B	5	1997	(q)
Centenial Airport Business Pk.	24	1997	(q)
9500 West 49th Street - A	15	1997	(q)
9500 West 49th Street - B	8	1997	(q)
9500 West 49th Street - C	28	1997	(q)
9500 West 49th Street - D	10	1997	(q)
8100 South Park Way - A	16	1997	(q)
8100 South Park Way - B	6	1984	(q)
8100 South Park Way - C	20	1984	(q)
451-591 East 124th Avenue	14	1979	(q)
14100 East Jewell	14	1980	(q)
14190 East Jewell	7	1980	(q)
608 Garrison Street	10	1984	(q)
610 Garrison Street	9	1984	(q)
1111 West Evans (A&C)	8	1986	(q)
1111 West Evans (B)	1	1986	(q)
15000 West 6th Avenue	33	1985	(q)
14998 West 6th Avenue Bldg E	20	1995	(q)
14998 West 6th Avenue Bldg F	10	1995	(q)
12503 East Euclid Drive	43	1986	(q)
6547 South Racine Circle	27	1996	(q)
7800 East Iliff Avenue	7	1983	(q)
2369 South Trenton Way	10	1983	(q)
2370 South Trenton Way	7	1983	(q)
2422 South Trenton Way	9	1983	(q)
2452 South Trenton Way	15	1983	(q)
8122 South Park Lane - A	14	1986	(q)
8122 South Park Lane - B	7	1986	(q)
1600 South Abilene	17	1986	(q)
1620 South Abilene	10	1986	(q)
1640 South Abilene	13	1986	(q)
13900 East Florida Ave	7	1986	(q)
4301 South Federal Boulevard	8	1997	(q)
14401-14492 East 33rd Place	16	1979	(q)
11701 East 53rd Avenue	15	1985	(q)
5401 Oswego Street	10	1985	(q)
2630 West 2nd Avenue	2	1970	(q)
2650 West 2nd Avenue	8	1970	(q)
14818 West 6th Avenue Bldg A	18	1985	(q)
14828 West 6th Avenue Bldg B	18	1985	(q)
2075 South Valentia	5	1981	(q)
DES MOINES			
1550 East Washington Avenue	543	1987	(q)
1600 East Washington Avenue	160	1987	(q)
5701 NE 17th Street	10	1968	(q)
4121 McDonald Avenue	301	1977	(q)
4141 McDonald Avenue	571	1976	(q)
4161 McDonald Avenue	339	1979	(q)
DETROIT			
2654 Elliott	29	1986	(q)
1731 Thorncroft	160	1969	(q)
1653 E. Maple	97	1990	(q)

S-4

79

BUILDING ADDRESS	LOCATION (CITY/STATE)	(a) ENCUMBRANCES	(b) INITIAL COST	
			LAND	BUILDINGS
47522 Galleon	Plymouth, MI	(e)	85	496
4150 Varsity Drive	Ann Arbor, MI	(e)	168	969
1330 Crooks Road	Clawson, MI	(e)	234	1,348
12000 Merriman Road	Livonia, MI		453	3,651
238 Executive Drive	Troy, MI		52	173
256 Executive Drive	Troy, MI		44	146
301 Executive Drive	Troy, MI		71	293
449 Executive Drive	Troy, MI		125	425
501 Executive Drive	Troy, MI		71	236
645 Executive Drive	Troy, MI		184	940
451 Robbins Drive	Troy, MI		96	448
700 Stephenson Highway	Troy, MI		250	854
800 Stephenson Highway	Troy, MI		558	2,341
1150 Stephenson Highway	Troy, MI		178	966
1200 Stephenson Highway	Troy, MI		246	1,115
1035 Crooks Road	Troy, MI		114	414
1095 Crooks Road	Troy, MI		331	1,017
1416 Meijer Drive	Troy, MI		94	394
1624 Meijer Drive	Troy, MI		236	1,406
1972 Meijer Drive	Troy, MI		315	1,301
2112 Meijer Drive	Troy, MI		141	714
1621 Northwood Drive	Troy, MI		85	351
1707 Northwood Drive	Troy, MI		95	262
1749 Northwood Drive	Troy, MI		107	477
1788 Northwood Drive	Troy, MI		50	196
1821 Northwood Drive	Troy, MI		132	523
1826 Northwood Drive	Troy, MI		55	208
1864 Northwood Drive	Troy, MI		57	190
1902 Northwood Drive	Troy, MI		234	807
1921 Northwood Drive	Troy, MI		135	589
2230 Elliott Avenue	Troy, MI		46	174
2237 Elliott Avenue	Troy, MI		48	159
2277 Elliott Avenue	Troy, MI		48	188
2291 Elliott Avenue	Troy, MI		52	209
2451 Elliott Avenue	Troy, MI		78	319
2730 Research Drive	Rochester Hills, MI		915	4,215
2791 Research Drive	Rochester Hills, MI		557	2,731
2871 Research Drive	Rochester Hills, MI		324	1,487
2911 Research Drive	Rochester Hills, MI		505	2,136
3011 Research Drive	Rochester Hills, MI		457	2,104
2870 Technology Drive	Rochester Hills, MI		275	1,262
2890 Technology Drive	Rochester Hills, MI		199	902
2900 Technology Drive	Rochester Hills, MI		214	977
2920 Technology Drive	Rochester Hills, MI		149	671
2930 Technology Drive	Rochester Hills, MI		131	594
2950 Technology Drive	Rochester Hills, MI		178	819
2960 Technology Drive	Rochester Hills, MI		281	1,277
23014 Commerce Drive	Farmington Hills, MI		39	203
23028 Commerce Drive	Farmington Hills, MI		98	507
23035 Commerce Drive	Farmington Hills, MI		71	355
23042 Commerce Drive	Farmington Hills, MI		67	277
23065 Commerce Drive	Farmington Hills, MI		71	408
23070 Commerce Drive	Farmington Hills, MI		112	442
23079 Commerce Drive	Farmington Hills, MI		68	301
23093 Commerce Drive	Farmington Hills, MI		211	1,024
23135 Commerce Drive	Farmington Hills, MI		146	701
23149 Commerce Drive	Farmington Hills, MI		266	1,005
23163 Commerce Drive	Farmington Hills, MI		111	513
23177 Commerce Drive	Farmington Hills, MI		175	1,007
23192 Commerce Drive	Farmington Hills, MI		41	205
23206 Commerce Drive	Farmington Hills, MI		125	531
23290 Commerce Drive	Farmington Hills, MI		124	707
23370 Commerce Drive	Farmington Hills, MI		59	233
24492 Indoplex Circle	Farmington Hills, MI		67	370
24528 Indoplex Circle	Farmington Hills, MI		91	536
31800 Plymouth Road - Building 1	Livonia, MI	(c)	3,415	19,481
31800 Plymouth Road - Building 2	Livonia, MI	(c)	671	3,860
31800 Plymouth Road - Building 3	Livonia, MI	(c)	322	1,869
31800 Plymouth Road - Building 6	Livonia, MI	(c)	557	3,207
31800 Plymouth Road - Building 7	Livonia, MI	(c)	139	832
21477 Bridge Street	Southfield, MI		244	1,386

BUILDING ADDRESS	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION OR COMPLETION	GROSS AMOUNTS CARRIED AT CLOSE OF PERIOD 12/31/97		
		LAND	BUILDING AND IMPROVEMENTS	TOTAL
47522 Galleon	9	85	505	590

4150 Varsity Drive	8	168	977	1,145
1330 Crooks Road	14	234	1,362	1,596
12000 Merriman Road	1,375	440	5,039	5,479
238 Executive Drive	426	100	551	651
256 Executive Drive	359	85	464	549
301 Executive Drive	487	133	718	851
449 Executive Drive	829	218	1,161	1,379
501 Executive Drive	526	129	704	833
645 Executive Drive	358	234	1,248	1,482
451 Robbins Drive	963	192	1,315	1,507
700 Stephenson Highway	1,361	386	2,079	2,465
800 Stephenson Highway	1,278	654	3,523	4,177
1150 Stephenson Highway	277	200	1,221	1,421
1200 Stephenson Highway	604	284	1,681	1,965
1035 Crooks Road	475	143	860	1,003
1095 Crooks Road	947	360	1,935	2,295
1416 Meijer Drive	388	121	755	876
1624 Meijer Drive	800	373	2,069	2,442
1972 Meijer Drive	726	372	1,970	2,342
2112 Meijer Drive	608	229	1,234	1,463
1621 Northwood Drive	1,041	215	1,262	1,477
1707 Northwood Drive	1,156	239	1,274	1,513
1749 Northwood Drive	464	164	884	1,048
1788 Northwood Drive	461	103	604	707
1821 Northwood Drive	745	220	1,180	1,400
1826 Northwood Drive	395	103	555	658
1864 Northwood Drive	441	107	581	688
1902 Northwood Drive	2,163	511	2,693	3,204
1921 Northwood Drive	1,164	291	1,597	1,888
2230 Elliott Avenue	419	95	544	639
2237 Elliott Avenue	419	90	536	626
2277 Elliott Avenue	438	104	570	674
2291 Elliott Avenue	324	86	499	585
2451 Elliott Avenue	671	164	904	1,068
2730 Research Drive	545	903	4,772	5,675
2791 Research Drive	290	560	3,018	3,578
2871 Research Drive	265	327	1,749	2,076
2911 Research Drive	375	504	2,512	3,016
3011 Research Drive	321	457	2,425	2,882
2870 Technology Drive	231	279	1,489	1,768
2890 Technology Drive	206	206	1,101	1,307
2900 Technology Drive	491	219	1,463	1,682
2920 Technology Drive	155	153	822	975
2930 Technology Drive	382	138	969	1,107
2950 Technology Drive	256	185	1,068	1,253
2960 Technology Drive	242	283	1,517	1,800
23014 Commerce Drive	124	56	310	366
23028 Commerce Drive	213	125	693	818
23035 Commerce Drive	178	93	511	604
23042 Commerce Drive	304	89	559	648
23065 Commerce Drive	134	93	520	613
23070 Commerce Drive	658	125	1,087	1,212
23079 Commerce Drive	181	79	471	550
23093 Commerce Drive	628	295	1,568	1,863
23135 Commerce Drive	226	158	915	1,073
23149 Commerce Drive	459	274	1,456	1,730
23163 Commerce Drive	238	138	724	862
23177 Commerce Drive	513	254	1,441	1,695
23192 Commerce Drive	134	58	322	380
23206 Commerce Drive	463	137	982	1,119
23290 Commerce Drive	531	210	1,152	1,362
23370 Commerce Drive	139	66	365	431
24492 Indoplex Circle	724	175	986	1,161
24528 Indoplex Circle	1,081	263	1,445	1,708
31800 Plymouth Road - Building 1	2,261	3,417	21,740	25,157
31800 Plymouth Road - Building 2	172	674	4,029	4,703
31800 Plymouth Road - Building 3	151	324	2,018	2,342
31800 Plymouth Road - Building 6	989	560	4,193	4,753
31800 Plymouth Road - Building 7	29	141	859	1,000
21477 Bridge Street	219	253	1,596	1,849

BUILDING ADDRESS	ACCUMULATED DEPRECIATION 12/31/97	YEAR BUILT/ RENOVATED	DEPRECIABLE LIVES (YEARS)
-----	-----	-----	-----
47522 Galleon	42	1990	(q)
4150 Varsity Drive	81	1986	(q)
1330 Crooks Road	115	1960	(q)
12000 Merriman Road	2,219	1975	(q)
238 Executive Drive	227	1973	(q)
256 Executive Drive	184	1974	(q)
301 Executive Drive	293	1974	(q)
449 Executive Drive	461	1975	(q)
501 Executive Drive	219	1984	(q)
645 Executive Drive	558	1972	(q)
451 Robbins Drive	437	1975	(q)
700 Stephenson Highway	760	1978	(q)
800 Stephenson Highway	1,269	1979	(q)
1150 Stephenson Highway	396	1982	(q)
1200 Stephenson Highway	534	1980	(q)
1035 Crooks Road	311	1980	(q)
1095 Crooks Road	640	1986	(q)
1416 Meijer Drive	246	1980	(q)

1624 Meijer Drive	706	1984	(q)
1972 Meijer Drive	637	1985	(q)
2112 Meijer Drive	460	1980	(q)
1621 Northwood Drive	501	1977	(q)
1707 Northwood Drive	435	1983	(q)
1749 Northwood Drive	346	1977	(q)
1788 Northwood Drive	231	1977	(q)
1821 Northwood Drive	465	1977	(q)
1826 Northwood Drive	214	1977	(q)
1864 Northwood Drive	225	1977	(q)
1902 Northwood Drive	1,087	1977	(q)
1921 Northwood Drive	655	1977	(q)
2230 Elliott Avenue	222	1974	(q)
2237 Elliott Avenue	198	1974	(q)
2277 Elliott Avenue	219	1975	(q)
2291 Elliott Avenue	209	1974	(q)
2451 Elliott Avenue	359	1974	(q)
2730 Research Drive	1,535	1988	(q)
2791 Research Drive	921	1991	(q)
2871 Research Drive	533	1991	(q)
2911 Research Drive	799	1992	(q)
3011 Research Drive	776	1988	(q)
2870 Technology Drive	471	1988	(q)
2890 Technology Drive	332	1991	(q)
2900 Technology Drive	458	1992	(q)
2920 Technology Drive	241	1992	(q)
2930 Technology Drive	265	1991	(q)
2950 Technology Drive	312	1991	(q)
2960 Technology Drive	455	1992	(q)
23014 Commerce Drive	96	1983	(q)
23028 Commerce Drive	238	1983	(q)
23035 Commerce Drive	165	1983	(q)
23042 Commerce Drive	181	1983	(q)
23065 Commerce Drive	165	1983	(q)
23070 Commerce Drive	298	1983	(q)
23079 Commerce Drive	153	1983	(q)
23093 Commerce Drive	539	1983	(q)
23135 Commerce Drive	290	1986	(q)
23149 Commerce Drive	482	1985	(q)
23163 Commerce Drive	229	1986	(q)
23177 Commerce Drive	502	1986	(q)
23192 Commerce Drive	94	1986	(q)
23206 Commerce Drive	242	1985	(q)
23290 Commerce Drive	439	1980	(q)
23370 Commerce Drive	124	1980	(q)
24492 Indoplex Circle	386	1976	(q)
24528 Indoplex Circle	598	1976	(q)
31800 Plymouth Road - Building 1	1,951	1968/89	(q)
31800 Plymouth Road - Building 2	369	1968/89	(q)
31800 Plymouth Road - Building 3	189	1968/89	(q)
31800 Plymouth Road - Building 6	375	1968/89	(q)
31800 Plymouth Road - Building 7	77	1968/89	(q)
21477 Bridge Street	119	1986	(q)

S-5

80

BUILDING ADDRESS -----	LOCATION (CITY/STATE) -----	(a) ENCUMBRANCES -----	(b) INITIAL COST -----	
			LAND -----	BUILDINGS -----
2965 Technology Drive	Rochester Hills, MI	(d)	964	2,277
1451 Lincoln Avenue	Madison Heights, MI	(d)	299	1,703
4400 Purks Drive	Auburn Hills, MI	(d)	602	3,410
4177A Varsity Drive	Ann Arbor, MI	(d)	90	536
6515 Cobb Drive	Sterling Heights, MI	(d)	305	1,753
32450 N Avis Drive	Madison Heights, MI		281	1,590
32200 N Avis Drive	Madison Heights, MI		408	2,311
32440-32442 Industrial Drive	Madison Heights, MI		120	679
32450 Industrial Drive	Madison Heights, MI		65	369
11813 Hubbard	Livonia, MI		177	1,001
11844 Hubbard	Livonia, MI		189	1,069
11866 Hubbard	Livonia, MI		189	1,073
12050-12190 Hubbard (1)	Livonia, MI		425	2,410
38200 Plymouth Road	Livonia, MI		1,215	--
38220 Plymouth Road	Livonia, MI		756	--
38300 Plymouth Road	Livonia, MI		729	--
12707 Eckles Road	Plymouth, MI		255	1,445
9300-9328 Harrison Rd	Romulus, MI		147	834

9330-9358 Harrison Rd	Romulus, MI	81	456
28420-28448 Highland Rd	Romulus, MI	143	809
28450-28478 Highland Rd	Romulus, MI	81	461
28421-28449 Highland Rd	Romulus, MI	109	617
28451-28479 Highland Rd	Romulus, MI	107	608
28825-28909 Highland Rd	Romulus, MI	70	395
28933-29017 Highland Rd	Romulus, MI	112	634
28824-28908 Highland Rd	Romulus, MI	134	760
28932-29016 Highland Rd	Romulus, MI	123	694
9710-9734 Harrison Rd	Romulus, MI	125	706
9740-9772 Harrison Rd	Romulus, MI	132	749
9840-9868 Harrison Rd	Romulus, MI	144	815
9800-9824 Harrison Rd	Romulus, MI	117	664
29265-29285 Airport Dr	Romulus, MI	140	794
29185-29225 Airport Dr	Romulus, MI	140	792
29149-29165 Airport Dr	Romulus, MI	216	1,225
29101-29115 Airport Dr	Romulus, MI	130	738
29031-29045 Airport Dr	Romulus, MI	124	704
29050-29062 Airport Dr	Romulus, MI	127	718
29120-29134 Airport Dr	Romulus, MI	161	912
29200-29214 Airport Dr	Romulus, MI	170	963
9301-9339 Middlebelt Rd	Romulus, MI	124	703
21405 Trolley Industrial Drive	Taylor, MI	758	4,293
26980 Trolley Industrial Drive	Taylor, MI	450	2,550

GRAND RAPIDS				
3232 Kraft Avenue	Grand Rapids, MI	(e)	810	4,792
8181 Logistics Drive	Grand Rapids, MI	(e)	803	5,263
5062 Kendrick Court SE	Grand Rapids, MI	(e)	142	815
2 84th Street SW	Byron Center, MI		117	685
100 84th Street SW	Byron Center, MI		255	1,477
150 84th Street SW	Byron Center, MI		47	286
511 76th Street SW	Grand Rapids, MI		758	4,355
553 76th Street SW	Grand Rapids, MI		32	191
555 76th Street SW	Grand Rapids, MI		776	4,458
2925 Remico Avenue SW	Grandville, MI		281	1,617
2935 Walkent Court NW	Grand Rapids, MI		285	1,663
3300 Kraft Avenue SE	Grand Rapids, MI		838	4,810
3366 Kraft Avenue SE	Grand Rapids, MI		833	4,780
4939 Starr Avenue	Grand Rapids, MI		117	681
5001 Kendrick Court SE	Grand Rapids, MI		210	1,221
5050 Kendrick Court SE	Grand Rapids, MI	(c)	1,721	11,433
5015 52nd Street SE	Grand Rapids, MI	(c)	234	1,321
5025 28th Street	Grand Rapids, MI		77	488
5079 33rd Street SE	Grand Rapids, MI		525	3,018
5333 33rd Street SE	Grand Rapids, MI		480	2,761
5130 Patterson Avenue SE	Grand Rapids, MI		137	793
425 Gordon Industrial Court	Grand Rapids, MI	(d)	611	3,747
2851 Prairie Street	Grandville, MI	(d)	377	2,778
2945 Walkent Court	Grand Rapids, MI	(d)	310	2,074
537 76th Street	Grand Rapids, MI	(d)	255	1,456

BUILDING ADDRESS	COSTS	GROSS AMOUNTS CARRIED		
	CAPITALIZED	AT CLOSE OF PERIOD 12/31/97		
	SUBSEQUENT TO ACQUISITION OR COMPLETION	LAND	BUILDING AND IMPROVEMENTS	TOTAL
2965 Technology Drive	123	964	2,400	3,364
1451 Lincoln Avenue	452	305	2,149	2,454
4400 Purks Drive	112	612	3,512	4,124
4177A Varsity Drive	78	90	614	704
6515 Cobb Drive	29	305	1,782	2,087
32450 N Avis Drive	63	286	1,648	1,934
32200 N Avis Drive	94	411	2,402	2,813
32440-32442 Industrial Drive	83	123	759	882
32450 Industrial Drive	36	66	404	470
11813 Hubbard	42	180	1,040	1,220
11844 Hubbard	72	191	1,139	1,330
11866 Hubbard	28	191	1,099	1,290
12050-12190 Hubbard (1)	275	428	2,682	3,110
38200 Plymouth Road	4,610	1,268	4,557	5,825
38220 Plymouth Road	2,487	756	2,487	3,243
38300 Plymouth Road	3,268	729	3,268	3,997
12707 Eckles Road	106	267	1,539	1,806
9300-9328 Harrison Rd	118	154	945	1,099
9330-9358 Harrison Rd	90	85	542	627
28420-28448 Highland Rd	122	149	925	1,074
28450-28478 Highland Rd	180	85	637	722
28421-28449 Highland Rd	186	114	798	912
28451-28479 Highland Rd	98	112	701	813
28825-28909 Highland Rd	112	73	504	577
28933-29017 Highland Rd	117	117	746	863
28824-28908 Highland Rd	189	140	943	1,083
28932-29016 Highland Rd	99	128	788	916
9710-9734 Harrison Rd	131	130	832	962
9740-9772 Harrison Rd	120	138	863	1,001
9840-9868 Harrison Rd	112	150	921	1,071
9800-9824 Harrison Rd	88	123	746	869
29265-29285 Airport Dr	163	147	950	1,097
29185-29225 Airport Dr	226	146	1,012	1,158
29149-29165 Airport Dr	233	226	1,448	1,674
29101-29115 Airport Dr	214	136	946	1,082
29031-29045 Airport Dr	96	130	794	924
29050-29062 Airport Dr	91	133	803	936
29120-29134 Airport Dr	150	168	1,055	1,223
29200-29214 Airport Dr	240	178	1,195	1,373
9301-9339 Middlebelt Rd	111	130	808	938
21405 Trolley Industrial Drive	126	774	4,403	5,177
26980 Trolley Industrial Drive	96	463	2,633	3,096
GRAND RAPIDS				
3232 Kraft Avenue	1,062	874	5,790	6,664
8181 Logistics Drive	675	864	5,877	6,741

5062 Kendrick Court SE	13	142	828	970
2 84th Street SW	287	117	972	1,089
100 84th Street SW	101	255	1,578	1,833
150 84th Street SW	45	47	331	378
511 76th Street SW	215	758	4,570	5,328
553 76th Street SW	22	32	213	245
555 76th Street SW	97	776	4,555	5,331
2925 Remico Avenue SW	8	281	1,625	1,906
2935 Walkent Court NW	46	285	1,709	1,994
3300 Kraft Avenue SE	130	838	4,940	5,778
3366 Kraft Avenue SE	380	833	5,160	5,993
4939 Starr Avenue	29	117	710	827
5001 Kendrick Court SE	38	210	1,259	1,469
5050 Kendrick Court SE	4,568	1,721	16,001	17,722
5015 52nd Street SE	34	234	1,355	1,589
5025 28th Street	17	77	505	582
5079 33rd Street SE	4	525	3,022	3,547
5333 33rd Street SE	48	480	2,809	3,289
5130 Patterson Avenue SE	20	137	813	950
425 Gordon Industrial Court	1,331	644	5,045	5,689
2851 Prairie Street	240	445	2,950	3,395
2945 Walkent Court	296	352	2,328	2,680
537 76th Street	330	258	1,783	2,041

BUILDING ADDRESS	ACCUMULATED DEPRECIATION 12/31/97	YEAR BUILT/ RENOVATED	DEPRECIABLE LIVES (YEARS)

2965 Technology Drive	172	1995	(q)
1451 Lincoln Avenue	142	1967	(q)
4400 Purks Drive	226	1987	(q)
4177A Varsity Drive	92	1993	(q)
6515 Cobb Drive	148	1984	(q)
32450 N Avis Drive	78	1974	(q)
32200 N Avis Drive	113	1973	(q)
32440-32442 Industrial Drive	44	1979	(q)
32450 Industrial Drive	19	1979	(q)
11813 Hubbard	50	1979	(q)
11844 Hubbard	85	1979	(q)
11866 Hubbard	52	1979	(q)
12050-12190 Hubbard (l)	131	1981	(q)
38200 Plymouth Road	93	1997	(q)
38220 Plymouth Road	1	1988	(q)
38300 Plymouth Road	1	1997	(q)
12707 Eckles Road	54	1990	(q)
9300-9328 Harrison Rd	26	1978	(q)
9330-9358 Harrison Rd	15	1978	(q)
28420-28448 Highland Rd	26	1979	(q)
28450-28478 Highland Rd	15	1979	(q)
28421-28449 Highland Rd	21	1980	(q)
28451-28479 Highland Rd	19	1980	(q)
28825-28909 Highland Rd	14	1981	(q)
28933-29017 Highland Rd	22	1982	(q)
28824-28908 Highland Rd	25	1982	(q)
28932-29016 Highland Rd	22	1982	(q)
9710-9734 Harrison Rd	27	1987	(q)
9740-9772 Harrison Rd	26	1987	(q)
9840-9868 Harrison Rd	27	1987	(q)
9800-9824 Harrison Rd	21	1987	(q)
29265-29285 Airport Dr	26	1983	(q)
29185-29225 Airport Dr	26	1983	(q)
29149-29165 Airport Dr	39	1984	(q)
29101-29115 Airport Dr	27	1985	(q)
29031-29045 Airport Dr	22	1985	(q)
29050-29062 Airport Dr	22	1986	(q)
29120-29134 Airport Dr	29	1986	(q)
29200-29214 Airport Dr	31	1985	(q)
9301-9339 Middlebelt Rd	23	1983	(q)
21405 Trolley Industrial Drive	91	1971	(q)
26980 Trolley Industrial Drive	22	1997	(q)
GRAND RAPIDS			
3232 Kraft Avenue	551	1988	(q)
8181 Logistics Drive	561	1990	(q)
5062 Kendrick Court SE	77	1987	(q)
2 84th Street SW	97	1986	(q)
100 84th Street SW	151	1979	(q)
150 84th Street SW	39	1977	(q)
511 76th Street SW	418	1986	(q)
553 76th Street SW	20	1985	(q)
555 76th Street SW	409	1987	(q)

2925 Remico Avenue SW	142	1988	(q)
2935 Walkent Court NW	151	1991	(q)
3300 Kraft Avenue SE	540	1987	(q)
3366 Kraft Avenue SE	483	1987	(q)
4939 Starr Avenue	72	1985	(q)
5001 Kendrick Court SE	118	1983	(q)
5050 Kendrick Court SE	1,312	1988	(q)
5015 52nd Street SE	118	1987	(q)
5025 28th Street	76	1967	(q)
5079 33rd Street SE	264	1990	(q)
5333 33rd Street SE	282	1991	(q)
5130 Patterson Avenue SE	78	1987	(q)
425 Gordon Industrial Court	411	1990	(q)
2851 Prairie Street	277	1989	(q)
2945 Walkent Court	219	1993	(q)
537 76th Street	117	1987	(q)

S-6

81

BUILDING ADDRESS -----	LOCATION (CITY/STATE) -----	(a) ENCUMBRANCES -----	(b) INITIAL COST -----	
			LAND ----	BUILDINGS -----
HOUSTON				
2102-2314 Edwards Street	Houston, TX		348	1,973
4545 Eastpark Drive	Houston, TX		235	1,331
3351 Ranch St	Houston, TX		272	1,541
3851 Yale St	Houston, TX		413	2,343
3337-3347 Ranch Street	Houston, TX		227	1,287
8505 N Loop East	Houston, TX		439	2,489
4749-4799 Eastpark Dr	Houston, TX		594	3,368
4851 Homestead Road	Houston, TX		491	2,782
3365-3385 Ranch Street	Houston, TX		284	1,611
5050 Campbell Road	Houston, TX		461	2,610
4300 Pine Timbers	Houston, TX		489	2,769
10600 Hampstead	Houston, TX		105	597
2300 Fairway Park Dr	Houston, TX		86	488
7969 Blakenship	Houston, TX		174	987
8001 Kempwood	Houston, TX		98	558
7901 Blankenship	Houston, TX		136	772
2500-2530 Fairway Park Drive	Houston, TX		766	4,342
6550 Longpointe	Houston, TX		362	2,050
1815 Turning Basin Dr	Houston, TX		487	2,761
1819 Turning Basin Dr	Houston, TX		231	1,308
4545 Mossford Dr	Houston, TX		237	1,342
1805 Turning Basin Drive	Houston, TX		564	3,197
7000 Empire Drive	Houston, TX	(k)	450	2,552
9777 West Gulfbank Drive	Houston, TX	(k)	1,217	6,899
INDIANAPOLIS				
2900 N Shadeland Avenue	Indianapolis, IN	(f)	2,394	13,565
2400 N Shadeland Avenue	Indianapolis, IN		142	802
2402 N Shadeland Avenue	Indianapolis, IN		466	2,640
7901 West 21st Street	Indianapolis, IN		1,064	6,027
1445 Brookville Way	Indianapolis, IN	(f)	459	2,603
1440 Brookville Way	Indianapolis, IN	(f)	665	3,770
1240 Brookville Way	Indianapolis, IN	(f)	247	1,402
1220 Brookville Way	Indianapolis, IN	(f)	223	40
1345 Brookville Way	Indianapolis, IN	(g)	586	3,321
1350 Brookville Way	Indianapolis, IN	(f)	205	1,161
1315 Sadlier Circle E Dr	Indianapolis, IN	(g)	57	322
1341 Sadlier Circle E Dr	Indianapolis, IN	(g)	131	743
1322-1438 Sadlier Circle E Dr	Indianapolis, IN	(g)	145	822
1327-1441 Sadlier Circle E Dr	Indianapolis, IN	(g)	218	1,234
1304 Sadlier Circle E Dr	Indianapolis, IN	(g)	71	405
1402 Sadlier Circle E Dr	Indianapolis, IN	(g)	165	934
1504 Sadlier Circle E Dr	Indianapolis, IN	(g)	219	1,238
1311 Sadlier Circle E Dr	Indianapolis, IN	(g)	54	304
1365 Sadlier Circle E Dr	Indianapolis, IN	(g)	121	688
1352-1354 Sadlier Circle E Dr	Indianapolis, IN	(g)	178	1,008
1335 Sadlier Circle E Dr	Indianapolis, IN	(g)	81	460
1327 Sadlier Circle E Dr	Indianapolis, IN	(g)	52	295
1425 Sadlier Circle E Dr	Indianapolis, IN	(g)	21	117
1230 Brookville Way	Indianapolis, IN	(f)	103	586
6951 E 30th St	Indianapolis, IN		256	1,449
6701 E 30th St	Indianapolis, IN		78	443
6737 E 30th St	Indianapolis, IN		385	2,181
1225 Brookville Way	Indianapolis, IN		60	--
6555 E 30th St	Indianapolis, IN		840	4,760
2432-2436 Shadeland	Indianapolis, IN		212	1,199
8402-8440 E 33rd St	Indianapolis, IN		222	1,260
8520-8630 E 33rd St	Indianapolis, IN		326	1,848
8710-8768 E 33rd St	Indianapolis, IN		175	993
3316-3346 N. Pagosa Court	Indianapolis, IN		325	1,842
3331 Raton Court	Indianapolis, IN		138	802
4430 Airport Expressway	Indianapolis, IN		1,068	6,789
6751 E 30th St	Indianapolis, IN		728	2,837
LONG ISLAND				
1140 Motor Parkway	Hauppauge, NY		1,034	5,861
10 Edison Street	Amityville, NY		183	1,036
120 Secatogue Ave	Farmingdale, NY		375	2,123
100 Lauman Lane	Hicksville, NY		216	1,226
200 Finn Court	Farmingdale, NY		619	3,506

BUILDING ADDRESS - - - - -	COSTS		GROSS AMOUNTS CARRIED	
	CAPITALIZED SUBSEQUENT TO ACQUISITION OR COMPLETION - - - - -	LAND - - - - -	AT CLOSE OF PERIOD 12/31/97 -----	
			BUILDING AND IMPROVEMENTS -----	TOTAL -----
HOUSTON				
2102-2314 Edwards Street	71	359	2,034	2,392
4545 Eastpark Drive	33	240	1,360	1,599
3351 Ranch St	38	278	1,574	1,851
3851 Yale St	71	424	2,404	2,827
3337-3347 Ranch Street	36	233	1,318	1,550
8505 N Loop East	66	449	2,546	2,994
4749-4799 Eastpark Dr	107	611	3,459	4,069
4851 Homestead Road	87	504	2,857	3,360
3365-3385 Ranch Street	38	290	1,644	1,933
5050 Campbell Road	61	470	2,663	3,132
4300 Pine Timbers	69	499	2,829	3,327
10600 Hampstead	25	109	619	727
2300 Fairway Park Dr	22	90	507	596
7969 Blakenship	31	179	1,014	1,192
8001 Kempwood	20	102	575	676
7901 Blankenship	26	140	795	934
2500-2530 Fairway Park Drive	168	792	4,485	5,276
6550 Longpointe	53	370	2,096	2,465
1815 Turning Basin Dr	290	531	3,008	3,538
1819 Turning Basin Dr	133	251	1,422	1,672
4545 Mossford Dr	54	245	1,389	1,633
1805 Turning Basin Drive	341	616	3,487	4,102
7000 Empire Drive	23	454	2,571	3,025
9777 West Gulfbank Drive	59	1,226	6,949	8,175
INDIANAPOLIS				
2900 N Shadeland Avenue	1,786	2,496	15,249	17,745
2400 N Shadeland Avenue	51	149	846	995
2402 N Shadeland Avenue	231	490	2,847	3,337
7901 West 21st Street	114	1,079	6,126	7,205
1445 Brookville Way	266	476	2,852	3,328
1440 Brookville Way	248	685	3,998	4,683
1240 Brookville Way	190	258	1,581	1,839
1220 Brookville Way	31	226	68	294
1345 Brookville Way	268	601	3,574	4,175
1350 Brookville Way	80	211	1,235	1,446
1315 Sadlier Circle E Dr	48	61	366	427
1341 Sadlier Circle E Dr	50	134	790	924
1322-1438 Sadlier Circle E Dr	104	152	919	1,071
1327-1441 Sadlier Circle E Dr	101	225	1,328	1,553
1304 Sadlier Circle E Dr	50	75	451	526
1402 Sadlier Circle E Dr	84	171	1,012	1,183
1504 Sadlier Circle E Dr	74	226	1,305	1,531
1311 Sadlier Circle E Dr	84	57	385	442
1365 Sadlier Circle E Dr	57	126	740	866
1352-1354 Sadlier Circle E Dr	88	184	1,090	1,274
1335 Sadlier Circle E Dr	49	85	505	590
1327 Sadlier Circle E Dr	25	55	317	372
1425 Sadlier Circle E Dr	24	23	139	162
1230 Brookville Way	46	109	626	735
6951 E 30th St	93	265	1,533	1,798
6701 E 30th St	40	82	479	561
6737 E 30th St	143	398	2,311	2,709
1225 Brookville Way	396	68	388	456
6555 E 30th St	427	484	5,543	6,027
2432-2436 Shadeland	178	230	1,359	1,589
8402-8440 E 33rd St	55	230	1,307	1,537
8520-8630 E 33rd St	249	336	2,087	2,423
8710-8768 E 33rd St	37	187	1,018	1,205
3316-3346 N. Pagosa Court	140	335	1,972	2,307
3331 Raton Court	40	144	836	980
4430 Airport Expressway	900	1,238	7,519	8,757
6751 E 30th St	106	741	2,930	3,671
LONG ISLAND				
1140 Motor Parkway	157	1,051	6,001	7,052
10 Edison Street	74	188	1,105	1,293
120 Secatogue Ave	65	382	2,181	2,563
100 Lauman Lane	66	222	1,286	1,508
200 Finn Court	132	630	3,627	4,257
243 Dixon Avenue	44	96	568	664

BUILDING ADDRESS - - - - -	ACCUMULATED	YEAR BUILT/ RENOVATED - - - - -	DEPRECIABLE LIVES (YEARS) - - - - -
	DEPRECIATION 12/31/97 - - - - -		
HOUSTON			
2102-2314 Edwards Street	4	1961	(q)
4545 Eastpark Drive	3	1972	(q)
3351 Ranch St	3	1970	(q)

3851 Yale St	5	1971	(q)
3337-3347 Ranch Street	3	1970	(q)
8505 N Loop East	5	1981	(q)
4749-4799 Eastpark Dr	7	1979	(q)
4851 Homestead Road	6	1973	(q)
3365-3385 Ranch Street	3	1970	(q)
5050 Campbell Road	6	1970	(q)
4300 Pine Timbers	6	1980	(q)
10600 Hampstead	1	1974	(q)
2300 Fairway Park Dr	1	1974	(q)
7969 Blakenship	2	1972	(q)
8001 Kempwood	1	1972	(q)
7901 Blankenship	2	1972	(q)
2500-2530 Fairway Park Drive	9	1974	(q)
6550 Longpointe	4	1980	(q)
1815 Turning Basin Dr	6	1980	(q)
1819 Turning Basin Dr	3	1980	(q)
4545 Mossford Dr	3	1975	(q)
1805 Turning Basin Drive	7	1980	(q)
7000 Empire Drive	5	1980	(q)
9777 West Gulfbank Drive	14	1980	(q)

INDIANAPOLIS

2900 N Shadeland Avenue	721	1957/1992	(q)
2400 N Shadeland Avenue	11	1970	(q)
2402 N Shadeland Avenue	36	1970	(q)
7901 West 21st Street	51	1985	(q)
1445 Brookville Way	138	1989	(q)
1440 Brookville Way	181	1990	(q)
1240 Brookville Way	86	1990	(q)
1220 Brookville Way	3	1990	(q)
1345 Brookville Way	166	1992	(q)
1350 Brookville Way	56	1994	(q)
1315 Sadlier Circle E Dr	16	1970/1992	(q)
1341 Sadlier Circle E Dr	36	1971/1992	(q)
1322-1438 Sadlier Circle E Dr	44	1971/1992	(q)
1327-1441 Sadlier Circle E Dr	66	1992	(q)
1304 Sadlier Circle E Dr	22	1971/1992	(q)
1402 Sadlier Circle E Dr	46	1970/1992	(q)
1504 Sadlier Circle E Dr	59	1971/1992	(q)
1311 Sadlier Circle E Dr	26	1971/1992	(q)
1365 Sadlier Circle E Dr	33	1971/1992	(q)
1352-1354 Sadlier Circle E Dr	49	1970/1992	(q)
1335 Sadlier Circle E Dr	23	1971/1992	(q)
1327 Sadlier Circle E Dr	15	1971/1992	(q)
1425 Sadlier Circle E Dr	6	1971/1992	(q)
1230 Brookville Way	28	1995	(q)
6951 E 30th St	70	1995	(q)
6701 E 30th St	22	1995	(q)
6737 E 30th St	106	1995	(q)
1225 Brookville Way	5	1997	(q)
6555 E 30th St	210	1969/1981	(q)
2432-2436 Shadeland	50	1968	(q)
8402-8440 E 33rd St	41	1977	(q)
8520-8630 E 33rd St	75	1976	(q)
8710-8768 E 33rd St	33	1979	(q)
3316-3346 N. Pagosa Court	61	1977	(q)
3331 Raton Court	26	1979	(q)
4430 Airport Expressway	209	1970	(q)
6751 E 30th St	12	1997	(q)

LONG ISLAND

1140 Motor Parkway	149	1978	(q)
10 Edison Street	27	1971	(q)
120 Secatogue Ave	54	1957	(q)
100 Lauman Lane	32	1968	(q)
200 Finn Court	89	1965	(q)
243 Dixon Avenue	14	1978	(q)

S-7

BUILDING ADDRESS	(CITY/STATE)	ENCUMBRANCES	LAND	BUILDINGS
-----	-----	-----	-----	-----
717 Broadway Avenue	Holbrook, NY		790	4,474
725 Broadway Avenue	Holbrook, NY		643	3,644
270 Duffy Avenue	Hicksville, NY		1,305	7,393
280 Duffy Avenue	Hicksville, NY		478	2,707
575 Underhill Boulevard	Syosset, NY		2,714	15,382
5 Sidney Court	Lindenhurst, NY		148	840
7 Sidney Court	Lindenhurst, NY		172	975
450 Commack Road	Deer Park, NY		304	1,720
99 Lafayette Drive	Syosset, NY		1,607	9,106
65 East Bethpage Road	Plainview, NY		198	1,122
171 Milbar Boulevard	Farmingdale, NY		454	2,574
95 Horseblock Road	Yaphank, NY		1,313	7,439
151-171 East 2nd Street	Huntington, NY		497	2,815
171-175 East 2nd Street	Huntington, NY		493	2,792
35 Bloomingdale Road	Hicksville, NY		190	1,076
15-39 Tec Street	Hicksville, NY		164	930
100 Tec Street	Hicksville, NY		237	1,340
51-89 Tec Street	Hicksville, NY		207	1,171
502 Old Country Road	Hicksville, NY		95	536
80-98 Tec Street	Hicksville, NY		123	700
201-233 Park Avenue	Hicksville, NY		349	1,979
6851 Jericho Turnpike	Syosset, NY		1,570	8,896
One Fairchild Court	Plainview, NY		315	1,786
79 Express Street	Plainview, NY		417	2,363
92 Central Avenue	Farmingdale, NY		837	4,745
160 Engineer Drive	Hicksville, NY		148	836
260 Engineers Drive	Hicksville, NY		264	1,494
87-119 Engineers Dr (1)	Hicksville, NY		181	1,023
950-970 South Broadway	Hicksville, NY		250	1,418
290 Duffy Avenue	Hicksville, NY	(h)	383	2,171
185 Price Parkway	Farmingdale, NY		611	3,464
62 Alpha Plaza	Hicksville, NY		155	877
90 Alpha Plaza	Hicksville, NY		127	717
325 Duffy Avenue	Hicksville, NY		480	2,720
939 Motor Parkway	Hauppauge, NY		105	596
2070 5th Avenue	Ronkonkoma, NY		383	2,171
200 13th Avenue	Ronkonkoma, NY		313	1,776
100 13th Avenue	Ronkonkoma, NY		348	1,973
1 Comac Loop	Ronkonkoma, NY		348	1,973
80 13th Avenue	Ronkonkoma, NY		418	2,368
90 13th Avenue	Ronkonkoma, NY		383	2,171
33 Comac Loop	Ronkonkoma, NY		383	2,171
101-125 Comac Street	Ronkonkoma, NY		905	5,131

MILWAUKEE				
N25 W23050 Paul Road	Pewaukee, WI		474	2,723
N25 W23255 Paul Road	Pewaukee, WI		571	3,270
N27 W23293 Roundy Drive	Pewaukee, WI		412	2,837
6523 N. Sydney Place	Glendale, WI		172	976
8800 W Bradley	Milwaukee, WI		375	2,125
1435 North 113th St	Wauwatosa, WI		300	1,699
11217-43 W. Becher St	West Allis, WI		148	841
2152 S 114th Street	West Allis, WI		326	1,846
4560 N. 124th Street	Wauwatosa, WI		118	667
12221 W. Feerick Street	Wauwatosa, WI		210	1,190

MINNEAPOLIS				
2700 Freeway Boulevard	Brooklyn Center, MN	(e)	392	2,318
6507-6545 Cecilia Circle	Bloomington, MN		357	1,320
6403-6545 Cecilia Drive	Bloomington, MN		366	1,363
1275 Corporate Center Drive	Eagan, MN		80	357
1279 Corporate Center Drive	Eagan, MN		105	357
2815 Eagandale Boulevard	Eagan, MN		80	357
6201 West 111th Street	Bloomington, MN	(c)	1,358	8,622
6925-6943 Washington Avenue	Edina, MN		117	504
6955-6973 Washington Avenue	Edina, MN		117	486
7251-7267 Washington Avenue	Edina, MN		129	382
7301-7325 Washington Avenue	Edina, MN		174	391
7101 Winnetka Avenue North	Brooklyn Park, MN	(c)	2,195	6,084
7600 Golden Triangle Drive	Eden Prairie, MN		566	1,394
7830-7848 12th Avenue South	Bloomington, MN		376	1,346

BUILDING ADDRESS	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION OR COMPLETION	GROSS AMOUNTS CARRIED AT CLOSE OF PERIOD 12/31/97		
		LAND	BUILDING AND IMPROVEMENTS	TOTAL
717 Broadway Avenue	135	805	4,594	5,399
725 Broadway Avenue	118	656	3,749	4,405
270 Duffy Avenue	156	1,319	7,535	8,854
280 Duffy Avenue	47	483	2,749	3,232
575 Underhill Boulevard	301	2,741	15,656	18,397
5 Sidney Court	63	152	899	1,051
7 Sidney Court	46	176	1,017	1,193
450 Commack Road	80	310	1,794	2,104
99 Lafayette Drive	221	1,629	9,305	10,934
65 East Bethpage Road	44	202	1,162	1,364
171 Milbar Boulevard	88	461	2,655	3,116
95 Horseblock Road	227	1,331	7,648	8,979
151-171 East 2nd Street	66	503	2,875	3,378
171-175 East 2nd Street	80	498	2,867	3,365
35 Bloomingdale Road	61	194	1,133	1,327
15-39 Tec Street	54	167	981	1,148
100 Tec Street	33	240	1,370	1,610
51-89 Tec Street	38	210	1,206	1,416
502 Old Country Road	20	97	554	651
80-98 Tec Street	23	126	720	846
201-233 Park Avenue	70	354	2,044	2,398
6851 Jericho Turnpike	231	1,586	9,111	10,697
One Fairchild Court	80	322	1,859	2,181

79 Express Street	69	425	2,424	2,849
92 Central Avenue	111	846	4,847	5,693
160 Engineer Drive	45	152	877	1,029
260 Engineers Drive	58	270	1,546	1,816
87-119 Engineers Dr (1)	57	185	1,076	1,261
950-970 South Broadway	117	256	1,529	1,785
290 Duffy Avenue	258	389	2,423	2,812
185 Price Parkway	98	622	3,551	4,173
62 Alpha Plaza	29	159	902	1,061
90 Alpha Plaza	31	130	745	875
325 Duffy Avenue	53	488	2,765	3,253
939 Motor Parkway	47	112	636	748
2070 5th Avenue	18	386	2,186	2,572
200 13th Avenue	18	316	1,791	2,107
100 13th Avenue	19	351	1,989	2,340
1 Comac Loop	19	351	1,989	2,340
80 13th Avenue	22	421	2,387	2,808
90 13th Avenue	24	387	2,191	2,578
33 Comac Loop	20	386	2,188	2,574
101-125 Comac Street	43	912	5,167	6,079

MILWAUKEE

N25 W23050 Paul Road	12	474	2,735	3,209
N25 W23255 Paul Road	1	571	3,271	3,842
N27 W23293 Roundy Drive	1	412	2,838	3,250
6523 N. Sydney Place	140	176	1,112	1,288
8800 W Bradley	130	388	2,242	2,630
1435 North 113th St	99	310	1,788	2,098
11217-43 W. Becher St	59	155	893	1,048
2152 S 114th Street	97	339	1,930	2,269
4560 N. 124th Street	84	129	740	869
12221 W. Feerick Street	81	221	1,260	1,481

MINNEAPOLIS

2700 Freeway Boulevard	422	415	2,717	3,132
6507-6545 Cecilia Circle	352	386	1,643	2,029
6403-6545 Cecilia Drive	446	395	1,780	2,175
1275 Corporate Center Drive	41	93	385	478
1279 Corporate Center Drive	90	109	443	552
2815 Eagandale Boulevard	172	97	512	609
6201 West 111th Street	3,763	1,499	12,244	13,743
6925-6943 Washington Avenue	538	237	922	1,159
6955-6973 Washington Avenue	386	191	798	989
7251-7267 Washington Avenue	422	182	751	933
7301-7325 Washington Avenue	476	193	848	1,041
7101 Winnetka Avenue North	2,141	2,229	8,191	10,420
7600 Golden Triangle Drive	1,269	615	2,614	3,229
7830-7848 12th Avenue South	206	381	1,547	1,928

BUILDING ADDRESS	ACCUMULATED DEPRECIATION 12/31/97	YEAR BUILT/ RENOVATED	DEPRECIABLE LIVES (YEARS)
717 Broadway Avenue	114	1967	(q)
725 Broadway Avenue	93	1967	(q)
270 Duffy Avenue	188	1956	(q)
280 Duffy Avenue	68	1956	(q)
575 Underhill Boulevard	384	1967	(q)
5 Sidney Court	22	1962	(q)
7 Sidney Court	25	1964	(q)
450 Commack Road	44	1964	(q)
99 Lafayette Drive	227	1964	(q)
65 East Bethpage Road	29	1960	(q)
171 Milbar Boulevard	66	1961	(q)
95 Horseblock Road	192	1971	(q)
151-171 East 2nd Street	71	1968	(q)
171-175 East 2nd Street	71	1969	(q)
35 Bloomingdale Road	30	1962	(q)
15-39 Tec Street	26	1965	(q)
100 Tec Street	34	1965	(q)
51-89 Tec Street	35	1965	(q)
502 Old Country Road	14	1965	(q)
80-98 Tec Street	18	1965	(q)
201-233 Park Avenue	50	1962	(q)
6851 Jericho Turnpike	240	1969	(q)
One Fairchild Court	47	1959	(q)
79 Express Street	60	1972	(q)
92 Central Avenue	120	1961	(q)
160 Engineer Drive	21	1966	(q)
260 Engineers Drive	38	1966	(q)
87-119 Engineers Dr (1)	27	1966	(q)
950-970 South Broadway	40	1966	(q)
290 Duffy Avenue	59	1974	(q)
185 Price Parkway	88	1969	(q)
62 Alpha Plaza	6	1968	(q)
90 Alpha Plaza	5	1969	(q)
325 Duffy Avenue	6	1970	(q)
939 Motor Parkway	1	1977	(q)
2070 5th Avenue	5	1975	(q)

200 13th Avenue	4	1979	(q)
100 13th Avenue	4	1979	(q)
1 Comac Loop	4	1980	(q)
80 13th Avenue	5	1983	(q)
90 13th Avenue	5	1982	(q)
33 Comac Loop	5	1983	(q)
101-125 Comac Street	11	1985	(q)
MILWAUKEE			
N25 W23050 Paul Road	171	1989	(q)
N25 W23255 Paul Road	286	1987	(q)
N27 W23293 Roundy Drive	247	1989	(q)
6523 N. Sydney Place	57	1978	(q)
8800 W Bradley	88	1982	(q)
1435 North 113th St	56	1993	(q)
11217-43 W. Becher St	13	1979	(q)
2152 S 114th Street	28	1980	(q)
4560 N. 124th Street	11	1976	(q)
12221 W. Feerick Street	16	1971	(q)
MINNEAPOLIS			
2700 Freeway Boulevard	291	1981	(q)
6507-6545 Cecilia Circle	653	1980	(q)
6403-6545 Cecilia Drive	704	1980	(q)
1275 Corporate Center Drive	128	1990	(q)
1279 Corporate Center Drive	150	1990	(q)
2815 Eagandale Boulevard	147	1990	(q)
6201 West 111th Street	1,808	1987	(q)
6925-6943 Washington Avenue	489	1972	(q)
6955-6973 Washington Avenue	431	1972	(q)
7251-7267 Washington Avenue	399	1972	(q)
7301-7325 Washington Avenue	448	1972	(q)
7101 Winnetka Avenue North	3,088	1990	(q)
7600 Golden Triangle Drive	960	1989	(q)
7830-7848 12th Avenue South	661	1978	(q)

S-8

83

BUILDING ADDRESS - - - - -	LOCATION (CITY/STATE) - - - - -	(a) ENCUMBRANCES - - - - -	(b) INITIAL COST -----	
			LAND ----	BUILDINGS -----
7850-7890 12th Avenue South	Bloomington, MN		347	1,242
7900 Main Street Northeast	Fridley, MN		480	1,604
7901 Beech Street Northeast	Fridley, MN		405	1,554
9901 West 74th Street	Eden Prairie, MN		621	3,289
10175-10205 Crosstown Circle	Eden Prairie, MN		132	686
11201 Hampshire Avenue South	Bloomington, MN		495	1,035
12220-12222 Nicollet Avenue	Burnsville, MN		105	425
12250-12268 Nicollet Avenue	Burnsville, MN		260	1,054
12224-12226 Nicollet Avenue	Burnsville, MN		190	770
305 2nd Street Northwest	New Brighton, MN		460	2,744
953 Westgate Drive	St. Paul, MN		193	1,178
980 Lone Oak Road	Eagan, MN		683	4,103
990 Lone Oak Road	Eagan, MN		883	5,575
1030 Lone Oak Road	Eagan, MN		456	2,703
1060 Lone Oak Road	Eagan, MN		624	3,700
5400 Nathan Lane	Plymouth, MN		749	4,461
6464 Sycamore Court	Maple Grove, MN		457	2,730
6701 Parkway Circle	Brooklyn Center, MN		350	2,131
6601 Shingle Creek Parkway	Brooklyn Center, MN		411	2,813
10120 W 76th Street	Eden Prairie, MN		315	1,804
7615 Golden Triangle	Eden Prairie, MN		268	1,532
7625 Golden Triangle	Eden Prairie, MN		415	2,375
2605 Fernbrook Lane North	Plymouth, MN		443	2,533
12155 Nicollet Ave.	Burnsville, MN		286	-
6655 Wedgewood Road	Maple Grove, MN	(d)	1,466	8,342
900 Apollo Road	Eagan, MN	(d)	1,029	5,855
7316 Aspen Lane	Brooklyn Park, MN	(d)	368	2,156
6707 Shingle Creek Parkway	Brooklyn Center, MN	(d)	376	2,101
9401 73rd Avenue North	Brooklyn Park, MN		504	2,856
1905 W Country Road C	Roseville, MN		402	2,278
2720 Arthur Street	Roseville, MN		824	4,671
10205 51st Avenue North	Plymouth, MN		180	1,020
4100 Peavey Road	Chaska, MN		399	2,261
11300 Hamshire Ave South	Bloomington, MN		527	2,985
375 Rivertown Drive	Woodbury, MN		1,083	6,135
5205 Highway 169	Plymouth, MN		446	2,525
6451-6595 Citywest Parkway	Eden Prairie, MN		525	2,975
7100-7198 Shady Oak Rd (m)	Eden Prairie, MN		1,118	6,333
1565 First Avenue NW	New Brighton, MN		485	2,750
7125 Northland Terrace	Brooklyn Park, MN		660	3,740
7102 Winnetka	Brooklyn Park, MN		1,334	-
6900 Shady Oak Road	Eden Prairie, MN		310	1,756

7550-7588 Washington Square	Eden Prairie, MN	153	867
7500-7546 Washington Square	Eden Prairie, MN	229	1,300
5240-5300 Valley Industrial Blvd S	Shakopee, MN	362	2,049
6477-6525 City West Parkway	Eden Prairie, MN	810	4,590
NASHVILLE			
1621 Heil Quaker Boulevard	Nashville, TN	(e)	413
417 Harding Industrial Drive	Nashville, TN	(c)	1,006
520 Harding Industrial Drive (1)	Nashville, TN	(c)	645
3099 Barry Drive	Portland, TN		418
3150 Barry Drive	Portland, TN		941
1650 Elm Hill Pike	Nashville, TN		329
1821 Air Lane Drive	Nashville, TN		151
1102 Appleton Drive	Nashville, TN		154
1920 Air Lane Drive	Nashville, TN		250
1931 Air Lane Drive	Nashville, TN		491
470 Metroplex Drive (1)	Nashville, TN		619
1150 Antiock Pike	Nashville, TN		667
5599 Highway 31 West	Portland, TN		564
NEW JERSEY			
116 Lehigh Drive	Fairfield, NJ		851
60 Ethel Road West	Piscataway, NJ		252
70 Ethel Road West	Piscataway, NJ		431
105 Neptune Boulevard	Neptune, NJ		245
140 Hanover Avenue	Hanover, NJ		457
601-629 Montrose Avenue	South Plainfield, NJ		487
3 Marlen	Hamilton, NJ		71

BUILDING ADDRESS	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION OR COMPLETION	GROSS AMOUNTS CARRIED AT CLOSE OF PERIOD 12/31/97		
		BUILDING AND IMPROVEMENTS		TOTAL
		LAND		
7850-7890 12th Avenue South	220	358	1,451	1,809
7900 Main Street Northeast	499	497	2,086	2,583
7901 Beech Street Northeast	442	428	1,973	2,401
9901 West 74th Street	1,961	639	5,232	5,871
10175-10205 Crosstown Circle	102	174	746	920
11201 Hampshire Avenue South	848	501	1,877	2,378
12220-12222 Nicollet Avenue	47	114	463	577
12250-12268 Nicollet Avenue	96	284	1,126	1,410
12224-12226 Nicollet Avenue	102	207	855	1,062
305 2nd Street Northwest	41	460	2,785	3,245
953 Westgate Drive	2	193	1,180	1,373
980 Lone Oak Road	45	683	4,148	4,831
990 Lone Oak Road	119	883	5,694	6,577
1030 Lone Oak Road	45	456	2,748	3,204
1060 Lone Oak Road	137	624	3,837	4,461
5400 Nathan Lane	44	749	4,505	5,254
6464 Sycamore Court	103	457	2,833	3,290
6701 Parkway Circle	344	377	2,448	2,825
6601 Shingle Creek Parkway	495	502	3,217	3,719
10120 W 76th Street	98	318	1,899	2,217
7615 Golden Triangle	342	268	1,874	2,142
7625 Golden Triangle	143	415	2,518	2,933
2605 Fernbrook Lane North	315	445	2,846	3,291
12155 Nicollet Ave.	1,678	288	1,676	1,964
6655 Wedgewood Road	142	1,466	8,484	9,950
900 Apollo Road	194	1,030	6,048	7,078
7316 Aspen Lane	180	377	2,327	2,704
6707 Shingle Creek Parkway	364	379	2,462	2,841
9401 73rd Avenue North	73	512	2,921	3,433
1905 W Country Road C	65	409	2,336	2,745
2720 Arthur Street	77	832	4,740	5,572
10205 51st Avenue North	69	187	1,082	1,269
4100 Peavey Road	124	415	2,369	2,784
11300 Hamshire Ave South	223	541	3,194	3,735
375 Rivertown Drive	676	1,503	6,391	7,894
5205 Highway 169	2,157	739	4,389	5,128
6451-6595 Citywest Parkway	237	538	3,199	3,737
7100-7198 Shady Oak Rd (m)	485	1,149	6,787	7,936
1565 First Avenue NW	173	496	2,912	3,408
7125 Northland Terrace	96	673	3,823	4,496
7102 Winnetka	-	1,334	--	1,334
6900 Shady Oak Road	219	340	1,945	2,285
7550-7588 Washington Square	29	157	891	1,049
7500-7546 Washington Square	40	235	1,333	1,569
5240-5300 Valley Industrial Blvd S	93	371	2,132	2,504
6477-6525 City West Parkway	70	820	4,650	5,470
NASHVILLE				
1621 Heil Quaker Boulevard	413	430	2,744	3,174
417 Harding Industrial Drive	880	1,116	7,356	8,472
520 Harding Industrial Drive (1)	1,092	699	4,420	5,119
3099 Barry Drive	52	424	2,414	2,838
3150 Barry Drive	329	987	5,616	6,603
1650 Elm Hill Pike	39	333	1,902	2,235
1821 Air Lane Drive	12	153	868	1,021
1102 Appleton Drive	9	153	883	1,036
1920 Air Lane Drive	18	252	1,431	1,683
1931 Air Lane Drive	49	497	2,828	3,325
470 Metroplex Drive (1)	44	625	3,545	4,170
1150 Antiock Pike	45	669	3,791	4,460
5599 Highway 31 West	64	571	3,253	3,824
NEW JERSEY				

116 Lehigh Drive	98	862	4,910	5,772
60 Ethel Road West	126	264	1,540	1,804
70 Ethel Road West	143	451	2,566	3,017
105 Neptune Boulevard	70	255	1,446	1,701
140 Hanover Avenue	325	475	2,895	3,370
601-629 Montrose Avenue	186	514	2,921	3,435
3 Marlen	32	74	433	507

BUILDING ADDRESS - - - - -	ACCUMULATED DEPRECIATION 12/31/97 -----	YEAR BUILT/ RENOVATED -----	DEPRECIABLE LIVES (YEARS) -----
7850-7890 12th Avenue South	653	1978	(q)
7900 Main Street Northeast	996	1973	(q)
7901 Beech Street Northeast	788	1975	(q)
9901 West 74th Street	913	1983/88	(q)
10175-10205 Crosstown Circle	282	1980	(q)
11201 Hampshire Avenue South	732	1986	(q)
12220-12222 Nicollet Avenue	159	1989/90	(q)
12250-12268 Nicollet Avenue	412	1989/90	(q)
12224-12226 Nicollet Avenue	300	1989/90	(q)
305 2nd Street Northwest	261	1991	(q)
953 Westgate Drive	105	1991	(q)
980 Lone Oak Road	406	1992	(q)
990 Lone Oak Road	730	1989	(q)
1030 Lone Oak Road	263	1988	(q)
1060 Lone Oak Road	400	1988	(q)
5400 Nathan Lane	402	1990	(q)
6464 Sycamore Court	259	1990	(q)
6701 Parkway Circle	239	1987	(q)
6601 Shingle Creek Parkway	339	1985	(q)
10120 W 76th Street	136	1987	(q)
7615 Golden Triangle	266	1987	(q)
7625 Golden Triangle	223	1987	(q)
2605 Fernbrook Lane North	266	1987	(q)
12155 Nicollet Ave.	89	1995	(q)
6655 Wedgewood Road	713	1989	(q)
900 Apollo Road	427	1970	(q)
7316 Aspen Lane	166	1978	(q)
6707 Shingle Creek Parkway	275	1986	(q)
9401 73rd Avenue North	128	1995	(q)
1905 W Country Road C	102	1993	(q)
2720 Arthur Street	207	1995	(q)
10205 51st Avenue North	49	1990	(q)
4100 Peavey Road	93	1988	(q)
11300 Hampshire Ave South	214	1983	(q)
375 Rivertown Drive	207	1996	(q)
5205 Highway 169	122	1960	(q)
6451-6595 Citywest Parkway	129	1984	(q)
7100-7198 Shady Oak Rd (m)	204	1982	(q)
1565 First Avenue NW	60	1978	(q)
7125 Northland Terrace	79	1996	(q)
7102 Winnetka	1	(s)	
6900 Shady Oak Road	36	1980	(q)
7550-7588 Washington Square	24	1975	(q)
7500-7546 Washington Square	36	1975	(q)
5240-5300 Valley Industrial Blvd S	58	1973	(q)
6477-6525 City West Parkway	29	1984	(q)
NASHVILLE			
1621 Heil Quaker Boulevard	213	1975	(q)
417 Harding Industrial Drive	911	1972	(q)
520 Harding Industrial Drive (1)	413	1975	(q)
3099 Barry Drive	75	1995	(q)
3150 Barry Drive	175	1993	(q)
1650 Elm Hill Pike	12	1984	(q)
1821 Air Lane Drive	5	1984	(q)
1102 Appleton Drive	6	1984	(q)
1920 Air Lane Drive	9	1985	(q)
1931 Air Lane Drive	18	1984	(q)
470 Metroplex Drive (1)	22	1986	(q)
1150 Antiock Pike	24	1987	(q)
5599 Highway 31 West	101	1995	(q)
NEW JERSEY			
116 Lehigh Drive	122	1986	(q)

60 Ethel Road West	19	1982	(q)
70 Ethel Road West	32	1979	(q)
105 Neptune Boulevard	18	1989	(q)
140 Hanover Avenue	37	1964/1988	(q)
601-629 Montrose Avenue	36	1974	(q)
3 Marlen	1	1981	(q)

S-9

84

BUILDING ADDRESS -----	LOCATION (CITY/STATE) -----	(a) ENCUMBRANCES -----	(b) INITIAL COST -----	
			LAND	BUILDINGS
5 Marlen	Hamilton, NJ		116	655
7 Marlen	Hamilton, NJ		128	728
8 Marlen	Hamilton, NJ		230	1,302
15 Marlen	Hamilton, NJ		53	302
17 Marlen	Hamilton, NJ		104	588
1 South Gold Drive	Hamilton, NJ		106	599
2 South Gold Drive	Hamilton, NJ		200	1,131
5 South Gold Drive	Hamilton, NJ		106	602
6 South Gold Drive	Hamilton, NJ		59	332
7 South Gold Drive	Hamilton, NJ		32	182
8 South Gold Drive	Hamilton, NJ		103	584
9 South Gold Drive	Hamilton, NJ		60	342
11 South Gold Drive	Hamilton, NJ		183	1,039
12 South Gold Drive	Hamilton, NJ		84	475
9 Princess Road	Lawrenceville, NJ		221	1,254
11 Princess Road	Lawrenceville, NJ		491	2,780
15 Princess Road	Lawrenceville, NJ		234	1,328
17 Princess Road	Lawrenceville, NJ		342	1,936
220 Hanover Avenue	Hanover, NJ		1,361	7,715
244 Sheffield Street	Mountainside, NJ		201	1,141
30 Troy Road	Hanover, NJ		128	727
15 Leslie Court	Hanover, NJ		126	716
20 Leslie Court	Hanover, NJ		84	474
25 Leslie Court	Hanover, NJ		512	2,899
130 Algonquin Parkway	Hanover, NJ		157	888
150 Algonquin Parkway	Hanover, NJ		85	479
55 Locust Avenue	Roseland, NJ		535	3,034
31 West Forest Street (1)	Englewood, NJ		941	5,333
25 World's Fair Drive	Franklin, NJ		285	1,616
14 World's Fair Drive	Franklin, NJ		483	2,735
16 World's Fair Drive	Franklin, NJ		174	988
18 World's Fair Drive	Franklin, NJ		123	699
23 World's Fair Drive	Franklin, NJ		134	758
12 World's Fair Drive	Franklin, NJ		572	3,240
1 World's Fair Drive	Franklin, NJ		632	3,581
2 World's Fair Drive	Franklin, NJ		625	3,539
49 Napoleon Court	Franklin, NJ		230	1,306
50 Napoleon Court	Franklin, NJ		149	842
22 World's Fair Drive	Franklin, NJ		364	2,064
26 World's Fair Drive	Franklin, NJ		361	2,048
24 World's Fair Drive	Franklin, NJ		347	1,968
12 Wright Way	Oakland, NJ		410	2,321
NEW ORLEANS				
520-524 Elmwood Park Blvd (1)	Jefferson, LA		926	5,248
125 Mallard St	St. Rose, LA	(j)	103	586
107 Mallard	St. Rose, LA	(j)	164	928
125 James Drive West	St. Rose, LA	(j)	246	1,392
161 James Drive West	St. Rose, LA		298	1,687
150 James Drive East	St. Rose, LA		399	2,258
115 James Drive West	St. Rose, LA	(j)	163	922
100 James Drive	St. Rose, LA	(j)	430	2,435
143 Mallard St	St. Rose, LA	(j)	143	812
160 James Drive East	St. Rose, LA	(j)	102	580
190 James Drive East	St. Rose, LA	(j)	205	1,160
120 Mallard St	St. Rose, LA	(j)	348	1,971
110 James Drive West	St. Rose, LA	(j)	143	812
150 Canvasback Dr	St. Rose, LA		165	937
PHOENIX				
7340 South Kyrene Rd	Tempe, AZ		1,495	8,469
7350 S Kyrene Road	Tempe, AZ		818	4,634
7360 South Kyrene Rd	Tempe, AZ		508	2,876
7343 South Hardy Drive	Tempe, AZ		1,119	6,341
7333 South Hardy Drive	Tempe, AZ		1,549	8,779
SALT LAKE				
2255 South 300 West (o)	Salt Lake City, UT		618	3,504
512 Lawndale Drive (p)	Salt Lake City, UT		2,779	15,749

BUILDING ADDRESS -----	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION OR COMPLETION -----	GROSS MOUNTS CARRIED AT CLOSING PERIOD 12/31/97 -----		
		LAND	BUILDING AND IMPROVEMENTS	TOTAL
-----	-----	-----	-----	-----

5 Marlen	40	121	690	811
7 Marlen	52	135	773	908
8 Marlen	41	234	1,339	1,573
15 Marlen	31	57	329	386
17 Marlen	44	110	626	736
1 South Gold Drive	43	112	636	748
2 South Gold Drive	67	209	1,189	1,398
5 South Gold Drive	54	113	649	762
6 South Gold Drive	32	63	360	423
7 South Gold Drive	26	36	204	240
8 South Gold Drive	43	109	621	730
9 South Gold Drive	34	65	371	436
11 South Gold Drive	65	192	1,095	1,287
12 South Gold Drive	65	89	535	624
9 Princess Road	72	231	1,316	1,547
11 Princess Road	152	510	2,913	3,423
15 Princess Road	270	244	1,588	1,832
17 Princess Road	105	353	2,030	2,383
220 Hanover Avenue	410	1,419	8,067	9,486
244 Sheffield Street	63	210	1,195	1,405
30 Troy Road	38	133	760	893
15 Leslie Court	42	132	752	884
20 Leslie Court	32	88	502	590
25 Leslie Court	112	526	2,997	3,523
130 Algonquin Parkway	46	163	928	1,091
150 Algonquin Parkway	31	89	506	595
55 Locust Avenue	171	559	3,181	3,740
31 West Forest Street (1)	239	974	5,539	6,513
25 World's Fair Drive	82	297	1,686	1,983
14 World's Fair Drive	206	503	2,921	3,424
16 World's Fair Drive	75	183	1,054	1,237
18 World's Fair Drive	44	129	737	866
23 World's Fair Drive	47	140	799	939
12 World's Fair Drive	150	593	3,369	3,962
1 World's Fair Drive	156	654	3,715	4,369
2 World's Fair Drive	192	650	3,706	4,356
49 Napoleon Court	49	238	1,347	1,585
50 Napoleon Court	40	154	877	1,031
22 World's Fair Drive	77	375	2,130	2,505
26 World's Fair Drive	113	377	2,145	2,522
24 World's Fair Drive	108	361	2,062	2,423
12 Wright Way	107	424	2,414	2,838
NEW ORLEANS				
520-524 Elmwood Park Blvd (1)	149	949	5,375	6,323
125 Mallard St	33	109	614	722
107 Mallard	49	171	971	1,141
125 James Drive West	76	257	1,458	1,714
161 James Drive West	40	304	1,722	2,025
150 James Drive East	70	409	2,319	2,727
115 James Drive West	53	171	968	1,138
100 James Drive	137	451	2,552	3,002
143 Mallard St	49	151	854	1,004
160 James Drive East	37	108	612	719
190 James Drive East	64	215	1,215	1,429
120 Mallard St	113	365	2,068	2,432
110 James Drive West	45	150	851	1,000
150 Canvasback Dr	30	170	963	1,132
PHOENIX				
7340 South Kyrene Rd	29	1,499	8,494	9,993
7350 S Kyrene Road	24	821	4,655	5,476
7360 South Kyrene Rd	21	511	2,894	3,405
7343 South Hardy Drive	48	1,126	6,382	7,508
7333 South Hardy Drive	38	1,555	8,811	10,366
SALT LAKE				
2255 South 300 West (o)	27	622	3,527	4,149
512 Lawndale Drive (p)	113	2,797	15,844	18,641

BUILDING ADDRESS	ACCUMULATED DEPRECIATION 12/31/97	YEAR BUILT/ RENOVATED	DEPRECIABLE LIVES (YEARS)
-----	-----	-----	-----
5 Marlen	8	1981	(q)
7 Marlen	9	1982	(q)
8 Marlen	3	1982	(q)
15 Marlen	4	1982	(q)
17 Marlen	8	1981	(q)
1 South Gold Drive	8	1973	(q)
2 South Gold Drive	15	1974	(q)
5 South Gold Drive	8	1974	(q)
6 South Gold Drive	4	1975	(q)
7 South Gold Drive	2	1976	(q)
8 South Gold Drive	8	1977	(q)
9 South Gold Drive	4	1980	(q)
11 South Gold Drive	13	1979	(q)
12 South Gold Drive	6	1980	(q)
9 Princess Road	13	1985	(q)
11 Princess Road	31	1985	(q)
15 Princess Road	23	1986	(q)
17 Princess Road	23	1986	(q)

220 Hanover Avenue	100	1987	(q)
244 Sheffield Street	15	1965/1986	(q)
30 Troy Road	8	1972	(q)
15 Leslie Court	9	1971	(q)
20 Leslie Court	6	1974	(q)
25 Leslie Court	31	1975	(q)
130 Algonquin Parkway	9	1973	(q)
150 Algonquin Parkway	6	1973	(q)
55 Locust Avenue	39	1980	(q)
31 West Forest Street (1)	57	1978	(q)
25 World's Fair Drive	21	1986	(q)
14 World's Fair Drive	39	1980	(q)
16 World's Fair Drive	13	1981	(q)
18 World's Fair Drive	9	1982	(q)
23 World's Fair Drive	10	1982	(q)
12 World's Fair Drive	42	1981	(q)
1 World's Fair Drive	46	1983	(q)
2 World's Fair Drive	47	1982	(q)
49 Napoleon Court	3	1982	(q)
50 Napoleon Court	2	1982	(q)
22 World's Fair Drive	4	1983	(q)
26 World's Fair Drive	27	1984	(q)
24 World's Fair Drive	26	1984	(q)
12 Wright Way	30	1981	(q)
NEW ORLEANS			
520-524 Elmwood Park Blvd (1)	11	1986	(q)
125 Mallard St	1	1984	(q)
107 Mallard	2	1985	(q)
125 James Drive West	3	1990	(q)
161 James Drive West	4	1986	(q)
150 James Drive East	5	1986	(q)
115 James Drive West	2	1986	(q)
100 James Drive	5	1980	(q)
143 Mallard St	2	1982	(q)
160 James Drive East	1	1981	(q)
190 James Drive East	3	1987	(q)
120 Mallard St	4	1981	(q)
110 James Drive West	2	1983	(q)
150 Canvasback Dr	2	1986	(q)
PHOENIX			
7340 South Kyrene Rd	18	1996	(q)
7350 S Kyrene Road	10	1996	(q)
7360 South Kyrene Rd	6	1996	(q)
7343 South Hardy Drive	13	1997	(q)
7333 South Hardy Drive	18	1997	(q)
SALT LAKE			
2255 South 300 West (o)	7	1980	(q)
512 Lawndale Drive (p)	33	1981	(q)

S-10

85

BUILDING ADDRESS	LOCATION (CITY/STATE)	(a) ENCUMBRANCES	(b) INITIAL COST	
			LAND	BUILDINGS
ST. LOUIS				
8921-8957 Frost Avenue	Hazelwood, MO	(e)	431	2,479
9043-9083 Frost Avenue	Hazelwood, MO	(e)	319	1,838
2121 Chapin Industrial Drive	Vinita Park, MO		606	4,384
1200 Andes Boulevard	Olivette, MO		246	1,412
1248 Andes Boulevard	Olivette, MO		156	907
1208-1226 Ambassador Boulevard	Olivette, MO		235	1,351
1250 Ambassador Boulevard	Olivette, MO		119	694
1503-1525 Fairview Industrial	Olivette, MO		112	658
2462-2470 Schuetz Road	St. Louis, MO		174	1,004
10431-10449 Midwest Industrial Blvd	Olivette, MO		237	1,360
10751 Midwest Industrial Boulevard	Olivette, MO		193	1,119
11652-11666 Fairgrove Industrial Blvd	St. Louis, MO		103	599
11674-11688 Fairgrove Industrial Blvd	St. Louis, MO		118	689
2337 Centerline Drive	Maryland Heights, MO		216	1,242
6951 N Hanley (1)	Hazelwood, MO		405	2,295
4560 Anglum Road	Hazelwood, MO		150	849

2760 South 1st Street	St. Louis, MO	800	-
TAMPA			
6614 Adamo Drive	Tampa, FL	177	1,005
202 Kelsey	Tampa, FL	602	3,409
6202 Benjamin Road	Tampa, FL	203	1,151
6204 Benjamin Road	Tampa, FL	432	2,445
6206 Benjamin Road	Tampa, FL	397	2,251
6302 Benjamin Road	Tampa, FL	214	1,212
6304 Benjamin Road	Tampa, FL	201	1,138
6306 Benjamin Road	Tampa, FL	257	1,457
6308 Benjamin Road	Tampa, FL	345	1,958
5313 Johns Road	Tampa, FL	204	1,159
5602 Thompson Center Court	Tampa, FL	115	652
5411 Johns Road	Tampa, FL	230	1,304
5525 Johns Road	Tampa, FL	192	1,086
5607 Johns Road	Tampa, FL	102	579
5709 Johns Road	Tampa, FL	192	1,086
5711 Johns Road	Tampa, FL	243	1,376
4410 E Adamo Drive	Tampa, FL	523	2,962
4420 E Adamo Drive	Tampa, FL	127	718
4430 E Adamo Drive	Tampa, FL	333	1,885
4440 E Adamo Drive	Tampa, FL	348	1,975
4450 E Adamo Drive	Tampa, FL	253	1,436
5453 W Waters Avenue	Tampa, FL	71	402
5455 W Waters Avenue	Tampa, FL	307	1,742
5553 W Waters Avenue	Tampa, FL	307	1,742
5501 W Waters Avenue	Tampa, FL	154	871
5503 W Waters Avenue	Tampa, FL	71	402
5555 W Waters Avenue	Tampa, FL	213	1,206
5557 W Waters Avenue	Tampa, FL	59	335
5903 Johns Road	Tampa, FL	88	497
4107 N Himes Avenue	Tampa, FL	568	3,220
OTHER			
2800 Airport Road (n)	Denton, TX	369	1,935
3501 Maple Street	Abilene, TX	67	1,057
4200 West Harry Street (m)	Wichita, KS	193	2,224
Industrial Park No. 2	West Lebanon, NH	723	5,208
931 Discovery Road	Green Bay, WI	121	685
11200 Industriplex Blvd	Baton Rouge, LA	463	2,624
11441 Industriplex Blvd	Baton Rouge, LA	331	1,874
11301 Industriplex Blvd	Baton Rouge, LA	265	1,499
6565 Exchequer Drive	Baton Rouge, LA	461	2,614
2675 Valley View Drive	Shreveport, LA	144	-
300 10th Street NW	Clarion, IA	35	-
9580 Interport Dr	Shreveport, LA	113	639
Developments/Redevelopments/Land		15,826	2,763
		-----	-----
		\$ 285,681	\$1,477,137
		=====	=====

BUILDING ADDRESS	COSTS	GROSS AMOUNTS CARRIED		
	CAPITALIZED	AT CLOSE OF PERIOD 12/31/97		
	SUBSEQUENT TO ACQUISITION OR COMPLETION	LAND	BUILDING AND IMPROVEMENTS	TOTAL
ST. LOUIS				
8921-8957 Frost Avenue	10	431	2,489	2,920
9043-9083 Frost Avenue	27	319	1,865	2,184
2121 Chapin Industrial Drive	1,205	614	5,581	6,195
1200 Andes Boulevard	83	319	1,422	1,741
1248 Andes Boulevard	(199)	157	958	1,115
1208-1226 Ambassador Boulevard	1	235	1,352	1,587
1250 Ambassador Boulevard	2	119	696	815
1503-1525 Fairview Industrial	48	112	706	818
2462-2470 Schuetz Road	1	174	1,005	1,179
10431-10449 Midwest Industrial Blvd	198	237	1,558	1,795
10751 Midwest Industrial Boulevard	13	193	1,132	1,325
11652-11666 Fairgrove Industrial Blvd	89	103	688	791
11674-11688 Fairgrove Industrial Blvd	27	118	716	834
2337 Centerline Drive	(40)	216	1,353	1,569
6951 N Hanley (1)	562	419	2,843	3,262
4560 Anglum Road	86	161	924	1,085
2760 South 1st Street	4,087	821	4,066	4,887
TAMPA				
6614 Adamo Drive	20	180	1,022	1,202
202 Kelsey	94	616	3,489	4,105
6202 Benjamin Road	37	209	1,182	1,391
6204 Benjamin Road	103	445	2,535	2,980
6206 Benjamin Road	80	409	2,319	2,728
6302 Benjamin Road	39	220	1,245	1,465
6304 Benjamin Road	36	206	1,169	1,375
6306 Benjamin Road	54	265	1,503	1,768
6308 Benjamin Road	70	356	2,017	2,373
5313 Johns Road	38	210	1,191	1,401
5602 Thompson Center Court	24	119	672	791
5411 Johns Road	41	236	1,339	1,575
5525 Johns Road	36	197	1,117	1,314
5607 Johns Road	23	106	598	704
5709 Johns Road	36	197	1,117	1,314
5711 Johns Road	64	252	1,431	1,683
4410 E Adamo Drive	129	542	3,072	3,614
4420 E Adamo Drive	34	132	747	879
4430 E Adamo Drive	87	346	1,959	2,305
4440 E Adamo Drive	91	362	2,052	2,414
4450 E Adamo Drive	73	264	1,498	1,762
5453 W Waters Avenue	20	74	419	493
5455 W Waters Avenue	78	319	1,808	2,127
5553 W Waters Avenue	76	319	1,806	2,125
5501 W Waters Avenue	48	161	912	1,073
5503 W Waters Avenue	20	74	419	493
5555 W Waters Avenue	47	220	1,246	1,466

5557 W Waters Avenue	18	62	350	412
5903 Johns Road	29	92	522	614
4107 N Himes Avenue	140	589	3,339	3,928
OTHER				
2800 Airport Road (n)	1,572	490	3,386	3,876
3501 Maple Street	941	260	1,805	2,065
4200 West Harry Street (m)	1,751	528	3,640	4,168
Industrial Park No. 2	175	776	5,330	6,106
931 Discovery Road	117	138	785	923
11200 Industiplex Blvd	82	476	2,694	3,169
11441 Indsutriplex Blvd	59	340	1,925	2,264
11301 Industriplex Blvd	49	272	1,542	1,813
6565 Exchequer Drive	78	473	2,681	3,153
2675 Valley View Drive	4,481	276	4,349	4,625
300 10th Street NW	2,058	162	1,931	2,093
9580 Interport Dr	15	115	653	767
Developments / Vacant Land	4,301	16,900	3,244	20,144
	-----	-----	-----	-----
	\$ 199,932	\$ 299,020	\$ 1,663,731	\$ 1,962,750
	=====	=====	=====	=====

BUILDING ADDRESS	ACCUMULATED DEPRECIATION 12/31/97	YEAR BUILT/ RENOVATED	DEPRECIABLE LIVES (YEARS)
- - - - -	-----	-----	-----
ST. LOUIS			
8921-8957 Frost Avenue	218	1971	(q)
9043-9083 Frost Avenue	163	1970	(q)
2121 Chapin Industrial Drive	3,545	1969/87	(q)
1200 Andes Boulevard	124	1967	(q)
1248 Andes Boulevard	118	1967	(q)
1208-1226 Ambassador Boulevard	118	1966	(q)
1250 Ambassador Boulevard	61	1967	(q)
1503-1525 Fairview Industrial	78	1967	(q)
2462-2470 Schuetz Road	88	1965	(q)
10431-10449 Midwest Industrial Blvd	139	1967	(q)
10751 Midwest Industrial Boulevard	100	1965	(q)
11652-11666 Fairgrove Industrial Blvd	74	1966	(q)
11674-11688 Fairgrove Industrial Blvd	72	1967	(q)
2337 Centerline Drive	124	1967	(q)
6951 N Hanley (1)	72	1965	(q)
4560 Anglum Road	8	1970	(q)
2760 South 1st Street	1	1997	(q)
TAMPA			
6614 Adamo Drive	2	1967	(q)
202 Kelsey	7	1989	(q)
6202 Benjamin Road	2	1981	(q)
6204 Benjamin Road	6	1982	(q)
6206 Benjamin Road	5	1983	(q)
6302 Benjamin Road	3	1983	(q)
6304 Benjamin Road	2	1984	(q)
6306 Benjamin Road	3	1984	(q)
6308 Benjamin Road	4	1984	(q)
5313 Johns Road	2	1991	(q)
5602 Thompson Center Court	1	1972	(q)
5411 Johns Road	3	1997	(q)
5525 Johns Road	2	1993	(q)
5607 Johns Road	1	1991	(q)
5709 Johns Road	2	1990	(q)
5711 Johns Road	3	1990	(q)
4410 E Adamo Drive	6	1990	(q)
4420 E Adamo Drive	2	1990	(q)
4430 E Adamo Drive	4	1987	(q)
4440 E Adamo Drive	4	1988	(q)
4450 E Adamo Drive	3	1969	(q)
5453 W Waters Avenue	1	1987	(q)
5455 W Waters Avenue	4	1987	(q)
5553 W Waters Avenue	4	1987	(q)
5501 W Waters Avenue	2	1990	(q)
5503 W Waters Avenue	1	1990	(q)
5555 W Waters Avenue	3	1990	(q)
5557 W Waters Avenue	1	1990	(q)
5903 Johns Road	1	1987	(q)
4107 N Himes Avenue	7	1990	(q)
OTHER			
2800 Airport Road (n)	1,081	1965	(q)
3501 Maple Street	569	1980	(q)

4200 West Harry Street (m)	1,152	1972	(q)
Industrial Park No. 2	1,677	1968	(q)
931 Discovery Road	11	1997	(q)
11200 Industriplex Blvd	6	1986	(q)
11441 Indsutriplex Blvd	4	1987	(q)
11301 Industriplex Blvd	3	1985	(q)
6565 Exchequer Drive	6	1986	(q)
2675 Valley View Drive	1	1997	(q)
300 10th Street NW	1	1997	(q)
9580 Interport Dr	1	1989	(q)
DEVELOPMENTS / VACANT LAND	-	(r)	

\$ 121,030
=====

S-11

86

NOTES:

- (a) See description of encumbrances in Note 4 to Notes to Consolidated Financial statements.
- (b) Initial cost for each respective property is total acquisition costs associated with its purchase.
- (c) Collateralizes the 1994 Defeased Mortgage Loan. On January 2, 1998, the 1994 Defeased Mortgage Loan was paid off and retired and the remaining 15 properties were released.
- (d) These properties are owned by the Securities Partnership. The Securities Partnership guarantees the payment on the Series A Preferred Stock of dividends and amounts upon redemption, liquidation, dissolution or winding-up.
- (e) These properties collateralize the 1995 Mortgage Loan.
- (f) These properties collateralize the CIGNA Loan.
- (g) These properties collateralize the Assumed Loans.
- (h) This property collateralizes the LB Mortgage Loan II.
- (i) This property collateralizes the Acquisition Mortgage Loan I.
- (j) These properties collateralize the Acquisition Mortgage Loan II.
- (k) These properties collateralize the Acquisition Mortgage Loan III.
- (l) Comprised of two properties.
- (m) Comprised of three properties.
- (n) Comprised of five properties.
- (o) Comprised of seven properties.
- (p) Comprised of 29 properties.
- (q) Depreciation is computed based upon the following estimated lives:

Buildings, Improvements	31.5 to 40 years
Tenant Improvements, Leasehold Improvements	Life of lease
Furniture, Fixtures and equipment	5 to 10 years
- (r) These properties represent vacant land, developments and redevelopments that haven't been placed in service.
- (s) Parking Lot
- (t) Excludes \$30,158 of Construction in Progress

At December 31, 1997, the aggregate cost of land and buildings and equipment for

federal income tax purpose was approximately \$1,749 million.

