



**LETTER TO STOCKHOLDERS
FROM THE PRESIDENT AND CEO
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
PROXY STATEMENT
2013 ANNUAL REPORT**

In connection with the 2014 Annual Meeting of Stockholders, we have collected the Letter to Stockholders from the President and CEO, Notice of Annual Meeting of Stockholders, Proxy Statement and 2013 Annual Report under one cover.

**First Industrial Realty Trust, Inc.
www.firstindustrial.com**

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LETTER TO STOCKHOLDERS FROM THE PRESIDENT AND CEO

Fellow Stockholders,

In 2013, our Company continued its drive forward in pursuit of long-term cash flow growth aimed at enhancing shareholder value. Our progress was reflected in our leasing results, our tenant retention, the improvements we made to our portfolio through new investments and targeted sales, and the further strengthening of our capital position. I thank all of my teammates across the country who contributed to these achievements.

Our stock price performance reflected our accomplishments as we delivered a total return to shareholders of 26.5%, placing us in the top 12% of companies tracked by REITZone Publications. We also had the top total return of any U.S. industrial REIT on a trailing 3-year and 5-year basis from year-end 2013.

We are happy with what we have accomplished, but, as I often say to our team, there is no future in the past. We are excited about what lies ahead. We have a meaningful opportunity to deliver growth in cash flow over the next several years, and we are focused on capturing that opportunity.

Part of our return to stockholders was through the re-initiation of our common stock dividend in the first quarter of 2013. As we continue to execute our strategy, we expect to grow our dividend consistent with our growth in sustainable cash flow. Based on our 2013 results and outlook for improving cash flow in 2014, our Board of Directors increased the dividend rate by 20.6% in the first quarter of 2014. Even with that increase, we expect to be within our conservative target payout ratio range of 50% to 60% of Adjusted Funds from Operations (AFFO), with the balance retained to help us grow.

Leasing: The Heart of Our Cash Flow Opportunity

At the heart of our business and cash flow opportunity is leasing. We finished the fourth quarter with in-service occupancy of 92.9%, up 300 basis points for the year. This marked an important milestone for us, as we exceeded the 92% year-end goal for 2013 that we first established at our November 2011 Investor Day. At that time, our occupancy was just 86.6%, and many were skeptical of our ability to achieve this goal. We knew it would take a lot of work, but we were confident in our portfolio and our team's ability to execute.

At our 2013 Investor Day in November, we established a new goal of achieving $\pm 95\%$ occupancy by year-end 2015. While we still have some larger bulk distribution facilities to lease, much of our opportunity lies in smaller spaces throughout our portfolio. We have seen demand for these spaces grow in line with the general economy, which has been reflected in occupancy gains in the non-bulk warehouse categories of our portfolio.

The environment for smaller building leases is helped by the fact that new supply is primarily in the bulk category and very limited in this segment. Unlike some of the larger lease-up opportunities we have detailed in the past, it is hard to provide much visibility on leasing for these non-bulk properties. We just have to show it in our operating results — via an amalgamation of a number of leasing transactions. I am confident our team is up to the task.

While new leasing is important, retaining, and in many cases expanding, our existing tenants is also critical to reaching our leasing goals. In 2013, we retained 79% of our customers which was above our average of approximately 70% for the previous five years. The foundation of good retention is taking care of tenants and having the right facilities that meet their needs. Maximizing retention eliminates downtime and typically results in better economics in terms of rental rate change. In addition, leasing and capital costs associated with new leasing can be significantly more expensive than those for renewals. As we achieve stabilization, we will incur fewer of those higher related costs, which is good news for our potential cash flow growth.

Healthy Fundamentals

Through the fourth quarter of 2013, the U.S. industrial real estate market has seen 14 consecutive quarters of positive net absorption of space. Positive net absorption is forecasted by leading industry research and brokerage firms to continue for the next several years. Obviously, demand for industrial space is tied to the health of the overall economy — and so are those forecasts.

The other critical part of the equation for continued healthy fundamentals is new supply. In the industrial business, new developments can typically be completed within six to twelve months following completion of entitlements. As such, we must keep a keen eye on market dynamics, particularly for signs of new construction overheating. While supply has picked up over the past few years, it remains well below historical levels. New construction has been concentrated in markets where demand supports it, like Southern California, Houston, and South Florida. A big factor currently helping to keep supply rational is the financing environment, as lenders have been primarily concentrating their resources on REITs and other well-capitalized institutions and developers that have been measured in their approach to building.

The strength in fundamentals has been evident in the continued recovery in market rents. Cash rental rates in our portfolio, comparing the initial lease rate to the prior ending lease rate, were down 3.4% overall in 2013. Renewal leases were up 1.2%, while new leases were down 12.1%. For 2014, we expect our cash rental rate changes to be relatively flat overall, with renewals continuing to be positive and new leases forecasted to be down.

Investing for Growth in Cash Flow and Value

The favorable industrial real estate fundamentals have helped attract a significant number of interested investors to our sector, particularly for high quality, leased distribution facilities in the nation's top markets. This has made acquisitions difficult.

We were pleased with the two buildings we did buy in 2013 for a total of \$46.8 million. One of those facilities was a 627,000 square-foot distribution center in the Southeast Wisconsin submarket of Chicago for \$26.3 million. The property is 100% leased with an in-place yield of 6.7%.

The other building acquisition was a 509,000 square-foot distribution center also in the Chicago market, at the intersection of I-55 and I-80, that we bought vacant in the second quarter for \$20.5 million. We like this building and location as we have seen continued absorption of space and limited new supply in this submarket. While our underwriting for vacant acquisitions and new developments allows one year of downtime from acquisition or completion, as I write, this building remains vacant which is surprising and disappointing to us. We remain bullish on this property and market, but have to bring a lease home.

We would certainly like to make more acquisitions, but we remain focused on buying the right properties at the right price. With the market for leased product so competitive, we have continued our strategy of using our platform to invest via new developments. By doing so, we can create value for stockholders in two ways: (i) by building and leasing properties at returns higher than we can earn from just acquiring properties and (ii) by adding high quality facilities to our portfolio with features suitable for a given market. Typically, these features include wide truck courts, ample parking, and high clear heights. The key is building the right product in the right location that will generate superior rent growth over market cycles.

In 2013, we completed three such developments totaling 1.5 million square feet with an estimated total investment of \$107.3 million.

Our first completion was the 300,300 square-foot, \$19.1 million First Chino Logistics Center in the West Inland Empire in Southern California. We continue to expand our portfolio in Southern California, where demand is being driven by port activity, international trade, and consumption by a substantial and growing population base. We successfully completed and leased that building upon construction completion above pro forma in the second quarter. We wish they were all that simple.

During the fourth quarter, we completed the 489,000 square foot First Bandini Logistics Center in the Vernon/Commerce submarket of Los Angeles, as well as the 708,000 square-foot First Logistics Center @ I-83 in York, Pennsylvania. These are great assets for our portfolio. They will be even better when leased.

Next up on our delivery schedule will be the 556,000 square-foot First 36 Logistics Center @ Moreno Valley in the Inland Empire. Our estimated total investment is \$32 million with a planned second quarter 2014 completion. In addition, our \$9 million 43,500 square-foot First Figueroa Logistics Center in the South Bay of Los Angeles is also on track to be completed in the second quarter. These are speculative buildings that are well-positioned for their respective markets. Our 250,000 square-foot expansion for Rust-Oleum of a 600,000 square-foot distribution center in the Southeast Wisconsin submarket of Chicago will be complete in the third quarter.

Our development pipeline now includes two additional projects – one in Dallas and one in Houston. Texas continues to exhibit strong growth, driven by the energy sector, population growth and a business friendly environment. We recently started the First Pinnacle Industrial Center in Dallas, comprised of two buildings totaling 598,000 square feet with an estimated investment of \$26 million. The vacancy rate in Dallas is at a ten-year low, so we think the timing is right. We also broke ground on the 351,000 square-foot First Northwest Commerce Center in Houston that will serve multiple tenants, as is typical in that market. Estimated investment for First Northwest is \$20 million. We are excited to add more inventory to meet the strong demand that we have experienced in the Houston market.

In total, our land bank can support approximately 6.6 million square feet of additional potential development. We would anticipate future land acquisitions to be sites where we can build fairly quickly to meet pockets of demand. Given the rebound in land prices, we will also pursue value-add assemblages like our First Nandina Logistics Center site in Southern California that we acquired in 2013. There, we used our platform and local market knowledge to cost effectively piece together a site that will be able to accommodate 1.37 million square feet when entitled.

Active Portfolio Management

A critical part of our job as a management team is to appropriately allocate the capital you have entrusted to us. Part of that capital allocation decision is selling properties that we do not believe will deliver favorable long-term cash flow growth. Our sales process is focused on maximizing value, typically through one-off transactions to either user buyers or investors.

In 2013, we sold 67 properties totaling approximately 3.0 million square feet and six land parcels for a total of \$144.6 million. Our sales volume was well ahead of our goal of \$75 million to \$100 million. The in-place cap rate on building sales was 5.6%, so we did not suffer any dilution, which was similar to our sales the past few years. That may not be the case going forward, as it depends on the mix of properties sold.

In 2014, our target is again to complete \$75 million to \$100 million of sales. Portfolio management is an ongoing process so we expect to continue our targeted sales discipline in the coming years in an effort to continually upgrade our portfolio.

Capital Foundation Further Strengthened

Our capital position as a company has never been stronger. In 2013, we further bolstered our balance sheet through a combination of strong operating results and capital actions. We repurchased and retired prior to maturity a combined \$102 million of our senior unsecured notes and mortgage loans payable. We redeemed a total of \$150 million of preferred stock, comprised of the remaining \$100 million of our Series J Preferred Stock and all \$50 million of our Series K Preferred Stock. We also completed strategic equity issuances totaling \$174 million.

As of the fourth quarter of 2013, our net debt plus preferred stock to EBITDA ratio was 6.6 times, within our new target range of six times to seven times that we established at our November 2013 Investor Day.

Another key execution item for us in 2013 was the new expanded \$625 million unsecured line of credit we announced in July. Our line capacity was increased by \$175 million, providing us with additional flexibility as we grow and enhance our portfolio. The terms we were able to achieve reflect the strength of our capital position. We thank our banking partners for their support. They are an integral part of our success.

In 2014 to date, we have already been busy on the capital side. We retired the rest of our outstanding preferred stock comprised of \$50 million of our Series F Preferred Stock and \$25 million of our Series G Preferred Stock, which had dividend rates of 6.275% and 7.236%, respectively, as of the first quarter. This was done with the benefit of the proceeds from our fourth quarter sales.

We also successfully completed a new 7-year unsecured term loan totaling \$200 million that we swapped to an effective initial fixed rate of 4.04%. The proceeds from this loan will be used for general corporate purposes, but they essentially pre-fund our 2014 and 2015 maturities. The amount of the term loan represents 37% of the \$543 million of maturities over the next four years that we outlined at our Investor Day that offer potential interest savings to help our cash flow.

One other capital goal we discussed at Investor Day was to achieve an investment grade rating for our unsecured notes by the end of 2014. We were pleased that S&P was the first of the three major credit agencies to upgrade our unsecured debt rating to investment grade at a BBB- rating in February of 2014. We are currently one rating notch away from investment grade with Moody's and Fitch.

With continued execution of our plan, we have a goal of receiving upgrades from these two agencies by the end of 2014. Of course, we do not have a vote in those decisions. As we continue to execute on our plan, we will keep the agencies apprised of our progress. Receiving an investment grade rating is important to our long-term plan as we would like to be able to efficiently access the senior unsecured debt market, if and as market conditions warrant, to begin addressing our maturities in 2016 and realize the balance of that interest savings opportunity.

Executing Our Vision to Deliver Value to Shareholders

As a team, we have a focused vision and have established goals aligned with that vision. Near-term, we have begun our push towards $\pm 95\%$ occupancy for year-end 2015.

Longer-term, the potential cash flow growth we can deliver by executing our plan is an excellent opportunity for our Company and for our shareholders. We believe we can significantly grow AFFO and, along with that, the dividend.

In addition to growing our cash flow, we will also continue to improve our portfolio through our portfolio management process. As we do, we can further demonstrate the quality of our asset base and close the valuation gap to our industry peers, especially when looked at on an implied cap rate basis.

Our business plan is straightforward. It is up to us to execute on it and our team is focused on doing just that.

We thank you for your continued support.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Duncan', written over a horizontal line.

Bruce W. Duncan
President and Chief Executive Officer

April 4, 2014



FIRST INDUSTRIAL REALTY TRUST, INC.

311 South Wacker Drive

Suite 3900

Chicago, Illinois 60606

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 7, 2014

NOTICE IS HEREBY GIVEN that the 2014 Annual Meeting of Stockholders (the “Annual Meeting”) of First Industrial Realty Trust, Inc. (the “Company”) will be held on Wednesday, May 7, 2014 at 9:00 a.m. in the 10th Floor Conference Room, 311 South Wacker Drive, Chicago, Illinois 60606 for the following purposes:

1. To elect six directors to the Board of Directors to serve until the 2015 Annual Meeting of Stockholders, and until their successors are duly elected and qualify;
2. To approve the First Industrial Realty Trust, Inc. 2014 Stock Incentive Plan;
3. To approve, on an advisory (i.e. non-binding) basis, the compensation of the Company’s named executive officers as disclosed in this Proxy Statement;
4. To ratify the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2014; and
5. To consider and act upon any other matters that may properly be brought before the Annual Meeting and at any adjournments or postponements thereof.

Any action may be taken on the foregoing matters at the Annual Meeting on the date specified above, or on any date or dates to which, by original or later adjournment, the Annual Meeting may be adjourned, or to which the Annual Meeting may be postponed.

The Board of Directors has fixed the close of business on March 21, 2014 as the record date for the Annual Meeting. Only stockholders of record of the Company’s common stock at the close of business on that date will be entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof.

You are requested to fill in and sign the enclosed Proxy Card, which is being solicited by the Board of Directors, and to mail it promptly in the enclosed postage-prepaid envelope. Any proxy may be revoked by delivery of a later dated proxy. Stockholders of record who attend the Annual Meeting may vote in person, even if they have previously delivered a signed proxy. “Street name” stockholders who wish to vote in person will need to obtain a duly executed proxy form from the institution that holds their shares prior to the Annual Meeting.

By Order of the Board of Directors

W. Ed Tyler

Chairman of the Board

Bruce W. Duncan

President and CEO

Chicago, Illinois

April 4, 2014

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE POSTAGE-PREPAID ENVELOPE PROVIDED.



FIRST INDUSTRIAL REALTY TRUST, INC.

311 South Wacker Drive

Suite 3900

Chicago, Illinois 60606

PROXY STATEMENT

FOR THE 2014 ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 7, 2014

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of First Industrial Realty Trust, Inc. ("First Industrial" or the "Company") for use at the 2014 Annual Meeting of Stockholders of the Company to be held on Wednesday, May 7, 2014, and at any adjournments or postponements thereof (the "Annual Meeting"). At the Annual Meeting, stockholders will be asked to vote (i) to elect six directors to the Board of Directors to serve until the 2015 Annual Meeting of Stockholders, and until their successors are duly elected and qualify, (ii) to approve the First Industrial Realty Trust, Inc. 2014 Stock Incentive Plan (the "2014 Stock Incentive Plan"), (iii) to approve, on an advisory (i.e. non-binding) basis, the compensation of the Company's named executive officers as disclosed in this Proxy Statement, (iv) to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the current fiscal year and (v) to act on any other matters properly brought before them.

This Proxy Statement and the accompanying Notice of Annual Meeting and Proxy Card are first being sent to stockholders on or about April 4, 2014. The Board of Directors has fixed the close of business on March 21, 2014 as the record date for the Annual Meeting (the "Record Date"). Only stockholders of record of our common stock ("Common Stock") at the close of business on the Record Date will be entitled to notice of and to vote at the Annual Meeting. As of the Record Date, there were 110,136,614 shares of Common Stock outstanding and entitled to vote at the Annual Meeting. Holders of Common Stock outstanding as of the close of business on the Record Date will be entitled to one vote for each share held by them on each matter presented to the stockholders at the Annual Meeting.

Stockholders of the Company are requested to complete, sign, date and promptly return the accompanying Proxy Card in the enclosed postage-prepaid envelope. Shares represented by a properly executed Proxy Card received prior to the vote at the Annual Meeting and not revoked will be voted at the Annual Meeting as directed on the Proxy Card. If a properly executed Proxy Card is submitted and no instructions are given, the persons designated as proxy holders on the Proxy Card will vote (i) FOR the election of the six nominees for director named in this Proxy Statement, (ii) FOR the approval of the 2014 Stock Incentive Plan, (iii) FOR the approval, on an advisory basis, of the compensation of our named executive officers, (iv) FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the current fiscal year and (v) in their own discretion with respect to any other business that may properly come before the stockholders at the Annual Meeting or at any adjournments or postponements thereof. We have not received notice of any matters other than those set forth in this Proxy Statement and, accordingly, it is not anticipated that any other matters will be presented at the Annual Meeting.

The presence, in person or by proxy, of holders of at least a majority of the total number of outstanding shares of Common Stock entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. The affirmative vote of the holders of a majority of the votes cast with a quorum present at the Annual Meeting is required (i) for the election of directors, (ii) for the approval of the 2014 Stock Incentive Plan, (iii) for the approval, on an advisory basis, of the compensation of our named executive officers and (iv) for the ratification of the appointment of the Company's independent registered public accounting firm. Abstentions will not be counted as votes cast and, accordingly, will have no effect on the result of the vote, although they will be counted for quorum purposes.

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A stockholder of record may revoke a proxy at any time before it has been exercised by filing a written revocation with the Secretary of the Company at the address of the Company set forth above, by filing a duly executed proxy bearing a later date, or by appearing in person and voting by ballot at the Annual Meeting. Any stockholder of record as of the Record Date attending the Annual Meeting may vote in person whether or not a proxy has been previously given, but the presence (without further action) of a stockholder at the Annual Meeting will not constitute revocation of a previously given proxy. “Street name” stockholders who wish to vote in person will need to obtain a duly executed proxy form from the institution that holds their shares prior to the Annual Meeting.

Appendix B to this Proxy Statement contains the Company’s 2013 Annual Report, including the Company’s financial statements for the fiscal year ended December 31, 2013 and certain other information required by the rules and regulations of the Securities and Exchange Commission (the “SEC”). However, the Company’s 2013 Annual Report is not part of the proxy solicitation material. See “Other Matters — Incorporation by Reference” herein.

BROKER NON-VOTES

Stockholders of the Company who have received this Proxy Statement from their broker or other fiduciary should have received instructions for directing how that broker or fiduciary should vote the stockholder’s shares. It will be the broker’s or fiduciary’s responsibility to vote the stockholder’s shares for the stockholder in the manner directed. The stockholder must complete, execute and return the voting instruction form in the envelope provided by the broker.

Under the rules of the New York Stock Exchange (the “NYSE”), brokers generally may vote on routine matters, such as the ratification of an independent public accounting firm, but may not vote on non-routine matters unless they have received voting instructions from the person for whom they are holding shares. If there is a non-routine matter presented to stockholders at a meeting and the stockholder’s broker or fiduciary does not receive instructions from the stockholder on how to vote on that matter, the broker or fiduciary will return the Proxy Card to the Company, indicating that he or she does not have the authority to vote on that matter. This is generally referred to as a “broker non-vote” and may affect the outcome of the voting on those matters, as discussed below.

The proposal described in this Proxy Statement for the ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ended December 31, 2014 is considered a routine matter under the NYSE rules. Each of the other proposals is considered a non-routine matter under NYSE rules and could result in broker non-votes. Broker non-votes will not be counted as votes cast and, accordingly, will have no effect on the result of the vote. However, broker non-votes will be counted for quorum purposes. We therefore encourage stockholders to provide directions to their broker as to how the stockholder wants their shares voted on all matters to be brought before the Annual Meeting. The stockholder should do this by carefully following the instructions the broker gives the stockholder concerning its procedures. This ensures that the stockholder’s shares will be voted at the meeting.