S-12

87

FIRST INDUSTRIAL REALTY TRUST, INC.
SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION (CONTINUED)
AS OF DECEMBER 31, 1997
(DOLLARS IN THOUSANDS)

The changes in total real estate assets for the three years ended December 31, 1997 are as follows:

	1997	1996	1995
	-----	-----	-----
Balance, Beginning of Year	\$ 1,050,779	\$ 757,516	\$ 669,608
Transfer of Assets Between Contributing Businesses	--	--	--
Acquisition, Construction Costs and Improvements	975,168	305,153	87,908
Disposition of Assets	(31,601)	(11,890)	--
	-----	-----	-----
Balance, End of Year	\$ 1,994,346	\$ 1,050,779	\$ 757,516
	=====	=====	=====

The changes in accumulated depreciation for the three years ended December 31, 1997 are as follows:

	1997	1996	1995
	-----	-----	-----
Balance, Beginning of Year	\$ 91,457	\$ 68,749	\$ 49,314
Transfer of Assets Between Contributing Businesses	--	--	--
Depreciation for Year	35,286	24,542	19,435
Disposition of Assets	(5,713)	(1,834)	--
	-----	-----	-----
Balance, End of Year	\$ 121,030	\$ 91,457	\$ 68,749
	=====	=====	=====

S-13

7.90% Series E Cumulative Preferred Stock
(Liquidation Preference \$2,500.00 Per Share)

ARTICLES SUPPLEMENTARY

FIRST INDUSTRIAL REALTY TRUST, INC.

Articles Supplementary of Board of Directors Classifying
and Designating a Series of Preferred Stock as
7.90% Series E Cumulative Preferred Stock
and Fixing Distribution and
Other Preferences and Rights of Such Series

Dated as of March 13, 1998

FIRST INDUSTRIAL REALTY TRUST, INC.

Articles Supplementary of Board of Directors Classifying
and Designating a Series of Preferred Stock as

7.90% Series E Cumulative Preferred Stock
and Fixing Distribution and
Other Preferences and Rights of Such Series

First Industrial Realty Trust, Inc., a Maryland corporation, having its principal office in the State of Maryland in the City of Baltimore (the "Company"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

Pursuant to authority conferred upon the Board of Directors by the Charter and Bylaws of the Company, the Board of Directors on December 3, 1996 and December 4, 1997 adopted resolutions appointing certain members of the Board of Directors to a committee (the "Special Committee") with power to cause the Company to issue, among other things, certain series of Preferred Stock and to determine the number of shares which shall constitute such series and the Dividend Rate (as defined herein) and other terms of such series. The Special Committee pursuant to a resolution dated March 13, 1998 (i) authorized the creation and issuance of up to 34,500 shares of Series E Cumulative Preferred Stock which stock was previously authorized but not issued and (ii) determined the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, and terms and conditions of redemption of the shares of such series and the Dividend Rate (which rate shall be 7.90%) payable on such series. Such preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, and terms and conditions of redemption, number of shares and Dividend Rate, as determined by such duly authorized committee, as applicable, are as follows:

Section 1. Number of Shares and Designation. This class of Preferred Stock shall be designated 7.90% Series E Cu-

mulative Preferred Stock (the "Series E Preferred Shares") and the number of

shares which shall constitute such series shall not be more than 34,500 shares, par value \$.01 per share, which number may be decreased (but not below the number thereof then outstanding) from time to time by the Board of Directors.

Section 2. Dividend Rights. (1) Dividends shall be payable in cash on the Series E Preferred Shares when, as and if declared by the Board of Directors, out of assets legally available therefor: (i) for the period (the "Initial Dividend Period") from the Deemed Original Issue Date (as defined below) to but excluding July 1, 1998, and (ii) for each quarterly dividend period thereafter (the Initial Dividend Period and each quarterly dividend period being hereinafter individually referred to as a "Dividend Period" and collectively referred to as "Dividend Periods"), which quarterly Dividend Periods shall commence on January 1, April 1, July 1, and October 1 in each year (each, a "Dividend Period Commencement Date"), commencing on July 1, 1998, and shall end on and include the day next preceding the next Dividend Period Commencement Date, at a rate per annum equal to 7.90% of the liquidation preference thereof (the "Dividend Rate"). Dividends on each Series E Preferred Share shall be cumulative from the Deemed Original Issue Date of such share and shall be payable, without interest thereon, when, as and if declared by the Board of Directors, on March 31, June 30, September 30 and December 31 of each year, commencing on June 30, 1998 or, in the case of Series E Preferred Shares with a Deemed Original Issue Date after June 30 1998, the first such dividend payment date following such Deemed Original Issue Date; provided, that if any such day shall be a Saturday, Sunday, or a day on which banking institutions in the State of New York are authorized or obligated by law to close, or a day which is or is declared a national or a New York state holiday (any of the foregoing a "Non-Business Day"), then the payment date shall be the next succeeding day which is not a Non-Business Day. Each such dividend shall be paid to the holders of record of Series E Preferred Shares as they appear on the stock register of the Company on such record date, not more than 45 days nor less than 15 days preceding the payment date thereof, as shall be fixed by the Board of Directors. Dividends on account of arrears for any past Dividend Periods may be declared and paid at any time, without reference to any regular dividend payment date, to holders of record on such date, not more than 45 days nor less than 15 days preceding the payment date thereof, as may be fixed by the Board of Directors. After an amount equal to full cumulative dividends on this series, including for the then current Dividend Period, has been paid to holders of record of Series E Preferred Shares

entitled to receive dividends as set forth above by the Company, or such dividends have been declared and funds therefor set aside for payment, the holders of Series E Preferred Shares will not be entitled to any further dividends with respect to that Dividend Period.

"Deemed Original Issue Date" means (a) in the case of any share which is part of the first issuance of Series E Preferred Shares or part of a subsequent issuance of Series E Preferred Shares prior to July 1, 1998, the date of such first issuance and (b) in the case of any share which is part of a subsequent issuance of Series E Preferred Shares on or after July 1, 1998, the later of (x) July 1, 1998 and (y) the latest Dividend Period Commencement Date which precedes the date of issuance of such share and which succeeds the last Dividend Period for which full cumulative dividends have been paid; provided that, in the case of any share which is part of a subsequent issuance on or after July 1, 1998, the date of issuance of which falls between (i) the record date for dividends payable on the first succeeding dividend payment date and (ii) such dividend payment date, the "Deemed Original Issue Date" means the date of the Dividend Period Commencement Date that immediately follows the date of issuance.

(2) Dividends payable on Series E Preferred Shares for any period greater or less than a full Dividend Period, including the Initial Dividend Period, shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends payable on Series E Preferred Shares for each full Dividend Period shall be computed by dividing the Dividend Rate by four.

(3) When dividends are not paid in full upon the Series E Preferred Shares and any other series of preferred stock of the Company ranking on a parity therewith as to dividends, (or, in the case of the Company's Series A Preferred Shares, payments in lieu thereof are not made under that certain Guarantee and

Payment Agreement dated November 17, 1995 between First Industrial Securities, L.P., a Delaware limited partnership and First Industrial Securities Corporation for the benefit of American National Bank and Trust Company of Chicago for the holders of the Series A Preferred Shares (the "Guarantee")), all dividends declared upon the Series E Preferred Shares and any other series of preferred stock of the Company ranking on a parity therewith as to dividends shall be declared pro rata so that the amount of dividends declared per share on the Series E Preferred Shares and such other series of preferred stock shall in all cases bear to each other that same

ratio that the accumulated dividends per share on the Series E Preferred Shares and such other series of preferred stock (less, in the case of the Series A Preferred Shares, payments under the Guarantee in lieu of such dividends) bear to each other. Except as provided in the preceding sentence, unless an amount equal to full cumulative dividends on the Series E Preferred Shares has been paid to holders of record of Series E Preferred Shares entitled to receive dividends as set forth above by the Company for all past Dividend Periods, no dividends (other than in shares of the Company's common stock, par value \$.01 per share (together with any other shares of capital stock of the Company into which such shares shall be reclassified or changed "Common Stock"), or other shares of capital stock of the Company ranking junior to the Series E Preferred Shares as to dividends and upon liquidation) shall be declared or paid or set aside for payment nor (except pursuant to the Guarantee with respect to the Series A Preferred Shares) shall any other distribution be made upon the Common Stock or any other Shares of capital stock of the Company ranking junior to or on a parity with the Series E Preferred Shares as to dividends or upon liquidation. Unless an amount equal to full cumulative dividends on the Series E Preferred Shares has been paid to holders of record of Series E Preferred Shares entitled to receive dividends as set forth above by the Company for all past Dividend Periods, no Common Stock or any other Shares of capital stock of the Company ranking junior to or on a parity with the Series E Preferred Shares as to dividends or upon liquidation shall be redeemed, purchased, or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Company or any subsidiary of the Company, except by conversion into or exchange for shares of capital stock of the Company ranking junior to the Series E Preferred Shares as to dividends and upon liquidation and except pursuant to the Guarantee with respect to the Series A Preferred Shares.

Section 3. Liquidation. (1) In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the Company, the holders of Series E Preferred Shares are entitled to receive out of the assets of the Company available for distribution to stockholders, before any distribution of assets is made to holders of Common Stock or any other class or series of shares ranking junior to the Series E Preferred Shares upon liquidation, liquidating distributions in the amount of the stated value of \$2,500 per share, plus all accumulated and unpaid dividends (whether or not earned or declared) for the then current and all past Dividend Periods. If, upon any voluntary or involuntary liquidation, dissolution,

or winding up of the Company, the amounts payable with respect to the Series E Preferred Shares and any other shares of the Company ranking as to any such distribution on a parity with the Series E Preferred Shares are not paid in full, the holders of Series E Preferred Shares and of such other shares will share ratably in any such distribution of assets of the Company in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of Series E Preferred Shares will not be entitled to any further participation in any distribution of assets by the Company.

(2) Written notice of any such liquidation, dissolution or winding up of the Company, stating the payment date or dates when, and the place or places where, the amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the payment date stated therein, to each record holder of the Series E Preferred Shares at the respective addresses of such holders as the same shall appear on the stock transfer records of the Company.

(3) For purposes of liquidation rights, a consolidation or merger of the Company with or into any other corporation or corporations or a sale of all or substantially all of the assets of the Company shall be deemed not to be a liquidation, dissolution or winding up of the Company.

Section 4. Redemption. (1) Except as provided in clause (9) below, the Series E Preferred Shares are not redeemable prior to March 18, 2003. On and after such date, the Series E Preferred Shares are redeemable at the option of the Company, by resolution of the Board of Directors, in whole or in part, from time to time upon not less than 30 nor more than 60 days' notice, at a cash redemption price of the stated value of \$2,500 per share, plus all accumulated and unpaid dividends (whether or not earned or declared) to the date of redemption (the "Redemption Price"). The Redemption Price (other than the portion consisting of accumulated and unpaid dividends) shall be payable solely out of the proceeds from the sale of capital stock of the Company. For purposes of the preceding sentence "Capital Stock" means common stock, preferred stock, depository shares, interests, participations or other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable for equity securities) or options to purchase any of the foregoing.

(2) If fewer than all of the outstanding Series E Preferred Shares are to be redeemed, the number of shares to be redeemed will be determined by the Board of Directors and such shares shall be redeemed pro rata from the holders of record of such shares in proportion to the number of such shares held by such holders (with adjustments to avoid redemption of fractional shares) or by lot in a manner determined by the Board of Directors.

(3) Notwithstanding the foregoing, if an amount equal to full dividends for all past Dividend Periods on the Series E Preferred Shares has not been paid to holders of record of Series E Preferred Shares entitled to receive dividends as set forth above by the Company, no Series E Preferred Shares shall be redeemed, except pursuant to Article IX of the Charter, unless all outstanding Series E Preferred Shares are simultaneously redeemed, and the Company shall not purchase or otherwise acquire, directly or indirectly, any Series E Preferred Shares; provided, however, that the foregoing shall not prevent the purchase or acquisition of Series E Preferred Shares pursuant to a purchase or exchange offer provided such offer is made on the same terms to all holders of Series E Preferred Shares.

(4) Immediately prior to any redemption of Series E Preferred Shares, the Company shall pay, in cash, any accumulated and unpaid dividends through the redemption date, unless a redemption date falls after a dividend payment record date and prior to the corresponding dividend payment date, in which case each holder of Series E Preferred Shares at the close of business on such dividend payment record date shall be entitled to the dividend payable on such shares on the corresponding dividend payment date notwithstanding the redemption of such shares before such dividend payment date. Except as expressly provided hereinabove, the Company shall make no payment or allowance for unpaid dividends, whether or not in arrears, on Series E Preferred Shares called for redemption.

(5) Notice of redemption shall be given by publication in a newspaper of general circulation in The City of New York, such publication to be made once a week for two successive weeks, commencing not less than 30 nor more than 60 days prior to the date fixed for redemption thereof. A similar notice will be mailed by the Company by first class mail, postage prepaid, to each record holder of

the Series E Preferred Shares to be redeemed, not less than 30 nor more than 60 days prior to such redemption date, to the respective addresses of such holders as the same shall appear on the stock transfer records of

8

-7-

the Company. Each notice shall state: (i) the redemption date; (ii) the number of Series E Preferred Shares to be redeemed; (iii) the Redemption Price; (iv) the place or places where certificates for such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accumulate on such redemption date. If fewer than all the Series E Preferred Shares held by any holder are to be redeemed, the notice mailed to such holder shall also specify the number of Series E Preferred Shares to be redeemed from such holder.

(6) In order to facilitate the redemption of Series E Preferred Shares, the Board of Directors may fix a record date for the determination of the shares to be redeemed, such record date to be not less than 30 nor more than 60 days prior to the date fixed for such redemption.

(7) Notice having been given as provided above, from and after the date fixed for the redemption of Series E Preferred Shares by the Company (unless the Company shall fail to make available the money necessary to effect such redemption), the holders of shares selected for redemption shall cease to be stockholders with respect to such shares and shall have no interest in or claim against the Company by virtue thereof and shall have no voting or other rights with respect to such shares, except the right to receive the moneys payable upon such redemption from the Company, less any required tax withholding amount, without interest thereon, upon surrender (and endorsement or assignment of transfer, if required by the Company and so stated in the notice) of their certificates, and the shares represented thereby shall no longer be deemed to be outstanding. If fewer than all the shares represented by a certificate are redeemed, a new certificate shall be issued, without cost to the holder thereof, representing the unredeemed shares. The Company may, at its option, at any time after a notice of redemption has been given, deposit the redemption price for the Series E Preferred Shares designated for redemption and not yet redeemed, plus any accumulated and unpaid dividends thereon to the date fixed for redemption, with the transfer agent or agents for the Series E Preferred Shares, as a trust fund for the benefit of the holders of the Series E Preferred Shares designated for redemption, together with irrevocable instructions and authority to such transfer agent or agents that such funds be delivered upon redemption of such shares and to pay, on and after the date fixed for redemption or prior thereto, the redemption price of the shares to their respective holders upon the surrender of their share certificates. From and after the making of such deposit, the holders

9

-8-

of the shares designated for redemption shall cease to be stockholders with respect to such shares and shall have no interest in or claims against the Company by virtue thereof and shall have no voting or other rights with respect to such shares, except the right to receive from such trust fund the moneys payable upon such redemption, without interest thereon, upon surrender (and endorsement, if required by the Company) of their certificates, and the shares represented thereby shall no longer be deemed to be outstanding. Any balance of such moneys remaining unclaimed at the end of the five-year period commencing on the date fixed for redemption shall be repaid to the Company upon its request expressed in a resolution of its Board of Directors.

(8) Any Series E Preferred Shares that shall at any time have been redeemed shall, after such redemption, have the status of authorized but unissued preferred stock, without designation as to series until such shares

are once more designated as part of a particular series by the Board of Directors.

(9) The Series E Preferred Shares are subject to the provisions of Article IX of the Charter, including, without limitation, the provisions for the redemption of Excess Stock (as defined in such Article). Notwithstanding the provisions of Article IX of the Charter, Series E Preferred Shares which have been exchanged pursuant to such Article for Excess Stock may be redeemed, in whole or in part, and, if in part, pro rata from the holders of record of such shares in proportion to the number of such shares held by such holders (with adjustments to avoid redemption of fractional shares) or by lot in a manner determined by the Board of Directors, at any time when outstanding Series E Preferred Shares are being redeemed.

Section 5. Voting Rights. The Series E Preferred Shares shall not have any voting powers either general or special, except as required by law and except that:

(1) If and whenever full cumulative dividends on the Series E Preferred Shares, or any other series of preferred stock of the Company ranking on a parity with the Series E Preferred Shares as to dividends or upon liquidation (any such series, a "Parity Preferred Series"), for six quarterly dividend payment periods, whether or not consecutive, are in arrears and unpaid, (and, if such an arrearage exists with respect to Series A Preferred Shares, payment has not been made in the amount of such arrearages pursuant to the Guarantee) (such failure to pay by the Company, a "Dividend Default"), the holders of all outstanding Series E Preferred Shares and any Parity Preferred Series, voting as a single class without regard to series, will be entitled to elect two Directors until all dividends in arrears and unpaid on the Series E Preferred Shares and any Parity

10

-9-

Preferred Series have been paid (either directly or, in the case of the Series A Preferred Shares, pursuant to the Guarantee) or declared and funds therefor set apart for payment. At any time when such right to elect Directors separately as a class shall have so vested, the Company may, and upon the written request of the holders of record of not less than 20% of the total number of Series E Preferred Shares and shares of any Parity Preferred Series of the Company then outstanding shall, call a special meeting of stockholders for the election of such Directors. In the case of such a written request, such special meeting shall be held within 90 days after the delivery of such request and, in either case, at the place and upon the notice provided by law and in the Bylaws of the Company, provided that the Company shall not be required to call such a special meeting if such request is received less than 120 days before the date fixed for the next ensuing Annual Meeting of Stockholders of the Company and the holders of all outstanding Series E Preferred Shares and shares of any Parity Preferred Series are afforded the opportunity to elect such Directors (or fill any vacancy) at such Annual Meeting of Stockholders. Directors elected as aforesaid shall serve until the next Annual Meeting of Stockholders of the Company or until their respective successors shall be elected and qualified, or, if sooner, until an amount equal to all dividends in arrears and unpaid have been paid (either directly or pursuant to the Guarantee) or declared and funds therefor set apart for payment. If, prior to the end of the term of any Director elected as aforesaid, a vacancy in the office of such Director shall occur during the continuance of a Dividend Default by reason of death, resignation, or disability, such vacancy shall be filled for the unexpired term by the appointment of a new Director for the unexpired term of such former Director, such appointment to be made by the remaining Director or Directors elected as aforesaid.

(2) The affirmative vote or consent of the holders of at least two-thirds of the outstanding Series E Preferred Shares and any Parity Preferred Series, voting as a single class without regard to series, will be required to issue, authorize or increase the authorized amount of any class or series of shares ranking prior to the Series E Preferred Shares and shares of each Parity Preferred Series as to dividends or upon liquidation or to issue or authorize any obligation or security convertible into or evidencing a right to purchase any such security. Subject to the preceding sentence, the affirma-

tive vote or consent of the holders of at least two-thirds of the outstanding Series E Preferred Shares, voting separately as a class, will be required to amend or repeal any provision of, or add any provision to, the Charter if such action would materially and adversely alter or change the powers, preferences, privileges or rights of the Series E Preferred Shares.

(3) Nothing herein shall be taken to require a class vote or consent in connection with the authorization, designation, increase or issuance of shares of any class or series (including additional preferred stock of any series) that rank junior to or on a parity with the Series E Preferred Shares as to dividends and liquidation rights or in connection with the authorization, designation, increase or issuance of any bonds, mortgages, debentures or other debt obligations of the Company.

Section 6. Conversion. The Series E Preferred Shares are not convertible into shares of any other class or series of the capital stock of the Company.

IN WITNESS WHEREOF, the Company has caused these Articles Supplementary to be signed in its name and on its behalf and attested to by the undersigned on this 13th day of March, 1998 and the undersigned acknowledges under the penalties of perjury that these Articles Supplementary are the corporate act of said Company and that to the best of his knowledge, information and belief, the matters and facts set forth herein are true in all material respects.

FIRST INDUSTRIAL REALTY TRUST, INC.

By: /s/ Gary H. Heigl

Name: Gary H. Heigl

Title: Senior Vice President-

Capital Markets

Attest:

/s/ Scott A. Musil

Name: Scott A. Musil

Title: Assistant Secretary

FIRST INDUSTRIAL REALTY TRUST, INC.,
 FIRST CHICAGO TRUST COMPANY OF NEW YORK,
 AS DEPOSITARY,

AND

THE HOLDERS FROM TIME TO TIME OF
 THE DEPOSITARY RECEIPTS DESCRIBED HEREIN
 RELATING TO SERIES E CUMULATIVE PREFERRED STOCK

DEPOSIT AGREEMENT

 Dated as of March 18, 1998

TABLE OF CONTENTS

ARTICLE I

DEFINITIONS

ARTICLE II

Page

FORM OF RECEIPTS, DEPOSIT OF STOCK,
 EXECUTION AND DELIVERY, TRANSFER,
 SURRENDER AND REDEMPTION OF RECEIPTS

SECTION 2.1.	Form and Transfer of Receipts.....	2
SECTION 2.2.	Deposit of Stock; Execution and Delivery of Receipts in Respect Thereof.....	5
SECTION 2.3.	Registration of Transfer of Receipts.....	6
SECTION 2.4.	Split-ups and Combinations of Receipts; Surrender of Receipts and Withdrawal of Stock.....	6
SECTION 2.5.	Limitations on Execution and Delivery, Transfer, Surrender and Exchange of Receipts.....	7
SECTION 2.6.	Lost Receipts, etc.....	8
SECTION 2.7.	Cancellation and Destruction of Surrendered Receipts.....	8
SECTION 2.8.	Redemption of Stock.....	8
SECTION 2.9.	Stock Constituting Excess Shares.....	10
SECTION 2.10.	Interchangeability of Book-Entry Receipts in Physical, Certificated Form.....	10

ARTICLE III

CERTAIN OBLIGATIONS OF HOLDERS OF RECEIPTS AND THE COMPANY

SECTION 3.1. Filing Proofs,

Certificates and Other	
Information.....	10
SECTION 3.2. Payment of Taxes or Other Governmental	
Charges.....	11
SECTION 3.3. Warranty as to Stock.....	11

-i-

3

Page

ARTICLE IV

THE DEPOSITED SECURITIES; NOTICES

SECTION 4.1. Cash Distributions.....	11
SECTION 4.2. Distributions Other than Cash, Rights,	
Preferences or Privileges.....	12
SECTION 4.3. Subscription Rights, Preferences or	
Privileges.....	12
SECTION 4.4. Notice of Dividends, etc.; Fixing Record	
Date for Holders of Receipts.....	14
SECTION 4.5. Voting Rights.....	14
SECTION 4.6. Changes Affecting Deposited Securities and	
Reclassifications,	
Recapitalizations, etc.....	15
SECTION 4.7. Delivery of Reports.....	15
SECTION 4.8. List of Receipt Holders.....	15

ARTICLE V

THE DEPOSITARY, THE DEPOSITARY'S AGENTS, THE REGISTRAR

SECTION 5.1. Maintenance of Offices, Agencies and	
Transfer Books by the Depositary;	
Registrar.....	16
SECTION 5.2. Prevention of or Delay in Performance by	
the Depositary, the Depositary's	
Agents, the Registrar or the Company.....	17
SECTION 5.3. Obligation of the Depositary, the	
Depositary's Agents, the Registrar and	
the Company.....	17
SECTION 5.4. Resignation and Removal of the	
Depositary; Appointment of Successor	
Depositary.....	19
SECTION 5.5. Corporate Notices and Reports.....	20
SECTION 5.6. Indemnification by the Company.....	20
SECTION 5.7. Charges and Expenses.....	21
SECTION 5.8. Tax Compliance.....	21

ARTICLE VI

AMENDMENT AND TERMINATION

SECTION 6.1. Amendment.....	22
SECTION 6.2. Termination.....	22

-ii-

ARTICLE VII

MISCELLANEOUS

SECTION 7.1. Counterparts.....	23
SECTION 7.2. Exclusive Benefit of Parties.....	23
SECTION 7.3. Invalidity of Provisions.....	23
SECTION 7.4. Notices.....	23
SECTION 7.5. Appointment of Registrar.....	24
SECTION 7.6. Holders of Receipts Are Parties.....	24
SECTION 7.7. Governing Law.....	24
SECTION 7.8. Inspection of Deposit Agreement.....	25
SECTION 7.9. Headings.....	25

-iii-

DEPOSIT AGREEMENT, dated as of March 18, 1998, among FIRST INDUSTRIAL REALTY TRUST, INC., a Maryland corporation (the "Company"), FIRST CHICAGO TRUST COMPANY OF NEW YORK, a national banking association (the "Depository"), and the holders from time to time of the Receipts described herein.

WHEREAS, it is desired to provide, as hereinafter set forth in this Deposit Agreement, for the deposit of shares of Series E Cumulative Preferred Stock of the Company with the Depository for the purposes set forth in this Deposit Agreement and for the issuance hereunder of Receipts evidencing Depository Shares in respect of the Stock so deposited; and

WHEREAS, the Receipts are to be substantially in the form of Exhibit A annexed hereto, with appropriate insertions, modifications and omissions, as hereinafter provided in this Deposit Agreement;

NOW, THEREFORE, in consideration of the promises contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

The following definitions shall, for all purposes, unless otherwise indicated, apply to the respective terms used in this Deposit Agreement:

"Articles Supplementary" shall mean the Articles Supplementary filed with the Secretary of State of the State of Maryland establishing the Stock as a series of preferred stock of the Company.

"Deposit Agreement" shall mean this Deposit Agreement, as amended or supplemented from time to time.

"Depository" shall mean First Chicago Trust Company of New York and any successor as Depository hereunder.

"Depository Shares" shall mean Depository Shares, each representing 1/100 of a share of Stock and evidenced by a Receipt.

"Depository's Agent" shall mean an agent appointed by the Depository pursuant to Section 5.1 and shall include the Registrar if such Registrar is not the Depository.

6

-2-

"Depository's Office", shall mean any office of the Depository at which at any particular time its depository receipt business shall be administered.

"Excess Stock" shall mean Excess Stock as defined in Section 7.4 of the Company's Amended and Restated Articles of Incorporation.

"Receipt" shall mean one of the Depository Receipts, substantially in the form set forth as Exhibit A hereto, issued hereunder, whether in definitive or temporary form and evidencing the number of Depository Shares held of record by the record holder of such Depository Shares. If the context so requires, the term "Receipt" shall be deemed to include the DTC Receipt (as defined in Section 2.1 hereof).

"record holder" or "holder" as applied to a Receipt shall mean the person in whose name a Receipt is registered on the books of the Depository maintained for such purpose.

"Registrar" shall mean the Depository or such other bank or trust company which shall be appointed to register ownership and transfers of Receipts as herein provided.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Stock" shall mean shares of the Company's 7.90% Series E Cumulative Preferred Stock, \$.01 par value per share.

ARTICLE II

FORM OF RECEIPTS, DEPOSIT OF STOCK, EXECUTION AND DELIVERY, TRANSFER, SURRENDER AND REDEMPTION OF RECEIPTS

SECTION 2.1. Form and Transfer of Receipts. The Company and the Depository shall make application to The Depository Trust Company ("DTC") for acceptance of all or a portion of the Receipts for its book-entry settlement system. The Company hereby appoints the Depository acting through any authorized officer thereof as its attorney-in-fact, with full power to delegate, for purposes of executing any agreements, certifications or other instruments or documents necessary or desirable in order to effect the acceptance of such Receipts for DTC eligibility. So long as the Receipts are eligible for book-entry settlement with DTC, unless otherwise required by law, all Depository Shares to be traded on the New York Stock Exchange with book-entry settlement through DTC shall be represented by a single receipt (the "DTC Receipt"),

7

-3-

which shall be deposited with DTC (or its designee) evidencing all such Depository Shares and registered in the name of the nominee of DTC (initially expected to be Cede & Co.). First Chicago Trust Company of New York or such other entity as is agreed to by DTC may hold the DTC Receipt as custodian for DTC. Ownership of beneficial interests in the DTC Receipt shall be shown on, and the transfer of such ownership shall be effected through, records maintained by (i) DTC or its nominee for such DTC Receipt, or (ii) institutions that have accounts with DTC.

If DTC subsequently ceases to make its book-entry settlement system available for the Receipts, the Company may instruct the Depository regarding

making other arrangements for book-entry settlement. In the event that the Receipts are not eligible for, or it is no longer desirable to have the Receipts available in, book-entry form, the Depositary shall provide written instructions to DTC to deliver to the Depositary for cancellation the DTC Receipt, and the Company shall instruct the Depositary to deliver to the beneficial owners of the Depositary Shares previously evidenced by the DTC definitive Receipts in physical form evidencing such Depositary Shares. Such definitive receipts shall be in substantially the form annexed hereto as Annex A, with appropriate insertions, modifications and omissions, as hereafter provided.

The beneficial owners of Depositary Shares shall, except as stated above with respect to Depositary Shares in book-entry form represented by the DTC Receipt, be entitled to receive Receipts in physical, certificated form as herein provided.

Definitive Receipts shall be engraved or printed or lithographed on steel-engraved borders, with appropriate insertions, modifications and omissions, as hereinafter provided, if and to the extent required by any securities exchange on which the Receipts are listed. The DTC Receipt shall bear such legend or legends as may be required by DTC in order for it to accept the Depositary Shares for its book-entry settlement system. Pending the preparation of definitive Receipts or if definitive Receipts are not required by any securities exchange on which the Receipts are listed, the Depositary, upon the written order of the Company, delivered in compliance with Section 2.2, shall execute and deliver temporary Receipts which are printed, lithographed, typewritten, mimeographed or otherwise substantially of the tenor of the definitive Receipts in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the persons executing such Receipts may determine, as evidenced by their execution of such Receipts. If temporary Receipts are issued, the Company and the Depositary will cause de-

definitive Receipts to be prepared without unreasonable delay. After the preparation of definitive Receipts, the temporary Receipts shall be exchangeable for definitive Receipts upon surrender of the temporary Receipts at the Depositary's Office or at such other place or places as the Depositary shall determine, without charge to the holder. Upon surrender for cancellation of any one or more temporary Receipts, the Depositary shall execute and deliver in exchange therefor definitive Receipts representing the same number of Depositary Shares as represented by the surrendered temporary Receipt or Receipts. Such exchange shall be made at the Company's expense and without any charge to the holder therefor. Until so exchanged, the temporary Receipts shall in all respects be entitled to the same benefits under this Agreement, and with respect to the Stock, as definitive Receipts.

Receipts shall be executed by the Depositary by the manual and/or facsimile signature of a duly authorized officer of the Depositary. No Receipt shall be entitled to any benefits under this Deposit Agreement or be valid or obligatory for any purpose unless it shall have been executed in accordance with the foregoing sentence. The Depositary shall record on its books each Receipt so signed and delivered as hereinafter provided.

Receipts shall be in denominations of any number of whole Depositary Shares. The Company shall deliver to the Depositary from time to time such quantities of Receipts as the Depositary may request to enable the Depositary to perform its obligations under this Deposit Agreement.

Receipts may be endorsed with or have incorporated in the text thereof such legends or recitals or changes not inconsistent with the provisions of this Deposit Agreement as may be required by the Depositary or required to comply with any applicable law or any regulation thereunder or with the rules and regulations of any securities exchange upon which the Stock, the Depositary Shares or the Receipts may be listed or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipts are subject.

Title to Depositary Shares evidenced by a Receipt which is properly

endorsed or accompanied by a properly executed instrument of transfer shall be transferable by delivery with the same effect as in the case of a negotiable instrument; provided, however, that until transfer of a Receipt shall be registered on the books of the Depositary as provided in Section 2.3, the Depositary may, notwithstanding any notice to the contrary, treat the record holder thereof at such time as the absolute owner thereof for the purpose of determining the person entitled to distributions of

dividends or other distributions or to any notice provided for in this Deposit Agreement and for all other purposes.

SECTION 2.2. Deposit of Stock; Execution and Delivery of Receipts in Respect Thereof. Subject to the terms and conditions of this Deposit Agreement, the Company may from time to time deposit shares of Stock under this Deposit Agreement by delivery to the Depositary of a certificate or certificates for the Stock to be deposited, properly endorsed or accompanied, if required by the Depositary, by a duly executed instrument of transfer or endorsement, in form satisfactory to the Depositary, together with all such certifications as may be required by the Depositary in accordance with the provisions of this Deposit Agreement, and together with a written order of the Company or such holder, as the case may be, directing the Depositary to execute and deliver to, or upon the written order of, the person or persons stated in such order a Receipt or Receipts for the number of Depositary Shares representing such deposited Stock.

Deposited Stock shall be held by the Depositary at the Depositary's Office or at such other place or places as the Depositary shall determine.

Upon receipt by the Depositary of a certificate or certificates for Stock deposited in accordance with the provisions of this Section, together with the other documents required as above specified, and upon recordation of the Stock on the books of the Company in the name of the Depositary or its nominee, the Depositary, subject to the terms and conditions of this Deposit Agreement, shall execute and deliver, to or upon the order of the person or persons named in the written order delivered to the Depositary referred to in the first paragraph of this Section, a Receipt or Receipts for the whole number of Depositary Shares representing, in the aggregate, the Stock so deposited and registered in such name or names as may be requested by such person or persons. The Depositary shall execute and deliver such Receipt or Receipts at the Depositary's Office or such other offices, if any, as the Depositary may designate. Delivery at other offices shall be at the risk and expense of the person requesting such delivery.

SECTION 2.3. Registration of Transfer of Receipts. Subject to the terms and conditions of this Deposit Agreement, the Depositary shall register on its books from time to time transfers of Receipts upon any surrender thereof by the holder in person or by a duly authorized attorney, properly endorsed or accompanied by a properly executed instrument of transfer. Thereupon, the Depositary shall execute a new Receipt or Receipts evidencing the same aggregate number of Depositary Shares as those evidenced by

the Receipt or Receipts surrendered and deliver such new Receipt or Receipts to or upon the order of the person entitled thereto.

SECTION 2.4. Split-ups and Combinations of Receipts; Surrender of Receipts and Withdrawal of Stock. Upon surrender of a Receipt or Receipts at the Depositary's Office or at such other offices as it may designate for the purpose of effecting a split-up or combination of such Receipt or Receipts, and subject to the terms and conditions of this Deposit Agreement, the Depositary shall execute and deliver a new Receipt or Receipts in the authorized denomination or denominations requested, evidencing the aggregate number of Depositary Shares evidenced by the Receipt or Receipts surrendered; provided,

however, that the Depositary shall not issue any Receipt evidencing a fractional Depositary Share.

Any holder of a Receipt or Receipts representing any number of whole shares of Stock may (unless the related Depositary Shares have previously been called for redemption) withdraw the Stock and all money and other property, if any, represented thereby by surrendering such Receipt or Receipts at the Depositary's Office or at such other offices as the Depositary may designate for such withdrawals and paying any unpaid amount due the Depositary. If such holder's Depositary Shares are being held by DTC or its nominee pursuant to Section 2.1, such holder shall request withdrawal from the book-entry system of Receipts representing any number of whole shares. Thereafter, without unreasonable delay, the Depositary shall deliver to such holder or to the person or persons designated by such holder as hereinafter provided the number of whole shares of Stock and all money and other property, if any, represented by the Receipt or Receipts so surrendered for withdrawal, but holders of such whole shares of Stock will not thereafter be entitled to deposit such Stock hereunder or to receive Depositary Shares therefor. If a Receipt delivered by the holder to the Depositary in connection with such withdrawal shall evidence a number of Depositary Shares in excess of the number of Depositary Shares representing the number of whole shares of Stock to be so withdrawn, the Depositary shall at the same time, in addition to such number of whole shares of Stock and such money and other property, if any, to be so withdrawn, deliver to such holder, or upon his order, a new Receipt evidencing such excess number of Depositary Shares; provided, however, that the Depositary shall not issue any Receipt evidencing a fractional Depositary Share.

Delivery of the Stock and money and other property being withdrawn may be made by the delivery of such certificates, documents of title and other instruments as the Depositary may deem

11

-7-

appropriate, which, if required by the Depositary, shall be properly endorsed or accompanied by proper instruments of transfer.

If the Stock and the money and other property being withdrawn are to be delivered to a person or persons other than the record holder of the Receipt or Receipts being surrendered for withdrawal of Stock, such holder shall execute and deliver to the Depositary a written order so directing the Depositary and the Depositary may require that the Receipt or Receipts surrendered by such holder for withdrawal of such shares of Stock be properly endorsed in blank or accompanied by a properly executed instrument of transfer in blank.

Delivery of the Stock and the money and other property, if any, represented by Receipts surrendered for withdrawal shall be made by the Depositary at the Depositary's Office, except that, at the request, risk and expense of the holder surrendering such Receipt or Receipts and for the account of the holder thereof, such delivery may be made at such other place as may be designated by such holder.

SECTION 2.5. Limitations on Execution and Delivery, Transfer, Surrender and Exchange of Receipts. As a condition precedent to the execution and delivery, registration of transfer, split-up, combination, surrender or exchange of any Receipt, the Depositary, any of the Depositary's Agents or the Company may require payment to it of a sum sufficient for the payment (or, in the event that the Depositary or the Company shall have made such payment, the reimbursement to it) of any charges or expenses payable by the holder of a Receipt pursuant to Sections 3.2 and 5.7, may require the production of evidence satisfactory to it as to the identity and genuineness of any signature, and may also require compliance with such regulations, if any, as the Depositary or the Company may establish consistent with the provisions of this Deposit Agreement.

The deposit of Stock may be refused, the delivery of Receipts against Stock may be suspended, the registration of transfer of Receipts may be refused and the registration of transfer, surrender or exchange of outstanding Receipts may be suspended (i) during any period when the register of stockholders of the Company is closed, or (ii) if any such action is deemed necessary or advisable by the Depositary, any of the Depositary's Agents or the Company at any time or from time to time because of any requirement of law or of any government or

governmental body or commission or under any provision of this Deposit Agreement.

12

-8-

SECTION 2.6. Lost Receipts, etc. In case any receipt shall be mutilated, destroyed, lost or stolen, the Depositary in its reasonable discretion may execute and deliver a Receipt of like form and tenor in exchange and substitution for such mutilated Receipt, or in lieu of and in substitution for such destroyed, lost or stolen Receipt, upon (i) the filing by the holder thereof with the Depositary of evidence reasonably satisfactory to the Depositary of such destruction or loss or theft of such Receipt, of the authenticity thereof and of his or her ownership thereof, (ii) the furnishing of the Depositary with indemnification reasonably satisfactory to it and the Company and (iii) the payment of any reasonable expense (including reasonable fees, charges and expenses of the Depositary) in connection with such execution and delivery.

SECTION 2.7. Cancellation and Destruction of Surrendered Receipts. All Receipts surrendered to the Depositary or any Depositary's Agent shall be cancelled by the Depositary. Except as prohibited by applicable law or regulation, the Company is authorized to destroy all Receipts so cancelled.

SECTION 2.8. Redemption of Stock. Whenever the Company shall be permitted and shall elect to redeem shares of Stock in accordance with the provisions of the Company's Articles of Incorporation or Articles Supplementary, it shall (unless otherwise agreed to in writing with the Depositary) give or cause to be given to the Depositary not less than 45 days notice of the date of such proposed redemption or exchange of Stock and of the number of such shares held by the Depositary to be so redeemed and the applicable redemption price, as set forth in the Articles Supplementary, which notice shall be accompanied by a certificate from the Company stating that such redemption of Stock is in accordance with the provisions of the Company's Articles of Incorporation or Articles Supplementary. On the date of such redemption, provided that the Company shall then have paid or caused to be paid in full to the Depositary the redemption price of the Stock to be redeemed, plus an amount equal to any accrued and unpaid dividends thereon to the date fixed for redemption, in accordance with the provisions of the Articles Supplementary, the Depositary shall redeem the number of Depositary Shares representing such Stock. The Depositary shall mail notice of the Company's redemption of Stock and the proposed simultaneous redemption of the number of Depositary Shares representing the Stock to be redeemed by first-class mail, postage prepaid, not less than 30 and not more than 60 days prior to the date fixed for redemption of such Stock and Depositary Shares (the "Redemption Date") to the record holders of the Receipts evidencing the Depositary Shares to be so redeemed, at the address of such holders as they appear on the records of the

13

-9-

Depositary; but neither failure to mail any such notice of redemption of Depositary Shares to one or more such holders nor any defect in any notice of redemption of Depositary Shares to one or more such holders shall affect the sufficiency of the proceedings for redemption as to the other holders. The Company will provide the Depositary with the information necessary for the Depositary to prepare such notice and each such notice shall state: (i) the Redemption Date; (ii) the number of Depositary Shares to be redeemed and, if fewer than all the Depositary Shares held by any such holder are to be redeemed, the number of such Depositary Shares held by such holder to be so redeemed; (iii) the redemption price per Depositary Share; (iv) the place or places where Receipts evidencing Depositary Shares are to be surrendered for payment of the redemption price; and (v) that dividends in respect of the Stock represented by the Depositary Shares to be redeemed will cease to accrue on such Redemption Date and will bear no interest. In case fewer than all the outstanding Depositary Shares are to be redeemed, the Depositary Shares to be so redeemed shall be determined pro rata or by lot in a manner determined by

the Board of Directors.

Notice having been mailed by the Depositary as aforesaid, from and after the Redemption Date (unless the Company shall have failed to provide the funds necessary to redeem the Stock evidenced by the Depositary Shares called for redemption) (i) dividends on the shares of Stock so called for redemption shall cease to accrue from and after such date, (ii) the Depositary Shares being redeemed from such proceeds shall be deemed no longer to be outstanding, (iii) all rights of the holders of Receipts evidencing such Depositary Shares (except the right to receive the redemption price) shall, to the extent of such Depositary Shares, cease and terminate, and (iv) upon surrender in accordance with such redemption; notice of the Receipts evidencing any such Depositary Shares called for redemption (properly endorsed or assigned for transfer, if the Depositary or applicable law shall so require), such Depositary Shares shall be redeemed by the Depositary at a redemption price per Depositary Share equal to the same fraction of the redemption price per share paid with respect to the shares of Stock as the fraction each Depositary Share represents of a share of Stock plus the same fraction of all money and other property, if any, represented by such Depositary Shares, including all amounts paid by the Company in respect of dividends which on the Redemption Date have accumulated on the shares of Stock to be so redeemed and have not theretofore been paid. Any funds deposited by the Company with the Depositary for any Depositary Shares that the holders thereof fail to redeem will, upon the written request of the Company, be returned to the Company after a period of five years from the date such funds are so deposited.

14

-10-

If fewer than all of the Depositary Shares evidenced by a Receipt are called for redemption, the Depositary will deliver to the holder of such Receipt upon its surrender to the Depositary, together with the redemption payment, a new Receipt evidencing the Depositary Shares evidenced by such prior Receipt and not called for redemption; provided, however, that the Depositary shall not issue any Receipt evidencing a fractional Depositary Share.

SECTION 2.9. Stock Constituting Excess Stock. As provided in the Articles of Incorporation or Articles Supplementary, upon the happening of certain events, shares of Stock shall be deemed to automatically constitute Excess Stock. In the event of such a conversion, the Receipt representing the deposited Stock so converted shall no longer represent, to the extent of the shares so converted, such deposited Stock. Promptly upon its knowledge of the conversion of such deposited Stock into Excess Shares, the Company shall notify the Depositary of such conversion, the number of shares of deposited Stock so converted, and the identity of the holder of the Receipt so affected, whereupon the Depositary shall promptly notify the holder of such Receipt as to the foregoing information and the requirement for the holder to surrender such Receipt to the Depositary for cancellation of the number of Depositary Shares evidenced thereby equal to the deposited Stock constituting Excess Shares represented thereby.

If fewer than all of the Depositary Shares evidenced by a Receipt are required to be surrendered for cancellation, the Depositary will deliver to the holder of such Receipt upon its surrender to the Depositary a new Receipt evidencing the Depositary Shares evidenced by such prior Receipt and not required to be surrendered for cancellation. Upon the conversion of the deposited Stock and cancellation of the Depositary Shares represented thereby, the Depositary will make appropriate adjustments in its records to reflect such conversion and cancellation (including the reduction of any fractional share of deposited Stock and the issuance of any Excess Shares).

ARTICLE III

CERTAIN OBLIGATIONS OF HOLDERS OF RECEIPTS AND THE COMPANY

SECTION 3.1. Filing Proofs, Certificates and Other Information. Any holder of a Receipt may be required from time to time to file such proof of residence, or other matters or other information, to execute such certificates and to make such representations and warranties as the Depositary or the

reasonably deem necessary or proper or otherwise reasonably request. The Depositary or the Company may withhold the delivery, or delay the registration of transfer, redemption or exchange, of any Receipt or the withdrawal or conversion of the Stock represented by the Depositary Shares evidenced by any Receipt or the distribution of any dividend or other distribution or the sale of any rights or of the proceeds thereof until such proof or other information is filed or such certificates are executed or such representations and warranties are made.

SECTION 3.2. Payment of Taxes or Other Governmental Charges. Holders of Receipts shall be obligated to make payments to the Depositary of certain charges and expenses, as provided in Section 5.7. Registration of transfer of any Receipt or any withdrawal of Stock and all money or other property, if any, represented by the Depositary Shares evidenced by such Receipt may be refused until any such payment due is made, and any dividends, interest payments or

other distributions may be withheld or any part of or all the Stock or other property represented by the Depositary Shares evidenced by such Receipt and not theretofore sold may be sold for the account of the holder thereof (after attempting by reasonable means to notify such holder prior to such sale), and such dividends, interest payments or other distributions or the proceeds of any such sale may be applied to any payment of such charges or expenses, the holder of such Receipt remaining liable for any deficiency.

SECTION 3.3. Warranty as to Stock. The Company hereby represents and warrants that the Stock, when issued, will be duly authorized, validly issued, fully paid and nonassessable. Such representation and warranty shall survive the deposit of the Stock and the issuance of Receipts.

ARTICLE IV

THE DEPOSITED SECURITIES; NOTICES

SECTION 4.1. Cash Distributions. Whenever the Depositary shall receive any cash dividend or other cash distribution on Stock, the Depositary shall, subject to Sections 3.1 and 3.2, distribute to record holders of Receipts on the record date fixed pursuant to Section 4.4 such amounts of such dividend or distribution as are, as nearly as practicable, in proportion to the respective numbers of Depositary Shares evidenced by the Receipts held by such holders; provided, however, that in case the Company or the Depositary shall be required to withhold and shall withhold from any cash dividend or other cash distribution in respect of the Stock an amount on account of taxes or as otherwise required

by law, regulation or court process, the amount made available for distribution or distributed in respect of Depositary Shares shall be reduced accordingly. In the event that the calculation of any such cash dividend or other cash distribution to be paid to any record holder on the aggregate number of Depositary Receipts held by such holder results in an amount which is a fraction of a cent, the amount the Depositary shall distribute to such record holder shall be rounded to the next highest whole cent if such fraction of a cent is equal to or greater than \$.005; otherwise such fractional interest shall be disregarded; and upon request of the Depositary, the Company shall pay the additional amount to the Depositary for distribution.

SECTION 4.2. Distributions Other than Cash, Rights, Preferences or Privileges. Whenever the Depositary shall receive any distribution other than cash, rights, preferences or privileges upon Stock, the Depositary shall, subject to Sections 3.1 and 3.2, distribute to record holders of Receipts on the record date fixed pursuant to Section 4.4 such amounts of the securities or

property received by it as are, as nearly as may be practicable, in proportion to the respective numbers of Depositary Shares evidenced by the Receipts held by such holders, in any manner that the Depositary may deem equitable and practicable for accomplishing such distribution. If in the opinion of the Depositary such distribution cannot be made proportionately among such record holders, or if for any other reason (including any requirement that the Company or the Depositary withhold an amount on account of taxes) the Depositary deems (after consultation with the Company) such distribution not to be feasible, the Depositary may, with the approval of the Company, adopt such method as it deems equitable and practicable for the purpose of effecting such distribution, including the sale (at public or private sale) of the securities or property thus received, or any part thereof, at such place or places and upon such terms as it may deem equitable and appropriate. The net proceeds of any such sale shall, subject to Sections 3.1 and 3.2, be distributed or made available for distribution, as the case may be, by the Depositary to record holders of Receipts as provided by Section 4.1 in the case of a distribution received in cash.

SECTION 4.3. Subscription Rights, Preferences or Privileges. If the Company shall at any time offer or cause to be offered to the persons in whose names Stock is recorded on the books of the Company any rights, preferences or privileges to subscribe for or to purchase any securities or any rights, preferences or privileges of any other nature, such rights, preferences or privileges shall in each such instance be made available by the Depositary to the record holders of Receipts in such manner as the

17

-13-

Depositary may determine, either by the issue to such record holders of warrants representing such rights, preferences or privileges or by such other method as may be approved by the Depositary in its discretion with the approval of the Company; provided, however, that (i) if at the time of issue or offer of any such rights, preferences or privileges the Depositary determines that it is not lawful or (after consultation with the Company) not feasible to make such rights, preferences or privileges available to holders of Receipts by the issue of warrants or otherwise, or (ii) if and to the extent so instructed by holders of Receipts who do not desire to execute such rights, preferences or privileges, then the Depositary, in its discretion (with approval of the Company, in any case where the Depositary has determined that it is not feasible to make such rights, preferences or privileges available), may, if applicable laws or the terms of such rights, preferences or privileges permit such transfer, sell such rights, preferences or privileges at public or private sale, at such place or places and upon such terms as it may deem proper. The net proceeds of any such sale shall, subject to Sections 3.1 and 3.2, be distributed by the Depositary to the record holders of Receipts entitled thereto as provided by Section 4.1 in the case of a distribution received in cash.

If registration under the Securities Act of the securities to which any rights, preferences or privileges relate is required in order for holders of Receipts to be offered or sold the securities to which such rights, preferences or privileges relate, the Company will file promptly a registration statement pursuant to the Securities Act with respect to such rights, preferences or privileges and securities and use its best efforts and take all steps available to it to cause such registration statement to become effective sufficiently in advance of the expiration of such rights, preferences or privileges to enable such holders to exercise such rights, preferences or privileges. In no event shall the Depositary make available to the holders of Receipts any right, preference or privilege to subscribe for or to purchase any securities unless and until it has received written notice from the Company that such registration statement shall have become effective, or that the offering and sale of such securities to such holders are exempt from registration under the provisions of the Securities Act and the Company shall have provided to the Depositary an opinion of counsel reasonably satisfactory to the Depositary to such effect.

If any other action under the laws of any jurisdiction or any governmental or administrative authorization, consent or permit is required in order for such rights, preferences or privileges to be made available to holders of Receipts, the Company

will use its reasonable best efforts to take such action or obtain such authorization, consent or permit sufficiently in advance of the expiration of such rights, preferences or privileges to enable such holders to exercise such rights, preferences or privileges.

SECTION 4.4. Notice of Dividends, etc.; Fixing Record Date for Holders of Receipts. Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or if rights, preferences or privileges shall at any time be offered, with respect to Stock, or whenever the Depositary shall receive notice of any meeting at which holders of Stock are entitled to vote or of which holders of Stock are entitled to notice, or whenever the Depositary and the Company shall decide it is appropriate, the Depositary shall in each such instance fix a record date (which shall be the same date as the record date fixed by the Company with respect to or otherwise in accordance with the terms of the Stock) for the determination of the holders of Receipts who shall be entitled to receive such dividend, distribution, rights, preferences or privileges or the net proceeds of the sale thereof, or to give instructions for the exercise of voting rights at any such meeting, or who shall be entitled to notice of such meeting or for any other appropriate reasons.

SECTION 4.5. Voting Rights. Upon receipt of notice of any meeting at which the holders of Stock are entitled to vote, the Depositary shall, as soon as practicable thereafter, mail to the record holders of Receipts a notice which shall contain (i) such information as is contained in such notice of meeting and (ii) a statement that the holders may, subject to any applicable restrictions, instruct the Depositary as to the exercise of the voting rights pertaining to the amount of Stock represented by their respective Depositary Shares (including an express indication that instructions may be given to the Depositary to give a discretionary proxy to a person designated by the Company) and a brief statement as to the manner in which such instructions may be given. Upon the written request of the holders of Receipts on the relevant record date, the Depositary shall use its best efforts to vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of whole shares of Stock represented by the Depositary Shares evidenced by all Receipts as to which any particular voting instructions are received. The Company hereby agrees to take all action which may be deemed necessary by the Depositary in order to enable the Depositary to vote such Stock or cause such Stock to be voted. In the absence of specific instructions from the holder of a Receipt, the Depositary will not vote to the extent of the Stock represented by the Depositary Shares evidenced by such Receipt.

SECTION 4.6. Changes Affecting Deposited Securities and Reclassifications, Recapitalizations, etc. Upon any change in par value or liquidation preference, split-up, combination or any other reclassification of the Stock, or upon any recapitalization, reorganization, merger or consolidation affecting the Company or to which it is a party, the Depositary may in its discretion with the approval (not to be unreasonably withheld) of, and shall upon the instructions of, the Company, and (in either case) in such manner as the Depositary may deem equitable, (i) make such adjustments in the fraction of an interest in one share of Stock represented by one Depositary Share as may be necessary (as certified by the Company) fully to reflect the effects of such change in par value or liquidation preference, split-up, combination or other reclassification of Stock, or of such recapitalization, reorganization, merger or consolidation and (ii) treat any securities which shall be received by the Depositary in exchange for or upon conversion of or in respect of the Stock as new deposited securities so received in exchange for or upon conversion or in respect of such Stock. In any such case, the Depositary may in its discretion, with the approval of the Company, execute and deliver additional Receipts or may call for the surrender of all outstanding Receipts to be exchanged for new Receipts specifically describing such new deposited securities. Anything to the contrary herein notwithstanding, holders of Receipts shall have the right from and after the effective date of any such

change in par value or liquidation preference, split-up, combination or other reclassification of the Stock or any such recapitalization, reorganization, merger or consolidation to surrender such Receipts to the Depositary with instructions to convert, exchange or surrender the Stock represented thereby only into or for, as the case may be, the kind and amount of shares of stock and other securities and property and cash into which the Stock represented by such Receipts would have been converted or for which such Stock would have been exchanged or surrendered had such Receipt been surrendered immediately prior to the effective date of such transaction.

SECTION 4.7. Delivery of Reports. The Depositary shall furnish to holders of Receipts any reports and communications received from the Company which are received by the Depositary as the holder of Stock.

SECTION 4.8. List of Receipt Holders. Promptly upon request from time to time by the Company, the Depositary shall furnish to it a list, as of the most recent practicable date, of the names, addresses and holdings of Depositary Shares of all record holders of Receipts. The Company shall be entitled to receive such list four times annually.

20

-16-

ARTICLE V

THE DEPOSITARY, THE DEPOSITARY'S AGENTS, THE REGISTRAR AND THE COMPANY

SECTION 5.1. Maintenance of Offices, Agencies and Transfer Books by the Depositary; Registrar. Upon execution of this Deposit Agreement, the Depositary shall maintain at the Depositary's Office facilities for the execution and delivery, registration and registration of transfer, surrender and exchange of Receipts, and at the offices of the Depositary's Agents, if any, facilities for the delivery, registration of transfer, surrender and exchange of Receipts, all in accordance with the provisions of this Deposit Agreement.

The Depositary shall keep books at the Depositary's Office for the registration and registration of transfer of Receipts, which books during normal business hours shall be open for inspection by the record holders of Receipts; provided that any such holder requesting to exercise such right shall certify to the Depositary that such inspection shall be for a proper purpose reasonably related to such person's interest as an owner of Depositary Shares evidenced by the Receipts.

The Depositary may close such books, at any time or from time to time, when deemed expedient by it in connection with the performance of its duties hereunder.

The Depositary may, with the approval of the Company, appoint a Registrar for registration of the Receipts or the Depositary Shares evidenced thereby. If the Receipts or the Depositary Shares evidenced thereby or the Stock represented by such Depositary Shares shall be listed on one or more national securities exchanges, the Depositary will appoint a Registrar (acceptable to the Company) for registration of such Receipts or Depositary Shares in accordance with any requirements of such exchange. Such Registrar (which may be the Depositary if so permitted by the requirements of any such exchange) may be removed and a substitute registrar appointed by the Depositary upon the request or with the approval of the Company. If the Receipts, such Depositary Shares or such Stock is listed on one or more other stock exchanges, the Depositary will, at the request and at the expense of the Company, arrange such facilities for the delivery, registration, registration of transfer, surrender and exchange of such Receipts, such Depositary Shares or such Stock as may be required by law or applicable securities exchange regulation.

21

The Depositary may from time to time appoint Depositary's Agents to act in any respect for the Depositary for the purposes of this Deposit Agreement and may at any time appoint additional Depositary's Agents and vary or terminate the appointment of such Depositary's Agents. The Depositary will notify the Company of any such action.

SECTION 5.2. Prevention of or Delay in Performance by the Depositary, the Depositary's Agents, the Registrar or the Company. Neither the Depositary nor any Depositary's Agent nor the Registrar nor the Company shall incur any liability to any holder of any Receipt if by reason of any provision of any present or future law, or regulation thereunder, of the United States of America or of any other governmental authority or, in the case of the Depositary, the Depositary's Agent or the Registrar, by reason of any provision, present or future, of the Company's Amended and Restated Articles of Incorporation or by reason of any act of God or war or other circumstance beyond the control of the relevant party, the Depositary, the Depositary's Agent, the Registrar or the Company shall be prevented, delayed or forbidden from, or subjected to any penalty on account of, doing or performing any act or thing which the terms of this Deposit Agreement provide shall be done or performed; nor shall the Depositary, any Depositary's Agent, the Registrar or the Company incur liability to any holder of a Receipt (i) by reason of any nonperformance or delay, caused as aforesaid, in the performance of any act or thing which the terms of this Deposit Agreement shall provide shall or may be done or performed, or (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in this Deposit Agreement except, in the case of any such exercise or failure to exercise discretion not caused as aforesaid, if caused by the gross negligence or willful misconduct of the party charged with such exercise or failure to exercise.

SECTION 5.3. Obligation of the Depositary, the Depositary's Agents, the Registrar and the Company. Neither the Depositary nor any Depositary's Agent nor the Registrar nor the Company assumes any obligation or shall be subject to any liability under this Deposit Agreement or any Receipt to holders of Receipts other than for its gross negligence, willful misconduct or bad faith.

Neither the Depositary nor any Depositary's Agent nor the Registrar nor the Company shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of the Stock, the Depositary Shares or the Receipts which in its reasonable opinion may involve it in expense or liability unless indemnity reasonably satisfactory to it against ex-

pense and liability be furnished as often as may be reasonably required.

Neither the Depositary nor any Depositary's Agent nor the Registrar nor the Company shall be liable for any action or any failure to act by it in reliance upon the written advice of legal counsel or accountants, or information from any person presenting Stock for deposit, any holder of a Receipt or any other person believed by it in good faith to be competent to give such information. The Depositary, any Depositary's Agent, the Registrar and the Company may each rely and shall each be protected in acting upon any written notice, request, direction or other document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Depositary shall not be responsible for any failure to carry out any instruction to vote any of the shares of Stock or for the manner or effect of any such vote made, as long as any such action or inaction is in good faith. The Depositary will indemnify the Company and hold it harmless from any loss, liability or expense (including the reasonable costs and expenses of defending itself) which arises from its negligence, willful misconduct or bad faith. The Depositary undertakes and any Registrar shall be required to undertake only such duties as specifically set forth herein and no implied covenants or obligations shall be read into this Deposit Agreement against the Depositary or Registrar. The indemnification obligations of the Depositary set forth in this

Section 5.3 shall survive any termination of this Agreement and any succession of any Depositary.

The Depositary, its parent, affiliates or subsidiaries, the Depositary's Agents and the Registrar may own, buy, sell and deal in any class of securities of the Company and its affiliates and in Receipts or Depositary Shares or become pecuniarily interested in any transaction in which the Company or its affiliates may be interested or contract with or lend money to any such person or otherwise act as fully or as freely as if it were not the Depositary, parent, affiliate or subsidiary or Depositary's Agent or Registrar hereunder. The Depositary may also act as trustee, transfer agent or registrar of any of the securities of the Company and its affiliates.

It is intended that neither the Depositary nor any Depositary's Agent nor the Registrar, acting as the Depositary's Agent or Registrar, as the case may be, shall be deemed to be an "issuer" of the securities under the federal securities laws or applicable state securities laws, it being expressly understood and agreed that the Depositary, any Depositary's Agent and the

23

-19-

Registrar are acting only in a ministerial capacity as Depositary or Registrar for the Stock.

Neither the Depositary (or its officers, directors, employees or agents) nor any Depositary's Agent nor the Registrar makes any representation or has any responsibility as to the validity of the registration statement pursuant to which the Depositary Shares are registered under the Securities Act, the Stock, the Depositary Shares or the Receipts (except for its counter-signatures thereon) or any instruments referred to therein or herein, or as to the correctness of any statement made therein or herein.

The Depositary assumes no responsibility for the correctness of the description that appears in the Receipts. Notwithstanding any other provision herein or in the Receipts, the Depositary makes no warranties or representations as to the validity or genuineness of any Stock at any time deposited with the Depositary hereunder or of the Depositary Shares, as to the validity or sufficiency of this Deposit Agreement, as to the value of the Depositary Shares or as to any right, title or interest of the record holders of Receipts in and to the Depositary Shares. The Depositary shall not be accountable for the use or application by the Company of the Depositary Shares or the Receipts or the proceeds thereof.

SECTION 5.4. Resignation and Removal of the Depositary; Appointment of Successor Depositary. The Depositary may at any time resign as Depositary hereunder by delivering notice of its election to do so to the Company, such resignation to take effect upon the appointment of a successor Depositary and its acceptance of such appointment as hereinafter provided.

The Depositary may at any time be removed by the Company by notice of such removal delivered to the Depositary, such removal to take effect upon the appointment of a successor Depositary and its acceptance of such appointment as hereinafter provided.

In case at any time the Depositary acting hereunder shall resign or be removed, the Company shall, within 60 days after the delivery of the notice of resignation or removal, as the case may be, appoint a successor Depositary, which shall be a bank or trust company having its principal office in the United States of America and having a combined capital and surplus of at least \$150,000,000. If no successor Depositary shall have been so appointed and have accepted appointment within 60 days after delivery of such notice, the resigning or removed Depositary may peti-

24

-20-

tion any court of competent jurisdiction for the appointment of a successor Depositary. Every successor Depositary shall execute and deliver to its

predecessor and to the Company an instrument in writing accepting its appointment hereunder, and thereupon such successor Depositary, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor and for all purposes shall be the Depositary under this Deposit Agreement, and such predecessor, upon payment of all sums due it and on the written request of the Company, shall execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder, shall duly assign, transfer and deliver all right, title and interest in the Stock and any moneys or property held hereunder to such successor, and shall deliver to such successor a list of the record holders of all outstanding Receipts and such records, books and other information in its possession relating thereto. Any successor Depositary shall promptly mail notice of its appointment to the record holders of Receipts.

Any corporation into or with which the Depositary may be merged, consolidated or converted shall be the successor of such Depositary without the execution or filing of any document or any further act, and notice thereof shall not be required hereunder. Such successor Depositary may authenticate the Receipts in the name of the predecessor Depositary or in the name of the successor Depositary.

SECTION 5.5. Corporate Notices and Reports. The Company agrees that it will deliver to the Depositary, and the Depositary will, promptly after receipt thereof, transmit to the record holders of Receipts, in each case at the addresses recorded in the Depositary's books, copies of all notices and reports (including without limitation financial statements) required by law or by the rules of any national securities exchange upon which the Stock, the Depositary Shares or the Receipts are listed, to be furnished to the record holders of Receipts. Such transmission will be at the Company's expense and the Company will provide the Depositary with such number of copies of such documents as the Depositary may reasonably request.

SECTION 5.6. Indemnification by the Company. The Company shall indemnify the Depositary, any Depositary's Agent and the Registrar against, and hold each of them harmless from, any loss, liability or expense (including the reasonable costs and expenses of defending itself) which may arise out of acts performed or omitted in connection with this Deposit Agreement and the Receipts by the Depositary, any Registrar or any of their respective agents (including any Depositary's Agent), except for any liabil-

ity arising out of negligence, willful misconduct or bad faith on the respective parts of any such person or persons. The obligations of the Company set forth in this Section 5.6 shall survive any termination of this Agreement or any succession of any Depositary or Depositary's Agent.

SECTION 5.7. Charges and Expenses. The Company shall pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. The Company shall pay charges of the Depositary in connection with the initial deposit of the Stock and the initial issuance of the Depositary Shares, all withdrawals of shares of the Stock by owners of Depositary Shares, and any redemption of the Stock at the option of the Company. All other transfer and other taxes and governmental charges shall be at the expense of holders of Depositary Shares. If, at the request of a holder of Receipts, the Depositary incurs charges or expenses for which it is not otherwise liable hereunder, such holder will be liable for such charges and expenses. All other charges and expenses of the Depositary and any Depositary's Agent hereunder (including, in each case, reasonable fees and expenses of counsel) incident to the performance of their respective obligations hereunder will be paid upon consultation and agreement between the Depositary and the Company as to the amount and nature of such charges and expenses. The Depositary shall present its statement for charges and expenses to the Company at such intervals as the Company and the Depositary may agree.

SECTION 5.8. Tax Compliance. The Depositary, on its own behalf and on behalf of the Company, will comply with all applicable certification, information reporting and withholding (including "backup" withholding) requirements imposed by applicable tax laws, regulations or administrative practice with respect to (i) any payments made with respect to the Depositary

Shares or (ii) the issuance, delivery, holding, transfer, redemption or exercise of rights under the Depositary Receipts or the Depositary Shares. Such compliance shall include, without limitation, the preparation and timely filing of required returns and the timely payment of all amounts required to be withheld to the appropriate taxing authority or its designated agent.

The Depositary shall comply with any direction received from the Company with respect to the application of such requirements to particular payments or holders or in other particular circumstances, and may for purposes of this Agreement rely on any such direction in accordance with the provisions of Section 5.3 hereof.

26

-22-

The Depositary shall maintain all appropriate records documenting compliance with such requirements, and shall make such records available on request to the Company or to its authorized representatives.

ARTICLE VI

AMENDMENT AND TERMINATION

SECTION 6.1. Amendment. The form of the Receipts and any provisions of this Deposit Agreement may at any time and from time to time be amended by agreement between the Company and the Depositary in any respect which they may deem necessary or desirable; provided, however, that no such amendment (other than any change in the fees) which shall materially adversely alter the rights of the holders of Receipts shall be effective unless such amendment shall have been approved by the holders of at least a majority of the Depositary Shares then outstanding. Every holder of an outstanding Receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such Receipt, to be bound by the Deposit Agreement as amended thereby. Subject to Section 2.9 hereof, notwithstanding the foregoing, in no event may any amendment impair the right of any holder of any Depositary Shares, upon surrender of the Receipts evidencing such Depositary Shares and subject to any conditions specified in this Deposit Agreement, to receive shares of Stock and any money or other property, if any, represented thereby, except in order to comply with mandatory provisions of applicable law.

SECTION 6.2. Termination. This Deposit Agreement may be terminated by the Company at any time upon not less than 30 days' prior written notice to the Depositary, in which case, on a date that is not later than 30 days after the date of such notice, the Depositary shall deliver or make available for delivery to holders of Depositary Shares, upon surrender of the Receipts evidencing such Depositary Shares, such number of whole or fractional shares of Stock as are represented by such Depositary Shares. This Deposit Agreement will automatically terminate after (i) all outstanding Depositary Shares have been redeemed pursuant to Section 2.8 or (ii) there shall have been made a final distribution in respect of the Stock in connection with any liquidation, dissolution or winding up of the Company and such distribution shall have been distributed to the holders of Depositary Receipts pursuant to Section 4.1 or 4.2, as applicable.

Upon the termination of this Deposit Agreement, the Company shall be discharged from all obligations under this Deposit

27

-23-

Agreement except for its obligations to the Depositary, the Registrar and any Depositary's Agent under Sections 5.6 and 5.7.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1. Counterparts. This Deposit Agreement may be executed in any number of counterparts, and by each of the parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument.

SECTION 7.2. Exclusive Benefit of Parties. This Deposit Agreement is for the exclusive benefit of the parties hereto, and their respective successors hereunder, and shall not be deemed to give any legal or equitable right, remedy or claim to any other person whatsoever.

SECTION 7.3. Invalidity of Provisions. In case any one or more of the provisions contained in this Deposit Agreement or in the Receipts should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected, prejudiced or disturbed thereby.

SECTION 7.4. Notices. Any and all notices to be given to the Company hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail, or by telegram or facsimile transmission confirmed by letter, addressed to the Company at:

First Industrial Realty Trust, Inc.
311 S. Wacker Drive, Suite 4000
Chicago, Illinois 60606
Facsimile No.: (312) 922-6320

or at any other address of which the Company shall have notified the Depositary in writing.

Any and all notices to be given to the Depositary hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail or by telegram or facsimile transmission confirmed by letter, addressed to the Depositary at the Depositary's Office, at:

28

-24-

First Chicago Trust Company of New York
One First National Plaza, Suite 0123
Chicago, IL 60670
Attention: John Ruocco
Facsimile No.: (312) 407-3021

or at any other address of which the Depositary shall have notified the Company in writing.

Any and all notices to be given to any record holder of a Receipt hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail, or by telegram or facsimile transmission confirmed by letter, addressed to such record holder at the address of such record holder as it appears on the books of the Depositary, or if such holder shall have filed with the Depositary a written request that notices intended for such holder be mailed to some other address, at the address designated in such request.

Delivery of a notice sent by mail or by telegram or facsimile transmission shall be deemed to be effected at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a telegram or facsimile transmission) is deposited for mailing by first class mail, postage prepaid. The Depositary or the Company may, however, act upon any telegram or facsimile transmission received by it from the other or from any holder of a Receipt, notwithstanding that such telegram or facsimile transmission shall not subsequently be confirmed by letter or as aforesaid.

SECTION 7.5. Appointment of Registrar. The Company hereby also appoints the Depositary as Registrar in respect of the Receipts and the Depositary hereby accepts such appointments.

SECTION 7.6. Holders of Receipts Are Parties. The holders of Receipts from time to time shall be parties to this Deposit Agreement and shall be bound

by all of the terms and conditions hereof and of the Receipts by acceptance of delivery thereof.

SECTION 7.7. Governing Law. THIS DEPOSIT AGREEMENT AND THE RECEIPTS AND ALL RIGHTS HEREUNDER AND THEREUNDER AND PROVISIONS HEREOF AND THEREOF SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS APPLICABLE TO CONTRACTS MADE IN AND TO BE PERFORMED IN THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.

29

-25-

SECTION 7.8. Inspection of Deposit Agreement. Copies of this Deposit Agreement shall be filed with the Depositary and the Depositary's Agent and shall be open to inspection during business hours at the Depositary's office or respective offices of the Depositary's Agent, if any, by any holder of a Receipt.

SECTION 7.9. Headings. The headings of articles and sections in this Deposit Agreement have been inserted for convenience only and are not to be regarded as a part of this Deposit Agreement or the Receipts or to have any bearing upon the meaning or interpretation of any provision contained herein or in the Receipts.

30

-26-

IN WITNESS WHEREOF, the Company and the Depositary have duly executed this Agreement as of the day and year first above set forth, and all holders of Receipts shall become parties hereto by and upon acceptance by them of delivery of Receipts issued in accordance with the terms hereof.

FIRST INDUSTRIAL REALTY TRUST, INC.

/s/ Michael J. Havala

Name: Michael J. Havala

Title: Chief Financial Officer

FIRST CHICAGO TRUST COMPANY OF NEW YORK

/s/ John H. Ruocco

Name: John H. Ruocco

Title: Account Officer

31

ANNEX A

[FORM OF FACE OF RECEIPT]

NUMBER
DR-

SHARES
(CUSIP 32054K889)
see reverse for certain definitions

THIS CERTIFICATE IS TRANSFERABLE

IN NEW YORK, NY

X [Logo]

RECEIPT FOR DEPOSITARY SHARES,
EACH REPRESENTING 1/100 OF A SHARE OF
7.90% SERIES E CUMULATIVE PREFERRED STOCK

FIRST INDUSTRIAL REALTY TRUST, INC.
(INCORPORATED UNDER THE LAWS OF THE STATE OF MARYLAND)

First Chicago Trust Company of New York, a national banking association duly organized and existing under the laws of the United States of America with an office at the time of execution of the Deposit Agreement (as defined below) at One First National Plaza, Suite 0123, Chicago, IL 60670, as Depositary (the "Depositary"), hereby certifies that

_____ is a registered owner of _____ DEPOSITARY SHARES ("Depositary Shares"), each Depositary Share representing 1/100 of one fully paid and non-assessable share of 7.90% Series E Cumulative Preferred Stock, \$.01 par value per share (the "Shares"), of First Industrial Realty Trust, Inc., a Maryland corporation (the "Company"), on deposit with the Depositary, subject to the terms and entitled to the benefits of the Deposit Agreement dated as of March 18, 1998 (the "Deposit Agreement"), among the Company, the Depositary and the holders from time to time of Receipts for Depositary Shares. By accepting this Receipt, the holder hereof becomes a party to and agrees to be bound by all the terms and conditions of the Deposit Agreement. This Receipt shall not be valid or obligatory for any purpose or be entitled to any benefits under the Deposit Agreement unless it shall have been executed by the Depositary by the manual or facsimile signature of a duly authorized officer or, if a Registrar in respect of the Receipts (other than the Depositary) shall have been appointed, by the manual signature of a duly authorized officer of such Registrar.

Dated:

Countersigned and Registered:

FIRST CHICAGO TRUST COMPANY OF NEW YORK
Depositary and Registrar

By: _____

32

-2-

By: _____
SECRETARY AND TREASURER

By: _____
PRESIDENT

33

[FORM OF REVERSE OF RECEIPT]

FIRST INDUSTRIAL REALTY TRUST, INC.

THE SHARES OF STOCK REPRESENTED BY THIS DEPOSITARY RECEIPT ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR THE PURPOSE OF THE CORPORATION'S MAINTENANCE OF ITS QUALIFICATION AS A REAL ESTATE INVESTMENT TRUST UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. NO PERSON MAY BENEFICIALLY OWN SHARES OF STOCK IN EXCESS OF 9.9% (OR SUCH GREATER PERCENTAGE AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE CORPORATION) OF THE OUTSTANDING STOCK OF THE CORPORATION. ANY PERSON WHO ATTEMPTS TO BENEFICIALLY OWN SHARES OF STOCK IN EXCESS OF THE ABOVE LIMITATION MUST IMMEDIATELY NOTIFY THE CORPORATION. ALL CAPITALIZED TERMS IN

THIS LEGEND HAVE THE MEANINGS DEFINED IN THE CORPORATION'S ARTICLES OF INCORPORATION, A COPY OF WHICH, INCLUDING THE RESTRICTIONS ON TRANSFER, WILL BE SENT WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS. IF THE RESTRICTIONS ON TRANSFER ARE VIOLATED, THE SHARES OF STOCK REPRESENTED HEREBY MAY BE AUTOMATICALLY EXCHANGED FOR SHARES OF EXCESS STOCK WHICH WILL BE HELD IN TRUST BY THE CORPORATION.

THE CORPORATION WILL FURNISH TO ANY STOCKHOLDER ON REQUEST AND WITHOUT CHARGE A FULL STATEMENT OF THE DESIGNATIONS AND ANY PREFERENCES, CONVERSIONS AND OTHER RIGHTS, VOTING POWERS, RESTRICTIONS, LIMITATIONS AS TO DIVIDENDS, QUALIFICATIONS, AND TERMS AND CONDITIONS OF REDEMPTION OF THE STOCK OF EACH CLASS WHICH THE CORPORATION IS AUTHORIZED TO ISSUE AND, WITH RESPECT TO ANY PREFERRED OR SPECIAL CLASS IN A SERIES, THE DIFFERENCES IN THE RELATIVE RIGHTS AND PREFERENCES BETWEEN THE SHARES OF EACH SERIES TO THE EXTENT THEY HAVE BEEN SET AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO SET THE RELATIVE RIGHTS AND PREFERENCES OF SUBSEQUENT SERIES.

The following abbreviations, when used in the inscription on the face of this Depositary Receipt, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common	UNIF GIFT MIN ACT -. . . Custodian . .
TEN ENT -- tenants by the entireties	(Cust) Minor
JT TEN -- as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act (State)

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE

Depositary Shares represented by the within Depositary Receipt, and do hereby irrevocably constitute and appoint _____ Attorney to transfer the said Depositary Shares on the books of the within named Depositary with full power of substitution in the premises.

Dated

Signed

A-1

34

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THIS DEPOSITARY RECEIPT IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

SIGNATURE(S) GUARANTEED

By: _____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

A-2

FACE OF NOTE

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (THE "DEPOSITORY") (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER HEREOF OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN CERTIFICATED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY.

REGISTERED CUSIP #: 32055T-AA1 REGISTERED PRINCIPAL AMOUNT: \$50,000,000
No. FXR-01

FIRST INDUSTRIAL, L.P.

MEDIUM-TERM NOTE
(Fixed Rate)

ORIGINAL ISSUE DATE: 11/20/97 INTEREST RATE: 6.90% STATED MATURITY DATE: 11/21/2005
INTEREST PAYMENT DATE(S) DEFAULT

RATE: N/A
[X] 5/21 and 11/21
[] Other:

INITIAL REDEMPTION DATE: N/A	INITIAL REDEMPTION PERCENTAGE: N/A	ANNUAL REDEMPTION PERCENTAGE REDUCTION: N/A
OPTIONAL REPAYMENT DATE(S) N/A	[] CHECK IF AN ORIGINAL ISSUE DISCOUNT NOTE Issue Price: %	
REPAYMENT PRICE: N/A		

SPECIFIED CURRENCY: [X] United States dollars [] Other:	AUTHORIZED DENOMINATION: [X] \$1,000 and integral multiples thereof [] Other:	EXCHANGE RATE AGENT: N/A
EXCHANGE RATE: U.S. \$1.00 = _____	ADDENDUM ATTACHED: [] Yes [X] No	OTHER/ADDITIONAL PROVISIONS: N/A

First Industrial, L.P., a limited partnership duly organized and existing under the laws of Delaware (hereinafter referred to as the "Operating Partnership," which term includes any successor entity under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of \$50,000,000, on the Stated Maturity Date specified above (or any Redemption Date or Repayment Date, each as defined on the reverse hereof) (each such Stated Maturity Date, Redemption Date or Repayment Date being hereinafter referred to as the "Maturity Date" with respect to the principal repayable on such date) and to pay interest thereon, at the Interest Rate per annum specific above, until the principal hereof is paid or duly made available for payment, and (to the extent that the payment of such interest shall be legally enforceable) at the Default Rate per annum specified

above on any overdue principal, premium and/or interest, including any overdue sinking fund or redemption payment. The Operating Partnership will pay interest in arrears on each Interest Payment Date, if any, specified above (each, an "Interest Payment Date"), commencing with the first Interest Payment Date next succeeding the Original Issue Date specified above, and on the Maturity Date; provided, however, that if the Original Issue Date occurs between a Record Date (as defined below) and the next succeeding Interest Payment Date, interest payments will commence on the second Interest Payment Date next succeeding the Original Issue Date to the holder of this Note on the Record Date with respect to such second Interest Payment Date. Interest on this Note will be computed on the basis of a 360-day year of twelve 30-day months.

Interest on this Note will accrue from, and including, the immediately preceding Interest Payment Date to which interest has been paid or duly provided for (or from, and including, the Original Issue Date if no interest has been paid or duly provided for) to, but excluding, the applicable Interest Payment Date or the Maturity Date, as the case may be (each, an "Interest Period"). The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, subject to certain exceptions described herein, be paid to the person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the fifteenth calendar day (whether or not a Business Day, as defined below) immediately preceding such Interest Payment Date (the "Record Date"); provided, however, that interest payable on the Maturity Date will be payable to the person to whom the principal hereto and premium, if any, hereon shall be payable. Any such interest not so punctually paid or duly provided for ("Defaulted Interest") will forthwith cease to be payable to the holder on any Record Date, and shall be paid to the person in

3

-3-

whose name this Note is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to be fixed by the Trustee hereinafter referred to, notice whereof shall be given to the holder of this Note by the Trustee not more than 15 days and not less than 10 days prior to such Special Record Date or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which this Note may be listed, and upon such notice as may be required by such exchange, all as more fully provided for in the Indenture.

Payment of principal, premium, if any, and interest in respect of this Note due on the Maturity Date or any prior date on which the principal or an installment of principal of this Note becomes due and payable, whether by the declaration of acceleration or otherwise, will be made in immediately available funds upon presentation and surrender of this Note (and, with respect to any applicable repayment of this Note, upon presentation and surrender of this Note and a duly completed election form as contemplated on the reverse hereof) at the office or agency maintained by the Operating Partnership for that purpose in the Borough of Manhattan, The City of New York, currently the office of the Trustee located at 100 Wall Street, New York, New York 10005, or at such other paying agency in the Borough of Manhattan, The City of New York, as the Operating Partnership may determine; provided, however, that if the Specified Currency specified above is other than United States dollars and such payment is to be made in the Specified Currency in accordance with the provisions set forth below, such payment may be made by wire transfer of immediately available funds to an account with a bank designated by the holder hereof at least 15 calendar days prior to the Maturity Date, provided that such bank has appropriate facilities therefor and that this Note (and, if applicable, a duly completed repayment election form) is presented and surrendered at the aforementioned office or agency maintained by the Operating Partnership in time for the Trustee to make such payment in such funds in accordance with its normal procedures. Payment of interest due on any Interest Payment Date other than the Maturity Date will be made at the aforementioned office or agency maintained by the Operating Partnership or, at the option of the Operating Partnership, by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register maintained by the Trustee; provided, however, that a holder of U.S.\$10,000,000 (or, if the Specified Currency is other than United States dollars, the equivalent thereof in the Specified Currency) or more in aggregate principal amount of Notes (whether having identical or different terms and provisions) will be entitled to receive interest payments on any Interest Payment Date other than the Maturity Date by wire transfer of immedi-

ately available funds if appropriate wire transfer instructions have been received in writing by the Trustee not less than 15 calendar days prior to such Interest Payment Date. Any such wire transfer instructions received by the Trustee shall remain in effect until revoked by such holder.