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PROPOSAL 1 ELECTION OF DIRECTORS

Pursuant to the Company's Charter, the maximum number of members allowed to serve on the Company's Board of Directors is twelve. The Board of Directors of the Company currently consists of six seats. Each of the directors is serving for a term of one year and until his successor is duly elected and qualifies. Pursuant to the Company's Second Amended and Restated Bylaws (the "Bylaws"), vacancies on the Board of Directors may be filled by a majority vote of the directors, and directors elected to fill vacancies shall hold office until the next Annual Meeting of Stockholders and until his or her successor is duly elected and qualifies.

The Board of Directors has nominated Matthew S. Dominski, Bruce W. Duncan, H. Patrick Hackett, Jr., John Rau, L. Peter Sharpe and W. Ed Tyler to serve as directors (the "Nominees"). All of the Nominees are currently serving as directors of the Company. Each of the Nominees has consented to be named as a nominee in this Proxy Statement. The Board of Directors anticipates that each of the Nominees will serve as a director if elected. However, if any person nominated by the Board of Directors is unable to accept election, the proxies will vote for the election of such other person or persons as the Board of Directors may recommend.

The Board of Directors recommends a vote FOR each of the Nominees.

INFORMATION REGARDING THE NOMINEES

The following biographical descriptions set forth certain information with respect to the six Nominees for election as directors and certain executive officers, based on information furnished to the Company by such persons. The following information is as of March 21, 2014, unless otherwise specified.

Matthew S. Dominski

Director since 2010

Mr. Dominski, 59, has been a director of the Company since March 2010. He also presently serves as a director of CBL & Associates Properties, Inc., a shopping mall real estate investment trust in the United States. From 1993 through 2000, Mr. Dominski served as Chief Executive Officer of Urban Shopping Centers ("Urban"), formerly one of the largest regional mall property companies in the country and also a publicly traded real estate investment trust. Following the purchase of Urban by Rodamco North America in 2000, Mr. Dominski served as Urban's President until 2002. In 2003, Mr. Dominski formed Polaris Capital, LLC, a Chicago, Illinois based real estate investment firm of which he was joint owner through 2013. From 1998 until 2004, Mr. Dominski served as a member of the Board of Trustees of the International Council of Shopping Centers. Mr. Dominski's extensive experience leading other public and private real estate companies, both as a senior executive and a director, is a valuable asset to the Board of Directors.

Bruce W. Duncan

Director since 2009

Mr. Duncan, 62, has been President, Chief Executive Officer and a director of the Company since January 2009. Since September 2013, Mr. Duncan has also served as a director of the T. Rowe Price Funds. In addition, Mr. Duncan presently serves as the chairman of the Board of Directors of Starwood Hotels & Resorts Worldwide, Inc. (NYSE: HOT) ("Starwood"), a leading worldwide hotel and leisure company, a position he has held since May 2005. From April 2007 to September 2007, Mr. Duncan served as Chief Executive Officer of Starwood on an interim basis. Mr. Duncan has served as a director of Starwood since 1999 and as a trustee of the REIT subsidiary of Starwood from 1995 to 2006. He also was a senior advisor to Kohlberg Kravis & Roberts & Co. from July 2008 until January 2009. From May 2005 to December 2005, Mr. Duncan was Chief Executive Officer and Trustee of Equity Residential (NYSE: EQR) ("EQR"), a publicly traded apartment company. From January 2003 to May 2005, he was President, Chief Executive Officer and Trustee, and from April 2002 to December 2002, President and Trustee of EQR. From December 1995 until March 2000, Mr. Duncan served as Chairman, President and Chief Executive Officer of Cadillac Fairview Corporation, a real estate operating company. From January 1992 to October 1994, Mr. Duncan was President and Co-Chief Executive Officer of

PROXY STATEMENT

JMB Institutional Realty Corporation providing advice and management for investments in real estate by tax-exempt investors and from 1978 to 1992, he worked for JMB Realty Corporation where he served in various capacities, culminating as Executive Vice President and a member of the Board of Directors. Mr. Duncan's extensive experience leading other publicly traded real estate companies, both as a senior executive and a director, is critical to his ability to lead the Company as its Chief Executive Officer, and is a valuable asset to the Board of Directors. Moreover, as the Company's Chief Executive Officer, Mr. Duncan brings to our Board of Directors his in-depth knowledge of our business, strategy, operations, competition and financial position. Mr. Duncan's membership on the Board of Directors is critical to ensuring appropriate coordination and communication between the Company's executive officers and the Board of Directors.

H. Patrick Hackett, Jr.

Director since 2009

Mr. Hackett, 62, has been a director of the Company since December 2009. Mr. Hackett is the Chief Executive Officer of HHS Co., a real estate company located in the Chicago area. Previously, he served as the President and Chief Executive Officer of RREEF Capital, Inc. and as Principal of The RREEF Funds, an international commercial real estate investment management firm. Mr. Hackett taught real estate finance at the Kellogg Graduate School of Management for 15 years when he also served on the real estate advisory boards of Kellogg and the Massachusetts Institute of Technology. He also currently serves on the board of Wintrust Financial Corporation (NASDAQ: WTFC) and is a director of North Shore Community Bank. Mr. Hackett provides the Board of Directors with valuable real estate finance expertise, and the Board of Directors further benefits from Mr. Hackett's experience on other boards in the financial services sector. In addition, Mr. Hackett's financial expertise is valuable to the Company's Audit Committee, which he has chaired since June 2010 and within which he is an "audit committee financial expert."

John Rau

Director since 1994

Mr. Rau, 65, has been a director of the Company since June 1994. Since December 2002, Mr. Rau has served as President and Chief Executive Officer and as a director of Miami Corporation, a private asset management firm. From January 1997 to March 2000, he was a director, President and Chief Executive Officer of Chicago Title Corporation (NYSE: CTZ), and its subsidiaries, Chicago Title and Trust Co., Chicago Title Insurance Co., Ticor Title Insurance Co. and Security Union Title Insurance Co. Mr. Rau was a director of BorgWarner, Inc. from 1997 to 2006, a director of William Wrigley Jr. Company from March 2005 until the company was sold to Mars, Inc. in September 2008 and a director of Nicor, Inc. from 1997 until it was sold to AGL Resources Inc. in December 2011, and continues as a director of AGL Resources Inc. Mr. Rau is a director of BMO Financial Corp. and BMO/Harris Bank, and served as a director of LaSalle Bank, N.A. until its 2007 sale to Bank of America. From July 1993 until November 1996, Mr. Rau was Dean of the Indiana University School of Business. From 1991 to 1993, Mr. Rau served as Chairman of the Illinois Economic Development Board and as special advisor to Illinois Governor Jim Edgar. From 1990 to 1993, he was Chairman of the Banking Research Center Board of Advisors and a Visiting Scholar at Northwestern University's J.L. Kellogg Graduate School of Management. During that time, he also served as Special Consultant to McKinsey & Company, a worldwide strategic consulting firm. From 1989 to 1991, Mr. Rau served as President and Chief Executive Officer of LaSalle National Bank. From 1979 to 1989, he was associated with The Exchange National Bank, serving as President from 1983 to 1989, at which time The Exchange National Bank merged with LaSalle National Bank. Prior to 1979, he was associated with First National Bank of Chicago. Mr. Rau's extensive experience in the banking and title insurance industries provides the Board of Directors with valuable insight into the matters of corporate and real estate finance, as well as financial services management and risk management. Moreover, Mr. Rau's financial expertise is valuable to the Company's Audit Committee, on which he currently serves.

L. Peter Sharpe

Director since 2010

Mr. Sharpe, 67, has been a director of the Company since November 2010. He served as President and Chief Executive Officer of Cadillac Fairview Corporation from March 2000 through December 31, 2010. Prior to

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March 2000, Mr. Sharpe held various positions at Cadillac Fairview Corporation, including serving as its Executive Vice President of Operations from 1990 to 2000. Mr. Sharpe currently serves as a director of Postmedia Network Canada Corp., Morguard Corporation and Allied Properties Real Estate Investment Trust. From 2009 through 2010, Mr. Sharpe served as Chairman of the Board of Directors of the International Council of Shopping Centers, the global trade association of the shopping center industry, and also served as a director of Multiplan Empreendimentos Imobiliários S.A. (Bovespa: MULT3), one of the leading developers, owners and operators of shopping centers in Brazil. Previously, Mr. Sharpe served as a director on the boards of Legacy REIT, from 1997 to 2001, and Fairmont Hotels & Resorts, from 2001 to 2006. Mr. Sharpe's experience managing large real estate development companies, and serving on the boards of real estate investment trusts, has provided him with real estate knowledge and corporate organizational skills that benefit our Board of Directors tremendously. In addition to his executive experience, inclusive of managing a substantial real estate entity for an institutional ownership constituency, Mr. Sharpe has a substantial background in real estate investment leasing and operations activities. Moreover, Mr. Sharpe's financial expertise, and his experience serving on the Audit Committees of other publicly traded real estate companies, is valuable to the Company's Audit Committee, on which he currently serves, and the Compensation Committee, of which he currently serves as Chairman.

W. Ed Tyler

Director since 2000

Mr. Tyler, 61, has been a director of the Company since March 2000, served as Lead Director from October 2008 to January 2009 and has served as non-executive Chairman of the Board of Directors since January 2009. Mr. Tyler also served as the Company's interim Chief Executive Officer from October 2008 to January 2009. Mr. Tyler is a director of Nanophase Technologies Corporation (NASDAQ: NANX). Mr. Tyler was appointed CEO of Ideapoint Ventures in 2002. Ideapoint Ventures is an early stage venture fund that focuses on nanotechnologies. Prior to joining Ideapoint Ventures, Mr. Tyler served as Chief Executive Officer and a director of Moore Corporation Limited, a provider of data capture, information design, marketing services, digital communications and print solutions, from 1998 to 2000. Prior to joining Moore Corporation, Mr. Tyler served in various capacities at R.R. Donnelley & Sons Company, most recently as Executive Vice President and Chief Technology Officer, from 1997 to 1998, and as Executive Vice President and Sector President of Donnelley's Networked Services Sector, from 1995 to 1997. Mr. Tyler's extensive experience as a senior executive and director of other companies, both private and publicly traded, is extremely valuable to the Board of Directors. Moreover, this experience, coupled with Mr. Tyler's prior service as interim Chief Executive Officer of the Company affords Mr. Tyler a unique perspective, and helps him facilitate communications between the Company's senior executives and the Board of Directors in his role as Chairman of the Board.