If any Interest Payment Date or the Maturity Date falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest shall be made on the next succeeding Business Day with the same force and effect as if made on the date such payment was due, and no interest shall accrue with respect to such payment for the period from and after such Interest Payment Date or the Maturity Date, as the case may be, to the date of such payment on the next succeeding Business Day.

As used herein, "Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, regulation or executive order to close in The City of New York; provided, however, that if the Specified Currency is other than United States dollars, such day is also not a day on which banking institutions are authorized or required by law, regulation or executive order to close in the Principal Financial Center (as defined below) of the country issuing the Specified Currency (or, if the Specified Currency is European Currency Units ("ECU"), such day is not a day that appears as an ECU no-settlement day on the display designated as "ISDE" on the Reuter Monitor Money Rates Service (or a day so designated by the ECU Banking Association), or, if ECU non-settlement days do not appear on that page (and are not so designated), is not a day on which payments in ECU cannot be settled in the international interbank market). Principal Financial Center means the capital city of the country issuing the Specified Currency, except that with respect to United States dollars, Australian dollars, Deutsche marks, Dutch guilders, Italian lire, Swiss francs and ECU, the Principal Financial Center shall be The City of New York, Sydney, Frankfurt, Amsterdam, Milan, Zurich and Luxembourg, respectively.

The Operating Partnership is obligated to make payments of principal, premium, if any, and interest in respect of this Note in the Specified Currency (or, if the Specified Currency is not at the time of such payment legal tender for the payment of public and private debts, in such other coin or currency of the country which issued the Specified Currency as at the time of such payment is legal tender for the payment of such debts). If the Specified Currency is other than United States dollars, except as provided below, any such amounts

so payable by the Operating Partnership will be converted by the Exchange Rate Agent specified above into United States dollars for payment to the holder of this Note.

If the Specified Currency is other than United States dollars, the holder of this Note may elect to receive such amounts in such Specified Currency. If the holder of this Note shall not have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency, any United States dollar amount to be received by the holder of this Note will be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 A.M., New York City time, on the second Business Day preceding the applicable payment date from three recognized foreign exchange dealers (one of whom may be the Exchange Rate Agent) selected by the Exchange Rate Agent and approved by the Operating Partnership for the purchase by the quoting dealer of the Specified Currency for United States dollars for settlement on such payment date in the aggregate amount of such Specified Currency payable to all holders of Foreign Currency Notes scheduled to receive United States dollar payments and at which the applicable dealer commits to execute a contract. All currency exchange costs will be borne by the holder of this Note by deductions from such payments. If three such bid quotations are not available, payments on this Note will be made in the Specified Currency.

If the Specified Currency is other than United States dollars, the holder of this Note may elect to receive all or a specified portion of any

payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency by submitting a written request for such payment to the Trustee at its corporate trust Office in The City of New York on or prior to the applicable Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be. Such written request may be mailed or hand delivered or sent by cable, telex or other form of facsimile transmission. The holder of this Note may elect to receive all or a specified portion of all future payments in the Specified Currency in respect of such principal, premium, if any, and/or interest and need not file a separate election for each payment. Such election will remain in effect until revoked by written notice to the Trustee, but written notice of any such revocation must be received by the Trustee on or prior to the applicable Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be.

6

-6-

If the Specified Currency is other than United States dollars or a composite currency and the holder of this Note shall have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency and if the Specified Currency is not available due to the imposition of exchange controls or other circumstances beyond the reasonable control of the Operating Partnership, the Operating Partnership will be entitled to satisfy its obligations to the holder of this Note by making such payment in United States dollars on the basis of the Market Exchange Rate (as defined below) on the second Business Day prior to such payment date or, if such Market Exchange Rate is not then available, on the basis of the most recently available Market Exchange Rate or as otherwise specified on the face hereof. The "Market Exchange Rate" for the Specified Currency means the noon dollar buying rate in The City of New York for cable transfers for such Specified Currency as certified for customs purposes by (or if not so certified, as otherwise determined by) the Federal Reserve Bank of New York. Any payment made under such circumstances in United States dollars will not constitute an Event of Default (as defined in the Indenture) with respect to this Note.

If the Specified Currency is a composite currency and the holder of this Note shall have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency and if such composite currency is unavailable due to the imposition of exchange controls or other circumstances beyond the reasonable control of the Operating Partnership, then the Operating Partnership will be entitled to satisfy its obligations to the holder of this Note by making such payment in United States dollars. The amount of each payment in United States dollars shall be computed by the Exchange Rate Agent on the basis of the equivalent of the composite currency in United States dollars. The component currencies of the composite currency for this purpose (collectively, the "Component Currencies" and each, a "Component Currency") shall be the currency amounts that were components of the composite currency as of the last day on which the composite currency was used. The equivalent of the composite currency in United States dollars shall be calculated by aggregating the United States dollar equivalents of the Component Currencies. The United States dollar equivalent of each of the Component Currencies shall be determined by the Exchange Rate Agent on the basis of the most recently available Market Exchange Rate for each such Component Currency, or as otherwise specified on the face hereof.

7

-7-

If the official unit of any Component Currency is altered by way of combination or subdivision, the number of units of the currency as a Component Currency shall be divided or multiplied in the same proportion. If two or more Component Currencies are consolidated into a single currency, the amounts of those currencies as Component Currencies shall be replaced by an amount in such single currency equal to the sum of the amounts of the consolidated Component Currencies expressed in such single currency. If any Component Currency is divided into two or more currencies, the amount of the original Component Currency shall be replaced by the amounts of such two or more currencies, the sum of which shall be equal to the amount of the original Component Currency.

All determinations referred to above made by the Exchange Rate Agent shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on the holder of this Note.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof and, if so specified above on the face hereof, in the Addendum hereto, which further provisions shall have the same force and effect as if set forth on the face hereof.

Notwithstanding any provisions to the contrary contained herein, if the face of this Note specifies that an Addendum is attached hereto or that "Other/Additional Provisions" apply to this Note, this Note shall be subject to the terms set forth in such Addendum or such "Other/Additional Provisions."

Unless the Certificate of Authentication hereon has been executed by the Trustee or its Authenticating Agent by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

8

-8-

IN WITNESS WHEREOF, First Industrial, L.P. has caused this Note to be duly executed under its seal.

Dated: November 20, 1997

FIRST INDUSTRIAL, L.P.

By: First Industrial Realty Trust,
Inc., its sole general partner

By /s/ Gary H. Heigl

Name: Gary H. Heigl
Title: Sr.V.P. Capital Markets

(SEAL)

Attest:

/s/ Mike Havala

Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: November 20, 1997

FIRST TRUST NATIONAL ASSOCIATION,
as Trustee

By /s/ H. H. Hall, Jr.

Authorized Signatory

9

-9-

REVERSE OF NOTE

FIRST INDUSTRIAL, L.P.

MEDIUM-TERM NOTE
(Fixed Rate)

This Note is one of a duly authorized series of Securities (the "Securities") of the Operating Partnership issued and to be issued under an Indenture, dated as of May 13, 1997, as amended, modified or supplemented from time to time (the "Indenture"), between the Operating Partnership and First Trust National Association, as Trustee (the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Operating Partnership, the Trustee and the holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Note is one of the series of Securities designated as "Medium-Term Notes Due Nine Months or More from Date of Issue" (the "Notes"). All terms used but not defined in this Note or in an Addendum hereto shall have the meanings assigned to such terms in the Indenture or on the face hereof, as the case may be.

This Note is issuable only in registered form without coupons in minimum denominations of U.S. \$1,000 and integral multiples thereof or the minimum Authorized Denomination specified on the face hereof.

This Note will not be subject to any sinking fund and, unless otherwise specified on the face hereof in accordance with the provisions of the following two paragraphs, will not be redeemable or repayable prior to the Stated Maturity Date.

This Note will be subject to redemption at the option of the Operating Partnership on any date on and after the Initial Redemption Date, if any, specified on the face hereof, in whole or from time to time in part in increments of U.S. \$1,000 or the minimum Authorized Denomination (provided that any remaining principal amount hereof shall be at least U.S. \$1,000 or such minimum Authorized Denomination), at the Redemption Price (as defined below), together with unpaid interest accrued thereon to the date fixed for redemption (each, a "Redemption Date"), on notice given not more than 60 nor less than 30 calendar days prior to the Redemption Date and in accordance with the provisions of the Indenture. The "Redemption Price" shall initially be the Initial Redemption Percentage specified on the face

10

-10-

hereof multiplied by the unpaid principal amount of this Note to be redeemed. The Initial Redemption Percentage shall decline at each anniversary of the Initial Redemption Date by the Annual Redemption Percentage Reduction, if any, specified on the face hereof until the Redemption Price is 100% of the unpaid principal amount to be redeemed. In the event of redemption of this Note in part only, a new Note of like tenor for the unredeemed portion hereof and otherwise having the same terms as this Note shall be issued in the name of the holder hereof upon the presentation and surrender hereof.

This Note will be subject to repayment by the Operating Partnership at the option of the holder hereof on the Optional Repayment Date(s), if any, specified on the face hereof, in whole or in part in increments of U.S.\$1,000 or the minimum Authorized Denomination (provided that any remaining principal amount hereof shall be at least U.S.\$1,000 or such minimum Authorized Denomination), at a repayment price equal to 100% of the unpaid principal amount to be repaid, together with unpaid interest accrued thereon to the date fixed for repayment (each, a "Repayment Date"). For this Note to be repaid, the Trustee must receive at its office in the Borough of Manhattan, The City of New York, referred to on the face hereof, at least 30 days but not more than 60 days prior to the Repayment Date (i) this Note and the form hereon entitled "Option to Elect Repayment" duly completed or (ii) a telegram, telex, facsimile transmission, or a letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc. or a commercial bank or trust company in the United States setting forth the name of the holder hereof, the principal amount of this Note, the principal amount of this Note to be repaid, the certificate number or a description of the tenor and terms of this Note, a statement that the option to elect repayment is being exercised thereby, and a guarantee that this Note, together with the form hereon entitled "Option to Elect Repayment" duly completed, will be received by the Trustee not later than the fifth Business Day after the date of such telegram, telex, facsimile transmission or letter, provided that such telegram, telex, facsimile

transmission or letter shall only be effective if this Note and duly completed form are received by the Trustee by such fifth Business Day. Exercise of such repayment option by the holder hereof will be irrevocable. In the event of repayment of this Note in part only, a new Note of like tenor for the unrepaid portion hereof and otherwise having the same terms as this Note shall be issued in the name of the holder hereof upon the presentation and surrender hereof.

If this Note is an Original Issue Discount Note as specified on the face hereof, the amount payable to the holder of this Note in

11

-11-

the event of redemption, repayment or acceleration of maturity of this Note will be equal to the sum of (i) the Issue Price specified on the face hereof (increased by any accruals of the Discount, as defined below) and, in the event of any redemption of this Note (if applicable), multiplied by the Initial Redemption Percentage (as adjusted by the Annual Redemption Percentage Reduction, if applicable) and (ii) any unpaid interest on this Note accrued from the Original Issue Date to the Redemption Date, Repayment Date or date of acceleration of maturity, as the case may be. The difference between the Issue Price and 100% of the principal amount of this Note is referred to herein as the "Discount."

For purposes of determining the amount of Discount that has accrued as of any Redemption Date, Repayment Date or date of acceleration of maturity of this Note, such Discount will be accrued using a constant yield method. The constant yield will be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the Initial Period (as defined below), corresponds to the shortest period between Interest Payment Dates (with ratable accruals within a compounding period), a coupon rate equal to the initial coupon rate applicable to this Note and an assumption that the maturity of this Note will not be accelerated. If the period from the Original Issue Date to the initial Interest Payment Date (the "Initial Period") is shorter than the compounding period for this Note, a proportionate amount of the yield for an entire compounding-period will be accrued. If the Initial Period is longer than the compounding period, then such period will be divided into a regular compounding period and a short period, with the short period being treated as provided in the preceding sentence.

If an Event of Default, as defined in the Indenture, shall occur and be continuing, the principal of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance of (i) the entire indebtedness of the Notes or (ii) certain covenants and Events of Default with respect to the Notes, in each case upon compliance with certain conditions set forth therein, which provisions apply to the Notes.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Operating Partnership and the rights of the holders of the Securities at any time by the Operating Partnership and the

12

-12-

Trustee with the consent of the holders of not less than a majority of the aggregate principal amount of all Securities at the time outstanding and affected thereby. The Indenture also contains provisions permitting the holders of not less than a majority of the aggregate principal amount of the outstanding Securities of any series, on behalf of the holders of all such Securities, to waive compliance by the Operating Partnership with certain provisions of the Indenture. Furthermore, provisions in the Indenture permit the holders of not less than a majority of the aggregate principal amount of the outstanding Securities of any series, in certain instances, to waive, on behalf of all of the holders of Securities of such series, certain past defaults under the Indenture and their consequences. Any such consent or waiver by the holder of this Note shall be conclusive and binding upon such holder and upon all future holders of this Note and other Notes issued upon the registration of transfer

hereof or in exchange heretofore or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Operating Partnership, which is absolute and unconditional, to pay principal, premium, if any, and interest in respect of this Note at the times, places and rate or formula, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein and herein set forth, the transfer of this Note is registrable in the Security Register of the Operating Partnership upon surrender of this Note for registration of transfer at the office or agency of the Operating Partnership in any place where the principal hereof and any premium or interest hereon are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Operating Partnership and the Security Registrar, duly executed by, the holder hereof or by his attorney duly authorized in writing, and thereupon one or more new Notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein and herein set forth, this Note is exchangeable for a like aggregate principal amount of Notes of different authorized denominations but otherwise having the same terms and conditions, as requested by the holder hereof surrendering the same.

13

-13-

No service charge shall be made for any such registration of transfer or exchange, but the Operating Partnership may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Operating Partnership, the Trustee and any agent of the Operating Partnership or the Trustee may treat the holder in whose name this Note is registered as the owner thereof for all purposes, whether or not this Note be overdue, and neither the Operating Partnership, the Trustee nor any such agent shall be affected by notice to the contrary.

This Note and all documents, agreements, understandings and arrangements relating to any transaction contemplated hereby or thereby have been executed or entered into by the undersigned in his/her capacity as an officer of the sole general partner of the Operating Partnership which has been formed as a Delaware limited partnership, and not individually, and neither the general partner, officers, employees or limited partners of the Operating Partnership shall be bound or have any personal liability hereunder or thereunder. The holder of this Note by accepting this Note waives and releases all such liability. This waiver and release are part of the consideration for the issue of this Note. Each party hereto shall look solely to the assets of the Operating Partnership for satisfaction of any liability of the Operating Partnership in respect of this Note and all documents, agreements, understandings and arrangements relating to any transaction contemplated hereby or thereby and will not seek recourse or commence any action against any of the trustees, officers or shareholders of the Operating Partnership or any of their personal assets for the performance or payment of any obligation hereunder or thereunder. The foregoing shall also apply to any future documents, agreements, understandings, arrangements and transactions between the parties hereto.

The Indenture and this Note shall be governed by and construed in accordance with the laws of the State of New York without regard to its principles of conflicts of laws.

14

-14-

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common UNIF GIFT MIN ACT - _____ Custodian _____
TEN ENT - as tenants by the entireties (Cust) (Minor)
JT TEN - as joint tenants with right of survivorship and not as tenants in common Act _____ under Uniform Gifts to Minors (State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR
OTHER
IDENTIFYING NUMBER OF ASSIGNEE

(Please print or typewrite name and address including postal zip code of assignee)

this Note and all rights thereunder hereby irrevocably constituting and appointing

Attorney to transfer this Note on the books of the Trustee, with full power of substitution in the premises.

Dated: _____

Notice: The signature(s) on this Assignment must correspond with the name(s) as written upon the face of this Note in every particular, without alteration or enlargement or any change whatsoever.

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably request(s) and instruct(s) the Operating Partnership to repay this Note (or portion hereof specified below) pursuant to its terms at a price equal to 100% of the principal amount to be repaid, together with unpaid interest accrued hereon to the Repayment Date, to the undersigned, at

(Please print or typewrite name and address of the undersigned)

For this Note to be repaid, the Trustee must receive at its corporate trust office in the Borough of Manhattan, The City of New York, currently located at 100 Wall Street, New York, New York 10005, this Note with this "Option to Elect Repayment" form duly completed.

If less than the entire principal amount of this Note is to be repaid, specify the portion hereof (which shall be increments of U.S.\$1,000 (or, if the Specified Currency is other than United States dollars, the minimum Authorized Denomination specified on the face hereof)) which the holder elects

to have repaid and specify the denomination or denominations (which shall be an Authorized Denomination) of the Notes to be issued to the holder for the portion of this Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid).

Principal Amount
to be Repaid: \$ _____

Date: _____

Notice: The signature(s) on this Option to Elect Repayment must correspond with the name(s) as written upon the face of this Note in every particular, without alteration or enlargement or any change whatsoever.

FACE OF NOTE

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (THE "DEPOSITORY") (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER HEREOF OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN CERTIFICATED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY.

REGISTERED CUSIP #: 32055TAN3 REGISTERED PRINCIPAL AMOUNT: \$150,000,000
No. FXR-02

FIRST INDUSTRIAL, L.P.

MEDIUM-TERM NOTE
(Fixed Rate)

ORIGINAL ISSUE DATE: 12/1/97 INTEREST RATE: 7.00% STATED MATURITY DATE: 12/1/2006

INTEREST PAYMENT DATE(S) DEFAULT

RATE: N/A
[X] 6/1 and 12/1
[] Other:

INITIAL REDEMPTION DATE: N/A	INITIAL REDEMPTION PERCENTAGE: N/A	ANNUAL REDEMPTION PERCENTAGE REDUCTION: N/A
---------------------------------	---------------------------------------	---

OPTIONAL REPAYMENT DATE(S) N/A	[] CHECK IF AN ORIGINAL ISSUE DISCOUNT NOTE Issue Price: %
-----------------------------------	---

REPAYMENT PRICE: N/A

SPECIFIED CURRENCY: [X] United States dollars [] Other:	AUTHORIZED DENOMINATION: [X] \$1,000 and integral multiples thereof [] Other:	EXCHANGE RATE AGENT: N/A
--	---	-----------------------------

EXCHANGE RATE: U.S. \$1.00 = _____	ADDENDUM ATTACHED: [] Yes [X] No	OTHER/ADDITIONAL PROVISIONS: N/A
---------------------------------------	---	-------------------------------------

First Industrial, L.P., a limited partnership duly organized and existing under the laws of Delaware (hereinafter referred to as the "Operating Partnership," which term includes any successor entity under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of \$150,000,000, on the Stated Maturity Date specified above (or any Redemption Date or Repayment Date, each as defined on the reverse hereof) (each such Stated Maturity Date, Redemption Date or Repayment Date being hereinafter referred to as the "Maturity Date" with respect to the principal repayable on such date) and to pay interest thereon, at the Interest Rate per annum specific above, until the principal hereof is paid or duly made available for payment, and (to the extent that the payment of such interest shall be legally enforceable) at the Default Rate per annum specified above on any overdue principal, premium and/or interest, including any overdue sinking fund or redemption payment. The Operating

Partnership will pay interest in arrears on each Interest Payment Date, if any, specified above (each, an "Interest Payment Date"), commencing with the first Interest Payment Date next succeeding the Original Issue Date specified above, and on the Maturity Date; provided, however, that if the Original Issue Date occurs between a Record Date (as defined below) and the next succeeding Interest Payment Date, interest payments will commence on the second Interest Payment Date next succeeding the Original Issue Date to the holder of this Note on the Record Date with respect to such second Interest Payment Date. Interest on this Note will be computed on the basis of a 360-day year of twelve 30-day months.

Interest on this Note will accrue from, and including, the immediately preceding Interest Payment Date to which interest has been paid or duly provided for (or from, and including, the Original Issue Date if no interest has been paid or duly provided for) to, but excluding, the applicable Interest Payment Date or the Maturity Date, as the case may be (each, an "Interest Period"). The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, subject to certain exceptions described herein, be paid to the person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the fifteenth calendar day (whether or not a Business Day, as defined below) immediately preceding such Interest Payment Date (the "Record Date"); provided, however, that interest payable on the Maturity Date will be payable to the person to whom the principal hereto and premium, if any, hereon shall be payable. Any such interest not so punctually paid or duly provided for ("Defaulted Interest") will forthwith cease to be payable to the holder on any Record Date, and shall be paid to the person in

whose name this Note is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to be fixed by the Trustee hereinafter referred to, notice whereof shall be given to the holder of this Note by the Trustee not more than 15 days and not less than 10 days prior to such Special Record Date or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which this Note may be listed, and upon such notice as may be required by such exchange, all as more fully provided for in the Indenture.

Payment of principal, premium, if any, and interest in respect of this Note due on the Maturity Date or any prior date on which the principal or an installment of principal of this Note becomes due and payable, whether by the declaration of acceleration or otherwise, will be made in immediately available funds upon presentation and surrender of this Note (and, with respect to any applicable repayment of this Note, upon presentation and surrender of this Note and a duly completed election form as contemplated on the reverse hereof) at the office or agency maintained by the Operating Partnership for that purpose in the Borough of Manhattan, The City of New York, currently the office of the Trustee located at 100 Wall Street, New York, New York 10005, or at such other paying agency in the Borough of Manhattan, The City of New York, as the Operating Partnership may determine; provided, however, that if the Specified Currency specified above is other than United States dollars and such payment is to be made in the Specified Currency in accordance with the provisions set forth below, such payment may be made by wire transfer of immediately available funds to an account with a bank designated by the holder hereof at least 15 calendar days prior to the Maturity Date, provided that such bank has appropriate facilities therefor and that this Note (and, if applicable, a duly completed repayment election form) is presented and surrendered at the aforementioned office or agency maintained by the Operating Partnership in time for the Trustee to make such payment in such funds in accordance with its normal procedures. Payment of interest due on any Interest Payment Date other than the Maturity Date will be made at the aforementioned office or agency maintained by the Operating Partnership or, at the option of the Operating Partnership, by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register maintained by the Trustee; provided, however, that a holder of U.S.\$10,000,000 (or, if the Specified Currency is other than United States dollars, the equivalent thereof in the Specified Currency) or more in aggregate principal amount of Notes (whether having identical or different terms and provisions) will be entitled to receive interest payments on any Interest Payment Date other than the Maturity Date by

wire transfer of immedi-

4

-4-

ately available funds if appropriate wire transfer instructions have been received in writing by the Trustee not less than 15 calendar days prior to such Interest Payment Date. Any such wire transfer instructions received by the Trustee shall remain in effect until revoked by such holder.

If any Interest Payment Date or the Maturity Date falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest shall be made on the next succeeding Business Day with the same force and effect as if made on the date such payment was due, and no interest shall accrue with respect to such payment for the period from and after such Interest Payment Date or the Maturity Date, as the case may be, to the date of such payment on the next succeeding Business Day.

As used herein, "Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, regulation or executive order to close in The City of New York; provided, however, that if the Specified Currency is other than United States dollars, such day is also not a day on which banking institutions are authorized or required by law, regulation or executive order to close in the Principal Financial Center (as defined below) of the country issuing the Specified Currency (or, if the Specified Currency is European Currency Units ("ECU"), such day is not a day that appears as an ECU no-settlement day on the display designated as "ISDE" on the Reuter Monitor Money Rates Service (or a day so designated by the ECU Banking Association), or, if ECU non-settlement days do not appear on that page (and are not so designated), is not a day on which payments in ECU cannot be settled in the international interbank market). Principal Financial Center means the capital city of the country issuing the Specified Currency, except that with respect to United States dollars, Australian dollars, Deutsche marks, Dutch guilders, Italian lire, Swiss francs and ECU, the Principal Financial Center shall be The City of New York, Sydney, Frankfurt, Amsterdam, Milan, Zurich and Luxembourg, respectively.

The Operating Partnership is obligated to make payments of principal, premium, if any, and interest in respect of this Note in the Specified Currency (or, if the Specified Currency is not at the time of such payment legal tender for the payment of public and private debts, in such other coin or currency of the country which issued the Specified Currency as at the time of such payment is legal tender for the payment of such debts). If the Specified Currency is other than United States dollars, except as provided below, any such amounts

5

-5-

so payable by the Operating Partnership will be converted by the Exchange Rate Agent specified above into United States dollars for payment to the holder of this Note.

If the Specified Currency is other than United States dollars, the holder of this Note may elect to receive such amounts in such Specified Currency. If the holder of this Note shall not have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency, any United States dollar amount to be received by the holder of this Note will be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 A.M., New York City time, on the second Business Day preceding the applicable payment date from three recognized foreign exchange dealers (one of whom may be the Exchange Rate Agent) selected by the Exchange Rate Agent and approved by the Operating Partnership for the purchase by the quoting dealer of the Specified Currency for United States dollars for settlement on such payment date in the aggregate amount of such Specified Currency payable to all holders of Foreign Currency Notes scheduled to receive

United States dollar payments and at which the applicable dealer commits to execute a contract. All currency exchange costs will be borne by the holder of this Note by deductions from such payments. If three such bid quotations are not available, payments on this Note will be made in the Specified Currency.

If the Specified Currency is other than United States dollars, the holder of this Note may elect to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency by submitting a written request for such payment to the Trustee at its corporate trust Office in The City of New York on or prior to the applicable Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be. Such written request may be mailed or hand delivered or sent by cable, telex or other form of facsimile transmission. The holder of this Note may elect to receive all or a specified portion of all future payments in the Specified Currency in respect of such principal, premium, if any, and/or interest and need not file a separate election for each payment. Such election will remain in effect until revoked by written notice to the Trustee, but written notice of any such revocation must be received by the Trustee on or prior to the applicable Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be.

6

-6-

If the Specified Currency is other than United States dollars or a composite currency and the holder of this Note shall have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency and if the Specified Currency is not available due to the imposition of exchange controls or other circumstances beyond the reasonable control of the Operating Partnership, the Operating Partnership will be entitled to satisfy its obligations to the holder of this Note by making such payment in United States dollars on the basis of the Market Exchange Rate (as defined below) on the second Business Day prior to such payment date or, if such Market Exchange Rate is not then available, on the basis of the most recently available Market Exchange Rate or as otherwise specified on the face hereof. The "Market Exchange Rate" for the Specified Currency means the noon dollar buying rate in The City of New York for cable transfers for such Specified Currency as certified for customs purposes by (or if not so certified, as otherwise determined by) the Federal Reserve Bank of New York. Any payment made under such circumstances in United States dollars will not constitute an Event of Default (as defined in the Indenture) with respect to this Note.

If the Specified Currency is a composite currency and the holder of this Note shall have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency and if such composite currency is unavailable due to the imposition of exchange controls or other circumstances beyond the reasonable control of the Operating Partnership, then the Operating Partnership will be entitled to satisfy its obligations to the holder of this Note by making such payment in United States dollars. The amount of each payment in United States dollars shall be computed by the Exchange Rate Agent on the basis of the equivalent of the composite currency in United States dollars. The component currencies of the composite currency for this purpose (collectively, the "Component Currencies" and each, a "Component Currency") shall be the currency amounts that were components of the composite currency as of the last day on which the composite currency was used. The equivalent of the composite currency in United States dollars shall be calculated by aggregating the United States dollar equivalents of the Component Currencies. The United States dollar equivalent of each of the Component Currencies shall be determined by the Exchange Rate Agent on the basis of the most recently available Market Exchange Rate for each such Component Currency, or as otherwise specified on the face hereof.

7

-7-

If the official unit of any Component Currency is altered by way of combination or subdivision, the number of units of the currency as a Component Currency shall be divided or multiplied in the same proportion. If two or more

Component Currencies are consolidated into a single currency, the amounts of those currencies as Component Currencies shall be replaced by an amount in such single currency equal to the sum of the amounts of the consolidated Component Currencies expressed in such single currency. If any Component Currency is divided into two or more currencies, the amount of the original Component Currency shall be replaced by the amounts of such two or more currencies, the sum of which shall be equal to the amount of the original Component Currency.

All determinations referred to above made by the Exchange Rate Agent shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on the holder of this Note.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof and, if so specified above on the face hereof, in the Addendum hereto, which further provisions shall have the same force and effect as if set forth on the face hereof.

Notwithstanding any provisions to the contrary contained herein, if the face of this Note specifies that an Addendum is attached hereto or that "Other/Additional Provisions" apply to this Note, this Note shall be subject to the terms set forth in such Addendum or such "Other/Additional Provisions."

Unless the Certificate of Authentication hereon has been executed by the Trustee or its Authenticating Agent by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

8

-8-

IN WITNESS WHEREOF, First Industrial, L.P. has caused this Note to be duly executed under its seal.

Dated: December 8, 1997

FIRST INDUSTRIAL, L.P.

By: First Industrial Realty Trust,
Inc., its sole general partner

By /s/ Gary H. Heigl

Name: Gary H. Heigl
Title: Sr. V.P. Capital Markets

(SEAL)

Attest:

/s/ Mike Havala

Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: December 8, 1997

FIRST TRUST NATIONAL ASSOCIATION,
as Trustee

By /s/ H.H. Hall, Jr.

Authorized Signatory

9

-9-

REVERSE OF NOTE

FIRST INDUSTRIAL, L.P.

MEDIUM-TERM NOTE
(Fixed Rate)

This Note is one of a duly authorized series of Securities (the "Securities") of the Operating Partnership issued and to be issued under an Indenture, dated as of May 13, 1997, as amended, modified or supplemented from time to time (the "Indenture"), between the Operating Partnership and First Trust National Association, as Trustee (the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Operating Partnership, the Trustee and the holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Note is one of the series of Securities designated as "Medium-Term Notes Due Nine Months or More from Date of Issue" (the "Notes"). All terms used but not defined in this Note or in an Addendum hereto shall have the meanings assigned to such terms in the Indenture or on the face hereof, as the case may be.

This Note is issuable only in registered form without coupons in minimum denominations of U.S. \$1,000 and integral multiples thereof or the minimum Authorized Denomination specified on the face hereof.

This Note will not be subject to any sinking fund and, unless otherwise specified on the face hereof in accordance with the provisions of the following two paragraphs, will not be redeemable or repayable prior to the Stated Maturity Date.

This Note will be subject to redemption at the option of the Operating Partnership on any date on and after the Initial Redemption Date, if any, specified on the face hereof, in whole or from time to time in part in increments of U.S. \$1,000 or the minimum Authorized Denomination (provided that any remaining principal amount hereof shall be at least U.S. \$1,000 or such minimum Authorized Denomination), at the Redemption Price (as defined below), together with unpaid interest accrued thereon to the date fixed for redemption (each, a "Redemption Date"), on notice given not more than 60 nor less than 30 calendar days prior to the Redemption Date and in accordance with the provisions of the Indenture. The "Redemption Price" shall initially be the Initial Redemption Percentage specified on the face

hereof multiplied by the unpaid principal amount of this Note to be redeemed. The Initial Redemption Percentage shall decline at each anniversary of the Initial Redemption Date by the Annual Redemption Percentage Reduction, if any, specified on the face hereof until the Redemption Price is 100% of the unpaid principal amount to be redeemed. In the event of redemption of this Note in part only, a new Note of like tenor for the unredeemed portion hereof and otherwise having the same terms as this Note shall be issued in the name of the holder hereof upon the presentation and surrender hereof.

This Note will be subject to repayment by the Operating Partnership at the option of the holder hereof on the Optional Repayment Date(s), if any, specified on the face hereof, in whole or in part in increments of U.S.\$1,000 or the minimum Authorized Denomination (provided that any remaining principal amount hereof shall be at least U.S.\$1,000 or such minimum Authorized Denomination), at a repayment price equal to 100% of the unpaid principal amount to be repaid, together with unpaid interest accrued thereon to the date fixed for repayment (each, a "Repayment Date"). For this Note to be repaid, the Trustee must receive at its office in the Borough of Manhattan, The City of New York, referred to on the face hereof, at least 30 days but not more than 60 days prior to the Repayment Date (i) this Note and the form hereon entitled "Option to Elect Repayment" duly completed or (ii) a telegram, telex, facsimile transmission, or a letter from a member of a national securities exchange or

the National Association of Securities Dealers, Inc. or a commercial bank or trust company in the United States setting forth the name of the holder hereof, the principal amount of this Note, the principal amount of this Note to be repaid, the certificate number or a description of the tenor and terms of this Note, a statement that the option to elect repayment is being exercised thereby, and a guarantee that this Note, together with the form hereon entitled "Option to Elect Repayment" duly completed, will be received by the Trustee not later than the fifth Business Day after the date of such telegram, telex, facsimile transmission or letter, provided that such telegram, telex, facsimile transmission or letter shall only be effective if this Note and duly completed form are received by the Trustee by such fifth Business Day. Exercise of such repayment option by the holder hereof will be irrevocable. In the event of repayment of this Note in part only, a new Note of like tenor for the unrepaid portion hereof and otherwise having the same terms as this Note shall be issued in the name of the holder hereof upon the presentation and surrender hereof.

If this Note is an Original Issue Discount Note as specified on the face hereof, the amount payable to the holder of this Note in

11

-11-

the event of redemption, repayment or acceleration of maturity of this Note will be equal to the sum of (i) the Issue Price specified on the face hereof (increased by any accruals of the Discount, as defined below) and, in the event of any redemption of this Note (if applicable), multiplied by the Initial Redemption Percentage (as adjusted by the Annual Redemption Percentage Reduction, if applicable) and (ii) any unpaid interest on this Note accrued from the Original Issue Date to the Redemption Date, Repayment Date or date of acceleration of maturity, as the case may be. The difference between the Issue Price and 100% of the principal amount of this Note is referred to herein as the "Discount."

For purposes of determining the amount of Discount that has accrued as of any Redemption Date, Repayment Date or date of acceleration of maturity of this Note, such Discount will be accrued using a constant yield method. The constant yield will be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the Initial Period (as defined below), corresponds to the shortest period between Interest Payment Dates (with ratable accruals within a compounding period), a coupon rate equal to the initial coupon rate applicable to this Note and an assumption that the maturity of this Note will not be accelerated. If the period from the Original Issue Date to the initial Interest Payment Date (the "Initial Period") is shorter than the compounding period for this Note, a proportionate amount of the yield for an entire compounding-period will be accrued. If the Initial Period is longer than the compounding period, then such period will be divided into a regular compounding period and a short period, with the short period being treated as provided in the preceding sentence.

If an Event of Default, as defined in the Indenture, shall occur and be continuing, the principal of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance of (i) the entire indebtedness of the Notes or (ii) certain covenants and Events of Default with respect to the Notes, in each case upon compliance with certain conditions set forth therein, which provisions apply to the Notes.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Operating Partnership and the rights of the holders of the Securities at any time by the Operating Partnership and the

12

-12-

Trustee with the consent of the holders of not less than a majority of the aggregate principal amount of all Securities at the time outstanding and affected thereby. The Indenture also contains provisions permitting the holders of not less than a majority of the aggregate principal amount of the outstanding Securities of any series, on behalf of the holders of all such Securities, to waive compliance by the Operating Partnership with certain provisions of the Indenture. Furthermore, provisions in the Indenture permit the holders of not less than a majority of the aggregate principal amount of the outstanding Securities of any series, in certain instances, to waive, on behalf of all of the holders of Securities of such series, certain past defaults under the Indenture and their consequences. Any such consent or waiver by the holder of this Note shall be conclusive and binding upon such holder and upon all future holders of this Note and other Notes issued upon the registration of transfer hereof or in exchange heretofore or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Operating Partnership, which is absolute and unconditional, to pay principal, premium, if any, and interest in respect of this Note at the times, places and rate or formula, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein and herein set forth, the transfer of this Note is registrable in the Security Register of the Operating Partnership upon surrender of this Note for registration of transfer at the office or agency of the Operating Partnership in any place where the principal hereof and any premium or interest hereon are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Operating Partnership and the Security Registrar, duly executed by, the holder hereof or by his attorney duly authorized in writing, and thereupon one or more new Notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein and herein set forth, this Note is exchangeable for a like aggregate principal amount of Notes of different authorized denominations but otherwise having the same terms and conditions, as requested by the holder hereof surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Operating Partnership may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Operating Partnership, the Trustee and any agent of the Operating Partnership or the Trustee may treat the holder in whose name this Note is registered as the owner thereof for all purposes, whether or not this Note be overdue, and neither the Operating Partnership, the Trustee nor any such agent shall be affected by notice to the contrary.

This Note and all documents, agreements, understandings and arrangements relating to any transaction contemplated hereby or thereby have been executed or entered into by the undersigned in his/her capacity as an officer of the sole general partner of the Operating Partnership which has been formed as a Delaware limited partnership, and not individually, and neither the general partner, officers, employees or limited partners of the Operating Partnership shall be bound or have any personal liability hereunder or thereunder. The holder of this Note by accepting this Note waives and releases all such liability. This waiver and release are part of the consideration for the issue of this Note. Each party hereto shall look solely to the assets of the Operating Partnership for satisfaction of any liability of the Operating Partnership in respect of this Note and all documents, agreements, understandings and arrangements relating to any transaction contemplated hereby or thereby and will not seek recourse or commence any action against any of the trustees, officers or shareholders of the Operating Partnership or any of their

personal assets for the performance or payment of any obligation hereunder or thereunder. The foregoing shall also apply to any future documents, agreements, understandings, arrangements and transactions between the parties hereto.

The Indenture and this Note shall be governed by and construed in accordance with the laws of the State of New York without regard to its principles of conflicts of laws.

14

-14-

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT -	_____ Custodian _____
TEN ENT	- as tenants by the entireties		(Cust) _____ (Minor)
JT TEN	- as joint tenants with right of survivorship and not as tenants in common		under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR
OTHER
IDENTIFYING NUMBER OF ASSIGNEE

(Please print or typewrite name and address including postal zip code of assignee)

this Note and all rights thereunder hereby irrevocably constituting and appointing

Attorney to transfer this Note on the books of the Trustee, with full power of substitution in the premises.

Dated: _____

Notice: The signature(s) on this Assignment must correspond with the name(s) as written upon the face of this Note in every particular, without alteration or enlargement or any change whatsoever.

15

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably request(s) and instruct(s) the Operating Partnership to repay this Note (or portion hereof specified below) pursuant to its terms at a price equal to 100% of the principal amount to be repaid, together with unpaid interest accrued hereon to the Repayment Date, to the undersigned, at

(Please print or typewrite name and address of the undersigned)

For this Note to be repaid, the Trustee must receive at its corporate trust office in the Borough of Manhattan, The City of New York, currently located at 100 Wall Street, New York, New York 10005, this Note with this "Option to Elect Repayment" form duly completed.

If less than the entire principal amount of this Note is to be repaid, specify the portion hereof (which shall be increments of U.S.\$1,000 (or, if the Specified Currency is other than United States dollars, the minimum Authorized Denomination specified on the face hereof)) which the holder elects to have repaid and specify the denomination or denominations (which shall be an Authorized Denomination) of the Notes to be issued to the holder for the portion of this Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid).

Principal Amount
to be Repaid: \$ _____
Date: _____

Notice: The
signature(s) on this
Option to Elect
Repayment must
correspond with the
name(s) as written upon
the face of this Note in
every particular,
without alteration or
enlargement or any
change whatsoever.

FACE OF NOTE

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (THE "DEPOSITORY") (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER HEREOF OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN CERTIFICATED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY.

REGISTERED CUSIP #: 32055TAG8 REGISTERED PRINCIPAL AMOUNT: \$100,000,000
No. FXR-03

FIRST INDUSTRIAL, L.P.

MEDIUM-TERM NOTE
(Fixed Rate)

ORIGINAL ISSUE DATE: 12/8/97 INTEREST RATE: 7.50%
STATED MATURITY DATE: 12/1/2017

INTEREST PAYMENT DATE(S) DEFAULT RATE: N/A
[X] 6/1 and 12/10
[] Other:

INITIAL REDEMPTION DATE: N/A	INITIAL REDEMPTION PERCENTAGE: N/A	ANNUAL REDEMPTION PERCENTAGE REDUCTION: N/A
---------------------------------	---------------------------------------	---

OPTIONAL REPAYMENT DATE(S) N/A	[] CHECK IF AN ORIGINAL ISSUE DISCOUNT NOTE Issue Price: %
-----------------------------------	---

REPAYMENT PRICE: N/A

SPECIFIED CURRENCY:	AUTHORIZED DENOMINATION:	EXCHANGE RATE
[X] United States dollars	[X] \$1,000 and integral	AGENT: N/A
[] Other:	multiples thereof	
	[] Other:	

EXCHANGE RATE:	ADDENDUM ATTACHED:	OTHER/ADDITIONAL
U.S. \$1.00 = _____	[] Yes	PROVISIONS: N/A
	[x] No	

First Industrial, L.P., a limited partnership duly organized and existing under the laws of Delaware (hereinafter referred to as the "Operating Partnership," which term includes any successor entity under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of \$100,000,000, on the Stated Maturity Date specified above (or any Redemption Date or Repayment Date, each as defined on the reverse hereof) (each such Stated Maturity Date, Redemption Date or Repayment Date being hereinafter referred to as the "Maturity Date" with respect to the principal repayable on such date) and to pay interest thereon, at the Interest Rate per annum specific above, until the principal hereof is paid or duly made available for payment, and (to the extent that the payment of such interest shall be legally enforceable) at the Default Rate per annum specified above on any overdue principal, premium and/or interest,

including any overdue sinking fund or redemption payment. The Operating Partnership will pay interest in arrears on each Interest Payment Date, if any, specified above (each, an "Interest Payment Date"), commencing with the first Interest Payment Date next succeeding the Original Issue Date specified above, and on the Maturity Date; provided, however, that if the Original Issue Date occurs between a Record Date (as defined below) and the next succeeding Interest Payment Date, interest payments will commence on the second Interest Payment Date next succeeding the Original Issue Date to the holder of this Note on the Record Date with respect to such second Interest Payment Date. Interest on this Note will be computed on the basis of a 360-day year of twelve 30-day months.

Interest on this Note will accrue from, and including, the immediately preceding Interest Payment Date to which interest has been paid or duly provided for (or from, and including, the Original Issue Date if no interest has been paid or duly provided for) to, but excluding, the applicable Interest Payment Date or the Maturity Date, as the case may be (each, an "Interest Period"). The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, subject to certain exceptions described herein, be paid to the person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the fifteenth calendar day (whether or not a Business Day, as defined below) immediately preceding such Interest Payment Date (the "Record Date"); provided, however, that interest payable on the Maturity Date will be payable to the person to whom the principal hereto and premium, if any, hereon shall be payable. Any such interest not so punctually paid or duly provided for ("Defaulted Interest") will forthwith cease to be payable to the holder on any Record Date, and shall be paid to the person in

whose name this Note is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to be fixed by the Trustee hereinafter referred to, notice whereof shall be given to the holder of this Note by the Trustee not more than 15 days and not less than 10 days prior to such Special Record Date or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which this Note may be listed, and upon such notice as may be required by such exchange, all as more fully provided for in the Indenture.

Payment of principal, premium, if any, and interest in respect of this Note due on the Maturity Date or any prior date on which the principal or an installment of principal of this Note becomes due and payable, whether by the declaration of acceleration or otherwise, will be made in immediately available funds upon presentation and surrender of this Note (and, with respect to any applicable repayment of this Note, upon presentation and surrender of this Note and a duly completed election form as contemplated on the reverse hereof) at the office or agency maintained by the Operating Partnership for that purpose in the Borough of Manhattan, The City of New York, currently the office of the Trustee located at 100 Wall Street, New York, New York 10005, or at such other paying agency in the Borough of Manhattan, The City of New York, as the Operating Partnership may determine; provided, however, that if the Specified Currency specified above is other than United States dollars and such payment is to be made in the Specified Currency in accordance with the provisions set forth below, such payment may be made by wire transfer of immediately available funds to an account with a bank designated by the holder hereof at least 15 calendar days prior to the Maturity Date, provided that such bank has appropriate facilities therefor and that this Note (and, if applicable, a duly completed repayment election form) is presented and surrendered at the aforementioned office or agency maintained by the Operating Partnership in time for the Trustee to make such payment in such funds in accordance with its normal procedures. Payment of interest due on any Interest Payment Date other than the Maturity Date will be made at the aforementioned office or agency maintained by the Operating Partnership or, at the option of the Operating Partnership, by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register maintained by the Trustee; provided, however, that a holder of U.S.\$10,000,000 (or, if the Specified Currency is other than United States dollars, the equivalent thereof in the Specified Currency) or more in aggregate principal amount of Notes (whether

having identical or different terms and provisions) will be entitled to receive interest payments on any Interest Payment Date other than the Maturity Date by wire transfer of immedi-

4

-4-

ately available funds if appropriate wire transfer instructions have been received in writing by the Trustee not less than 15 calendar days prior to such Interest Payment Date. Any such wire transfer instructions received by the Trustee shall remain in effect until revoked by such holder.

If any Interest Payment Date or the Maturity Date falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest shall be made on the next succeeding Business Day with the same force and effect as if made on the date such payment was due, and no interest shall accrue with respect to such payment for the period from and after such Interest Payment Date or the Maturity Date, as the case may be, to the date of such payment on the next succeeding Business Day.

As used herein, "Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, regulation or executive order to close in The City of New York; provided, however, that if the Specified Currency is other than United States dollars, such day is also not a day on which banking institutions are authorized or required by law, regulation or executive order to close in the Principal Financial Center (as defined below) of the country issuing the Specified Currency (or, if the Specified Currency is European Currency Units ("ECU"), such day is not a day that appears as an ECU no-settlement day on the display designated as "ISDE" on the Reuter Monitor Money Rates Service (or a day so designated by the ECU Banking Association), or, if ECU non-settlement days do not appear on that page (and are not so designated), is not a day on which payments in ECU cannot be settled in the international interbank market). Principal Financial Center means the capital city of the country issuing the Specified Currency, except that with respect to United States dollars, Australian dollars, Deutsche marks, Dutch guilders, Italian lire, Swiss francs and ECU, the Principal Financial Center shall be The City of New York, Sydney, Frankfurt, Amsterdam, Milan, Zurich and Luxembourg, respectively.

The Operating Partnership is obligated to make payments of principal, premium, if any, and interest in respect of this Note in the Specified Currency (or, if the Specified Currency is not at the time of such payment legal tender for the payment of public and private debts, in such other coin or currency of the country which issued the Specified Currency as at the time of such payment is legal tender for the payment of such debts). If the Specified Currency is other than United States dollars, except as provided below, any such amounts

5

-5-

so payable by the Operating Partnership will be converted by the Exchange Rate Agent specified above into United States dollars for payment to the holder of this Note.

If the Specified Currency is other than United States dollars, the holder of this Note may elect to receive such amounts in such Specified Currency. If the holder of this Note shall not have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency, any United States dollar amount to be received by the holder of this Note will be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 A.M., New York City time, on the second Business Day preceding the applicable payment date from three recognized foreign exchange dealers (one of whom may be the Exchange Rate Agent) selected by the Exchange Rate Agent and approved by the Operating Partnership for the purchase by the quoting dealer of the Specified Currency for United States dollars for settlement on such payment date in the aggregate amount of such Specified Currency payable to all holders of Foreign Currency Notes scheduled to receive United States dollar payments and at which the applicable dealer commits to execute a contract. All currency exchange costs

will be borne by the holder of this Note by deductions from such payments. If three such bid quotations are not available, payments on this Note will be made in the Specified Currency.

If the Specified Currency is other than United States dollars, the holder of this Note may elect to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency by submitting a written request for such payment to the Trustee at its corporate trust Office in The City of New York on or prior to the applicable Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be. Such written request may be mailed or hand delivered or sent by cable, telex or other form of facsimile transmission. The holder of this Note may elect to receive all or a specified portion of all future payments in the Specified Currency in respect of such principal, premium, if any, and/or interest and need not file a separate election for each payment. Such election will remain in effect until revoked by written notice to the Trustee, but written notice of any such revocation must be received by the Trustee on or prior to the applicable Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be.

6

-6-

If the Specified Currency is other than United States dollars or a composite currency and the holder of this Note shall have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency and if the Specified Currency is not available due to the imposition of exchange controls or other circumstances beyond the reasonable control of the Operating Partnership, the Operating Partnership will be entitled to satisfy its obligations to the holder of this Note by making such payment in United States dollars on the basis of the Market Exchange Rate (as defined below) on the second Business Day prior to such payment date or, if such Market Exchange Rate is not then available, on the basis of the most recently available Market Exchange Rate or as otherwise specified on the face hereof. The "Market Exchange Rate" for the Specified Currency means the noon dollar buying rate in The City of New York for cable transfers for such Specified Currency as certified for customs purposes by (or if not so certified, as otherwise determined by) the Federal Reserve Bank of New York. Any payment made under such circumstances in United States dollars will not constitute an Event of Default (as defined in the Indenture) with respect to this Note.

If the Specified Currency is a composite currency and the holder of this Note shall have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency and if such composite currency is unavailable due to the imposition of exchange controls or other circumstances beyond the reasonable control of the Operating Partnership, then the Operating Partnership will be entitled to satisfy its obligations to the holder of this Note by making such payment in United States dollars. The amount of each payment in United States dollars shall be computed by the Exchange Rate Agent on the basis of the equivalent of the composite currency in United States dollars. The component currencies of the composite currency for this purpose (collectively, the "Component Currencies" and each, a "Component Currency") shall be the currency amounts that were components of the composite currency as of the last day on which the composite currency was used. The equivalent of the composite currency in United States dollars shall be calculated by aggregating the United States dollar equivalents of the Component Currencies. The United States dollar equivalent of each of the Component Currencies shall be determined by the Exchange Rate Agent on the basis of the most recently available Market Exchange Rate for each such Component Currency, or as otherwise specified on the face hereof.

7

-7-

If the official unit of any Component Currency is altered by way of combination or subdivision, the number of units of the currency as a Component Currency shall be divided or multiplied in the same proportion. If two or more Component Currencies are consolidated into a single currency, the amounts of those currencies as Component Currencies shall be replaced by an amount in

such single currency equal to the sum of the amounts of the consolidated Component Currencies expressed in such single currency. If any Component Currency is divided into two or more currencies, the amount of the original Component Currency shall be replaced by the amounts of such two or more currencies, the sum of which shall be equal to the amount of the original Component Currency.

All determinations referred to above made by the Exchange Rate Agent shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on the holder of this Note.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof and, if so specified above on the face hereof, in the Addendum hereto, which further provisions shall have the same force and effect as if set forth on the face hereof.

Notwithstanding any provisions to the contrary contained herein, if the face of this Note specifies that an Addendum is attached hereto or that "Other/Additional Provisions" apply to this Note, this Note shall be subject to the terms set forth in such Addendum or such "Other/Additional Provisions."

Unless the Certificate of Authentication hereon has been executed by the Trustee or its Authenticating Agent by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

8

-8-

IN WITNESS WHEREOF, First Industrial, L.P. has caused this Note to be duly executed under its seal.

Dated: December 8, 1997

FIRST INDUSTRIAL, L.P.
By: First Industrial Realty Trust,
Inc., its sole general partner

By /s/ Gary H. Heigl

Name: Gary H. Heigl
Title: Sr. V.P. Capital Markets

(SEAL)

Attest:

/s/ Mike Havala
- -----
Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: December 8, 1997

FIRST TRUST NATIONAL ASSOCIATION,
as Trustee

By /s/ H.H. Hall, Jr.

Authorized Signatory

9

REVERSE OF NOTE

FIRST INDUSTRIAL, L.P.

MEDIUM-TERM NOTE
(Fixed Rate)

This Note is one of a duly authorized series of Securities (the "Securities") of the Operating Partnership issued and to be issued under an Indenture, dated as of May 13, 1997, as amended, modified or supplemented from

time to time (the "Indenture"), between the Operating Partnership and First Trust National Association, as Trustee (the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Operating Partnership, the Trustee and the holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Note is one of the series of Securities designated as "Medium-Term Notes Due Nine Months or More from Date of Issue" (the "Notes"). All terms used but not defined in this Note or in an Addendum hereto shall have the meanings assigned to such terms in the Indenture or on the face hereof, as the case may be.

This Note is issuable only in registered form without coupons in minimum denominations of U.S. \$1,000 and integral multiples thereof or the minimum Authorized Denomination specified on the face hereof. This Note will not be subject to any sinking fund and, unless otherwise specified on the face hereof in accordance with the provisions of the following two paragraphs, will not be redeemable or repayable prior to the Stated Maturity Date.

This Note will be subject to redemption at the option of the Operating Partnership on any date on and after the Initial Redemption Date, if any, specified on the face hereof, in whole or from time to time in part in increments of U.S. \$1,000 or the minimum Authorized Denomination (provided that any remaining principal amount hereof shall be at least U.S. \$1,000 or such minimum Authorized Denomination), at the Redemption Price (as defined below), together with unpaid interest accrued thereon to the date fixed for redemption (each, a "Redemption Date"), on notice given not more than 60 nor less than 30 calendar days prior to the Redemption Date and in accordance with the provisions of the Indenture. The "Redemption Price" shall initially be the Initial Redemption Percentage specified on the face

10

-10-

hereof multiplied by the unpaid principal amount of this Note to be redeemed. The Initial Redemption Percentage shall decline at each anniversary of the Initial Redemption Date by the Annual Redemption Percentage Reduction, if any, specified on the face hereof until the Redemption Price is 100% of the unpaid principal amount to be redeemed. In the event of redemption of this Note in part only, a new Note of like tenor for the unredeemed portion hereof and otherwise having the same terms as this Note shall be issued in the name of the holder hereof upon the presentation and surrender hereof.

This Note will be subject to repayment by the Operating Partnership at the option of the holder hereof on the Optional Repayment Date(s), if any, specified on the face hereof, in whole or in part in increments of U.S.\$1,000 or the minimum Authorized Denomination (provided that any remaining principal amount hereof shall be at least U.S.\$1,000 or such minimum Authorized Denomination), at a repayment price equal to 100% of the unpaid principal amount to be repaid, together with unpaid interest accrued thereon to the date fixed for repayment (each, a "Repayment Date"). For this Note to be repaid, the Trustee must receive at its office in the Borough of Manhattan, The City of New York, referred to on the face hereof, at least 30 days but not more than 60 days prior to the Repayment Date (i) this Note and the form hereon entitled "Option to Elect Repayment" duly completed or (ii) a telegram, telex, facsimile transmission, or a letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc. or a commercial bank or trust company in the United States setting forth the name of the holder hereof, the principal amount of this Note, the principal amount of this Note to be repaid, the certificate number or a description of the tenor and terms of this Note, a statement that the option to elect repayment is being exercised thereby, and a guarantee that this Note, together with the form hereon entitled "Option to Elect Repayment" duly completed, will be received by the Trustee not later than the fifth Business Day after the date of such telegram, telex, facsimile transmission or letter, provided that such telegram, telex, facsimile transmission or letter shall only be effective if this Note and duly completed form are received by the Trustee by such fifth Business Day. Exercise of such repayment option by the holder hereof will be irrevocable. In the event of repayment of this Note in part only, a new Note of like tenor for the unrepaid portion hereof and otherwise having the same terms as this Note shall be issued in the name of the holder hereof upon the presentation and surrender hereof.

If this Note is an Original Issue Discount Note as specified on the face hereof, the amount payable to the holder of this Note in

11

-11-

the event of redemption, repayment or acceleration of maturity of this Note will be equal to the sum of (i) the Issue Price specified on the face hereof (increased by any accruals of the Discount, as defined below) and, in the event of any redemption of this Note (if applicable), multiplied by the Initial Redemption Percentage (as adjusted by the Annual Redemption Percentage Reduction, if applicable) and (ii) any unpaid interest on this Note accrued from the Original Issue Date to the Redemption Date, Repayment Date or date of acceleration of maturity, as the case may be. The difference between the Issue Price and 100% of the principal amount of this Note is referred to herein as the "Discount."

For purposes of determining the amount of Discount that has accrued as of any Redemption Date, Repayment Date or date of acceleration of maturity of this Note, such Discount will be accrued using a constant yield method. The constant yield will be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the Initial Period (as defined below), corresponds to the shortest period between Interest Payment Dates (with ratable accruals within a compounding period), a coupon rate equal to the initial coupon rate applicable to this Note and an assumption that the maturity of this Note will not be accelerated. If the period from the Original Issue Date to the initial Interest Payment Date (the "Initial Period") is shorter than the compounding period for this Note, a proportionate amount of the yield for an entire compounding-period will be accrued. If the Initial Period is longer than the compounding period, then such period will be divided into a regular compounding period and a short period, with the short period being treated as provided in the preceding sentence.

If an Event of Default, as defined in the Indenture, shall occur and be continuing, the principal of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture. The Indenture contains provisions for defeasance of (i) the entire indebtedness of the Notes or (ii) certain covenants and Events of Default with respect to the Notes, in each case upon compliance with certain conditions set forth therein, which provisions apply to the Notes.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Operating Partnership and the rights of the holders of the Securities at any time by the Operating Partnership and the

12

-12-

Trustee with the consent of the holders of not less than a majority of the aggregate principal amount of all Securities at the time outstanding and affected thereby. The Indenture also contains provisions permitting the holders of not less than a majority of the aggregate principal amount of the outstanding Securities of any series, on behalf of the holders of all such Securities, to waive compliance by the Operating Partnership with certain provisions of the Indenture. Furthermore, provisions in the Indenture permit the holders of not less than a majority of the aggregate principal amount of the outstanding Securities of any series, in certain instances, to waive, on behalf of all of the holders of Securities of such series, certain past defaults under the Indenture and their consequences. Any such consent or waiver by the holder of this Note shall be conclusive and binding upon such holder and upon all future holders of this Note and other Notes issued upon the registration of transfer hereof or in exchange heretofore or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Operating Partnership, which is absolute and unconditional, to pay principal, premium, if any, and interest in respect of this Note at the times, places and rate or formula, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein and herein set forth, the transfer of this Note is registrable in the Security Register of the Operating Partnership upon surrender of this Note for registration of transfer at the office or agency of the Operating Partnership in any place where the principal hereof and any premium or interest hereon are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Operating Partnership and the Security Registrar, duly executed by, the holder hereof or by his attorney duly authorized in writing, and thereupon one or more new Notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein and herein set forth, this Note is exchangeable for a like aggregate principal amount of Notes of different authorized denominations but otherwise having the same terms and conditions, as requested by the holder hereof surrendering the same.

13

-13-

No service charge shall be made for any such registration of transfer or exchange, but the Operating Partnership may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Operating Partnership, the Trustee and any agent of the Operating Partnership or the Trustee may treat the holder in whose name this Note is registered as the owner thereof for all purposes, whether or not this Note be overdue, and neither the Operating Partnership, the Trustee nor any such agent shall be affected by notice to the contrary.

This Note and all documents, agreements, understandings and arrangements relating to any transaction contemplated hereby or thereby have been executed or entered into by the undersigned in his/her capacity as an officer of the sole general partner of the Operating Partnership which has been formed as a Delaware limited partnership, and not individually, and neither the general partner, officers, employees or limited partners of the Operating Partnership shall be bound or have any personal liability hereunder or thereunder. The holder of this Note by accepting this Note waives and releases all such liability. This waiver and release are part of the consideration for the issue of this Note. Each party hereto shall look solely to the assets of the Operating Partnership for satisfaction of any liability of the Operating Partnership in respect of this Note and all documents, agreements, understandings and arrangements relating to any transaction contemplated hereby or thereby and will not seek recourse or commence any action against any of the trustees, officers or shareholders of the Operating Partnership or any of their personal assets for the performance or payment of any obligation hereunder or thereunder. The foregoing shall also apply to any future documents, agreements, understandings, arrangements and transactions between the parties hereto.

The Indenture and this Note shall be governed by and construed in accordance with the laws of the State of New York without regard to its principles of conflicts of laws.

14

-14-

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT	-	_____	Custodian	_____
TEN ENT	- as tenants by the entireties			(Cust)		(Minor)
JT TEN	- as joint tenants with right of survivorship and not as tenants				under Uniform Gifts to Minors Act	_____

in common

(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), as-sign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR
OTHER
IDENTIFYING NUMBER OF ASSIGNEE

(Please print or typewrite name and address including postal zip code of assignee)

this Note and all rights thereunder hereby irrevocably constituting and appointing

Attorney to transfer this Note on the books of the Trustee, with full power of substitution in the premises.

Dated:

Notice: The signature(s) on this Assignment must correspond with the name(s) as written upon the face of this Note in every particular, without alteration or enlargement or any change whatsoever.

15

-15-

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably request(s) and instruct(s) the Operating Partnership to repay this Note (or portion hereof specified below) pursuant to its terms at a price equal to 100% of the principal amount to be repaid, together with unpaid interest accrued hereon to the Repayment Date, to the undersigned, at

(Please print or typewrite name and address of the undersigned)

For this Note to be repaid, the Trustee must receive at its corporate trust office in the Borough of Manhattan, The City of New York, currently located at 100 Wall Street, New York, New York 10005, this Note with this "Option to Elect Repayment" form duly completed.

If less than the entire principal amount of this Note is to be repaid, specify the portion hereof (which shall be increments of U.S.\$1,000 (or, if the Specified Currency is other than United States dollars, the minimum Authorized Denomination specified on the face hereof)) which the holder elects to have repaid and specify the denomination or denominations (which shall be an Authorized Denomination) of the Notes to be issued to the holder for the portion of this Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid).

Principal Amount
to be Repaid: \$

Date:

Notice: The signature(s) on this
Option to Elect Repayment must correspond
with the name(s) as written upon the
face of this Note in every particular,
without alteration or enlargement or
any change whatsoever.

UNSECURED REVOLVING CREDIT AGREEMENT

DATED AS OF DECEMBER 15, 1997

AMONG

FIRST INDUSTRIAL, L.P., AS BORROWER

FIRST INDUSTRIAL REALTY TRUST, INC., AS GENERAL PARTNER

AND

THE FIRST NATIONAL BANK OF CHICAGO,

UNION BANK OF SWITZERLAND, NEW YORK BRANCH

AND CERTAIN OTHER BANKS,

AS LENDERS

AND

UNION BANK OF SWITZERLAND, NEW YORK BRANCH,

AS DOCUMENTATION AGENT

AND

THE FIRST NATIONAL BANK OF CHICAGO,

AS ADMINISTRATIVE AGENT

AND

BANK OF MONTREAL,

AS CO-AGENT

UNSECURED REVOLVING CREDIT AGREEMENT

THIS UNSECURED REVOLVING CREDIT AGREEMENT is entered into as of December 15, 1997, by and among the following:

FIRST INDUSTRIAL, L.P., a Delaware limited partnership having its principal place of business at 311 South Wacker Drive, Suite 4000, Chicago, Illinois 60606 ("Borrower"), the sole general partner of which is First Industrial Realty Trust, Inc., a Maryland corporation;

FIRST INDUSTRIAL REALTY TRUST, INC., a Maryland corporation that is qualified as a real estate investment trust whose principal place of business is 311 South Wacker Drive, Suite 4000, Chicago, Illinois 60606 ("General Partner");

THE FIRST NATIONAL BANK OF CHICAGO ("First Chicago"), a national bank organized under the laws of the United States of America having an office at One First National Plaza, Chicago, Illinois 60670;

UNION BANK OF SWITZERLAND, NEW YORK BRANCH ("UBS"), the New York Branch of a Swiss banking corporation, having an office at 299 Park Avenue, New York, New York 10171;

UBS, as Documentation Agent ("Documentation Agent");

First Chicago, as Administrative Agent ("Administrative Agent") for the Lenders (as defined below); and

Those Lenders identified on the signature pages hereto.

RECITALS

A. Borrower is primarily engaged in the business of acquiring, developing, owning and operating bulk warehouse and light industrial properties.

B. Borrower, the General Partner, the Documentation Agent, the Administrative Agent and certain of the lenders are parties to the "Existing Credit Agreement" (as defined below).

C. The Borrower has requested that the Existing Credit Agreement be replaced to increase the maximum aggregate principal amount thereof to \$300,000,000 (the "Facility"), and that the Administrative Agent act as administrative agent for the Lenders and that the

3

Documentation Agent act as documentation agent for the Lenders. The Administrative Agent, the Documentation Agent and the Lenders have agreed to do so.

D. General Partner is fully liable for the obligations of Borrower hereunder by virtue of its status as the sole general partner of Borrower and as guarantor under the Guaranty.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

1.1 Definitions. As used in this Agreement, the following terms have the meanings set forth below:

"Absolute Interest Period" means, with respect to a Competitive Bid Loan made at an Absolute Rate, a period of up to 180 days as requested by Borrower in a Competitive Bid Quote Request and confirmed by a Lender in a Competitive Bid Quote but in no event extending beyond the Maturity Date. If an Absolute Interest Period would end on a day which is not a Business Day, such Absolute Interest Period shall end on the next succeeding Business Day.

"Absolute Rate" means a fixed rate of interest (rounded to the nearest 1/100 of 1%) for an Absolute Interest Period with respect to a Competitive Bid Loan offered by a Lender and accepted by the Borrower at such rate under Section 2.16.

"Adjusted Corporate Base Rate" means a floating interest rate equal to the Corporate Base Rate plus CBR Applicable Margin changing when and as the Corporate Base Rate and CBR Applicable Margin changes.

"Adjusted Corporate Base Rate Advance" means an Advance that bears interest at the Adjusted Corporate Base Rate.

"Adjusted EBITDA" means for any Person the sum of EBITDA for such Person and such Person's reported corporate overhead for itself and its Subsidiaries; provided that "Adjusted EBITDA" shall not include overhead related to specific properties.

"Adjusted LIBOR Rate" means, with respect to a LIBOR Advance for the relevant LIBOR Interest Period, the sum of (i) the quotient of (a) the Base LIBOR Rate applicable to such LIBOR Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such LIBOR Interest Period, plus, in the case of ratable LIBOR

Advances, the LIBOR Applicable Margin in effect from time to time during such LIBOR Interest Period, or in the case of LIBOR Advances made as Competitive Bid Loans, the Competitive LIBOR Margin established in the Competitive Bid Quote applicable to such Competitive Bid Loan.

"Administrative Agent" means First Chicago, acting as agent for the Lenders in connection with the transactions contemplated by this Agreement, and its successors in such capacity.

"Advance" means a Loan to the Borrower hereunder by one or more of the Lenders pursuant to Section 2.1(a) hereof (including Swingline Loans and Competitive Bid Loans), including the initial Advance and all subsequent Advances, whether such Advances are from time to time, Adjusted Corporate Base Rate Advances, LIBOR Advances, Swingline Loans or Competitive Bid Loans.

"Affiliate" means any Person directly or indirectly controlling, controlled by or under direct or indirect common control with any other Person. A Person shall be deemed to control another Person if the controlling Person owns ten percent (10%) or more of any class of voting securities of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise.

"Aggregate Commitment" means, as of any date, the sum of all of the Lenders' then-current Commitments, which initially shall be \$300,000,000, subject to Borrower's right to reduce the Aggregate Commitment pursuant to Section 2.17 and which shall otherwise only be increased with the consent of all Lenders.

"Agreement" means this Amended and Restated Unsecured Revolving Credit Agreement and all amendments, modifications and supplements hereto.

"Agreement Execution Date" shall mean December 15, 1997, the date on which all of the parties hereto have executed this Agreement.

"Allocated Facility Amount" means, at any time, the sum of all then outstanding Advances (including all Swingline Loans and Competitive Bid Loans), and the then outstanding Facility Letter of Credit Obligations.

"Applicable Margin" means the applicable margins set forth in the table in Section 2.6 used in calculating the interest rate applicable to the various types of Advances, which shall vary from time to time in accordance with the long term, senior unsecured debt ratings of Borrower and General Partner in the manner set forth in Section 2.6.

"Arranger" means First Chicago Capital Markets, Inc. and UBS, collectively.

"Base LIBOR Rate" means, with respect to a LIBOR Advance for the relevant LIBOR Interest Period, the rate determined by the Administrative Agent to be the rate at which deposits in immediately available funds in Dollars are offered by the Administrative Agent to first-class banks in the London interbank eurodollar market at approximately 11:00 a.m. London time two Business Days prior to the first day of such LIBOR Interest Period, in the approximate amount of the relevant LIBOR Advance and having a maturity approximately equal to such LIBOR Interest Period.

"Borrower" means First Industrial, L.P., along with its permitted successors and assigns.

"Borrowing Date" means a Business Day on which an Advance is made to the Borrower.

"Borrowing Notice" is defined in Section 2.10(a) hereof.

"Business Day" means a day, other than a Saturday, Sunday or holiday, on which banks are open for business in Chicago, Illinois and, where such term is used in reference to the selection or determination of the Adjusted LIBOR Rate, in London, England.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person which is not a corporation and any and all warrants or options to purchase any of the foregoing.

"Cash Equivalents" shall mean (i) short-term obligations of, or fully guaranteed by, the United States of America, (ii) commercial paper rated A-1 or better by Standard and Poor's Corporation or P-1 or better by Moody's Investors Service, Inc., or (iii) certificates of deposit issued by and time deposits with commercial banks (whether domestic or foreign) having capital and surplus in excess of \$100,000,000.

"CBR Applicable Margin" means, as of any date with respect to any Adjusted Corporate Base Rate Advance, the Applicable Margin in effect for such Adjusted Corporate Base Rate Advance as determined in accordance with Section 2.6 hereof.

"Code" means the Internal Revenue Code of 1986 as amended from time to time, or any replacement or successor statute, and the regulations promulgated thereunder from time to time.

"Collateral Letter of Credit" means any irrevocable unconditional Letter of Credit issued in the name of the Administrative Agent for the benefit of the Lenders in form and substance satisfactory to the Administrative Agent and drawn on a bank having a rating of at least AA by S&P and otherwise satisfactory to the Administrative Agent.

-4-

6

"Commitment" means the obligation of each Lender, subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties herein, to make Advances not exceeding in the aggregate the amount set forth opposite its signature below, or the amount stated in any subsequent amendment hereto.

"Competitive Bid Borrowing Notice" is defined in Section 2.16(f).

"Competitive Bid Lender" means a Lender which has a Competitive Bid Loan outstanding.

"Competitive Bid Loan" is a Loan made pursuant to Section 2.16 hereof.

"Competitive Bid Note" means the promissory note payable to the order of each Lender in the form attached hereto as Exhibit B-2 to be used to evidence any Competitive Bid Loans which such Lender elects to make (collectively, the "Competitive Bid Notes").

"Competitive Bid Quote" means a response submitted by a Lender to the Administrative Agent with respect to a Competitive Bid Quote Request in the form attached as Exhibit C-3.

"Competitive Bid Quote Request" means a written request from Borrower to Administrative Agent in the form attached as Exhibit C-1.

"Competitive LIBOR Margin" means, with respect to any Competitive Bid Loan for a LIBOR Interest Period, the percentage established in the applicable Competitive Bid Quote which is to be used to determine the interest rate

applicable to such Competitive Bid Loan.

"Consolidated Operating Partnership" means the Borrower, the General Partner and any other subsidiary partnerships or entities of either of them which are required under GAAP to be consolidated with the Borrower and the General Partner for financial reporting purposes.

"Consolidated Secured Debt" means as of any date of determination, the sum of (a) the aggregate principal amount of all Indebtedness of the Consolidated Operating Partnership outstanding at such date which is secured by a Lien on any asset or Capital Stock of Consolidated Operating Partnership, including without limitation loans secured by mortgages, stock, or partnership interests, but excluding Defeased REMIC Debt, and the Senior Preferred Stock so long as the PS Guaranty is outstanding and (b) the amount by which the aggregate principal amount of all Indebtedness of the Subsidiaries of the Borrower or General Partner outstanding at such date exceeds \$5,000,000, without duplication of any Indebtedness included under clause (a).

"Consolidated Senior Unsecured Debt" means as of any date of determination, the aggregate principal amount of all Indebtedness of the Consolidated Operating Partnership outstanding at such date other than (a) Indebtedness which is contractually subordinated to the

-5-

7

Indebtedness of the Consolidated Operating Partnership under the Loan Documents on terms acceptable to the Administrative Agent and (b) that portion of Consolidated Secured Debt described in clause (a) of that definition.

"Consolidated Total Indebtedness" means as of any date of determination, all Indebtedness of the Consolidated Operating Partnership outstanding at such date, determined on a consolidated basis in accordance with GAAP, after eliminating intercompany items; provided that for purposes of defining "Consolidated Total Indebtedness" the term "Indebtedness" shall not include the short term debt (e.g. accounts payable, short term expenses) of Borrower or General Partner or Defeased REMIC Debt.

"Controlled Group" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with all or any of the entities in the Consolidated Operating Partnership, are treated as a single employer under Sections 414(b) or 414(c) of the Code.

"Corporate Base Rate" means a rate per annum equal to the corporate base rate of interest announced by First Chicago from time to time, changing when and as such corporate base rate changes.

"Debt Service" means for any period, (a) Interest Expense for such period plus (b) the aggregate amount of regularly scheduled principal payments of Indebtedness (excluding optional prepayments and balloon principal payments due on maturity in respect of any Indebtedness) required to be made during such period by the Borrower, or any of its consolidated Subsidiaries plus (c) a percentage of all such regularly scheduled principal payments required to be made during such period by any Investment Affiliate on Indebtedness (excluding optional prepayments and balloon principal payments due on maturity in respect of any Indebtedness) taken into account in calculating Interest Expense, equal to the greater of (x) the percentage of the principal amount of such Indebtedness for which the Borrower or any consolidated Subsidiary is liable and (y) the percentage ownership interest in such Investment Affiliate held by the Borrower and any consolidated Subsidiaries, in the aggregate, without duplication plus (d) Senior Preferred Stock Expense of the General Partner for such period.

"Default" means an event which, with notice or lapse of time or both, would become an Event of Default.

"Default Rate" means with respect to any Advance, a rate equal to the interest rate applicable to such Advance plus three percent (3%) per annum.

"Defaulting Lender" means any Lender which fails or refuses to perform its obligations under this Agreement within the time period specified for performance of such obligation, or, if no time frame is specified, if such failure or refusal continues for a period of five Business

-6-

8

Days after written notice from the Administrative Agent; provided that if such Lender cures such failure or refusal, such Lender shall cease to be a Defaulting Lender.

"Defeased REMIC Debt" means the REMIC Loan, which Borrower has taken steps to defease by depositing collateral in the form of obligations supported by the credit of the United States government in the full amount required under the terms of the REMIC Loan.

"Designated Lender" means any Person who has been designated by a Lender to fund Competitive Bid Loans pursuant to a Designation Agreement in the form attached hereto as Exhibit K.

"Dollars" and "\$" mean United States Dollars.

"Duff & Phelps" means Duff & Phelps Credit Rating Company.

"EBITDA" means, with respect to any Person, income before extraordinary items and after adjustment for any gains or losses from sales of assets (reduced to eliminate any income from Investment Affiliates of such Person, any interest income and, with respect to the Consolidated Operating Partnership, any income from the assets used for Defeased REMIC Debt), as reported by such Person and its Subsidiaries on a consolidated basis in accordance with GAAP, plus Interest Expense, depreciation, amortization and income tax (if any) expense plus a percentage of such income (adjusted as described above) of any such Investment Affiliate equal to the allocable economic interest in such Investment Affiliate held by such Person and any Subsidiaries, in the aggregate (provided that no item of income or expense shall be included more than once in such calculation even if it falls within more than one of the foregoing categories).

"Effective Date" means each Borrowing Date and, if no Borrowing Date has occurred in the preceding calendar month, the first Business Day of each calendar month.

"Environmental Laws" means any and all Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority having jurisdiction over the Borrower, its Subsidiaries or Investment Affiliates, or their respective assets, and regulating or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect, in each case to the extent the foregoing are applicable to the operations of the Borrower, any Investment Affiliate, or any Subsidiary or any of their respective assets or Properties.

"Equity Value" is defined in Section 10.10 hereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and regulations promulgated thereunder from time to time.

-7-

9

"Event of Default" means any event set forth in Article X hereof.

"Existing Credit Agreement" means that certain Unsecured Revolving

Credit Agreement dated as of December 16, 1996 as amended by that certain First Amendment to the Unsecured Revolving Credit Agreement dated as of March 3, 1997.

"Extension Notice" is defined in Section 2.2 hereof.

"Facility" means the unsecured revolving credit facility described in Section 2.1.

"Facility Fee" and "Facility Fee Rate" are defined in Section 2.7(b).

"Facility Letter of Credit" means a Financial Letter of Credit or Performance Letter of Credit issued hereunder.

"Facility Letter of Credit Fee" is defined in Section 3.8.

"Facility Letter of Credit Obligations" means, as at the time of determination thereof, all liabilities, whether actual or contingent, of the Borrower with respect to Facility Letters of Credit, including the sum of (a) the Reimbursement Obligations and (b) the aggregate undrawn face amount of the then outstanding Facility Letters of Credit.

"Federal Funds Effective Rate" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10 a.m. (Chicago time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"FIMC" means First Industrial Mortgage Corporation, a Delaware corporation, and the sole general partner of the Mortgage Partnership. FIMC is a wholly-owned subsidiary of the General Partner.

"Financial Letter of Credit" means any standby Letter of Credit which represents an irrevocable obligation to the beneficiary on the part of the Issuing Bank (i) to repay money borrowed by or advanced to or for the account of the account party or (ii) to make any payment on account of any indebtedness undertaken by the account party, in the event the account party fails to fulfill its obligation to the beneficiary.

-8-

10

"Financing Partnership" means First Industrial Financing Partnership, L.P., a Delaware limited partnership. Borrower and General Partner, either directly or indirectly, collectively own 100% of the partnership interests of the Financing Partnership.

"First Chicago" means The First National Bank of Chicago.

"FISC" means First Industrial Securities Corporation, a Delaware corporation, and the sole general partner of the Guaranteeing Partnership. FISC is a wholly-owned subsidiary of the General Partner.

"Fitch" means Fitch Investors Service, L.P.

"Funded Percentage" means, with respect to any Lender at any time, a percentage equal to a fraction the numerator of which is the amount of the Aggregate Commitment actually disbursed and outstanding to Borrower by such Lender at such time, and the denominator of which is the total amount of the Aggregate Commitment disbursed and outstanding to Borrower by all of the Lenders at such time.

"Funds From Operations" for any period means GAAP net income, as adjusted by (i) excluding gains and losses from property sales, debt

restructurings and property write-downs and adjusted for the non-cash effect of straight-lining of rents, (ii) straight-lining various ordinary operating expenses which are payable less frequently than monthly (e.g., real estate taxes) and (iii) adding back depreciation, amortization and all non-cash items. Annualized Funds From Operations for any Person will be calculated by annualizing actual Funds From Operations for the most recently ended fiscal quarter. In calculating Funds From Operations, no deduction shall be made from net income for closing costs and other one-time charges associated with the formation and capitalization of such Person.

"GAAP" means generally accepted accounting principles in the United States of America consistent with those utilized in preparing the audited financial statements of the Borrower required hereunder.

"General Partner" means First Industrial Realty Trust, Inc., a Maryland corporation that is listed on the New York Stock Exchange and is qualified as a real estate investment trust. General Partner is the sole general partner of Borrower.

"Gross Revenues" means total revenues, calculated in accordance with GAAP.

"Guarantee Obligation" means as to any Person (the "guaranteeing person"), any obligation (determined without duplication) of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counter indemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness,

-9-

11

leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the maximum stated amount of the primary obligation relating to such Guarantee Obligation (or, if less, the maximum stated liability set forth in the instrument embodying such Guarantee Obligation), provided, that in the absence of any such stated amount or stated liability, the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Guaranteeing Partnership" means First Industrial Securities L.P., a Delaware limited partnership. FISC is the sole general partner of the Guaranteeing Partnership and Borrower is the sole limited partner.

"Guaranty" means the Guaranty executed by the General Partner in the form attached hereto as Exhibit D.

"Implied Capitalization Value" means for any Person for any quarter, the sum of (i) the quotient of (x) the Adjusted EBITDA for such Person during such quarter (which Adjusted EBITDA shall be annualized as described in the definition of "Funds From Operations", but shall exclude any Adjusted EBITDA attributable to Preleased Assets Under Development), and (y) the then most recent "Average Residual Cap Rate for National Industrial Markets", as published in the Korpacz Real Estate Investor Survey, plus (ii) an amount equal

to fifty percent (50%) of the value of all Preleased Assets Under Development, provided that in no event shall the aggregate amount added to Implied Capitalization Value pursuant to this clause (ii) exceed the lesser of (A) five percent (5%) of the Implied Capitalization Value or (B) \$100,000,000, plus (iii) an amount equal to 100% of unrestricted cash and unrestricted cash equivalents (specifically excluding any cash or cash equivalents being used to support Defeased REMIC Debt), plus (iv) an amount equal to 100% of the then-current book value, determined in accordance with GAAP, of all first mortgage receivables on income producing commercial properties, provided that in no event shall the aggregate amount added to Implied Capitalization Value pursuant to this clause (iv) exceed ten percent (10%) of Implied Capitalization Value. For purposes of computing the Implied Capitalization Value, (A) Adjusted EBITDA may be increased from quarter to quarter by the amount of net cash

-10-

12

flow from new leases of space at the Properties approved by Administrative Agent (where such net cash flow has not then been included in EBITDA) which have a minimum term of one year and (B) Properties which either (i) were acquired during the quarter and/or (ii) were previously assets under development under GAAP but which have been completed during the quarter and have at least some tenants in possession of the respective leased spaces and conducting business operations therein each will be included in the calculation of Implied Capitalization Value using Pro Forma EBITDA for the quarter, so long as a "new acquisition/opening summary" form is submitted to, and approved by, Administrative Agent for each new acquisition or newly-opened Property during such quarter. In no event shall the "Average Residual Cap Rate for Industrial Markets" used to calculate the Implied Capitalization Value be less than 9% or greater than 9.5%.

"Indebtedness" of any Person at any date means without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade liabilities and other accounts payable, and accrued expenses incurred in the ordinary course of business and payable in accordance with customary practices), to the extent such obligations constitute indebtedness for the purposes of GAAP, (c) any other indebtedness of such Person which is evidenced by a note, bond, debenture or similar instrument, (d) all obligations of such Person under financing leases and capital leases, (e) all obligations of such Person in respect of acceptances issued or created for the account of such Person, (f) all Guarantee Obligations of such Person (excluding in any calculation of consolidated indebtedness of the Consolidated Operating Partnership, Guarantee Obligations of any member of the Consolidated Operating Partnership in respect of primary obligations of any other member of the Consolidated Operating Partnership), (g) all reimbursement obligations of such Person for letters of credit and other contingent liabilities, (h) all liabilities secured by any Lien (other than Liens for taxes not yet due and payable) on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof, (i) any repurchase obligation or liability of such Person or any of its Subsidiaries with respect to accounts or notes receivable sold by such Person or any of its Subsidiaries, (j) Senior Preferred Stock, and (k) such Person's pro rata share of debt in Investment Affiliates and any loans where such Person is liable as a general partner. The liquidation preference of the Senior Preferred Stock will be considered as Indebtedness and Consolidated Total Indebtedness, provided, however, that the obligations of the General Partner created by the issuance of Senior Preferred Stock and the obligations of the Guaranteeing Partnership created by the execution and delivery of the PS Guaranty shall be deemed to constitute a single, combined liability on a consolidated basis.

"Insolvency" means insolvency as defined in the United States Bankruptcy Code, as amended. "Insolvent" when used with respect to a Person, shall refer to a Person who satisfies the definition of Insolvency.