INFORMATION REGARDING EXECUTIVE OFFICERS AND OTHER SENIOR MANAGEMENT

Scott A. Musil

Mr. Musil, 46, has been Chief Financial Officer of the Company since March 2011. He served as acting Chief Financial Officer of the Company from December 2008 to March 2011. Mr. Musil has also served as Senior Vice President of the Company since March 2001, Treasurer of the Company since May 2002 and Assistant Secretary of the Company since July 2012. Mr. Musil previously served as Controller of the Company from December 1995 to March 2012, Assistant Secretary of the Company from May 1996 to March 2012, Vice President of the Company from May 1998 to March 2001, Chief Accounting Officer from March 2006 to May 2013 and Secretary from March 2012 to July 2012. Prior to joining the Company, he served in various capacities with Arthur Andersen & Company, culminating as an audit manager specializing in the real estate and finance industries. Mr. Musil is a non-practicing certified public accountant. His professional affiliations include the American Institute of Certified Public Accountants and National Association of Real Estate Investment Trusts ("NAREIT").

Johannson L. Yap

Mr. Yap, 51, has been the Chief Investment Officer of the Company since February 1997 and Executive Vice President — West Region since March 2009. From April 1994 to February 1997, he served as Senior Vice

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President — Acquisitions of the Company. Prior to joining the Company, Mr. Yap joined The Shidler Group in 1988 as an acquisitions associate, and became Vice President in 1991, with responsibility for acquisitions, property management, leasing, project financing, sales and construction management functions. Between 1988 and 1994, he participated in the acquisition, underwriting and due diligence of several hundred million dollars of commercial properties. His professional affiliations include Urban Land Institute, NAREIT and the Council of Logistics Management, and he serves as a member of the Board of Advisors for the James Graaskamp Center for Real Estate at the University of Wisconsin.

David Harker

Mr. Harker, 55, has been Executive Vice President — Central Region of the Company since March 2009. From April 2005 to March 2009 he served as Executive Director — Investments of the Company. From 2002 to April 2005, he served as a Senior Regional Director of the Company and from 1998 to 2002 he served as a Regional Director of the Company, with responsibility for the Company's portfolio in Nashville, St. Louis, Louisville and Memphis. Prior to joining the Company, Mr. Harker was a Vice President of the Trammell Crow Company from 1992 to 1998. His professional affiliations include the Society of Industrial and Office Realtors.

Peter O. Schultz

Mr. Schultz, 51, has been Executive Vice President — East Region of the Company since March 2009. From January 2009 to March 2009 he served as Senior Vice President — Portfolio Management of the Company. From November 2007 to December 2008, he served as a Managing Director of the Company, with responsibility for the Company's East Region. From September 2004 to November 2007, he served as a Vice President — Leasing of the Company, with responsibility for the Company's leasing team and asset management plan implementation in the East Region. From January 2001 to September 2004, he served as a Senior Regional Director of the Company, with responsibility for the Company's portfolio in Eastern Pennsylvania and Southern New Jersey. From March 1998 to December 2000, he served as a Regional Director of the Company, with responsibility for the Company's portfolio in Eastern Pennsylvania. Prior to joining the Company, Mr. Schultz served as President and Managing Partner of PBS Properties, Inc. from November 1990 to March 1998, prior to which time he was Director of Marketing and Sales for the Pickering Group and Morgantown Properties. His professional affiliations include the National Association of Industrial and Office Properties.

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

The Board of Directors. The Board of Directors currently consists of six seats. A majority of the members of the Board of Directors are independent as affirmatively determined by the Board of Directors. In determining the independence of its members, the Board of Directors applied the independence standards and tests set forth in Sections 303A.02(a) and (b) of the Listed Company Manual of the NYSE.

Applying such standards, the Board of Directors has affirmatively determined that each of Messrs. Dominski, Hackett, Rau, Sharpe and Tyler are independent directors.

The Board of Directors held seven meetings and acted three times by unanimous consent during 2013. Each of the directors serving in 2013 attended at least 75% of the total number of meetings of the Board of Directors and of the respective committees of the Board of Directors of which he was a member. Although the Company does not have a formal policy regarding director attendance at Annual Meetings of Stockholders, all of the directors then serving attended the 2013 Annual Meeting of Stockholders. During 2013, Mr. Tyler, in his capacity as Chairman of the Board, presided at meetings of non-management directors.

The Board of Directors has adopted Corporate Governance Guidelines to reflect the principles by which it operates. These guidelines, as well as the charters of the Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee of the Board of Directors, are accessible at the investor relations pages of the Company's website at www.firstindustrial.com and are available in print free of charge to any stockholder or other interested party who requests them. The Company has adopted a Code of Business Conduct

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and Ethics, which includes the principles by which the Company expects its employees, officers and directors to conduct Company business and which is accessible at the investor relations pages of the Company's website at www.firstindustrial.com and is available in print free of charge to any stockholder or other interested party who requests it. The Company intends to post on its website amendments to, or waivers from, any provision of the Company's Code of Business Conduct and Ethics. The Company also posts or otherwise makes available on its website from time to time other information that may be of interest to investors and other interested parties. However, none of the information provided on the Company's website is part of the proxy solicitation material. See "Other Matters — Incorporation by Reference" herein.

The Board of Directors has appointed an Audit Committee, a Compensation Committee, an Investment Committee and a Nominating/Corporate Governance Committee.

Audit Committee. The Audit Committee is directly responsible for the appointment, discharge, compensation, and oversight of the work of any independent registered public accounting firm employed by the Company for the purpose of preparing or issuing an audit report or related work. In connection with such responsibilities, the Audit Committee approves the engagement of independent public accountants, reviews with the independent public accountants the audit plan, the audit scope, and the results of the annual audit engagement, pre-approves audit and non-audit services and fees of the independent public accountants, reviews the independence of the independent public accountants and reviews the adequacy of the Company's internal control over financial reporting.

In 2013, the Audit Committee consisted of Messrs. Hackett, Sharpe and Rau. Each of Messrs. Hackett, Sharpe and Rau is, in the judgment of the Company's Board of Directors, independent as required by the listing standards of the NYSE and the rules of the SEC. Also, in the judgment of the Company's Board of Directors, each member is financially literate as required by the listing standards of the NYSE. Further, in the judgment of the Company's Board of Directors, Mr. Hackett is an "audit committee financial expert," as such term is defined in the SEC rules, and has "accounting or related financial management expertise," as defined in the listing standards of the NYSE. See Mr. Hackett's biography on page 4 above. Mr. Hackett is also the current Chairman of the Audit Committee. The Audit Committee met five times in 2013.

Compensation Committee. The Compensation Committee has overall responsibility for approving and evaluating the compensation plans, policies and programs relating to the executive officers of the Company. The Compensation Committee administers, and has authority to grant awards under, the First Industrial Realty Trust, Inc. 1994 Stock Incentive Plan (the "1994 Stock Plan"), the First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan (the "1997 Stock Plan"), the First Industrial Realty Trust, Inc. Deferred Income Plan, the First Industrial Realty Trust, Inc. 2001 Stock Incentive Plan (the "2001 Stock Plan"), the First Industrial Realty Trust, Inc. 2009 Stock Incentive Plan (the "2009 Stock Plan") and the First Industrial Realty Trust, Inc. 2011 Stock Incentive Plan (the "2011 Stock Plan") and will administer, and have authority to grant awards under, the 2014 Stock Incentive Plan if the 2014 Stock Incentive Plan is approved at the Annual Meeting. The Compensation Committee consists of Messrs. Tyler and Sharpe, both of whom are, in the judgment of the Company's Board of Directors, independent as required by the listing standards of the NYSE. Mr. Sharpe currently serves as the Chairman of the Compensation Committee. The Compensation Committee met six times in 2013.

Investment Committee. The Investment Committee provides oversight and discipline to the investment process. Investment opportunities are described in written reports based on detailed research and analyses in a standardized format applying appropriate underwriting criteria. The Investment Committee meets with the Company's acquisition personnel, reviews each submission thoroughly and approves acquisitions and dispositions of land of greater than \$5 million and all other acquisitions, dispositions and development projects of greater than \$20 million. The Investment Committee makes a formal recommendation to the Board of Directors for all acquisitions, dispositions and development projects in excess of \$50 million. The membership of the Investment Committee currently consists of Messrs. Hackett, Dominski and Duncan. The Investment Committee met seven times in 2013.

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Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee recommends individuals for election as directors at the Annual Meeting of Stockholders of the Company and in connection with any vacancy that may develop on the Board of Directors. In turn, the Board of Directors as a whole either approves by a majority vote all of the nominations so recommended by the Nominating/Corporate Governance Committee or rejects all of the nominations in whole, but not in part. In the event that the Board of Directors rejects the recommended nominations, the Nominating/Corporate Governance Committee would develop a new recommendation. In addition, the Nominating/Corporate Governance Committee develops and oversees the Company's corporate governance policies. The membership of the Nominating/Corporate Governance Committee currently consists of Messrs. Dominski, Hackett and Rau, each of whom, in the judgment of the Board of Directors, is independent as required by the listing standards of the NYSE. Mr. Rau is the current Chairman of the Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee met two times during 2013 and met in March 2014 to determine its nominations for this Proxy Statement.

The Nominating/Corporate Governance Committee will consider nominees recommended by stockholders of the Company. In order for a stockholder to nominate a candidate for election as a director at an Annual Meeting, proper notice must be given in accordance with our Bylaws and applicable SEC regulations to the Secretary of the Company. Pursuant to our Bylaws and applicable SEC regulations, such notice of a director nominee must be provided to the Secretary of the Company not more than 150 days and not less than 120 days prior to the first anniversary of the date the Company's proxy statement for the prior year's Annual Meeting of Stockholders was released to stockholders. The fact that the Company may not insist upon compliance with these requirements should not be construed as a waiver by the Company of its right to do so at any time in the future.

In general, it is the Nominating/Corporate Governance Committee's policy that, in its judgment, its recommended nominees for election as members of the Board of Directors of the Company must, at a minimum, have business experience of a breadth, and at a level of complexity, sufficient to understand all aspects of the Company's business and, through either experience or education, have acquired such knowledge as is sufficient to qualify as financially literate. In addition, recommended nominees must be persons of integrity and be committed to devoting the time and attention necessary to fulfill their duties to the Company. While the Nominating/Corporate Governance Committee has not adopted a formal diversity policy, diversity is one of the factors that the Nominating/Corporate Governance Committee considers in identifying director nominees. As part of the nomination process, the Nominating/Corporate Governance Committee evaluates how a particular individual would affect the diversity of the Company's Board of Directors in terms of how that person may contribute to the Board of Directors' overall balance of perspectives, backgrounds, knowledge, experience, skill sets and expertise in matters pertaining to the Company's business.

The Nominating/Corporate Governance Committee may identify nominees for election as members of the Board of Directors through its own sources (including through nominations by stockholders made in accordance with our Bylaws), through sources of other directors of the Company, and through the use of third-party search firms. The Company has previously engaged a third party search firm to identify potential nominees and may do so again in the future. Subject to the foregoing minimum standards, the Nominating/Corporate Governance Committee will evaluate each nominee on a case-by-case basis, assessing each nominee's judgment, experience, independence, understanding of the Company's business or that of other related industries, and such other factors as the Nominating/Corporate Governance Committee concludes are pertinent in light of the current needs of the Company's Board of Directors.

Communications by Stockholders and Other Interested Parties. Stockholders of the Company and other interested parties may send communications to the Board of Directors as a whole, its individual members, its committees or its non-management members as a group. Communications to the Board of Directors as a whole should be addressed to "The Board of Directors"; communications to any individual member of the Board of Directors should be addressed to such individual member; communications to any committee of the Board of Directors should be addressed to the Chairman of such committee; and communications to non-management members of the Board of Directors as a group should be addressed to the Chairman of the Nominating/Corporate

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Governance Committee. In each case, communications should be further addressed “c/o First Industrial Realty Trust, Inc., 311 South Wacker Drive, Suite 3900, Chicago, Illinois 60606.” All communications will be forwarded to their respective addressees and, if a stockholder marks his or her communication “Confidential”, will be forwarded directly to the addressee.

Board Leadership Structure and Role in Risk Management. Mr. Tyler is chairman of the Board of Directors. Mr. Tyler served as the Company’s interim Chief Executive Officer from October 22, 2008 until January 9, 2009. Prior to and since the completion of his service as interim Chief Executive Officer, Mr. Tyler has not served as an officer of the Company and, as discussed above, Mr. Tyler is an independent director as affirmatively determined by the Board of Directors. We believe that having board leadership independent of management helps ensure critical and independent thinking with respect to the Company’s strategy and performance. Mr. Duncan, the Company’s President and Chief Executive Officer, is also a member of the Board of Directors. The presence of Mr. Duncan on the Board of Directors helps to ensure that management’s insight is directly available to the directors in their deliberations.

The Board of Directors oversees the business of the Company and our stockholders’ interests in the long-term financial strength and overall success of the Company’s business. In this respect, the Board of Directors is responsible for overseeing the Company’s risk management. The Board of Directors delegates many of these functions to the Board’s committees. Each committee of the Board of Directors is responsible for reviewing the risk exposure of the Company related to the committees’ areas of responsibility and providing input to the Board of Directors on such risks. The Board of Directors and its committees regularly review material strategic, operational, financial, compensation and compliance risks with management.

For example, under its charter, the Audit Committee is required to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information that will be provided to the stockholders, the systems of internal controls that management and the Board of Directors have established and the audit process. The Audit Committee is responsible for facilitating communication between the Company’s independent auditors and the Board of Directors and management, and for reviewing with the independent auditors the adequacy of the Company’s internal controls. The Audit Committee also reviews with management the Company’s major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company’s risk assessment and risk management policies.

Similarly, the Compensation Committee strives to adopt compensation incentives that encourage appropriate risk-taking behavior that is consistent with the Company’s long-term business strategy. We do not believe that our compensation policies and practices are reasonably likely to have a material adverse effect on the Company. The Compensation Committee has focused on aligning our compensation policies with our stockholders’ long-term interests and avoiding short-term rewards for management or awards that encourage excessive or unnecessary risk taking. For example, a substantial amount of compensation provided to the Company’s executive officers is in the form of equity awards for which the ultimate value of the award is tied to the Company’s stock price and which are subject to long-term vesting schedules. In addition, annual cash and equity bonuses provided to management under the 2013 Executive Officer Bonus Plan were contingent, among other factors, upon the Company’s satisfaction of prescribed levels of “funds from operations,” same store net operating income growth and fixed charge coverage ratio. Because these awards are directly tied to increased financial performance and stock price, in line with our stockholders’ interests, we believe that none of these types of awards contribute to excessive or unnecessary risk taking.

DIRECTOR COMPENSATION

As the only director of the Company who is also an employee, Mr. Duncan (our Chief Executive Officer) receives no additional compensation for his service as a director.

Compensation of non-employee directors is reviewed annually by the Compensation Committee of the Board of Directors, which makes any recommendations of compensation changes to the entire Board of

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Directors. Non-employee directors are not entitled to retirement benefits, incentive compensation or perquisites for their service, although they are reimbursed for their out-of-pocket expenses for meeting attendance.

Compensation for non-employee directors of the Company in 2013 consisted of an annual cash director's fee of \$120,000. No fees are paid for attendance at in-person or telephonic meetings of the Board of Directors and its committees. Additional annual fees were paid for service as Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Compensation Committee and Chairman of the Nominating/Corporate Governance Committee in amounts of \$50,000, \$20,000, \$10,000 and \$10,000, respectively.

DIRECTOR COMPENSATION TABLE

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>	<u>Stock Awards (\$)⁽¹⁾</u>	<u>Total Compensation (\$)</u>
Matthew S. Dominski	120,000	0	120,000
H. Patrick Hackett, Jr.	140,000	0	140,000
Kevin W. Lynch ⁽²⁾	54,167	0	54,167
John Rau	130,000	0	130,000
L. Peter Sharpe	128,333	0	128,333
W. Ed Tyler	170,000	0	170,000

(1) As of December 31, 2013, Mr. Rau held 4,177 shares of unvested restricted Common Stock and Mr. Tyler held 6,028 shares of unvested restricted Common Stock, and no other non-employee directors held any outstanding stock awards or stock options.

(2) Mr. Lynch's service as a director concluded effective February 22, 2013.

COMPENSATION DISCUSSION AND ANALYSIS

2013 ACCOMPLISHMENTS

2013 was another successful year for the Company, marked by continued execution of our strategy by driving value from leasing, strengthening our balance sheet and refining our portfolio through new investments and active portfolio management. Decisions by the Board of Directors on executive compensation are reflective of the Company's strong performance during the year, including:

- Delivering total return to stockholders of 26.5%, ranking 14th out of 130 REITs in the MSCI US REIT Index for all of 2013 (Source: REITZone Publications);
- Re-initiating our Common Stock dividend;
- Increasing portfolio occupancy to 92.9% at year-end 2013, up 300 basis points from year-end 2012;
- Completing three new developments totaling approximately 1.5 million square feet with an estimated total investment of \$107.3 million, namely the 300,300 square-foot First Chino Logistics Center in the Inland Empire in Southern California for which the lease commenced in the second quarter of 2013, the 489,000 square-foot First Bandini Logistics Center in the Los Angeles market and the 708,000 square-foot First Logistics Center @ I-83 in York, Pennsylvania;
- Starting three new developments totaling 849,155 square-feet, including the 555,670 square-foot First 36 Logistics Center @ Moreno Valley in Southern California's Inland Empire, the 250,000 square-foot expansion for Rust-Oleum Corporation in the Chicago submarket of Southeast Wisconsin and the 43,485 square-foot First Figueroa Logistics Center in Los Angeles;
- Acquiring two bulk distribution properties in the Chicago market totaling 1.1 million square feet and three development sites for a total of \$72.8 million;
- Completing the sale of 67 properties totaling approximately 3.0 million square feet and six land parcels for a total of \$144.6 million as part of the Company's portfolio management process; and
- Further strengthening our balance sheet through a combination of strong operating results and capital actions including debt buybacks, preferred stock redemptions and equity issuances.

OBJECTIVES AND DESIGN OF COMPENSATION PROGRAM

The Company maintains the philosophy that compensation of its executive officers and other employees should serve the best interests of the Company's stockholders. Accordingly, the Company believes that its executive compensation program should not only serve to attract and retain talented and capable individuals, but should also provide them with proper incentives linked to performance criteria that are designed to maximize the Company's overall performance. To this end, the Company's compensation program consists of a mix of compensation that is intended to compensate executive officers for their contributions during the year, and to reward them for achievements that lead to increased Company performance and increases in stockholder value.