"Interest Expense" means all interest expense of the Consolidated Operating Partnership determined in accordance with GAAP plus (i) capitalized interest not covered by an interest

reserve from a loan facility, plus (ii) the allocable portion (based on liability) of any accrued or paid interest incurred on any obligation for which the Consolidated Operating Partnership is wholly or partially liable under repayment, interest carry, or performance guarantees, or other relevant liabilities, plus (iii) the allocable percentage of any accrued or paid interest incurred on any Indebtedness of any Investment Affiliate, whether recourse or non-recourse, equal to the applicable economic interest in such Investment Affiliate held by the Consolidated Operating Partnership, in the aggregate, provided that no expense shall be included more than once in such calculation even if it falls within more than one of the foregoing categories; provided, however, that "Interest Expense" shall not include (i) those costs and fees which have been capitalized and are payable by Borrower and/or the Financing Partnership by reason of the purchase of a \$300,000,000 interest rate cap/swap from Union Bank of Switzerland in connection with the REMIC Loan or (ii) dividends paid on Senior Preferred Stock or payments made pursuant to the PS Guaranty or (iii) interest on the REMIC Loan after it became Defeased REMIC Debt.

"Interest Period" means either an Absolute Interest Period or a LIBOR Interest Period.

"Investment Affiliate" means any Person in which the Consolidated Operating Partnership, directly or indirectly, has an ownership interest, whose financial results are not consolidated under GAAP with the financial results of the Consolidated Operating Partnership on the consolidated financial statements of the Consolidated Operating Partnership.

"Invitation for Competitive Bid Quotes" means a written notice to the Lenders from the Administrative Agent with respect to a Competitive Bid Quote Request in the form attached as Exhibit C-2 hereto.

"Issuance Date" is defined in Section 3.4(a)(3).

"Issuance Notice" is defined in Section 3.4(c).

"Issuing Bank" means, with respect to each Facility Letter of Credit, the Lender which issues such Facility Letter of Credit. First Chicago shall be the sole Issuing Bank.

"Lenders" means, collectively, First Chicago, UBS and the other Persons executing this Agreement in such capacity, or any Person which subsequently executes and delivers any amendment hereto in such capacity and each of their respective permitted successors and assigns. Where reference is made to "the Lenders" in any Loan Document it shall be read to mean "all of the Lenders".

"Lending Installation" means any U.S. office of any Lender authorized to make loans similar to the Advances described herein.

"Letter of Credit" of a Person means a letter of credit or similar instrument which is issued upon the application of such Person or upon which such Person is an account party or for which such Person is in any way liable.

"Letter of Credit Collateral Account" is defined in Section 3.9.

"Letter of Credit Request" is defined in Section 3.4(a).

"LIBOR Advance" means an Advance that bears interest at the Adjusted LIBOR Rate, whether a ratable Advance based on the LIBOR Applicable Margin or a

Competitive Bid Loan based on a Competitive LIBOR Margin.

"LIBOR Applicable Margin" means, as of any date with respect to any LIBOR Advance, the Applicable Margin in effect for such LIBOR Advance as determined in accordance with Section 2.6 hereof.

"LIBOR Interest Period" means, with respect to a LIBOR Advance, a period of one, two, three or six months (to the extent that periods in excess of three months are generally available from the Lenders), as selected in advance by the Borrower.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof, any filing or agreement to file a financing statement as debtor under the Uniform Commercial Code on any property leased to any Person under a lease which is not in the nature of a conditional sale or title retention agreement, or any subordination agreement in favor of another Person).

"Loan" means, with respect to a Lender, such Lender's portion of any Advance.

"Loan Documents" means this Agreement, the Notes, the Guaranty and any and all other agreements or instruments required and/or provided to Lenders hereunder or thereunder, as any of the foregoing may be amended from time to time.

"Majority Lenders" means Lenders in the aggregate having in excess of 50% of the Aggregate Commitment or, if the Aggregate Commitment has been terminated, Lenders in the aggregate holding in excess of 50% of the aggregate unpaid principal amount of the outstanding Advances.

"Margin Stock" has the meaning ascribed to it in Regulation U of the Board of Governors of the Federal Reserve System.

"Market Value Net Worth" means at any time, the Implied Capitalization Value of a Person at such time minus the Indebtedness of such Person at such time.

-13-

15

"Material Adverse Effect" means, with respect to any matter, that such matter in the Supermajority Lenders' good faith judgment may (x) materially and adversely affect the business, properties, condition or results of operations of the Consolidated Operating Partnership taken as a whole, or (y) constitute a non-frivolous challenge to the validity or enforceability of any material provision of any Loan Document against any obligor party thereto.

"Material Adverse Financial Change" shall be deemed to have occurred if the Supermajority Lenders, in their good faith judgment, determine that a material adverse financial change has occurred which could prevent timely repayment of any Advance hereunder or materially impair Borrower's ability to perform its obligations under any of the Loan Documents.

"Materials of Environmental Concern" means any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including, without limitation, asbestos, radon, polychlorinated biphenyls and urea-formaldehyde insulation.

"Maturity Date" means April 30, 2001, subject to extension pursuant to the terms and conditions of Section 2.2 hereof or such earlier date on which the principal balance of the Facility and all other sums due in connection with the Facility shall be due as a result of the acceleration of the Facility.

"Monetary Default" means any Default involving Borrower's failure to pay any of the Obligations when due.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Mortgage Partnership" means First Industrial Mortgage L.P., a Delaware limited partnership. FIMC is the sole general partner of the Mortgage Partnership and Borrower is the sole limited partner.

"Note" means the promissory note payable to the order of each Lender in the amount of such Lender's maximum Commitment in the form attached hereto as Exhibit B-1 (collectively, the "Notes").

"Obligations" means the Advances, the Facility Letter of Credit Obligations and all accrued and unpaid fees and all other obligations of Borrower to the Administrative Agent or any or all of the Lenders arising under this Agreement or any of the other Loan Documents.

"Payment Date" means the last Business Day of each calendar quarter.

-14-

16

"Participants" is defined in Section 13.2.1 hereof.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Percentage" means, with respect to each Lender, the applicable percentage of the then-current Aggregate Commitment represented by such Lender's then-current Commitment.

"Performance Letter of Credit" means any standby Letter of Credit which represents an irrevocable obligation to the beneficiary on the part of the Issuing Bank to make payment on account of any default by the account party in the performance of a nonfinancial or commercial obligation.

"Permitted Liens" are defined in Section 9.6 hereof.

"Person" means an individual, a corporation, a limited or general partnership, an association, a joint venture or any other entity or organization, including a governmental or political subdivision or an agent or instrumentality thereof.

"Plan" means an employee benefit plan as defined in Section 3(3) of ERISA, whether or not terminated, as to which the Borrower or any member of the Controlled Group may have any liability.

"Preleased Assets Under Development" means, as of any date of determination, any Project which (i) is under construction and then treated as an asset under development under GAAP, and (ii) has, as of such date, at least fifty percent (50%) of its projected total rentable area leased at market rates to third party tenants similar to those at Borrower's other properties, both such land and improvements under construction to be valued for purposes of this Agreement at then-current book value, as determined in accordance with GAAP; provided, however, in no event shall Preleased Assets Under Development include any Project for more than 270 days from the date such Project is initially so designated under GAAP.

"Project" means any real estate asset owned by the Borrower or by any Wholly-Owned Subsidiary and operated as a bulk warehouse or light industrial property.

"Property" means each parcel of real property owned or operated by the Borrower, any Subsidiary or Investment Affiliate.

"Property Operating Income" means, with respect to any Property, for any period, earnings from rental operations (computed in accordance with GAAP but without deduction for reserves) attributable to such Property plus depreciation, amortization and interest expense with respect to such Property for such period, and, if such period is less than a year, adjusted by straight lining various ordinary operating expenses which are payable less frequently than

once during every such period (e.g. real estate taxes and insurance). The earnings from rental operations reported for the immediately preceding fiscal quarter shall be adjusted to include pro forma earnings (as substantiated to the satisfaction of the Administrative Agent) for an entire quarter for any Property acquired or placed in service during such fiscal quarter and to exclude earnings during such quarter from any property not owned as of the end of the quarter.

"PS Guaranty" means the existing guaranty of Senior Preferred Stock by the Guaranteeing Partnership.

"Purchasers" is defined in Section 13.3.1 hereof.

"Qualified Officer" means, with respect to any entity, the chief financial officer, chief accounting officer or controller of such entity if it is a corporation or of such entity's general partner if it is a partnership.

"Rate Option" means the Adjusted Corporate Base Rate, the Adjusted LIBOR Rate or the Absolute Rate (only as applicable to Competitive Bid Loans). The Rate Option in effect on any date shall always be the Adjusted Corporate Base Rate unless the Borrower has properly selected the Adjusted LIBOR Rate pursuant to Section 2.10 hereof or a Competitive Bid Loan pursuant to Section 2.16 hereof.

"Rating Period" means any period during the term of the Facility during which the Borrower's or General Partner's long-term, senior unsecured debt has been rated by at least two of S&P, Moody's, Fitch and Duff & Phelps and the lower of the highest two ratings (at least one of which is from S&P or Moody's) is at least BBB- (S&P) or Baa3 (Moody's) or an equivalent rating from Fitch or Duff & Phelps.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Reimbursement Obligations" means at any time, the aggregate of the Obligations of the Borrower to the Lenders, the Issuing Bank and the Administrative Agent in respect of all unreimbursed payments or disbursements made by the Lenders, the Issuing Bank and the Administrative Agent under or in respect of the Facility Letters of Credit.

"REMIC Loan" means the \$300,000,000 mortgage loan made by Nomura Asset Capital Corporation ("REMIC Lender") to Financing Partnership pursuant to the terms of a Loan Agreement dated as of June 30, 1994 ("REMIC Loan Agreement").

"Reportable Event" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such

events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waivers in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"Reserve Requirement" means, with respect to a LIBOR Interest Period, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D on Eurocurrency liabilities.

"S&P" means Standard & Poor's Ratings Group and its successors.

"Second REMIC Loan" means the up to \$42,600,000 mortgage loan made by REMIC Lender to Mortgage Partnership pursuant to the terms of a Loan Agreement dated as of December 29, 1995 (the "Second REMIC Loan Agreement") of which only \$40,200,000 was actually funded.

"Senior Preferred Stock" means for any Person, any preferred stock issued by such Person which is not typical preferred stock but instead is both (i) redeemable by the holders thereof on any fixed date or upon the occurrence of any event and (ii) as to payment of dividends or amounts on liquidation, either guaranteed by any direct or indirect subsidiary of such Person or secured by any property of such Person or any direct or indirect subsidiary of such Person.

"Senior Preferred Stock Expense" means for any period for any Person, the aggregate dividend payments due to the holders of Senior Preferred Stock of such Person, whether payable in cash or in kind, and whether or not actually paid during such period.

"Supermajority Lenders" means, as of any date, those Lenders holding, in the aggregate, more than two-thirds (2/3) of the then-current Aggregate Commitment or, if the Aggregate Commitment has been terminated, Lenders holding, in the aggregate, more than two-thirds (2/3) of the aggregate unpaid principal amount of the outstanding Advances.

"Subsidiary" means as to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person, and provided such corporation, partnership or other entity is consolidated with such Person for financial reporting purposes under GAAP.

-17-

19

"Swingline Advances" means, as of any date, collectively, all Swingline Loans then outstanding under this Facility.

"Swingline Commitment" means the obligation of the Swingline Lender to make Swingline Loans not exceeding \$20,000,000.

"Swingline Lender" shall mean First Chicago, in its capacity as a Lender.

"Swingline Loan" means a Loan made by the Swingline Lender under the special availability provisions described in Sections 2.15 hereof.

"Total Liabilities" means all Indebtedness plus all other GAAP liabilities of the Borrower and its Subsidiaries.

"Transferee" is defined in Section 13.4 hereof.

"Unencumbered Asset" means any Project which as of any date of determination, (a) is not subject to any Liens other than Permitted Liens set forth in Sections 9.6(i) through 9.6(v), (b) is not subject to any agreement (including any agreement governing Indebtedness incurred in order to finance or refinance the acquisition of such asset) which prohibits or limits the ability of the Borrower, or its Wholly-Owned Subsidiaries, as the case may be, to create, incur, assume or suffer to exist any Lien upon any assets or Capital Stock of the Borrower, or any of its Wholly-Owned Subsidiaries, (c) is not

subject to any agreement (including any agreement governing Indebtedness incurred in order to finance or refinance the acquisition of such asset) which entitles any Person to the benefit of any Lien (but not subject to any Liens other than Permitted Liens set forth in Sections 9.6(i) through 9.6(v) on any assets or Capital Stock of the Borrower or any of its Wholly-Owned Subsidiaries or would entitle any Person to the benefit of any Lien (but excluding the Permitted Liens set forth in Sections 9.6(i) through 9.6(v) on such assets or Capital Stock upon the occurrence of any contingency (including, without limitation, pursuant to an "equal and ratable" clause), (d) is not the subject of any material architectural/engineering issue, as evidenced by a certification of Borrower, and (e) is materially compliant with the representations and warranties in Article VI below. Notwithstanding the foregoing, if any Project is a "Superfund" site under federal law or a site identified in writing by the jurisdiction in which such Project is located as having significant environmental contamination under applicable state law, Borrower shall so advise the Lenders in writing and the Majority Lenders shall have the right to request from Borrower a current detailed environmental assessment (or one which is not more than two years old for Unencumbered Assets owned as of the Agreement Execution Date), and, if applicable, a written estimate of any remediation costs from a recognized environmental contractor and to exclude any such Project from Unencumbered Assets at their election. No Project of a Wholly-Owned Subsidiary shall be deemed to be unencumbered unless both such Project and all Capital Stock of such Wholly-Owned Subsidiary is unencumbered and neither such Wholly-Owned Subsidiary nor any other intervening Wholly-Owned Subsidiary between the Borrower

-18-

20

and such Wholly-Owned Subsidiary has any Indebtedness for borrowed money (other than Indebtedness due to the Borrower). The Borrower acknowledges that Projects owned by the Guaranteeing Partnership will not constitute Unencumbered Assets until the PS Guaranty is released.

"Unimproved Land" means land which constitutes a single tax parcel or separately platted lot and on which construction of a bulk warehouse or light industrial building has not commenced.

"Value of Unencumbered Assets" means, as of any date, the amount determined by dividing the Property Operating Income for each Project which is an Unencumbered Asset as of such date for a calculation period which shall be either the immediately preceding full fiscal quarter or, if so requested by Borrower or the Administrative Agent, the then current partial fiscal quarter (as annualized) by the then-current "Average Residual Cap Rate for National Industrial Markets" described in the definition of Implied Capitalization Value (including the cap and floor on such rate described therein). If a Project has been acquired during such calculation period then Borrower shall be entitled to include pro forma Property Operating Income from such property for the entire calculation period in the foregoing calculation, except for purposes of the financial covenant comparing the Property Operating Income from Unencumbered Assets during a quarter to Debt Service for such quarter. If a Project is no longer owned as of the date of calculation, then no value shall be included based on capitalizing Property Operating Income from such Project, except for purposes of such financial covenant comparing the Property Operating Income from Unencumbered Assets during a quarter to Debt Service for such quarter.

"Wholly-Owned Subsidiary" means a member of the Consolidated Operating Partnership 100% of the ownership interests in which are owned, directly or indirectly, by the Borrower and the General Partner in the aggregate.

The foregoing definitions shall be equally applicable to both the singular and the plural forms of the defined terms.

1.2 Financial Standards. All financial computations required of a Person under this Agreement shall be made, and all financial information required under this Agreement shall be prepared, in accordance with GAAP, except that if any Person's financial statements are not audited, such Person's financial statements shall be prepared in accordance with the same sound accounting principles utilized in connection with the financial information submitted to Lenders with respect to the Borrower or the General Partner or the

Properties in connection with this Agreement and shall be certified by an authorized representative of such Person.

-19-

21

ARTICLE II

THE FACILITY

2.1 The Facility.

(a) Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of Borrower and General Partner contained herein, Lenders agree, severally and not jointly, to make Advances through the Administrative Agent to Borrower from time to time prior to the Maturity Date, provided that the making of any such Advance will not cause the then Allocated Facility Amount to exceed the then-current Aggregate Commitment. The Advances may be ratable Adjusted Corporate Base Rate Advances, ratable LIBOR Advances, non-pro rata Swingline Loans or non-pro rata Competitive Bid Loans. Except as provided in Sections 2.15 and 2.16 hereof, each Lender shall fund its Percentage of each such Advance and no Lender will be required to fund any amounts which when aggregated with such Lender's Percentage of (i) all other Advances (other than Competitive Bid Loans) then outstanding, (ii) all Swingline Advances and (iii) all Facility Letter of Credit Obligations would exceed such Lender's then-current Commitment. This facility ("Facility") is a revolving credit facility and, subject to the provisions of this Agreement, Borrower may request Advances hereunder, repay such Advances and reborrow Advances at any time prior to the Maturity Date.

(b) The Facility created by this Agreement, and that Commitment of each Lender to lend hereunder, shall terminate on the Maturity Date, unless sooner terminated in accordance with the terms of this Agreement.

(c) In no event shall the Aggregate Commitment exceed Three Hundred Million Dollars (\$300,000,000).

2.2 Principal Payments and Extension Option. Any outstanding Advances (other than Competitive Bid Loans) and all other unpaid Obligations shall be paid in full by the Borrower on the Maturity Date. Each Competitive Bid Loan shall be paid in full on the last day of the applicable Interest Period as described in Section 2.16 below. The Maturity Date can be extended for extension periods of one year each upon notice to the Administrative Agent not later than April 30, 1999 with respect to the first such extension of the Maturity Date and not later than each April 30 thereafter for each subsequent extension of the Maturity Date (each an "Extension Notice"), if (i) no Default has occurred and is continuing at the time of such notice and at the time of the then applicable Maturity Date, (ii) all of the Lenders agree to such extension, (iii) all prior extensions have been elected by the Borrower and accepted by the Lenders, and (iv) the Borrower pays, on the first business day of such extension period, an extension fee to the Administrative Agent for the account of each Lender equal to 0.05% of the then-current Commitment of such Lender. If the Borrower gives an Extension Notice to the Administrative Agent, the Administrative Agent shall notify the Lenders within 10 days of

-20-

22

receipt of such request. The Lenders shall have 30 days after receipt by each such Lender of an Extension Notice to notify Administrative Agent as to whether they accept or reject such extension request and Administrative Agent shall notify Borrower and the Lenders promptly thereafter of the acceptance or rejection of the Lenders of Borrower's request to extend the Maturity Date. If the foregoing conditions are satisfied other than the condition requiring the

consent of all Lenders, then Borrower shall have the right to replace any Lender that does not agree to the extension provided that Borrower notifies such Lender that it has elected to replace such Lender and notifies such Lender and the Administrative Agent of the identity of the proposed replacement Lender no later than the date six (6) months after the date of the applicable Extension Notice. The Lender being replaced shall assign its Percentage of the Aggregate Commitment and its rights and obligations under this Facility to the replacement Lender in accordance with the requirements of Section 13.3 hereof and the replacement Lender shall assume such Percentage of the Aggregate Commitment and the related obligations under this Facility prior to the Maturity Date to be extended, all pursuant to an assignment and assumption agreement substantially in the form of Exhibit J hereto. The purchase by the replacement Lender shall be at par (plus all accrued and unpaid interest and any other sums owed to such Lender being replaced hereunder) which shall be paid to the Lender being replaced upon the execution and delivery of the assignment.

2.3 Requests for Advances; Responsibility for Advances. Ratable Advances shall be made available to Borrower by Administrative Agent in accordance with Section 2.1(a) and Section 2.10(a) hereof. The obligation of each Lender to fund its Percentage of each ratable Advance shall be several and not joint.

2.4 Evidence of Credit Extensions. The Advances of each Lender outstanding at any time (other than Competitive Bid Loans) shall be evidenced by the Notes. Each Note executed by the Borrower shall be in a maximum principal amount equal to each Lender's Percentage of the current Aggregate Commitment. Each Lender shall record Advances and principal payments thereof on the schedule attached to its Note or, at its option, in its records, and each Lender's record thereof shall be conclusive absent Borrower furnishing to such Lender conclusive and irrefutable evidence of an error made by such Lender with respect to that Lender's records. Notwithstanding the foregoing, the failure to make, or an error in making, a notation with respect to any Advance shall not limit or otherwise affect the obligations of Borrower hereunder or under the Notes to pay the amount actually owed by Borrower to Lenders.

2.5 Ratable and Non-Pro Rata Loans. Each Advance hereunder shall consist of Loans made from the several Lenders ratably in proportion to their Percentages, except for Swingline Loans which shall be made by the Swingline Lender in accordance with Section 2.15 and Competitive Bid Loans which may be made on a non-pro rata basis by one or more of the Lenders in accordance with Section 2.16. The ratable Advances may be Adjusted Corporate Base Rate Advances, LIBOR Advances or a combination thereof, selected by the Borrower in accordance with Sections 2.9 and 2.10.

-21-

23

2.6 Applicable Margins. The CBR Applicable Margin and the LIBOR Applicable Margin to be used in calculating the interest rate applicable to different types of Advances shall vary from time to time in accordance with the ratings for Borrower's or General Partner's long-term, senior unsecured debt as follows:

Rating Period:

Rating Level of Lower of Two Highest Ratings*	LIBOR Applicable Margin	Facility Fee	CBR Applicable Margin
A-/A3	0.65%	0.15%	0
BBB+/Baa1	0.70%	0.20%	0
BBB/Baa2	0.80%	0.20%	0

BBB-/Baa3	0.95%	0.25%	0
Below BBB- or Baa3	1.25%	0.25%	0.25%

* The letter categories used above are established by reference to S&P and Moody's categories, respectively. At least one of S&P or Moody's ratings must always be included in the two ratings used.

All margins and fees change as and when the applicable rating level changes. In the event an agency issues different ratings for the Borrower and the General Partner, then the higher rating of the two entities shall be deemed to be the rating from such agency.

2.7 Other Fees.

(a) The Borrower shall pay the fee due to the Administrative Agent in connection with Competitive Bid Loans as described in Section 2.16. The Borrower agrees to pay all other fees payable to the Administrative Agent and First Chicago Capital Markets, Inc. pursuant to the Borrower's prior letter agreements with them.

(b) The Borrower shall pay a fee ("Facility Fee") to the Administrative Agent for the account of the Lenders equal to the applicable Facility Fee Rate in effect from time to time, as shown in Section 2.6 hereof, times the then Aggregate Commitment, to be shared among the Lenders based on their respective Percentages. The Facility Fee shall be paid quarterly in arrears.

2.8 Minimum Amount of Each Advance. Each LIBOR Advance shall be in the minimum amount of \$2,000,000 (and in multiples of \$100,000 if in excess thereof), and each

-22-

24

Adjusted Corporate Base Rate Advance shall be in the minimum amount of \$1,000,000 (and in multiples of \$100,000 if in excess thereof), provided, however, that any Adjusted Corporate Base Rate Advance may be in the amount of the unused Aggregate Commitment.

2.9 Interest.

(a) The outstanding principal balance under the Notes shall bear interest from time to time at a rate per annum equal to:

(i) the Adjusted Corporate Base Rate; or

(ii) at the election of Borrower with respect to all or portions of the Obligations, the Adjusted LIBOR Rate.

(b) All interest shall be calculated for actual days elapsed on the basis of a 360-day year. Interest accrued on each Advance shall be payable in arrears from time to time while such Advance is outstanding on each of (i) the first day of each calendar month, commencing with the first such date to occur after the date hereof, (ii) the last day of the applicable LIBOR Interest Period (if such Advance is a LIBOR Advance), and (iii) the Maturity Date. Interest shall not be payable for the day of any payment on the amount paid if payment is received by Administrative Agent prior to noon (Chicago time). If any payment of principal or interest under the Notes shall become due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a payment of principal, such extension of time shall be included in computing interest due in connection with such payment; provided that for purposes of Section 10.1 hereof, any payments of principal described in this sentence shall be considered to be "due" on such next succeeding Business Day.

2.10 Selection of Rate Options and LIBOR Interest Periods.

(a) Borrower, from time to time, may select the Rate Option and, in the case of each LIBOR Advance, the commencement date (which shall be a Business Day) and the length of the LIBOR Interest Period applicable to each

LIBOR Advance. Borrower shall give Administrative Agent irrevocable notice (a "Borrowing Notice" not later than 11:00 a.m. (Chicago time) (i) at least one Business Day prior to an Adjusted Corporate Base Rate Advance, (ii) at least three (3) Business Days prior to a ratable LIBOR Advance, and (iii) not later than 11:00 a.m. (Chicago time) on the Borrowing Date for each Swingline Loan, specifying:

- (i) the Borrowing Date, which shall be a Business Day, of such Advance,
- (ii) the aggregate amount of such Advance,

-23-

25

- (iii) the type of Advance selected, and
- (iv) in the case of each LIBOR Advance, the LIBOR Interest Period applicable thereto.

The Borrower shall also deliver together with each Borrowing Notice the compliance certificate required in Section 5.2 and otherwise comply with the conditions set forth in Section 5.2 for Advances. Administrative Agent shall provide each Lender by facsimile with a copy of each Borrowing Notice and compliance certificate on the same Business Day it is received.

Not later than noon (Chicago time) on each Borrowing Date, each Lender shall make available its Loan or Loans, in funds immediately available in Chicago to the Administrative Agent. Administrative Agent will promptly make the funds so received from the Lenders available to the Borrower.

(b) Administrative Agent shall, as soon as practicable after receipt of a Borrowing Notice, determine the Adjusted LIBOR Rate applicable to the requested ratable LIBOR Advance and inform Borrower and Lenders of the same. Each determination of the Adjusted LIBOR Rate by Administrative Agent shall be conclusive and binding upon Borrower in the absence of manifest error.

(c) If Borrower shall prepay a LIBOR Advance other than on the last day of the LIBOR Interest Period applicable thereto, Borrower shall be responsible to pay all amounts due to Lenders as required by Section 4.4 hereof. The Lenders shall not be obligated to match fund their LIBOR Advances.

(d) As of the end of each LIBOR Interest Period selected for a ratable LIBOR Advance, the interest rate on the LIBOR Advance will become the Adjusted Corporate Base Rate, unless Borrower has once again selected a LIBOR Interest Period in accordance with the timing and procedures set forth in Section 2.10(g).

(e) The right of Borrower to select the Adjusted LIBOR Rate for an Advance pursuant to this Agreement is subject to the availability to Lenders of a similar option. If Administrative Agent determines that (i) deposits of Dollars in an amount approximately equal to the LIBOR Advance for which the Borrower wishes to select the Adjusted LIBOR Rate are not generally available at such time in the London interbank eurodollar market, or (ii) the rate at which the deposits described in subsection (i) herein are being offered will not adequately and fairly reflect the costs to Lenders of maintaining an Adjusted LIBOR Rate on an Advance or of funding the same in such market for such LIBOR Interest Period, or (iii) reasonable means do not exist for determining an Adjusted LIBOR Rate, or (iv) the Adjusted LIBOR Rate would be in excess of the maximum interest rate which Borrower may by law pay, then in any of such events, Administrative Agent shall so notify

-24-

26

Borrower and Lenders and such Advance shall bear interest at the Adjusted Corporate Base Rate.

(f) In no event may Borrower elect a LIBOR Interest Period which would extend beyond the Maturity Date. Unless Lenders agree thereto, in no event may Borrower have more than ten (10) different LIBOR Interest Periods for LIBOR Advances outstanding at any one time.

(g) Conversion and Continuation.

(i) Borrower may elect from time to time, subject to the other provisions of this Section 2.10, to convert all or any part of a ratable Advance into any other type of Advance; provided that any conversion of a ratable LIBOR Advance shall be made on, and only on, the last day of the LIBOR Interest Period applicable thereto.

(ii) Adjusted Corporate Base Rate Advances shall continue as Adjusted Corporate Rate Advances unless and until such Adjusted Corporate Base Rate Advances are converted into ratable LIBOR Advances pursuant to a Conversion/Continuation Notice from Borrower in accordance with Section 2.10(g)(iv). Ratable LIBOR Advances shall continue until the end of the then applicable LIBOR Interest Period therefor, at which time each such Advance shall be automatically converted into an Adjusted Corporate Base Rate Advance unless the Borrower shall have given the Administrative Agent a Conversion/Continuation Notice in accordance with Section 2.10(g)(iv) requesting that, at the end of such LIBOR Interest Period, such Advance either continue as an Advance of such type for the same or another LIBOR Interest Period.

(iii) Notwithstanding anything to the contrary contained in Sections 2.10(g)(i) or (g)(ii), no Advance may be converted into a LIBOR Advance or continued as a LIBOR Advance (except with the consent of the Majority Lenders) when any Monetary Default or Event of Default has occurred and is continuing.

(iv) The Borrower shall give the Administrative Agent irrevocable notice (a "Conversion/Continuation Notice") of each conversion of an Advance or continuation of a LIBOR Advance not later than 11:00 a.m. (Chicago time) on the Business Day immediately preceding the date of the requested conversion, in the case of a conversion into an Adjusted Corporate Base Rate Advance, or 11:00 a.m. (Chicago time) at least three (3) Business Days prior to the date of the requested conversion or continuation, in the case of a conversion into or continuation of a ratable LIBOR Advance, specifying: (1) the requested

-25-

27

date (which shall be a Business Day) of such conversion or continuation; (2) the amount and type of the Advance to be converted or continued; and (3) the amounts and type(s) of Advance(s) into which such Advance is to be converted or continued and, in the case of a conversion into or continuation of a ratable LIBOR Advance, the duration of the LIBOR Interest Period applicable thereto.

2.11 Method of Payment. All payments of the Obligations hereunder shall be made, without set-off, deduction, or counterclaim, in immediately available funds to Administrative Agent at Administrative Agent's address specified herein, or at any other Lending Installation of Administrative Agent specified in writing by Administrative Agent to Borrower, by noon (local time) on the date when due and shall be applied ratably by Administrative Agent among Lenders. Each payment delivered to Administrative Agent for the account of any Lender shall be delivered promptly by Administrative Agent to such Lender in the same type of funds that Administrative Agent received at its address specified herein or at any Lending Installation specified in a notice received by Administrative Agent from such Lender. Administrative Agent is hereby

authorized to charge the account of Borrower maintained with First Chicago for each payment of principal, interest and fees as it becomes due hereunder.

2.12 Default. Notwithstanding the foregoing, during the continuance of a Monetary Default or an Event of Default, Borrower shall not have the right to request a LIBOR Advance, request a Competitive Bid Loan, select a new LIBOR Interest Period for an existing ratable LIBOR Advance or convert any Adjusted Corporate Base Rate Advance to a ratable LIBOR Advance. During the continuance of a Monetary Default or an Event of Default, at the election of the Majority Lenders, by notice to Borrower, outstanding Advances shall bear interest at the applicable Default Rates until such Monetary Default or Event of Default ceases to exist or the Obligations are paid in full.

2.13 Lending Installations. Each Lender may book its Advances at any Lending Installation selected by such Lender and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and the Notes shall be deemed held by each Lender for the benefit of such Lending Installation. Each Lender may, by written or telex notice to the Administrative Agent and Borrower, designate a Lending Installation through which Advances will be made by it and for whose account payments are to be made.

2.14 Non-Receipt of Funds by Administrative Agent. Unless Borrower or a Lender, as the case may be, notifies Administrative Agent prior to the date on which it is scheduled to make payment to Administrative Agent of (i) in the case of a Lender, an Advance, or (ii) in the case of Borrower, a payment of principal, interest or fees to the Administrative Agent for the account of the Lenders, that it does not intend to make such payment, Administrative Agent may assume that such payment has been made. Administrative Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or Borrower, as the case may be, has not in fact made

-26-

28

such payment to Administrative Agent, the recipient of such payment shall, on demand by Administrative Agent, repay to Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by Administrative Agent until the date Administrative Agent recovers such amount at a rate per annum equal to (i) in the case of payment by a Lender, the Federal Funds Effective Rate (as determined by Administrative Agent) for such day or (ii) in the case of payment by Borrower, the interest rate applicable to the relevant Advance.

2.15 Swingline Loans. In addition to the other options available to Borrower hereunder, the Swingline Commitment shall be available for Swingline Loans subject to the following terms and conditions. Swingline Loans shall be made available for same day borrowings provided that notice is given in accordance with Section 2.10 hereof. All Swingline Loans shall bear interest at the Adjusted Corporate Base Rate and shall be deemed to be Adjusted Corporate Base Rate Advances. In no event shall the Swingline Lender be required to fund a Swingline Loan if it would increase the total aggregate outstanding Loans by Swingline Lender hereunder plus its Percentage of Facility Letter of Credit Obligations to an amount in excess of its Commitment. Upon request of the Swingline Lender made to all the Lenders, each Lender irrevocably agrees to purchase its Percentage of any Swingline Loan made by the Swingline Lender regardless of whether the conditions for disbursement are satisfied at the time of such purchase, including the existence of an Event of Default hereunder provided no Lender shall be required to have total outstanding Loans (other than Competitive Bid Loans) plus its Percentage of Facility Letters of Credit to be in an amount greater than its Commitment. Such purchase shall take place on the date of the request by Swingline Lender so long as such request is made by noon (Chicago time), otherwise on the Business Day following such request. All requests for purchase shall be in writing. From and after the date it is so purchased, each such Swingline Loan shall, to the extent purchased, (i) be treated as a Loan made by the purchasing Lenders and not by the selling Lender for all purposes under this Agreement and the payment of the purchase price by a Lender shall be deemed to be the making of a Loan by such Lender and shall constitute outstanding principal under such Lender's Note, and (ii) shall no

longer be considered a Swingline Loan except that all interest accruing on or attributable to such Swingline Loan for the period prior to the date of such purchase shall be paid when due by the Borrower to the Administrative Agent for the benefit of the Swingline Lender and all such amounts accruing on or attributable to such Loans for the period from and after the date of such purchase shall be paid when due by the Borrower to the Administrative Agent for the benefit of the purchasing Lenders. If prior to purchasing its Percentage of a Swingline Loan one of the events described in Section 10.10 shall have occurred and such event prevents the consummation of the purchase contemplated by preceding provisions, each Lender will purchase an undivided participating interest in the outstanding Swingline Loan in an amount equal to its Percentage of such Swingline Loan. From and after the date of each Lender's purchase of its participating interest in a Swingline Loan, if the Swingline Lender receives any payment on account thereof, the Swingline Lender will distribute to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's

-27-

29

participating interest was outstanding and funded); provided, however, that in the event that such payment was received by the Swingline Lender and is required to be returned to the Borrower, each Lender will return to the Swingline Lender any portion thereof previously distributed by the Swingline Lender to it. If any Lender fails to so purchase its Percentage of any Swingline Loan, such Lender shall be deemed to be a Defaulting Lender hereunder. No Swingline Loan shall be outstanding for more than five (5) days at a time and Swingline Loans shall not be outstanding for more than a total of ten (10) days during any month.

2.16 Competitive Bid Loans.

(a) Competitive Bid Option. In addition to ratable Advances pursuant to Section 2.5, but subject to the terms and conditions of this Agreement (including, without limitation the limitation set forth in Section 2.1(a) as to the maximum Allocated Facility Amount), the Borrower may, as set forth in this Section 2.16, but only during a Rating Period, request the Lenders, prior to the Maturity Date, to make offers to make Competitive Bid Loans to the Borrower. Each Lender may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section 2.16. Competitive Bid Loans shall be evidenced by the Competitive Bid Notes.

(b) Competitive Bid Quote Request. When the Borrower wishes to request offers to make Competitive Bid Loans under this Section 2.16, it shall transmit to the Administrative Agent by telecopy a Competitive Bid Quote Request substantially in the form of Exhibit C-1 hereto so as to be received no later than (i) 10:00 a.m. (Chicago time) at least five Business Days prior to the Borrowing Date proposed therein, in the case of a request for a Competitive LIBOR Margin or (ii) 9:00 a.m. (Chicago time) at least one Business Day prior to the Borrowing Date proposed therein, in the case of a request for an Absolute Rate specifying:

(i) the proposed Borrowing Date for the proposed Competitive Bid Loan,

(ii) the requested aggregate principal amount of such Competitive Bid Loan,

(iii) whether the Competitive Bid Quotes requested are to set forth a Competitive LIBOR Margin or an Absolute Rate, or both, and

(iv) the LIBOR Interest Period, if a Competitive LIBOR Margin is requested, or the Absolute Interest Period, if an Absolute Rate is requested.

The Borrower may request offers to make Competitive Bid Loans for more than one Interest Period (but not more than five Interest Periods) in a single Competitive Bid Quote Request. No Competitive Bid Quote Request shall be given within five Business Days (or such other

-28-

30

number of days as the Borrower and the Administrative Agent may agree) of any other Competitive Bid Quote Request. A Competitive Bid Quote Request that does not conform substantially to the form of Exhibit C-1 hereto shall be rejected, and the Administrative Agent shall promptly notify the Borrower of such rejection by telecopy.

(c) Invitation for Competitive Bid Quotes. Promptly and in any event before the close of business on the same Business Day of receipt of a Competitive Bid Quote Request that is not rejected pursuant to Section 2.16(b), the Administrative Agent shall send to each of the Lenders by telecopy an Invitation for Competitive Bid Quotes substantially in the form of Exhibit C-2 hereto, which shall constitute an invitation by the Borrower to each Lender to submit Competitive Bid Quotes offering to make the Competitive Bid Loans to which such Competitive Bid Quote Request relates in accordance with this Section 2.16.

(d) Submission and Contents of Competitive Bid Quotes.

(i) Each Lender may, in its sole discretion, submit a Competitive Bid Quote containing an offer or offers to make Competitive Bid Loans in response to any Invitation for Competitive Bid Quotes. Each Competitive Bid Quote must comply with the requirements of this Section 2.16(d) and must be submitted to the Administrative Agent by telex or telecopy at its offices not later than (a) 2:00 p.m. (Chicago time) at least four Business Days prior to the proposed Borrowing Date, in the case of a request for a Competitive LIBOR Margin or (b) 9:00 a.m. (Chicago time) on the proposed Borrowing Date, in the case of a request for an Absolute Rate (or, in either case upon reasonable prior notice to the Lenders, such other time and rate as the Borrower and the Administrative Agent may agree); provided that Competitive Bid Quotes submitted by First Chicago may only be submitted if the Administrative Agent or First Chicago notifies the Borrower of the terms of the Offer or Offers contained therein no later than 30 minutes prior to the latest time at which the relevant Competitive Bid Quotes must be submitted by the other Lenders. Subject to the Borrower's compliance with all other conditions to disbursement herein, any Competitive Bid Quote so made shall be irrevocable except with the written consent of the Administrative Agent given on the instructions of the Borrower.

(ii) Each Competitive Bid Quote shall be in substantially the form of Exhibit C-3 hereto and shall in any case specify:

(a) the proposed Borrowing Date, which shall be the same as that set forth in the applicable Invitation for Competitive Bid Quotes,

-29-

31

(b) the principal amount of the Competitive Bid Loan for which each such offer is being made, which principal amount (1) may be greater than, less than or equal to the Commitment of the quoting Lender, (2) must be at least \$10,000,000 and an integral multiple of \$1,000,000, and (3) may not exceed the principal amount of Competitive Bid Loans for which offers are requested,

(c) as applicable, the Competitive LIBOR Margin and Absolute Rate offered for each such Competitive Bid Loan,

(d) the minimum amount, if any, of the Competitive Bid Loan which may be accepted by the Borrower, and

(e) the identity of the quoting Lender, provided that such Competitive Bid Loan may

be funded by such Lender's Designated Lender as provided in Section 2.16(j), regardless of whether that is specified in the Competitive Bid Quote.

(iii) The Administrative Agent shall reject any Competitive Bid Quote that:

(a) is not substantially in the form of Exhibit C-3 hereto or does not specify all of the information required by Section 2.16(d) (ii),

(b) contains qualifying, conditional or similar language, other than any such language contained in Exhibit C-3 hereto,

(c) proposes terms other than or in addition to those set forth in the applicable Invitation for Competitive Bid Quotes, or

(d) arrives after the time set forth in Section 2.16(d) (i).

If any Competitive Bid Quote shall be rejected pursuant to this Section 2.16(d) (iii), then the Administrative Agent shall notify the relevant Lender of such rejection as soon as practical.

(e) Notice to Borrower. The Administrative Agent shall promptly notify the Borrower of the terms (i) of any Competitive Bid Quote submitted by a Lender that is in accordance with Section 2.16(d) and (ii) of any Competitive Bid Quote that amends, modifies or is otherwise inconsistent with a previous Competitive Bid Quote submitted by such Lender with respect to the same Competitive Bid Quote Request. Any such subsequent Competitive

-30-

32

Bid Quote shall be disregarded by the Administrative Agent unless such subsequent Competitive Bid Quote specifically states that it is submitted solely to correct a manifest error in such former Competitive Bid Quote. The Administrative Agent's notice to the Borrower shall specify the aggregate principal amount of Competitive Bid Loans for which offers have been received for each Interest Period specified in the related Competitive Bid Quote Request and the respective principal amounts and Competitive LIBOR Margins or Absolute Rate, as the case may be, so offered.

(f) Acceptance and Notice by Borrower. Not later than (i) 6:00 p.m. (Chicago time) at least four Business Days prior to the proposed Borrowing Date in the case of a request for a Competitive LIBOR Margin or (ii) 10:00 a.m. (Chicago time) on the proposed Borrowing Date, in the case of a request for an Absolute Rate (or, in either case upon reasonable prior notice to the Lenders, such other time and date as the Borrower and the Administrative Agent may agree), the Borrower shall notify the Administrative Agent of its acceptance or rejection of the offers so notified to it pursuant to Section 2.16(e); provided, however, that the failure by the Borrower to give such notice to the Administrative Agent shall be deemed to be a rejection of all such offers. In the case of acceptance, such notice (a "Competitive Bid Borrowing Notice") shall specify the aggregate principal amount of offers for each Interest Period that are accepted. The Borrower may accept any Competitive Bid Quote in whole or in part (subject to the terms of Section 2.16(d) (iii)); provided that:

(i) the aggregate principal amount of all Competitive Bid Loans to be disbursed on a given Borrowing Date may not exceed the applicable amount set forth in the related Competitive Bid Quote Request,

(ii) acceptance of offers may only be made on the basis of ascending Competitive LIBOR Margins or Absolute Rates, as the case may be, and

(iii) the Borrower may not accept any offer that is described in Section 2.16(d) (iii) or that otherwise fails to comply with the requirements of this Agreement.

(g) Allocation by Administrative Agent. If offers are made by two or more Lenders with the same Competitive LIBOR Margins or Absolute Rates, as the case may be, for a greater aggregate principal amount than the amount in respect of which offers are accepted for the related Interest Period, the principal amount of Competitive Bid Loans in respect of which such offers are accepted shall be allocated by the Administrative Agent among such Lenders as nearly as possible (in such multiples, not greater than \$1,000,000, as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amount of such offers provided, however, that no Lender shall be allocated any Competitive Bid Loan which is less than the minimum amount which such Lender has indicated that it is willing to accept. Allocations by the Administrative Agent of the amounts of Competitive Bid Loans

-31-

33

shall be conclusive in the absence of manifest error. The Administrative Agent shall promptly, but in any event on the same Business Day, notify each Lender of its receipt of a Competitive Bid Borrowing Notice and the principal amounts of the Competitive Bid Loans allocated to each participating Lender.

(h) Administration Fee. The Borrower hereby agrees to pay to the Administrative Agent an administration fee of \$2,500 per each Competitive Bid Quote Request transmitted by the Borrower to the Administrative Agent pursuant to Section 2.16(b). Such administration fee shall be payable monthly in arrears on the first Business Day of each month and on the Maturity Date (or such earlier date on which the Aggregate Commitment shall terminate or be cancelled) for any period then ending for which such fee, if any, shall not have been theretofore paid.

(i) Other Terms. Any Competitive Bid Loan shall not reduce the Commitment of the Bid Lender making such Competitive Bid Loan (except as the availability of other Advances is reduced by the increase in the Allocated Facility Amount due to such Competitive Bid Loan) and each such Bid Lender shall continue to be obligated to fund its full percentage of all pro rata Advances under the Facility. In no event can the aggregate amount of all Competitive Bid Loans at any time exceed the lesser of (i) 66.67% of the then Aggregate Commitment, or (ii) Two Hundred Million Dollars (\$200,000,000.00). Competitive Bid Loans may not be continued and, if not repaid at the end of the Interest Period applicable thereto, shall (subject to the conditions set forth in this Agreement) be replaced by new Competitive Bid Loans made in accordance with this Section 2.16 or by ratable Advances in accordance with Section 2.10.

(j) Designated Lenders. A Lender may designate its Designated Lender to fund a Competitive Bid Loan on its behalf as described in Section 2.16(d)(ii)(e). Any Designated Lender which funds a Competitive Bid Loan shall on and after the time of such funding become the obligee under such Competitive Bid Loan and be entitled to receive payment thereof when due. No Lender shall be relieved of its obligation to fund a Competitive Bid Loan, and no Designated Lender shall assume such obligation, prior to the time such Competitive Bid Loan is funded.

2.17 Voluntary Reduction of Aggregate Commitment Amount. Upon at least five (5) days prior irrevocable written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent, Borrower shall have the right, without premium or penalty, to terminate the Aggregate Commitment in whole or in part provided that (a) Borrower may not reduce the Aggregate Commitment below the Allocated Facility Amount at the time of such requested reduction, and (b) any such partial termination shall be in the minimum aggregate amount of Five Million Dollars (U.S. \$5,000,000.00) or any integral multiple of Five Million Dollars (U.S. \$5,000,000.00) in excess thereof. Any partial termination of the Aggregate Commitment shall be applied pro rata to each Lender's Commitment.

-32-

34

2.18 Application of Moneys Received. All moneys collected or received by the Administrative Agent on account of the Facility directly or indirectly, shall be applied in the following order of priority:

(i) to the payment of all reasonable costs incurred in the collection of such moneys of which the

Administrative Agent shall have given notice to the Borrower;

(ii) to the reimbursement of any yield protection due to any of the Lenders in accordance with Section 4.1;

(iii) first to the payment of any fee due pursuant to Section 3.8(b) in connection with the issuance of a Facility Letter of Credit to the Issuing Bank until such fee is paid in full, then next to the payment of the Facility Fee and Facility Letter of Credit Fee to the Lenders, if then due, in that order on a pro rata basis in accordance with the respective amounts of such fees due to the Lenders and then finally to the payment of all fees then due to the Administrative Agent;

(iv) to payment of the full amount of interest and principal on the Swingline Loans;

(v) first to interest until paid in full and then to principal for all Lenders (other than Defaulting Lenders) (i) as allocated by the Borrower (unless an Event of Default exists) between Competitive Bid Loans and ratable Advances (the amount allocated to ratable Advances to be distributed in accordance with the Percentages of the Lenders) or (ii) if an Event of Default exists, in accordance with the respective Funded Percentages of the Lenders;

(vi) any other sums due to the Administrative Agent or any Lender under any of the Loan Documents; and

(vii) to the payment of any sums due to each Defaulting Lender as their respective Percentages appear (provided that Administrative Agent shall have the right to set-off against such sums any amounts due from such Defaulting Lender).

-33-

35

ARTICLE III

THE LETTER OF CREDIT SUBFACILITY

3.1 Obligation to Issue. Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of the Borrower and the General Partner herein set forth, the Issuing Bank hereby agrees to issue for the account of Borrower, one or more Facility Letters of Credit in accordance with this Article III, from time to time during the period commencing on the Agreement Execution Date and ending on a date one Business Day prior to the Maturity Date. The Issuing Bank has, as of the Agreement Execution Date, issued four letters of credit under the Borrower's Existing Credit Agreement in the face amounts of \$979,687.50, \$754,421, \$329,000 and \$308,621.06 which letters of credit shall be deemed Facility Letters of Credit hereunder.

3.2 Types and Amounts. The Issuing Bank shall not have any obligation to:

(i) issue any Facility Letter of Credit if the aggregate maximum amount then available for drawing under Letters of Credit issued by such Issuing Bank, after giving effect to the Facility Letter of Credit requested hereunder, shall exceed any limit imposed by law or regulation upon such Issuing Bank;

(ii) issue any Facility Letter of Credit if, after giving effect thereto, either (1) the then applicable Allocated Facility Amount would exceed the then current Aggregate Commitment, or (2) the Facility Letter of Credit Obligations would exceed \$30,000,000;

(iii) issue any Facility Letter of Credit having an expiration date, or containing automatic extension

provision to extend such date, to a date which is after the Business Day immediately preceding the Maturity Date; or

(iv) issue any Facility Letter of Credit having an expiration date, or containing automatic extension provisions to extend such date, to a date which is more than twelve (12) months after the date of its issuance.

3.3 Conditions. In addition to being subject to the satisfaction of the conditions contained in Article V hereof, the obligation of the Issuing Bank to issue any Facility Letter of Credit is subject to the satisfaction in full of the following conditions:

(i) the Borrower shall have delivered to the Issuing Bank at such times and in such manner as the Issuing Bank may reasonably prescribe such documents and materials as may be reasonably required pursuant to the terms of the proposed Facility Letter of Credit (it being understood that if any inconsistency exists between such

-34-

36

documents and the Loan Documents, the terms of the Loan Documents shall control) and the proposed Facility Letter of Credit shall be reasonably satisfactory to the Issuing Bank as to form and content;

(ii) as of the date of issuance, no order, judgment or decree of any court, arbitrator or governmental authority shall purport by its terms to enjoin or restrain the Issuing Bank from issuing the requested Facility Letter of Credit and no law, rule or regulation applicable to the Issuing Bank and no request or directive (whether or not having the force of law) from any governmental authority with jurisdiction over the Issuing Bank shall prohibit or request that the Issuing Bank refrain from the issuance of Letters of Credit generally or the issuance of the requested Facility Letter of Credit in particular; and

(iii) there shall not exist any Default or Event of Default.

3.4 Procedure for Issuance of Facility Letters of Credit.

(a) Borrower shall give the Issuing Bank and the Administrative Agent at least two (2) Business Days' prior written notice of any requested issuance of a Facility Letter of Credit under this Agreement (a "Letter of Credit Request"), a copy of which shall be sent immediately to all Lenders (except that, in lieu of such written notice, the Borrower may give the Issuing Bank and the Administrative Agent telephonic notice of such request if confirmed in writing by delivery to the Issuing Bank and the Administrative Agent (i) immediately (A) of a telecopy of the written notice required hereunder which has been signed by an authorized officer, or (B) of a telex containing all information required to be contained in such written notice and (ii) promptly (but in no event later than the requested date of issuance) of the written notice required hereunder containing the original signature of an authorized officer); such notice shall be irrevocable and shall specify:

- (1) whether the requested Facility Letter of Credit is, in Borrower's belief, a Financial Letter of Credit or a Performance Letter of Credit;
- (2) the stated amount of the Facility Letter of Credit requested (which stated amount shall not be less than \$50,000);
- (3) the effective date (which day shall be a Business Day) of issuance of such requested Facility Letter of Credit (the "Issuance Date");
- (4) the date on which such requested Facility Letter of Credit is to expire;
- (5) the purpose for which such Facility Letter of Credit is to be issued;

-35-

37

- (6) the Person for whose benefit the requested Facility Letter of Credit is to be issued; and
- (7) any special language required to be included in the Facility Letter of Credit.

At the time such request is made, the Borrower shall also provide the Administrative Agent and the Issuing Bank with a copy of the form of the Facility Letter of Credit that the Borrower is requesting be issued. Such notice, to be effective, must be received by such Issuing Bank and the Administrative Agent not later than 2:00 p.m. (Chicago time) on the last Business Day on which notice can be given under this Section 3.4(a).

(b) Subject to the terms and conditions of this Article III and provided that the applicable conditions set forth in Article V hereof have been satisfied, the Issuing Bank shall, on the Issuance Date, issue a Facility Letter of Credit on behalf of the Borrower in accordance with the Letter of Credit Request and the Issuing Bank's usual and customary business practices unless the Issuing Bank has actually received (i) written notice from the Borrower specifically revoking the Letter of Credit Request with respect to such Facility Letter of Credit, (ii) written notice from a Lender, which complies with the provisions of Section 3.6(a), or (iii) written or telephonic notice from the Administrative Agent stating that the issuance of such Facility Letter of Credit would violate Section 3.2.

(c) The Issuing Bank shall give the Administrative Agent (who shall promptly notify Lenders) and the Borrower written or telex notice, or telephonic notice confirmed promptly thereafter in writing, of the issuance of a Facility Letter of Credit (the "Issuance Notice"), which shall indicate the Issuing Bank's reasonable determination as to whether such Facility Letter of Credit is a Financial Letter of Credit or a Performance Letter of Credit, which determination shall be conclusive absent manifest error.

(d) The Issuing Bank shall not extend or amend any Facility Letter of Credit unless the requirements of this Section 3.4 are met as though a new Facility Letter of Credit was being requested and issued.

3.5 Reimbursement Obligations; Duties of Issuing Bank.

(a) The Issuing Bank shall promptly notify the Borrower and the Administrative Agent (who shall promptly notify Lenders) of any draw under a Facility Letter of Credit. Any such draw shall constitute an Advance of the Facility in the amount of the Reimbursement Obligation with respect to such Facility Letter of Credit and shall bear interest from the date of the relevant drawing(s) under the pertinent Facility Letter of Credit at a rate selected by Borrower in accordance with Section 2.10 hereof; provided that if a Monetary Default or an Event of Default exists at the time of any such drawing(s), then the Borrower shall reimburse the Issuing Bank for drawings under a Facility Letter of Credit issued by the

-36-

38

Issuing Bank no later than the next succeeding Business Day after the payment by the Issuing Bank and until repaid such Reimbursement Obligation shall bear interest at the Default Rate.

(b) Any action taken or omitted to be taken by the Issuing Bank under or in connection with any Facility Letter of Credit, if taken or omitted in the absence of willful misconduct or gross negligence, shall not put the Issuing Bank under any resulting liability to any Lender or, provided that such Issuing Bank has complied with the procedures specified in Section 3.4 and such Lender has not given a notice contemplated by Section 3.6(a) that continues in full force and effect, relieve that Lender of its obligations hereunder to the Issuing Bank. In determining whether to pay under any Facility Letter of Credit, the Issuing Bank shall have no obligation relative to the Lenders other than to confirm that any documents required to be delivered under such Letter of Credit appear to have been delivered in compliance, and that they appear to comply on their face, with the requirements of such Letter of Credit.

3.6 Participation.

(a) Immediately upon issuance by the Issuing Bank of any

Facility Letter of Credit in accordance with the procedures set forth in Section 3.4, each Lender shall be deemed to have irrevocably and unconditionally purchased and received from the Issuing Bank, without recourse, representation or warranty, an undivided interest and participation equal to such Lender's Percentage in such Facility Letter of Credit (including, without limitation, all obligations of the Borrower with respect thereto) and all related rights hereunder and under the Guaranty and other Loan Documents; provided that a Letter of Credit issued by the Issuing Bank shall not be deemed to be a Facility Letter of Credit for purposes of this Section 3.6 if the Issuing Bank shall have received written notice from any Lender on or before the Business Day prior to the date of its issuance of such Letter of Credit that one or more of the conditions contained in Section 5.2 is not then satisfied, and in the event the Issuing Bank receives such a notice it shall have no further obligation to issue any Facility Letter of Credit until such notice is withdrawn by that Lender or the Issuing Bank receives a notice from the Administrative Agent that such condition has been effectively waived in accordance with the provisions of this Agreement. Each Lender's obligation to make further Loans to Borrower (other than any payments such Lender is required to make under subparagraph (b) below) or to purchase an interest from the Issuing Bank in any subsequent letters of credit issued by the Issuing Bank on behalf of Borrower shall be reduced by such Lender's Percentage of the undrawn portion of each Facility Letter of Credit outstanding.

(b) In the event that the Issuing Bank makes any payment under any Facility Letter of Credit and the Borrower shall not have repaid such amount to the Issuing Bank pursuant to Section 3.7 hereof, the Issuing Bank shall promptly notify the Administrative Agent, which shall promptly notify each Lender of such failure, and each Lender shall promptly and unconditionally pay to the Administrative Agent for the account of the Issuing Bank the amount of such Lender's Percentage of the unreimbursed amount of such payment, and the Administrative Agent shall promptly pay such amount to the Issuing Bank. Lender's

-37-

39

payments of its Percentage of such Reimbursement Obligation as aforesaid shall be deemed to be a Loan by such Lender and shall constitute outstanding principal under such Lender's Note. The failure of any Lender to make available to the Administrative Agent for the account of the Issuing Bank its Percentage of the unreimbursed amount of any such payment shall not relieve any other Lender of its obligation hereunder to make available to the Administrative Agent for the account of such Issuing Bank its Percentage of the unreimbursed amount of any payment on the date such payment is to be made, but no Lender shall be responsible for the failure of any other Lender to make available to the Administrative Agent its Percentage of the unreimbursed amount of any payment on the date such payment is to be made. Any Lender which fails to make any payment required pursuant to this Section 3.6(b) shall be deemed to be a Defaulting Lender hereunder.

(c) Whenever the Issuing Bank receives a payment on account of a Reimbursement Obligation, including any interest thereon, the Issuing Bank shall promptly pay to the Administrative Agent and the Administrative Agent shall promptly pay to each Lender which has funded its participating interest therein, in immediately available funds, an amount equal to such Lender's Percentage thereof.

(d) Upon the request of the Administrative Agent or any Lender, the Issuing Bank shall furnish to such Administrative Agent or Lender copies of any Facility Letter of Credit to which the Issuing Bank is party and such other documentation as may reasonably be requested by the Administrative Agent or Lender.

(e) The obligations of a Lender to make payments to the Administrative Agent for the account of the Issuing Bank with respect to a Facility Letter of Credit shall be absolute, unconditional and irrevocable, not subject to any counterclaim, set-off, qualification or exception whatsoever other than a failure of any such Issuing Bank to comply with the terms of this Agreement relating to the issuance of such Facility Letter of Credit, and such payments shall be made in accordance with the terms and conditions of this Agreement under all circumstances.

(a) The Borrower agrees to pay to the Administrative Agent for the account of the Issuing Bank the amount of all Advances for Reimbursement Obligations, interest and other amounts payable to the Issuing Bank under or in connection with any Facility Letter of Credit when due, irrespective of any claim, set-off, defense or other right which the Borrower may have at any time against any Issuing Bank or any other Person, under all circumstances, including without limitation any of the following circumstances:

(i) any lack of validity or enforceability of this Agreement or any of the other Loan Documents;

-38-

40

(ii) the existence of any claim, setoff, defense or other right which the Borrower may have at any time against a beneficiary named in a Facility Letter of Credit or any transferee of any Facility Letter of Credit (or any Person for whom any such transferee may be acting), the Administrative Agent, the Issuing Bank, any Lender, or any other Person, whether in connection with this Agreement, any Facility Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transactions between the Borrower and the beneficiary named in any Facility Letter of Credit);

(iii) any draft, certificate or any other document presented under the Facility Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect of any statement therein being untrue or inaccurate in any respect;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Loan Documents; or

(v) the occurrence of any Default or Event of Default.

(b) In the event any payment by the Borrower received by the Issuing Bank or the Administrative Agent with respect to a Facility Letter of Credit and distributed by the Administrative Agent to the Lenders on account of their participations is thereafter set aside, avoided or recovered from the Administrative Agent or Issuing Bank in connection with any receivership, liquidation, reorganization or bankruptcy proceeding, each Lender which received such distribution shall, upon demand by the Administrative Agent, contribute such Lender's Percentage of the amount set aside, avoided or recovered together with interest at the rate required to be paid by the Issuing Bank or the Administrative Agent upon the amount required to be repaid by the Issuing Bank or the Administrative Agent.

3.8 Compensation for Facility Letters of Credit.

(a) The Borrower shall pay to the Administrative Agent, for the ratable account of the Lenders, based upon the Lenders' respective Percentages, a per annum fee (the "Facility Letter of Credit Fee") with respect to each Facility Letter of Credit that is equal to (i) the LIBOR Applicable Margin in effect from time to time in the case of Financial Letters of Credit, and (ii) the LIBOR Applicable Margin from time to time minus 0.25% in the case of Performance Letters of Credit. The Facility Letter of Credit Fee relating to any Facility Letter of Credit shall be due and payable in arrears in equal installments on the first Business Day of each month following the issuance of any Facility Letter of Credit and, to the extent any such fees are then due and unpaid, on the Maturity Date. The Administrative Agent shall promptly remit such Facility Letter of Credit Fees, when paid, to the other Lenders in accordance with

-39-

41

their Percentages thereof. The Borrower shall not have any liability to any Lender for the failure of the Administrative Agent to promptly deliver funds to any such Lender and shall be deemed to have made all such payments on the date

the respective payment is made by the Borrower to the Administrative Agent, provided such payment is received by the time specified in Section 2.11 hereof.

(b) The Issuing Bank also shall have the right to receive solely for its own account an issuance fee of 0.15% of the face amount of each Facility Letter of Credit, payable by the Borrower on the Issuance Date for each such Facility Letter of Credit. The Issuing Bank shall also be entitled to receive its reasonable out-of-pocket costs and the Issuing Bank's standard charges of issuing, amending and servicing Facility Letters of Credit and processing draws thereunder.

3.9 Letter of Credit Collateral Account. The Borrower hereby agrees that it will, until the Maturity Date, maintain a special collateral account (the "Letter of Credit Collateral Account") at the Administrative Agent's office at the address specified pursuant to Article XV, in the name of the Borrower but under the sole dominion and control of the Administrative Agent, for the benefit of the Lenders, and in which the Borrower shall have no interest other than as set forth in Section 11.1. In addition to the foregoing, the Borrower hereby grants to the Administrative Agent, for the benefit of the Lenders, a security interest in and to the Letter of Credit Collateral Account and any funds that may hereafter be on deposit in such account, including income earned thereon. The Lenders acknowledge and agree that the Borrower has no obligation to fund the Letter of Credit Collateral Account unless and until so required under Section 11.1 hereof.

ARTICLE IV

CHANGE IN CIRCUMSTANCES

4.1 Yield Protection. If the adoption of or change in any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any interpretation thereof, or the compliance of any Lender therewith,

(i) subjects any Lender or any applicable Lending Installation to any tax, duty, charge or withholding on or from payments due from Borrower (excluding federal and state taxation of the overall net income of any Lender or applicable Lending Installation), or changes the basis of such taxation of payments to any Lender in respect of its Advances, its interest in the Facility Letters of Credit or other amounts due it hereunder, or

(ii) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against

-40-

42

assets of, deposits with or for the account of, or credit extended by, any Lender or any applicable Lending Installation (other than reserves and assessments taken into account in determining the interest rate applicable to LIBOR Advances), or

(iii) imposes any other condition, and the result is to increase the cost of any Lender or any applicable Lending Installation of making, funding or maintaining loans or reduces any amount receivable by any Lender or any applicable Lending Installation in connection with loans, or requires any Lender or any applicable Lending Installation to make any payment calculated by reference to the amount of loans held, Letters of Credit issued or participated in or interest received by it, by an amount deemed material by such Lender,

then, within fifteen (15) days of demand by such Lender, Borrower shall pay such Lender that portion of such increased expense incurred or reduction in an amount received which such Lender determines is attributable to making, funding and maintaining its Advances and its Commitment.

4.2 Changes in Capital Adequacy Regulations. If a Lender

determines the amount of capital required or expected to be maintained by such Lender, any Lending Installation of such Lender or any corporate entity controlling such Lender is increased as a result of a Change (as defined below), then, within fifteen (15) days of demand by such Lender, Borrower shall pay such Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender determines is attributable to this Agreement, its Advances, its interest in the Facility Letters of Credit, or its obligation to make Advances hereunder or participate in or issue Facility Letters of Credit hereunder (after taking into account such Lender's policies as to capital adequacy). "Change" means (i) any change after the date of this Agreement in the Risk-Based Capital Guidelines (as defined below) or (ii) any adoption of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Lender or any Lending Installation or any corporation controlling any Lender. "Risk-Based Capital Guidelines" means (i) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basle Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards", including transition rules, and any amendments to such regulations adopted prior to the date of this Agreement. Without in any way affecting the Borrower's obligation to pay compensation actually claimed by a Lender under this Section 4.2, the Borrower shall have the right to replace any Lender which has demanded such compensation provided that Borrower notifies such Lender that it has elected to replace such Lender and notifies such Lender and the Administrative Agent of the identity of the proposed

-41-

43

replacement Lender not more than six (6) months after the date of such Lender's most recent demand for compensation under this Section 4.2. The Lender being replaced shall assign its Percentage of the Aggregate Commitment and its rights and obligations under this Facility to the replacement Lender in accordance with the requirements of Section 13.3 hereof and the replacement Lender shall assume such Percentage of the Aggregate Commitment and the related obligations under this Facility prior to the Maturity Date to be extended, all pursuant to an assignment agreement substantially in the form of Exhibit J hereto. The purchase by the replacement Lender shall be at par (plus all accrued and unpaid interest and any other sums owed to such Lender being replaced hereunder) which shall be paid to the Lender being replaced upon the execution and delivery of the assignment.

4.3 Availability of LIBOR Advances. If any Lender determines that maintenance of any of its LIBOR Loans at a suitable Lending Installation would violate any applicable law, rule, regulation or directive of any Governmental Authority having jurisdiction, the Administrative Agent shall suspend by written notice to Borrower the availability of LIBOR Advances and require any LIBOR Advances to be repaid; or if the Majority Lenders determine that (i) deposits of a type or maturity appropriate to match fund LIBOR Advances are not available, the Administrative Agent shall suspend by written notice to Borrower the availability of LIBOR Advances with respect to any LIBOR Advances made after the date of any such determination, or (ii) an interest rate applicable to a LIBOR Advance does not accurately reflect the cost of making a LIBOR Advance, and, if for any reason whatsoever the provisions of Section 4.1 are inapplicable, the Administrative Agent shall suspend by written notice to Borrower the availability of LIBOR Advances with respect to any LIBOR Advances made after the date of any such determination.

4.4 Funding Indemnification. If any payment of a ratable LIBOR Advance or a Competitive Bid Loan occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment or otherwise, or a ratable LIBOR Advance or a Competitive Bid Loan is not made on the date specified by Borrower for any reason other than default by one or more of the Lenders, Borrower will indemnify each Lender for any loss or cost incurred by such Lender resulting therefrom, including, without limitation, any loss or cost in liquidating or employing deposits acquired to fund or maintain the ratable LIBOR Advance or Competitive Bid Loan, as the case may be.

4.5 Lender Statements; Survival of Indemnity. To the extent reasonably possible, each Lender shall designate an alternate Lending Installation with respect to its LIBOR Advances to reduce any liability of Borrower to such Lender under Sections 4.1 and 4.2 or to avoid the unavailability of a LIBOR Advance, so long as such designation is not disadvantageous to such Lender. Each Lender shall deliver a written statement of such Lender as to the amount due, if any, under Sections 4.1, 4.2 or 4.4 hereof. Such written statement shall set forth in reasonable detail the calculations upon which such Lender determined such amount and shall be final, conclusive and binding on Borrower in the absence of manifest error. Determination of amounts payable under such Sections in connection with a LIBOR

-42-

44

Advance shall be calculated as though each Lender funded its LIBOR Advance through the purchase of a deposit of the type and maturity corresponding to the deposit used as a reference in determining the Adjusted LIBOR Rate applicable to such Advance, whether in fact that is the case or not. Unless otherwise provided herein, the amount specified in the written statement shall be payable on demand after receipt by Borrower of the written statement. The obligations of Borrower under Sections 4.1, 4.2 and 4.4 hereof shall survive payment of the Obligations and termination of this Agreement.

ARTICLE V

CONDITIONS PRECEDENT

5.1 Conditions Precedent to Closing. The Lenders shall not be required to make the initial Advance hereunder, nor shall the Issuing Bank be required to issue the initial Facility Letter of Credit hereunder, unless (i) the Borrower shall have paid all fees then due and payable to the Lenders, First Chicago Capital Markets, Inc. and the Administrative Agent hereunder, (ii) all of the conditions set forth in Section 5.2 are satisfied, and (iii) the Borrower shall have furnished to the Administrative Agent, in form and substance satisfactory to the Lenders and their counsel and with sufficient copies for the Lenders, the following:

(a) Certificates of Limited Partnership/Incorporation. A copy of the Certificate of Limited Partnership for the Borrower and a copy of the articles of incorporation of General Partner, each certified by the appropriate Secretary of State or equivalent state official.

(b) Agreements of Limited Partnership/Bylaws. A copy of the Agreement of Limited Partnership for the Borrower and a copy of the bylaws of the General Partner, including all amendments thereto, each certified by the Secretary or an Assistant Secretary of the General Partner as being in full force and effect on the Agreement Execution Date.

(c) Good Standing Certificates. A certified copy of a certificate from the Secretary of State or equivalent state official of the states where the Borrower and General Partner are organized, dated as of the most recent practicable date, showing the good standing or partnership qualification (if issued) of (i) Borrower, and (ii) General Partner.

(d) Foreign Qualification Certificates. A certified copy of a certificate from the Secretary of State or equivalent state official of the state where the Borrower and General Partner maintain their principal place of business, dated as of the most recent practicable date, showing the qualification to transact business in such state as a foreign limited partnership or foreign corporation, as the case may be, for (i) Borrower, and (ii) General Partner.

-43-

45

(e) Resolutions. A copy of a resolution or resolutions adopted by the Board of Directors of the General Partner, certified by the Secretary or an Assistant Secretary of the General Partner as being in full force and effect on the Agreement Execution Date, authorizing the Advances provided for herein and the execution, delivery and performance of the Loan Documents by the General Partner to be executed and delivered by it hereunder on behalf of itself and

Borrower.

(f) Incumbency Certificate. A certificate, signed by the Secretary or an Assistant Secretary of the General Partner and dated the Agreement Execution Date, as to the incumbency, and containing the specimen signature or signatures, of the Persons authorized to execute and deliver the Loan Documents to be executed and delivered by it and Borrower hereunder.

(g) Loan Documents. Originals of the Loan Documents (in such quantities as the Lenders may reasonably request), duly executed by authorized officers of the appropriate entity.

(h) Opinion of Borrower's Counsel. A written opinion, dated the Agreement Execution Date, from outside counsel for the Borrower which counsel is reasonably satisfactory to Administrative Agent, substantially in the form attached hereto as Exhibit E.

(i) Opinion of General Partner's Counsel. A written opinion, dated the Agreement Execution Date, from outside counsel for the General Partner which counsel is reasonably satisfactory to Administrative Agent, substantially in the form attached hereto as Exhibit F.

(j) Insurance. Original or certified copies of insurance policies or binders therefor, with accompanying receipts showing current payment of all premiums, evidencing that Borrower carries insurance on the Unencumbered Assets which satisfies the Administrative Agent's insurance requirements, including, without limitation:

(i) Property and casualty insurance (including coverage for flood and other water damage for any Unencumbered Assets located within a 100-year flood plain) in the amount of the replacement cost of the improvements at the Unencumbered Assets;

(ii) Loss of rental income insurance in the amount not less than one year's Gross Revenues from the Unencumbered Assets; and

(iii) Comprehensive general liability insurance in the amount of \$1,000,000 per occurrence.

-44-

46

All insurance must be carried by companies with a Best Insurance Reports (1992) Policyholder's and Financial Size Rating of "A-VII" or better.

(k) Prior Facility. The Lenders acknowledge that the Borrower has properly terminated the Existing Credit Agreement effective as of the date of the initial Advance and shall pay all outstanding obligations thereunder with the proceeds of the initial Advance hereunder.

(l) Financial and Related Information. The following information:

(i) A certificate, signed by an officer of the Borrower, stating that on the Agreement Execution Date no Default or Event of Default has occurred and is continuing and that all representations and warranties of the Borrower contained herein are true and correct as of the Agreement Execution Date as and to the extent set forth herein;

(ii) The most recent financial statements of the Borrower and General Partner and a certificate from a Qualified Officer of the Borrower that no change in the Borrower's financial condition that would have a Material Adverse Effect has occurred since September 30, 1997;

(iii) Evidence of sufficient Unencumbered Assets (which evidence may include pay-off letters (together with evidence of payment or a direction of Borrower to use a portion of the proceeds of the Advances to repay such Indebtedness), mortgage releases and/or title policies) to

assist the Administrative Agent in determining the Borrower's compliance with the covenants set forth in Article IX herein;

(iv) Written money transfer instructions, in substantially the form of Exhibit G hereto, addressed to the Administrative Agent and signed by a Qualified Officer, together with such other related money transfer authorizations as the Administrative Agent may have reasonably requested; and

(v) Operating statements for the Unencumbered Assets and other evidence of income and expenses to assist the Administrative Agent in determining Borrower's compliance with the covenants set forth in Article IX herein.

(m) Other Evidence as any Lender May Require. Such other evidence as any Lender may reasonably request to establish the consummation of the transactions contemplated hereby, the taking of all necessary actions in any proceedings in connection herewith and compliance with the conditions set forth in this Agreement.

-45-

47

When all such conditions have been fulfilled (or, in the Lenders' sole discretion, waived by Lenders), the Lenders shall confirm in writing to Borrower that the initial Advance is then available to Borrower hereunder.

5.2 Conditions Precedent to Subsequent Advances. Advances after the initial Advance shall be made from time to time as requested by Borrower, and the obligation of each Lender to make any Advance (including Swingline Loans and Competitive Bid Loans) and the obligation of the Issuing Bank to issue a Facility Letter of Credit is subject to the following terms and conditions:

(a) prior to each such Advance no Default or Event of Default shall have occurred and be continuing under this Agreement or any of the Loan Documents and, if required by Administrative Agent, Borrower shall deliver a certificate of Borrower to such effect; and

(b) The representations and warranties contained in Article VI and VII are true and correct as of such borrowing date, Issuance Date, or date of conversion and/or continuation as and to the extent set forth therein, except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall be true and correct on and as of such earlier date.

Subject to the last grammatical paragraphs of Article VI and VII hereof, each Borrowing Notice, Letter of Credit Request, and Conversion/Continuation Notice shall constitute a representation and warranty by the Borrower that the conditions contained in Sections 5.2(a) and (b) have been satisfied.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

Borrower hereby represents and warrants that:

6.1 Existence. Borrower is a limited partnership duly organized and existing under the laws of the State of Delaware, with its principal place of business in the State of Illinois, and is duly qualified as a foreign limited partnership, properly licensed (if required), in good standing and has all requisite authority to conduct its business in each jurisdiction in which it owns Properties and, except where the failure to be so qualified or to obtain such authority would not have a Material Adverse Effect, in each other jurisdiction in which its business is conducted. Each of its Subsidiaries is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has all requisite authority to conduct its business in each jurisdiction in which it owns Property, and except where the failure to be so

qualified or to obtain such authority would not have a Material Adverse Effect, in each other jurisdiction in which it conducts business.

6.2 Corporate/Partnership Powers. The execution, delivery and performance of the Loan Documents required to be delivered by Borrower hereunder are within the partnership authority of such entity and the corporate powers of the general partners of such entity, have been duly authorized by all requisite action, and are not in conflict with the terms of any organizational instruments of such entity, or any instrument or agreement to which Borrower or General Partner is a party or by which Borrower, General Partner or any of their respective assets may be bound or affected.

6.3 Power of Officers. The officers of the general partner of Borrower executing the Loan Documents required to be delivered by such entities hereunder have been duly elected or appointed and were fully authorized to execute the same at the time each such agreement, certificate or instrument was executed.

6.4 Government and Other Approvals. No approval, consent, exemption or other action by, or notice to or filing with, any governmental authority is necessary in connection with the execution, delivery or performance of the Loan Documents required hereunder.

6.5 Solvency.

(i) Immediately after the Agreement Execution Date and immediately following the making of each Loan and after giving effect to the application of the proceeds of such Loans, (a) the fair value of the assets of the Borrower and its Subsidiaries on a consolidated basis, at a fair valuation, will exceed the debts and liabilities, subordinated, contingent or otherwise, of the Borrower and its Subsidiaries on a consolidated basis; (b) the present fair saleable value of the Properties of the Borrower and its Subsidiaries on a consolidated basis will be greater than the amount that will be required to pay the probable liability of the Borrower and its Subsidiaries on a consolidated basis on their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) the Borrower and its Subsidiaries on a consolidated basis will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) the Borrower and its Subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are now conducted and are proposed to be conducted after the date hereof.

(ii) Borrower does not intend to, or to permit any of its Subsidiaries to incur debts beyond its ability to pay such debts as they mature,

taking into account the timing of and amounts of cash to be received by it or any such Subsidiary and the timing of the amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Subsidiary.

6.6 Compliance With Laws. There is no judgment, decree or order or any law, rule or regulation of any court or governmental authority binding on Borrower or any of its Subsidiaries which would be contravened by the execution, delivery or performance of the Loan Documents required hereunder.

6.7 Enforceability of Agreement. This Agreement is the legal, valid and binding agreement of the Borrower, and the Notes when executed and delivered will be the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, and the Loan Documents required hereunder, when executed and delivered, will be similarly legal, valid, binding and enforceable except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the rights of creditors generally.

6.8 Title to Property. To the best of Borrower's knowledge after due inquiry, Borrower or its Subsidiaries has good and marketable title to the Properties and assets reflected in the financial statements as owned by it or any such Subsidiary free and clear of Liens except for the Permitted Liens. The execution, delivery or performance of the Loan Documents required to be delivered by the Borrower hereunder will not result in the creation of any Lien on the Properties. No consent to the transactions contemplated hereunder is required from any ground lessor or mortgagee or beneficiary under a deed of trust or any other party except as has been delivered to the Lenders.

6.9 Litigation. There are no suits, arbitrations, claims, disputes or other proceedings (including, without limitation, any civil, criminal, administrative or environmental proceedings), pending or, to the best of Borrower's knowledge, threatened against or affecting the Borrower or any of the Properties, the adverse determination of which individually or in the aggregate would have a Material Adverse Effect on the Borrower and/or would cause a Material Adverse Financial Change of Borrower or materially impair the Borrower's ability to perform its obligations hereunder or under any instrument or agreement required hereunder, except as disclosed on Schedule 6.9 hereto, or otherwise disclosed to Lenders in accordance with the terms hereof.

6.10 Events of Default. No Default or Event of Default has occurred and is continuing or would result from the incurring of obligations by the Borrower under any of the Loan Documents or any other document to which Borrower is a party.

6.11 Investment Company Act of 1940. Borrower is not and will by such acts as may be necessary continue not to be, an investment company within the meaning of the Investment Company Act of 1940.

-48-

50

6.12 Public Utility Holding Company Act. The Borrower is not a "holding company" or a "subsidiary company" of a "holding company," or an "affiliate" of a "holding company," or of a "subsidiary company" of a "holding company," within the definitions of the Public Utility Holding Company Act of 1935, as amended.

6.13 Regulation U. The proceeds of the Advances will not be used, directly or indirectly, to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock.

6.14 No Material Adverse Financial Change. To the best knowledge of Borrower, there has been no Material Adverse Financial Change in the condition of Borrower since the date of the financial and/or operating statements most recently submitted to the Lenders.

6.15 Financial Information. All financial statements furnished to the Lenders by or at the direction of the Borrower and all other financial information and data furnished by the Borrower to the Lenders are complete and correct in all material respects as of the date thereof, and such financial statements have been prepared in accordance with GAAP and fairly present the consolidated financial condition and results of operations of the Borrower as of such date. The Borrower has no contingent obligations, liabilities for taxes or other outstanding financial obligations which are material in the aggregate, except as disclosed in such statements, information and data.

6.16 Factual Information. All factual information heretofore or contemporaneously furnished by or on behalf of the Borrower to the Lenders for

purposes of or in connection with this Agreement and the other Loan Documents and the transactions contemplated therein is, and all other such factual information hereafter furnished by or on behalf of the Borrower to the Lenders will be, true and accurate (taken as a whole) in all material respects on the date as of which such information is dated or certified and not incomplete by omitting to state any material fact necessary to make such information (taken as a whole) not misleading at such time.

6.17 ERISA. (i) Borrower is not an entity deemed to hold "plan assets" within the meaning of ERISA or any regulations promulgated thereunder of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan within the meaning of Section 4975 of the Code, and (ii) the execution of this Agreement and the transactions contemplated hereunder do not give rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

6.18 Taxes. All required tax returns have been filed by Borrower with the appropriate authorities except to the extent that extensions of time to file have been requested, granted and have not expired or except to the extent such taxes are being contested in good faith and for which adequate reserves, in accordance with GAAP, are being maintained.

-49-

51

6.19 Environmental Matters. Except as disclosed in Schedule 6.19, each of the following representations and warranties is true and correct except to the extent that the facts and circumstances giving rise to any such failure to be so true and correct, in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(i) To the knowledge of the Borrower, the Properties of Borrower, its Subsidiaries, and Investment Affiliates do not contain any Materials of Environmental Concern in amounts or concentrations which constitute a violation of, or could reasonably give rise to liability under, Environmental Laws.

(ii) Borrower has not received any written notice alleging that any or all of the Properties of Borrower and its Subsidiaries and Investment Affiliates and all operations at the Properties are not currently in compliance with all applicable Environmental Laws. Further, Borrower has not received any written notice alleging the current existence of any contamination at or under such Properties in amounts or concentrations which constitute a violation of any Environmental Law, or any violation of any Environmental Law with respect to such Properties for which Borrower, its Subsidiaries or Investment Affiliates is or could be liable.

(iii) Neither Borrower nor any of its Subsidiaries or Investment Affiliates has received any written notice of current non-compliance, liability or potential liability regarding Environmental Laws with regard to any of the Properties, nor does it have knowledge that any such notice will be received or is being threatened.

(iv) To the knowledge of Borrower during the ownership of the Properties by any or all of Borrower, its Subsidiaries and Investment Affiliates, Materials of Environmental Concern have not been transported or disposed of from the Properties of Borrower and its Subsidiaries and Investment Affiliates in violation of, or in a manner or to a location which could reasonably give rise to liability of Borrower, any Subsidiary, or any Investment Affiliate under, Environmental Laws, nor during the ownership of the Properties by any or all of Borrower, its Subsidiaries and Investment Affiliates have any Materials of Environmental Concern been

generated, treated, stored or disposed of at, on or under any of such Properties in violation of, or in a manner that could give rise to liability of Borrower, any Subsidiary or any Investment Affiliate under, any applicable Environmental Laws.

(v) No judicial proceedings or governmental or administrative action is pending, or, to the knowledge of Borrower, threatened, under any Environmental Law to which Borrower, any of its Subsidiaries, or any

-50-

52

Investment Affiliate, is named as a party with respect to the Properties of such entity, nor are there any consent decrees or other decrees, consent orders, administrative order or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to such Properties for which Borrower, its Subsidiaries, or any Investment Affiliate is or could be liable.

(vi) To the knowledge of Borrower during the ownership of the Properties by any or all of Borrower, its Subsidiaries and Investment Affiliates, there has been no release or threat of release of Materials of Environmental Concern at or from the Properties of Borrower and its Subsidiaries and Investment Affiliates, or arising from or related to the operations of such entity in connection with the Properties in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws.

6.20 Insurance. Borrower has obtained the insurance which Borrower is required to furnish to Lenders under Section 5.1(j) hereof.

6.21 No Brokers. Borrower has dealt with no brokers in connection with this Facility, and no brokerage fees or commissions are payable by or to any Person in connection with this Agreement or the Advances. Lenders shall not be responsible for the payment of any fees or commissions to any broker and Borrower shall indemnify, defend and hold Lenders harmless from and against any claims, liabilities, obligations, damages, costs and expenses (including reasonable attorneys' fees and disbursements) made against or incurred by Lenders as a result of claims made or actions instituted by any broker or Person claiming by, through or under Borrower in connection with the Facility.

6.22 No Violation of Usury Laws. No aspect of any of the transactions contemplated herein violate or will violate any usury laws or laws regarding the validity of agreements to pay interest in effect on the date hereof.

6.23 Not a Foreign Person. Borrower is not a "foreign person" within the meaning of Section 1445 or 7701 of the Internal Revenue Code.

6.24 No Trade Name. Except for the name "First Industrial," and except as otherwise set forth on Schedule 6.24 attached hereto, Borrower does not use any trade name and has not and does not do business under any name other than their actual names set forth herein. The principal place of business of Borrower is as stated in the recitals hereto.

6.25 Subsidiaries. Schedule 6.25 hereto contains an accurate list of all of the presently existing Subsidiaries of Borrower, setting forth their respective jurisdictions of formation, the percentage of their respective Capital Stock owned by it or its Subsidiaries and

-51-

53

the Properties owned by them. All of the issued and outstanding shares of Capital Stock of such Subsidiaries have been duly authorized and issued and are fully paid and non-assessable.

6.26 Unencumbered Assets. Schedule 6.26 hereto contains a complete and accurate description of Unencumbered Assets as of the Agreement Execution Date and as supplemented from time to time including the entity that owns each Unencumbered Asset. With respect to each Project identified from time to time as an Unencumbered Asset, Borrower hereby represents and warrants as follows except to the extent disclosed in writing to the Lenders and approved by the Majority Lenders (which approval shall not be unreasonably withheld):

(a) No portion of any improvement on the Unencumbered Asset is located in an area identified by the Secretary of Housing and Urban Development or any successor thereto as an area having special flood hazards pursuant to the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as amended, or any successor law, or, if located within any such area, Borrower has obtained and will maintain the insurance prescribed in Section 5.1(j) hereof.

(b) To the Borrower's knowledge, the Unencumbered Asset and the present use and occupancy thereof are in material compliance with all applicable zoning ordinances (without reliance upon adjoining or other properties), building codes, land use and Environmental Laws, and other similar laws ("Applicable Laws").

(c) The Unencumbered Asset is served by all utilities required for the current or contemplated use thereof. All utility service is provided by public utilities and the Unencumbered Asset has accepted or is equipped to accept such utility service.

(d) All public roads and streets necessary for service of and access to the Unencumbered Asset for the current or contemplated use thereof have been completed, are serviceable and all-weather and are physically and legally open for use by the public.

(e) The Unencumbered Asset is served by public water and sewer systems or, if the Unencumbered Asset is not serviced by a public water and sewer system, such alternate systems are adequate and meet, in all material respects, all requirements and regulations of, and otherwise complies in all material respects with, all Applicable Laws with respect to such alternate systems.

(f) Borrower is not aware of any latent or patent structural or other significant deficiency of the Unencumbered Asset. The Unencumbered Asset is free of damage and waste that would materially and adversely affect the value of the Unencumbered Asset, is in good repair and there is no deferred maintenance other than ordinary wear and tear. The Unencumbered Asset is free from damage caused by fire or other casualty. There is no pending or, to the actual knowledge of Borrower threatened condemnation proceedings affecting the Unencumbered Asset, or any material part thereof.

-52-

54

(g) To Borrower's knowledge, all liquid and solid waste disposal, septic and sewer systems located on the Unencumbered Asset are in a good and safe condition and repair and to Borrower's knowledge, in material compliance with all Applicable Laws with respect to such systems.

(h) All improvements on the Unencumbered Asset lie within the boundaries and building restrictions of the legal description of record of the Unencumbered Asset, no such improvements encroach upon easements benefitting the Unencumbered Asset other than encroachments that do not materially adversely affect the use or occupancy of the Unencumbered Asset and no improvements on adjoining properties encroach upon the Unencumbered Asset or easements benefitting the Unencumbered Asset other than encroachments that do not materially adversely affect the use or occupancy of the Unencumbered Asset. All amenities, access routes or other items that materially benefit the

Unencumbered Asset are under direct control of Borrower, constitute permanent easements that benefit all or part of the Unencumbered Asset or are public property, and the Unencumbered Asset, by virtue of such easements or otherwise, is contiguous to a physically open, dedicated all weather public street, and has the necessary permits for ingress and egress.

(i) There are no delinquent taxes, ground rents, water charges, sewer rents, assessments, insurance premiums, leasehold payments, or other outstanding charges affecting the Unencumbered Asset except to the extent such items are being contested in good faith and as to which adequate reserves have been provided.

A breach of any of the representations and warranties contained in this Section 6.26 with respect to a Project shall disqualify such Project from being an Unencumbered Asset for so long as such breach continues (unless otherwise approved by the Majority Lenders) but shall not constitute a Default (unless the elimination of such Property as an Unencumbered Asset results in a Default under one of the other provisions of this Agreement).

Borrower agrees that all of its representations and warranties set forth in Article VI of this Agreement and elsewhere in this Agreement are true on the Agreement Execution Date, and will be true on each Effective Date in all material respects (except with respect to matters which have been disclosed in writing to and approved by the Majority Lenders), and will be true in all material respects (except with respect to matters which have been disclosed in writing to and approved by the Majority Lenders) upon each request for disbursement of an Advance, provided that the Borrower shall only be obligated to update any Schedules referred to in this Article VI on a quarterly basis, along with the quarterly financial statements required under Section 8.2(i), unless any change otherwise required to be disclosed could reasonably be expected to have a Material Adverse Effect. Each request for disbursement hereunder shall constitute a reaffirmation of such representations and warranties as deemed modified in accordance with the disclosures made and approved, as aforesaid, as of the date of such request and disbursement.

-53-

55

ARTICLE VII

ADDITIONAL REPRESENTATIONS AND WARRANTIES

The General Partner hereby represents and warrants that:

7.1 Existence. The General Partner is a corporation duly organized and existing under the laws of the State of Maryland, with its principal place of business in the State of Illinois, is duly qualified as a foreign corporation and properly licensed (if required) and in good standing in each jurisdiction where the failure to qualify or be licensed (if required) would constitute a Material Adverse Financial Change with respect to the General Partner or have a Material Adverse Effect on the business or properties of the General Partner.

7.2 Corporate Powers. The execution, delivery and performance of the Loan Documents required to be delivered by the General Partner hereunder are within the corporate powers of the General Partner, have been duly authorized by all requisite corporate action, and are not in conflict with the terms of any organizational instruments of the General Partner, or any instrument or agreement to which the General Partner is a party or by which General Partner or any of its assets is bound or affected.

7.3 Power of Officers. The officers of the General Partner executing the Loan Documents required to be delivered by the General Partner hereunder have been duly elected or appointed and were fully authorized to execute the same at the time each such agreement, certificate or instrument was executed.

7.4 Government and Other Approvals. No approval, consent,

exemption or other action by, or notice to or filing with, any governmental authority is necessary in connection with the execution, delivery or performance of the Loan Documents required hereunder.

7.5 Compliance With Laws. There is no judgment, decree or order or any law, rule or regulation of any court or governmental authority binding on the General Partner which would be contravened by the execution, delivery or performance of the Loan Documents required hereunder.

7.6 Enforceability of Agreement. This Agreement is the legal, valid and binding agreement of the General Partner, as the general partner of Borrower, enforceable against the General Partner in accordance with its respective terms, and the Loan Documents required hereunder, when executed and delivered, will be similarly legal, valid, binding and enforceable except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the rights of creditors generally.

7.7 Liens; Consents. The execution, delivery or performance of the Loan Documents required to be delivered by the General Partner hereunder will not result in the

-54-

56

creation of any Lien on the Properties other than in favor of the Lenders. No consent to the transactions hereunder is required from any ground lessor or mortgagee or beneficiary under a deed of trust or any other party except as has been delivered to the Lenders.

7.8 Litigation. There are no suits, arbitrations, claims, disputes or other proceedings (including, without limitation, any civil, criminal, administrative or environmental proceedings), pending or, to the best of General Partner's knowledge, threatened against or affecting the General Partner or any of the Properties, the adverse determination of which individually or in the aggregate would have a Material Adverse Effect on the General Partner and/or would cause a Material Adverse Financial Change with respect to the General Partner or materially impair the General Partner's ability to perform its obligations hereunder or under any instrument or agreement required hereunder, except as disclosed on Schedule 7.8 hereto, or otherwise disclosed to Lenders in accordance with the terms hereof.

7.9 Events of Default. No Default or Event of Default has occurred and is continuing or would result from the incurring of obligations by the General Partner under any of the Loan Documents or any other document to which General Partner is a party.

7.10 Investment Company Act of 1940. The General Partner is not, and will by such acts as may be necessary continue not to be, an investment company within the meaning of the Investment Company Act of 1940.

7.11 Public Utility Holding Company Act. The General Partner is not a "holding company" or a "subsidiary company" of a "holding company," or an "affiliate" of a "holding company," or of a "subsidiary company" of a "holding company," within the definitions of the Public Utility Holding Company Act of 1935, as amended.

7.12 No Material Adverse Financial Change. There has been no Material Adverse Financial Change in the condition of the General Partner since the last date on which the financial and/or operating statements were submitted to the Lenders.

7.13 Financial Information. All financial statements furnished to the Lenders by or on behalf of the General Partner and all other financial information and data furnished by or on behalf of the General Partner to the Lenders are complete and correct in all material respects as of the date thereof, and such financial statements have been prepared in accordance with GAAP and fairly present the consolidated financial condition and results of operations of the General Partner as of such date. The General Partner has no contingent obligations, liabilities for taxes or other outstanding financial

obligations which are material in the aggregate, except as disclosed in such statements, information and data.

7.14 Factual Information. All factual information heretofore or contemporaneously furnished by or on behalf of the General Partner to the Lenders for purposes of or in connection with this Agreement and the other Loan Documents and the transactions

-55-

57

contemplated therein is, and all other such factual information hereafter furnished by or on behalf of the General Partner to the Lenders will be, true and accurate in all material respects (taken as a whole) on the date as of which such information is dated or certified and not incomplete by omitting to state any material fact necessary to make such information (taken as a whole) not misleading at such time.

7.15 ERISA. (i) General Partner is not an entity deemed to hold "plan assets" within the meaning of ERISA or any regulations promulgated thereunder of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan within the meaning of Section 4975 of the Code, and (ii) the execution of this Agreement and the transactions contemplated hereunder do not give rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

7.16 Taxes. All required tax returns have been filed by the General Partner with the appropriate authorities except to the extent that extensions of time to file have been requested, granted and have not expired or except to the extent such taxes are being contested in good faith and for which adequate reserves, in accordance with GAAP, are being maintained.

7.17 No Brokers. General Partner has dealt with no brokers in connection with this Facility, and no brokerage fees or commissions are payable by or to any Person in connection with this Agreement or the Advances. Lender shall not be responsible for the payment of any fees or commissions to any broker and General Partner shall indemnify, defend and hold Lender harmless from and against any claims, liabilities, obligations, damages, costs and expenses (including reasonable attorneys' fees and disbursements) made against or incurred by Lender as a result of claims made or actions instituted by any broker or Person claiming by, through or under the General Partner in connection with the Facility.

7.18 Subsidiaries. Schedule 7.18 hereto contains an accurate list of all of the presently existing Subsidiaries of General Partner, setting forth their respective jurisdictions of formation, the percentage of their respective Capital Stock owned by it or its Subsidiaries and the Properties owned by them. All of the issued and outstanding shares of Capital Stock of such Subsidiaries have been duly authorized and issued and are fully paid and non-assessable.

7.19 Status. General Partner is a corporation listed and in good standing on the New York Stock Exchange ("NYSE") and is currently qualified as a real estate investment trust under the Code.

General Partner agrees that all of its representations and warranties set forth in Article VII of this Agreement and elsewhere in this Agreement are true on the Agreement Execution Date, and will be true on each Effective Date in all material respects (except with respect to matters which have been disclosed in writing to and approved by the Majority Lenders), and will be true in all material respects (except with respect to matters which have been disclosed in writing to and approved by the Majority Lenders) upon each request for

-56-

58

disbursement of an Advance, provided that the General Partner shall only be obligated to update any Schedules referred to in this Article VII on a quarterly basis, along with the quarterly financial statements required under Section 8.2(i), unless any change otherwise required to be disclosed could reasonably be expected to have a Material Adverse Effect. Each request for disbursement hereunder shall constitute a reaffirmation of such representations and warranties as deemed modified in accordance with the disclosures made and approved, as aforesaid, as of the date of such request and disbursement.

ARTICLE VIII

AFFIRMATIVE COVENANTS

The Borrower (and the General Partner, if expressly included in Sections contained in this Article) covenant and agree that so long as the Commitment of any Lender shall remain available and until the full and final payment of all Obligations incurred under the Loan Documents they will:

8.1 Notices. Promptly give written notice to Administrative Agent (who will promptly send such notice to Lenders) of:

(a) all litigation or arbitration proceedings affecting the Borrower, the General Partner or any Subsidiary where the amount claimed is \$5,000,000 or more;

(b) any Default or Event of Default, specifying the nature and the period of existence thereof and what action has been taken or been proposed to be taken with respect thereto;

(c) all claims filed against any property owned by the Borrower or the General Partner which, if adversely determined, could have a Material Adverse Effect on the ability of the Borrower or the General Partner to meet any of their obligations under the Loan Documents;

(d) the occurrence of any other event which might have a Material Adverse Effect or cause a Material Adverse Financial Change on or with respect to the Borrower or the General Partner;

(e) any Reportable Event or any "prohibited transaction" (as such term is defined in Section 4975 of the Code) in connection with any Plan or any trust created thereunder, which may, singly or in the aggregate materially impair the ability of the Borrower or the General Partner to repay any of its obligations under the Loan Documents, describing the nature of each such event and the action, if any, the Borrower or the General Partner, as the case may be, proposes to take with respect thereto;

-57-

59

(f) any notice from any federal, state, local or foreign authority regarding any Hazardous Material, asbestos, or other environmental condition, proceeding, order, claim or violation affecting any of the Properties.

8.2 Financial Statements, Reports, Etc. The Borrower and the General Partner each shall maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with GAAP, and shall furnish to the Lenders:

(i) quarterly financial statements (including a balance sheet and income statement) and related reports in form and substance satisfactory to the Lenders not later than 45 days after the end of each of the first three fiscal quarters, and not later than ninety (90) days after the end of each fiscal year, all certified by Borrower's chief financial officer or chief accounting officer, including a statement of Funds From Operations for the General Partner,

calculation of the financial covenants described below, a description of Unencumbered Assets, a listing of capital expenditures (in the level of detail as currently disclosed in Borrower's "Supplemental Information"), a report listing and describing all newly acquired Properties, including their cash flow, cost and secured or unsecured Indebtedness assumed in connection with such acquisition, if any, summary Property information for all Properties, including, without limitation, their Property Operating Income, occupancy rates, square footage, property type and date acquired or built, and such other information as may be requested to evaluate the quarterly compliance certificate delivered as provided below;

(ii) copies of all Form 10Ks, 10Qs, 8Ks, and any other public information filed with the Securities Exchange Commission by Borrower or the General Partner once a quarter simultaneously with delivering the compliance certificate described below, along with any other materials distributed to the shareholders of the General Partner or the partners of the Borrower from time to time, including a copy of the General Partner's annual report. To the extent any of such reports contains information required under the other subsections of this Section 8.2, the information need not be furnished separately under the other subsections;

(iii) not later than forty-five (45) days after the end of the first three fiscal quarters, and not later than ninety (90) days after the end of the fiscal year, a report certified by the entity's chief financial officer or chief accounting officer, containing Property Operating Income from individual properties owned by the Borrower or a Wholly-Owned Subsidiary and included as Unencumbered Assets.

-58-

60

(iv) Not later than forty-five (45) days after the end of each of the first three fiscal quarters, and not later than ninety (90) days after the end of the fiscal year, a compliance certificate in substantially the form of Exhibit H hereto signed by the Borrower's chief financial officer or chief accounting officer confirming that Borrower is in compliance with all of the covenants of the Loan Documents, showing the calculations and computations necessary to determine compliance with the financial covenants contained in this Agreement (including such schedules and backup information as may be necessary to demonstrate such compliance) and stating that to such officer's best knowledge, there is no other Default or Event of Default exists, or if any Default or Event of Default exists, stating the nature and status thereof;

(v) (a) As soon as possible and in any event within 10 Business Days after the Borrower knows that any Reportable Event has occurred with respect to any Plan, a statement, signed by the chief financial officer of Borrower, describing said Reportable Event and within 20 days after such Reportable Event, a statement signed by such chief financial officer describing the action which Borrower proposes to take with respect thereto; and (b) within 10 Business Days of receipt, any notice from the Internal Revenue Service, PBGC or Department of Labor with respect to a Plan regarding any excise tax, proposed termination of a Plan, prohibited transaction or fiduciary violation under ERISA or the Code which could result in any liability to Borrower or any member of the Controlled Group in excess of \$100,000; and (c) within 10 Business Days of filing, any Form 5500 filed by Borrower with respect to a Plan, or any member of the Controlled Group which includes a qualified accountant's opinion.

(vi) As soon as possible and in any event within 30 days after receipt by the Borrower, a copy of (a) any notice or claim to the effect that the Borrower or any of its Subsidiaries is or may be liable to any Person as a result of the release by such entity, or any of its Subsidiaries, or any other Person of any toxic or hazardous waste or substance into the environment, and (b) any notice alleging any violation of any federal, state or local environmental, health or safety law or regulation by the Borrower or any of its Subsidiaries or Investment Affiliates, which, in either case, could be reasonably likely to have a Material Adverse Effect;

(vii) Promptly upon the furnishing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements so furnished;

(viii) Promptly upon the distribution thereof to the press or the public, copies of all press releases;

-59-

61

(ix) As soon as possible, and in any event within 10 days after the Borrower knows of any fire or other casualty or any pending or threatened condemnation or eminent domain proceeding with respect to all or any material portion of any Unencumbered Asset, a statement signed by the Chief Financial Officer of Borrower, describing such fire, casualty or condemnation and the action Borrower intends to take with respect thereto; and

(x) Such other information (including, without limitation, non-financial information) as the Administrative Agent or any Lender may from time to time reasonably request.

8.3 Existence and Conduct of Operations. Except as permitted herein, maintain and preserve its existence and all rights, privileges and franchises now enjoyed and necessary for the operation of its business, including remaining in good standing in each jurisdiction in which business is currently operated. The Borrower and the General Partner shall carry on and conduct their respective businesses in substantially the same manner and in substantially the same fields of enterprise as presently conducted. The Borrower will do, and will cause each of its Subsidiaries to do, all things necessary to remain duly incorporated and/or duly qualified, validly existing and in good standing as a real estate investment trust, corporation, general partnership, limited liability company or limited partnership, as the case may be, in its jurisdiction of incorporation/formation. The Borrower will maintain all requisite authority to conduct its business in each jurisdiction in which the Properties are located and, except where the failure to be so qualified would not have a Material Adverse Effect, in each jurisdiction required to carry on and conduct its businesses in substantially the same manner as it is presently conducted, and, specifically, neither the Borrower nor its Subsidiaries will undertake any business other than the acquisition, development, ownership, management, operation and leasing of warehouse/industrial properties and ancillary businesses specifically related thereto, except that the Borrower and its Subsidiaries and Investment Affiliates may invest in other assets subject to the certain limitations contained herein with respect to the following specified categories of assets: (i) Unimproved Land; (ii) other property holdings (excluding cash, Cash Equivalents, non-industrial Properties and Indebtedness of any Subsidiary to the Borrower); (iii) stock holdings other than in Subsidiaries; (iv) mortgages; and (v) joint ventures and partnerships. The total investment in any one of categories (i), (ii), (iii), (iv) or (v) shall not exceed 10% of Implied Capitalization Value and the total investment in all the foregoing investment categories in the aggregate shall be less than or equal to twenty percent (20%) of Market Value Net Worth. In addition to the foregoing restrictions,

investments in Unimproved Land which is not adjacent to existing improvements and not under active planning for near term development as evidenced to the reasonable satisfaction of Administrative Agent shall not exceed in the aggregate 5% of Implied Capitalization Value, and no single industrial property shall exceed 5% of Implied Capitalization Value. For the purposes of this Section 8.3, all investments shall be valued in accordance with GAAP.

-60-

62

8.4 Maintenance of Properties. Maintain, preserve, protect and keep the Properties in good repair, working order and condition, and make all necessary and proper repairs, renewals and replacements, normal wear and tear excepted.

8.5 Insurance. Provide a certificate of insurance from all insurance carriers who maintain policies with respect to the Properties within thirty (30) days after the end of each fiscal year, evidencing that the insurance required to be furnished to Lenders pursuant to Section 5.1(j) hereof is in full force and effect. Borrower shall timely pay, or cause to be paid, all premiums on all insurance policies required under this Agreement from time to time. Borrower shall promptly notify its insurance carrier or agent therefor (with a copy of such notification being provided simultaneously to Administrative Agent) if there is any occurrence which, under the terms of any insurance policy then in effect with respect to the Properties, requires such notification.

8.6 Payment of Obligations. Pay all taxes, assessments, governmental charges and other obligations when due, except such as may be contested in good faith or as to which a bona fide dispute may exist, and for which adequate reserves have been provided in accordance with sound accounting principles used by Borrower on the date hereof.

8.7 Compliance with Laws. Comply in all material respects with all applicable laws, rules, regulations, orders and directions of any governmental authority having jurisdiction over Borrower, General Partner, or any of their respective businesses.

8.8 Adequate Books. Maintain adequate books, accounts and records in order to provide financial statements in accordance with GAAP and, if requested by any Lender, permit employees or representatives of such Lender at any reasonable time and upon reasonable notice to inspect and audit the properties of Borrower and of the Consolidated Operating Partnership, and to examine or audit the inventory, books, accounts and records of each of them and make copies and memoranda thereof.

8.9 ERISA. Comply in all material respects with all requirements of ERISA applicable to it with respect to each Plan.

8.10 Maintenance of Status. General Partner shall at all times (i) remain as a corporation listed and in good standing on the New York Stock Exchange (NYSE), and (ii) take all steps maintain General Partner's status as a real estate investment trust in compliance with all applicable provisions of the Code (unless otherwise consented to by the Supermajority Lenders).

8.11 Use of Proceeds. Use the proceeds of the Facility for the general business purposes of the Borrower, including without limitation working capital needs, closing costs, and interim funding for property acquisitions and construction of new industrial properties, and/or payment of other debts and obligations of Borrower.

-61-

63

8.12 Pre-Acquisition Environmental Investigations. Cause to be prepared prior to the acquisition of each project that it intends to acquire an environmental report pursuant to a standard scope of work attached as Exhibit I hereto and made a part hereof.

8.13 Distributions. Provided there is no Monetary Default then existing and provided there is not an Event of Default relating to a breach of the financial covenants contained in Section 9.10 below, the General Partner may make distributions to its shareholders provided that the aggregate amount of distributions in any period of four consecutive fiscal quarters is not in excess of 95% of its Funds From Operations for such period. Notwithstanding the foregoing, unless at the time of distribution there is a Monetary Default, the General Partner shall be permitted at all times to distribute whatever amount is necessary to maintain its tax status as a real estate investment trust.

ARTICLE IX

NEGATIVE COVENANTS

The Borrower covenants and agrees that, so long as the Commitment shall remain available and until full and final payment of all obligations incurred under the Loan Documents, without the prior written consent of the Majority Lenders (or the Administrative Agent or a greater Percentage of the Lenders, if so expressly provided), it will not, and the General Partner will not and, in the case of Sections 9.5 and 9.11, Borrower's Subsidiaries will not:

9.1 Change in Business. Engage in any business activities or operations other than (i) the ownership and operation of the Properties, or (ii) other business functions and transactions related to the financing, ownership, acquisition, development and/or management of bulk warehouse and light industrial properties, or without obtaining the prior written consent of the Supermajority Lenders materially change the nature of the use of the Properties.

9.2 Change of Management of Properties. Change the management of the Properties, except that any Affiliate of Borrower or the General Partner shall be permitted to manage any of the Properties.

9.3 Change of Borrower Ownership or Financing Partnership Ownership. Allow (i) the General Partner to own less than fifty-one percent (51%) of the partnership interests in Borrower or 100% of the stock in FIMC and in FISC, (ii) the Borrower to be controlled by a Person other than the General Partner, (iii) any pledge of, other encumbrance on, or conversion to limited partnership interests of, any of the general partnership interests in the Borrower, or (iv) any pledge, hypothecation, encumbrance, transfer or other change in the ownership or the partnership interests in the Financing Partnership or Mortgage Partnership (except for the pledge of such partnership interests to the REMIC Lender).

-62-

64

9.4 Use of Proceeds. Apply or permit to be applied any proceeds of any Advance directly or indirectly, to the funding of any purchase of, or offer for, any share of capital stock of any publicly held corporation unless the board of directors of such corporation has consented to such offer prior to any public announcements relating thereto and the Lenders have consented to such use of the proceeds of the Facility.

9.5 Transfers of Unencumbered Assets. Transfer or otherwise dispose of (other than the creation or incurrence of Liens permitted under Section 9.6) an Unencumbered Asset without the prior written consent of the Majority Lenders if the Value of such Unencumbered Asset, together with the Value of any other Unencumbered Assets which have been transferred or disposed of during the then-current fiscal quarter and the immediately preceding three (3) full fiscal quarters, would exceed twenty percent (20%) of the sum of the Value of Unencumbered Assets at the beginning of such period plus the increase

therein as a result of all Projects added to Unencumbered Assets during such period.

9.6 Liens. Create, incur, or suffer to exist (or permit any of its Subsidiaries to create, incur, or suffer to exist) any Lien in, of or on the Property of any member of the Consolidated Operating Partnership other than:

(i) Liens for taxes, assessments or governmental charges or levies on their Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves shall have been set aside on their books;

(ii) Liens which arise by operation of law, such as carriers', warehousemen's, landlords', materialmen and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations not more than 30 days past due or which are being contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on its books;

(iii) Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation;

(iv) Utility easements, building restrictions, zoning restrictions, easements and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character and which do not in any material way affect the marketability of the same or interfere with the use thereof in the business of the Borrower or its Subsidiaries;

-63-

65

(v) Liens of any Subsidiary in favor of the Borrower or General Partner; and

(vi) Liens arising in connection with any Indebtedness permitted hereunder to the extent such Liens will not result in a violation of any of the provisions of this Agreement.

Liens permitted pursuant to this Section 9.6 shall be deemed to be "Permitted Liens".

9.7 Regulation U. Use any of the proceeds of the Facility to purchase or carry any Margin Stock.

9.8 Indebtedness and Cash Flow Covenants. Permit or suffer:

(a) as of December 31, 1997 or the last day of any fiscal quarter ending thereafter, the ratio of (A) the sum of (1) EBITDA of the Consolidated Operating Partnership plus (2) interest income (other than any interest income from assets being used to support Defeased REMIC Debt) deducted in calculating such EBITDA of the Consolidated Operating Partnership to (B) the sum of (1) Interest Expense plus (2) Senior Preferred Stock Expense of the General Partner for such fiscal quarter to be less than 2.0 to 1.0, based on annualizing the results of such fiscal quarter;

(b) as of any day, Consolidated Total Indebtedness to exceed 50% of Implied Capitalization Value of the Consolidated Operating Partnership;

(c) as of any day, the ratio of Value of Unencumbered Assets to outstanding Consolidated Senior Unsecured Debt to be less than either
(i) 1.65 to 1.0 for any fiscal quarter not ending during a Rating Period or
(ii) 1.5 to 1.0 for any fiscal quarter ending during a Rating Period;

(d) as of December 31, 1997 or the last day of any fiscal

quarter ending thereafter, the ratio obtained by dividing (a) Property Operating Income from Unencumbered Assets qualifying for inclusion in the calculation of Value of Unencumbered Assets for such quarter by (b) Debt Service on all Consolidated Senior Unsecured Debt for such quarter to be less than 1.75 to 1;

(e) as of any day, the sum of (1) Consolidated Secured Debt plus (2) Senior Preferred Stock of the General Partner to exceed 35% of Implied Capitalization Value of the Consolidated Operating Partnership. Senior Preferred Stock of the General Partner will be dropped from this ratio when the PS Guaranty is eliminated, as evidenced by the Administrative Agent's receipt of satisfactory evidence thereof;

-64-

66

(f) as of December 31, 1997 or the last day of any fiscal quarter ending thereafter, Market Value Net Worth of the Consolidated Operating Partnership to be less than the sum of (i) \$622,672,000 plus (ii) seventy-five percent (75%) of the aggregate proceeds received (net of customary related fees and expenses) in connection with any equity offering (including any issuance of shares in the General Partner or units in the Borrower) after September 30, 1997.

To the extent the Consolidated Operating Partnership has Defeased REMIC Debt, both the underlying debt and interest payable thereon and the financial assets used to defease such debt and interest earned thereon shall be excluded from calculations of the foregoing financial covenants.

9.9 Mergers and Dispositions. Enter into any merger, consolidation, reorganization or liquidation or transfer or otherwise dispose of all or a substantial portion of its properties, except for: such transactions that occur between wholly-owned Subsidiaries; transactions where Borrower and the General Partner are the surviving entities and there is no change in business conducted or loss of an investment grade credit rating, and no Default or Event of Default under the Loan Documents results from such transaction; or as otherwise approved in advance by the Lenders. Borrower will notify the Administrative Agent (who will promptly notify Lenders) of any acquisitions, dispositions, mergers or asset purchases involving assets valued in excess of 5% of the Consolidated Operating Partnership's then-current Market Value Net Worth and certify compliance with covenants after giving effect to such proposed acquisition, disposition, merger, or asset purchase regardless of whether any consent is required.

9.10 Negative Pledge. Borrower agrees that throughout the term of this Facility, no "negative pledge" on any Project then included in Unencumbered Assets restricting Borrower's (or wholly-owned Subsidiary's) right to sell or encumber such Project shall be given to any other lender or creditor or, if such a "negative pledge" is given, the Project affected shall be immediately excluded from Unencumbered Assets.

9.11 Maximum Revenue from Single Tenant. Permit the rent revenue (exclusive of tenant reimbursements) received from a single tenant during any quarter (as annualized), to exceed 7.5% of the Consolidated Operating Partnership's total rent revenue (as annualized) as of the last day of such quarter, except where the Consolidated Operating Partnership's noncompliance arises from a merger of tenants or other causes outside of the Consolidated Operating Partnership's control.

-65-

67

ARTICLE X

DEFAULTS

The occurrence of any one or more of the following events shall constitute an Event of Default:

10.1 Nonpayment of Principal. The Borrower fails to pay any principal portion of the Obligations when due, whether on the Maturity Date or otherwise.

10.2 Certain Covenants. The Borrower, General Partner and/or Consolidated Operating Partnership, as the case may be, is not in compliance with any one or more of Sections 8.10, 8.13, 9.3, 9.4, 9.5, 9.6, 9.8, 9.9, 9.10 or 9.11 hereof.

10.3 Nonpayment of Interest and Other Obligations. The Borrower fails to pay any interest or other portion of the Obligations, other than payments of principal, and such failure continues for a period of five (5) days after the date such payment is due.

10.4 Cross Default. Any monetary default occurs (after giving effect to any applicable cure period) under any other Indebtedness (which includes liability under Guaranties) of Borrower or the General Partner, singly or in the aggregate, in excess of Seven Million Five Hundred Thousand Dollars (\$7,500,000), other than (i) Indebtedness arising from the purchase of personal property or the provision of services, the amount of which is being contested by Borrower or (ii) Indebtedness (other than the REMIC Loan which is the subject of Section 10.13 below) which is "non-recourse", i.e., which is not recoverable by the creditor thereof from the general assets of the Borrower, the General Partner or any of their Affiliates, but is limited to the proceeds of certain real estate, improvements and related personal property.

10.5 Loan Documents. Any Loan Document is not in full force and effect or a default has occurred and is continuing thereunder after giving effect to any cure or grace period in any such document.

10.6 Representation or Warranty. At any time or times hereafter any representation or warranty set forth in Articles VI or VII of this Agreement or in any other Loan Document or in any statement, report or certificate now or hereafter made by the Borrower or the General Partner to the Lenders or the Administrative Agent is not true and correct in any material respect.

10.7 Covenants, Agreements and Other Conditions. The Borrower or the General Partner fails to perform or observe any of the other covenants, agreements and conditions contained in Articles VIII and IX (except for Sections 8.10, 8.13, 9.3, 9.4, 9.5, 9.6, 9.8, 9.9, 9.10 or 9.11 hereof) and elsewhere in this Agreement or any of the other Loan Documents in

-66-

68

accordance with the terms hereof or thereof, not specifically referred to herein, and such Default continues unremedied for a period of thirty (30) days after written notice from Administrative Agent, provided, however, that if such Default is susceptible of cure but cannot by the use of reasonable efforts be cured within such thirty (30) day period, such Default shall not constitute an Event of Default under this Section 10.7 so long as (i) the Borrower or the General Partner, as the case may be, has commenced a cure within such thirty-day period and (ii) thereafter, Borrower or General Partner, as the case may be, is proceeding to cure such default continuously and diligently and in a manner reasonably satisfactory to Lenders and (iii) such default is cured not later than sixty (60) days after the expiration of such thirty (30) day period.

10.8 No Longer General Partner. The General Partner shall no longer be the sole general partner of Borrower.

10.9 Material Adverse Financial Change. The Borrower or General Partner has suffered a Material Adverse Financial Change or is Insolvent.

10.10 Bankruptcy.

(a) The General Partner, the Borrower or any Subsidiary having more than \$10,000,000 of Equity Value (as defined below) shall (i) have an order for relief entered with respect to it under the Federal bankruptcy laws as now or hereafter in effect, (ii) make an assignment for the benefit of creditors, (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial portion of its Property, (iv) institute any proceeding seeking an order for relief under the Federal bankruptcy laws as now or hereafter in

effect or seeking to adjudicate it as a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) take any corporate action to authorize or effect any of the foregoing actions set forth in this Section 10.10(a), (vi) fail to contest in good faith any appointment or proceeding described in Section 10.10(b) or (vii) not pay, or admit in writing its inability to pay, its debts generally as they become due. As used herein, the term "Equity Value" of a Subsidiary shall mean (1) Property Operating Income of such Subsidiary's Properties owned as of the Agreement Execution Date capitalized at a 10.5% rate, plus (2) the purchase price of any of such Subsidiary's Properties acquired after the Agreement Execution Date less (3) any Indebtedness of such Subsidiary;

(b) A receiver, trustee, examiner, liquidator or similar official shall be appointed for the General Partner, Borrower or any Subsidiary having more than \$10,000,000 of Equity Value or any substantial portion of any of their Properties, or a proceeding described in Section 10.10(a)(iv) shall be instituted against the General Partner, the Borrower or any

-67-

69

such Subsidiary and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) consecutive days.

10.11 Legal Proceedings. Borrower or General Partner is enjoined, restrained or in any way prevented by any court order or judgment or if a notice of lien, levy, or assessment is filed of record with respect to all or any part of the Properties by any governmental department, office or agency, which could materially adversely affect the performance of the obligations of such parties hereunder or under the Loan Documents, as the case may be, or if any proceeding is filed or commenced seeking to enjoin, restrain or in any way prevent the foregoing parties from conducting all or a substantial part of their respective business affairs and failure to vacate, stay, dismiss, set aside or remedy the same within ninety (90) days after the occurrence thereof.

10.12 ERISA. Borrower or General Partner is deemed to hold "plan assets" within the meaning of ERISA or any regulations promulgated thereunder of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code).

10.13 REMIC Loan. Any "Event of Default" (as such term is defined in the REMIC Loan Agreement) occurs under the REMIC Loan Agreement with respect to the REMIC Loan.

10.14 Failure to Satisfy Judgments. The General Partner, the Borrower or any of its Subsidiaries shall fail within sixty (60) days to pay, bond or otherwise discharge any judgments or orders for the payment of money in an amount which, when added to all other judgments or orders outstanding against the General Partner, the Borrower or any Subsidiary would exceed \$10,000,000 in the aggregate, which have not been stayed on appeal or otherwise appropriately contested in good faith, unless the liability is insured against and the insurer has not challenged coverage of such liability.

10.15 Environmental Remediation. Failure to remediate within the time period required by law or governmental order, (or within a reasonable time in light of the nature of the problem if no specific time period is so established), environmental problems in violation of applicable law related to Properties of Borrower and/or its Subsidiaries where the estimated cost of remediation is in the aggregate in excess of \$20,000,000, in each case after all administrative hearings and appeals have been concluded.

ARTICLE XI

-68-

ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

11.1 Acceleration.

If any Event of Default described in Section 10.10 hereof occurs, the obligation of the Lenders to make Advances and of the Issuing Bank to issue Facility Letters of Credit hereunder shall automatically terminate and the Obligations shall immediately become due and payable. If any other Event of Default described in Article X hereof occurs, such obligation to make Advances and to issue Facility Letters of Credit shall be terminated and at the election of the Majority Lenders, the Obligations may be declared to be due and payable.

In addition to the foregoing, following the occurrence of an Event of Default and so long as any Facility Letter of Credit has not been fully drawn and has not been cancelled or expired by its terms, upon demand by the Majority Lenders the Borrower shall deposit in the Letter of Credit Collateral Account cash in an amount equal to the aggregate undrawn face amount of all outstanding Facility Letters of Credit and all fees and other amounts due or which may become due with respect thereto. The Borrower shall have no control over funds in the Letter of Credit Collateral Account, which funds shall be invested by the Administrative Agent from time to time in its discretion in certificates of deposit of First Chicago having a maturity not exceeding thirty (30) days. Such funds shall be promptly applied by the Administrative Agent to reimburse the Issuing Bank for drafts drawn from time to time under the Facility Letters of Credit and to pay any fees or other amounts due with respect thereto. Such funds, if any, remaining in the Letter of Credit Collateral Account following the payment of all Obligations in full shall, unless the Administrative Agent is otherwise directed by a court of competent jurisdiction, be promptly paid over to the Borrower.

11.2 Preservation of Rights; Amendments. No delay or omission of the Lenders in exercising any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of an Advance notwithstanding the existence of a Default or the inability of the Borrower to satisfy the conditions precedent to such Advance shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Administrative Agent and the number of Lenders required hereunder and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Lenders until the Obligations have been paid in full.

-69-

ARTICLE XII

THE ADMINISTRATIVE AGENT

12.1 Appointment. First Chicago is hereby appointed Administrative Agent hereunder and under each other Loan Document, and each of the Lenders authorizes the Administrative Agent to act as the agent of such Lender. The Administrative Agent agrees to act as such upon the express conditions contained in this Article XII. The Administrative Agent shall not have a fiduciary relationship in respect of any Lender by reason of this Agreement, except to the extent the Administrative Agent acts as an agent with respect to the receipt or payment of funds hereunder.

12.2 Powers. The Administrative Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Administrative Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall have no implied duties to the Lenders, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Administrative Agent.

12.3 General Immunity. Neither the Administrative Agent (in its capacity as Administrative Agent) nor any of its directors, officers, agents or employees shall be liable to the Borrower, the Lenders or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith, except for its or their own gross negligence or willful misconduct. Subject to the express terms hereof, the Administrative Agent will, unless otherwise instructed as described in Section 12.5, endeavor to administer the Facility in substantially the same manner as it administers similar credit facilities held for its own account.

12.4 No Responsibility for Loans, Recitals, etc. Neither the Administrative Agent (in its capacity as Administrative Agent) nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (i) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document; (iii) the satisfaction of any condition specified in Article V, except receipt of items required to be delivered to the Administrative Agent; or (iv) the validity, effectiveness or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith.

12.5 Action on Instructions of Lenders. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Majority Lenders, Supermajority Lenders or all Lenders, as the case may be, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders and on all holders

-70-

72

of Notes. The Administrative Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

12.6 Employment of Administrative Agents and Counsel. The Administrative Agent may execute any of its duties as Administrative Agent hereunder and under any other Loan Document by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall be entitled to advice of counsel concerning all matters pertaining to the agency hereby created and its duties hereunder and under any other Loan Document.

12.7 Reliance on Documents; Counsel. The Administrative Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of outside counsel selected by the Administrative Agent.

12.8 Administrative Agent's Reimbursement and Indemnification. The Lenders agree to reimburse and indemnify the Administrative Agent ratably in accordance with their respective Percentages (i) for any amounts not reimbursed by the Borrower for which the Administrative Agent is entitled to reimbursement by the Borrower under the Loan Documents, (ii) for any other reasonable expenses incurred by the Administrative Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents, if not paid by Borrower, and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent (in its capacity as Administrative Agent and not as a Lender) in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents, provided that no Lender shall be liable

for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Administrative Agent.

12.9 Rights as a Lender. With respect to the Commitment, Advances made by it and the Note issued to it, the Administrative Agent shall have the same rights and powers hereunder and under any other Loan Document as any Lender and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. The Administrative Agent, in its individual capacity, may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those

-71-

73

contemplated by this Agreement or any other Loan Document, with the Borrower or any of its Subsidiaries in which the Borrower or such Subsidiary is not restricted hereby from engaging with any other Person.

12.10 Commitment as a Lender. First Chicago and UBS each agrees to maintain at all times a Commitment of at least 8.34% of the Aggregate Commitment so long as First Chicago remains as Administrative Agent; provided, that the foregoing agreement of First Chicago and UBS shall not apply at any time following a Monetary Default or Event of Default (irrespective of whether such Monetary Default or Event of Default subsequently is waived).

12.11 Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

12.12 Successor Administrative Agent. Each Lender agrees that First Chicago shall serve as Administrative Agent at all times during the term of this Facility, except that First Chicago may resign as Administrative Agent in the event (x) First Chicago and Borrower shall mutually agree in writing or (y) an Event of Default shall occur under the Loan Documents (irrespective of whether such Event of Default subsequently is waived), or (z) First Chicago shall determine, in its sole reasonable discretion, that because of its other banking relationships with Borrower and/or Borrower's Affiliates at the time of such decision First Chicago's resignation as Administrative Agent would be necessary in order to avoid creating an appearance of impropriety on the part of First Chicago. First Chicago (or any successor Administrative Agent) may be removed as Administrative Agent by written notice received by Administrative Agent from all of the other Lenders (i) at any time with cause (i.e., a breach by First Chicago (or any successor Administrative Agent) of its duties as Administrative Agent hereunder), or (ii) without cause if First Chicago (or any successor Administrative Agent) assigns a portion of First Chicago's (or such successor Administrative Agent's) then applicable Commitment in an amount such that following such assignment First Chicago's (or such successor Administrative Agent's) then remaining Commitment is less than the then applicable Commitment of any other Lender hereunder. Upon any such resignation or removal, UBS shall be the successor Administrative Agent (unless objected to by the Majority Lenders) or, if UBS declines or is so objected to, the Majority Lenders shall have the right to appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Majority Lenders and shall have accepted such appointment within thirty days after the retiring Administrative Agent's giving notice of resignation, then the retiring Administrative Agent may appoint, on behalf of the

-72-

74

Borrower and the Lenders, a successor Administrative Agent. Such successor Administrative Agent shall be a commercial bank having capital and retained earnings of at least \$100,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent (including the right to receive any fees for performing such duties which accrue thereafter), and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article XII shall continue in effect for its benefit and that of the other Lenders in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder and under the other Loan Documents.

12.13 Notice of Defaults. If a Lender becomes aware of a Default or Event of Default, such Lender shall notify the Administrative Agent of such fact. Upon receipt of such notice that a Default or Event of Default has occurred, the Administrative Agent shall notify each of the Lenders of such fact.

12.14 Requests for Approval. If the Administrative Agent requests in writing the consent or approval of a Lender, such Lender shall respond and either approve or disapprove definitively in writing to the Administrative Agent within ten Business Days (or sooner if such notice specifies a shorter period, but in no event less than five Business Days for responses based on Administrative Agent's good faith determination that circumstances exist warranting its request for an earlier response) after such written request from the Administrative Agent. If the Lender does not so respond, that Lender shall be deemed to have approved the request. Upon request, the Administrative Agent shall notify the Lenders which Lenders, if any, failed to respond to a request for approval.

12.15 Copies of Documents. Administrative Agent shall promptly deliver to each of the Lenders copies of all notices of default and other formal notices sent or received and according to Section 15.1 of this Agreement. Administrative Agent shall deliver to Lenders within 15 Business Days following receipt, copies of all financial statements, certificates and notices received regarding the General Partner's ratings except to the extent such items are required to be furnished directly to the Lenders by Borrower hereunder. Within fifteen Business Days after a request by a Lender to the Administrative Agent for other documents furnished to the Administrative Agent by the Borrower, the Administrative Agent shall provide copies of such documents to such Lender except where this Agreement obligates Administrative Agent to provide copies in a shorter period of time.

12.16 Defaulting Lenders. At such time as a Lender becomes a Defaulting Lender, such Defaulting Lender's right to vote on matters which are subject to the consent or approval of the Majority or Supermajority Lenders, such Defaulting Lender or all Lenders shall be immediately suspended until such time as the Lender is no longer a Defaulting Lender. If a

-74-

75

Defaulting Lender has failed to fund its Percentage of any Advance and until such time as such Defaulting Lender subsequently funds its Percentage of such Advance, all Obligations owing to such Defaulting Lender hereunder shall be subordinated in right of payment, as provided in the following sentence, to the prior payment in full of all principal of, interest on and fees relating to the Loans funded by the other Lenders in connection with any such Advance in which the Defaulting Lender has not funded its Percentage (such principal, interest and fees being referred to as "Senior Loans" for the purposes of this section). All amounts paid by the Borrower and otherwise due to be applied to the Obligations owing to such Defaulting Lender pursuant to the terms hereof shall be distributed by the Administrative Agent to the other Lenders in accordance with their respective Percentages (recalculated for the purposes hereof to exclude the Defaulting Lender) until all Senior Loans have been paid in full. At that point, the "Defaulting Lender" shall no longer be deemed a Defaulting Lender. After the Senior Loans have been paid in full equitable adjustments will be made in connection with future payments by the Borrower to the extent a

portion of the Senior Loans had been repaid with amounts that otherwise would have been distributed to a Defaulting Lender but for the operation of this Section 12.16. This provision governs only the relationship among the Administrative Agent, each Defaulting Lender and the other Lenders; nothing hereunder shall limit the obligation of the Borrower to repay all Loans in accordance with the terms of this Agreement. The provisions of this Section 12.16 shall apply and be effective regardless of whether a Default occurs and is continuing, and notwithstanding (i) any other provision of this Agreement to the contrary, (ii) any instruction of the Borrower as to its desired application of payments or (iii) the suspension of such Defaulting Lender's right to vote on matters as provided above.

ARTICLE XIII

BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

13.1 Successors and Assigns.

The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of Borrower and the Lenders and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights or obligations under the Loan Documents without the consent of all the Lenders and any assignment by any Lender must be made in compliance with Section 13.3. The Administrative Agent may treat the payee of any Note as the owner thereof for all purposes hereof unless and until such payee complies with Section 13.3 in the case of an assignment thereof or, in the case of any other transfer, a written notice of the transfer is filed with the Administrative Agent. Any assignee or transferee of a Note agrees by acceptance thereof to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person who at the time of making such request or giving such authority or consent is the holder of any Note, shall be

-74-

76

conclusive and binding on any subsequent holder, transferee or assignee of such Note or of any Note or Notes issued in exchange therefor.

13.2 Participations.

13.2.1 Permitted Participants; Effect. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in any Advance owing to such Lender, any Note held by such Lender, any Commitment of such Lender or any other interest of such Lender under the Loan Documents. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the holder of any such Note for all purposes under the Loan Documents, all amounts payable by Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests, and Borrower and the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents.

13.2.2 Voting Rights. Each Lender shall retain the sole right to vote its Percentage of the Aggregate Commitment, without the consent of any Participant, for the approval or disapproval of any amendment, modification or waiver of any provision of the Loan Documents, provided that such Lender may grant such Participant the right to approve any amendment, modification or waiver which forgives principal, interest or fees or reduces the interest rate or fees payable hereunder, postpones any date fixed for any regularly-scheduled payment of principal or of interest on the Obligations, or extends the Maturity Date.

13.3 Assignments.

13.3.1 Permitted Assignments. Subject to the provisions of Section 12.10 above with respect to First Chicago and UBS, any Lender

may, with the prior written consent of Administrative Agent and Borrower (which consents shall not be unreasonably withheld or delayed), in accordance with applicable law, at any time assign to one or more banks or other entities (collectively, "Purchasers") all or any part of its rights and obligations under the Loan Documents, except that no consent of Borrower shall be required if an Event of Default has occurred and is continuing and that no consent of Administrative Agent or Borrower shall ever be required for (i) any assignment to a Person directly or indirectly controlling, controlled by or under direct or indirect common control with the assigning Lender or (ii) the pledge or assignment by a Lender of such Lender's Note and other rights under the Loan Documents to any Federal Reserve Bank in accordance with applicable law. Such assignments and

-75-

77

assumptions shall be substantially in the form of Exhibit J hereto. The Borrower shall execute any and all documents which are customarily required by such Lender (including, without limitation, a replacement promissory note or notes in the forms provided hereunder) in connection with any such assignment, but Borrower shall not be obligated to pay any fees and expenses incurred by any Lender in connection with any assignment pursuant to this Section. Any Lender selling all or any part of its rights and obligation hereunder in a transaction requiring the consent of the Administrative Agent shall pay to the Administrative Agent a fee of \$3,500.00 per assignee to reimburse Administrative Agent for its involvement in such assignment.

13.3.2 Effect; Effective Date of Assignment. Upon delivery to the Administrative Agent of a notice of assignment executed by the assigning Lender and the Purchaser, such assignment shall become effective on the effective date specified in such notice of assignment. The notice of assignment shall contain a representation by the Purchaser to the effect that none of the consideration used to make the purchase of the Commitment and the Loan under the applicable assignment agreement are "plan assets" as defined under ERISA and that the rights and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party hereto, and no further consent or action by Borrower, the Lenders or the Administrative Agent shall be required to release the transferor Lender with respect to the percentage of the Commitment and Advances assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this Section 13.3.2, the transferor Lender, the Administrative Agent and Borrower shall make appropriate arrangements so that replacement Notes are issued to such transferor Lender and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective Commitments, as adjusted pursuant to such assignment.

13.4 Dissemination of Information. Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "Transferee") and any prospective Transferee any and all information in such Lender's possession concerning the creditworthiness of Borrower and General Partner. Each Transferee shall agree in writing to keep confidential any such information which is not publicly available.

13.5 Tax Treatment. If any interest in any Loan Document is transferred to any Transferee which is organized under the laws of any jurisdiction other than the United States or any State thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to comply with all applicable provisions of the Code with respect to withholding and other tax matters.

ARTICLE XIV

GENERAL PROVISIONS

14.1 Survival of Representations. All representations and warranties contained in this Agreement shall survive delivery of the Notes and the making of the Advances herein contemplated.

14.2 Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

14.3 Taxes. Any recording and other taxes (excluding franchise, income or similar taxes) or other similar assessments or charges payable or ruled payable by any governmental authority incurred in connection with the consummation of the transactions contemplated by this Agreement shall be paid by the Borrower, together with interest and penalties, if any.

14.4 Headings. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

14.5 No Third Party Beneficiaries. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns.

14.6 Expenses; Indemnification. Subject to the provisions of this Agreement, Borrower will pay (a) all out-of-pocket costs and expenses incurred by the Administrative Agent and the Arrangers (including the reasonable fees, out-of-pocket expenses and other reasonable expenses of counsel, which counsel may be employees of Administrative Agent) in connection with the preparation, execution and delivery of this Agreement, the Notes, the Loan Documents and any other agreements or documents referred to herein or therein and any amendments thereto, (b) all out-of-pocket costs and expenses incurred by the Administrative Agent and the Lenders (including the reasonable fees, out-of-pocket expenses and other reasonable expenses of counsel to the Administrative Agent and the Lenders, which counsel may be employees of Administrative Agent or the Lenders) in connection with the enforcement and protection of the rights of the Lenders under this Agreement, the Notes, the Loan Documents or any other agreement or document referred to herein or therein, and (c) all reasonable and customary costs and expenses of periodic audits by the Administrative Agent's personnel of the Borrower's books and records provided that prior to an Event of Default, Borrower shall be required to pay for only one such audit during any year. The Borrower further agrees to indemnify the Lenders, their directors, officers and employees against all losses, claims, damages, penalties, judgments, liabilities and reasonable expenses (including,

without limitation, all expenses of litigation or preparation therefor whether or not the Lenders is a party thereto) which any of them may pay or incur arising out of or relating to this Agreement, the other Loan Documents, the transactions contemplated hereby or the direct or indirect application or proposed application of the proceeds of any Advance hereunder, except that the foregoing indemnity shall not apply to a Lender to the extent that any losses, claims, etc. are the result of such Lender's gross negligence or wilful misconduct. The obligations of the Borrower under this Section shall survive the termination of this Agreement.

14.7 Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other

jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

14.8 Nonliability of the Lenders. The relationship between the Borrower and the Lenders shall be solely that of borrower and lender. The Lenders shall not have any fiduciary responsibilities to the Borrower. The Lenders undertake no responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations.

14.9 Choice of Law. THE LOAN DOCUMENTS (OTHER THAN THOSE CONTAINING A CONTRARY EXPRESS CHOICE OF LAW PROVISION) SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF ILLINOIS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

14.10 Consent to Jurisdiction. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR ILLINOIS STATE COURT SITTING IN CHICAGO, ILLINOIS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE LENDERS TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY THE BORROWER AGAINST THE LENDERS OR ANY AFFILIATE OF THE LENDERS INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN CHICAGO, ILLINOIS.

-78-

80

14.11 Waiver of Jury Trial. THE BORROWER, THE GENERAL PARTNER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.

14.12 Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower and the Lenders and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights or obligations under the Loan Documents. Any assignee or transferee of the Notes agrees by acceptance thereof to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the holder of the Notes, shall be conclusive and binding on any subsequent holder, transferee or assignee of such Notes or of any note or notes issued in exchange therefor.

14.13 Entire Agreement; Modification of Agreement. The Loan Documents embody the entire agreement among the Borrower, General Partner, Administrative Agent, and Lenders and supersede all prior conversations, agreements, understandings, commitments and term sheets among any or all of such parties with respect to the subject matter hereof. Any provisions of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower, and Administrative Agent if the rights or duties of Administrative Agent are affected thereby, and

(a) each of the Lenders if such amendment or waiver

(i) reduces or forgives any payment of principal or interest on the Obligations or any fees payable by Borrower to such Lender hereunder; or

(ii) postpones the date fixed for any payment of principal or interest on the Obligations or any fees payable by Borrower to such Lender hereunder; or

(iii) changes the amount of such Lender's

Commitment (other than pursuant to an assignment permitted under Section 13.3 or a reduction in the Aggregate Commitment pursuant to Section 2.17 hereof) or the unpaid principal amount of such Lender's Note; or

(iv) extends the Maturity Date; or

-79-

81

(v) releases or limits the liability of the General Partner under the Loan Documents; or

(vi) changes the definition of Majority Lenders or Supermajority Lenders or modifies any requirement for consent by each of the Lenders; or

(vii) modifies or waives any covenant contained in Sections 8.13, 9.3, 9.5, 9.6, 9.8 or 9.10 hereof; or

(b) the Majority Lenders, to the extent expressly provided for herein; or

(c) the Supermajority Lenders, to the extent expressly provided for herein and in the case of all other waivers or amendments if no percentage of Lenders is specified herein.

14.14 Dealings with the Borrower. The Lenders and their affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with the Borrower or the General Partner or any of their Affiliates regardless of the capacity of the Lenders hereunder.

14.15 Set-Off.

(a) If an Event of Default shall have occurred, each Lender shall have the right, at any time and from time to time without notice to the Borrower, any such notice being hereby expressly waived, to set-off and to appropriate or apply any and all deposits of money or property or any other indebtedness at any time held or owing by such Lender to or for the credit or the account of the Borrower against and on account of all outstanding Obligations and all Obligations which from time to time may become due hereunder and all other obligations and liabilities of the Borrower under this Agreement, irrespective of whether or not such Lender shall have made any demand hereunder and whether or not said obligations and liabilities shall have matured.

(b) Each Lender agrees that if it shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of a proportion of the aggregate amount of principal, interest or fees due with respect to any Note held by it which is greater than the proportion received by any other Lender in respect of the aggregate amount of principal, interest or fees due with respect to any Note held by such other Lender, the Lender receiving such proportionately greater payment shall purchase such participations in the Notes held by the other Lenders and such other adjustments shall be made as may be required so that all such payments of principal, interest or Fees with respect to the Notes held by the Lenders shall be shared by the Lenders pro rata according to their respective Commitments.

-80-

82

14.16 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement shall be effective when it has been executed by the Borrower and each of the Lenders shown on the signature pages hereof.

ARTICLE XV

NOTICES

15.1 Giving Notice. All notices and other communications provided to any party hereto under this Agreement or any other Loan Document shall be in writing or by telex or by facsimile and addressed or delivered to such party at its address set forth below or at such other address as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid, shall be deemed given when received; any notice, if transmitted by telex or facsimile, shall be deemed given when transmitted (answerback confirmed in the case of telexes). Notice may be given as follows:

To the Borrower:

First Industrial, L.P.
c/o First Industrial Realty Trust, Inc.
311 South Wacker Drive
Suite 4000
Chicago, Illinois 60606
Attention: Mr. Scott Musil
Telecopy: (312) 704-6606

To General Partner:

First Industrial Realty Trust, Inc.
311 South Wacker Drive
Suite 4000
Chicago, Illinois 60606
Attention: Mr. Michael Havala
Telecopy: (312) 704-6606

-81-

83

Each of the above with a copy to:

Barack Ferrazzano Kirschbaum & Perlman
333 W. Wacker Drive
Suite 2700
Chicago, Illinois 60606
Attention: Howard A. Nagelberg, Esq.
Telecopy: (312) 984-3150

To each Lender:

As shown below the Lenders' signatures.

To the Administrative Agent:

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670
Attention: Real Estate Finance Division
Telecopy: (312) 732-1117

With a copy to:

Sonnenschein Nath & Rosenthal
8000 Sears Tower
Chicago, Illinois 60606
Attention: Patrick G. Moran, Esq.
Telecopy: (312) 876-7934

To the Documentation Agent:

Union Bank of Switzerland,
New York Branch
299 Park Avenue
New York, New York 10171-0026
Attention: Howard Margolis
Telecopy: (212) 821-4138

15.2 Change of Address. Each party may change the address for service

of notice upon it by a notice in writing to the other parties hereto.

-82-

84

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

BORROWER: FIRST INDUSTRIAL, L.P.

By: FIRST INDUSTRIAL REALTY
TRUST, INC., its General Partner

By: /s/ Gary H. Heigl

Title: Senior Vice President - Capital Markets

GENERAL PARTNER: FIRST INDUSTRIAL REALTY TRUST, INC.

By: /s/ Gary H. Heigl

Title: Senior Vice President - Capital Markets

LENDERS: THE FIRST NATIONAL BANK OF CHICAGO

By: /s/ Gregory A. Gilbert

Title: /s/ Vice - President

Commitment: \$30,000,000
Percentage of
Aggregate Commitment: 10.000000000000%

Address for Notices:
One First National Plaza
Chicago, Illinois 60670
Attention: Real Estate Finance Division
Telephone: 312/732-2107
Telecopy: 312/732-1117

-83-

85

AMSOUTH BANK

By: _____

Title: _____

Commitment: \$25,000,000
Percentage of
Aggregate Commitment: 8.333333333333%

Address for Notices:
1900 5th Avenue, North
AmSouth Sonat Tower, 9th Floor
Birmingham, Alabama 35203
Attention: Buddy Sharbel
Telephone: 205/581-7647
Telecopy: 205/326-4075

BANK OF MONTREAL

By: _____
Title: _____
Commitment: \$30,000,000
Percentage of
Aggregate Commitment: 10.000000000000%

Address for Notices:
115 South LaSalle Street, 12 West
Chicago, Illinois 60603
Attention: Cathy Sahagian
Telephone: 312/750-5905
Telecopy: 312/750-4352

-84-

86

COMERICA BANK

By: _____
Title: _____
Commitment: \$20,000,000
Percentage of
Aggregate Commitment: 6.666666666667%

Address for Notices:
500 Woodward
Detroit, Michigan 48226-3256
Attention: David Campbell
Telephone: 313/222-9306
Telecopy: 313/222-9295

COMMERZBANK AG

By: _____
Title: _____
Commitment: \$25,000,000
Percentage of
Aggregate Commitment: 8.333333333333%

Address for Notices:
Two World Financial Center
New York, New York 10281
Attention: Doug Traynor
Telephone: 212/266-7569
Telecopy: 212/266-7530

-85-

87

DRESDNER BANK AG NEW YORK AND GRAND
CAYMAN BRANCHES

By: _____
Title: _____
Commitment: \$20,000,000
Percentage of
Aggregate Commitment: 6.666666666667%

Address for Notices:
190 South LaSalle Street, Suite 2700
Chicago, Illinois 60606
Attention: James Blessing, Vice President
Telephone: 312-444-1318
Telecopy: 312/444-1305

U.S. BANK NATIONAL ASSOCIATION, F/K/A AND
D/B/A FIRST BANK NATIONAL ASSOCIATION

By: _____
Title: _____
Commitment: \$25,000,000
Percentage of
Aggregate Commitment: 8.333333333333%

Address for Notices:
U.S. Bank Place
601 Second Avenue South
(MPSP0802)
Minneapolis, Minnesota 55402-4302
Attention: Stephen P. Bailey
Telephone: 612/973-0564
Telecopy: 612/973-0830

-86-

88

FIRST UNION NATIONAL BANK

By: _____
Title: _____
Commitment: \$20,000,000
Percentage of
Aggregate Commitment: 6.666666666667%

Address for Notices:
One First Union Center, DC-6
Charlotte, North Carolina 28288-0166
Attention: John Schissel
Telephone: 704/383-1967
Telecopy: 704/383-6205

KEYBANK NATIONAL ASSOCIATION

By: _____
Title: _____
Commitment: \$20,000,000
Percentage of
Aggregate Commitment: 6.666666666667%

Address for Notices:
Commercial Real Estate Division
190 South LaSalle Street, Suite 2840
Chicago, Illinois 60603
Attention: David Bluestone
Telephone: 312/251-3582
Telecopy: 312/251-0687

-87-

89

LASALLE NATIONAL BANK

By: _____
Title: _____
Commitment: \$15,000,000
Percentage of
Aggregate Commitment: 5.000000000000%

Address for Notices:
135 South LaSalle Street, Suite 1225
Chicago, Illinois 60603
Attention: John Hein
Telephone: 312/904-4330
Telecopy: 312/904-6467

THE NORTHERN TRUST COMPANY

By: _____
Title: _____
Commitment: \$20,000,000
Percentage of
Aggregate Commitment: 6.666666666667%

Address for Notices:
50 South LaSalle Street
Chicago, Illinois 60675
Attention: Robert Wiarda
Telephone: 312/444-3380
Telecopy: 312/444-7028

-88-

90

THE SUMITOMO BANK, LIMITED

By: _____
Title: _____
Commitment: \$20,000,000
Percentage of
Aggregate Commitment: 6.666666666667%

Address for Notices:
277 Park Avenue, 6th Floor
IFD Real Estate Division
New York, New York 10172
Attention: Michael S. Leffelholz
Telephone: 212/224-4190
Telecopy: 212/224-4887

UNION BANK OF SWITZERLAND, NEW YORK
BRANCH

By: _____
Title: _____

By: _____
Title: _____
Commitment: \$30,000,000
Percentage of
Aggregate Commitment: 10.000000000000%

Address for Notices:
299 Park Avenue
New York, New York 10171-0026
Attention: Ziomara Martez
Telephone: 212/821-3872
Telecopy: 212/821-4138

-89-

ADMINISTRATIVE AGENT: THE FIRST NATIONAL BANK OF CHICAGO

By: _____
Title: _____

Address for Notices:
One First National Plaza
Chicago, Illinois 60670
Attention: Real Estate Finance Division
Telephone: 312/732-2107
Telecopy: 312/732-1117

DOCUMENTATION AGENT: UNION BANK OF SWITZERLAND, NEW YORK
BRANCH

By: _____
Title: _____

By: _____
Title: _____

-90-

EXHIBIT A
PERCENTAGES

See Percentages on Preceding Signature Pages

-91-

EXHIBIT B-1
FORM OF NOTE

\$ _____, 1997

On or before the Maturity Date, as defined in that certain Unsecured

Revolving Credit Agreement dated as of December 15, 1997 (the "Agreement") between FIRST INDUSTRIAL, L.P., a Delaware limited partnership ("Borrower"), First Industrial Realty Trust, Inc., a Maryland corporation, Union Bank of Switzerland, New York Branch, individually and as Documentation Agent, The First National Bank of Chicago, a national bank organized under the laws of the United States of America, individually and as Administrative Agent for the Lenders (as such terms are defined in the Agreement), and the other Lenders listed on the signature pages of the Agreement, Borrower promises to pay to the order of _____ (the "Lender"), or its successors and assigns, the principal sum of _____ AND NO/100 DOLLARS (\$ _____) or the aggregate unpaid principal amount of all Loans (other than Competitive Bid Loans) made by the Lender to the Borrower pursuant to Section 2.1 of the Agreement, in immediately available funds at the office of the Administrative Agent in Chicago, Illinois, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The Borrower shall pay this Promissory Note ("Note") in full on or before the Maturity Date in accordance with the terms of the Agreement.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date and amount of each Advance and the date and amount of each principal payment hereunder.

This Note is issued pursuant to, and is entitled to the security under and benefits of, the Agreement and the other Loan Documents, to which Agreement and Loan Documents, as they may be amended from time to time, reference is hereby made for, inter alia, a statement of the terms and conditions under which this Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

If there is an Event of Default or Default under the Agreement or any other Loan Document and Lender exercises its remedies provided under the Agreement and/or any of the Loan Documents, then in addition to all amounts recoverable by the Lender under such documents, Lender shall be entitled to receive reasonable attorneys fees and expenses incurred by Lender in exercising such remedies.

-92-

94

Borrower and all endorsers severally waive presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Note (except as otherwise expressly provided for in the Agreement), and any and all lack of diligence or delays in collection or enforcement of this Note, and expressly agree that this Note, or any payment hereunder, may be extended from time to time, and expressly consent to the release of any party liable for the obligation secured by this Note, the release of any of the security of this Note, the acceptance of any other security therefor, or any other indulgence or forbearance whatsoever, all without notice to any party and without affecting the liability of the Borrower and any endorsers hereof.

This Note shall be governed and construed under the internal laws of the State of Illinois.

BORROWER AND LENDER, BY ITS ACCEPTANCE HEREOF, EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT UNDER THIS PROMISSORY NOTE OR ANY OTHER LOAN DOCUMENT OR RELATING THERETO OR ARISING FROM THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS NOTE AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

FIRST INDUSTRIAL, L.P.

By: First Industrial Realty Trust, Inc.,

its general partner

By: _____
Its: _____

-93-

95

PAYMENTS OF PRINCIPAL

Date	Unpaid Principal Balance	Notation	Made by

-94-

96

EXHIBIT B-2

FORM OF COMPETITIVE BID NOTE

_____, 1997

On or before the last day of each "Interest Period" applicable to a "Competitive Bid Loan", as defined in that certain Unsecured Revolving Credit Agreement dated as of December 15, 1997 (the "Agreement") between FIRST

INDUSTRIAL, L.P., a Delaware limited partnership ("Borrower"), First Industrial Realty Trust, Inc., a Maryland corporation, Union Bank of Switzerland, New York Branch, The First National Bank of Chicago, a national bank organized under the laws of the United States of America, individually and as Administrative Agent for the Lenders (as such terms are defined in the Agreement), Borrower promises to pay to the order of _____ (the "Lender"), or its successors and assigns, the unpaid principal amount of such Competitive Bid Loan made by the Lender to the Borrower pursuant to Section 2.16 of the Agreement, in immediately available funds at the office of the Administrative Agent in Chicago, Illinois, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The Borrower shall pay any remaining unpaid principal amount of such Competitive Bid Loans under this Competitive Bid Note ("Note") in full on or before the Maturity Date in accordance with the terms of the Agreement.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date, amount and due date of each Competitive Bid Loan and the date and amount of each principal payment hereunder.

This Note is issued pursuant to, and is entitled to the security under and benefits of, the Agreement and the other Loan Documents, to which Agreement and Loan Documents, as they may be amended from time to time, reference is hereby made for, inter alia, a statement of the terms and conditions under which this Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

If there is an Event of Default or Default under the Agreement or any other Loan Document and Lender exercises its remedies provided under the Agreement and/or any of the Loan Documents, then in addition to all amounts recoverable by the Lender under such documents, Lender shall be entitled to receive reasonable attorneys fees and expenses incurred by Lender in exercising such remedies.

-95-

97

Borrower and all endorsers severally waive presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Note (except as otherwise expressly provided for in the Agreement), and any and all lack of diligence or delays in collection or enforcement of this Note, and expressly agree that this Note, or any payment hereunder, may be extended from time to time, and expressly consent to the release of any party liable for the obligation secured by this Note, the release of any of the security of this Note, the acceptance of any other security therefor, or any other indulgence or forbearance whatsoever, all without notice to any party and without affecting the liability of the Borrower and any endorsers hereof.

This Note shall be governed and construed under the internal laws of the State of Illinois.

BORROWER AND LENDER, BY ITS ACCEPTANCE HEREOF, EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT UNDER THIS PROMISSORY NOTE OR ANY OTHER LOAN DOCUMENT OR RELATING THERETO OR ARISING FROM THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS NOTE AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

FIRST INDUSTRIAL, L.P.

By: First Industrial Realty Trust, Inc.,
its general partner

By: _____
Its: _____

-96-

PAYMENTS OF PRINCIPAL

[illegible]

-97-

EXHIBIT C-1

FORM OF COMPETITIVE BID QUOTE REQUEST
(Section 2.16(b))

To: The First National Bank of Chicago,
as administrative agent (the "Agent")

From: First Industrial, L.P. (the "Borrower")

Re: Unsecured Revolving Credit Agreement dated as of December 15,
1997 among the Borrower, First Industrial Realty Trust, Inc.,
the lenders from time to time party thereto, Union Bank of
Switzerland and The First National Bank of Chicago, as Agent for
such lenders (as amended, supplemented or otherwise modified
from time to time through the date hereof, the "Agreement")

1. Capitalized terms used herein have the meanings assigned to them in the Agreement.

2. We hereby give notice pursuant to Section 2.16(b) of the Agreement

that we request Competitive Bid Quotes for the following proposed Competitive Bid Loan(s):

Borrowing Date: _____, 19____

Principal Amount (1)

Interest Period 2

3. Such Competitive Bid Quotes should offer [a Competitive LIBOR Margin] [an Absolute Rate].

- -----

(1) Amount must be at least \$10,000,000 and an integral multiple of \$1,000,000.

(2) One, two, three or six months (Competitive LIBOR Margin) or up to 180 days (Absolute Rate), subject to the provisions of the definitions of LIBOR Interest Period and Absolute Interest Period.

-98-

100

4. Upon acceptance by the undersigned of any or all of the Competitive Bid Loans offered by Lenders in response to this request, the undersigned shall be deemed to affirm as of the Borrowing Date thereof the representations and warranties made in Article VI of the Agreement.

FIRST INDUSTRIAL, L.P.

By: First Industrial Realty Trust, Inc., its general partner

By: _____
Title: _____

-99-

101

EXHIBIT C-2

INVITATION FOR COMPETITIVE BID QUOTES (Section 2.16(c))

To: Each of the Lenders party to
the Agreement referred to below

From: Invitation for Competitive Bid Quotes to
First Industrial, L.P. (the "Borrower")

Pursuant to Section 2.16(c) of the Unsecured Revolving Credit Agreement dated as of December 15, 1997 among the Borrower, First Industrial Realty Trust, Inc., the lenders from time to time party thereto, Union Bank of Switzerland and The First National Bank of Chicago, as Administrative Agent for such lenders (as amended, supplemented or otherwise modified from time to time through the date hereof, the "Agreement"), we are pleased on behalf of the Borrower to invite you to submit Competitive Bid Quotes to the Borrower for the following proposed Competitive Bid Loan(s):

Borrowing Date: _____, 19__

Principal Amount

Interest Period

Such Competitive Bid Quotes should offer [a Competitive LIBOR Margin] [an Absolute Rate]. Your Competitive Bid Quote must comply with Section 2.16(d) of the Agreement and the foregoing. Capitalized terms used herein have the meanings assigned to them in the Agreement.

Please respond to this invitation by no later than 9:00 a.m. (Chicago time) on _____, 19__.

THE FIRST NATIONAL BANK OF CHICAGO, as
Administrative Agent

By: _____
Title: _____

-100-

102

EXHIBIT C-3

COMPETITIVE BID QUOTE
(Section 2.16(d))

_____, 19__

To: The First National Bank of Chicago,
as Administrative Agent

Re: Competitive Bid Quote to First Industrial, L.P.
(the "Borrower")

In response to your invitation on behalf of the Borrower dated _____, 19__, we hereby make the following Competitive Bid Quote pursuant to Section 2.16(d) of the Agreement hereinafter referred to and on the following terms:

1. Quoting Lender: _____
2. Person to contact at Quoting Lender: _____
3. Borrowing Date: _____
(1)
4. We hereby offer to make Competitive Bid Loan(s) in the following principal amounts, for the following Interest Periods and at the following rates:

(1) As specified in the related Invitation For Competitive Bid Quotes.

103

Principal Amount (2)	Interest Period (3)	[Competitive LIBOR Margin (4)]	[Absolute Rate (5)]	Minimum Amount (6)
-------------------------	------------------------	--------------------------------------	------------------------	-----------------------

We understand and agree that the offer(s) set forth above, subject to the satisfaction of the applicable conditions set forth in the Unsecured Revolving Credit Agreement dated as of December 15, 1997, among the Borrower, First Industrial Realty Trust, Inc., the lenders from time to time party thereto, Union Bank of Switzerland and The First National Bank of Chicago, as Administrative Agent for such lenders (as amended, supplemented or otherwise modified from time to time through the date hereof, the "Agreement"), irrevocably obligates us to make the Competitive Bid Loan(s) for which any offer(s) are accepted, in whole or in part. Capitalized terms used herein and not otherwise defined herein shall have their meanings as defined in the Agreement.

Very truly yours,

[NAME OF LENDER]

By: _____
Title: _____

(2) Principal amount bid for each Interest Period may not exceed the principal amount requested. Bids must be made for at least \$10,000,000 and integral multiples of \$1,000,000.

(3) One, two, three or six months or up to 180 days, as specified in the related Invitation For Competitive Bid Quotes.

(4) Competitive LIBOR Margin for the applicable LIBOR Interest Period. Specify percentage (rounded to the nearest 1/100 of 1%) and specify whether "PLUS" or "MINUS".

(5) Specify rate of interest per annum (rounded to the nearest 1/100 of 1%).

(6) Specify minimum amount, if any, which the Borrower may accept (see Section 2.16(d)(ii)(d)).

104

EXHIBIT D

FORM OF GUARANTY

This Guaranty is made as of December 15, 1997, by First Industrial Realty Trust, Inc., a Maryland corporation ("Guarantor"), to and for the benefit of Union Bank of Switzerland, New York Branch, The First National Bank of Chicago, a national banking association, individually ("First Chicago"), and as administrative agent for itself and the lenders listed on the signature pages of the Revolving Credit Agreement (as defined below) and their respective successors and assigns (collectively, "Lender").

RECITALS

A. First Industrial, L.P., a Delaware limited partnership ("Borrower"), and Guarantor have requested that Lender make an unsecured revolving credit facility available to Borrower in the aggregate principal amount of up to \$300,000,000 ("Facility").

B. Lender has agreed to make available the Facility to Borrower pursuant to the terms and conditions set forth in an Unsecured Revolving Credit Agreement bearing even date herewith between Borrower, the Lenders and Guarantor ("Revolving Credit Agreement"). All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Revolving Credit Agreement.

C. Borrower has executed and delivered to Lender one or more Promissory Notes each of even date in the aggregate principal amount of \$300,000,000 as evidence of its indebtedness to Lender with respect to the Facility (the promissory notes described above, together with any amendments or allonges thereto, or restatements, replacements or renewals thereof, and/or new promissory notes to new Lenders under the Revolving Credit Agreement, are collectively referred to herein as the "Note"). Borrower has also executed and delivered to each Lender a note ("Competitive Loan Note") which evidences any Competitive Bid Loans which may be made by such Lender under the Revolving Credit Agreement.

D. Guarantor is the sole general partner of Borrower and, therefore, Guarantor will derive financial benefit from the Facility evidenced by the Note, Revolving Credit Agreement and the other Loan Documents. The execution and delivery of this Guaranty by Guarantor is a condition precedent to the performance by Lender of its obligations under the Revolving Credit Agreement.

-103-

105

AGREEMENTS

NOW, THEREFORE, Guarantor, in consideration of the matters described in the foregoing Recitals, which Recitals are incorporated herein and made a part hereof, and for other good and valuable consideration, hereby agrees as follows:

1. Guarantor absolutely, unconditionally, and irrevocably guarantees to Lender:

(a) the full and prompt payment of the principal of and interest on the Note and/or any Competitive Bid Loan Note when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, and the prompt payment of all sums which may now be or may hereafter become due and owing under the Note, any Competitive Bid Loan Note, the Revolving Credit Agreement, and the other Loan Documents;

(b) the payment of all Enforcement Costs (as hereinafter defined in Paragraph 7 hereof); and

(c) the full, complete, and punctual observance, performance, and satisfaction of all of the obligations, duties, covenants, and agreements of Borrower under the Revolving Credit Agreement and the Loan Documents.

All amounts due, debts, liabilities, and payment obligations described in subparagraphs (a) and (b) of this Paragraph 1 are referred to herein as the "Facility Indebtedness." All obligations described in subparagraph (c) of this Paragraph 1 are referred to herein as the "Obligations."

2. In the event of any default by Borrower in making payment of the Facility Indebtedness, or in performance of the Obligations, as aforesaid, in each case beyond the expiration of any applicable grace period, Guarantor agrees, on demand by Lender or the holder of the Note, to pay all the Facility

Indebtedness and to perform all the Obligations as are or then or thereafter become due and owing or are to be performed under the terms of the Note, any Competitive Bid Loan Note, the Revolving Credit Agreement and the other Loan Documents, and to pay any reasonable expenses incurred by Lender in protecting, preserving, or defending its interest in the Property or in connection with the Facility or under any of the Loan Documents, including, without limitation, all reasonable attorneys' fees and costs. Lender shall have the right, at its option, either before, during or after pursuing any other right or remedy against Borrower or Guarantor, to perform any and all of the Obligations by or through any agent, contractor or subcontractor, or any of their agents, of its selection, all as Lender in its sole discretion deems proper, and Guarantor shall indemnify and hold Lender free and harmless from and against any and all loss, damage, cost, expense, injury, or liability Lender may suffer or incur in connection with the exercise of its rights under this Guaranty or the performance of the Obligations, except to the extent the same arises as a result of the gross negligence or wilful misconduct of Lender.

-104-

106

All of the remedies set forth herein and/or provided by any of the Loan Documents or law or equity shall be equally available to Lender, and the choice by Lender of one such alternative over another shall not be subject to question or challenge by Guarantor or any other person, nor shall any such choice be asserted as a defense, set-off, or failure to mitigate damages in any action, proceeding, or counteraction by Lender to recover or seeking any other remedy under this Guaranty, nor shall such choice preclude Lender from subsequently electing to exercise a different remedy. The parties have agreed to the alternative remedies hereinabove specified in part because they recognize that the choice of remedies in the event of a failure hereunder will necessarily be and should properly be a matter of business judgment, which the passage of time and events may or may not prove to have been the best choice to maximize recovery by Lender at the lowest cost to Borrower and/or Guarantor. It is the intention of the parties that such choice by Lender be given conclusive effect regardless of such subsequent developments.

3. Guarantor does hereby waive (i) notice of acceptance of this Guaranty by Lender and any and all notices and demands of every kind which may be required to be given by any statute, rule or law, (ii) any defense, right of set-off or other claim which Guarantor may have against the Borrower or which Guarantor or Borrower may have against Lender or the holder of the Note or the holder of any Competitive Bid Loan Note (other than defenses relating to payment of the Facility Indebtedness or the correctness of any allegation by Lender that Borrower was in default in the performance of the Obligations), (iii) presentment for payment, demand for payment (other than as provided for in Paragraph 2 above), notice of nonpayment (other than as provided for in Paragraph 2 above) or dishonor, protest and notice of protest, diligence in collection and any and all formalities which otherwise might be legally required to charge Guarantor with liability, (iv) any failure by Lender to inform Guarantor of any facts Lender may now or hereafter know about Borrower, the Facility, or the transactions contemplated by the Revolving Credit Agreement, it being understood and agreed that Lender has no duty so to inform and that the Guarantor is fully responsible for being and remaining informed by the Borrower of all circumstances bearing on the existence or creation, or the risk of nonpayment of the Facility Indebtedness or the risk of nonperformance of the Obligations, and (v) any and all right to cause a marshalling of assets of the Borrower or any other action by any court or governmental body with respect thereto, or to cause Lender to proceed against any other security given to Lender in connection with the Facility Indebtedness or the Obligations. Credit may be granted or continued from time to time by Lender to Borrower without notice to or authorization from Guarantor, regardless of the financial or other condition of the Borrower at the time of any such grant or continuation. Lender shall have no obligation to disclose or discuss with Guarantor its assessment of the financial condition of Borrower. Guarantor acknowledges that no representations of any kind whatsoever have been made by Lender to Guarantor. No modification or waiver of any of the provisions of this Guaranty shall be binding upon Lender except as expressly set forth in a writing duly signed and

delivered on behalf of Lender. Guarantor further agrees that any exculpatory language contained in the Revolving Credit Agreement, the Note and any Competitive Bid Loan Note

-105-

107

shall in no event apply to this Guaranty, and will not prevent Lender from proceeding against Guarantor to enforce this Guaranty.

4. Guarantor further agrees that Guarantor's liability as guarantor shall in nowise be impaired by any renewals or extensions which may be made from time to time, with or without the knowledge or consent of Guarantor of the time for payment of interest or principal under the Note or any Competitive Bid Loan Note or by any forbearance or delay in collecting interest or principal under the Note or any Competitive Bid Loan Note, or by any waiver by Lender under the Revolving Credit Agreement or any other Loan Documents, or by Lender's failure or election not to pursue any other remedies it may have against Borrower, or by any change or modification in the Note, Revolving Credit Agreement, any Competitive Bid Loan Note or any other Loan Documents, or by the acceptance by Lender of any additional security or any increase, substitution or change therein, or by the release by Lender of any security or any withdrawal thereof or decrease therein, or by the application of payments received from any source to the payment of any obligation other than the Facility Indebtedness, even though Lender might lawfully have elected to apply such payments to any part or all of the Facility Indebtedness, it being the intent hereof that Guarantor shall remain liable as principal for payment of the Facility Indebtedness and performance of the Obligations until all indebtedness has been paid in full and the other terms, covenants and conditions of the Revolving Credit Agreement and other Loan Documents and this Guaranty have been performed, notwithstanding any act or thing which might otherwise operate as a legal or equitable discharge of a surety. Guarantor further understands and agrees that Lender may at any time enter into agreements with Borrower to amend and modify the Note, Revolving Credit Agreement, any Competitive Bid Loan Note or other Loan Documents, or any thereof, and may waive or release any provision or provisions of the Note, the Revolving Credit Agreement, any Competitive Bid Loan Note and other Loan Documents or any thereof, and, with reference to such instruments, may make and enter into any such agreement or agreements as Lender and Borrower may deem proper and desirable, without in any manner impairing this Guaranty or any of Lender's rights hereunder or any of the Guarantor's obligations hereunder.

5. This is an absolute, unconditional, complete, present and continuing guaranty of payment and performance and not of collection. Guarantor agrees that this Guaranty may be enforced by Lender without the necessity at any time of resorting to or exhausting any other security or collateral given in connection herewith or with the Note, any Competitive Bid Loan Note, the Revolving Credit Agreement, or any of the other Loan Documents, or resorting to any other guaranties, and Guarantor hereby waives the right to require Lender to join Borrower in any action brought hereunder or to commence any action against or obtain any judgment against Borrower or to pursue any other remedy or enforce any other right. Guarantor further agrees that nothing contained herein or otherwise shall prevent Lender from pursuing concurrently or successively all rights and remedies available to it at law and/or in equity or under the Note, Revolving Credit Agreement, any Competitive Bid Loan Note or any other Loan Documents, and the exercise of any of its rights or the completion of any of its

-106-

108

remedies shall not constitute a discharge of any of Guarantor's obligations hereunder, it being the purpose and intent of the Guarantor that the obligations of such Guarantor hereunder shall be primary, absolute, independent and unconditional under any and all circumstances whatsoever. Neither Guarantor's

obligations under this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Borrower under the Note, Revolving Credit Agreement, any Competitive Bid Loan Note or other Loan Documents or by reason of Borrower's bankruptcy or by reason of any creditor or bankruptcy proceeding instituted by or against Borrower. This Guaranty shall continue to be effective and be deemed to have continued in existence or be reinstated (as the case may be) if at any time payment of all or any part of any sum payable pursuant to the Note, Revolving Credit Agreement, any Competitive Bid Loan Note or any other Loan Document is rescinded or otherwise required to be returned by the payee upon the insolvency, bankruptcy, or reorganization of the payor, all as though such payment to Lender had not been made, regardless of whether Lender contested the order requiring the return of such payment. The obligations of Guarantor pursuant to the preceding sentence shall survive any termination, cancellation, or release of this Guaranty.