THE EXECUTIVE COMPENSATION PROCESS AND THE ROLE OF EXECUTIVE OFFICERS IN COMPENSATION DECISIONS

The Compensation Committee of the Company's Board of Directors (the "Compensation Committee") has overall responsibility for approving and evaluating the compensation plans, policies and programs relating to the executive officers of the Company. The Compensation Committee typically formulates senior executive compensation beginning in the month of December preceding and in the first quarter of the applicable fiscal year, by setting that year's salary and, if applicable, maximum cash and equity bonuses for the Chief Executive Officer, the Chief Financial Officer and other senior executive officers ("Senior Management"). Also, typically in the first quarter of the applicable fiscal year, the Compensation Committee adopts, and the full Board of

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Directors ratifies, the performance criteria to be used in determining the incentive compensation of Senior Management (other than those covered by separate plans or agreements) for that year. Then, after the end of the applicable fiscal year, the Compensation Committee meets to determine incentive compensation to be paid to Senior Management with respect to that year, pursuant to the performance criteria or, as applicable, pursuant to separate plans or agreements. Per such determination, the Company pays cash bonuses, typically in February or March, and issues restricted Common Stock, typically in March.

Historically, the Company's Chief Executive Officer and Chief Financial Officer have participated in meetings with the Compensation Committee at various times throughout the year. During the first quarter of the applicable fiscal year, they typically meet with the Compensation Committee to present and discuss recommendations with respect to the applicable fiscal year's salaries and maximum cash and equity bonuses for Senior Management, other than themselves, not covered by separate plans or agreements. Also, in the first quarter of each year, they typically meet with the Compensation Committee to present and discuss recommendations with respect to incentive compensation for the year just ended. In addition, they traditionally meet with the Compensation Committee regarding employment agreements that the Company has entered into (if any), and assist the Compensation Committee in providing compensation information to outside consultants engaged to evaluate the Company's compensation programs. However, neither our Chief Executive Officer nor our Chief Financial Officer participate in any decisions with respect to their own compensation.

Periodically, though not every year, the Company and the Compensation Committee engage the services of outside consultants to evaluate the Company's executive compensation program. In 2008 and 2012, and again in 2013, the Compensation Committee retained FPL Associates, L.P. ("FPL"), a nationally-recognized compensation consulting firm specializing in the real estate industry, to review the appropriateness of the compensation of Senior Management. Consistent with SEC rules, the Company has assessed whether the work of FPL raises any conflict of interest and has determined that the retention of FPL to advise the Compensation Committee concerning executive compensation matters does not create a conflict of interest. Neither the Compensation Committee nor the Company has any other professional relationship with FPL.

In 2012 and 2013, the Compensation Committee retained FPL to revisit the appropriateness of the compensation of Senior Management. The Compensation Committee directed FPL to, among other things: (1) assist the Compensation Committee in applying our compensation philosophy for Senior Management, including the determination of the portion of total compensation awarded in the form of base salary, annual incentives and equity-based compensation, as well as selecting the appropriate performance metrics and levels of performance; (2) analyze current compensation conditions among the Company's peers, and assess the competitiveness and appropriateness of compensation levels for Senior Management; (3) recommend to the Compensation Committee any modifications or additions to the Company's existing compensation programs that it deems advisable; (4) make specific recommendations to the Compensation Committee for base salary, annual incentives and equity-based awards for Senior Management; and (5) assist with the establishment of the 2013 Long-Term Incentive Program (as described in greater detail below under "2013 Long-Term Incentive Program").

As part of its review, FPL surveyed the compensation programs of 30 real estate companies. This peer group, which was referenced primarily to gauge the general appropriateness of the Company's overall executive compensation structure, included the following companies, 15 of which have a total capitalization smaller than the Company's and 15 of which have a total capitalization larger than the Company's:

Acadia Realty Trust	American Assets Trust, Inc.	Ashford Hospitality Trust, Inc.
Colonial Properties Trust	CubeSmart	DCT Industrial Trust Inc.
DiamondRock Hospitality Company	Dupont Fabros Technology, Inc.	EastGroup Properties, Inc.
EPR Properties	Equity One, Inc.	Extra Space Storage Inc.
Felcor Lodging Trust Incorporated	Glimcher Realty Trust	Hersha Hospitality Trust
LaSalle Hotel Properties	Lexington Realty Trust	Medical Properties Trust, Inc.
Omega Healthcare Investors, Inc.	Pennsylvania Real Estate Investment Trust	Post Properties, Inc.
PS Business Parks, Inc.	RLJ Lodging Trust	Saul Centers, Inc.
Sovran Self Storage, Inc.	Strategic Hotels & Resorts, Inc.	Sun Communities, Inc.
Sunstone Hotel Investors, Inc.	W. P. Carey Inc.	Washington Real Estate Investment Trust

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The Compensation Committee used the data provided in connection with FPL's survey not as a benchmark per se, but rather as a reference point to gauge generally the appropriateness of the Company's executive compensation programs.

EXECUTIVE COMPENSATION COMPONENTS

The components of the Company's executive compensation program are base salary, cash and equity incentive bonuses and benefits and perquisites. Each component of the Company's executive compensation program is intended to serve to attract and retain talented, capable individuals to the Company's executive ranks.

Base salary and benefits and perquisites are intended to compensate Senior Management for services rendered during the year. Increases to base salary are typically a function of individual performance and general economic conditions. Benefits and perquisites currently include premiums paid by the Company on term life insurance and long-term disability insurance; standard health, life and disability insurance; car allowances; 401(k) matching contributions; and, in the case of Mr. Yap, a personal financial planning allowance. Historically, base salary and benefits and perquisites have made up approximately one-third of an executive's compensation in a typical year, while incentive bonuses have comprised the remaining two-thirds. Although this mix may vary from year to year, the Compensation Committee strives to ensure that our executives' compensation is largely performance-based.

Incentive bonuses, by contrast, are linked to, and are a function of, the achievement of performance criteria that are designed with the intention of incentivizing Senior Management to maximize the Company's overall performance. Incentive bonuses are awarded as either cash or equity. The Compensation Committee does not have a specific policy regarding the mix of cash and non-cash compensation awarded to Senior Management. For members of Senior Management with employment agreements, the mix of cash and equity compensation each is entitled to receive is set forth in his respective employment agreement. Although the exact percentages vary among individuals, equity makes up approximately 40% of the potential incentive compensation for executive officers as a group. For Mr. Duncan, annual bonuses will typically be payable in a combination of cash and shares of restricted Common Stock, and it is expected that the portion paid in Common Stock will be proportionate to the equity incentive compensation received by the Company's executive officers generally.

The Compensation Committee believes that restricted Common Stock awards and restricted stock unit awards play an important role in aligning management's interests with those of the Company's stockholders in that restricted Common Stock and restricted stock units (other than the vesting and transfer restrictions applicable to them) are economically identical to stockholders' Common Stock. For this reason, restricted Common Stock and restricted stock unit awards have been a significant part of executive compensation, although the Compensation Committee may use other forms of equity compensation, such as stock options, in the future. The Company currently has no guaranteed commitments to grant any equity-based awards.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

At our 2013 Annual Meeting of Stockholders, we conducted an advisory vote on executive compensation. While the results of this vote were non-binding, we believe that presenting this matter to our stockholders is an important means of obtaining investor feedback on our compensation policies. At the 2013 Annual Meeting, more than 97% of the votes cast in the vote on executive compensation (Proposal 4) were in favor of our named executive officer compensation as disclosed in the proxy statement for that meeting and, as a result, our named executive officer compensation was approved by our stockholders on an advisory basis. In light of this support, the Board of Directors and Compensation Committee elected not to make any changes to our executive compensation policies at this time.

We have determined that our stockholders should vote on a say-on-pay proposal each year, consistent with the preference expressed by our stockholders at our 2011 Annual Meeting of Stockholders. To the extent that the advisory vote indicates a lack of support for the compensation of our named executive officers as disclosed in this Proxy Statement, we plan to consider our stockholders' concerns and expect that the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

SETTING EXECUTIVE COMPENSATION

Base Salary

The Company provides Senior Management with base salary to compensate them for services rendered during the fiscal year. The base salaries of Senior Management are a function of either the minimum base salaries specified in their employment agreements or the base salary negotiated at the time of an executive's initial employment, and any subsequent increases to such base salaries approved by the Compensation Committee. In determining increases to such base salaries for any year, the Compensation Committee considers individual performance of Senior Management in the most recently completed year, including organizational and management development and sales leadership exhibited from year-to-year. The Compensation Committee also considers, but does not specifically benchmark compensation to, peer information provided by compensation consultants. The Compensation Committee also considers general economic conditions prevailing at the end of such year, when the increases for the following year are typically determined. The Company does not guarantee annual base salary increases to anyone. In December 2012, the Company entered into an employment agreement with Mr. Duncan that provides, among other things, for a minimum annual base salary of \$850,000. For 2013, the base salaries paid to Senior Management increased from 2012 as reflected in the Summary Compensation Table of this Proxy Statement. Mr. Duncan voluntarily agreed to reduce his base salary to \$832,000 effective as of February 15, 2013.

Annual Incentive Bonuses

The Company provides its senior executives with annual incentive compensation, which currently includes cash and equity awards, in the form of restricted Common Stock, to incentivize and reward them for Company and individual performance. The Company does not guarantee annual bonuses to anyone.

Performance Measures

For 2013, 2012 and 2011 Messrs. Duncan, Musil, Yap, Harker and Schultz participated in an incentive compensation plan (each, an "Executive Officer Bonus Plan") which was recommended by the Compensation Committee and adopted by the Board of Directors.

Under the 2011 and 2012 Executive Officer Bonus Plans, compensation determinations of the Compensation Committee were based on the Company's achievement above a minimum level of funds from operations ("FFO") per share, as adjusted in the Compensation Committee's discretion to, among other things, exclude the effects of impairment charges and certain other extraordinary items and, with respect to Messrs. Musil, Yap, Harker and Schultz, the Chief Executive Officer's evaluation and individual recommendations to the Compensation Committee. These metrics reflected the Compensation Committee's determination in connection with these periods that FFO represented the best single measure to appropriately capture the Company's performance.

Informed by the survey conducted in 2012 by our outside compensation consultant, FPL, as part of its evaluation of the Company's executive compensation program, the Compensation Committee has since determined that additional criteria should also be considered in analyzing the Company's performance. Therefore, as described more fully below, compensation determinations under the 2013 Executive Officer Bonus Plan were based not only on FFO per share, but also on these additional criteria in an effort to better measure the overall financial performance of the Company.

2013 Executive Officer Bonus Plan

For 2013, Messrs. Duncan, Musil, Yap, Harker and Schultz participated in an incentive compensation plan (the "2013 Executive Officer Bonus Plan") which was recommended by the Compensation Committee and adopted by the Board of Directors on February 27, 2013.

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Under the 2013 Executive Officer Bonus Plan, a “bonus pool” is established based on the achievement by the Company of certain identified thresholds of four performance categories. These categories are (i) FFO per share (as described below), as FFO may be adjusted by the Compensation Committee in its discretion to exclude the effects of certain extraordinary items, (ii) same store NOI (“SS NOI”) growth (as described below), (iii) fixed charge coverage ratio and (iv) discretionary financial and non-financial objectives determined by the Company’s Chief Executive Officer. The Compensation Committee assigned weighting factors to each of the performance categories, such that performance in certain categories had a more pronounced impact on the bonus pool under the 2013 Executive Officer Bonus Plan than did performance in other categories. The weighting factors were as follows:

<u>Category</u>	<u>Weighting Factor</u>
FFO ⁽¹⁾ per share	65%
SS NOI ⁽²⁾ growth	10%
Fixed charge coverage ratio ⁽³⁾	10%
Discretionary objectives	15%

- (1) The National Association of Real Estate Investment Trusts (“NAREIT”) created FFO as a supplemental measure of REIT operating performance that excludes historical cost depreciation, among other items, from net income (loss) determined in accordance with GAAP. FFO is a non-GAAP financial measure. FFO is calculated by us in accordance with the definition adopted by the Board of Governors of NAREIT and therefore may not be comparable to other similarly titled measures of other companies. The Compensation Committee believes that the use of FFO available to common stockholders and participating securities, combined with net income (loss) (which remains the primary measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful. The Compensation Committee believes that, by excluding gains or losses related to sales of previously depreciated real estate assets, real estate asset depreciation and amortization and impairment charges (reversals) recorded on depreciable real estate, investors and analysts are able to identify the operating results of the long-term assets that form the core of a REIT’s activity and use these operating results for assistance in comparing these operating results between periods or to those of different companies. Please see the reconciliation of FFO to net income available to common stockholders contained in our Annual Report on Form 10-K filed on February 28, 2014.
- (2) SS NOI is a non-GAAP financial measure that provides a measure of rental operations, and does not factor in depreciation and amortization, general and administrative expense, interest expense, impairment charges, interest income, equity in income from joint ventures, income tax expense, gains and losses on retirement of debt, sale of real estate and mark-to-market of interest rate protection agreements. The Company defines SS NOI as revenues minus property expenses such as real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, minus the net operating income of properties that are not same store properties and minus the impact of straight-line rent, the amortization of lease inducements, the amortization of above/below market rent and lease termination fees. As so defined, SS NOI may not be comparable to same store net operating income or similar measures reported by other REITs that define same store properties or net operating income differently. The major factors influencing SS NOI are occupancy levels, rental rate increases or decreases and tenant recoveries increases or decreases. The Compensation Committee believes that, because our success depends largely upon our ability to lease space and to recover the operating costs associated with those leases from our tenants, SS NOI is an important measure of the Company’s performance. Please see the reconciliation of same store revenues and property expenses to SS NOI contained in our Annual Report on Form 10-K filed on February 28, 2014.
- (3) The Company is a party to an Amended and Restated Unsecured Revolving Credit Agreement dated as of July 19, 2013, which requires that the Company maintain a specified fixed charge coverage ratio. The Company defines fixed charge coverage ratio in accordance with this agreement, a copy of which was filed with our Current Report on Form 8-K filed on July 22, 2013. The Compensation Committee believes that

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fixed charge coverage ratio is an important measure of the Company's performance because it is critical to the Company's progress toward achieving an investment grade rating on its unsecured debt.

The Compensation Committee established performance targets relating to each performance category for the 2013 Executive Officer Bonus Plan. The Company's 2013 performance in the identified performance categories resulted in the following funding of the bonus pool associated with that performance category:

<u>Category</u>	<u>Performance Target</u>	<u>Actual Result</u>	<u>Bonus Pool Funding %</u>
FFO per share	\$1.13 ⁽¹⁾	\$1.15 ⁽¹⁾	88%
SS NOI growth	2%	2.4% ⁽²⁾	81%
Fixed charge coverage ratio	1.90x	2.08x	125%

- (1) Amount excludes an accrual for cash bonuses and a number of other items, most notably the loss from the retirement of debt and the loss from the redemption of preferred stock.
- (2) The Compensation Committee calculated SS NOI growth using a cumulative quarterly average as opposed to the methodology traditionally utilized in our financial reporting, which measures the year-over-year growth of our properties.

Mr. Duncan determined that the funding percentage for the bonus pool with respect to the discretionary objectives chosen by him should be 90% based on the Company's strong performance in 2013, marked by continued execution of our strategy by driving value from leasing, strengthening of our balance sheet and refinement of our portfolio through new investments and active portfolio management (as described in greater detail above under "2013 ACCOMPLISHMENTS").

The aggregate amount of the bonus pool under the 2013 Executive Officer Bonus Plan was \$6,149,000. After determining this amount, the Compensation Committee and our Chief Executive Officer allocated individual awards as described below.

The target maximum bonuses for 2013 for Messrs. Duncan, Musil, Yap, Harker and Schultz for purposes of the 2013 Executive Officer Bonus Plan were as follows:

<u>Executive Officer</u>	<u>Target Maximum Cash Bonus (% of Base Salary)</u>	<u>Target Maximum Equity Bonus (% of Base Salary)</u>
Bruce W. Duncan	225%	200%
Scott A. Musil	150%	100%
Johannson Yap	200%	140%
David Harker	150%	100%
Peter Schultz	150%	100%

The Company's 2013 performance in the identified performance categories generally qualified eligible employees to receive aggregate cash and equity bonuses equal to 91% of their respective target maximum cash and equity bonuses, although the Compensation Committee determined to reduce the aggregate amount of the bonus pool to approximately 90% of the target maximum cash and equity bonuses. The actual percentage of cash and equity bonuses (the "Individual Cash Percentage" and the "Individual Equity Percentage") awarded to members of Senior Management varied.

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The actual individual bonuses paid to Senior Management (other than our Chief Executive Officer) from the bonus pool were determined by the Compensation Committee based upon our Chief Executive Officer's assessment of the Company's overall performance and the respective officer's achievement of the following individual performance objectives that were approved by the Board of Directors and communicated to the officer:

<u>Executive Officer</u>	<u>Individual Performance Objectives</u>
Scott A. Musil	Progress with respect to leverage ratios, execution of a new unsecured line of credit and improved credit ratings on unsecured debt
Johannson Yap	Progress with respect to acquisitions, developments and divestitures and overall performance of the West Region of the Company
David Harker	Progress with respect to the leasing of vacant acquisitions and overall performance of the Central Region of the Company
Peter Schultz	Progress with respect to completing and leasing developments and overall performance of the East Region of the Company

The actual individual bonus paid to our Chief Executive Officer from the bonus pool was determined by the Compensation Committee based upon its assessment of the Company's overall performance and the Company's achievement of the corporate performance goals under the 2013 Executive Officer Bonus Plan.

The cash bonus payments and equity grants made in the first quarter of 2014 to each of our named executive officers in settlement of awards under the 2013 Executive Officer Bonus Plan, together with the applicable Individual Cash Percentage and Individual Equity Percentage, are reflected in the following table:

<u>Executive Officer</u>	<u>Individual Cash Percentage (%)</u>	<u>Cash Bonus Paid (\$)</u>	<u>Individual Equity Percentage (%)</u>	<u>Contingent Shares of Restricted Stock</u>
Bruce W. Duncan	78	1,500,000	84	79,788
Scott A. Musil	101	400,000	119	17,637
Johannson Yap	87	659,000	96	28,557
David Harker	111	400,000	133	17,919
Peter Schultz	96	360,000	104	14,559

The restricted Common Stock grants reflected in the foregoing table are contingent upon stockholder approval of the 2014 Stock Incentive Plan, as requested in Proposal 2 to this Proxy Statement, and will vest ratably over three years in the event such approval is received. The number of contingent shares approved by the Compensation Committee was determined based on the \$17.86 closing price of the Common Stock on February 12, 2014, which was the date the Compensation Committee approved awards under the 2013 Executive Officer Bonus Plan. The grant date fair value of each award for purposes of FASB ASC Topic 718 will not be determinable until the awards become effective upon stockholder approval of the 2014 Stock Incentive Plan.

2013 Long-Term Incentive Program

On June 25, 2013, upon recommendation from the Compensation Committee, the Board of Directors adopted the 2013 Long-Term Incentive Program (the "2013 LTIP") under the 2011 Stock Plan, effective as of July 1, 2013. The purpose of the 2013 LTIP is to provide incentives for the achievement of longer-term sustained value creation metrics and retention by focusing on longer-term fundamentals. The 2013 LTIP is predicated on the achievement of performance metrics, which ensures that the Company is able to base awards on measurable performance factors and business results.

On June 25, 2013, the Board of Directors also authorized two equal grants under the 2013 LTIP to be made to certain employees of the Company, including Messrs. Duncan, Musil, Yap, Harker and Schultz, effective as of July 1, 2013 (the "2013 LTIP Awards"). Grantees of 2013 LTIP Awards were issued a specified number of performance units ("Performance Units"), each of which represents the right to receive, upon vesting, one share

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of Common Stock plus dividend equivalents representing any dividends that accrued with respect to such share after the issuance of the Performance Units and prior to the date of vesting. All vested Performance Units and dividend equivalents will be settled in shares of Common Stock. Only those dividend equivalents that have accrued prior to the vesting date with respect to the shares underlying the Performance Units that actually vest will be paid to grantee upon vesting.