6. This Guaranty shall be assignable by Lender to any assignee of all or a portion of Lender's rights under the Loan Documents.

7. If: (i) this Guaranty, the Note, any Competitive Bid Loan Note, or any other Loan Document is placed in the hands of an attorney for collection or is collected through any legal proceeding; (ii) an attorney is retained to represent Lender in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Guaranty, the Note, any Competitive Bid Loan Note, the Revolving Credit Agreement, or any Loan Document; (iii) an attorney is retained to provide advice or other representation with respect to the Loan Documents in connection with an enforcement action or potential enforcement action; or (iv) an attorney is retained to represent Lender in any other legal proceedings whatsoever in connection with this Guaranty, the Note, any Competitive Bid Loan Note, the Revolving Credit Agreement, any of the Loan Documents, or any property subject thereto (other than any action or proceeding brought by any Lender or participant against the Administrative Agent (as defined in the Revolving Credit Agreement) alleging a breach by the Administrative Agent of its duties under the Loan Documents), then Guarantor shall pay to Lender upon demand all reasonable attorney's fees, costs and expenses, including, without limitation, court costs, filing fees, recording costs, expenses of foreclosure, title insurance premiums, survey costs, minutes of foreclosure, and all other costs and expenses incurred in connection therewith (all of which are referred to herein as "Enforcement Costs"), in addition to all other amounts due hereunder.

8. The parties hereto intend that each provision in this Guaranty comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Guaranty is found by a

-107-

109

court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Guaranty to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Guaranty shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Lender or the holder of the Note or any Competitive Bid Loan Note under the remainder of this Guaranty shall continue in full force and effect.

9. Any indebtedness of Borrower to Guarantor now or hereafter existing is hereby subordinated to the Facility Indebtedness. Guarantor agrees that until the entire Facility Indebtedness has been paid in full, (i) Guarantor will not seek, accept, or retain for Guarantor's own account, any payment from Borrower on account of such subordinated debt, and (ii) any such payments to Guarantor on account of such subordinated debt shall be collected and received by Guarantor in trust for Lender and shall be paid over to Lender on account of the Facility Indebtedness without impairing or releasing the obligations of Guarantor hereunder.

10. Guarantor waives and releases any claim (within the meaning of 11 U.S.C. Section 101) which Guarantor may have against Borrower arising from a payment made by Guarantor under this Guaranty and agrees not to assert or take advantage of any subrogation rights of Guarantor or Lender or any right of Guarantor or Lender to proceed against (i) Borrower for reimbursement, or (ii) any other guarantor or any collateral security or guaranty or right of offset held by Lender for the payment of the Facility Indebtedness and performance of the Obligations, nor shall Guarantor seek or be entitled to seek any contribution or reimbursement from Borrower or any other guarantor in respect of payments made by Guarantor hereunder. It is expressly understood that the waivers and agreements of Guarantor set forth above constitute additional and cumulative benefits given to Lender for its security and as an inducement for its extension of credit to Borrower. Nothing contained in this Paragraph 10 is intended to prohibit Guarantor from making all distributions to its constituent shareholders which are required by law from time to time in order for Guarantor to maintain its status as a real estate investment trust in compliance with all applicable provisions of the Code (as defined in the Revolving Credit Agreement).

11. Any amounts received by Lender from any source on account of any indebtedness may be applied by Lender toward the payment of such indebtedness, and in such order of application, as Lender may from time to time elect.

12. The Guarantor hereby submits to personal jurisdiction in the State of Illinois for the enforcement of this Guaranty and waives any and all personal rights to object to such jurisdiction for the purposes of litigation to enforce this Guaranty. Guarantor hereby consents

-108-

110

to the jurisdiction of either the Circuit Court of Cook County, Illinois, or the United States District Court for the Northern District of Illinois, in any action, suit, or proceeding which Lender may at any time wish to file in connection with this Guaranty or any related matter. Guarantor hereby agrees that an action, suit, or proceeding to enforce this Guaranty may be brought in any state or federal court in the State of Illinois and hereby waives any objection which Guarantor may have to the laying of the venue of any such action, suit, or proceeding in any such court; provided, however, that the provisions of this Paragraph shall not be deemed to preclude Lender from filing any such action, suit, or proceeding in any other appropriate forum.

13. All notices and other communications provided to any party hereto under this Agreement or any other Loan Document shall be in writing or by telex or by facsimile and addressed or delivered to such party at its address set forth below or at such other address as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid, shall be deemed given when received; any notice, if transmitted by telex or facsimile, shall be deemed given when transmitted (answerback confirmed in the case of telexes). Notice may be given as follows:

To the Guarantor:

First Industrial Realty Trust, Inc.
311 South Wacker Drive, Suite 4000
Chicago, Illinois 60606
Attention: Mr. Michael Havalala
Telecopy: (312) 704-6606

With a copy to:

Barack Ferrazzano Kirschbaum & Perlman
333 W. Wacker Drive, Suite 2700
Chicago, Illinois 60606
Attention: Howard A. Nagelberg, Esq.
Telecopy: 312-984-3150

To the Lender:

c/o The First National Bank of Chicago, as agent

One First National Plaza
Chicago, Illinois 60670
Attention: Real Estate Finance Department
Telecopy: (312) 732-1117

-109-

111

With a copy to:

Sonnenschein Nath & Rosenthal
8000 Sears Tower
Chicago, Illinois 60606
Attention: Patrick G. Moran, Esq.
Telecopy: (312) 876-7934

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

14. This Guaranty shall be binding upon the heirs, executors, legal and personal representatives, successors and assigns of Guarantor and shall inure to the benefit of Lender's successors and assigns.

15. This Guaranty shall be construed and enforced under the internal laws of the State of Illinois.

16. GUARANTOR AND LENDER, BY ITS ACCEPTANCE HEREOF, EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT UNDER THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR RELATING THERETO OR ARISING FROM THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS GUARANTY AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

IN WITNESS WHEREOF, Guarantor has delivered this Guaranty in the State of Illinois as of the date first written above.

FIRST INDUSTRIAL REALTY TRUST, INC., a
Maryland corporation

By: _____
Its _____

-110-

112

STATE OF ILLINOIS)
)SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that _____, _____ of First Industrial Realty Trust, Inc., personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said

corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this _____ day of December, 1997.

Notary Public

-111-

113

EXHIBIT E

OPINION OF BORROWER'S COUNSEL

-112-

114

EXHIBIT F

OPINION OF GENERAL PARTNER'S COUNSEL

Included in Exhibit E

-113-

115

EXHIBIT G

WIRING INSTRUCTIONS

To: The First National Bank of Chicago,
as Administrative Agent (the "Agent")
under the Credit Agreement Described Below

Re: Unsecured Revolving Credit Agreement, dated as of December 15, 1997 (as amended, modified, renewed or extended from time to time, the "Agreement"), among First Industrial, L.P. (the "Borrower"), First Industrial Realty Trust, Inc. ("General Partner"), The First National Bank of Chicago, individually and as Administrative Agent, Union Bank of Switzerland, individually and as Documentation Agent, and the Lenders named therein. Terms used herein and not otherwise defined shall have the meanings assigned thereto in the Credit Agreement.

The Administrative Agent is specifically authorized and directed to act upon the following standing money transfer instructions with respect to the proceeds of Advances or other extensions of credit from time to time until receipt by the Administrative Agent of a specific written revocation of such instructions by the Borrower, provided, however, that the Administrative Agent may otherwise transfer funds as hereafter directed in writing by the Borrower in

accordance with Section 15.1 of the Agreement or based on any telephonic notice made in accordance with the Agreement.

Facility Identification Number(s) _____

Customer/Account Name _____

Transfer Funds To _____

For Account No. _____

Reference/Attention To _____

Authorized Officer (Customer Representative) Date _____

(Please Print)

Signature

Bank Officer Name

Date _____

(Please Print)

Signature

-114-

116

(Deliver Completed Form to Credit Support Staff For Immediate Processing)

-115-

117

EXHIBIT H

FORM OF COMPLIANCE CERTIFICATE

To: The Administrative Agent and the Lenders
who are parties to the Agreement described below

This Compliance Certificate is furnished pursuant to that certain Unsecured Revolving Credit Agreement, dated as of December 15, 1997 (as amended, modified, renewed or extended from time to time, the "Agreement") among First Industrial, L.P. (the "Borrower"), First Industrial Realty Trust, Inc. (the "General Partner"), The First National Bank of Chicago, individually and as Administrative Agent, Union Bank of Switzerland, individually and as Documentation Agent, and the Lenders named therein. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected [Chief Financial Officer] [Chief Accounting Officer] [Controller] of the [Borrower] [General Partner].

2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the General Partner, the Borrower and their respective Subsidiaries and Investment Affiliates during the accounting period covered by

the financial statements attached (or most recently delivered to the Administrative Agent if none are attached).

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Material Adverse Financial Change, Event of Default or Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate, except as set forth below.

4. Schedule I (if attached) attached hereto sets forth financial data and computations and other information evidencing the General Partner's and the Borrower's compliance with certain covenants of the Agreement, all of which data, computations and information (or if no Schedule I is attached, the data, computations and information contained in the most recent Schedule I attached to a prior Compliance Certificate) are true, complete and correct in all material respects.

5. The financial statements and reports referred to in Section 8.2(i), 8.2(iii) or 8.2(vii), as the case may be, of the Agreement which are delivered concurrently with the delivery of this Compliance Certificate, if any, fairly present in all material respects the consolidated financial condition and operations of the General Partner, the Borrower and their respective Subsidiaries at such date and the consolidated results of their operations for the period then-ended, in accordance with GAAP applied consistently throughout such period and with prior periods and correctly state the amounts of Consolidated Total Indebtedness, Consolidated Secured Debt, Consolidated Senior Unsecured Debt and the Values of all Unencumbered Assets as determined pursuant to the Agreement.

-116-

118

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations and information set forth in Schedule I hereto and the financial statements delivered with this Compliance Certificate in support hereof, are made and delivered this ____ day of _____, 19__.

FIRST INDUSTRIAL, L.P.

By: FIRST INDUSTRIAL REALTY TRUST, INC.,
General Partner

By: _____
Print Name: _____
Title: _____

-117-

SCHEDULE I
CALCULATION OF COVENANTS

[QUARTER]

1. Permitted Investments (Section 8.3)

Category -----	Investment (i.e. Book Value) -----	Percent of Implied Capitalization Value -----	Maximum Percent of Implied Capitalization Value -----
(a) Unimproved Land			10%
(b) other property holdings (excluding cash, Cash Equivalents, non-industrial Properties and Indebtedness of any Subsidiary to the Borrower)			10%
(c) stock holdings other than in Subsidiaries			10%
(d) mortgages			10%
(e) joint ventures and partnerships			10%
(f) total investments in (a)-(e)			20% of Market Value Net Worth
(g) investments in Unimproved Land not adjacent to existing improvements and not under active planning for near term development as a percentage of Implied Capitalization Value			5%
(h) Identify any single industrial property in excess of 5% of Implied Capitalization Value (If none, insert "none"): _____			

-118-

2. Dividends (Section 8.13)

(a)	Amount paid during most recent quarter	_____
(b)	Amount paid during preceding three quarters	_____
(c)	Funds From Operation during such four quarter period	_____
(i)	GAAP net income for such period	_____
(ii)	adjustments to GAAP net income per definition of Funds From Operation (See Schedule)	_____
(iii)	Funds From Operation	_____

TOTAL DIVIDEND PAY OUT RATIO [(A) PLUS (B), DIVIDED BY (C) (III)]

Must be less than or equal to:

95%

3. EBITDA To Interest Expense and Senior Preferred Stock Expense (Section 9.8(a))

(a)	EBITDA for the quarter most recently ended	_____
(i)	Borrower and its Subsidiaries	_____
(ii)	less extraordinary items and gain or loss on sales	_____
(iii)	less GAAP income from Investment Affiliate	_____
(iv)	Allocable EBITDA of Investment Affiliates (See Schedule)	_____
(v)	EBITDA [(I) MINUS (II) MINUS (III) PLUS (IV)]	_____
(b)	Interest income deducted from (a) (other than as to Defeased REMIC Debt)	_____
(c)	Interest Expense for the quarter most recently ended	_____
(i)	GAAP interest expense (Borrower and Subsidiaries)	_____
(ii)	Capitalized interest not covered by interest reserve	_____
(iii)	Interest on Guaranteed Obligations	_____
(iv)	Allocable Interest (Investment Affiliates)	_____

-119-

121

(v)	Interest Expense [SUM OF (I)-(IV)]	_____
(d)	Senior Preferred Stock Expense (if required) for the quarter most recently ended	_____

RATIO

[(A) (V) PLUS (B) DIVIDED BY THE SUM OF (C) (V) AND (D)]:

Must be greater than or equal to:

2.0

4. Consolidated Total Indebtedness Ratio (Section 9.8(b))

(a)	Consolidated Total Indebtedness (See Schedule)	_____
(b)	Implied Capitalization Value	_____
(i)	Adjusted EBITDA for the quarter most recently ended	_____
(ii)	less Adjusted EBITDA from Preleased Assets Under Development and from Projects acquired or completed during quarter	_____
(iii)	plus full quarter pro forma adjustment for Projects acquired or completed during quarter	_____
(iv)	annualized (x4)	_____
(v)	most recent Korpacz Cap Rate (not less than 9% or more than 9.5%)	_____ %
(vi)	(item (iv) divided by item (v))	_____
(vii)	GAAP value of Preleased Assets Under Development	_____
(viii)	GAAP value of those over 270 days in category	_____
(ix)	50% of item (vii) less item (viii)	_____
(x)	lesser of 5% of Implied Capitalization Value or \$100,000,000	_____
(xi)	lesser of item (ix) and item (x)	_____
(xii)	Unrestricted Cash and Unrestricted Cash Equivalents (less those used to support Defeased REMIC Debt)	_____
(xiii)	first mortgage receivables	_____

122

(xiv)	10% of Implied Capitalization Value	_____
(xv)	sum of (vi), (xi), (xii) and lesser of (xiii) or (xiv) is "Implied Capitalization Value"	_____
CONSOLIDATED TOTAL INDEBTEDNESS RATIO [(A) DIVIDED BY (B) EXPRESSED AS A PERCENTAGE]:		_____
Must be less than or equal to:		50%
5.	Value of Unencumbered Assets Ratio (Section 9.8(c))	
(a)	Value of Unencumbered Assets	
(i)	Property Operating Income attributable to Unencumbered Assets owned by Borrower and wholly-owned Subsidiaries as of end of quarter as appropriately annualized (including pro forma Property Operating Income for entire quarter for Unencumbered Assets acquired during the quarter) (attach schedule noting Property Operating Income for each Unencumbered Asset as appropriately annualized)	
(ii)	most recent Korpacz Cap Rate (not less than 9% or more than 9.5%)	_____ %
(iii)	item (i) divided by item (ii) is "Value of Unencumbered Assets"	_____
(b)	Consolidated Senior Unsecured Debt (provide schedule of such Debt)	_____
VALUE OF UNENCUMBERED ASSETS RATIO [(A) DIVIDED BY (B)]:		
Must be greater than or equal to:		1.65 (or 1.50 if quarter ended during a Rating Period)
6.	Property Operating Income Ratio (Section 9.8(d))	
(a)	Property Operating Income from all Unencumbered Assets owned for any part of the preceding quarter	_____
(b)	Debt Service on Consolidated Senior Unsecured Debt for the preceding quarter	

123

(i)	Interest Expense (Borrower and Subsidiaries only)	_____
(ii)	Regular principal payments (Borrower and Subsidiaries)	_____
(iii)	Senior Preferred Stock Expense	_____
(iv)	Debt Service [SUM OF (I), (II) AND (III)]	_____
PROPERTY OPERATING INCOME RATIO [(A) DIVIDED BY (B)]:		_____
Must be greater than or equal to:		1.75
7.	Consolidated Secured Debt and Senior Preferred Stock to Implied Capitalization Value (Section 9.8(e))	
(a)	Consolidated Secured Debt	
(i)	secured Indebtedness of Borrower and Subsidiaries	_____
(ii)	unsecured Indebtedness of Subsidiaries in excess of \$5,000,000	_____
(iii)	Consolidated Secured Debt [SUM OF (I) PLUS (II)]	_____
(b)	Senior Preferred Stock (excluded after release of PS Guaranty)	_____
(c)	Implied Capitalization Value [LINE (XV) IN ITEM 4(B) ABOVE]	_____
(d)	(a) plus (b) divided by (c)	_____

Must be less than or equal to:

35%

8. Minimum Market Value Net Worth (Section 9.8(f))

(a) Market Value Net Worth

(i) Implied Capitalization Value
[LINE (XV) IN ITEM 4(B) ABOVE]

(ii) Indebtedness of Borrower and Subsidiaries

(iii) Market Value Net Worth [(I) MINUS (II)]

(b) \$622,672,000

(c) product of .75 and net proceeds of stock and unit offerings
since September 30, 1997

-122-

124

(d) sum of (b) plus (c)

(a) (iii) must be greater than or equal to (d)

9. Maximum Revenue From a Single Tenant (Section 9.11)

(a) 7.5% of Consolidated Operating Partnership's total rent
revenue as of last day of quarter, annualized

(b) Identify any tenant for which rent revenue (exclusive of tenant
reimbursements) as annualized exceeds amount shown in (a)

10. Transfers of Unencumbered Assets (Section 9.5)

(a) Aggregate Value of all Unencumbered Assets transferred
during measuring period

(b) Aggregate Value of Unencumbered Assets at start of current
measuring period (trailing 4 quarters)

(c) Aggregate Value of Unencumbered Assets added during current
measuring period

(d) 20% of sum of (b) and (c)

Item (a) must be less than or equal to Item (d)

NOTE: To the extent of any inconsistency between the form of this
Compliance Certificate and the terms of the Agreement, the
terms of the Agreement shall prevail.

-123-

125

EXHIBIT I

SCOPE OF WORK FOR ENVIRONMENTAL INVESTIGATIONS

-124-

126

EXHIBIT J

FORM OF ASSIGNMENT AGREEMENT

This Assignment Agreement (this "Assignment Agreement") between _____
_____(the "Assignor") and _____ (the "Assignee") is
dated as of _____, 19 ____ . The parties hereto agree as follows:

1. PRELIMINARY STATEMENT. The Assignor is a party to an Unsecured Revolving Credit Agreement (which, as it may be amended, modified, renewed or extended from time to time is herein called the "Credit Agreement") described in Item 1 of Schedule 1 attached hereto ("Schedule 1"). Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement.

2. ASSIGNMENT AND ASSUMPTION. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement such that after giving effect to such assignment the Assignee shall have purchased pursuant to this Assignment Agreement the percentage interest specified in Item 3 of Schedule 1 of all outstanding rights and obligations under the Credit Agreement and the other Loan Documents. The aggregate Commitment (or Loans, if the applicable Commitment has been terminated) purchased by the Assignee hereunder is set forth in Item 4 of Schedule 1.

3. EFFECTIVE DATE. The effective date of this Assignment Agreement (the "Effective Date") shall be the later of the date specified in Item 5 of Schedule 1 or two (2) Business Days (or such shorter period agreed to by the Administrative Agent) after a Notice of Assignment substantially in the form of Exhibit "I" attached hereto has been delivered to the Agent. In no event will the Effective Date occur if the payments required to be made by the Assignee to the Assignor on the Effective Date under Sections 4 and 5 hereof are not made on the proposed Effective Date, unless otherwise agreed to in writing by Assignor and Assignee. The Assignor will notify the Assignee of the proposed Effective Date no later than the Business Day prior to the proposed Effective Date. As of the Effective Date, (i) the Assignee shall have the rights and obligations of a Lender under the Loan Documents with respect to the rights and obligations assigned to the Assignee hereunder and (ii) the Assignor shall relinquish its rights and be released from its corresponding obligations under the Loan Documents with respect to the rights and obligations assigned to the Assignee hereunder.

4. PAYMENTS OBLIGATIONS. On and after the Effective Date, the Assignee shall be entitled to receive from the Administrative Agent all payments of principal, interest and fees with respect to the interest assigned hereby. The Assignee shall advance funds directly to the Administrative Agent with respect to all Loans and reimbursement payments made on or after the Effective Date with respect to the interest assigned hereby. [In

-125-

127

consideration for the sale and assignment of Loans hereunder, (i) the Assignee shall pay the Assignor, on the Effective Date, an amount equal to the principal amount of the portion of all Adjusted Corporate Base Rate Loans assigned to the Assignee hereunder and (ii) with respect to each ratable LIBOR Advance and Competitive Bid Loan made by the Assignor and assigned to the Assignee hereunder which is outstanding on the Effective Date, (a) on the last day of the Interest Period therefor or (b) on such earlier date agreed to by the Assignor and the Assignee or (c) on the date on which any such Loan either becomes due (by acceleration or otherwise) or is prepaid (the date as described in the foregoing clauses (a), (b) or (c) being hereinafter referred to as the "Fixed Due Date"), the Assignee shall pay the Assignor an amount equal to the principal amount of the portion of such Loan assigned to the Assignee which is outstanding on the Fixed Due Date. If the Assignor and the Assignee agree that the applicable Fixed Due Date for such Loan shall be the Effective Date, they shall agree, solely for purposes of dividing interest paid by the Borrower on such Loan, to an alternate interest rate applicable to the portion of such Loan assigned hereunder for the period from the Effective Date to the end of the related Interest Period (the "Agreed Interest Rate") and any interest received by the Assignee in excess of

the Agreed Interest Rate, with respect to such Loan for such period, shall be remitted to the Assignor. In the event a prepayment of any Loan which is existing on the Effective Date and assigned by the Assignor to the Assignee hereunder occurs after the Effective Date but before the applicable Fixed Due Date, the Assignee shall remit to the Assignor any excess of the funding indemnification amount paid by the Borrower under Section 4.4 of the Credit Agreement an account of such prepayment with respect to the portion of such Loan assigned to the Assignee hereunder over the amount which would have been paid if such prepayment amount were calculated based on the Agreed Interest Rate and only covered the portion of the Interest Period after the Effective Date. The Assignee will promptly remit to the Assignor (i) the portion of any principal payments assigned hereunder and received from the Administrative Agent with respect to any such Loan prior to its Fixed Due Date and (ii) any amounts of interest on Loans and fees received from the Administrative Agent which relate to the portion of the Loans assigned to the Assignee hereunder for periods prior to the Effective Date, in the case of ratable Adjusted Corporate Base Rate Loans or Fees, or the Fixed Due Date, in the case of LIBOR Loans and Competitive Bid Loans, and not previously paid by the Assignee to the Assignor.]* In the event that either party hereto receives any payment to which the other party hereto is entitled under this Assignment Agreement, then the party receiving such amount shall promptly remit it to the other party hereto.

5. FEES PAYABLE BY THE ASSIGNEE. The Assignee shall pay to the Assignor a fee on each day on which a payment of interest or Commitment Fees or Facility Fees is made under the Credit Agreement with respect to the amounts assigned to the Assignee hereunder (other than a payment of interest or Commitment Fees or Facility Fees attributable to the period prior to the Effective Date or, in the case of LIBOR Loans and Competitive Bid Loans, the Payment Date, which the Assignee is obligated to deliver to the Assignor pursuant to Section 4 hereof). The amount of such fee shall be the difference between (i) the interest or fee, as applicable, paid with respect to the amounts assigned to the Assignee hereunder and (ii) the interest or fee, as applicable, which would have been paid with respect to the amounts

-126-

128

assigned to the Assignee hereunder if each interest rate was calculated at the rate of % rather than the actual percentage used to calculate the interest rate paid by the Borrower or if the Commitment Fee or Facility Fee was calculated at the rate of % rather than the actual percentage used to calculate the Commitment Fee or Facility Fee paid by the Borrower, as applicable. In addition, the Assignee agrees to pay ___% of the fee required to be paid to the Agent in connection with this Assignment Agreement. [THIS SENTENCE CAN BE REVISED APPROPRIATELY BASED ON HOW THE FEE IS BEING PAID.]

*EACH ASSIGNOR MAY INSERT ITS STANDARD PROVISIONS IN LIEU OF THE PAYMENT TERMS INCLUDED IN SECTIONS 4 AND 5 OF THIS EXHIBIT.

6. REPRESENTATIONS OF THE ASSIGNOR; LIMITATIONS ON THE ASSIGNOR'S LIABILITY. The Assignor represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim created by the Assignor. It is understood and agreed that the assignment and assumption hereunder are made without recourse to the Assignor and that the Assignor makes no other representation or warranty of any kind to the Assignee. Neither the Assignor nor any of its officers, directors, employees, agents or attorneys shall be responsible for (i) the due execution, legality, validity, enforceability, genuineness, sufficiency or collectability of any Loan Document, including without limitation, documents granting the Assignor and the other Lenders a security interest in assets of the Borrower or any guarantor, (ii) any representation, warranty or statement made in or in connection with any of the Loan Documents, (iii) the financial condition or creditworthiness of the Borrower or any guarantor, (iv) the performance of or compliance with any of the terms or provisions of any of the Loan Documents, (v) inspecting any of the Property, books or records of the Borrower, its Subsidiaries or Investment Affiliates, (vi) the validity, enforceability, perfection, priority, condition, value or sufficiency of any collateral securing or purporting to secure the Loans or (vii) any mistake, error of judgment, or action taken or omitted to be taken in connection with the Loans or the Loan Documents.

7. REPRESENTATIONS OF THE ASSIGNEE. The Assignee (i) confirms that it has received a copy of the Credit Agreement and the other Loan Documents,

together with copies of the financial statements requested by the Assignee and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment Agreement, (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Documentation Agent, the Assignor or any other Lender and based on such documents and information at it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, (iii) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto, (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender, (v) agrees that its

-127-

129

payment instructions and notice instructions are as set forth in the attachment to Schedule 1, (vi) confirms that none of the funds, monies, assets or other consideration being used to make the purchase and assumption hereunder are "plan assets" as defined under ERISA and that its rights, benefits and interests in and under the Loan Documents will not be "plan assets" under ERISA, [AND (VII) ATTACHES THE FORMS PRESCRIBED BY THE INTERNAL REVENUE SERVICE OF THE UNITED STATES CERTIFYING THAT THE ASSIGNEE IS ENTITLED TO RECEIVE PAYMENTS UNDER THE LOAN DOCUMENTS WITHOUT DEDUCTION OR WITHHOLDING OF ANY UNITED STATES FEDERAL INCOME TAXES].**

**TO BE INSERTED IF THE ASSIGNEE IS NOT INCORPORATED UNDER THE LAWS OF THE UNITED STATES, OR A STATE THEREOF.

8. INDEMNITY. The Assignee agrees to indemnify and hold the Assignor harmless against any and all losses, costs and expenses (including, without limitation, reasonable attorneys' fees) and liabilities incurred by the Assignor in connection with or arising in any manner from the Assignee's non-performance of the obligations assumed under this Assignment Agreement.

9. SUBSEQUENT ASSIGNMENTS. After the Effective Date, the Assignee shall have the right pursuant to Section 13.3.1 of the Credit Agreement to assign the rights which are assigned to the Assignee hereunder to any entity or person, provided that (i) any such subsequent assignment does not violate any of the terms and conditions of the Loan Documents or any law, rule, regulation, order, writ, judgment, injunction or decree and that any consent required under the terms of the Loan Documents has been obtained and (ii) unless the prior written consent of the Assignor is obtained, the Assignee is not thereby released from its obligations to the Assignor hereunder, if any remain unsatisfied, including, without limitation, its obligations under Sections 4, 5 and 8 hereof.

10. REDUCTIONS OF AGGREGATE COMMITMENT. If any reduction in the Aggregate Commitment occurs between the date of this Assignment Agreement and the Effective Date, the percentage interest specified in Item 3 of Schedule 1 shall remain the same, but the dollar amount purchased shall be recalculated based on the reduced Aggregate Commitment.

11. ENTIRE AGREEMENT. This Assignment Agreement and the attached Notice of Assignment embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

12. GOVERNING LAW. This Assignment Agreement shall be governed by the internal law, and not the law of conflicts, of the State of Illinois.

-128-

13. NOTICES. Notices shall be given under this Assignment Agreement in the manner set forth in the Credit Agreement. For the purpose hereof, the addresses of the parties hereto until notice of a change is delivered) shall be the address set forth in the attachment to Schedule 1.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement by their duly authorized officers as of the date first above written.

[NAME OF ASSIGNOR]

By: _____
 Title: _____

[NAME OF ASSIGNEE]

By: _____
 Title: _____

-129-

SCHEDULE 1 TO
 ASSIGNMENT AGREEMENT

1. Description and Date of Credit Agreement:
2. Date of Assignment Agreement: _____, 19__
3. Amounts (As of Date of Item 2 above):
 - a. Aggregate Commitment
 (Loans)* under
 Credit Agreement \$ _____
 - b. Assignee's Percentage
 of the Aggregate Commitment
 purchased under this
 Assignment Agreement** _____ %
4. Amount of Assignee's Commitment (Loan Amount)*
 Purchased under this Assignment Agreement: \$ _____
5. Amount of Assignor's Commitment (Loan Amount)
 After Purchase under this Assignment Agreement _____
6. Proposed Effective Date: _____

Accepted and Agreed:

[NAME OF ASSIGNOR]

[NAME OF ASSIGNEE]

By: _____
Title: _____

By: _____
Title: _____

- * If a Commitment has been terminated, insert outstanding Loans in place of Commitment
- ** Percentage taken to 10 decimal places

-130-

132

ATTACHMENT TO SCHEDULE 1 TO
ASSIGNMENT AGREEMENT

Attach Assignor's Administrative Information Sheet, which must include notice address and account information for the Assignor and the Assignee

-131-

133

EXHIBIT "I" TO
ASSIGNMENT AGREEMENT
NOTICE OF ASSIGNMENT

_____, 19____

To: [NAME OF ADMINISTRATIVE AGENT]

From: [NAME OF ASSIGNOR] (the "Assignor")
[NAME OF ASSIGNEE] (the "Assignee")

1. We refer to that Unsecured Revolving Credit Agreement (the "Credit Agreement") described in Item 1 of Schedule 1 attached hereto ("Schedule 1"). Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement.

2. This Notice of Assignment (this "Notice") is given and delivered to the Administrative Agent pursuant to Section 13.3.1 of the Credit Agreement.

3. The Assignor and the Assignee have entered into an Assignment Agreement, dated as of _____, 19__ (the "Assignment"), pursuant to which, among other things, the Assignor has sold, assigned, delegated and transferred to the Assignee, and the Assignee has purchased, accepted and assumed from the Assignor the percentage interest specified in Item 3 of Schedule 1 of all outstandings, rights and obligations under the Credit Agreement. From and after such purchase, the Assignee's Commitment shall be the amount specified in Item

4 of Schedule 1 and the Assignor's Commitment shall be the amount specified in Item 5 of Schedule 1. The Effective Date of the Assignment shall be the later of the date specified in Item 5 of Schedule 1 or two (2) Business Days (or such shorter period as agreed to by the Administrative Agent) after this Notice of Assignment and any fee required by Section 13.3.1 of the Credit Agreement have been delivered to the Administrative Agent, provided that the Effective Date shall not occur if any condition precedent agreed to by the Assignor and the Assignee or set forth in Section 13 of the Credit Agreement has not been satisfied.

-132-

134

4. The Assignor and the Assignee hereby give to the Administrative Agent notice of the assignment and delegation referred to herein. The Assignor will confer with the Administrative Agent before the date specified in Item 6 of Schedule 1 to determine if the Assignment Agreement will become effective on such date pursuant to Section 3 hereof, and will confer with the Administrative Agent to determine the Effective Date pursuant to Section 3 hereof if it occurs thereafter. The Assignor shall notify the Administrative Agent if the Assignment Agreement does not become effective on any proposed Effective Date as a result of the failure to satisfy the conditions precedent agreed to by the Assignor and the Assignee. At the request of the Administrative Agent, the Assignor will give the Administrative Agent written confirmation of the satisfaction of the conditions precedent.

5. The Assignor or the Assignee shall pay to the Administrative Agent on or before the Effective Date the processing fee of \$3,500 required by Section 13.3.1 of the Credit Agreement.

6. If Notes are outstanding on the Effective Date, the Assignor and the Assignee request and direct that the Administrative Agent prepare and cause the Borrower to execute and deliver new Notes or, as appropriate, replacements notes, to the Assignor and the Assignee. The Assignor and, if applicable, the Assignee each agree to deliver to the Administrative Agent the original Note received by it from the Borrower upon its receipt of a new Note in the appropriate amount.

7. The Assignee advises the Administrative Agent that notice and payment instructions are set forth in the attachment to Schedule 1.

8. The Assignee hereby represents and warrants that none of the funds, monies, assets or other consideration being used to make the purchase pursuant to the Assignment are "plan assets" as defined under ERISA and that its rights, benefits, and interests in and under the Loan Documents will not be "plan assets" under ERISA.

9. The Assignee authorizes the Administrative Agent to act as its agent under the Loan Documents in accordance with the terms thereof. The Assignee acknowledges that the Administrative Agent has no duty to supply information with respect to the Borrower or the Loan Documents to the Assignee until the Assignee becomes a party to the Credit Agreement.*

*May be eliminated if Assignee is a party to the Credit Agreement prior to the Effective Date.

NAME OF ASSIGNOR

NAME OF ASSIGNEE

By: _____

By: _____

Title: _____

Title: _____

-133-

135

ACKNOWLEDGED AND CONSENTED TO
BY THE FIRST NATIONAL BANK OF CHICAGO,
as Administrative Agent

By: _____
Title: _____

[ATTACH PHOTOCOPY OF SCHEDULE 1 TO ASSIGNMENT]

-134-

136

EXHIBIT K

FORM OF DESIGNATION AGREEMENT

Dated _____, 199__

Reference is made to the Unsecured Revolving Credit Agreement dated as of December 15, 1997 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among First Industrial, L.P., a Delaware limited partnership (the "Borrower"), First Industrial Realty Trust, Inc., the Lenders parties thereto, Union Bank of Switzerland, New York Branch, as Documentation Agent and The First National Bank of Chicago, as Administrative Agent (the "Administrative Agent") for the Lenders. Terms defined in the Credit Agreement are used herein with the same meaning.

[NAME OF DESIGNOR] (the "Designor"), [NAME OF DESIGNATED LENDER] (the "Designee"), the Administrative Agent and the Borrower agree as follows:

1. The Designor hereby designates the Designee, and the Designee hereby accepts such designation, to have a right to make Competitive Bid Loans pursuant to Section 2.16 of the Credit Agreement. Any assignment by Designor to Designee of its rights to make a Competitive Bid Loan pursuant to such Section 2.16 shall be effective at the time of the funding for such Competitive Bid Loan and not before such time.

2. Except as set forth in Section 7 below, the Designor makes no representation or warranty and assumes no responsibility pursuant to this Designation Agreement with respect to (a) any statements, warranties or representations made in or in connection with any Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or any other instrument and document furnished pursuant thereto and (b) the financial condition of the Borrower or General Partner or the performance or observance by the Borrower or General Partner of any of their respective obligations under any Loan Document or any other instrument or document furnished pursuant thereto. (It is acknowledged that the Designor may make representations and warranties of the type described above in other agreements to which the Designor is a party).

3. The Designee (a) confirms that it has received a copy of each Loan Document, together with copies of the financial statements referred to in Section 8.2 of the Credit Agreement and such other documents and information as it has deemed appropriate to make its own independent credit analysis and decision to enter into this Designation Agreement, (b) agrees that it will, independently and without reliance upon the Administrative Agent, the Designor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under any Loan Document; (c) confirms that it is a Designated Lender; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise

137

such powers and discretion under any Loan Document as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto, and (e) agrees that it will perform in accordance with their terms all of the obligations which by the terms of any Loan Document are required to be performed by it as a Lender.

4. The Designee hereby appoints the Designor as the Designee's agent and attorney in fact, and grants to the Designor an irrevocable power of attorney, to deliver and receive all communications and notices under the Credit Agreement and other Loan Documents and to exercise on the Designee's behalf all rights to vote and to grant and make approvals, waivers, consents or amendment to or under the Credit Agreement or other Loan Documents. Any document executed by the Designor on the Designee's behalf in connection with the Credit Agreement or other Loan Documents shall be binding on the Designee. The Borrower, the Administrative Agent and each of the Lenders may rely on and are beneficiaries of the preceding provisions.

5. Following the execution of this Designation Agreement by the Designor and its Designee, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent and the Borrower. The effective date for this Designation Agreement (the "Effective Date") shall be the date of acceptance hereof by the Administrative Agent and the Borrower, unless otherwise specified on the signature page thereto.

6. The Administrative Agent shall not institute or join any other person in instituting against the Designee any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding under any federal or state bankruptcy or similar law, for one year and a day after the Maturity Date.

7. The Borrower shall not institute or join any other person in instituting against the Designee any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding under any federal or state bankruptcy or similar law, for one year and a day after the Maturity Date.

8. The Designor unconditionally agrees to pay or reimburse the Designee and save the Designee harmless against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed or asserted by any of the parties to the Loan Documents against the Designee, in its capacity as such, in any way relating to or arising out of this Designation Agreement or any other Loan Documents or any action taken or omitted by the Designee hereunder or thereunder, provided that the Designor shall not be liable for any portion of such liabilities, obligations, losses, damage, penalties, actions, judgments, suits, costs, expenses or disbursements if the same results from the Designee's gross negligence or willful misconduct.

138

9. Upon such acceptance and recording of this Designation Agreement by the Borrower and the Administrative Agent, as of the Effective Date, the Designee shall be entitled to the benefits of the Credit Agreement with a right to fund and receive payment of the principal and interest on Competitive Bid Loans pursuant to Section 2.16 of the Credit Agreement and otherwise with the rights and obligations of a Participant of Designor thereunder.

10. This Designation Agreement shall be governed by, and construed in

accordance with, the laws of the State of Illinois, without reference to the provisions thereof regarding conflicts of law.

11. This Designation Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Designation Agreement by facsimile transmission shall be effective as of delivery of a manually executed counterpart of this Designation Agreement.

IN WITNESS WHEREOF, the Designor and the Designee, intending to be legally bound, have caused this Designation Agreement to be executed by their officers thereunto duly authorized as of the date first above written.

Effective Date(7) _____, _____, 199____

[NAME OF DESIGNOR], as Designor

By: _____

Title: _____

[NAME OF DESIGNATED LENDER],
as Designee

By: _____

Title: _____

(7) This date should be no earlier than five Business Days after the delivery of this Designation Agreement to the Administrative Agent.

-137-

139

Applicable Lending Office (and address
for notices):

[ADDRESS]

Accepted this ____ day of _____, 199__

[AGENT], as Administrative Agent

[FIRST INDUSTRIAL, L.P.]

By: FIRST INDUSTRIAL REALTY
TRUST, INC., its general partner

By: _____

Title: _____

By: _____

Title: _____

-138-

140

SCHEDULE 6.9

LITIGATION (BORROWER)

NONE

-139-

141

SCHEDULE 6.19
ENVIRONMENTAL COMPLIANCE

-140-

142

SCHEDULE 6.24
TRADE NAMES

First Industrial (Michigan), Limited Partnership
First Industrial (Minnesota), Limited Partnership
First Industrial (Tennessee), L.P.
First Industrial Realty, Inc.
First Industrial Development Services
First Industrial (Alabama), Limited Partnership
First Industrial, Limited Partnership
First Industrial Realty, Inc.
First Industrial Financing Partnership (Alabama), Limited Partnership
First Industrial Financing Partnership, Limited Partnership
First Industrial Financing Partnership (Minnesota), Limited Partnership
First Industrial Financial Partnership (Wisconsin), Limited Partnership
First Industrial MP, L.P. dba First Industrial Mortgage Partnership, L.P.

-141-

143

SCHEDULE 6.25
SUBSIDIARIES (BORROWER)

First Industrial Financing Partnership, L.P., a Delaware limited partnership*
First Industrial Pennsylvania, L.P., a Delaware limited partnership*
First Industrial Harrisburg, L.P., a Delaware limited partnership*

First Industrial Securities, L.P., a Delaware limited partnership*

First Industrial Mortgage Partnership, L.P., a Delaware limited partnership*

First Industrial Indianapolis Partnership, L.P., a Delaware limited partnership*

First Industrial Development Services, L.P., a Delaware limited partnership*

FI Development Services Group, L.P., a Delaware limited partnership*

NOTE: For property ownership information, see Exhibit 1 to this Schedule 6.25.

* Borrower owns 99% limited partnership interest in this entity.

-142-

144

SCHEDULE 6.26

UNENCUMBERED ASSETS

-143-

145

SCHEDULE 7.8

LITIGATION (GENERAL PARTNER)

NONE

-144-

146

SCHEDULE 7.18

SUBSIDIARIES (GENERAL PARTNER)

1. FI Development Services Corporation, a Maryland corporation
2. First Industrial Finance Corporation, a Maryland corporation
3. First Industrial Management Corporation, a Maryland corporation
4. FR Acquisitions, Inc., a Maryland corporation
5. First Industrial Pennsylvania Corporation, a Maryland corporation
6. First Industrial Harrisburg Corporation, a Maryland corporation

- 7. First Industrial Securities Corporation, a Maryland corporation
- 8. First Industrial Mortgage Corporation, a Maryland corporation
- 9. First Industrial Indianapolis Corporation, a Maryland corporation

NOTE:

- 1. Each of these entities is 100% wholly owned by the General Partner.
- 2. None of these entities owns any properties.

TABLE OF CONTENTS

	PAGE
ARTICLE I DEFINITIONS AND ACCOUNTING TERMS.....	2
1.1 Definitions.....	2
1.2 Financial Standards.....	19
ARTICLE II THE FACILITY.....	19
2.1 The Facility.....	19
2.2 Principal Payments and Extension Option.....	20
2.3 Requests for Advances; Responsibility for Advances.....	21
2.4 Evidence of Credit Extensions.....	21
2.5 Ratable and Non-Pro Rata Loans.....	21
2.6 Applicable Margins.....	21
2.7 Other Fees.....	22
2.8 Minimum Amount of Each Advance.....	22
2.9 Interest.....	22
2.10 Selection of Rate Options and LIBOR Interest Periods.....	23
2.11 Method of Payment.....	25
2.12 Default.....	26
2.13 Lending Installations.....	26
2.14 Non-Receipt of Funds by Administrative Agent.....	26
2.15 Swingline Loans.....	27
2.16 Competitive Bid Loans.....	28
2.17 Voluntary Reduction of Aggregate Commitment Amount.....	32
2.18 Application of Moneys Received.....	32
ARTICLE III THE LETTER OF CREDIT SUBFACILITY.....	33
3.1 Obligation to Issue.....	33
3.2 Types and Amounts.....	34
3.3 Conditions.....	34
3.4 Procedure for Issuance of Facility Letters of Credit.....	35
3.5 Reimbursement Obligations; Duties of Issuing Bank.....	36
3.6 Participation.....	37
3.7 Payment of Reimbursement Obligations.....	38
3.8 Compensation for Facility Letters of Credit.....	39
3.9 Letter of Credit Collateral Account.....	39

TABLE OF CONTENTS

(CONTINUED)

	PAGE
-----	-----
ARTICLE IV CHANGE IN CIRCUMSTANCES.....	40
4.1 Yield Protection.....	40
4.2 Changes in Capital Adequacy Regulations.....	41
4.3 Availability of LIBOR Advances.....	41
4.4 Funding Indemnification.....	42
4.5 Lender Statements; Survival of Indemnity.....	42
ARTICLE V CONDITIONS PRECEDENT.....	42
5.1 Conditions Precedent to Closing.....	42
5.2 Conditions Precedent to Subsequent Advances.....	45
ARTICLE VI REPRESENTATIONS AND WARRANTIES.....	46
6.1 Existence.....	46
6.2 Corporate/Partnership Powers.....	46
6.3 Power of Officers.....	46
6.4 Government and Other Approvals.....	46
6.5 Solvency.....	47
6.6 Compliance With Laws.....	47
6.7 Enforceability of Agreement.....	47
6.8 Title to Property.....	47
6.9 Litigation.....	48
6.10 Events of Default.....	48
6.11 Investment Company Act of 1940.....	48
6.12 Public Utility Holding Company Act.....	48
6.13 Regulation U.....	48
6.14 No Material Adverse Financial Change.....	48
6.15 Financial Information.....	48
6.16 Factual Information.....	49
6.17 ERISA.....	49
6.18 Taxes.....	49
6.19 Environmental Matters.....	49
6.20 Insurance.....	50
6.21 No Brokers.....	50
6.22 No Violation of Usury Laws.....	51

-ii-

149

TABLE OF CONTENTS
(CONTINUED)

	PAGE
-----	-----
6.23 Not a Foreign Person.....	51
6.24 No Trade Name.....	51
6.25 Subsidiaries.....	51
6.26 Unencumbered Assets.....	51
ARTICLE VII ADDITIONAL REPRESENTATIONS AND WARRANTIES.....	53
7.1 Existence.....	53
7.2 Corporate Powers.....	53
7.3 Power of Officers.....	53
7.4 Government and Other Approvals.....	54
7.5 Compliance With Laws.....	54
7.6 Enforceability of Agreement.....	54
7.7 Liens; Consents.....	54
7.8 Litigation.....	54
7.9 Events of Default.....	54
7.10 Investment Company Act of 1940.....	54
7.11 Public Utility Holding Company Act.....	55
7.12 No Material Adverse Financial Change.....	55
7.13 Financial Information.....	55
7.14 Factual Information.....	55
7.15 ERISA.....	55
7.16 Taxes.....	55
7.17 No Brokers.....	55
7.18 Subsidiaries.....	56
7.19 Status.....	56
ARTICLE VIII AFFIRMATIVE COVENANTS.....	56
8.1 Notices.....	56
8.2 Financial Statements, Reports, Etc.....	57
8.3 Existence and Conduct of Operations.....	59
8.4 Maintenance of Properties.....	60
8.5 Insurance.....	60
8.6 Payment of Obligations.....	60
8.7 Compliance with Laws.....	60

-iii-

150

TABLE OF CONTENTS
(CONTINUED)

	PAGE

8.9 ERISA.....	61
8.10 Maintenance of Status.....	61
8.11 Use of Proceeds.....	61
8.12 Pre-Acquisition Environmental Investigations.....	61
ARTICLE IX NEGATIVE COVENANTS.....	61
9.1 Change in Business.....	61
9.2 Change of Management of Properties.....	62
9.3 Change of Borrower Ownership or Financing Partnership Ownership.....	62
9.4 Use of Proceeds.....	62
9.5 Transfers of Unencumbered Assets.....	62
9.6 Liens.....	62
9.7 Regulation U.....	63
9.8 Indebtedness and Cash Flow Covenants.....	63
9.9 Mergers and Dispositions.....	64
9.10 Negative Pledge.....	64
9.11 Maximum Revenue from Single Tenant.....	65
ARTICLE X DEFAULTS.....	65
10.1 Nonpayment of Principal.....	65
10.2 Certain Covenants.....	65
10.3 Nonpayment of Interest and Other Obligations.....	65
10.4 Cross Default.....	65
10.5 Loan Documents.....	65
10.6 Representation or Warranty.....	66
10.7 Covenants, Agreements and Other Conditions.....	66
10.8 No Longer General Partner.....	66
10.9 Material Adverse Financial Change.....	66
10.10 Bankruptcy.....	66
10.11 Legal Proceedings.....	67
10.12 ERISA.....	67
10.13 REMIC Loan.....	67
10.14 Failure to Satisfy Judgments.....	67
10.15 Environmental Remediation.....	67

-iv-

151

TABLE OF CONTENTS
(CONTINUED)

	PAGE

ARTICLE XI ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES.....	68
11.1 Acceleration.....	68
11.2 Preservation of Rights; Amendments.....	68
ARTICLE XII THE ADMINISTRATIVE AGENT.....	69
12.1 Appointment.....	69
12.2 Powers.....	69
12.3 General Immunity.....	69
12.4 No Responsibility for Loans, Recitals, etc.....	69
12.5 Action on Instructions of Lenders.....	69
12.6 Employment of Administrative Agents and Counsel.....	70
12.7 Reliance on Documents; Counsel.....	70
12.8 Administrative Agent's Reimbursement and Indemnification.....	70
12.9 Rights as a Lender.....	70
12.10 Commitment as a Lender.....	71
12.11 Lender Credit Decision.....	71
12.12 Successor Administrative Agent.....	71

12.13	Notice of Defaults.....	72
12.14	Requests for Approval.....	72
12.15	Copies of Documents.....	72
12.16	Defaulting Lenders.....	72
ARTICLE XIII	BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS.....	73
13.1	Successors and Assigns.....	73
13.2	Participations.....	74
13.2.1	Permitted Participants; Effect.....	74
13.2.2	Voting Rights.....	74
13.3	Assignments.....	74
13.3.1	Permitted Assignments.....	74
13.3.2	Effect; Effective Date of Assignment.....	75
13.4	Dissemination of Information.....	75
13.5	Tax Treatment.....	75
ARTICLE XIV	GENERAL PROVISIONS.....	76

-V-

152

TABLE OF CONTENTS (CONTINUED)

		PAGE

14.1	Survival of Representations.....	76
14.2	Governmental Regulation.....	76
14.3	Taxes.....	76
14.4	Headings.....	76
14.5	No Third Party Beneficiaries.....	76
14.6	Expenses; Indemnification.....	76
14.7	Severability of Provisions.....	77
14.8	Nonliability of the Lenders.....	77
14.9	Choice of Law.....	77
14.10	Consent to Jurisdiction.....	77
14.11	Waiver of Jury Trial.....	78
14.12	Successors and Assigns.....	78
14.13	Entire Agreement; Modification of Agreement.....	78
14.14	Dealings with the Borrower.....	79
14.15	Set-Off.....	79
14.16	Counterparts.....	79
ARTICLE XV	NOTICES.....	80
15.1	Giving Notice.....	80
15.2	Change of Address.....	81

EXHIBITS

- - - - -

A	-	Percentages
B-1	-	Form of Note
B-2	-	Form of Competitive Bid Note
C-1	-	Form of Competitive Bid Quote Request
C-2	-	Invitation for Competitive Bid Quotes
C-3	-	Competitive Bid Quote
D	-	Form of Guaranty
E	-	Opinion of Borrower's Counsel
F	-	Opinion of General Partner's Counsel
G	-	Wiring Instructions
H	-	Form of Compliance Certificate
I	-	Scope of Work for Environmental Investigations

-vi-

153

TABLE OF CONTENTS (CONTINUED)

J	-	Form of Assignment Agreement	PAGE
K	-	Form of Designation Agreement	

SCHEDULES

- -----

6.9	Litigation (Borrower)
6.19	Environmental Compliance
6.24	Trade Names
6.25	Subsidiaries (Borrower)
6.26	Unencumbered Assets
7.8	Litigation (General Partner)
7.18	Subsidiaries (General Partner)

FIRST INDUSTRIAL, L.P.
SIXTH AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND
RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER
THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE
SECURITIES LAWS PURSUANT TO A REGISTRATION OR EXEMPTION THEREFROM.

TABLE OF CONTENTS

	Page

ARTICLE I - INTERPRETIVE PROVISIONS	
Section 1.1 Certain Definitions	1

Section 1.2	Rules of Construction	12
ARTICLE II - CONTINUATION		
Section 2.1	Continuation	13
Section 2.2	Name	13
Section 2.3	Place of Business; Registered Agent	14
ARTICLE III - BUSINESS PURPOSE		
Section 3.1	Business	14
Section 3.2	Authorized Activities	14
ARTICLE IV - CAPITAL CONTRIBUTIONS		
Section 4.1	Capital Contributions	14
Section 4.2	Additional Partnership Interests	15
Section 4.3	No Third Party Beneficiaries	15
Section 4.4	Capital Accounts	15
Section 4.5	Return of Capital Account; Interest	17
Section 4.6	Preemptive Rights	17
Section 4.7	REIT Share Purchases	17
ARTICLE V - ALLOCATIONS AND DISTRIBUTIONS		
Section 5.1	Limited Liability	17
Section 5.2	Profits, Losses and Distributive Shares	18
Section 5.3	Distributions	23
Section 5.4	Distribution upon Redemption.....	24
Section 5.5	Distributions upon Liquidation	24
Section 5.6	Amounts Withheld	24
ARTICLE VI - PARTNERSHIP MANAGEMENT		
Section 6.1	Management and Control of Partnership Business.....	25
Section 6.2	No Management by Limited Partners; Limitation of Liability	25
Section 6.3	Limitations on Partners	26
Section 6.4	Business with Affiliates	26
Section 6.5	Compensation; Reimbursement of Expenses	26
Section 6.6	Liability for Acts and Omissions	27
Section 6.7	Indemnification	27
ARTICLE VII - ADMINISTRATIVE, FINANCIAL AND TAX MATTERS		
Section 7.1	Books and Records	28
Section 7.2	Annual Audit and Accounting	28
Section 7.3	Partnership Funds	28
Section 7.4	Reports and Notices	28

-i-

3

		Page

Section 7.5	Tax Matters	29
Section 7.6	Withholding	29
ARTICLE VIII - TRANSFER OF PARTNERSHIP INTERESTS; ADMISSIONS OF PARTNERS		
Section 8.1	Transfer by General Partner	30
Section 8.2	Obligations of a Prior General Partner	30
Section 8.3	Successor General Partner	30
Section 8.4	Restrictions on Transfer and Withdrawal by Limited Partner	30
Section 8.5	Substituted Limited Partner	31
Section 8.6	Timing and Effect of Transfers	32
Section 8.7	Additional Limited Partners	32
Section 8.8	Amendment of Agreement and Certificate	32
ARTICLE IX - REDEMPTION		
Section 9.1	Right of Redemption	32
Section 9.2	Timing of Redemption	33
Section 9.3	Redemption Price	33
Section 9.4	Assumption of Redemption Obligation	34
Section 9.5	Further Assurances; Certain Representations	34

Section 9.6	Effect of Redemption	34
Section 9.7	Registration Rights	34
ARTICLE X - DISSOLUTION AND LIQUIDATION		
Section 10.1	Term and Dissolution	35
Section 10.2	Liquidation of Partnership Assets	35
Section 10.3	Effect of Treasury Regulations	36
Section 10.4	Time for Winding-Up	37
ARTICLE XI - AMENDMENTS AND MEETINGS		
Section 11.1	Amendment Procedure	37
Section 11.2	Meetings and Voting	38
Section 11.3	Voting of LB Units.....	38
ARTICLE XII - MISCELLANEOUS PROVISIONS		
Section 12.1	Title to Property	38
Section 12.2	Other Activities of Limited Partners	38
Section 12.3	Power of Attorney	39
Section 12.4	Notices	40
Section 12.5	Further Assurances	40
Section 12.6	Titles and Captions	40
Section 12.7	Applicable Law	40
Section 12.8	Binding Agreement	40
Section 12.9	Waiver of Partition	40
Section 12.10	Counterparts and Effectiveness	40
Section 12.11	Survival of Representations	40
Section 12.12	Entire Agreement	41

-ii-

4

Exhibit 1A	-	First Highland Partners
Exhibit 1B	-	Schedule of Partners
Exhibit 1C	-	LB Partners
Exhibit 1D	-	Contributor Partners
Exhibit 2	-	Form of Redemption Notice
Exhibit 3	-	Form of Registration Rights Agreement

5

FIRST INDUSTRIAL, L.P.

SIXTH AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT

The undersigned, being the sole general partner of First Industrial, L.P. (the "Partnership"), a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act, does hereby amend and restate the Fifth Amended and Restated Partnership Agreement (as described below) this 18th day of March 1998 as follows:

R E C I T A L S:

A. The Partnership was formed pursuant to a Certificate of Limited Partnership filed on November 23, 1993 with the Secretary of State of the State of Delaware under the name "ProVest, L.P." and a Limited Partnership Agreement dated November 23, 1993 (the "Original Partnership Agreement").

B. The Original Partnership Agreement was amended and restated as of

January 28, 1994 (such amended and restated partnership agreement, the "Prior Partnership Agreement").

C. A Second Amended and Restated Limited Partnership Agreement was executed as of June 30, 1994, a Third Amended and Restated Partnership Agreement was executed as of May 14, 1997, a Fourth Amended and Restated Partnership Agreement was executed as of June 6, 1997 and a Fifth Amended and Restated Partnership Agreement was executed as of February 4, 1998 (the "Fifth Partnership Agreement").

D. The General Partner desires to amend and restate the Fifth Partnership Agreement to (i) reflect the interests granted to the Class E Limited Partner (as hereinafter defined) and (ii) set forth the understandings and agreements, including certain rights and obligations, among the Partners (as hereinafter defined) with respect to the Partnership.

- - - - -
ARTICLE I - INTERPRETIVE PROVISIONS
- - - - -

SECTION 1.1 CERTAIN DEFINITIONS. The following terms have the definitions hereinafter indicated whenever used in this Agreement with initial capital letters:

ACT: The Delaware Revised Uniform Limited Partnership Act, Sections 17-101 to 17-1109 of the Delaware Code Annotated, Title 6, as amended from time to time.

ADDITIONAL LIMITED PARTNER: A Person admitted to the Partnership as a Limited Partner in accordance with Section 8.7 hereof and who is shown as such on the books and records of the Partnership.

ADJUSTED CAPITAL ACCOUNT: With respect to any Partner, such Partner's Capital Account maintained in accordance with Section 4.4 hereof, as of the end of the relevant Fiscal Year of the Partnership, after giving effect to the following adjustments:

(A) Credit to such Capital Account such Partner's share of Partnership Minimum Gain determined in accordance with Treasury Regulations Section 1.704-2(g)(1) and such Partner's share of Partner Minimum Gain determined in accordance with Treasury Regulations Section 1.704-2(i)(5).

6

-2-

(B) Debit to such Capital Account the items described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of "Adjusted Capital Account" is intended to comply with the provisions of Treasury Regulations Sections 1.704-1(b)(2)(ii) and 1.704-2 and shall be interpreted consistently therewith.

ADJUSTED CAPITAL ACCOUNT DEFICIT: With respect to any Partner, the deficit balance, if any, in that Partner's Adjusted Capital Account as of the end of the relevant Fiscal Year of the Partnership.

AFFILIATE: With respect to any referenced Person, (i) a member of such Person's immediate family; (ii) any Person who directly or indirectly owns, controls or holds the power to vote ten percent (10%) or more of the outstanding voting securities of the Person in question; (iii) any Person ten percent (10%) or more of whose outstanding securities are directly or indirectly owned, controlled, or held with power to vote by the Person in question; (iv) any Person directly or indirectly controlling, controlled by, or under direct or indirect common control with the Person in question; (v) if the Person in question is a corporation, any executive officer or director of such Person or of any corporation directly or indirectly controlling such Person; and (vi) if

the Person in question is a partnership, any general partner of the partnership or any limited partner owning or controlling ten percent (10%) or more of either the capital or profits interest in such partnership. As used herein, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

AGGREGATE PROTECTED AMOUNT: With respect to the Contributor Partners, as a group, the aggregate balances of the Protected Amounts, if any, of the Contributor Partners, as determined on the date in question.

AGREED VALUE: In the case of any (i) Contributed Property acquired pursuant to a Contribution Agreement, the value of such Contributed Property as set forth in such Contribution Agreement or, if no such value is set forth for such Contributed Property, the portion of the consideration provided for under such Contribution Agreement allocable to such Contributed Property, as determined by the General Partner in its reasonable discretion, (ii) Contributed Property acquired other than pursuant to a Contribution Agreement, the fair market value of such property at the time of contribution, as determined by the General Partner using such method of valuation as it may adopt in its reasonable discretion and (iii) property distributed to a Partner by the Partnership, the Partnership's Book Value of such property at the time such property is distributed without taking into account, in the case of each of (i), (ii) and (iii), the amount of any related indebtedness assumed by the Partnership (or the Partner in the case of clause (iii)) or to which the Contributed Property (or distributed property in the case of clause (iii)) is taken subject.

AGREEMENT: This Sixth Amended and Restated Limited Partnership Agreement and all Exhibits attached hereto, as the same may be amended or restated and in effect from time to time.

ASSIGNEE: Any Person to whom one or more Partnership Units have been Transferred as permitted under this Agreement but who has not become a Substituted Limited Partner in accordance with the provisions hereof.

BANKRUPTCY: Either (i) a referenced Person's making an assignment for the benefit of creditors, (ii) the filing by a referenced Person of a voluntary petition in bankruptcy, (iii) a referenced Person's being adjudged insolvent or having entered against him an order for relief in any bankruptcy or insolvency proceeding, (iv) the filing by a referenced Person of an answer seeking any reorganization, composition, readjustment, liquidation, dissolution, or similar relief under any law or regulation, (v) the filing by a referenced Person of an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him in any proceeding of

reorganization, composition, readjustment, liquidation, dissolution, or for similar relief under any statute, law or regulation or (vi) a referenced Person's seeking, consenting to, or acquiescing in the appointment of a trustee, receiver or liquidator for all or substantially all of his property (or court appointment of such trustee, receiver or liquidator).

BOOK-TAX DISPARITY: With respect to any item of Contributed Property, or property the Book Value of which has been adjusted in accordance with Section 4.4(D), as of the date of determination, the difference between the Book Value of such property and the adjusted basis of such property for federal income tax purposes.

BOOK VALUE: With respect to any Contributed Property, the Agreed Value of such property reduced (but not below zero) by all Depreciation with respect to such property properly charged to the Partners' Capital Accounts, and with respect to any other asset, the asset's adjusted basis for federal income tax purposes; provided, however, (a) the Book Value of all Partnership Assets shall be adjusted in the event of a revaluation of Partnership Assets in accordance with Section 4.4(D) hereof, (b) the Book Value of any Partnership Asset distributed to any Partner shall be the fair market value of such asset on the

date of distribution as determined by the General Partner and (c) such Book Value shall be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

CAPITAL ACCOUNT: The account maintained by the Partnership for each Partner described in Section 4.4 hereof.

CAPITAL CONTRIBUTION: The total amount of cash or cash equivalents and the Agreed Value (reduced to take into account the amount of any related indebtedness assumed by the Partnership, or to which the Contributed Property is subject) of Contributed Property which a Partner contributes or is deemed to contribute to the Partnership pursuant to the terms of this Agreement.

CASH PAYMENT: The payment to a Redeeming Party of a cash amount determined by multiplying (i) the number of Partnership Units tendered for redemption by such Redeeming Party pursuant to a validly proffered Redemption Notice by (ii) the Unit Value on the date the Redemption Notice is received by the General Partner.

CERTIFICATE: The Partnership's Certificate of Limited Partnership filed in the office of the Secretary of State of the State of Delaware, as amended from time to time.

CLASS B DEEMED ORIGINAL ISSUE DATE: (i) in the case of any Class B Unit which is part of the first issuance of such units or part of a subsequent issuance of such units prior to July 1, 1997, the date of such first issuance and (ii) in the case of any such unit which is part of a subsequent issuance of such units on or after July 1, 1997, the later of (x) July 1, 1997 and (y) the last Class B Distribution Period Commencement Date which precedes the date of issuance of such unit and which succeeds the last Class B Distribution Period for which full cumulative Class B Priority Return Amounts have been paid; provided, however, that, in the case of any such unit which is part of a subsequent issuance on or after July 1, 1997, the date of issuance of which falls between (a) the record date for dividends payable on the Series B Preferred Shares on the first succeeding dividend payment date on such stock and (b) such dividend payment date, the "Class B Deemed Original Issue Date" means the date of the Class B Distribution Period Commencement Date that immediately follows the date of issuance of such unit.

CLASS B DISTRIBUTION PERIOD: The Class B Initial Distribution Period, and each quarterly distribution period thereafter, commencing on January 1, April 1, July 1 and October 1 of each year and ending on and including the day preceding the next Class B Distribution Period Commencement Date.

CLASS B DISTRIBUTION PERIOD COMMENCEMENT DATE: January 1, April 1, July 1 and October 1 of each year, commencing on July 1, 1997.

CLASS B INITIAL DISTRIBUTION PERIOD: The period from the Class B Deemed Original Issue Date for a Class B Unit to, but excluding, July 1, 1997.

CLASS B LIMITED PARTNER: First Industrial Realty Trust, Inc., a Maryland corporation, in its capacity as a limited partner in the Partnership holding Class B Units.

CLASS B PRIORITY RETURN AMOUNT: With respect to each Class B Unit, (i) for the Class B Initial Distribution Period, the pro rata portion of the amount referred to in clause (ii) of this definition, computed in accordance with the last sentence of Section 5.3(A) hereof, and (ii) for each Class B Distribution Period thereafter, an amount equal to 2.1875% of that portion of the Capital Contribution of the Class B Limited Partner allocable to each such unit. Class B Priority Return Amounts on each Class B Unit that are not distributed as provided in Section 5.3(A) shall be cumulative from the Class B Deemed Original Issue Date of such unit.

CLASS B REDEMPTION: As defined in Section 9.1(C) hereof.

CLASS B REDEMPTION PRICE: As defined in Section 9.1(C) hereof.

CLASS B UNIT: The Partnership Interest held by the Class B Limited Partner, each full Class B Unit representing a \$2,500 Capital Contribution.

CLASS C DEEMED ORIGINAL ISSUE DATE: (i) in the case of any Class C Unit which is part of the first issuance of such units or part of a subsequent issuance of such units prior to October 1, 1997, the date of such first issuance and (ii) in the case of any such unit which is part of a subsequent issuance of such units on or after October 1, 1997, the later of (x) October 1, 1997 and (y) the last Class C Distribution Period Commencement Date which precedes the date of issuance of such unit and which succeeds the last Class C Distribution Period for which full cumulative Class C Priority Return Amounts have been paid; provided, however, that, in the case of any such unit which is part of a subsequent issuance on or after October 1, 1997, the date of issuance of which falls between (a) the record date for dividends payable on the Series C Preferred Shares on the first succeeding dividend payment date on such stock and (b) such dividend payment date, the "Class C Deemed Original Issue Date" means the date of the Class C Distribution Period Commencement Date that immediately follows the date of issuance of such unit.

CLASS C DISTRIBUTION PERIOD: The Class C Initial Distribution Period and each quarterly distribution period thereafter, commencing on January 1, April 1, July 1 and October 1 of each year and ending on and including the day preceding the next Class C Distribution Period Commencement Date.

CLASS C DISTRIBUTION PERIOD COMMENCEMENT DATE: January 1, April 1, July 1 and October 1 of each year commencing October 1, 1997.

CLASS C INITIAL DISTRIBUTION PERIOD: The period from the Class C Deemed Original Issue Date for a Class C Unit to, but excluding, October 1, 1997.

CLASS C LIMITED PARTNER: First Industrial Realty Trust, Inc., a Maryland corporation, in its capacity as a limited partner in the Partnership holding Class C Units.

CLASS C PRIORITY RETURN AMOUNT: With respect to each Class C Unit, (i) for the Class C Initial Distribution Period, the pro rata portion of the amount referred to in clause (ii) of this definition, computed in accordance with the last sentence of Section 5.3(B) hereof, and (ii) for each Class C Distribution Period thereafter, an amount equal to 2.15625% of that portion of the Capital Contribution of the Class C Limited Partner allocable to each such unit. Class C Priority Return Amounts on each Class C Unit that are not distributed as provided in Section 5.3(B) shall be cumulative from the Class C Deemed Original Issue Date of such unit.

CLASS C REDEMPTION: As defined in Section 9.1(D) hereof.

CLASS C REDEMPTION PRICE: As defined in Section 9.1(D) hereof.

CLASS C UNIT: The Partnership Interest held by the Class C Limited Partner, each full Class C Unit representing a \$2,500 Capital Contribution.

CLASS D DEEMED ORIGINAL ISSUE DATE: (i) in the case of any Class D Unit which is part of the first issuance of such units or part of a subsequent issuance of such units prior to April 1, 1998, the date of such first issuance and (ii) in the case of any such unit which is part of a subsequent issuance of such units on or after April 1, 1998, the later of (x) April 1, 1998 and (y) the last Class D Distribution Period Commencement Date which precedes the date of issuance of such unit and which succeeds the last Class D Distribution Period for which full cumulative Class D Priority Return Amounts have been paid; provided, however, that, in the case of any such unit which is part of a

subsequent issuance on or after April 1, 1998, the date of issuance of which falls between (a) the record date for dividends payable on the Series D Preferred Shares on the first succeeding dividend payment date on such stock and (b) such dividend payment date, the "Class D Deemed Original Issue Date" means the date of the Class D Distribution Period Commencement Date that immediately follows the date of issuance of such unit.

CLASS D DISTRIBUTION PERIOD: The Class D Initial Distribution Period and each quarterly distribution period thereafter, commencing on January 1, April 1, July 1 and October 1 of each year and ending on and including the day preceding the next Class D Distribution Period Commencement Date.

CLASS D DISTRIBUTION PERIOD COMMENCEMENT DATE: January 1, April 1, July 1 and October 1 of each year commencing April 1, 1998.

CLASS D INITIAL DISTRIBUTION PERIOD: The period from the Class D Deemed Original Issue Date for a Class D Unit to, but excluding, April 1, 1998.

CLASS D LIMITED PARTNER: First Industrial Realty Trust, Inc., a Maryland corporation, in its capacity as a limited partner in the Partnership holding Class D Units.

CLASS D PRIORITY RETURN AMOUNT: With respect to each Class D Unit, (i) for the Class D Initial Distribution Period, the pro rata portion of the amount referred to in clause (ii) of this definition, computed in accordance with the last sentence of Section 5.3(B) hereof, and (ii) for each Class D Distribution Period thereafter, an amount equal to 1.9875% of that portion of the Capital Contribution of the Class D Limited Partner allocable to each such unit. Class D Priority Return Amounts on each Class D Unit that are not distributed as provided in Section 5.3(B) shall be cumulative from the Class D Deemed Original Issue Date of such unit.

CLASS D REDEMPTION: As defined in Section 9.1(E) hereof.

CLASS D REDEMPTION PRICE: As defined in Section 9.1(E) hereof.

10

-6-

CLASS D UNIT: The Partnership Interest held by the Class D Limited Partner, each full Class D Unit representing a \$2,500 Capital Contribution.

CLASS E DEEMED ORIGINAL ISSUE DATE: (i) in the case of any Class E Unit which is part of the first issuance of such units or part of a subsequent issuance of such units prior to July 1, 1998, the date of such first issuance and (ii) in the case of any such unit which is part of a subsequent issuance of such units on or after July 1, 1998, the later of (x) July 1, 1998 and (y) the last Class E Distribution Period Commencement Date which precedes the date of issuance of such unit and which succeeds the last Class E Distribution Period for which full cumulative Class E Priority Return Amounts have been paid; provided, however, that, in the case of any such unit which is part of a subsequent issuance on or after July 1, 1998, the date of issuance of which falls between (a) the record date for dividends payable on the Series E Preferred Shares on the first succeeding dividend payment date on such stock and (b) such dividend payment date, the "Class E Deemed Original Issue Date" means the date of the Class E Distribution Period Commencement Date that immediately follows the date of issuance of such unit.

CLASS E DISTRIBUTION PERIOD: The Class E Initial Distribution Period and each quarterly distribution period thereafter, commencing on January 1, April 1, July 1 and October 1 of each year and ending on and including the day preceding the next Class E Distribution Period Commencement Date.

CLASS E DISTRIBUTION PERIOD COMMENCEMENT DATE: January 1, April 1, July 1 and October 1 of each year commencing July 1, 1998.

CLASS E INITIAL DISTRIBUTION PERIOD: The period from the Class E Deemed

Original Issue Date for a Class E Unit to, but excluding, July 1, 1998.

CLASS E LIMITED PARTNER: First Industrial Realty Trust, Inc., a Maryland corporation, in its capacity as a limited partner in the Partnership holding Class E Units.

CLASS E PRIORITY RETURN AMOUNT: With respect to each Class E Unit, (i) for the Class E Initial Distribution Period, the pro rata portion of the amount referred to in clause (ii) of this definition, computed in accordance with the last sentence of Section 5.3(B) hereof, and (ii) for each Class E Distribution Period thereafter, an amount equal to 7.90% of that portion of the Capital Contribution of the Class E Limited Partner allocable to each such unit. Class E Priority Return Amounts on each Class E Unit that are not distributed as provided in Section 5.3(B) shall be cumulative from the Class E Deemed Original Issue Date of such unit.

CLASS E REDEMPTION: As defined in Section 9.1(F) hereof.

CLASS E REDEMPTION PRICE: As defined in Section 9.1(F) hereof.

CLASS E UNIT: The Partnership Interest held by the Class E Limited Partner, each full Class E Unit representing a \$2,500 Capital Contribution.

CODE: The Internal Revenue Code of 1986, as amended from time to time.

CONSENT: Either the written consent of a Person or the affirmative vote of such Person at a meeting duly called and held pursuant to this Agreement, as the case may be, to do the act or thing for which the consent is required or solicited, or the act of granting such consent, as the context may require.

CONTRIBUTED PROPERTY: Each property or other asset (excluding cash and cash equivalents) contributed or deemed contributed to the Partnership.

CONTRIBUTION AGREEMENTS: Those certain agreements among one or more of the Initial Limited Partners (or Persons in which such Initial Limited Partners have direct or indirect interests) and the Partnership pursuant to which, inter alia, the Initial Limited Partners (or such Persons), directly or indirectly, are contributing property to the Partnership on the Effective Date in exchange for Partnership Units.

CONTRIBUTOR PARTNER(S): That or those Limited Partner(s) listed as Contributor Partner(s) on Exhibit 1D attached hereto and made a part hereof, as such Exhibit may be amended from time to time by the General Partner, whether by express amendment to this Partnership Agreement or by execution of a written instrument by and between any additional Contributor Partner(s) being affected thereby and the General Partner, acting on behalf of the Partnership and without the prior consent of the Limited Partners (whether or not Contributor Partners other than the Contributor Partner(s) being affected thereby). For purposes hereof, any successor, assignee, or transferee of the Interest of a Contributor Partner (other than the Partnership in connection with a redemption pursuant to Article IX hereof) shall be considered a Contributor Partner for purposes hereof.

CONVERSION FACTOR: The factor applied for converting Partnership Units to REIT Shares, which shall initially be 1.0; provided, however, in the event that the REIT (i) declares or pays a dividend on its outstanding REIT Shares in REIT Shares or makes a distribution to all holders of its outstanding REIT Shares in REIT Shares, (ii) subdivides its outstanding REIT Shares or (iii) combines its outstanding REIT Shares into a smaller number of REIT Shares, the Conversion Factor shall be adjusted by multiplying the Conversion Factor by a fraction, the numerator of which shall be the number of REIT Shares issued and outstanding on the record date (assuming for such purposes that such dividend, distribution, subdivision or combination has occurred as of such time), and the denominator of which shall be the actual number of REIT Shares (determined

without the above assumption) issued and outstanding on the record date for such dividend, distribution, subdivision or combination; provided, further, in the event that the Partnership (a) declares or pays a distribution on the outstanding Partnership Units in Partnership Units or makes a distribution to all Partners in Partnership Units, (b) subdivides the outstanding Partnership Units or (c) combines the outstanding Partnership Units into a smaller number of Partnership Units, the Conversion Factor shall be adjusted by multiplying the Conversion Factor by a fraction, the numerator of which shall be the actual number of Partnership Units issued and outstanding on the record date (determined without giving effect to such dividend, distribution, subdivision or combination), and the denominator of which shall be the actual number of Partnership Units (determined after giving effect to such dividend, distribution, subdivision or combination) issued and outstanding on such record date. Any adjustment to the Conversion Factor shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

DEPRECIATION: For each Fiscal Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Book Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be adjusted as necessary so as to be an amount which bears the same ratio to such beginning Book Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to the beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period is zero, Depreciation for such year or other period shall be determined with reference to such beginning Book Value using any reasonable method approved by the General Partner.

12

-8-

DISTRIBUTABLE CASH: with respect to any period, and without duplication:

- (i) all cash receipts of the Partnership during such period from all sources;
- (ii) less all cash disbursements of the Partnership during such period, including, without limitation, disbursements for operating expenses, taxes, debt service (including, without limitation, the payment of principal, premium and interest), redemption of Partnership Interests and capital expenditures;
- (iii) less amounts added to reserves in the sole discretion of the General Partner, plus amounts withdrawn from reserves in the reasonable discretion of the General Partner.

EFFECTIVE DATE: June 30, 1994.

ERISA: The Employee Retirement Income Security Act of 1976, as amended from time to time.

FIRST HIGHLAND LIMITED PARTNERS: Those Limited Partners identified on Exhibit 1A hereto.

FIRST HIGHLAND PROPERTIES: Those certain properties acquired by the Partnership pursuant to that certain Contribution Agreement, dated as of March 19, 1996.

FIRST HIGHLAND UNITS: The Partnership Units issued to the First Highland Limited Partners in connection with the acquisition of the First Highland Properties by the Partnership.

FISCAL YEAR: The calendar year or in the event of a termination of the

Partnership pursuant to Code Section 708, an appropriate portion of such year.

GENERAL PARTNER: First Industrial Realty Trust, Inc., a Maryland corporation, and its respective successor(s) who or which become Successor General Partner(s) in accordance with the terms of this Agreement.

GENERAL PARTNER INTEREST: A Partnership Interest held by the General Partner including both its General Partner and Limited Partner Interests. A General Partner Interest may be expressed as a number of Partnership Units.

INVOLUNTARY WITHDRAWAL: As to any (i) individual shall mean such individual's death, incapacity or adjudication of incompetence, (ii) corporation shall mean its dissolution or revocation of its charter (unless such revocation is promptly corrected upon notice thereof), (iii) partnership shall mean the dissolution and commencement of winding up of its affairs, (iv) trust shall mean the termination of the trust (but not the substitution of trustees), (v) estate shall mean the distribution by the fiduciary of the estate's complete interest in the Partnership and (vi) any Partner shall mean the Bankruptcy of such Partner.

IRS: The Internal Revenue Service, which administers the internal revenue laws of the United States.

LB CLOSING DATE: January 31, 1997.

LB PARTNERS: The persons identified on Exhibit 1C hereto, following their admission to the Partnership as Additional Limited Partners.

13

-9-

LB UNITS: The Partnership Units issued to the LB Partners in connection with the acquisition by the Partnership of certain properties on the LB Closing Date.

LIMITED PARTNER: Those Persons listed as such on Exhibit 1B attached hereto and made a part hereof, as such Exhibit may be amended from time to time, including any Person who becomes a Substituted Limited Partner or an Additional Limited Partner in accordance with the terms of this Agreement; provided such term shall not include the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner or the Class E Limited Partner.

LIMITED PARTNER INTEREST: A Partnership Interest held by a Limited Partner that is a limited partner interest. A Limited Partner Interest may be expressed as a number of Partnership Units.

NONRECOURSE LIABILITY: A liability as defined in Treasury Regulations Section 1.704-2(b)(3).

NOTICE: A writing containing the information required by this Agreement to be communicated to a Person and delivered to such Person in accordance with Section 12.4; provided, however, that any written communication containing such information actually received by such Person shall constitute Notice for all purposes of this Agreement.

PARTNER MINIMUM GAIN: The gain (regardless of character) which would be realized by the Partnership if property of the Partnership subject to a partner nonrecourse debt (as such term is defined in Treasury Regulations Section 1.704-2(b)(4)) were disposed of in full satisfaction of such debt on the relevant date. The adjusted basis of property subject to more than one partner nonrecourse debt shall be allocated in a manner consistent with the allocation of basis for purposes of determining Partnership Minimum Gain hereunder. Partner Minimum Gain shall be computed hereunder using the Book Value, rather than the adjusted tax basis, of the Partnership property in accordance with Treasury Regulations Section 1.704-2(d)(3).

PARTNER NONRECOURSE DEDUCTIONS: With respect to any partner nonrecourse

debt (as such term is defined in Treasury Regulations Section 1.704-2(b)(4)), the increase in Partner Minimum Gain during the tax year plus any increase in Partner Minimum Gain for a prior tax year which has not previously generated a Partner Nonrecourse Deduction hereunder. The determination of which Partnership items constitute Partner Nonrecourse Deductions shall be made in a manner consistent with the manner in which Partnership Nonrecourse Deductions are determined hereunder.

PARTNERS: The General Partner, the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner, the Class E Limited Partner and the Limited Partners as a group. The term "Partner" shall mean a General Partner, the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner, the Class E Limited Partner or a Limited Partner. Such terms shall be deemed to include such other Persons who become Partners pursuant to the terms of this Agreement.

PARTNERSHIP: The Delaware limited partnership referred to herein as First Industrial, L.P., as such partnership may from time to time be constituted.

PARTNERSHIP ASSETS: At any particular time, any assets or property (tangible or intangible, choate or inchoate, fixed or contingent) owned by the Partnership.

PARTNERSHIP INTEREST OR INTEREST: As to any Partner, such Partner's ownership interest in the Partnership and including such Partner's right to distributions under this Agreement and any other rights or benefits which such

Partner has in the Partnership, together with any and all obligations of such Person to comply with the terms and provisions of this Agreement. A Partnership Interest may be expressed as a number of Partnership Units.

PARTNERSHIP MINIMUM GAIN: The aggregate gain (regardless of character) which would be realized by the Partnership if all of the property of the Partnership subject to nonrecourse debt (other than partner nonrecourse debt as such term is defined in Treasury Regulations Section 1.704-2(b)(4)) were disposed of in full satisfaction of such debt and for no other consideration on the relevant date. In the case of any Nonrecourse Liability of the Partnership which is not secured by a mortgage with respect to any specific property of the Partnership, any and all property of the Partnership to which the holder of said liability has recourse shall be treated as subject to such Nonrecourse Liability for purposes of the preceding sentence. Partnership Minimum Gain shall be computed separately for each Nonrecourse Liability of the Partnership. For this purpose, the adjusted basis of property subject to two or more liabilities of equal priority shall be allocated among such liabilities in proportion to the outstanding balance of such liabilities, and the adjusted basis of property subject to two or more liabilities of unequal priority shall be allocated to the liability of inferior priority only to the extent of the excess, if any, of the adjusted basis of such property over the outstanding balance of the liability of superior priority. Partnership Minimum Gain shall be computed hereunder using the Book Value, rather than the adjusted tax basis, of the Partnership property in accordance with Treasury Regulations Section 1.704-2(d)(3).

PARTNERSHIP NONRECOURSE DEDUCTIONS: The amount of Partnership deductions equal to the increase, if any, in the amount of the aggregate Partnership Minimum Gain during the tax year (plus any increase in Partnership Minimum Gain for a prior tax year which has not previously generated a Partnership Nonrecourse Deduction) reduced (but not below zero) by the aggregate distributions made during the tax year of the proceeds of a Nonrecourse Liability of the Partnership which are attributable to an increase in Partnership Minimum Gain within the meaning of Treasury Regulations Section 1.704-2(d). The Partnership Nonrecourse Deductions for a Partnership tax year shall consist first of depreciation or cost recovery deductions with respect to each property of the Partnership giving rise to such increase in Partnership Minimum Gain on a pro rata basis to the extent of each such increase, with any

excess made up pro rata of all items of deduction.

PARTNERSHIP UNIT: A fractional, undivided share of the Partnership Interests of all Partners (other than the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner and the Class E Limited Partner) issued pursuant to Section 4.1 hereof.

PERCENTAGE INTEREST: As to any Partner, the percentage in the Partnership, as determined by dividing the Partnership Units then owned by such Partner by the total number of Partnership Units then outstanding, as the same may be automatically adjusted from time to time to reflect the issuance and redemption of Partnership Units in accordance with this Agreement, without requiring the amendment of Exhibit 1B to reflect any such issuance or redemption.

PERSON: Any individual, partnership, corporation, trust or other entity.

PROFITS AND LOSSES: For each Fiscal Year or other period, an amount equal to the Partnership's taxable income or loss (as the case may be) for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

a. Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be added to such taxable income or loss;

15

-11-

b. Any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition, shall be subtracted from such taxable income or loss;

c. Gain or loss resulting from any disposition of Partnership property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Book Value of the property disposed of notwithstanding that the adjusted tax basis of such property differs from such Book Value;

d. In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period, computed in accordance with the definition of "Depreciation" herein; and

e. In the event that any item of income, gain, loss or deduction that has been included in the initial computation of Profit or Loss is subject to the special allocation rules of Sections 5.2(C) and 5.2(D), Profit or Loss shall be recomputed without regard to such item.

PROTECTED AMOUNT: With respect to any Contributor Partner, the amount set forth or otherwise described opposite the name of such Contributor Partner on Exhibit 1D attached hereto and made a part hereof, as such Exhibit may be modified from time to time by an amendment to the Partnership Agreement or by execution of a written instrument by and between the Contributor Partner being affected thereby and the General Partner, acting on behalf of the Partnership and without the prior written consent of the Limited Partners (whether or not Contributor Partners other than the Contributor Partner being affected thereby); provided, however, that no Contributor Partner shall be considered to have a Protected Amount from and following the first date upon which such Partner is no longer a Partner of the Partnership.

RECORD DATE: The record date established by the General Partner for distributions pursuant to Section 5.3 hereof, which record date shall be the same as the record date established by the General Partner for a distribution to its stockholders of some or all of its portion of such distribution.

RECOURSE LIABILITIES: The amount of liabilities owed by the Partnership (other than nonrecourse liabilities and liabilities to which Partner Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i)).

REDEEMING PARTY: A Limited Partner or Assignee (other than the General Partner) who tenders Partnership Units for redemption pursuant to a Redemption Notice.

REDEMPTION DATE: The date for redemption of Partnership Units as set forth in Section 9.2.

REDEMPTION EFFECTIVE DATE: The first date on which a Redeeming Party may elect to redeem Partnership Units, which date shall be the later of (i) the first anniversary of the date such Partnership Units are issued and (ii) the effective date of any registration statement filed by the Partnership with respect to the REIT Shares to be issued upon redemption of Partnership Units by a Redeeming Party.

REDEMPTION NOTICE: A Notice to the General Partner by a Redeeming Party, substantially in the form attached as Exhibit 2, pursuant to which the Redeeming Party requests the redemption of Partnership Units in accordance with Article IX.

16

-12-

REDEMPTION OBLIGATION: The obligation of the Partnership to redeem the Partnership Units as set forth in Section 9.1(A).

REDEMPTION PERIOD: The 45-day period immediately following the filing with the SEC by the General Partner of an annual report of the General Partner on Form 10-K or a quarterly report of the General Partner on Form 10-Q or such other period or periods as the General Partner may otherwise determine.

REDEMPTION PRICE: As defined in Section 8.4 hereof.

REDEMPTION RESTRICTION: A restriction on the ability of the Partnership to redeem the Partnership Units as set forth in Section 9.1(A).

REGISTRATION RIGHTS AGREEMENT: A Registration Rights Agreement, substantially in the form of Exhibit 3 hereto, pursuant to which First Industrial will agree to register under the Securities Act of 1933, as amended, REIT Shares issued in connection with Share Payments made under Article IX hereof.

REIT: A real estate investment trust, as defined in Code Section 856.

REIT CHARTER: The Articles of Incorporation of First Industrial filed with the Department of Assessments and Taxation of the State of Maryland on August 10, 1993, as the same may be amended or restated and in effect from time to time.

REIT SHARE: A share of common stock representing an ownership interest in the General Partner.

REIT SHARE RIGHTS: Rights to acquire additional REIT Shares issued to all holders of REIT Shares, whether in the form of rights, options, warrants or convertible or exchangeable securities, to the extent the same have been issued without additional consideration after the initial acquisition of such REIT Shares.

SEC: The Securities and Exchange Commission.

SERIES B PREFERRED SHARES: 8 3/4% Series B Cumulative Preferred Stock of First Industrial Realty Trust, Inc.

SERIES C PREFERRED SHARES: 8 5/8% Series C Cumulative Preferred Stock of First Industrial Realty Trust, Inc.

SERIES D PREFERRED SHARES: 7.95% Series D Cumulative Preferred Stock of First Industrial Realty Trust, Inc.

SERIES E PREFERRED SHARES: 7.90% Series E Cumulative Preferred Stock of First Industrial Realty Trust, Inc.

SHARE PAYMENT: The payment to a Redeeming Party of a number of REIT Shares determined by multiplying (i) the number of Partnership Units tendered for redemption by such Redeeming Party pursuant to a validly proffered Redemption Notice by (ii) the Conversion Factor. In the event the General Partner grants any REIT Share Rights prior to such payment, any Share Payment shall include for the Redeeming Party his ratable share of such REIT Share Rights other than REIT Share Rights which have expired.

SUBSIDIARY: With respect to any Person, any corporation or other entity of which a majority of (i) the voting power of the voting equity securities or (ii) the outstanding equity interests is owned, directly or indirectly, by such Person.

SUBSTITUTED LIMITED PARTNER: That Person or those Persons admitted to the Partnership as substitute Limited Partner(s), in accordance with the provisions of this Agreement. A Substituted Limited Partner, upon his admission as such, shall succeed to the rights, privileges and liabilities of his predecessor in interest as a Limited Partner.

SUCCESSOR GENERAL PARTNER: Any Person who is admitted to the Partnership as substitute General Partner pursuant to this Agreement. A Successor General Partner, upon its admission as such, shall succeed to the rights, privileges and liabilities of its predecessor in interest as General Partner, in accordance with the provisions of the Act.

TAX MATTERS PARTNER: The General Partner or such other Partner who becomes Tax Matters Partner pursuant to the terms of this Agreement.

TERMINATING CAPITAL TRANSACTION: The sale or other disposition of all or substantially all of the Partnership Assets or a related series of transactions that, taken together, result in the sale or other disposition of all or substantially all of the Partnership Assets.

THRESHOLD PERCENTAGE: A percentage equal to 85% on the LB Closing Date and thereafter adjusted upwards (but not downwards) immediately prior to each solicitation of any vote of, or the seeking of any consent, approval or waiver from, the Limited Partners generally, to the sum of (i) 85% and (ii) the number of percentage points equal to the positive difference, if any, between (a) the aggregate Percentage Interest represented by the LB Units immediately following the LB Closing Date and (b) the aggregate Percentage Interest represented by the LP Units immediately prior to any such solicitation. For example, if on the LB Closing Date the LB Units represent a 10% aggregate Percentage Interest, and if immediately prior to a solicitation the Threshold Percentage is 85% and the aggregate Percentage Interest represented by the LB Units is 8%, the Threshold Percentage would be increased to 87% (85% + (10% - 8%)).

TRANSFER: With respect to any Partnership Unit shall mean a transaction in which a Partner assigns his Partnership Interest to another Person and includes any sale, assignment, gift, pledge, mortgage, exchange, hypothecation,

encumbrance or other disposition by law or otherwise; provided, however, the redemption of any Partnership Interest pursuant to Article IX hereof shall not constitute a "transfer" for purposes hereof.

TRANSFER RESTRICTION DATE: June 23, 1995.

TREASURY REGULATIONS: The Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

UNIT VALUE: With respect to any Partnership Unit, the average of the daily market price for a REIT Share for the ten (10) consecutive trading days immediately preceding the date of receipt of a Redemption Notice by the General Partner multiplied by the Conversion Factor. If the REIT Shares are traded on a securities exchange or the NASDAQ-National Market System, the market price for each such trading day shall be the reported last sale price on such day or, if no sales take place on such day, the average of the closing bid and asked prices on such day. If the REIT Shares are not traded on a securities exchange or the NASDAQ-National Market System, the market price for each such trading day shall be determined by the General Partner using any reasonable method of

18

-14-

valuation. If a Share Payment would include any REIT Share Rights, the value of such REIT Share Rights shall be determined by the General Partner using any reasonable method of valuation, taking into account the Unit Value determined hereunder and the factors used to make such determination and the value of such REIT Share Rights shall be included in the Unit Value.

VOTING TERMINATION DATE: The first date after the LB Closing Date on which either (i) the General Partner holds 90% or more of all Partnership Units or (ii) the aggregate number of Partnership Units held by the General Partner and the LB Partners is less than the product of the Threshold Percentage and the total number of Partnership Units then outstanding.

SECTION 1.2 RULES OF CONSTRUCTION. The following rules of construction shall apply to this Agreement:

(A) All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

(B) All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa, as the context may require.

(C) Each provision of this Agreement shall be considered severable from the rest, and if any provision of this Agreement or its application to any Person or circumstances shall be held invalid and contrary to any existing or future law or unenforceable to any extent, the remainder of this Agreement and the application of any other provision to any Person or circumstances shall not be affected thereby and shall be interpreted and enforced to the greatest extent permitted by law so as to give effect to the original intent of the parties hereto.

(D) Unless otherwise specifically and expressly limited in the context, any reference herein to a decision, determination, act, action, exercise of a right, power or privilege, or other procedure by the General Partner shall mean and refer to the decision, determination, act, action, exercise or other procedure by the General Partner in its sole and absolute discretion.

ARTICLE II - CONTINUATION

SECTION 2.1 CONTINUATION. The Partners hereby continue the Partnership as a limited partnership under the Act. The General Partner shall take all

action required by law to perfect and maintain the Partnership as a limited partnership under the Act and under the laws of all other jurisdictions in which the Partnership may elect to conduct business, including but not limited to the filing of amendments to the Certificate with the Delaware Secretary of State, and qualification of the Partnership as a foreign limited partnership in the jurisdictions in which such qualification shall be required, as determined by the General Partner. The General Partner shall also promptly register the Partnership under applicable assumed or fictitious name statutes or similar laws.

SECTION 2.2 NAME. The name of the Partnership is First Industrial, L.P. The General Partner may adopt such assumed or fictitious names as it deems appropriate in connection with the qualifications and registrations referred to in Section 2.1.

19

-15-

SECTION 2.3 PLACE OF BUSINESS; REGISTERED AGENT. The principal office of the Partnership is located at 311 S. Wacker Drive, Suite 4000, Chicago, Illinois 60606, which office may be changed to such other place as the General Partner may from time to time designate. The Partnership may establish offices for the Partnership within or without the State of Delaware as may be determined by the General Partner. The initial registered agent for the Partnership in the State of Delaware is The Corporation Trust Company, whose address is c/o Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

ARTICLE III - BUSINESS PURPOSE

SECTION 3.1 BUSINESS. The business of the Partnership shall be (i) conducting any business that may be lawfully conducted by a limited partnership pursuant to the Act including, without limitation, acquiring, owning, managing, developing, leasing, marketing, operating and, if and when appropriate, selling, industrial properties, (ii) entering into any partnership, joint venture or other relationship to engage in any of the foregoing or the ownership of interests in any entity engaged in any of the foregoing, (iii) making loans, guarantees, indemnities or other financial accommodations and borrowing money and pledging its assets to secure the repayment thereof, (iv) to do any of the foregoing with respect to any Affiliate or Subsidiary and (v) doing anything necessary or incidental to the foregoing; provided, however, that business of the Partnership shall be limited so as to permit the General Partner to elect and maintain its status as a REIT (unless the General Partner determines no longer to qualify as a REIT).

SECTION 3.2 AUTHORIZED ACTIVITIES. In carrying out the purposes of the Partnership, but subject to all other provisions of this Agreement, the Partnership is authorized to engage in any kind of lawful activity, and perform and carry out contracts of any kind, necessary or advisable in connection with the accomplishment of the purposes and business of the Partnership described herein and for the protection and benefit of the Partnership; provided that the General Partner shall not be obligated to cause the Partnership to take, or refraining from taking, any action which, in the judgment of the General Partner, (i) could adversely affect the ability of the General Partner to qualify and continue to qualify as a REIT, (ii) could subject the General Partner to additional taxes under Code Section 857 or 4981 or (iii) could violate any law or regulation of any governmental body or agency having jurisdiction over the General Partner or its securities.

ARTICLE IV - CAPITAL CONTRIBUTIONS

SECTION 4.1 CAPITAL CONTRIBUTIONS.

(A) Upon the contribution to the Partnership of property in

accordance with a Contribution Agreement, Partnership Units shall be issued in accordance with, and as contemplated by, such Contribution Agreement, and the Persons receiving such Partnership Units shall become Partners and shall be deemed to have made a Capital Contribution as set forth on Exhibit 1. Exhibit 1 also sets forth the initial number of Partnership Units owned by each Partner and the Percentage Interest of each Partner, which Percentage Interest shall be adjusted from time to time by the General Partner to reflect the issuance of additional Partnership Units, the redemption of Partnership Units, additional Capital Contributions and similar events having an effect on a Partner's Percentage Interest. Except as set forth in Section 4.2 (regarding issuance of additional Partnership Units) or Section 7.6 (regarding withholding obligations), no Partner shall be required under any circumstances to contribute to the capital of the Partnership any amount beyond that sum required pursuant to this Article IV.

(B) Anything in the foregoing Section 4.1(A) or elsewhere in this Agreement notwithstanding, the Partnership Units held by the General Partner shall, at all times, be deemed to be General Partner units and shall constitute the General Partner Interest.

SECTION 4.2 ADDITIONAL PARTNERSHIP INTERESTS.

(A) The Partnership may issue additional limited partnership interests in the form of Partnership Units for any Partnership purpose at any time or from time to time, to any Partner or other Person (other than the General Partner, except in accordance with Section 4.2(B) below).

(B) The Partnership also may from time to time issue to the General Partner additional Partnership Units or other Partnership Interests in such classes and having such designations, preferences and relative rights (including preferences and rights senior to the existing Limited Partner Interests) as shall be determined by the General Partner in accordance with the Act and governing law. Except as provided in Article IX, any such issuance of Partnership Units or Partnership Interests to the General Partner shall be conditioned upon (i) the undertaking by the General Partner of a related issuance of its capital stock (with such shares having designations, rights and preferences such that the economic rights of the holders of such capital stock are substantially similar to the rights of the additional Partnership Interests issued to the General Partner) and the General Partner making a Capital Contribution (a) in an amount equal to the net proceeds raised in the issuance of such capital stock, in the event such capital stock is sold for cash or cash equivalents or (b) the property received in consideration for such capital stock, in the event such capital stock is issued in consideration for other property or (ii) the issuance by the General Partner of capital stock under any stock option or bonus plan and the General Partner making a Capital Contribution in an amount equal to the exercise price of the option exercised pursuant to such stock option or other bonus plan.

(C) Except as contemplated by Article IX (regarding redemptions) or Section 4.2(B), the General Partner shall not issue any (i) additional REIT Shares, (ii) rights, options or warrants containing the right to subscribe for or purchase REIT Shares or (iii) securities convertible or exchangeable into REIT Shares (collectively, "Additional REIT Securities") other than to all holders of REIT Shares, pro rata, unless (x) the Partnership issues to the General Partner (i) Partnership Interests, (ii) rights, options or warrants containing the right to subscribe for or purchase Partnership Interests or (iii) securities convertible or exchangeable into Partnership Interests such that the General Partner receives an economic interest in the Partnership substantially similar to the economic interest in the General Partner represented by the Additional REIT Securities and (y) the General Partner contributes to the Partnership the net proceeds from, or the property received in consideration for, the issuance of the Additional REIT Securities and the exercise of any rights contained in any Additional REIT Securities.

SECTION 4.3 NO THIRD PARTY BENEFICIARIES. The foregoing provisions of this Article IV are not intended to be for the benefit of any creditor of the Partnership or other Person to whom any debts, liabilities or obligations are owed by (or who otherwise has any claim against) the Partnership or any of the Partners and no such creditor or other Person shall obtain any right under any such foregoing provision against the Partnership or any of the Partners by reason of any debt, liability or obligation (or otherwise).

SECTION 4.4 CAPITAL ACCOUNTS.

(A) The Partnership shall establish and maintain a separate Capital Account for each Partner in accordance with Code Section 704 and Treasury Regulations Section 1.704-1(b) (2) (iv). The Capital Account of each Partner shall be credited with:

21

-17-

(1) the amount of all Capital Contributions made to the Partnership by such Partner in accordance with this Agreement; plus

(2) all income and gain of the Partnership computed in accordance with this Section 4.4 and allocated to such Partner pursuant to Article V (including for purposes of this Section 4.4(A), income and gain exempt from tax);

and shall be debited with the sum of:

(1) all losses or deductions of the Partnership computed in accordance with this Section 4.4 and allocated to such Partner pursuant to Article V,

(2) such Partner's distributive share of expenditures of the Partnership described in Code Section 705(a) (2) (B), and

(3) all cash and the Agreed Value (reduced to take into account the amount of any related indebtedness assumed by the Partner, or to which the distributed property is subject) of any property actually distributed or deemed distributed by the Partnership to such Partner pursuant to the terms of this Agreement.

Any reference in any section or subsection of this Agreement to the Capital Account of a Partner shall be deemed to refer to such Capital Account as the same may be credited or debited from time to time as set forth above.

(B) For purposes of computing the amount of any item of income, gain, deduction or loss to be reflected in the Partners' Capital Accounts, the determination, recognition and classification of each such item shall be the same as its determination, recognition and classification for federal income tax purposes, determined in accordance with Code Section 703(a) and accounting for those adjustments set forth in the definition of Profits and Losses, with the following additional adjustments:

(1) the computation of all items of income, gain, loss and deduction shall be made without regard to any Code Section 754 election that may be made by the Partnership, except to the extent required in accordance with the provisions of Treasury Regulations Section 1.704-1(b) (2) (iv) (m); and

(2) in the event the Book Value of any Partnership Asset is adjusted pursuant to Section 4.4(D) below, the amount of such adjustment shall be treated as gain or loss from the disposition of such asset.

(C) Any transferee of a Partnership Interest shall succeed to a pro rata portion of the transferor's Capital Account transferred.

(D) Consistent with the provisions of Treasury Regulations Section 1.704-1(b) (2) (iv) (f), (i) immediately prior to the acquisition of an additional

Partnership Interest by any new or existing Partner in connection with the contribution of money or other property (other than a de minimis amount) to the Partnership, (ii) immediately prior to the distribution by the Partnership to a Partner of Partnership property (other than a de minimis amount) as consideration for a Partnership Interest and (iii) immediately prior to the liquidation of the Partnership as defined in Treasury Regulations Section 1.704-1(b)(2)(ii)(g), the Book Value of all Partnership Assets shall be revalued upward or downward to reflect the fair market value of each such Partnership Asset as determined by the General Partner using such reasonable method of valuation as it may adopt.

22

-18-

(E) The foregoing provisions of this Section 4.4 are intended to comply with Treasury Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Treasury Regulations. In the event the General Partner shall determine that it is prudent to modify the manner in which the Partners' Capital Accounts are computed hereunder in order to comply with such Treasury Regulations, the General Partner may make such modification if such modification is not likely to have a material effect on the amount distributable to any Partner under the terms of this Agreement and the General Partner notifies the other Partners in writing of such modification prior to making such modification.

SECTION 4.5 RETURN OF CAPITAL ACCOUNT; INTEREST. Except as otherwise specifically provided in this Agreement, (i) no Partner shall have any right to withdraw or reduce its Capital Contributions or Capital Account, or to demand and receive property other than cash from the Partnership in return for its Capital Contributions or Capital Account; (ii) no Partner shall have any priority over any other Partners as to the return of its Capital Contributions or Capital Account; (iii) any return of Capital Contributions or Capital Accounts to the Partners shall be solely from the Partnership Assets, and no Partner shall be personally liable for any such return; and (iv) no interest shall be paid by the Partnership on Capital Contributions or on balances in Partners' Capital Accounts.

SECTION 4.6 PREEMPTIVE RIGHTS. No Person shall have any preemptive or similar rights with respect to the issuance or sale of additional Partnership Units.

SECTION 4.7 REIT SHARE PURCHASES. If the General Partner acquires additional REIT Shares pursuant to Article IX of the REIT Charter, the Partnership shall purchase from the General Partner that number of Partnership Units determined by applying the Conversion Multiple to the number of REIT Shares purchased by the General Partner at the same price and on the same terms as those upon which the General Partner purchased such REIT Shares.

ARTICLE V - ALLOCATIONS AND DISTRIBUTIONS

SECTION 5.1 LIMITED LIABILITY. For bookkeeping purposes, the Profits of the Partnership shall be shared, and the Losses of the Partnership shall be borne, by the Partners as provided in Section 5.2 below; provided, however, that except as expressly provided in this Agreement, neither any Limited Partner (in its capacity as a Limited Partner), the Class B Limited Partner (in its capacity as Class B Limited Partner), the Class C Limited Partner (in its capacity as Class C Limited Partner), the Class D Limited Partner (in its capacity as Class D Limited Partner) nor the Class E Limited Partner (in its capacity as Class E Limited Partner) shall be personally liable for losses, costs, expenses, liabilities or obligations of the Partnership in excess of its Capital Contribution required under Article IV hereof.

SECTION 5.2 PROFITS, LOSSES AND DISTRIBUTIVE SHARES.

(A) PROFITS. After giving effect to the special allocations, if

any, provided in Section 5.2(C), (D), (I), (J) and (K) Profits in each Fiscal Year shall be allocated in the following order:

(1) First, to the General Partner until the cumulative Profits allocated to the General Partner under this Section 5.2(A)(1), whether in the current or in any prior Fiscal Year equal the cumulative Losses allocated to such Partner under Section 5.2(B)(6), whether in the current or in any prior Fiscal Year;

23

-19-

(2) Second, to the Class B Limited Partner, Class C Limited Partner, Class D Limited Partner and Class E Limited Partner, in proportion to the cumulative Losses allocated to each such Partner under Section 5.2(B)(5), whether in the current or in any prior Fiscal Year until the Cumulative Profits allocated to each such Partner under this Section 5.2(A)(2) equal the cumulative Losses allocated to each such Partner under Section 5.2(B)(5), whether in the current or in any prior Fiscal Year;

(3) Third, to each Partner in proportion to the cumulative Losses allocated to such Partner under Section 5.2(B)(4), whether in the current or in any prior Fiscal Year, until the cumulative Profits allocated to such Partner under this Section 5.2(A)(3) equal the cumulative Losses allocated to such Partner under Section 5.2(B)(4), whether in the current or in any prior Fiscal Year;

(4) Fourth, to the General Partner until the cumulative Profits allocated to the General Partner under this Section 5.2(A)(4), whether in the current or in any prior Fiscal Year equal the cumulative Losses allocated to such Partner under Section 5.2(B)(3), whether in the current or in any prior Fiscal Year;

(5) Fifth, to each Partner in proportion to the cumulative Losses allocated to such Partner under Section 5.2(B)(2), whether in the current or in any prior Fiscal Year, until the cumulative Profits allocated to such Partner under this Section 5.2(A)(5) equal the cumulative Losses allocated to such Partner under Section 5.2(B)(2), whether in the current or in any prior Fiscal Year;

(6) Sixth, to each Partner in proportion to the cumulative Losses allocated to such Partner under Section 5.2(B)(1), whether in the current or in any prior Fiscal Year, until the cumulative Profits allocated to such Partner under this Section 5.2(A)(6) equal the cumulative Losses allocated to such Partner under Section 5.2(B)(1), whether in the current or in any prior Fiscal Year; and

(7) Then, the balance, if any, to the Partners in proportion to their respective Percentage Interests.

(B) LOSSES. After giving effect to the special allocations, if any, provided in Section 5.2(C), (D), (I), (J) and (K), Losses in each Fiscal Year shall be allocated in the following order of priority:

(1) First, to the Partners (other than the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner and the Class E Limited Partner), in proportion to their respective Percentage Interests, but not in excess of the positive Adjusted Capital Account balance of any Partner prior to the allocation provided for in this Section 5.2(B)(1);

(2) Second, to the Partners (other than the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner and the Class E Limited Partner) with positive Adjusted Capital Account balances prior to the allocation provided for in this Section 5.2(B)(2), in proportion to the amount of such balances until all such balances are reduced to zero;

(3) Third, to the General Partner until (i) the excess of (a)

the cumulative Losses allocated under this Section 5.2(B)(3), whether in the current or in any prior Fiscal Year, over (b) the cumulative Profits allocated under Section 5.2(a)(4), whether in the current or in any prior Fiscal Year, equals (ii) the excess of (a) the amount of Recourse Liabilities over (b) the Aggregate Protected Amount;

(4) Fourth, to and among the Contributor Partners, in accordance with their respective Protected Amounts, until the excess of (a) the cumulative Losses allocated under this Section 5.2(B)(4), whether in the current

24

-20-

or in any prior Fiscal Year, over (b) the cumulative Profits allocated under 5.2(A)(3), whether in the current or in any prior Fiscal Year, equals the Aggregate Protected Amount (as of the close of the Fiscal Year to which such allocation relates);

(5) Fifth, to the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner and the Class E Limited Partner, in accordance with their respective Adjusted Capital Accounts, until their Adjusted Capital Accounts are reduced to zero; and

(6) Thereafter, to the General Partner;

provided, however, (i) that, from and following the first Fiscal Year upon which a Contributor Partner is no longer a Partner of the Partnership, the provisions of this Section 5.2(B) shall be null, void and without further force and effect with respect to such Contributor Partner; (ii) that, this Section 5.2(B) shall control, notwithstanding any reallocation or adjustment of taxable income, loss or other items by the Internal Revenue Service or any other taxing authority; provided, however, that neither the Partnership nor the General Partner (nor any of their respective affiliates) is required to indemnify any Contributor Partner (or its affiliates) for the loss of any tax benefit resulting from any reallocation or adjustment of taxable income, loss or other items by the Internal Revenue Service or other taxing authority; and (iii) that, during such period as there are Contributor Partners in the Partnership, the provisions of Section 5.2(B)(4) shall not be amended in a manner which adversely affects the Contributor Partners (without the consent of each Contributor Partner so affected).

(C) SPECIAL ALLOCATIONS. Except as otherwise provided in this Agreement, the following special allocations will be made in the following order and priority:

(1) PARTNERSHIP MINIMUM GAIN CHARGEBACK. Notwithstanding any other provision of this Article V, if there is a net decrease in Partnership Minimum Gain during any tax year or other period for which allocations are made, each Partner will be specially allocated items of Partnership income and gain for that tax year or other period (and, if necessary, subsequent periods) in an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain during such tax year or other period determined in accordance with Treasury Regulations Section 1.704-2(g). Allocations pursuant to the preceding sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 5.2(C)(1) is intended to comply with the minimum gain chargeback requirements set forth in Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith, including the exceptions to the minimum gain chargeback requirement set forth in Treasury Regulations Section 1.704-2(f) and (3). If the General Partner concludes, after consultation with tax counsel, that the Partnership meets the requirements for a waiver of the minimum gain chargeback requirement as set forth in Treasury Regulations Section 1.704-2(f)(4), the General Partner may take steps reasonably necessary or appropriate in order to obtain such waiver.

(2) PARTNER NONRECOURSE DEBT MINIMUM GAIN CHARGEBACK. Notwithstanding any other provision of this Section (other than Section

5.2(C)(1) which shall be applied before this Section 5.2(C)(2)), if there is a net decrease in Partner Minimum Gain during any tax year or other period for which allocations are made, each Partner with a share of Partner Minimum Gain determined in accordance with Treasury Regulations Section 1.704-2(i)(5) shall be specially allocated items of Partnership income and gain for that period (and, if necessary, subsequent periods) in an amount equal to such Partner's share of the net decrease in Partner Minimum Gain determined in accordance with Treasury Regulations Section 1.704-2(i)(4). The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2)(ii). This Section 5.2(C)(2) is intended to comply with the minimum gain chargeback requirements of Treasury Regulations Section

25

-21-

1.704-2(i)(4) and shall be interpreted consistently therewith, including the exceptions set forth in Treasury Regulations Section 1.704-2(f)(2) and (3) to the extent such exceptions apply to Treasury Regulations Sections 1.704-2(i)(4). If the General Partner concludes, after consultation with tax counsel, that the Partnership meets the requirements for a waiver of the Partner Minimum Gain chargeback requirement set forth in Treasury Regulation 1.704-2(f), but only to the extent such exception applies to Treasury Regulations Section 1.704-2(i)(4), the General Partner may take steps necessary or appropriate to obtain such waiver.

(3) QUALIFIED INCOME OFFSET. A Partner who unexpectedly receives any adjustment, allocation or distribution described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) will be specially allocated items of Partnership income and gain in an amount and manner sufficient to eliminate, to the extent required by Treasury Regulations 1.704-1(b)(2)(ii)(d), the Adjusted Capital Account Deficit of the Partner as quickly as possible, provided that an allocation pursuant to this Section 5.2(C)(3) shall be made if and only to the extent that such Partner would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article V have been tentatively made as if this Section 5.2(C)(3) were not contained in this Agreement.

(4) PARTNERSHIP NONRECOURSE DEDUCTIONS. Partnership Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated among the Partners in proportion to their respective Partnership Interests in the Partnership.

(5) PARTNER NONRECOURSE DEDUCTIONS. Notwithstanding anything to the contrary in this Agreement, any Partner Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated to the Partner who bears the economic risk of loss with respect to the liability to which the Partner Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i).

(6) CODE SECTION 754 ADJUSTMENTS. To the extent an adjustment to the adjusted tax basis of any Partnership asset under Code Section 734(b) or 743(b) is required to be taken into account in determining Capital Accounts under Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) or (4), the amount of the adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset), and the gain or loss will be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted under Treasury Regulations Section 1.704-1(b)(2)(iv)(m).

(7) DEPRECIATION RECAPTURE. In the event there is any recapture of Depreciation or investment tax credit, the allocation thereof shall be made among the Partners in the same proportion as the deduction for such Depreciation or investment tax credit was allocated.

(8) INTEREST IN PARTNERSHIP. Notwithstanding any other provision of this Agreement, no allocation of Profit or Loss (or item of Profit or Loss) will be made to a Partner if the allocation would not have "economic

effect" under Treasury Regulations Section 1.704-1(b)(2)(ii)(a) or otherwise would not be in accordance with the Partner's interest in the Partnership within the meaning of Treasury Regulations Section 1.704-1(b)(3).

(D) CURATIVE ALLOCATIONS. The allocations set forth in Section 5.2(C)(1) through (8) (the "Regulatory Allocations") are intended to comply with certain requirements of Treasury Regulations Sections 1.704-1(b) and 1.704-2. The Regulatory Allocations may not be consistent with the manner in which the Partners intend to divide Partnership distributions. Accordingly, the General Partner is authorized to further allocate Profits, Losses, and other items among the Partners in a reasonable manner so as to prevent the Regulatory Allocations from distorting the manner in which Partnership distributions would be divided among the Partners under Section 5.3, but for application of the Regulatory Allocations. In general, the reallocation will be accomplished by specially allocating

26

-22-

other Profits, Losses and items of income, gain, loss and deduction, to the extent they exist, among the Partners so that the net amount of the Regulatory Allocations and the special allocations to each Partner is zero. The General Partner may accomplish this result in any reasonable manner that is consistent with Code Section 704 and the related Treasury Regulations.

(E) TAX ALLOCATIONS.

(1) Except as otherwise provided in Section 5.2(E)(2), each item of income, gain, loss and deduction shall be allocated for federal income tax purposes in the same manner as each correlative item of income, gain, loss or deduction, is allocated for book purposes pursuant to the provisions of Section 5.1 hereof.

(2) Notwithstanding anything to the contrary in this Article V, in an attempt to eliminate any Book-Tax Disparity with respect to a Contributed Property, items of income, gain, loss or deduction with respect to each such property shall be allocated for federal income tax purposes among the Partners as follows:

(a) Depreciation, Amortization and Other Cost Recovery Items. In the case of each Contributed Property with a Book-Tax Disparity, any item of depreciation, amortization or other cost recovery allowance attributable to such property shall be allocated as follows: (x) first, to Partners (the "Non-Contributing Partners") other than the Partners who contributed such property to the Partnership (or are deemed to have contributed the property pursuant to Section 4.1(A) (the "Contributing Partners") in an amount up to the book allocation of such items made to the NonContributing Partners pursuant to Section 5.1 hereof, pro rata in proportion to the respective amount of book items so allocated to the Non-Contributing Partners pursuant to Section 5.1 hereof; and (y) any remaining depreciation, amortization or other cost recovery allowance to the Contributing Partners in proportion to their Percentage Interests. In no event shall the total depreciation, amortization or other cost recovery allowance allocated hereunder exceed the amount of the Partnership's depreciation, amortization or other cost recovery allowance with respect to such property.

(b) Gain or Loss on Disposition. In the event the Partnership sells or otherwise disposes of a Contributed Property with a Book-Tax Disparity, any gain or loss recognized by the Partnership in connection with such sale or other disposition shall be allocated among the Partners as follows: (x) first, any gain or loss shall be allocated to the Contributing Partners in proportion to their Percentage Interests to the extent required to eliminate any Book-Tax

Disparity with respect to such property; and (y) any remaining gain or loss shall be allocated among the Partners in the same manner that the correlative items of book gain or loss are allocated among the Partners pursuant to Section 5.1 hereof.

(3) In the event the Book Value of a Partnership Asset (including a Contributed Property) is adjusted pursuant to Section 4.4(D) hereof, all items of income, gain, loss or deduction in respect of such property shall be allocated for federal income tax purposes among the Partners in the same manner as provided in Section 5.2(E)(2) hereof to take into account any variation between the fair market value of the property, as determined by the General Partner using such reasonable method of valuation as it may adopt, and the Book Value of such property, both determined as of the date of such adjustment.

(4) The General Partner shall have the authority to elect alternative methods to eliminate the Book- Tax Disparity with respect to one or more Contributed Properties, as permitted by Treasury Regulations Sections 1.704-3 and 1.704-3T, and such election shall be binding on all of the Partners.

27

-23-

(5) The Partners hereby intend that the allocation of tax items pursuant to this Section 5.2(E) comply with the requirements of Code Section 704(c) and Treasury Regulations Sections 1.704-3 and 1.704-3T.

(6) The allocation of items of income, gain, loss or deduction pursuant to this Section 5.2(E) are solely for federal, state and local income tax purposes, and the Capital Account balances of the Partners shall be adjusted solely for allocations of "book" items in respect of Partnership Assets pursuant to Section 5.1 hereof.

(F) OTHER ALLOCATION RULES. The following rules will apply to the calculation and allocation of Profits, Losses and other items:

(1) Except as otherwise provided in the Agreement, all Profits, Losses and other items allocated to the Partners will be allocated among them in proportion to their Percentage Interests.

(2) For purposes of determining the Profits, Losses or any other item allocable to any period, Profits, Losses and other items will be determined on a daily, monthly or other basis, as determined by the General Partner using any permissible method under Code Section 706 and the related Treasury Regulations.

(3) Except as otherwise provided in this Agreement, all items of Partnership income, gain, loss and deduction, and other allocations not provided for in this Agreement will be divided among the Partners in the same proportions as they share Profits and Losses, provided that any credits shall be allocated in accordance with Treasury Regulations Section 1.704-1(b)(4)(ii).

(4) For purposes of Treasury Regulations Section 1.752-3(a), the Partners hereby agree that any Nonrecourse Liabilities of the Partnership in excess of the sum of (i) the Partnership Minimum Gain and (ii) the aggregate amount of taxable gain that would be allocated to the Partners under Section 704(c) (or in the same manner as Section 704(c) in connection with a revaluation of Partnership property) if the Partnership disposed of (in a taxable transaction) all Partnership property subject to one or more Nonrecourse Liabilities of the Partnership in full satisfaction of such Liabilities and for no other consideration, shall be allocated among the Partners in accordance with their respective shares of Profits. The General Partner shall have discretion in any Fiscal Year to allocate such excess Nonrecourse Liabilities among the Partners (a) in a manner reasonably consistent with allocations (that have substantial economic effect) of some other significant item of Partnership income or gain or (b) in accordance with the manner in which it is reasonably expected that the deductions attributable to the excess Nonrecourse Liabilities

will be allocated.

(G) PARTNER ACKNOWLEDGMENT. The Partners agree to be bound by the provisions of this Section 5.2 in reporting their shares of Partnership income, gain, loss, deduction and credit for income tax purposes.

(H) REGULATORY COMPLIANCE. The foregoing provisions of this Section 5.2 relating to the allocation of Profits, Losses and other items for federal income tax purposes are intended to comply with Treasury Regulations Sections 1.704-1(b), 1.704-2, 1.704-3 and 1.704-3T and shall be interpreted and applied in a manner consistent with such Treasury Regulations.

(I) CLASS B PRIORITY ALLOCATION. The holders of the Class B Units shall be allocated gross income such that, from the inception of the Partnership through the end of the Fiscal Year to which the allocation relates, including the year of liquidation of the Partnership in accordance with Article X, the sum of all priority allocations pursuant to this Section 5.2(I) equals (or approaches as nearly as possible) the sum of all Class B Priority Return Amounts accrued through the end of the Fiscal Year to which the allocation relates.

28

-24-

(J) CLASS C PRIORITY ALLOCATION. The holders of the Class C Units shall be allocated gross income such that, from the inception of the partnership through the end of the Fiscal Year to which the allocation relates, including the year of liquidation of the Partnership in accordance with Article X, the sum of all priority allocations pursuant to this Section 5.2(J) equals (or approaches as nearly as possible) the sum of all Class C Priority Return Amounts accrued through the end of the fiscal year to which the allocation relates.

(K) CLASS D PRIORITY ALLOCATION. The holders of Class D Units shall be allocated gross income such that, from the inception of the partnership through the end of the fiscal year to which the allocation relates, including the year of liquidation of the Partnership in accordance with Article X, the sum of all priority allocations pursuant to this Section 5.2(K) equals (or approaches as nearly as possible) the sum of all Class D Priority Return Amounts accrued through the end of the fiscal year to which the allocation relates.

(L) CLASS E PRIORITY ALLOCATION. The holders of Class E Units shall be allocated gross income such that, from the inception of the partnership through the end of the fiscal year to which the allocation relates, including the year of liquidation of the Partnership in accordance with Article X, the sum of all priority allocations pursuant to this Section 5.2(L) equals (or approaches as nearly as possible) the sum of all Class E Priority Return Amounts accrued through the end of the fiscal year to which the allocation relates.

SECTION 5.3 DISTRIBUTIONS.

(A) The General Partner shall cause the Partnership to distribute to the holder of each Class B Unit an amount in cash equal to the cumulative undistributed Class B Priority Return Amount with respect to each such unit (provided that the amount distributable pursuant to this Section 5.3(A) shall not be in excess of the Distributable Cash) on March 31, June 30, September 30 and December 31 of each year, commencing on June 30, 1997 (or in the case of a Class B Unit with a Class B Deemed Original Issue Date after June 30, 1997, on the first such distribution date following the applicable Class B Deemed Original Issue Date); provided that, if any such distribution date shall be a Saturday, Sunday or day on which banking institutions in the State of New York are authorized or obligated by law to close, or a day which is declared a national or New York State holiday (any of the foregoing, a "Non-business Day"), then such distribution shall be made on the next succeeding day which is not a Non-business Day. Class B Priority Return Amounts that are distributable with respect to a period greater or less than a full Class B Distribution Period shall be computed on the basis of a 360-day year consisting of 12 30-day months.

(B) The General Partner shall cause the Partnership to distribute

to the holder of each Class C Unit an amount in cash equal to the cumulative undistributed Class C Priority Return Amount with respect to each such unit (provided that the amount distributable pursuant to this Section 5.3(B) shall not be in excess of the Distributable Cash) on March 31, June 30, September 30 and December 31 of each year, commencing on September 30, 1997 (or in the case of a Class C Unit with a Class C Deemed Original Issue Date after September 30, 1997, on the first such distribution date following the applicable Class C Deemed Original Issue Date); provided that, if any such distribution date shall be a Saturday, Sunday or day on which banking institutions in the State of New York are authorized or obligated by law to close, or a day which is declared a national or New York State holiday (any of the foregoing, a "Non-business Day"), then such distribution shall be made on the next succeeding day which is not a Non-business Day. Class C Priority Return Amounts that are distributable with respect to a period greater or less than a full Class C Distribution Period shall be computed on the basis of a 360-day year consisting of 12 30-day months.

(C) The General Partner shall cause the Partnership to distribute to the holder of each Class D Unit an amount in cash equal to the cumulative undistributed Class D Priority Return Amount with respect to each such

29

-25-

unit (provided that the amount distributable pursuant to this Section 5.3(C) shall not be in excess of the Distributable Cash) on March 31, June 30, September 30 and December 31 of each year, commencing on March 31, 1998 (or in the case of a Class D Unit with a Class D Deemed Original Issue Date after March 31, 1998, on the first such distribution date following the applicable Class D Deemed Original Issue Date); provided that, if any such distribution date shall be a Saturday, Sunday or day on which banking institutions in the State of New York are authorized or obligated by law to close, or a day which is declared a national or New York State holiday (any of the foregoing, a "Non-business Day"), then such distribution shall be made on the next succeeding day which is not a Non-business Day. Class D Priority Return Amounts that are distributable with respect to a period greater or less than a full Class D Distribution Period shall be computed on the basis of a 360-day year consisting of 12 30-day months.

(D) The General Partner shall cause the Partnership to distribute to the holder of each Class E Unit an amount in cash equal to the cumulative undistributed Class E Priority Return Amount with respect to each such unit (provided that the amount distributable pursuant to this Section 5.3(D) shall not be in excess of the Distributable Cash) on March 31, June 30, September 30 and December 31 of each year, commencing on June 30, 1998 (or in the case of a Class E Unit with a Class E Deemed Original Issue Date after June 30, 1998, on the first such distribution date following the applicable Class E Deemed Original Issue Date); provided that, if any such distribution date shall be a Saturday, Sunday or day on which banking institutions in the State of New York are authorized or obligated by law to close, or a day which is declared a national or New York State holiday (any of the foregoing, a "Non-business Day"), then such distribution shall be made on the next succeeding day which is not a Non-business Day. Class E Priority Return Amounts that are distributable with respect to a period greater or less than a full Class E Distribution Period shall be computed on the basis of a 360-day year consisting of 12 30-day months.

(E) After giving effect to Sections 5.3(A), (B), (C) and (D), if applicable, the General Partner shall have the authority to cause the Partnership to make distributions from time to time as it determines, including without limitation, distributions which are sufficient to enable the General Partner to (i) maintain its status as a REIT, (ii) avoid the imposition of any tax under Code Section 857 and (iii) avoid the imposition of any excise tax under Code Section 4981. Except as otherwise expressly set forth in this Section 5.3(E), all Distributions pursuant to this Section 5.3 shall be made on a *pari passu* basis.

(F) Distributions pursuant to Section 5.3(E) shall be made pro rata among the Partners of record on the Record Date established by the General Partner for the distribution, in accordance with their respective Percentage Interests, without regard to the length of time the record holder has been such

except that the first distribution paid on Units issued after June 1, 1996 shall be pro rated to reflect the actual portion of the period for which the distribution is being paid during which such Units were outstanding, or shall be in such other amount or computed on such other basis as may be agreed by the General Partner and the holders of such Units, provided that such other amount or the amount so computed, as applicable, may not exceed the aforementioned pro rated amount.

(G) The General Partner shall use its reasonable efforts to make distributions to the Partners so as to preclude any distribution or portion thereof from being treated as part of a sale of property to the Partnership by a Partner under Section 707 of the Code or the Treasury Regulations thereunder; provided that the General Partner and the Partnership shall not have liability to a Limited Partner under any circumstances as a result of any distribution to a Partner being so treated.

SECTION 5.4 DISTRIBUTION UPON REDEMPTION. Notwithstanding any other provision hereof, proceeds of (i) a Class B Redemption shall be distributed to the Class B Limited Partner in accordance with Section 9.1(C), (ii) a Class C Redemption shall be distributed to the Class C Limited Partner in accordance with Section 9.1(D),

30

-26-

(iii) a Class D Redemption shall be distributed to the Class D Limited Partner in accordance with Section 9.1(E) and (iv) a Class E Redemption shall be distributed to the Class E Limited Partner in accordance with Section 9.1(F).

SECTION 5.5 DISTRIBUTIONS UPON LIQUIDATION. Notwithstanding any other provision hereof, proceeds of a Terminating Capital Transaction shall be distributed to the Partners in accordance with Section 10.2.

SECTION 5.6 AMOUNTS WITHHELD. All amounts withheld pursuant to the Code or any provision of state or local tax law and Section 7.6 of this Agreement with respect to any allocation, payment or distribution to the General Partner, the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner, the Class E Limited Partner, the Limited Partners or Assignees shall be treated as amounts distributed to such General Partner, the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner, the Class E Limited Partner, the Limited Partners or Assignees, as applicable, pursuant to Section 5.3 of this Agreement.

ARTICLE VI - PARTNERSHIP MANAGEMENT

SECTION 6.1 MANAGEMENT AND CONTROL OF PARTNERSHIP BUSINESS.

(A) Except as otherwise expressly provided or limited by the provisions of this Agreement, the General Partner shall have full, exclusive and complete discretion to manage the business and affairs of the Partnership, to make all decisions affecting the business and affairs of the Partnership and to take all such action as it deems necessary or appropriate to accomplish the purposes of the Partnership as set forth herein. Except as set forth in this Agreement, the Limited Partners shall not have any authority, right, or power to bind the Partnership, or to manage, or to participate in the management of the business and affairs of the Partnership in any manner whatsoever. Such management shall in every respect be the full and complete responsibility of the General Partner alone as herein provided.

(B) In carrying out the purposes of the Partnership, the General Partner shall be authorized to take all actions it deems necessary and appropriate to carry on the business of the Partnership. The Limited Partners, the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner and the Class E Limited Partner, by execution hereof, agree that the General Partner is authorized to execute, deliver and perform any agreement and/or transaction on behalf of the Partnership.

(C) The General Partner and its Affiliates may acquire Limited Partner Interests from Limited Partners who agree so to transfer Limited Partner Interests or from the Partnership in accordance with Section 4.2(a). Any Limited Partner Interest acquired by the General Partner shall be converted into a General Partner Interest. Upon acquisition of any Limited Partner Interest, any Affiliate of the General Partner shall have all the rights of a Limited Partner.

SECTION 6.2 NO MANAGEMENT BY LIMITED PARTNERS; LIMITATION OF LIABILITY.

(A) Neither the Limited Partners, in their capacity as Limited Partners, the Class B Limited Partner, in its capacity as Class B Limited Partner, the Class C Limited Partner, in its capacity as Class C Limited Partner, the Class D Limited Partner, in its capacity as Class D Limited Partner, nor the Class E Limited Partner, in its capacity as Class E Limited Partner, shall take part in the day-to-day management, operation or control of the business and affairs of the Partnership or have any right, power, or authority to act for or on behalf of or to bind the Partnership or transact any business in the name of the Partnership. Neither the Limited Partners, the Class B

31

-27-

Limited Partner, in its capacity as Class B Limited Partner, the Class C Limited Partner, in its capacity as Class C Limited Partner, the Class D Limited Partner, in its capacity as Class D Limited Partner, nor the Class E Limited Partner, in its capacity as Class E Limited Partner, shall have any rights other than those specifically provided herein or granted by law where consistent with a valid provision hereof. Any approvals rendered or withheld by the Limited Partners, the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner or the Class E Limited Partner pursuant to this Agreement shall be deemed as consultation with or advice to the General Partner in connection with the business of the Partnership and, in accordance with the Act, shall not be deemed as participation by the Limited Partners, the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner or the Class E Limited Partner in the business of the Partnership and are not intended to create any inference that the Limited Partners, the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner or the Class E Limited Partner should be classified as general partners under the Act.

(B) Neither the Limited Partner, the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner nor the Class E Limited Partner shall have any liability under this Agreement except with respect to withholding under Section 7.6, in connection with a violation of any provision of this Agreement by such Limited Partner, the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner or the Class E Limited Partner or as provided in the Act.

(C) The General Partner shall not take any action which would subject a Limited Partner (in its capacity as Limited Partner), the Class B Limited Partner (in its capacity as Class B Limited Partner), the Class C Limited Partner (in its capacity as Class C Limited Partner), the Class D Limited Partner (in its capacity as Class D Limited Partner) or the Class E Limited Partner (in its capacity as Class E Limited Partner) to liability as a general partner.

SECTION 6.3 LIMITATIONS ON PARTNERS.

(A) No Partner or Affiliate of a Partner shall have any authority to perform (i) any act in violation of any applicable law or regulation thereunder, (ii) any act prohibited by Section 6.2(C), or (iii) any act which is required to be Consented to or ratified pursuant to this Agreement without such Consent or ratification.

(B) No action shall be taken by a Partner if it would cause the Partnership to be treated as an association taxable as a corporation for federal

income tax purposes or, without the consent of the General Partner, as a publicly-traded partnership within the meaning of Section 7704 of the Code. A determination of whether such action will have the above described effect shall be based upon a declaratory judgment or similar relief obtained from a court of competent jurisdiction, a favorable ruling from the IRS or the receipt of an opinion of counsel.

SECTION 6.4 BUSINESS WITH AFFILIATES.

(A) The General Partner, in its discretion, may cause the Partnership to transact business with any Partner or its Affiliates for goods or services reasonably required in the conduct of the Partnership's business; provided that any such transaction shall be effected only on terms competitive with those that may be obtained in the marketplace from unaffiliated Persons. The foregoing proviso shall not apply to transactions between the Partnership and its Subsidiaries. In addition, neither the General Partner nor any Affiliate of the General Partner may sell, transfer or otherwise convey any property to, or purchase any property from, the Partnership, except (i) on terms competitive with those that may be obtained in the marketplace from unaffiliated Persons or (ii) where the General Partner determines, in its sole judgment, that such sale, transfer or conveyance confers benefits on the General Partner or the Partnership in respect of matters of tax or corporate or financial structure; provided, in the

32

-28-

case of this clause (ii), such sale, transfer, or conveyance is not being effected for the purpose of materially disadvantaging the Limited Partners.

(B) In furtherance of Section 6.4(A), the Partnership may lend or contribute to its Subsidiaries on terms and conditions established by the General Partner.

SECTION 6.5 COMPENSATION; REIMBURSEMENT OF EXPENSES. In consideration for the General Partner's services to the Partnership in its capacity as General Partner, the Partnership shall pay on behalf of or reimburse to the General Partner (i) all expenses of the General Partner incurred in connection with the management of the business and affairs of the Partnership, including all employee compensation of employees of the General Partner and indemnity or other payments made pursuant to agreements entered into in furtherance of the Partnership's business, (ii) all amounts payable by the General Partner under the Registration Rights Agreement and (iii) all general and administrative expenses incurred by the General Partner. Except as otherwise set forth in this Agreement, the General Partner shall be fully and entirely reimbursed by the Partnership for any and all direct and indirect costs and expenses incurred in connection with the organization and continuation of the Partnership pursuant to this Agreement. In addition, the General Partner shall be reimbursed for all expenses incurred by the General Partner in connection with (i) the initial public offering of REIT Shares by the General Partner and (ii) any other issuance of additional Partnership Interests or REIT Shares.

SECTION 6.6 LIABILITY FOR ACTS AND OMISSIONS.

(A) The General Partner shall not be liable, responsible or accountable in damages or otherwise to the Partnership or any of the other Partners for any act or omission performed or omitted in good faith on behalf of the Partnership and in a manner reasonably believed to be (i) within the scope of the authority granted by this Agreement and (ii) in the best interests of the Partnership or the stockholders of the General Partner. In exercising its authority hereunder, the General Partner may, but shall not be under any obligation to, take into account the tax consequences to any Partner of any action it undertakes on behalf of the Partnership. Neither the General Partner nor the Partnership shall have any liability as a result of any income tax liability incurred by a Partner as a result of any action or inaction of the General Partner hereunder and, by their execution of this Agreement, the Limited Partners acknowledge the foregoing.

(B) Unless otherwise prohibited hereunder, the General Partner shall be entitled to exercise any of the powers granted to it and perform any of the duties required of it under this Agreement directly or through any agent. The General Partner shall not be responsible for any misconduct or negligence on the part of any agent; provided that the General Partner selected or appointed such agent in good faith.

(1) The General Partner acknowledges that it owes fiduciary duties both to its stockholders and to the Limited Partners and it shall use its reasonable efforts to discharge such duties to each; provided, however, that in the event of a conflict between the interests of the stockholders of the General Partner and the interests of the Limited Partners, the Limited Partners agree that the General Partner shall discharge its fiduciary duties to the Limited Partners by acting in the best interests of the General Partner's stockholders. Nothing contained in the preceding sentence shall be construed as entitling the General Partner to realize any profit or gain from any transaction between the General Partner and the Partnership (except in connection with a distribution in accordance with this Agreement), including from the lending of money by the General Partner to the Partnership or the contribution of property by the General Partner to the Partnership, it being understood that in any such transaction the General Partner shall be entitled to cost recovery only.

33

-29-

SECTION 6.7 INDEMNIFICATION.

(A) The Partnership shall indemnify the General Partner and each director, officer and stockholder of the General Partner and each Person (including any Affiliate) designated as an agent by the General Partner in its reasonable discretion (each, an "Indemnified Party") to the fullest extent permitted under the Act (including any procedures set forth therein regarding advancement of expenses to such Indemnified Party) from and against any and all losses, claims, damages, liabilities, expenses (including reasonable attorneys' fees), judgments, fines, settlements and any other amounts arising out of or in connection with any claims, demands, actions, suits or proceedings (civil, criminal or administrative) relating to or resulting (directly or indirectly) from the operations of the Partnership, in which such Indemnified Party becomes involved, or reasonably believes it may become involved, as a result of the capacity referred to above.

(B) The Partnership shall have the authority to purchase and maintain such insurance policies on behalf of the Indemnified Parties as the General Partner shall determine, which policies may cover those liabilities the General Partner reasonably believes may be incurred by an Indemnified Party in connection with the operation of the business of the Partnership. The right to procure such insurance on behalf of the Indemnified Parties shall in no way mitigate or otherwise affect the right of any such Indemnified Party to indemnification pursuant to Section 6.7(A) hereof.

(C) The provisions of this Section 6.7 are for the benefit of the Indemnified Parties, their heirs, successors, assigns and administrators and shall not be deemed to create any rights in or benefit to any other Person.

ARTICLE VII - ADMINISTRATIVE, FINANCIAL AND TAX MATTERS

SECTION 7.1 BOOKS AND RECORDS. The General Partner shall maintain at the office of the Partnership full and accurate books of the Partnership showing all receipts and expenditures, assets and liabilities, profits and losses, names and current addresses of Partners, and all other records necessary for recording the Partnership's business and affairs. Each Limited Partner shall have, upon written demand and at such Limited Partner's expense, the right to receive true and complete information regarding Partnership matters to the extent required (and subject to the limitations) under Delaware law.

SECTION 7.2 ANNUAL AUDIT AND ACCOUNTING. The books and records of the Partnership shall be kept for financial and tax reporting purposes on the accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP"). The accounts of the Partnership shall be audited annually by a nationally recognized accounting firm of independent public accountants selected by the General Partner (the "Independent Accountants").

SECTION 7.3 PARTNERSHIP FUNDS. The General Partner shall have responsibility for the safekeeping and use of all funds and assets of the Partnership, whether or not in its direct or indirect possession or control. All funds of the Partnership not otherwise invested shall be deposited in one or more accounts maintained in such banking institutions as the General Partner shall determine, and withdrawals shall be made only in the regular course of Partnership business on such signatures as the General Partner may from time to time determine.

SECTION 7.4 REPORTS AND NOTICES. The General Partner shall provide all Partners with the following reports no later than the dates indicated or as soon thereafter as circumstances permit:

34

-30-

(A) By March 31 of each year, IRS Form 1065 and Schedule K-1, or similar forms as may be required by the IRS, stating each Partner's allocable share of income, gain, loss, deduction or credit for the prior Fiscal Year;

(B) Within ninety (90) days after the end of each of the first three (3) fiscal quarters, as of the last day of the fiscal quarter, a report containing unaudited financial statements of the Partnership, or of the General Partner if such statements are prepared on a consolidated basis with the General Partner, and such other information as may be legally required or determined to be appropriate by the General Partner; and

(C) Within one hundred twenty (120) days after the end of each Fiscal Year, as of the close of the Fiscal Year, an annual report containing audited financial statements of the Partnership, or of the General Partner if such statements are prepared on a consolidated basis with the General Partner, presented in accordance with GAAP and certified by the Independent Accountants.

SECTION 7.5 TAX MATTERS.

(A) The General Partner shall be the Tax Matters Partner of the Partnership for federal income tax matters pursuant to Code Section 6231(a)(7)(A). The Tax Matters Partner is authorized and required to represent the Partnership (at the expense of the Partnership) in connection with all examinations of the affairs of the Partnership by any federal, state, or local tax authorities, including any resulting administrative and judicial proceedings, and to expend funds of the Partnership for professional services and costs associated therewith. The Tax Matters Partner shall deliver to the Limited Partners within ten (10) business days of the receipt thereof a copy of any notice or other communication with respect to the Partnership received from the IRS (or other governmental tax authority), or any court, in each case with respect to any administrative or judicial proceeding involving the Partnership. The Partners agree to cooperate with each other in connection with the conduct of all proceedings pursuant to this Section 7.5(A).

(B) The Tax Matters Partner shall receive no compensation for its services in such capacity. If the Tax Matters Partner incurs any costs related to any tax audit, declaration of any tax deficiency or any administrative proceeding or litigation involving any Partnership tax matter, such amount shall be an expense of the Partnership and the Tax Matters Partner shall be entitled to full reimbursement therefor.

(C) The General Partner shall cause to be prepared all federal, state and local income tax returns required of the Partnership at the

Partnership's expense.

(D) Except as set forth herein, the General Partner shall determine whether to make (and, if necessary, revoke) any tax election available to the Partnership under the Code or any state tax law; provided, however, upon the request of any Partner, the General Partner shall make the election under Code Section 754 and the Treasury Regulations promulgated thereunder. The Partnership shall elect to deduct expenses, if any, incurred by it in organizing the Partnership in accordance with the provisions of Code Section 709.

SECTION 7.6 WITHHOLDING. Each Partner hereby authorizes the Partnership to withhold from or pay to any taxing authority on behalf of such Partner any tax that the General Partner determines the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Partner. Any amount paid to any taxing authority which does not constitute a reduction in the amount otherwise distributable to such Partner shall be treated as a loan from the Partnership to such Partner, which loan shall bear interest at the "prime rate" as published from time to time in The Wall Street Journal plus two (2) percentage points, and shall be repaid within ten (10) business days after request for repayment from the General Partner. The obligation to repay any such loan

35

-31-

shall be secured by such Partner's Partnership Interest and each Partner hereby grants the Partnership a security interest in his Partnership Interest for the purposes set forth in this Section 7.6, this Section 7.6 being intended to serve as a security agreement for purposes of the Uniform Commercial Code with the General Partner having in respect hereof all of the remedies of a secured party under the Uniform Commercial Code. Each Partner agrees to take such reasonable actions as the General Partner may request to perfect and continue the perfection of the security interest granted hereby. In the event any Partner fails to repay any deemed loan pursuant to this Section 7.6 the Partnership shall be entitled to avail itself of any rights and remedies it may have. Furthermore, upon the expiration of ten (10) business days after demand for payment, the General Partner shall have the right, but not the obligation, to make the payment to the Partnership on behalf of the defaulting Partner and thereupon be subrogated to the rights of the Partnership with respect to such defaulting Partner.

ARTICLE VIII - TRANSFER OF PARTNERSHIP INTERESTS; ADMISSIONS OF PARTNERS

SECTION 8.1 TRANSFER BY GENERAL PARTNER. The General Partner may not voluntarily withdraw or Transfer all or any portion of its General Partner Interest. Notwithstanding the foregoing, the General Partner may pledge its General Partner Interest in furtherance of the Partnership's business (including without limitation, in connection with a loan agreement under which the Partnership is a borrower) without the consent of any Partner.

SECTION 8.2 OBLIGATIONS OF A PRIOR GENERAL PARTNER. Upon an Involuntary Withdrawal of the General Partner and the subsequent Transfer of the General Partner's Interest, such General Partner shall (i) remain liable for all obligations and liabilities (other than Partnership liabilities payable solely from Partnership Assets) incurred by it as General Partner before the effective date of such event and (ii) pay all costs associated with the admission of its Successor General Partner. However, such General Partner shall be free of and held harmless by the Partnership against any obligation or liability incurred on account of the activities of the Partnership from and after the effective date of such event, except as provided in this Agreement.

SECTION 8.3 SUCCESSOR GENERAL PARTNER. A successor to all of a General Partner's General Partner Interest who is proposed to be admitted to the Partnership as a Successor General Partner shall be admitted as the General Partner, effective upon the Transfer. Any such transferee shall carry on the business of the Partnership without dissolution. In addition, the following

conditions must be satisfied:

(A) The Person shall have accepted and agreed to be bound by all the terms and provisions of this Agreement by executing a counterpart thereof and such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a General Partner; and

(B) An amendment to this Agreement evidencing the admission of such Person as a General Partner shall have been executed by all General Partners and an amendment to the Certificate shall have been filed for recordation as required by the Act.

(C) Any consent required under Section 10.1(A) shall have been obtained.

SECTION 8.4 RESTRICTIONS ON TRANSFER AND WITHDRAWAL BY LIMITED PARTNER.

(A) Subject to the provisions of Section 8.4(D), no Limited Partner may Transfer all or any portion of his Partnership Interest without first obtaining the Consent of the General Partner, which Consent may be granted or withheld in the sole and absolute discretion of the General Partner. Any such purported transfer undertaken

36

-32-

without such Consent shall be considered to be null and void ab initio and shall not be given effect. Each Limited Partner acknowledges that the General Partner has agreed not to grant any such consent prior to the Transfer Restriction Date.

(B) No Limited Partner may withdraw from the Partnership other than as a result of a permitted Transfer (i.e., a Transfer consented to as contemplated by clause (A) above or clause (D) below or a Transfer pursuant to clause (C) below) of all of his Partnership Units pursuant to this Article VIII or pursuant to a redemption or exchange of all of his Partnership Units pursuant to Article IX. Upon the permitted Transfer or redemption of all of a Limited Partner's Partnership Units, such Limited Partner shall cease to be a Limited Partner.

(C) Upon the Involuntary Withdrawal of any Limited Partner (which shall under no circumstance cause the dissolution of the Partnership), the executor, administrator, trustee, guardian, receiver or conservator of such Limited Partner's estate shall become a Substituted Limited Partner upon compliance with the provisions of Section 8.5(A) (1)-(3).

(D) Subject to clause (E) below, a Limited Partner may Transfer, with the Consent of the General Partner, all or a portion of his Partnership Units to (a) a parent or parents, spouse, natural or adopted descendant or descendants, spouse of such a descendant, or brother or sister, or a trust created by such Limited Partner for the benefit of such Limited Partner and/or any such person(s), of which trust such Limited Partner or any such person(s) is a trustee, (b) a corporation controlled by a Person or Persons named in (a) above, or (c) if the Limited Partner is an entity, its beneficial owners, and the General Partner shall grant its Consent to any Transfer pursuant to this Section 8.4(D) unless such Transfer, in the reasonable judgment of the General Partner, would cause (or have the potential to cause) the General Partner to fail to qualify for taxation as a REIT, in which case the General Partner shall have the absolute right to refuse to permit such Transfer, and any purported Transfer in violation of this Section 8.4(D) shall be null and void ab initio.

(E) No Transfer of Limited Partnership Units shall be made if such Transfer would (i) in the opinion of Partnership counsel, cause the Partnership to be terminated for federal income tax purposes or to be treated as an association taxable as a corporation (rather than a partnership) for federal income tax purposes; (ii) be effected through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Code Section 7704 and the Treasury Regulations thereunder, (iii) in

the opinion of Partnership counsel, violate the provisions of applicable securities laws; (iv) violate the terms of (or result in a default or acceleration under) any law, rule, regulation, agreement or commitment binding on the Partnership; (v) cause the Partnership to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in Section 3(14) of ERISA) or a "disqualified person" (as defined in Section 4975(e) of the Code); (vi) in the opinion of counsel to the Partnership, cause any portion of the underlying assets of the Partnership to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.3-101; or (vii) result in a deemed distribution to any Partner attributable to a failure to meet the requirements of Treasury Regulations Section 1.752-2(d)(1), unless such Partner consents thereto.

(F) Prior to the consummation of any Transfer under this Section 8.4, the transferor and/or the transferee shall deliver to the General Partner such opinions, certificates and other documents as the General Partner shall request in connection with such Transfer.

SECTION 8.5 SUBSTITUTED LIMITED PARTNER.

(A) No transferee shall become a Substituted Limited Partner in place of his assignor unless and until the following conditions have been satisfied:

37

-33-

(1) The assignor and transferee file a Notice or other evidence of Transfer and such other information reasonably required by the General Partner, including, without limitation, names, addresses and telephone numbers of the assignor and transferee;

(2) The transferee executes, adopts and acknowledges this Agreement, or a counterpart hereto, and such other documents as may be reasonably requested by the General Partner, including without limitation, all documents necessary to comply with applicable tax and/or securities rules and regulations;

(3) The assignor or transferee pays all costs and fees incurred or charged by the Partnership to effect the Transfer and substitution; and

(4) The assignor or transferee obtains the written Consent of the General Partner, which may be given or withheld in its sole and absolute discretion.

(B) If a transferee of a Limited Partner does not become a Substituted Limited Partner pursuant to Section 8.5(A), such transferee shall be an Assignee and shall not have any rights to require any information on account of the Partnership's business, to inspect the Partnership's books or to vote or otherwise take part in the affairs of the Partnership (such Partnership Units being deemed to have been voted in the same proportion as all other Partnership Units held by Limited Partners have been voted). Such Assignee shall be entitled, however, to all the rights of an assignee of a limited partnership interest under the Act. Any Assignee wishing to Transfer the Partnership Units acquired shall be subject to the restrictions set forth in this Article VIII.

SECTION 8.6 TIMING AND EFFECT OF TRANSFERS. Unless the General Partner agrees otherwise, Transfers under this Article VIII may only be made as of the first day of a fiscal quarter of the Partnership. Upon any Transfer of a Partnership Interest in accordance with this Article VIII or redemption of a Partnership Interest in accordance with Article IX, the Partnership shall allocate all items of Profit and Loss between the assignor Partner and the transferee Partner in accordance with Section 5.2(F)(2) hereof. The assignor Partner shall have the right to receive all distributions as to which the Record Date precedes the date of Transfer and the transferee Partner shall have the right to receive all distributions thereafter.

SECTION 8.7 ADDITIONAL LIMITED PARTNERS. Other than in accordance with the transactions specified in the Contribution Agreements, after the initial execution of this Agreement and the admission to the Partnership of the Initial Limited Partners, any Person making a Capital Contribution to the Partnership in accordance herewith shall be admitted as an Additional Limited Partner of the Partnership only (i) with the Consent of the General Partner and (ii) upon execution, adoption and acknowledgment of this Agreement, or a counterpart hereto, and such other documents as may be reasonably requested by the General Partner, including without limitation, the power of attorney required under Section 12.3. Upon satisfaction of the foregoing requirements, such Person shall be admitted as an Additional Limited Partner effective on the date upon which the name of such Person is recorded on the books of the Partnership.

SECTION 8.8 AMENDMENT OF AGREEMENT AND CERTIFICATE. Upon any admission of a Person as a Partner to the Partnership, the General Partner shall make any necessary amendment to this Agreement to reflect such admission and, if required by the Act, to cause to be filed an amendment to the Certificate.

38

-34-

ARTICLE IX - REDEMPTION

SECTION 9.1 RIGHT OF REDEMPTION.

(A) Subject to any restriction on the General Partner, which restriction may arise as a result of the REIT Charter, the laws governing the General Partner or otherwise (a "Redemption Restriction"), beginning on the Redemption Effective Date, during each Redemption Period each Redeeming Party shall have the right to require the Partnership to redeem all or a portion of the Partnership Units held by such Redeeming Party by providing the General Partner with a Redemption Notice. A Limited Partner may invoke its rights under this Article IX with respect to 100 Partnership Units or an integral multiple thereof or all of the Partnership Units held by such Limited Partner. Upon the General Partner's receipt of a Redemption Notice from a Redeeming Party, the Partnership shall be obligated (subject to the existence of any Redemption Restriction) to redeem the Partnership Units from such Redeeming Party (the "Redemption Obligation").

(B) Upon receipt of a Redemption Notice from a Redeeming Party, the General Partner shall either (i) cause the Partnership to redeem the Partnership Units tendered in the Redemption Notice, (ii) assume the Redemption Obligation, as set forth in Section 9.4, or (iii) provide written Notice to the Redeeming Party of each applicable Redemption Restriction.

(C) On and after May 14, 2002 at any time or from time to time, the Partnership may redeem all or such other number of Class B Units (any such redemption, a "Class B Redemption") at a cash redemption price per Class B Unit equal to that portion of the Capital Contribution of the Class B Limited Partner allocable to each such unit, plus all accumulated and unpaid Priority Return Amounts to the date of Class B Redemption (such price, the "Class B Redemption Price"). Upon any Class B Redemption, an amount equal to the product of the Class B Redemption Price and the number of Class B Units redeemed by the Partnership shall be distributed by the Partnership to the Class B Limited Partner.

(D) On and after June 6, 2007 at any time or from time to time, the Partnership may redeem all or such other number of Class C Units (any such redemption, a "Class C Redemption") at a cash redemption price per Class C Unit equal to that portion of the Capital Contribution of the Class C Limited Partner allocable to each such unit, plus all accumulated and unpaid Class C Priority Return Amounts to the date of Class C Redemption (such price, the "Class C Redemption Price"). Upon any Class C Redemption, an amount equal to the product of the Class C Redemption Price and the number of Class C Units redeemed

by the Partnership shall be distributed by the Partnership to the Class C Limited Partner.

(E) On and after February 4, 2003 at any time or from time to time, the Partnership may redeem all or such other number of Class D Units (any such redemption, a "Class D Redemption") at a cash redemption price per Class D Unit equal to that portion of the Capital Contribution of the Class D Limited Partner allocable to each such unit, plus all accumulated and unpaid Class D Priority Return Amounts to the date of Class D Redemption (such price, the "Class D Redemption Price"). Upon any Class D Redemption, an amount equal to the product of the Class D Redemption Price and the number of Class D Units redeemed by the Partnership shall be distributed by the Partnership to the Class D Limited Partner. The Class D Redemption Price (other than the portion thereof consisting of accumulated and unpaid Class D Priority Return Amounts) is payable solely out of the sale proceeds of an issuance of capital stock of the General Partner. For purposes of the immediately preceding sentence "capital stock" means any common stock, preferred stock, depositary shares, interests, participations or

39

-35-

other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable for equity interests or options to purchase any of the foregoing).

(F) On and after March 18, 2003 at any time or from time to time, the Partnership may redeem all or such other number of Class E Units (any such redemption, a "Class E Redemption") at a cash redemption price per Class E Unit equal to that portion of the Capital Contribution of the Class E Limited Partner allocable to each such unit, plus all accumulated and unpaid Class E Priority Return Amounts to the date of Class E Redemption (such price, the "Class E Redemption Price"). Upon any Class E Redemption, an amount equal to the product of the Class E Redemption Price and the number of Class E Units redeemed by the Partnership shall be distributed by the Partnership to the Class E Limited Partner. The Class E Redemption Price (other than the portion thereof consisting of accumulated and unpaid Class E Priority Return Amounts) is payable solely out of the sale proceeds of an issuance of capital stock of the General Partner. For purposes of the immediately preceding sentence "capital stock" means any common stock, preferred stock, depositary shares, interests, participations or other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable for equity interests or options to purchase any of the foregoing).

SECTION 9.2 TIMING OF REDEMPTION. The Redemption Obligation (or the obligation to provide Notice of an applicable Redemption Restriction, if one exists) shall mature on the date which is seven (7) business days after the receipt by the General Partner of a Redemption Notice from the Redeeming Party (the "Redemption Date").

SECTION 9.3 REDEMPTION PRICE. On or before the Redemption Date, the Partnership (or the General Partner if it elects pursuant to Section 9.4) shall deliver to the Redeeming Party, in the sole and absolute discretion of the General Partner either (i) a Share Payment or (ii) a Cash Payment. In order to enable the Partnership to effect a redemption by making a Share Payment pursuant to this Section 9.3, the General Partner in its sole and absolute discretion may issue to the Partnership the number of REIT Shares required to make such Share Payment in exchange for the issuance to the General Partner of Partnership Units equal in number to the quotient of the number of REIT Shares issued and Conversion Factor.

SECTION 9.4 ASSUMPTION OF REDEMPTION OBLIGATION. Upon receipt of a Redemption Notice, the General Partner, in its sole and absolute discretion, shall have the right to assume the Redemption Obligation of the Partnership. In such case, the General Partner shall be substituted for the Partnership for all purposes of this Article IX and, upon acquisition of the Partnership Units tendered by the Redeeming Party pursuant to the Redemption Notice shall be treated for all purposes of this Agreement as the owner of such Partnership

Units. Such exchange transaction shall be treated for federal income tax purposes by the Partnership, the General Partner and the Redeeming Party as a sale by the Redeeming Party as seller to the General Partner as purchaser.

SECTION 9.5 FURTHER ASSURANCES; CERTAIN REPRESENTATIONS. Each party to this Agreement agrees to execute any documents deemed reasonably necessary by the General Partner to evidence the issuance of any Share Payment to a Redeeming Party. Notwithstanding anything herein to the contrary, each holder of First Highland Units agrees that, if the General Partner shall elect to satisfy a Redemption Obligation with respect to First Highland Units by making a Share Payment, such Redemption Obligation shall mature on the date which is seven (7) business days after receipt by the Partnership and the General Partner of documents similar to the "Investor Materials" submitted in connection with the sale of the First Highland Properties to the Partnership and any other similar documents reasonably required by, and in form reasonably satisfactory to, the Partnership. Each Limited Partner, by executing this Agreement, shall be deemed to have represented to the General Partner and the Partnership that (i) its acquisition of its Partnership Interest on the date hereof is made as a principal for its own account, for investment purposes only and not with a view to the resale or distribution of such Partnership Interest and (ii) if

40

-36-

it shall receive REIT Shares pursuant to this Article IX other than pursuant to an effective registration statement under the Securities Act of 1933, as amended, that its acquisition of such REIT Shares is made as a principal for its own account, for investment purposes only and not with a view to the resale or distribution of such REIT Shares and agrees that such REIT Shares may bear a legend to the effect that such REIT Shares have not been so registered and may not be sold other than pursuant to such a registration statement or an exemption from the registration requirements of such Act.

SECTION 9.6 EFFECT OF REDEMPTION. Upon the satisfaction of the Redemption Obligation by the Partnership or the General Partner, as the case may be, the Redeeming Party shall have no further right to receive any Partnership distributions in respect of the Partnership Units so redeemed and shall be deemed to have represented to the Partnership and the General Partner that the Partnership Units tendered for redemption are not subject to any liens, claims or encumbrances. Upon a Class B Redemption by the Partnership, the Class B Limited Partner shall have no further right to receive any Partnership distributions or allocations in respect of the Class B Units so redeemed. Upon a Class C Redemption by the Partnership, the Class C Limited Partner shall have no further right to receive any Partnership distributions or allocations in respect of the Class C Units so redeemed. Upon a Class D Redemption by the Partnership, the Class D Limited Partner shall have no further right to receive any Partnership distributions in respect of the Class D Units so redeemed. Upon a Class E Redemption by the Partnership, the Class E Limited Partner shall have no further right to receive any Partnership distributions in respect of the Class E Units so redeemed.

SECTION 9.7 REGISTRATION RIGHTS. In the event a Limited Partner receives REIT Shares in connection with a redemption of Partnership Units originally issued to Initial Limited Partners on June 30, 1994 pursuant to this Article IX, such Limited Partner shall be entitled to have such REIT Shares registered under the Securities Act of 1933, as amended, as provided in the Registration Rights Agreement.

ARTICLE X - DISSOLUTION AND LIQUIDATION

SECTION 10.1 TERM AND DISSOLUTION. The Partnership commenced as of November 23, 1993, and shall continue until December 31, 2092, at which time the Partnership shall dissolve or until dissolution occurs prior to that date for any one of the following reasons:

(A) An Involuntary Withdrawal or a voluntary withdrawal, even

though in violation of this Agreement, of the General Partner unless, within ninety (90) days after such event of withdrawal all the remaining Partners agree in writing to the continuation of the Partnership and to the appointment of a Successor General Partner;

(B) Entry of a decree of judicial dissolution of the Partnership under the Act; or

(C) The sale, exchange or other disposition of all or substantially all of the Partnership Assets.

SECTION 10.2 LIQUIDATION OF PARTNERSHIP ASSETS.

(A) Subject to Section 10.2(E), in the event of dissolution pursuant to Section 10.1, the Partnership shall continue solely for purposes of winding up the affairs of, achieving a final termination of, and satisfaction of the creditors of, the Partnership. The General Partner (or, if there is no General Partner remaining, any Person elected by a majority in interest of the Limited Partners (the "Liquidator")) shall be responsible for oversight of the winding up and dissolution of the Partnership. The Liquidator shall obtain a full accounting of the assets and

41

-37-

liabilities of the Partnership and such Partnership Assets shall be liquidated (including, at the discretion of the Liquidator, in exchange, in whole or in part, for REIT Shares) as promptly as the Liquidator is able to do so without any undue loss in value, with the proceeds therefrom applied and distributed in the following order:

(1) First, to the discharge of Partnership debts and liabilities to creditors other than Partners;

(2) Second, to the discharge of Partnership debts and liabilities to the Partners;

(3) Third, after giving effect to all contributions, distributions, and allocations for all periods, to (i) the Class B Limited Partner in an amount equal to any unpaid Class B Priority Return Amounts, (ii) the Class C Limited Partner in an amount equal to any unpaid Class C Priority Return Amounts, (iii) the Class D Limited Partner in an amount equal to any unpaid Class D Priority Return Amounts, and (iv) the Class E Limited Partner in an amount equal to any unpaid Class E Priority Return Amounts, provided, that if the proceeds are inadequate to pay all of the unpaid Class B Priority Return Amounts, the unpaid Class C Priority Return Amounts, the unpaid Class D Priority Return Amounts, and the unpaid Class E Priority Return Amounts, such proceeds shall be distributed to the Class B Limited Partner, the Class C Limited Partner, the Class D Limited Partner and the Class E Limited Partner pro rata based on the unpaid Class B Priority Return Amounts, the unpaid Class C Priority Return Amounts, the unpaid Class D Priority Return Amounts, and the unpaid Class E Priority Return Amounts;

(4) The balance, if any, to the Partners in accordance with their positive Capital Accounts after giving effect to all contributions, distributions and allocations for all periods.

(B) In accordance with Section 10.2(A), the Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Partnership Assets; provided, however, that if the Liquidator shall determine that an immediate sale of part or all of the Partnership Assets would cause undue loss to the Partners, the Liquidator may defer the liquidation except (i) to the extent provided by the Act or (ii) as may be necessary to satisfy the debts and liabilities of the Partnership to Persons other than the Partners.

(C) If, in the sole and absolute discretion of the Liquidator, there are Partnership Assets that the Liquidator will not be able to liquidate, or if the liquidation of such assets would result in undue loss to the Partners, the Liquidator may distribute such Partnership Assets to the Partners in-kind, in lieu of cash, as tenants-in-common in accordance with the provisions of

Section 10.2(A). The foregoing notwithstanding, such in-kind distributions shall only be made if in the Liquidator's good faith judgment that is in the best interest of the Partners.

(D) Upon the complete liquidation and distribution of the Partnership Assets, the Partners shall cease to be Partners of the Partnership, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by law to terminate the Partnership. Upon the dissolution of the Partnership pursuant to Section 10.1, the Liquidator shall cause to be prepared, and shall furnish to each Partner, a statement setting forth the assets and liabilities of the Partnership. Promptly following the complete liquidation and distribution of the Partnership Assets, the Liquidator shall furnish to each Partner a statement showing the manner in which the Partnership Assets were liquidated and distributed.

(E) Notwithstanding the foregoing provisions of this Section 10.2, in the event that the Partnership shall dissolve as a result of the expiration of the term provided for herein or as a result of the occurrence of an event of the type described in Section 10.1(B) or (C), then each Limited Partner shall be deemed to have delivered a Redemption Notice on the date of such dissolution. In connection with each such Redemption Notice, the General Partner shall have the option of either (i) complying with the redemption procedures contained in Article IX or (ii) at the request of any Limited Partner, delivering to such Limited Partner, Partnership property approximately equal

in value to the value of such Limited Partner's Partnership Units upon the assumption by such Limited Partner of such Limited Partner's proportionate share of the Partnership's liabilities and payment by such Limited Partner (or the Partnership) of any excess (or deficiency) of the value of the property so delivered over the value of such Limited Partner's Partnership Units. In lieu of requiring such Limited Partner to assume its proportionate share of Partnership liabilities, the General Partner may deliver to such Limited Partner unencumbered Partnership property approximately equal in value to the net value of such Limited Partner's Partnership Units.

SECTION 10.3 EFFECT OF TREASURY REGULATIONS.

(A) In the event the Partnership is "liquidated" within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g), distributions made to Partners pursuant to Section 10.2 shall be made within the time period provided in Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(2). If any Contributor Partner has a deficit balance in its Capital Account (after giving effect to all contributions (without regard to this Section 10.3(A)), distributions and allocations), each such Contributor Partner shall contribute to the capital of the Partnership an amount equal to its respective deficit balance, such obligation to be satisfied within ninety (90) days following the liquidation and dissolution of the Partnership in accordance with the provisions of this Article X hereof. Conversely, if any Partner other than a Contributor Partner has a deficit balance in its Capital Account (after giving effect to all contributions (without regard to this Section 10.3(A)), distributions and allocations), such Partner shall have no obligation to make any contribution to the capital of the Partnership. Any deficit restoration obligation pursuant to the provisions hereof shall be for the benefit of creditors of the Partnership or any other Person to whom any debts, liabilities, or obligations are owed by (or who otherwise has any claim against) the Partnership or the general partner, in its capacity as General Partner of the Partnership. For purposes of computing each Contributor Partner's deficit balance in its Capital Account and its corresponding obligations to contribute additional capital to the Partnership, only items of income, gain and loss actually recognized shall be reflected.

(B) In the event the Partnership is "liquidated" within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g) but there has been no dissolution of the Partnership under Section 10.1 hereof, then the Partnership Assets shall not be liquidated, the Partnership's liabilities shall not be paid or discharged and the Partnership's affairs shall not be wound up.

In the event of such a liquidation there shall be deemed to have been a distribution of Partnership Assets in kind to the Partners in accordance with Section 10.2 followed by a recontribution of such Partnership Assets by the Partners in the same proportions.

SECTION 10.4 TIME FOR WINDING-UP. Anything in this Article X notwithstanding, a reasonable time shall be allowed for the orderly winding-up of the business and affairs of the Partnership and the liquidation of the Partnership Assets in order to minimize any potential for losses as a result of such process. During the period of winding-up, this Agreement shall remain in full force and effect and shall govern the rights and relationships of the Partners inter se.

ARTICLE XI - AMENDMENTS AND MEETINGS

SECTION 11.1 AMENDMENT PROCEDURE.

(A) Amendments to this Agreement may be proposed by the General Partner. An amendment proposed at any time when the General Partner holds less than 90% of all Partnership Units will be adopted and effective only if it receives the Consent of the holders of a majority of the Partnership Units not then held by the General Partner and an amendment proposed at any time when the General Partner holds 90% or more of all

43

-39-

Partnership Units may be made by the General Partner without the Consent of any Limited Partner; provided, however, no amendment shall be adopted if it would (i) convert a Limited Partner's Interest in the Partnership into a general partner interest, (ii) increase the liability of a Limited Partner under this Agreement, (iii) except as otherwise permitted in this Agreement, alter the Partner's rights to distributions set forth in Article V, or the allocations set forth in Article V, (iv) alter or modify any aspect of the Partners' rights with respect to redemption of Partnership Units, (v) cause the early termination of the Partnership (other than pursuant to the terms hereof) or (vi) amend this Section 11.1(A), in each case without the Consent of each Partner adversely affected thereby. In connection with any proposed amendment of this Agreement requiring Consent, the General Partner shall either call a meeting to solicit the vote of the Partners or seek the written vote of the Partners to such amendment. In the case of a request for a written vote, the General Partner shall be authorized to impose such reasonable time limitations for response, but in no event less than ten (10) days, with the failure to respond being deemed a vote consistent with the vote of the General Partner.

(B) Notwithstanding the foregoing, amendments may be made to this Agreement by the General Partner, without the Consent of any Limited Partner, to (i) add to the representations, duties or obligations of the General Partner or surrender any right or power granted to the General Partner herein; (ii) cure any ambiguity, correct or supplement any provision herein which may be inconsistent with any other provision herein or make any other provisions with respect to matters or questions arising hereunder which will not be inconsistent with any other provision hereof; (iii) reflect the admission, substitution, termination or withdrawal of Partners in accordance with this Agreement; or (iv) satisfy any requirements, conditions or guidelines contained in any order, directive, opinion, ruling or regulation of a federal or state agency or contained in federal or state law. The General Partner shall reasonably promptly notify the Limited Partners whenever it exercises its authority pursuant to this Section 11.1(B).

(C) Within ten (10) days of the making of any proposal to amend this Agreement, the General Partner shall give all Partners Notice of such proposal (along with the text of the proposed amendment and a statement of its purposes).

SECTION 11.2 MEETINGS AND VOTING.

(A) Meetings of Partners may be called by the General Partner. The General Partner shall give all Partners Notice of the purpose of such proposed meeting not less than seven (7) days nor more than thirty (30) days prior to the date of the meeting. Meetings shall be held at a reasonable time and place selected by the General Partner. Whenever the vote or Consent of Partners is permitted or required hereunder, such vote or Consent shall be requested by the General Partner and may be given by the Partners in the same manner as set forth for a vote with respect to an amendment to this Agreement in Section 11.1(A).

(B) Any action required or permitted to be taken at a meeting of the Partners may be taken without a meeting if a written consent setting forth the action to be taken is signed by the Partners owning Percentage Interests required to vote in favor of such action, which consent may be evidenced in one or more instruments. Consents need not be solicited from any other Partner if the written consent of a sufficient number of Partners has been obtained to take the action for which such solicitation was required.

(C) Each Limited Partner may authorize any Person or Persons, including without limitation the General Partner, to act for him by proxy on all matters on which a Limited Partner may participate. Every proxy (i) must be signed by the Limited Partner or his attorney-in-fact, (ii) shall expire eleven (11) months from the date thereof unless the proxy provides otherwise and (iii) shall be revocable at the discretion of the Limited Partner granting such proxy.

44

-40-

SECTION 11.3 VOTING OF LB UNITS.

On any matter on which the Limited Partners shall be entitled to vote, consent or grant an approval or waiver, following the admissions of the LB Partners to the Partnership as Additional Limited Partners and through the Voting Termination Date, each holder of the LB Units shall be deemed (i) in connection with any matter submitted to a vote, to have cast all votes attributable to such holder's LB Units in the same manner as the votes attributable to the Units held by the General Partner are cast on such matter, and (ii) in connection with any consent, approval or waiver, to have taken the same action as the General Partner shall have taken with respect to its Units in connection therewith. If the General Partner shall not have the right to vote, consent or grant an approval or waiver on a matter, each holder of LB Units shall vote or act as directed by the General Partner.

ARTICLE XII - MISCELLANEOUS PROVISIONS

SECTION 12.1 TITLE TO PROPERTY. All property owned by the Partnership, whether real or personal, tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually, shall have any ownership of such property. The Partnership may hold any of its assets in its own name or, in the name of its nominee, which nominee may be one or more individuals, corporations, partnerships, trusts or other entities.

SECTION 12.2 OTHER ACTIVITIES OF LIMITED PARTNERS. Except as expressly provided otherwise in this Agreement or in any other agreement entered into by a Limited Partner or any Affiliate of a Limited Partner and the Partnership, the General Partner or any Subsidiary of the Partnership or the General Partner, any Limited Partner or any Affiliate of any Limited Partner may engage in, or possess an interest in, other business ventures of every nature and description, independently or with others, including, without limitation, real estate business ventures, whether or not such other enterprises shall be in competition with any activities of the Partnership, the General Partner or any Subsidiary of the Partnership or the General Partner; and neither the Partnership, the General Partner, any such Subsidiary nor the other Partners shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits derived therefrom.

SECTION 12.3 POWER OF ATTORNEY.

(A) Each Partner hereby irrevocably appoints and empowers the General Partner (which term shall include the Liquidator, in the event of a liquidation, for purposes of this Section 12.3) and each of their authorized officers and attorneys-in-fact with full power of substitution as his true and lawful agent and attorney-in-fact, with full power and authority in his name, place and stead to:

(1) make, execute, acknowledge, publish and file in the appropriate public offices (a) any duly approved amendments to the Certificate pursuant to the Act and to the laws of any state in which such documents are required to be filed; (b) any certificates, instruments or documents as may be required by, or may be appropriate under, the laws of any state or other jurisdiction in which the Partnership is doing or intends to do business; (c) any other instrument which may be required to be filed by the Partnership under the laws of any state or by any governmental agency, or which the General Partner deems advisable to file; (d) any documents which may be required to effect the continuation of the Partnership, the admission, withdrawal or substitution of any Partner pursuant to Article VIII, dissolution and termination of the Partnership pursuant to Article X, or the surrender of any rights or the assumption of any additional responsibilities by the General Partner; (e) any document which may be required to effect an amendment to this Agreement to correct any mistake, omission or inconsistency, or to cure

45

-41-

any ambiguity herein, to the extent such amendment is permitted by Section 11.1(B); and (f) all instruments (including this Agreement and amendments and restatements hereof) relating to the determination of the rights, preferences and privileges of any class or series of Partnership Units issued pursuant to Section 4.2(B) of this Agreement; and

(2) sign, execute, swear to and acknowledge all voting ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, in the sole discretion of the General Partner, to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action which is made or given by the Partners hereunder or is consistent with the terms of this Agreement and appropriate or necessary, in the sole discretion of the General Partner, to effectuate the terms or intent of this Agreement.

(B) Nothing herein contained shall be construed as authorizing the General Partner to amend this Agreement except in accordance with Article XI or as may be otherwise expressly provided for in this Agreement.

(C) The foregoing grant of authority (i) is a special power of attorney, coupled with an interest, and it shall survive the Involuntary Withdrawal of any Partner and shall extend to such Partner's heirs, successors, assigns and personal representatives; (ii) may be exercised by the General Partner for each and every Partner acting as attorney-in-fact for each and every Partner; and (iii) shall survive the Transfer by a Limited Partner of all or any portion of its Interest and shall be fully binding upon such transferee; except that the power of attorney shall survive such assignment with respect to the assignor Limited Partner for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect the admission of the transferee as a Substitute Limited Partner. Each Partner hereby agrees to be bound by any representations made by the General Partner, acting in good faith pursuant to such power of attorney. Each Partner shall execute and deliver to the General Partner, within fifteen (15) days after receipt of the General Partner's request therefor, such further designations, powers of attorney and other instruments as the General Partner deems necessary to effectuate this Agreement and the purposes of the Partnership.

(D) Each LB Partner hereby irrevocably appoints and empowers the General Partner and the Liquidator, in the event of a liquidation, and each of

their authorized officers and attorneys-in-fact with full power of substitution, as the true and lawful agent and attorney-in-fact of such LB Partner with full power and authority in the name, place and stead of such LB Partner to take such actions (including waivers under the Partnership Agreement) or refrain from taking such action as the General Partner reasonably believes are necessary or desirable to achieve the purposes of Section 11.3 of the Partnership Agreement.

SECTION 12.4 NOTICES. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, registered first-class mail, telex, telecopier, or any courier guaranteeing overnight delivery, (i) if to a Limited Partner, at the most current address given by such Limited Partner to the General Partner by means of a notice given in accordance with the provisions of this Section 12.4, which address initially is the address contained in the records of the General Partner, or (ii) if to the General Partner, 311 S. Wacker Drive, Suite 4000, Chicago, Illinois 60606, Attn: President.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if hand delivered; five business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; or when receipt is acknowledged, if telecopied.

SECTION 12.5 FURTHER ASSURANCES. The parties agree to execute and deliver all such documents, provide all such information and take or refrain from taking any action as may be necessary or desirable to achieve the purposes of this Agreement and the Partnership.

46

-42-

SECTION 12.6 TITLES AND CAPTIONS. All article or section titles or captions in this Agreement are solely for convenience and shall not be deemed to be part of this Agreement or otherwise define, limit or extend the scope or intent of any provision hereof.

SECTION 12.7 APPLICABLE LAW. This Agreement, and the application or interpretation thereof, shall be governed exclusively by its terms and by the law of the State of Delaware, without regard to its principles of conflicts of laws.

SECTION 12.8 BINDING AGREEMENT. This Agreement shall be binding upon the parties hereto, their heirs, executors, personal representatives, successors and assigns.

SECTION 12.9 WAIVER OF PARTITION. Each of the parties hereto irrevocably waives during the term of the Partnership any right that it may have to maintain any action for partition with respect to any property of the Partnership.

SECTION 12.10 COUNTERPARTS AND EFFECTIVENESS. This Agreement may be executed in several counterparts, which shall be treated as originals for all purposes, and all so executed shall constitute one agreement, binding on all of the parties hereto, notwithstanding that all the parties are not signatory to the original or the same counterpart. Any such counterpart shall be admissible into evidence as an original hereof against each Person who executed it. The execution of this Agreement and delivery thereof by facsimile shall be sufficient for all purposes, and shall be binding upon any party who so executes.

SECTION 12.11 SURVIVAL OF REPRESENTATIONS. All representations and warranties herein shall survive the dissolution and final liquidation of the Partnership.

SECTION 12.12 ENTIRE AGREEMENT. This Agreement (and all Exhibits hereto) contains the entire understanding among the parties hereto and supersedes all prior written or oral agreements among them respecting the within subject matter, unless otherwise provided herein. There are no representations,

agreements, arrangements or understandings, oral or written, among the Partners hereto relating to the subject matter of this Agreement which are not fully expressed herein and in said Exhibits.

47

-43-

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the parties hereto as of the day and year first above written.

General Partner: FIRST INDUSTRIAL REALTY TRUST INC.,
as sole General Partner of the Partnership

By: /s/ Michael J. Havala

Class E Limited Partner FIRST INDUSTRIAL REALTY TRUST, INC.,
as Class E Limited Partner

By: /s/ Michael J. Havala

EMPLOYMENT AGREEMENT

This Agreement ("Agreement") is made as of this 9th day of December, 1997 by and between SCOTT SEALY (hereinafter "Sealy") and FIRST INDUSTRIAL REALTY TRUST, INC., a Maryland corporation (hereinafter "Employer"). Capitalized terms contained herein and otherwise undefined shall have the respective meanings given to each of them in that certain Contribution Agreement, dated as of December 9, 1997, by and among FR Acquisitions, Inc. and the other parties thereto (the "Contribution Agreement").

The parties hereto agree as follows:

ARTICLE I - TERM OF EMPLOYMENT

1.01 Employer hereby employs Sealy and Sealy hereby accepts employment by Employer commencing on the date hereof and pursuant to the terms hereof.

1.02 The term of this Agreement (the "Term") shall end at 12:01 a.m., Chicago time, on the third anniversary of the date hereof (the "Expiration Date"), except as otherwise provided herein.

ARTICLE II - DUTIES AND POWERS OF SEALY

2.01 Except as may be otherwise approved by the Board of Directors of Employer (the "Board") or as otherwise expressly provided herein, during the Term, Sealy shall devote his diligent and good faith efforts to carry out his duties with respect to the operation of the business of Employer, as more fully detailed below, at all times in accordance with any and all written rules and policies of Employer. Additionally during the Term, except as may otherwise be permitted by this Agreement or the Contribution Agreement, Employer shall be entitled to the exclusive benefits of Sealy's knowledge, experience, business contacts and opportunities relating to the "Business of Employer". The "Business of Employer" shall consist of the acquisition, development, ownership, management, leasing and sale of warehouse, distribution and other industrial real estate property. Notwithstanding any provision herein to the contrary, so long as Sealy performs his duties to Employer as provided in this Agreement in a manner reasonably acceptable to Employer, it shall not be a breach of this Agreement if Sealy participates in (and Employer acknowledges that Sealy shall participate in) the following activities and businesses (collectively referred to herein as "Permitted Activities and Businesses"):

- (a) Sealy may engage in activities and businesses unrelated to the real estate business;
- (b) Sealy may engage in activities and businesses in the real estate business that are unrelated to the "Business of Employer" (i.e., Sealy may engage in the acquisition, development, management, leasing, sale, syndication of any type of real estate exclusive of warehouse, distribution and other industrial property);

- (c) Except as provided in clause (f) below, Sealy may engage in the direct and indirect ownership of entities, whether existing as of the date hereof or hereafter created (including the right to make future investments in and the right to provide credit for and/or guaranties for financing and development on behalf of such entities) that engage in the acquisition, management, leasing, development and/or financing of real estate properties (including but not limited to industrial/distribution/warehouse properties subject to the restriction hereinafter set forth); provided, however, in respect to industrial/distribution/warehouse properties Sealy, acting in his individual capacity, shall only have the right to participate in (1) the significant, non-routine and strategic business decisions (e.g., sale and refinance) but not the day-to-day decision making of such entities and (2) such other

decisions and activities for such entities and/or in his individual capacity as is reasonable and necessary to protect Sealy from a substantial loss of his investment and/or any personal liability associated with such entities. Notwithstanding anything to the contrary in this clause (c), Sealy shall not initiate any action to acquire any industrial/distribution/warehouse properties, although Sealy may retain his interest in the Retained Properties (hereinafter defined); provided, however, if Sealy is first contacted by any third party affiliated with Mark Sealy or any of Sealy's existing partners in respect of any property located in the Territory (hereinafter defined), or other third party in respect of a property outside the Territory, then Sealy may participate in a direct or indirect investment in such property, but only on the basis provided above in this clause (c);

- (d) Sealy may engage in, except as provided in clauses (e) and (f) below, the strategic and significant business decisions (e.g., sale and refinance), but not day-to-day decision making, concerning those industrial/distribution/warehouse properties located in the Territory and identified in Exhibit "A" (the "Retained Properties"). In addition, Sealy shall have the right to participate in such other decisions and activities for the owners of the Retained Properties and/or in his individual capacity as is reasonable and necessary to protect Sealy from a substantial loss of his investment and/or any personal liability associated with the Retained Properties, (including the Transition Properties as defined below).
- (e) Notwithstanding clause (d) above, certain of the Retained Properties identified on Exhibit "A" as "Transition Properties" (e.g., properties in a stage of planning and development that are not yet fully completed, leased and financed) are in transition and shall require Sealy to engage in day-to-day involvement in order to complete as necessary the construction, leasing and financing of the Transition Properties to stabilization. Employer agrees that, so long as Sealy continues to perform his duties hereunder and for no more than 18 months from the date hereof, Sealy may participate in such day-to-day activities in connection with development, construction, leasing and financing of the Transition Properties, but only as necessary for each of such properties to attain, and only until each of such properties attains, commercially reasonable "stabilization" (i.e., complete the construction, significant leasing and permanent financing) and as necessary to

2

3

discharge Sealy's obligations as a general partner and/or manager of entities that own such Transition Properties; provided, however, that Employer shall be reimbursed for the time and expense of Sealy to the extent of his activity relating to the Transition Properties in accordance with the term set forth on Exhibit "B" attached hereto. Regardless of the "stabilization" of any and all of the Transition Properties at such time, from and after the 18-month anniversary of this Agreement, Sealy shall no longer perform any day-to-day management activities in connection with the Transition Properties, but Sealy may undertake strategic and significant business decisions with respect to such properties for so long as they remain Retained Properties and may exercise his rights as provided in the last sentence of clause (d) above.

- (f) Notwithstanding anything to the contrary contained herein, Sealy agrees that it may not and shall not engage in any decision making, management, operational or other activity in connection with (i) that certain real property located at 1103-1109 AFS Airport Business Park, Euless, Texas, or (ii) the Excluded Parcel (as defined in the Contribution Agreement). Sealy further agrees that it shall not have a direct or indirect ownership interest in either of such properties that either exceeds 49% or represents the largest direct or indirect ownership interest among all

investors in such property.

Sealy shall be responsible to Employer to perform and/or oversee the following:

1. The day-to-day management and operation of real property assets located in the States of Louisiana and Texas (collectively, the "Territory") that are owned by Employer or by entities in which Employer holds an ownership interest ("Property Management");

2. The marketing for lease or sale of real property assets located in the Territory and owned or managed by Employer or entities in which Employer holds an ownership interest (together with Employer, the "Employer Entities") and the negotiation, documentation and consummation of lease and sale transactions involving real property assets located in the Territory and owned or managed by Employer Entities (the "Real Property Assets") [collectively, "Marketing"]; and

3. The acquisition of Real Property Assets, if and to the extent such acquisitions are approved by the Board (or the Board's Investment Committee, as the case may be) or the appropriate partners, officers or directors of any other applicable affiliate of Employer ("Acquisition").

2.02 Sealy will hold the title of Senior Regional Director ("SRD") of the Territory, and shall have primary responsibility for the conducting of Employer's business in the Territory.

2.03 If (a) a proposed Acquisition is presented to Employer by Sealy; (b) Employer approves such Acquisition in accordance with its policies and procedures then in effect; and (c) the

3

4

property to be acquired (the "New Property") is located outside the then-applicable geographic boundaries of the Territory, then, upon the closing of such Acquisition, the Territory shall automatically be expanded to include the city (or township, village or municipality, as the case may be) in which the New Property is located unless (i) the New Property is located in the existing territory of another SRD of Employer (it being understood and agreed that, except as is otherwise expressly provided in this Section 2.03 with respect to the Territory, the senior officers of Employer shall have the sole discretion to establish the geographic boundaries of each SRD's respective territory); or (ii) the Board (or the Investment Committee, as the case may be), in the process of approving the acquisition of the New Property, specifically determines that the Territory shall not so expand. In the event that either (i) or (ii) above is applicable, then none of Sealy and the employees engaged by Employer in the Territory shall be responsible for the day-to-day management and operation of that particular New Property. Except as otherwise expressly provided above in this Section 2.03, any other expansion or contraction of the Territory shall be made by amendment to this Agreement.

2.04 Subject to: (a) with respect to those matters that may require Board approval, the specific approval of the Board; (b) policies or guidelines implemented by Employer out of its Chicago headquarters or by the Board; and (c) any budget adopted by Employer, from time to time during the Term, with respect to all or some portion of the Territory (a "Budget"), Sealy shall have the right and obligation within the Territory to: (i) hire and fire employees (pursuant to Employer's personnel policies, as such policies may be modified or amended from time to time); (ii) establish, review, and revise the compensation of employees engaged to perform services in the Territory (excepting only himself); (iii) negotiate, document, and enter into contracts for Property Management and Marketing; (iv) negotiate, document, and enter into contracts with such suppliers of products and services as Sealy deems appropriate for the rendering of Property Management and Marketing services to Employer; (v) purchase or lease equipment for Employer for the performance and rendering of Property Management, Marketing and Acquisition services, and tend to all matters relating thereto; (vi) with the prior written approval of the Chief Operating Officer of Employer, lease building space for occupancy by Employer for Employer's offices and for such other reasonable functions as Sealy deems appropriate for the business of Employer in the Territory; and (vii) negotiate, document, execute and perform under leases on behalf of any Employer Entities, whether as landlord or management/leasing agent, as the case may be ("Leases"). Notwithstanding

anything to the contrary contained in this Section 2.04, if any expenditure proposed to be made by Sealy pursuant to his duties to Employer (1) is not contemplated or provided for in the relevant Budget and (2) exceeds \$25,000, per item or occasion, except with respect to leasing commissions and tenant improvements as provided in Section 2.06(iv), in which case Section 2.06 shall govern, Sealy shall refrain from making such expenditure until Sealy receives the approval for such expenditure from any Vice President or more senior officer based in the Chicago headquarters of Employer.

2.05 Without the prior approval of the Board or the Investment Committee, as the case may be (which, as in all cases requiring the approval or consent of the Board or Investment Committee under this Agreement, may be given or withheld in the Board's or the Investment Committee's sole discretion), Sealy shall not do any or all of the following:

1. Increase his compensation or extend the Term;

4

5

2. Purchase, or contract to purchase, any real property on behalf of Employer or any Employer Entities; or

3. Sell or refinance, or contract to sell or refinance, any Real Property Assets on behalf of Employer or any Employer Entities.

Sealy agrees that he shall promptly advise the Employer's Chief Investment Officer of the pendency of any acquisition or disposition of any real property on behalf of Employer or any Employer Entities, and shall follow the directions of the Chief Investment Officer with respect to the further pursuit of any such potential acquisition or disposition. If, at any time during the Term, however, Sealy seeks approval or direction from the Chief Investment Officer with respect to a particular acquisition or disposition, and the Chief Investment Officer is not available, then Sealy may seek approval or direction from Employer's Chief Operating Officer (the "COO"). If Sealy receives the approval of the Chief Investment Officer or the COO, as applicable, to pursue an acquisition or disposition, and Sealy desires that a formal purchase and sale contract be executed in connection therewith, then any one of the President, Chief Operating Officer, Chief Financial Officer or Chief Investment Officer of Employer shall be the signatory to any such contract for an acquisition or disposition. Sealy acknowledges that, as of the date of this Agreement, no acquisition or disposition may be consummated on behalf of the Employer without the approval of the Investment Committee or, in certain instances, the Board. As of the date of this Agreement, acquisitions or dispositions of real property on behalf of Employer require only the approval of the Investment Committee if the aggregate consideration required to be paid for such acquisition or disposition does not exceed \$30,000,000. Currently, then, the Board must approve acquisitions or dispositions involving consideration in excess of \$30,000,000. Notwithstanding anything to the contrary contained in this Section 2.05, if the Board modifies its policies with respect to the matters provided in this Section 2.05, then Sealy shall abide by such modified policies to the extent such policies differ from what is provided above in this Section 2.05.

2.06 Notwithstanding anything to the contrary contained above, without the prior approval of the COO, or such other officer designated by the COO for such purpose, Sealy shall not enter into any Lease (i) with respect to premises exceeding 100,000 rentable square feet, or (ii) with annual fixed net base rent exceeding \$500,000 for any year of the lease term, assuming the exercise of all options in the Lease, or (iii) with an initial term exceeding five (5) years, or with a full term, assuming the exercise of all options in the Lease, exceeding ten (10) years, or (iv) that requires the expenditure of \$100,000 or more, in the aggregate, by Employer to both satisfy the obligations imposed on the landlord under that Lease to perform tenant improvements and pay any leasing commissions owed by Employer in connection with such Lease.

2.07 As an SRD, Sealy shall also have the authority to negotiate the terms and provisions of, and enter into, any third-party management contracts for the day-to-day leasing, operation and management of New Properties if and to the extent that, in the process of approving an Acquisition, the Investment Committee or the Board (if the Board's approval of the Acquisition is required) approve the engagement of a third-party manager for the applicable New Property. In such an event, Sealy must engage the third-party manager in accordance with any additional terms, with respect to such third-party management arrangement,

required by the Investment Committee and the Board (if the Board's approval of the Acquisition is required).

5

6

ARTICLE III - COMPENSATION

3.01 Sealy shall receive an aggregate annual base salary ("Annual Salary") at the rate of \$150,000 per annum, beginning January 1, 1998 (and at the rate of \$130,000 per annum for 1997). The Annual Salary for calendar year 1997 shall be prorated, based on the period of time Sealy is employed during 1997. Following 1997, Sealy shall receive a guaranteed minimum annual salary, based on the duration of his employment during any year, equal to no less than the Annual Salary payable to all other SRDs engaged by Employer, from time to time; and such Annual Salary shall be payable in twenty-four (24) equal installments on the fifteenth day and last day of each month during the Term (a "Payment Date"); provided, however, that the Annual Salary shall be no less than \$150,000 during 1998. If any Payment Date falls on other than a normal business day, the salary payment due on such Payment Date shall instead be payable on the last normal business day preceding such Payment Date.

3.02 In addition to the Annual Salary, Sealy shall also be entitled to participate in all incentive, bonus and stock option programs offered by Employer from time to time to the SRDs, as such may be approved or implemented from time to time by the Compensation Committee of the Board. Sealy's right to participate in, and to receive compensation under, such programs shall in no event be on lesser terms or in lesser amounts than those offered to the SRDs; provided, however, that incentive or bonus arrangements (a) for which Sealy and the SRDs are eligible; (b) that are based upon the achievement or surpassing of performance goals established by Employer, and (c) that are based upon specified commercial criteria made known to Sealy and the SRDs in advance, may vary among the different regions of Employer based upon relative regional performance.

3.03 Employer shall be entitled to withhold from those amounts payable to Sealy from time to time under this Agreement any and all federal, state or local withholding or other taxes or charges which Employer is, from time to time, required (by applicable law, statute, ordinance or regulation) to withhold. Employer shall be entitled to rely upon the opinion of its legal counsel with regard to any question concerning the amount or requirement of any such withholding.

ARTICLE IV - SEALY'S BENEFITS

4.01 Employer, at Employer's cost, will provide Sealy with medical/hospitalization/ major medical insurance coverage, including dental benefits, in the same amounts, pursuant to the same terms, and subject to the same deductible, as is provided pursuant to the insurance coverage made available, from time to time, to the SRDs.

4.02 Employer, at Employer's cost, will provide Sealy with, and keep in effect during the Term, a term life insurance policy which Employer will purchase from an insurer satisfactory to Sealy and providing coverage in an amount equal to the amount of such term life insurance provided to the SRDs. Sealy shall have the right to designate such individual or other entity as he wishes as the owner of such life insurance policy, and shall have the power to designate and change, from time-to-time, the beneficiary under such insurance policy.

6

7

4.03 Employer, at Employer's cost, will provide Sealy with a disability income insurance policy that will (i) provide Sealy with income per year equal to that amount of annual income provided to the SRDs under their respective disability insurance policies, (ii) have a waiting period of not greater than three (3) months from the date of sickness, injury or other disability prior to any disability payment, (iii) provide for lifetime benefits, and (iv) contain a

waiver of premium clause. At Sealy's option, he may elect to pay the annual premiums for such disability insurance himself, in which case his Annual Salary will be increased by the amount equal to such annual premium. The foregoing disability income insurance policy will define disability in terms of the functions which Sealy is required to perform pursuant to this Agreement, and should Sealy not be able to perform such functions, he shall be deemed disabled under such policy.

4.04 Sealy shall be entitled to vacation leave of five (5) weeks during each calendar year, beginning January 1, 1998, with full pay (determined on a pro rata basis, based on the then-applicable Annual Salary). The time for vacation shall be chosen by Sealy and must be taken within fifteen (15) months after the start of the calendar year with respect to which such vacation leave is made available. Sealy's right to be paid in lieu of any vacation leave not timely taken shall be determined by the Compensation Committee of the Board and shall be consistent with the policy established for the SRDs.

4.05 Sealy shall be entitled to the following paid holidays per year (if falling on a day other than a Saturday or Sunday): New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

4.06 Sealy shall be entitled to an aggregate of ten (10) days per calendar year, including 1997, as sick and/or personal leave days with full pay (determined on a pro rata basis, based on the then-applicable Annual Salary). Sick and/or personal leave days may be accumulated up to a total of twenty (20) days.

4.07 If Sealy becomes disabled during the Term for any reason that prevents him from fully performing his duties under this Agreement and, as a result, he would be entitled, but for any waiting period, to disability payments under the disability insurance policy described above, Employer agrees to continue his salary (determined on a pro rata basis, based on the then-applicable Annual Salary) during the period of his disability until such time as benefits due under the disability income insurance policy (provided pursuant to Section 4.03 above), begin to accrue, but in no event beyond the end of the Term.

4.08 In addition to the foregoing, it is understood and agreed that, in order to properly perform his duties, Sealy must have the use of a mobile telephone. Employer agrees to pay directly, or to reimburse Sealy for, any and all costs associated with the purchase, installation, activation, and business use of such mobile telephone (in the ordinary course of Sealy's performance of his duties under this Agreement).

4.09 Executive shall receive an automobile allowance determined in accordance with an annual budget submitted to, and approved by, Employer from time to time with respect to the operation of the Territory during the applicable calendar year (the "Auto Allowance"), which Auto Allowance shall be paid in accordance with Employer's policy for payment of comparable

7

8

allowances. Employer shall have no obligation to make any payments of the Auto Allowance from and after the date on which Executive's employment with Employer is terminated in accordance with this Agreement.

ARTICLE V - REIMBURSEMENT OF SEALY'S EXPENSES

5.01 Sealy is authorized to incur reasonable business expenses for promoting the business of Employer, including expenditures for entertainment, gifts, and travel. Employer will reimburse Sealy in accordance with its normal expense-reimbursement procedure for all business expenses reasonably incurred, provided that Sealy presents to Employer both of the following:

- (a) A monthly expense report in which Sealy records:
 - (i) the amount of each expenditure;
 - (ii) the date, place, and designation of the type of entertainment, travel, or other expenses or the date and description of any gift given by Sealy for a business purpose;

- (iii) the business purpose for each expenditure; and
- (iv) the name, occupation, address, and other relevant information of each person who is entertained or given a gift sufficient to establish the business relationship to Employer.

(b) Documentary evidence (such as receipts or paid bills) providing sufficient information to establish the amount, date, place, and essential character of each business expenditure of \$75.00 or more.

ARTICLE VI - TERMINATION

6.01 Employer may terminate this Agreement for any reason whatsoever, including, without limitation, under the following circumstances:

(a) The occurrence of a material breach of this Agreement by Sealy that Sealy does not cure, whether or not such breach is capable of being cured, within ten (10) days after Employer delivers to Sealy written notice of the alleged breach ("Default Notice"). A termination pursuant to this paragraph shall take effect upon the expiration of the relevant cure period, if the subject breach has not been cured.

(b) For "cause," which, for purposes of this Agreement, shall include, without limitation, (i) the fraudulent or criminal conduct of Sealy adversely affecting Employer, (ii) alcoholism of, or illegal substance abuse by, Sealy, (iii) any willful, reckless, or grossly negligent act, or failure to act, of Sealy, or any breach of the fiduciary duty owed by Sealy to Employer, or (iv) any dishonesty, disclosure of Confidential Information (as hereinafter

8

9

defined) or, except as provided above or in the Contribution Agreement in respect of Permitted Activities and Businesses, aiding a competitor of Employer. A termination "for cause" shall take effect immediately upon written notice to Sealy from Employer;

(c) Sealy suffering a long-term disability. A long-term disability shall be defined as Sealy's inability (based on the standard for honoring a claim established under the disability insurance policy procured for Sealy pursuant to this Agreement), due to illness or injury (including alcoholism or illegal substance abuse), to perform his duties as established in Article II above, for a period of three (3) consecutive months. A termination pursuant to this paragraph shall take effect immediately upon written notice to Sealy from Employer after the expiration of such three-month period;

(d) Sealy's death, in which case the Agreement shall terminate immediately; and

(e) The occurrence of a breach of this Agreement for which written notice is sent to Sealy on three or more occasions during any 12-month period of the Term (regardless of whether or not such breaches are cured in a timely fashion), in which case this Agreement shall terminate immediately upon the third of such written notices to Sealy from Employer, except as otherwise provided in such third written notice.

In the event Employer exercises its right of termination for reasons other than any of those specified for in paragraphs (a) through (e) above (such reasons other than those specified by (a) through (e) being referred to as "Unstated Reasons"), such termination shall be effective thirty (30) days after Employer's delivery of its written notice of such termination; provided, however, from and after the effective date of a termination for any Unstated Reason, and continuing for a period of three (3) months, or through the Expiration Date, whichever occurs first, Employer shall continue to pay to Sealy, the benefits to which he would have been entitled (under the express terms of this Agreement, as

of the date of such termination), but for the accelerated termination hereof. In addition, on the first day of each of the 12 calendar months immediately following the effective date of a termination for any Unstated Reason (the "Termination Date"), regardless of the Expiration Date, Employer shall pay to Sealy, at the rate of one-twelfth of the following amounts on each of such 12 payment dates: (i) the Annual Salary being paid to Sealy as of the Termination Date and (ii) the most recent annual bonus paid to Sealy or, if, as of the Termination Date, Sealy will not have worked for Employer long enough to qualify for an annual bonus, the average of the most recent annual bonuses paid to all senior regional directors of Employer (the foregoing payments in the aggregate shall be hereinafter referred to as the "Severance Payment").

6.02 Sealy shall have no right to terminate this Agreement, except (a) as provided in Sections 6.06 and 6.07 below, and (b) in the event of the occurrence of a breach of this Agreement by Employer, which Employer does not cure within ten days after delivery of Sealy's written notice of such alleged breach.

6.03 Termination of this Agreement by Employer or by Sealy pursuant to any of the provisions of this Article VI shall not prejudice any other remedy to which the terminating party may be entitled as a result of a breach of this Agreement by the non-terminating party, whether at

9

10

law, in equity, or under this Agreement; provided, however, and notwithstanding any provision in this Agreement to the contrary or in any other agreement related to the Contribution Agreement, that if Sealy is terminated due to a breach of his obligations in Section 2.01(f), Employer's remedy hereunder shall be limited to termination of this Agreement only (although Employer may seek to enjoin such breach without terminating this Agreement).

6.04 In the event this Agreement is terminated for any reason, in addition to such other payments required to be paid to Sealy as expressly provided herein, Sealy shall be entitled to receive a prorated portion of his Annual Salary through the effective date of such termination. In addition, in the event this Agreement is terminated for any reason, Sealy shall be entitled to reimbursement of all business expenses incurred by him (pursuant to Section 5.01) prior to the effective date of termination that would otherwise be reimbursable hereunder. Further, Sealy shall also be entitled to the remuneration provided in Sections 6.01, 6.06 and 6.07.

6.05 Upon the termination of this Agreement for any reason, Sealy shall forthwith return and deliver to Employer, and shall not retain any originals or copies of, any books, papers, price lists or customer contracts, written proposals of Employer or prospective customers or tenants, customer/tenant lists, rent rolls, leases, files, books of account, notebooks and other documents and data relating to the performance of services rendered by Sealy hereunder, except for those materials relating to the Retained Properties or in Sealy's possession immediately prior to the commencement of the Term (collectively, "Employer's Materials"), all of which Employer Materials are hereby deemed to constitute the property of Employer.

6.06 Constructive Termination. If, at any time during the Term, except in connection with a termination pursuant to Section 6.01(a), (b) or (e) above, Sealy is Constructively Discharged (as hereinafter defined), then Sealy shall have the right, by written notice to the Employer, given within one hundred and twenty (120) days of the effective date of such Constructive Discharge, to terminate his services hereunder (the "Termination Notice"), effective as of the date that is thirty (30) days after the date on which such Termination Notice is delivered, and Sealy shall have no further rights or obligations under this Agreement other than as provided in this Section 6.06 and in Article VII. For purposes of this Agreement, Sealy shall be deemed to have been "Constructively Discharged" upon the occurrence of any of the following events:

(i) Sealy is not re-elected to, or is otherwise removed from, his position as the SRD in the Territory with the Employer other than as a result of (x) Sealy's election or appointment to positions of equal or superior scope and responsibility (an "Alternative Position") or (y) Sealy's breach of, or default under, the terms of this Agreement; or

(ii) Employer fails to vest Sealy with the powers, authority

and support services normally attendant, from time to time, to the other SRDs, or with those attendant to the Alternative Position that may be applicable from time to time, as the case may be; or

(iii) The Employer notifies Sealy, in writing, that Sealy's employment will be terminated (other than pursuant to Section 6.01(a), (b) or (e) above) or materially and adversely modified in the future, or that Sealy will be Constructively Discharged in the future.

10

11

If Sealy is Constructively Discharged and timely delivers a Termination Notice, then from and after the effective date of a termination pursuant to a Termination Notice, Employer shall pay to Sealy an amount equal to the Severance Payment, as though such termination was a termination for Unstated Reasons.

6.07 Termination Upon Change of Control.

(a) In the event of a Change in Control (as defined below) of the Employer and the termination of Sealy's employment by Sealy or by the Employer under either (i) or (ii) below, Sealy shall be entitled to receive, from and after the effective date of a termination pursuant to a Change in Control, the Severance Payment, as though such termination was a termination for Unstated Reasons. The Severance Payment shall not be offset against or diminish any other compensation or benefits accrued as of the effective date of termination. The following shall constitute termination under this Section 6.07:

(i) Sealy terminates his employment under this Agreement pursuant to a written notice to that effect delivered to the Board within six (6) months after the occurrence of the Change in Control; or

(ii) Sealy's employment is terminated, including Constructively Discharged, by the Employer or its successor either in contemplation of or within two (2) years after the Change in Control, other than pursuant to Section 6.01(a), (b) or (e) above.

(b) For purposes of this paragraph, the term "Change in Control" shall mean the following:

(i) 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

(ii) Approval by the stockholders of the Employer of: (1) a merger or consolidation of the Employer, if the stockholders of the Employer immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than fifty percent (50%) 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 complete or substantial liquidation or dissolution, or an agreement for the sale or other disposition, of all or substantially all of the assets of the Employer.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because forty percent (40%) or more of the combined voting power of the then-outstanding securities is acquired by: (x) a trustee or other fiduciary holding securities under one or more

11

12

employee benefit plans maintained for employees of the entity; or (y) any corporation or other entity which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Employer in the same proportion as their ownership of stock in the Employer immediately prior to such acquisition.

ARTICLE VII - NONCOMPETITION AND CONFIDENTIALITY

7.01 In consideration of (i) this Agreement; (ii) the payment of the amounts described herein; (iii) the terms and provisions of the Contribution Agreement; and (iv) the benefits afforded Sealy by virtue of Employer's national support staff, brokerage relationships, databases and reputation; Sealy hereby covenants and agrees that: (a) during the period of his employment with Employer, except in respect of the Permitted Activities and Businesses, and then only as provided in Section 2.01, he shall not, and he shall cause any entity in which he has a direct or indirect, non-passive ownership interest (collectively, the "Non-Compete Parties") to not, directly or indirectly, within those counties in the State of Texas or those parishes in the State of Louisiana set forth on Exhibit "C" attached hereto (collectively and subject to the penultimate sentence of this Section 7.01, the "Non-Compete Area"), in any manner whatsoever: (i) own, manage, control, participate in, consult with, render services for, or otherwise deal with, in any manner (including, without limitation, independently or as an employee), any entity involved in the development, management, leasing or operation of other projects or properties used, or contemplated to be used, for industrial/warehouse/distribution purposes (any such entity, a "Competitor"), or (ii) solicit, initiate contact with, negotiate with, hold discussions with or approach any customer or tenant, or any potential customer or tenant, for the benefit of or on behalf of any Competitor; and (b) subject to the last sentence of this Section 7.01, during the period of Sealy's employment with Employer and until the second anniversary of his termination of employment with Employer, Sealy shall not, and he shall cause each Non-Compete Party to not, initiate contact with or solicit any of the current tenants ("Tenants") or any future tenant at any of the Projects (as defined in the Contribution Agreement) ["New Tenants"] with respect to alternative locations or opportunities concerning industrial/distribution/warehouse real property for such Tenants or New Tenants, whether for purposes of leasing, selling or build-to-suit (an "Alternative Site"). In the event, during the period of Sealy's employment with Employer, any Non-Compete Party is contacted by any of the Tenants or New Tenants concerning an Alternative Site without having solicited or initiated contact, Sealy shall, and shall cause any other applicable Non-Compete Party to, immediately notify Employer of such fact and shall refer such Tenant or New Tenant to Employer. Sealy further agrees that, in the event of breach of any or all of the covenants contained in this Section 7.1, Employer shall be entitled to all available remedies against any or all of the Non-Compete Parties, at law or in equity, including, without limitation, injunctive relief, all of which remedies shall be cumulative and non-exclusive. Sealy hereby acknowledges that Employer performs one or more of the following business activities (the "Business Activities") within the parishes and counties set forth in Exhibit "C": (i) managing and operating industrial/warehouse/distribution real property assets; (ii) soliciting, meeting and negotiating with prospective tenants for occupancy in industrial/warehouse/distribution real property assets of Employer; and (iii) investigating potential acquisitions and developments of industrial/warehouse/distribution real property assets. The parties agree that, upon receipt of notice by Sealy from time to time from Employer indicating an expansion of the Business Activities to additional parish(es) or county(ies), as the case may be, the

Non-Compete Area shall, upon receipt of such notice by Sealy, be expanded to include such parish(es) and county(ies), as the case may be, reflected in such notice, and Sealy shall thereupon treat such additional parish(es) and county(ies) as part of the Non-Compete Area for purposes of this Section 7.01. Notwithstanding anything herein to the contrary, if Sealy is no longer employed by Employer and the Non-Compete Period has not otherwise terminated pursuant to clause (2) of this Section 7.01, the Non-Compete Period shall terminate on the day that is three years from the date hereof.

7.02 Employer acknowledges that heretofore or hereafter during the

course of Sealy's employment, Employer has produced, and Sealy may hereafter produce or have access to, records, data, trade secrets and information not generally available to the public, including, but not limited to, the Employer's Materials ("Confidential Information"), regarding Employer, its subsidiaries and affiliates, the business of Employer, and its real properties and tenants in the Territory and elsewhere in the United States. Accordingly, during and subsequent to the Term, Sealy shall hold in confidence and not directly or indirectly disclose, copy or make lists of any or all of such Confidential Information, except to the extent that (i) such information is or hereafter becomes lawfully available from public sources; (ii) such disclosure is authorized in writing by Employer; (iii) such disclosure is required by a law or any competent administrative agency or judicial authority; or (iv) otherwise as is reasonably necessary or appropriate in connection with the performance by Sealy of his duties hereunder. All records, files, documents and other materials or copies thereof relating to Employer's business that Sealy prepares, has access to, or utilizes (including, but not limited to, the Employer Materials), shall be and remain the sole property of Employer; and shall be promptly returned to Employer upon termination of Sealy's employment hereunder. Subject to Section 7.01, during the term of this Agreement, Sealy agrees to abide by Employer's reasonable policies, as in effect from time to time and applicable to the SRDs, respecting avoidance of interests conflicting with those of Employer.

ARTICLE VIII - GENERAL PROVISIONS

8.01 Any notices to be given under this Agreement by either party to the other must be in writing and may be effected either by personal delivery or by a reputable next-day overnight delivery service which obtains a signed receipt for its deliveries. Notices delivered personally shall be deemed communicated as of the actual receipt by the addressee. Notices sent by next-day overnight delivery service shall be deemed communicated on the next business day after being sent. Notices shall be addressed as follows:

If intended for Sealy:

Scott Sealy
333 Texas Street
Suite 1050
Shreveport, Louisiana 71101-5320

13

14

with a copy to:

Frank B. Bazzel, Esq.
Morris, Manning & Martin, L.L.P.
1600 Atlanta Financial Center
3343 Peachtree Road, N.E.
Atlanta, Georgia 30326

If intended for Employer:

First Industrial Realty Trust, Inc.
311 South Wacker Drive, Suite 4000
Chicago, Illinois 60606
Attn: Michael Brennan,
Chief Operating Officer

with a copy to:

Barack Ferrazzano Kirschbaum Perlman & Nagelberg
333 West Wacker Drive, Suite 2700
Chicago, Illinois 60606
Attn: Suzanne Bessette-Smith, Esq.

8.02 This Agreement shall be governed by and construed in accordance with the internal laws of the State of Texas, except that the internal laws of Louisiana shall govern with respect to any violations of Section 7.01 alleged to have occurred within the State of Louisiana.

8.03 This Agreement is a contract for personal services of Sealy, and

as such, is not assignable by Sealy.

8.04 This Agreement shall not be assignable by Employer except with the prior written approval of an assignment and of the proposed assignee by Sealy. Notwithstanding the foregoing, Employer may assign its rights under this Agreement to any entity which acquires title to all of Employer's Real Property Assets in the Territory, without Sealy's prior approval, subject to the following two (2) conditions:

1. Employer shall stand as surety for the performance of the assignee under this Agreement; and

2. If, after being informed of the assignment and of the identity of the assignee, Sealy is not willing to be employed by the assignee, upon three (3) months' prior written notice to Employer and to the assignee, Sealy may terminate this Agreement.

14

15

8.05 In the event that any one or more provisions contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

15

16

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Employment Agreement to be duly signed the day and year first above written.

FIRST INDUSTRIAL REALTY TRUST, INC.

By: /s/ JOHANNSON L. YAP

Name: Johannson L. Yap
Title: Chief Investment Officer

/s/ SCOTT SEALY

Scott Sealy

S-1

17

EXHIBIT A

RETAINED PROPERTIES

I. Transition Properties and Retained Properties

A. Currently Owned:

1. 6300 West by Northwest Boulevard, Houston, Texas
2. 5910 West by Northwest Boulevard, Houston, Texas
3. 11401 Industriplex Boulevard, Baton Rouge, Louisiana

B. To be Acquired:

1. 20 acres in Interstate Park Subdivision, Baton Rouge, Louisiana
2. James Park Warehouse, St. Charles Parish, Louisiana

II. Retained Properties Only

1. Wheless Properties

- i) 1745 Hayden Road, Dallas, Texas
- ii) 1631-1673 Terre Colony, Dallas, Texas
- iii) 2505 Willowbrook, Dallas, Texas
- iv) 1255 Champion Circle, Carrollton, Texas

2.

- i) 7202-7222 Clinton Drive, Houston, Texas
- ii) Slack Industrial Park, Shreveport, Louisiana

3. Johnson Properties

- i) 17060 Dallas Parkway, Dallas, Texas
- ii) 5001 Northeast Parkway, Ft. Worth, Texas

A-1

18

EXHIBIT B

REIMBURSEMENT AGREEMENT

B-1

19

EXHIBIT C

NON-COMPETE AREA

LOUISIANA:

East Baton Rouge Parish

Jefferson Parish

St. Charles Parish

Caddo Parish

Orleans Parish

West Baton Rouge Parish

Bossier Parish

TEXAS:

Tarrant County

Harris County

Dallas County

Collin County

Denton County

El Paso County

EMPLOYMENT AGREEMENT

This Agreement ("Agreement") is made as of this 10th day of December, 1997 by and between DONALD C. THOMPSON (hereinafter "Thompson") and FIRST INDUSTRIAL REALTY TRUST, INC., a Maryland corporation (hereinafter "Employer"). Capitalized terms contained herein and otherwise undefined shall have the respective meanings given to each of them in that certain Contribution Agreement, dated as of December 9, 1997, by and among FR Acquisitions, Inc. and the other parties thereto (the "Contribution Agreement").

The parties hereto agree as follows:

ARTICLE I - TERM OF EMPLOYMENT

1.01 Employer hereby employs Thompson and Thompson hereby accepts employment by Employer commencing on the date hereof and pursuant to the terms hereof.

1.02 The term of this Agreement (the "Term") shall end at 12:01 a.m. Chicago time on the third anniversary of the date hereof (the "Expiration Date"), except as otherwise provided herein.

ARTICLE II - DUTIES AND POWERS OF THOMPSON

2.01 Except as may be otherwise approved by the Board of Directors of Employer (the "Board") or as otherwise expressly provided herein, Thompson shall devote his full-time, diligent and good faith efforts to the operation of the business of Employer, as more fully detailed below, at all times in accordance with any and all written rules and policies of Employer. Additionally during the Term, except as may otherwise be approved by the Board, Employer shall be entitled to the exclusive benefits of Thompson's knowledge, experience, business contacts and opportunities relating to the business of Employer.

Thompson shall be responsible to Employer to perform and/or oversee the following:

1. The day-to-day management and operation of real property assets located in Tampa, Orlando and Southwest Florida (collectively, the "Territory"), owned by Employer or by entities in which Employer holds an ownership interest ("Property Management");

2. The marketing for lease or sale of real property assets located in the Territory and owned or managed by Employer or entities in which Employer holds an ownership interest (together with Employer, the "Employer Entities") and the negotiation, documentation and consummation of lease and sale transactions involving real property assets located in the Territory and owned or managed by Employer Entities (the "Real Property Assets") [collectively, "Marketing"]; and

3. The acquisition of Real Property Assets, if and to the extent such acquisitions are approved by the Board (or the Board's Investment Committee, as the case may be) or the appropriate partners, officers or directors of any other applicable affiliate of Employer ("Acquisition").

2.02 Thompson will hold the title of Senior Regional Director ("SRD") of the Territory, and shall have primary responsibility for the conducting of Employer's business in the Territory. The Territory's Regional Headquarters will be located initially in Tampa, Florida.

2.03 If (a) a proposed Acquisition is presented to Employer by Thompson; (b) Employer approves such Acquisition in accordance with its policies and procedures then in effect; and (c) the property to be acquired (the "New Property") is located outside the then-applicable geographic boundaries of the

Territory, then, upon the closing of such Acquisition, the Territory shall automatically be expanded to include the city (or township, village or municipality, as the case may be) in which the New Property is located unless (i) the New Property is located in the existing territory of another SRD of Employer (it being understood and agreed that, except as is otherwise expressly provided in this Section 2.03 with respect to the Territory, the senior officers of Employer shall have the sole discretion to establish the geographic boundaries of each SRD's respective territory); or (ii) the Board (or the Investment Committee, as the case may be), in the process of approving the acquisition of the New Property, specifically determines that the Territory shall not so expand. In the event that either (i) or (ii) above is applicable, then none of Thompson and the employees engaged by Employer in the Territory shall be responsible for the day-to-day management and operation of that particular New Property. Except as otherwise expressly provided above in this Section 2.03, any other expansion or contraction of the Territory shall be made by amendment to this Agreement.

2.04 Subject to: (a) with respect to those matters that may require Board approval, the specific approval of the Board; (b) policies or guidelines implemented by Employer out of its Chicago headquarters or by the Board; and (c) any budget adopted by Employer, from time to time during the Term, with respect to all or some portion of the Territory (a "Budget"), Thompson shall have the right and obligation within the Territory to: (i) hire and fire employees (pursuant to Employer's personnel policies, as such policies may be modified or amended from time to time); (ii) establish, review, and revise the compensation of employees engaged to perform services in the Territory (excepting only himself); (iii) negotiate, document, and enter into contracts for Property Management and Marketing; (iv) negotiate, document, and enter into contracts with such suppliers of products and services as Thompson deems appropriate for the rendering of Property Management and Marketing services to Employer; (v) purchase or lease equipment for Employer for the performance and rendering of Property Management, Marketing and Acquisition services, and tend to all matters relating thereto; (vi) with the prior written approval of the Chief Operating Officer of Employer (the "COO;" provided, however, that the COO may from time to time designate another officer of Employer for purposes of providing approvals to Thompson and/or to whom Thompson shall be obligated to report and any references to COO contained herein shall be deemed to include any such officer from time to time designated by the COO), lease building space for occupancy by Employer for Employer's offices and for such other reasonable functions as Thompson deems appropriate for the business of Employer in the Territory; and (vii) negotiate, document, execute and perform under leases on behalf of any Employer Entities, whether as landlord or management/leasing agent, as the case may be ("Leases"). Notwithstanding anything to the contrary contained in this Section 2.04, if any expenditure proposed to be made by Thompson pursuant to his duties to Employer (1) is not contemplated or provided for in the relevant Budget and (2) exceeds \$25,000, per item or occasion, except with respect to leasing commissions and tenant improvements as provided in Section 2.06(iv), in which case Section 2.06

2

3

shall govern, Thompson shall refrain from making such expenditure until Thompson receives the approval for such expenditure from any Vice President or more senior officer based in the Chicago headquarters of Employer.

2.05 Without the prior approval of the Board or the Investment Committee, as the case may be (which, as in all cases requiring the approval or consent of the Board or Investment Committee under this Agreement, may be given or withheld in the Board's or the Investment Committee's sole discretion), Thompson shall not do any or all of the following:

1. Increase his compensation or extend the Term;
2. Purchase, or contract to purchase, any real property on behalf of Employer or any Employer Entities; or
3. Sell or refinance, or contract to sell or refinance, any Real Property Assets on behalf of Employer or any Employer Entities.

Thompson agrees that he shall promptly advise the Employer's Chief Investment Officer of the pendency of any acquisition or disposition of any real property

on behalf of Employer or any Employer Entities, and shall follow the directions of the Chief Investment Officer (the "CIO") with respect to the further pursuit of any such potential acquisition or disposition. If, at any time during the Term, however, Thompson seeks approval or direction from the CIO with respect to a particular acquisition or disposition, and the CIO is not available, then Thompson may seek approval or direction from Employer's COO. If Thompson receives the approval of the CIO or the COO, as applicable, to pursue an acquisition or disposition, and Thompson desires that a formal purchase and sale contract be executed in connection therewith, then any one of the President, COO, Chief Financial Officer or the CIO of Employer shall be the signatory to any such contract for an acquisition or disposition. Thompson acknowledges that, as of the date of this Agreement, no acquisition or disposition may be consummated on behalf of the Employer without the approval of the Investment Committee or, in certain instances, the Board. As of the date of this Agreement, acquisitions or dispositions of real property on behalf of Employer require only the approval of the Investment Committee if the aggregate consideration required to be paid for such acquisition or disposition does not exceed \$30,000,000. Currently, then, the Board must approve acquisitions or dispositions involving consideration in excess of \$30,000,000. Notwithstanding anything to the contrary contained in this Section 2.05, if the Board modifies its policies with respect to the matters provided in this Section 2.05, then Thompson shall abide by such modified policies to the extent such policies differ from what is provided above in this Section 2.05.

2.06 Notwithstanding anything to the contrary contained above, without the prior approval of the COO, or such other officer designated by the COO for such purpose, Thompson shall not enter into any Lease (i) with respect to premises exceeding 100,000 rentable square feet, or (ii) with annual fixed net base rent exceeding \$500,000 for any year of the lease term, assuming the exercise of all options in the Lease, or (iii) with an initial term exceeding five (5) years, or with a full term, assuming the exercise of all options in the Lease, exceeding ten (10) years, or (iv) that requires the expenditure of \$100,000 or more, in the aggregate, by Employer to both satisfy the

3

4

obligations imposed on the landlord under that Lease to perform tenant improvements and pay any leasing commissions owed by Employer in connection with such Lease.

2.07 As an SRD, Thompson shall also have the authority to negotiate the terms and provisions of, and enter into, any third-party management contracts for the day-to-day leasing, operation and management of New Properties if and to the extent that, in the process of approving an Acquisition, the Investment Committee or the Board (if the Board's approval of the Acquisition is required) approve the engagement of a third-party manager for the applicable New Property. In such an event, Thompson must engage the third-party manager in accordance with any additional terms, with respect to such third-party management arrangement, required by the Investment Committee and the Board (if the Board's approval of the Acquisition is required).

ARTICLE III - COMPENSATION

3.01 Thompson shall receive a guaranteed minimum annual salary ("Annual Salary"), based on the duration of his employment during any year, equal to the Annual Salary payable to all other SRDs engaged by Employer, from time to time; and such Annual Salary shall be payable in twenty-four (24) equal installments on the fifteenth day and last day of each month during the Term (a "Payment Date"). If any Payment Date falls on other than a normal business day, the salary payment due on such Payment Date shall instead be payable on the last normal business day preceding such Payment Date.

3.02 In addition to the Annual Salary, Thompson shall also be entitled to participate in all incentive, bonus and stock option programs offered by Employer from time to time to the SRDs, as such may be approved or implemented from time to time by the Compensation Committee of the Board. Thompson's right to participate in, and to receive compensation under, such programs shall in no event be on lesser terms or in lesser amounts than those offered to the SRDs; provided, however, that incentive or bonus arrangements (a) for which Thompson and the SRDs are eligible; (b) that are based upon the achievement or surpassing of performance goals established by Employer, and (c) that are based upon specified commercial criteria made known to Thompson and the SRDs in

advance, may vary among the different regions of Employer based upon relative regional performance.

3.03 Employer shall be entitled to withhold from those amounts payable to Thompson from time to time under this Agreement any and all federal, state or local withholding or other taxes or charges which Employer is, from time to time, required (by applicable law, statute, ordinance or regulation) to withhold. Employer shall be entitled to rely upon the opinion of its legal counsel with regard to any question concerning the amount or requirement of any such withholding.

ARTICLE IV - THOMPSON'S BENEFITS AND BONUSES

4.01 Employer will provide Thompson with medical/hospitalization/major medical insurance coverage, including dental benefits, in the same amounts, pursuant to the same terms, and subject to the same deductible, as is provided pursuant to the insurance coverage made available, from time to time, to the SRDs.

4

5

4.02 Employer will provide Thompson with, and keep in effect during the Term, a term life insurance policy which Employer will purchase from an insurer satisfactory to Thompson and providing coverage in an amount equal to the amount of such term life insurance provided to the SRDs. Thompson shall have the right to designate such individual or other entity as he wishes as the owner of such life insurance policy, and shall have the power to designate and change, from time-to-time, the beneficiary under such insurance policy.

4.03 Employer will provide Thompson with a disability income insurance policy that will (i) provide Thompson with income per year equal to that amount of annual income provided to the SRDs under their respective disability insurance policies, (ii) have a waiting period of not greater than three (3) months from the date of sickness, injury or other disability prior to any disability payment, (iii) provide for lifetime benefits, and (iv) contain a waiver of premium clause. At Thompson's option, he may elect to pay the annual premiums for such disability insurance himself, in which case his Annual Salary will be increased by the amount equal to such annual premium. The foregoing disability income insurance policy will define disability in terms of the functions which Thompson is required to perform pursuant to this Agreement, and should Thompson not be able to perform such functions, he shall be deemed disabled under such policy.

4.04 Thompson shall be entitled to vacation leave of four (4) weeks during each calendar year, beginning January 1, 1998, with full pay (determined on a pro rata basis, based on the then-applicable Annual Salary). The time for vacation shall be chosen by Thompson and must be taken within fifteen (15) months after the start of the calendar year with respect to which such vacation leave is made available. Thompson's right to be paid in lieu of any vacation leave not timely taken shall be determined by the Compensation Committee of the Board and shall be consistent with the policy established for the SRDs.

4.05 Thompson shall be entitled to the following paid holidays per year (if falling on a day other than a Saturday or Sunday): New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

4.06 Thompson shall be entitled to ten (10) days per calendar year, beginning January 1, 1997, as sick or personal leave days with full pay (determined on a pro rata basis, based on the then-applicable Annual Salary). Sick or personal leave may be accumulated up to a total of twenty (20) days.

4.07 If Thompson becomes disabled during the Term for any reason that prevents him from fully performing his duties under this Agreement and, as a result, he would be entitled, but for any waiting period, to disability payments under the disability insurance policy described above, Employer agrees to continue his salary (determined on a pro rata basis, based on the then-applicable Annual Salary) during the period of his disability until such time as benefits due under the disability income insurance policy (provided pursuant to Section 4.03 above), begin to accrue, but in no event beyond the end of the Term.

ARTICLE V - REIMBURSEMENT OF THOMPSON'S EXPENSES

5.01 Thompson is authorized to incur reasonable business expenses for promoting the business of Employer, including expenditures for entertainment, gifts, and travel. Employer will reimburse Thompson in accordance with its normal expense-reimbursement procedure for all business expenses reasonably incurred, provided that Thompson presents to Employer both of the following:

- (a) A monthly expense report in which Thompson records:
 - (i) the amount of each expenditure;
 - (ii) the date, place, and designation of the type of entertainment, travel, or other expenses or the date and description of any gift given by Thompson for a business purpose;
 - (iii) the business purpose for each expenditure; and
 - (iv) the name, occupation, address, and other relevant information of each person who is entertained or given a gift sufficient to establish the business relationship to Employer.

(b) Documentary evidence (such as receipts or paid bills) providing sufficient information to establish the amount, date, place, and essential character of each business expenditure of \$75.00 or more.

5.02 Thompson shall receive an automobile allowance determined in accordance with the Budget for the Territory during the applicable calendar year (the "Auto Allowance"), which Auto Allowance shall be paid in accordance with Employer's policy for payment of comparable allowances. Employer shall have no obligation to make any payments of the Auto Allowance from and after the date on which Thompson's employment with Employer is terminated pursuant to Section 6. In addition to the foregoing, it is understood and agreed that, in order to properly perform his duties, Thompson must have the use of a mobile telephone. Employer agrees to pay directly, or to reimburse Thompson for, any and all costs associated with the purchase, installation, activation, and business use of such mobile telephone (in the ordinary course of Thompson's performance of his duties under this Agreement).

ARTICLE VI - TERMINATION

6.01 Employer may terminate this Agreement for any reason whatsoever, including, without limitation, under the following circumstances:

- (a) The occurrence of a breach of this Agreement by Thompson (including, but not limited to, excessive absence) that Thompson does not cure within ten (10) days after Employer delivers to Thompson written notice of the alleged breach ("Default Notice"). A termination pursuant to this paragraph shall take effect upon the expiration of the relevant cure period, if the subject breach has not been cured.

- (b) For "cause," which, for purposes of this Agreement, shall include, without limitation, (i) the fraudulent or criminal conduct of Thompson adversely affecting Employer, (ii) alcoholism of, or illegal substance abuse by, Thompson, (iii) any willful, reckless, or grossly negligent act, or failure to act, of Thompson, (iv) any breach of the fiduciary duty owed by Thompson to Employer, any dishonesty, disclosure of Confidential Information (as hereinafter defined), a breach of Article VII hereof, or (v) any attempted election to terminate this Agreement. A termination "for cause" shall take effect immediately upon written notice to Thompson from Employer;

(c) Thompson suffering a long-term disability. A long-term disability shall be defined as Thompson's inability (based on the standard for honoring a claim established under the disability insurance policy procured for Thompson pursuant to this Agreement), due to illness or injury (including alcoholism or illegal substance abuse), to perform his duties as established in Article II above, for a period of three (3) consecutive months. A termination pursuant to this paragraph shall take effect immediately upon written notice to Thompson from Employer after the expiration of such three-month period;

(d) Thompson's death, in which case the Agreement shall terminate immediately; and

(e) The occurrence of a breach of this Agreement on three or more occasions during any 12-month period of the Term (regardless of whether or not such breaches are cured in a timely fashion), in which case this Agreement shall terminate immediately upon written notice to Thompson from Employer.

In the event Employer exercises its right of termination for reasons other than any of those specified for in paragraphs (a) through (e) above ("Unstated Reasons"), such termination shall be effective thirty (30) days after Employer's delivery of its written notice of such termination; provided, however, from and after the effective date of a termination for any Unstated Reason, and continuing for a period of six (6) months, or through the Expiration Date, whichever occurs first, Employer shall continue to pay to Thompson, the Annual Salary and benefits to which he would have been entitled (under the express terms of this Agreement), but for the accelerated termination hereof.

6.02 Thompson shall have no right to terminate this Agreement, except (a) as provided in Sections 6.06 and 6.07 below, and (b) in the event of the occurrence of a breach of this Agreement by Employer, which Employer does not cure within ten (10) days after delivery of Thompson's written notice of such alleged breach.

6.03 Subject to Article 8, termination of this Agreement by Employer or by Thompson pursuant to any of the provisions of this Article VI shall not prejudice any other remedy to which the terminating party may be entitled as a result of a breach of this Agreement by the non-terminating party, whether at law, in equity, or under this Agreement.

6.04 In the event this Agreement is terminated for any reason, Thompson shall be entitled to receive a prorated portion of his Annual Salary through the effective date of such

7

8

termination. In addition, in the event this Agreement is terminated for any reason, Thompson shall be entitled to reimbursement of all business expenses incurred by him (pursuant to Section 5.01) prior to the effective date of termination that would otherwise be reimbursable hereunder. Further, Thompson shall also be entitled to the remuneration provided in Sections 6.01, 6.06 and 6.07.

6.05 Upon the termination of this Agreement for any reason, Thompson shall forthwith return and deliver to Employer, and shall not retain any originals or copies of, any books, papers, price lists or customer contracts, written proposals of Employer or prospective customers or tenants, customer/tenant lists, rent rolls, leases, files, books of account, notebooks and other documents and data relating to the performance of services rendered by Thompson hereunder, except for those materials in Thompson's possession immediately prior to the commencement of the Term (collectively, "Employer's Materials"), all of which Employer Materials are hereby deemed to constitute the property of Employer.

6.06 If, at any time during the Term, except in connection with a termination pursuant to Section 6.01(a), (b) or (e) above, Thompson is Constructively Discharged (as hereinafter defined), then Thompson shall have the right, by written notice to the Employer, given within one hundred and twenty (120) days of the effective date of such Constructive Discharge, to

terminate his services hereunder (the "Termination Notice"), effective as of the date that is thirty (30) days after the date on which such Termination Notice is delivered, and Thompson shall have no further rights or obligations under this Agreement other than as provided in this Section 6.06 and in Article VII. For purposes of this Agreement, Thompson shall be deemed to have been "Constructively Discharged" upon the occurrence of any of the following events:

(i) Thompson is not re-elected to, or is otherwise removed from, his position as the SRD in the Territory with the Employer other than as a result of (x) Thompson's election or appointment to positions of equal or superior scope and responsibility or (y) Thompson's breach of, or default under, the terms of this Agreement; or

(ii) Employer fails to vest Thompson with the powers, authority and support services normally attendant, from time to time, to the other SRDs; or

(iii) Employer notifies Thompson, in writing, that Thompson's employment will be terminated (other than pursuant to Section 6.01(a), (b) or (e) above) or materially modified in the future, or that Thompson will be Constructively Discharged in the future.

If Thompson is Constructively Discharged and timely delivers a Termination Notice, then from and after the effective date of a termination pursuant to a Termination Notice, and continuing for a period of six months or through the Expiration Date, whichever occurs first, Employer shall continue to pay to Thompson the Annual Salary and benefits to which he would have been entitled (under the express terms of this Agreement), but for the accelerated termination hereof.

6.07 (a) In the event of a Change in Control (as defined below) of the Employer and the termination of Thompson's employment by Thompson or by the Employer under either (i) or (ii) below, Thompson shall be entitled to the "Severance Payment" described below. The Severance Payment shall not be offset against or diminish any other compensation or benefits

8

9

accrued as of the effective date of termination. The following shall constitute termination under this Section 6.07:

(i) Thompson terminates his employment under this Agreement pursuant to a written notice to that effect delivered to the Board within six (6) months after the occurrence of the Change in Control; or

(ii) Thompson's employment is terminated, including Constructively Discharged, by the Employer or its successor either in contemplation of or within two (2) years after the Change in Control, other than pursuant to Section 6.01(a), (b) or (e) above.

(b) For purposes of this paragraph, the term "Change in Control" shall mean the following:

(i) 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

(ii) Approval by the stockholders of the Employer of: (1) a merger or consolidation of the Employer, if the stockholders of the Employer immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than fifty percent (50%) 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 complete or substantial liquidation or dissolution, or an agreement for the sale or other disposition, of all or substantially all of the assets of the Employer.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because forty percent (40%) or more of the combined voting power of the then-outstanding securities is acquired by: (x) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained for employees of the entity; or (y) any corporation or other entity which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Employer in the same proportion as their ownership of stock in the Employer immediately prior to such acquisition. For purposes of this Section 6.07, the "Severance Payment" shall be deemed to be mean the Annual Salary and benefits to which Thompson would have been entitled (under the express terms of this Agreement), but for the accelerated termination hereof, and such Severance Payment shall be due and payable with respect to and during the period of time commencing on the effective date of the termination of Thompson's employment under this Section 6.07, and continuing for a period of six (6) months or through the Expiration Date, whichever occurs first.

ARTICLE VII - NONCOMPETITION AND CONFIDENTIALITY

7.01 (a) In consideration of (i) this Agreement; (ii) the payment of the amounts described in Sections 2 and 3 hereof; (iii) the \$75,000 noncompete fee received by Thompson from an affiliate of Employer as the President of TRAC (defined below) pursuant to the Contribution Agreement; and (iv) the terms and provisions of the Contribution Agreement, Thompson hereby covenants and agrees that during the period commencing on the Effective Date and ending on that date that is (w) the third (3rd) anniversary of the date upon which Thompson's employment with Employer is terminated pursuant to Section 6.01(b)(iv); (x) the expiration of any applicable period for which Thompson receives a severance payment, whether pursuant to Sections 6.01, 6.06 or 6.07, (y) the effective termination date in the event of a termination of this Agreement pursuant to Sections 6.01(a), 6.01(b)(i), (ii) or (iii), 6.01(c) or 6.01(e); or (z) the stated Expiration Date in the event of a termination of this Agreement pursuant to Section 6.01(b)(v): (a) neither Thompson nor any entity in which Thompson has a controlling interest (collectively, the "Non-Compete Parties"), shall, directly or indirectly, within the Territory, in any manner own, manage, control, participate in, consult with, render services for, or otherwise deal with, in any manner any entity involved in the development, management, construction, leasing or operation of other projects or properties used for industrial/warehouse/distribution purposes; provided, however, that the Non-Compete Parties may become non-controlling, passive investors without voting control in warehouse/industrial/distribution properties or in entities owning or controlling such properties; and (b) no Non-Compete Party shall solicit, initiate contact with, approach, negotiate with, or hold discussions with, or on behalf of, any entity (other than Employer, or any of its affiliates) in connection with any matter relating to the purchase, sale, ground lease, development or acquisition of any other interests, of any nature whatsoever, of any warehouse or industrial property in the Territory. Notwithstanding anything contained herein to the contrary, for a period of three (3) years after the expiration or a termination of this Agreement for any reason whatsoever, (i) no Non-Compete Party shall, directly or indirectly, in any manner whatsoever, initiate contact with or solicit any of the current tenants ("Tenants") or any future tenant at any of the Properties or any new industrial/warehouse/distribution facilities developed or acquired by Employer or any affiliate of Employer in the Territory ("New Tenants") with respect to alternative locations or opportunities for such Tenants or New Tenants, whether for purposes of leasing, build-to-suit or otherwise and (ii) in the event any Non-Compete Party is contacted by any of the Tenants or New Tenants without having solicited or initiated contact, the applicable Non-Compete Party shall immediately notify Employer of such fact and shall refer such Tenant or New Tenant to Employer. Thompson further agrees that, in the event of breach of any or all of the covenants contained in this Section 7.01, Employer shall be entitled to all available remedies against any or all of the Non-Compete Parties, at law or in equity, including without limitation, injunctive relief, all of which remedies shall be cumulative and non exclusive.

(b) Notwithstanding the foregoing, Thompson shall be entitled to (w) participate in the day-to-day management and leasing decisions concerning (aa) the projects identified on Exhibit A hereto until the completion of such

projects and (bb) the Home Depot Project (as such term is defined in the Contribution Agreement) until the acquisition of the Home Depot Project by an affiliate of Employer pursuant to the Contribution Agreement in his capacity as a shareholder of Thompson Kirk Properties, Inc. ("TK Properties"), but such activities shall be conducted subject to, and in accordance with, the terms, conditions and limitations set forth in Section 26.15 of the

10

11

Contribution Agreement; (x) participate in the strategic and significant business decisions (e.g., sale and refinance) concerning the Metropointe Commerce Center ("Metropointe") as well as to participate in the day-to-day management and leasing decisions concerning Metropointe in his capacity as the shareholder of TK Properties pursuant to that certain Incentive Property Management Agreement, dated May 1, 1991, by and between TK Properties and 275 Gandy Associates, but such activities shall be conducted subject to, and in accordance with, all of the terms, conditions and limitations set forth in Section 26.15 of the Contribution Agreement; (y) to participate in his capacity as the President of TRAC Design Builders ("TRAC") for the limited purpose of (i) the completion of the Existing Trac Projects (as such term is defined in the Contribution Agreement) and (ii) the liquidation and dissolution of TRAC upon the completion of such Existing Trac Projects, which activities shall be prosecuted and undertaken subject to all of the terms, conditions and limitations set forth in Section 26.16 of the Contribution Agreement with respect to the ongoing conduct of business by TRAC; and (z) to participate in his capacity as (z) a limited partner of Gardner-TKS, Ltd., a Florida limited partnership (the "Gardner Venture"), and (y) the President of DCT Holdings, Inc., a Florida corporation and the sole general partner of the Gardner Venture ("DCT"), in the significant business decisions (e.g. sale and refinance) and the day-to-day management of the approximately 13.3 acres of land which is the subject of the partnership agreement for the Gardner Venture, but subject to all of the terms, conditions and limitations set forth in that certain Agreement by and between DCT and FR Acquisitions, Inc. relating to the Gardner Venture.

7.02 Employer acknowledges that heretofore or hereafter during the course of Thompson's employment, Employer has produced, and Thompson may hereafter produce or have access to, records, data, trade secrets and information not generally available to the public, including, but not limited to, the Employer's Materials ("Confidential Information"), regarding Employer, its subsidiaries and affiliates, the business of Employer, and its real properties and tenants in the Territory and elsewhere in the United States. Accordingly, during and subsequent to the Term, Thompson shall hold in confidence and not directly or indirectly disclose, copy or make lists of any or all of such Confidential Information, except to the extent that (i) such information is or hereafter becomes lawfully available from public sources; (ii) such disclosure is authorized in writing by Employer; (iii) such disclosure is required by a law or any competent administrative agency or judicial authority; or (iv) otherwise as is reasonably necessary or appropriate in connection with the performance by Thompson of his duties hereunder. All records, files, documents and other materials or copies thereof relating to Employer's business that Thompson prepares, has access to, or utilizes (including, but not limited to, the Employer Materials), shall be and remain the sole property of Employer; and shall be promptly returned to Employer upon termination of Thompson's employment hereunder. Subject to Section 7.01, during the term of this Agreement, Thompson agrees to abide by Employer's reasonable policies, as in effect from time to time and applicable to the SRDs, respecting avoidance of interests conflicting with those of Employer.

ARTICLE VIII - GENERAL PROVISIONS

8.01 Any notices to be given under this Agreement by either party to the other must be in writing and may be effected either by personal delivery or by a reputable next-day overnight delivery service which obtains a signed receipt for its deliveries. Notices delivered personally

11

12

shall be deemed communicated as of the actual receipt by the addressee.

Notices sent by next-day overnight delivery service shall be deemed communicated on the next business day after being sent. Notices shall be addressed as follows:

If intended for Thompson:

Donald C. Thompson
6302 Benjamin Road, Suite 400
Tampa, Florida 33634

With a copy to his Attorney:

Annis, Mitchell, Cockey, Edwards & Roehn, P.A.
One Tampa City Center
Suite 2100
Tampa, Florida 33601
Attention: Stephen L. Kussner, Esq.

If intended for Employer:

First Industrial Realty Trust, Inc.
311 South Wacker Drive
Suite 4000
Chicago, Illinois 60606
Attn: Michael Brennan,
Chief Operating Officer

With a copy to Employer's Attorney:

Barack Ferrazzano Kirschbaum Perlman & Nagelberg
333 West Wacker Drive
Suite 2700
Chicago, Illinois 60606
Attn: Suzanne Bessette-Smith

8.02 This Agreement shall be governed by and construed in accordance with the laws of Illinois.

8.03 This Agreement is a contract for personal services of Thompson, and as such, is not assignable by Thompson.

8.04 This Agreement shall not be assignable by Employer except with the prior written approval of an assignment and of the proposed assignee by Thompson. Notwithstanding the foregoing, Employer may assign its rights under this Agreement to any entity which acquires title to all of Employer's Real Property Assets in the Territory, without Thompson's prior approval, subject to the following two (2) conditions:

12

13

1. Employer shall stand as surety for the performance of the assignee under this Agreement; and

2. If, after being informed of the assignment and of the identity of the assignee, Thompson is not willing to be employed by the assignee, upon three (3) months' prior written notice to Employer and to the assignee, Thompson may terminate this Agreement.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

13

14

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Employment Agreement to be duly signed the day and year first above written.

FIRST INDUSTRIAL REALTY TRUST, INC., a
Maryland corporation

By: /s/ MICHAEL W. BRENNAN

Name: Michael W. Brennan

Title: Chief Operating Officer

/s/ DONALD C. THOMPSON

Donald C. Thompson

14

15

EMPLOYMENT AGREEMENT

EXHIBIT A

(AS OF DECEMBER 10, 1997)

1. Fairfield Commerce Center Project: Oversight of construction and development of an industrial facility by TRAC and ongoing leasing and management.
2. Public Storage: Oversight of construction and development of a warehouse facility.

FIRST INDUSTRIAL REALTY TRUST, INC.
 COMPUTATION OF RATIOS OF EARNINGS TO
 FIXED CHARGES AND PREFERRED STOCK DIVIDENDS (A)
 (DOLLARS IN THOUSANDS)

	FOR THE YEAR ENDED DECEMBER 31,				
	1997	1996	1995	1994	1993
Income (loss) before disposition of interest rate protection agreement, gain on sales of properties, minority interest and extraordinary items	\$ 64,949	\$ 36,524	\$ 19,756	\$ 8,855	\$ (3,399)
Plus interest expense and amortization of deferred financing costs and interest rate protection agreements	52,671	32,240	33,029	26,461	19,184
Earnings before disposition of interest rate protection agreements, gain on sales of real estate, extraordinary items, minority interest and fixed charges	\$117,620	\$ 68,764	\$ 52,785	\$ 35,316	\$ 15,785
Fixed charges and preferred stock dividends (b)	\$ 65,678	\$ 36,660	\$ 33,821	\$ 26,511	\$ 19,197
Ratio of earnings to combined fixed charges and preferred stock dividends (c)	1.79x	1.88x	1.56x	1.33x	-- (d)

- (a) The Company completed its initial public offering on June 30, 1994. Information prior to the initial public offering includes the operations and accounts of the Company's predecessor and information subsequent to the initial public offering includes the historical operations and accounts of the Company.
- (b) There was no preferred stock outstanding prior to November, 1995.
- (c) For purposes of computing the ratios of earning to fixed charges and preferred stock dividends, earnings have been calculated by adding fixed charges (excluding capitalized interest) to income (loss) before disposition of interest rate protection agreement, gain on sales of properties, minority interest and extraordinary items. Fixed charges consist of interest costs, whether expensed or capitalized, and amortization of interest rate protection agreement(s) and deferred financing costs.
- (d) For the year ended December 31, 1993, earnings were not sufficient to cover fixed charges. Additional earnings of \$3.4 million would have been required to achieve a ratio of 1.0 for the year ended December 31, 1993.

FIRST INDUSTRIAL REALTY TRUST, INC.
SUBSIDIARIES OF THE REGISTRANT

Name	State of Incorporation Formation	Registered Names in Foreign Jurisdictions
First Industrial, L.P.	Delaware	First Industrial (Alabama), Limited Partnership First Industrial (Michigan), Limited Partnership First Industrial (Minnesota), Limited Partnership First Industrial (Tennessee), L.P. First Industrial Limited Partnership
First Industrial Finance Corporation	Maryland	N/A
First Industrial Financing Partnership, L.P.	Delaware	First Industrial Financing Partnership, Limited Partnership First Industrial Financing Partnership (Alabama), Limited Partnership First Industrial Financing Partnership (Minnesota), Limited Partnership First Industrial Financing Partnership (Wisconsin), Limited Partnership
First Industrial Management Corporation	Maryland	N/A
First Industrial Enterprises of Michigan, Inc. (Formerly Damone/Andrew Enterprises, Inc.)	Michigan	N/A
First Industrial Group of Michigan, Inc. (Formerly Damone/Andrew Enterprises, Inc.)	Michigan	N/A
First Industrial of Michigan, Inc. (Formerly Damone/Andrew Incorporated)	Michigan	N/A
First Industrial Associates of Michigan, Inc. Michigan N/A (Formerly Damone/Andrew Associates, Inc.)		
First Industrial Construction Company of Michigan, Inc. (Formerly Damone/Andrew Construction Company)	Michigan	N/A
FR Acquisitions, Inc.	Maryland	FIR Acquisitions, Inc.
First Industrial Pennsylvania Corporation	Maryland	N/A
First Industrial Pennsylvania, L.P.	Delaware	N/A
First Industrial Harrisburg Corporation	Maryland	N/A
First Industrial Harrisburg, L.P.	Delaware	N/A
First Industrial Securities Corporation	Maryland	N/A
First Industrial Securities, L.P.	Delaware	First Industrial Securities, Limited Partnership
First Industrial Mortgage Corporation	Maryland	N/A
First Industrial Mortgage Partnership, L.P.	Delaware	First Industrial MP, L.P.
First Industrial Indianapolis Corporation	Maryland	N/A
First Industrial Indianapolis, L.P.	Delaware	N/A
FI Development Services Corporation (Formerly First Industrial Development Services, Inc.)	Maryland	N/A
First Industrial Development Services, L.P. (Formerly First Industrial Development Services Group, L.P.)	Delaware	N/A
FI Development Services Group, L.P.	Delaware	N/A
FR Development Services, L.L.C.	Delaware	N/A
FR Development Services, Inc. (Formerly First Industrial Development Services Group, L.P.)	Maryland	N/A
First Industrial Colorado, Inc.	Maryland	N/A
Pacifica Commercial Brokerage Group, Inc.	Maryland	N/A

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the inclusion in this Form 10-K and the incorporation by reference into the Registrants four previously filed Registration Statements on Form S-3 (File Nos. 33-95190, 333-03999, 333-21887 and 333-43641) and the Registrants three previously filed Registration Statements on Form S-8 (File Nos. 33-95188, 333-36699 and 333-45317) of our report dated February 17, 1998, on our audit of the consolidated financial statements and the financial statement schedule of First Industrial Realty Trust, Inc.

COOPERS & LYBRAND L.L.P.

Chicago, Illinois
March 23, 1998

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF FIRST INDUSTRIAL REALTY TRUST, INC. FOR THE YEAR ENDED DECEMBER 31, 1997, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<MULTIPLIER> 1,000

<CURRENCY> U.S. DOLLARS

<PERIOD-TYPE>	YEAR
<FISCAL-YEAR-END>	DEC-31-1997
<PERIOD-START>	JAN-01-1997
<PERIOD-END>	DEC-31-1997
<EXCHANGE-RATE>	1
<CASH>	13,222
<SECURITIES>	0
<RECEIVABLES>	7,730
<ALLOWANCES>	(1,450)
<INVENTORY>	0
<CURRENT-ASSETS>	19,502
<PP&E>	1,994,346
<DEPRECIATION>	(121,030)
<TOTAL-ASSETS>	2,272,163
<CURRENT-LIABILITIES>	72,383
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	17
<COMMON>	364
<OTHER-SE>	854,209
<TOTAL-LIABILITY-AND-EQUITY>	2,272,163
<SALES>	0
<TOTAL-REVENUES>	223,203
<CGS>	0
<TOTAL-COSTS>	(59,762)
<OTHER-EXPENSES>	(48,633)
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	(28,954)
<INCOME-PRETAX>	66,070
<INCOME-TAX>	0
<INCOME-CONTINUING>	66,070
<DISCONTINUED>	0
<EXTRAORDINARY>	(14,124)
<CHANGES>	0
<NET-INCOME>	51,946
<EPS-PRIMARY>	1.27
<EPS-DILUTED>	1.26

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF FIRST INDUSTRIAL REALTY TRUST, INC. FOR THE YEAR ENDED DECEMBER 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<MULTIPLIER> 1,000

<CURRENCY> U.S. DOLLARS

<PERIOD-TYPE>	12-MOS	
<FISCAL-YEAR-END>		DEC-31-1996
<PERIOD-START>		JAN-01-1996
<PERIOD-END>		DEC-31-1996
<EXCHANGE-RATE>		1
<CASH>		0
<SECURITIES>		0
<RECEIVABLES>		0
<ALLOWANCES>		0
<INVENTORY>		0
<CURRENT-ASSETS>		0
<PP&E>		0
<DEPRECIATION>		0
<TOTAL-ASSETS>		0
<CURRENT-LIABILITIES>		0
<BONDS>		0
<PREFERRED-MANDATORY>		0
<PREFERRED>		0
<COMMON>		0
<OTHER-SE>		0
<TOTAL-LIABILITY-AND-EQUITY>		0
<SALES>		0
<TOTAL-REVENUES>		140,055
<CGS>		0
<TOTAL-COSTS>		(39,224)
<OTHER-EXPENSES>		(35,353)
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		(28,954)
<INCOME-PRETAX>		37,937
<INCOME-TAX>		0
<INCOME-CONTINUING>		37,937
<DISCONTINUED>		0
<EXTRAORDINARY>		(2,373)
<CHANGES>		0
<NET-INCOME>		35,664
<EPS-PRIMARY>		1.28
<EPS-DILUTED>		1.28

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF FIRST INDUSTRIAL REALTY TRUST, INC. FOR THE YEAR ENDED DECEMBER 31, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<MULTIPLIER> 1,000

<CURRENCY> U.S. DOLLARS

<PERIOD-TYPE>	12-MOS	
<FISCAL-YEAR-END>		DEC-31-1995
<PERIOD-START>		JAN-01-1995
<PERIOD-END>		DEC-31-1995
<EXCHANGE-RATE>		1
<CASH>		0
<SECURITIES>		0
<RECEIVABLES>		0
<ALLOWANCES>		0
<INVENTORY>		0
<CURRENT-ASSETS>		0
<PP&E>		0
<DEPRECIATION>		0
<TOTAL-ASSETS>		0
<CURRENT-LIABILITIES>		0
<BONDS>		0
<PREFERRED-MANDATORY>		0
<PREFERRED>		0
<COMMON>		0
<OTHER-SE>		0
<TOTAL-LIABILITY-AND-EQUITY>		0
<SALES>		0
<TOTAL-REVENUES>		106,486
<CGS>		0
<TOTAL-COSTS>		(28,302)
<OTHER-EXPENSES>		(29,837)
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		(28,591)
<INCOME-PRETAX>		12,349
<INCOME-TAX>		0
<INCOME-CONTINUING>		12,349
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		12,349
<EPS-PRIMARY>		.63
<EPS-DILUTED>		.63