The 2013 LTIP Awards will vest based upon the relative total stockholder return of our Common Stock as compared to the MSCI U.S. REIT Index, with respect to 75% of the total Performance Units, and the NAREIT Industrial Index, with respect to the remaining 25% of the Performance Units, over the pre-established performance measurement period, as follows:

MSCI U.S. REIT Index Performance Units

	Total Company Stockholder Return for Performance Period Relative to Total Return for Performance Period of MSCI US REIT Index (RMS G)	Percentage of Performance Units Vested
Threshold . . .	MSCI US REIT Index minus 2%	25%
Target	MSCI US REIT Index plus 1%	40%
Stretch	MSCI US REIT Index plus 4%	85%
Maximum . . .	MSCI US REIT Index plus 7%	100%

NAREIT Industrial Index Performance Units

	Total Company Stockholder Return for Performance Period Relative to Total Return for Performance Period of NAREIT Industrial Index (FNINDTR)	Percentage of Performance Units Vested
Threshold . . .	NAREIT Industrial Index minus 2%	25%
Target	NAREIT Industrial Index plus 1%	40%
Stretch	NAREIT Industrial Index plus 4%	85%
Maximum . . .	NAREIT Industrial Index plus 7%	100%

The performance period for all of the 2013 LTIP Awards begins on July 1, 2013, and the performance period for one-half of the 2013 LTIP Awards ends on June 30, 2014 and the performance period for other half of the 2013 LTIP Awards ends on December 31, 2015. Upon the consummation of a change of control of the Company, each grantee would become vested in a number of Performance Units based on the level of achievement of the applicable performance targets through the date of the change of control. In the event of a termination of a grantee's employment due to death or disability, the grantee would become vested in a pro rata number of Performance Units based on the level of achievement of the applicable performance targets through the date of death or disability. In the event of termination of a grantee's employment due to voluntary retirement, the grantee would become vested in a pro rata number of Performance Units based on the level of achievement of the applicable performance targets through the end of the original performance period.

The 2013 LTIP Awards awarded to each of our named executive officers in 2013 were as follows:

<u>Executive Officer</u>	<u>2013 LTIP Awards</u>
Bruce W. Duncan	81,700
Scott A. Musil	81,700
Johannson Yap	81,700
David Harker	65,360
Peter Schultz	81,700

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2009 Long-Term Incentive Awards

On July 13, 2009, the Compensation Committee approved certain long-term incentive awards (the “2009 Performance RSUs”) to certain employees of the Company, including certain members of Senior Management other than Mr. Duncan, to align the interests of Messrs. Musil, Yap, Harker and Schultz with those of our stockholders. The grants were intended to be consistent with grants made to Mr. Duncan, thus focusing Senior Management on common Company goals. Grantees of the 2009 Performance RSUs were issued a specified number of restricted stock units, each of which represents the right to receive, upon vesting, one share of Common Stock plus any dividend equivalents that have accrued prior to the date of vesting.

The 2009 Performance RSUs and associated dividend equivalents have a performance-based vesting component and a service-based vesting component, and each 2009 Performance RSU vests upon the later to occur of the satisfaction of the relevant performance-based and service-based vesting component. The performance-based component is satisfied with respect to installments of 25% of the 2009 Performance RSUs in the event that the Company maintains, for a period of 15 consecutive trading days prior to June 30, 2014, stock price targets of \$9.00, \$13.00, \$17.00 and \$21.00, respectively. The service-based component, which is subject to a grantee’s continued employment over a period of four years, was satisfied with respect to 25% of the 2009 Performance RSU’s on each of June 30, 2010, 2011, 2012 and 2013. Upon the consummation of a change of control of the Company, all 2009 Performance RSUs vest in full. In the event of a termination of a grantee’s employment due to his death or disability, each unvested 2009 Performance RSU vests to the extent that:

- the service-based component relating to that 2009 Performance RSU would have been satisfied had the grantee remained employed for an additional 24 months; and
- the performance-based component relating to that 2009 Performance RSU is satisfied at any time through the earlier of the 24-month anniversary of the grantee’s termination and June 30, 2014.

All vested 2009 Performance RSUs will be distributed in shares of Common Stock. At the Company’s option, the Company may pay dividend equivalents in cash or Common Stock. The 2009 Performance RSU awards awarded to our named executive officers other than Mr. Duncan in 2009 were as follows:

<u>Executive Officer</u>	<u>2009 Performance RSUs</u>
Scott A. Musil	28,000
Johannson Yap	40,000
David Harker	28,000
Peter Schultz	28,000

The performance-based component was satisfied with respect to 25% of the 2009 Performance RSUs on each of (i) January 24, 2011 when the Company had maintained for a period of 15 consecutive trading days a stock price target of \$9.00, (ii) October 17, 2012 when the Company had maintained for a period of 15 consecutive trading days a stock price target of \$13.00 and (iii) May 13, 2013 when the Company had maintained for a period of 15 consecutive trading days a stock price target of \$17.00. Additionally, on each of June 30, 2010, 2011, 2012 and 2013, the service-based component was satisfied with respect to 25% of the 2009 Performance RSUs.

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2012 Retention Bonus Plan

On July 17, 2012, the Compensation Committee approved additional service-based incentive awards to certain employees of the Company, including members of Senior Management other than Mr. Duncan, to promote retention of employees that were important to the ongoing repositioning of the Company. Under the 2012 Retention Bonus Plan, grantees who remained employed with the Company through and including June 30, 2013 were eligible for a specified cash bonus (the “2012 Retention Cash Bonus”). The 2012 Retention Cash Bonuses were paid on July 5, 2013. The 2012 Retention Cash Bonuses for our named executive officers, other than Mr. Duncan, were as follows:

<u>Executive Officer</u>	<u>2012 Retention Cash Bonus</u>
Scott A. Musil	\$135,555
Johannson Yap	\$193,650
David Harker	\$135,555
Peter Schultz	\$135,555

Benefits and Perquisites

The Company provides Senior Management with certain benefits and perquisites, which, depending on the officer, have included premiums paid by the Company on term life insurance and long-term disability insurance, car allowances, personal financial planning allowances, and, when applicable, moving and housing allowances. Senior Management, along with all of the Company’s other full time employees, are also eligible to receive 401(k) matching contributions and standard health, life and disability insurance. Any car allowances are a function of the market rates to lease and operate an executive class vehicle prevailing when the allowance was set. 401(k) matching payments are a function of each member of Senior Management’s contribution to his 401(k) account during the year and the percentage match which the Compensation Committee determines to apply to the Company’s 401(k) Plan for that year. Standard health, life and disability insurance benefits are a function of the group benefit packages the Company is able to negotiate with third party providers.

Termination and Change-in-Control Triggers

Mr. Duncan has an employment agreement, and all Senior Management have agreements in respect of their restricted Common Stock awards or restricted stock unit awards granted pursuant to the Company’s Stock Plans, and such agreements specify events, including involuntary termination and change-in-control, that trigger the payment of cash and vesting in restricted Common Stock or restricted stock unit awards. The Company believes having such events as triggers for the payment of cash and/or vesting in restricted Common Stock or restricted stock unit awards promotes stability and continuity of management. See “Potential Payments Upon Termination or Change of Control” below for more information on the payments triggered by such events.

Stock Ownership Guidelines and Other Policies

The stock ownership guidelines for the Company’s directors and senior executive officers are as follows:

<u>Position</u>	<u>Retainer/ Base Salary Multiple</u>
Directors	3x
Chief Executive Officer	5x
Chief Financial Officer, Chief Investment Officer and Executive Vice Presidents	4x

The stock ownership goal for each person subject to the ownership guidelines is determined on an individual basis, using their current retainers or base salaries and using the greater of (i) the market price on the date of purchase or grant of such Common Stock (or equity valued by reference to Common Stock) or (ii) the market

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price of such Common Stock (or equity valued by reference to Common Stock) as of the date compliance with the stock ownership guidelines is measured. For directors and senior executive officers who were in office as of January 1, 2008, the stock ownership goal must have been achieved by January 1, 2013. All such directors and senior executive officers achieved their respective stock ownership goals as of January 1, 2013. For persons assuming a director or senior executive officer level position after January 1, 2008, the stock ownership goal is determined using their retainers and base salaries in effect on the date they become subject to the ownership guidelines and must be achieved within five years after that date. In addition, our insider trading policy prohibits our employees from engaging in hedging transactions with respect to our shares. A copy of the Stock Ownership Guidelines can be found on the Investor Relations/Corporate Governance section of the Company's website at www.firstindustrial.com.

The Company also prohibits its directors and executive officers from entering into hedging or monetization transactions with respect to the Company's securities and from holding the Company's securities in margin accounts or otherwise pledging such securities as collateral for loans.

Stock Retention Requirements

Until the directors and senior executive officers reach their respective stock ownership goal, they will be required to retain shares that are owned on the date they became subject to the Stock Ownership Guidelines and at least seventy-five percent (75%) of "net shares" delivered through the Company's executive compensation plans. "Net shares" deducts from the number of shares obtained by exercising stock options or through the vesting of awards the number of shares the director or senior executive officer sells to pay exercise costs or taxes. If the director or senior executive officer transfers an award to a family member, the transferee becomes subject to the same retention requirements. Until the director and senior executive officer stock ownership goals have been met, shares may be disposed of only for one or more of the exclusion purposes as set forth in the Company's Stock Ownership Guidelines.

Tax Implications

Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), generally limits the deductible amount of annual compensation paid by a public company to a "covered employee" (the chief executive officer and three other most highly compensated executive officers of the company other than the chief financial officer) to no more than \$1 million. The Company does not believe that Section 162(m) of the Code is applicable to its current arrangements with its executive officers.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Directors of the Company has reviewed, and discussed with management, the Compensation Discussion and Analysis included above in this Proxy Statement. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors of the Company that the Compensation Discussion and Analysis be included in this Proxy Statement and, through incorporation by reference from this Proxy Statement, the Company's Annual Report on Form 10-K for the Company's fiscal year ended December 31, 2013.

Submitted by the Compensation Committee:

L. Peter Sharpe, Chairman

W. Ed Tyler

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SUMMARY COMPENSATION TABLE

The Summary Compensation Table below sets forth the aggregate compensation for Bruce W. Duncan, the Company's President and Chief Executive Officer; Scott A. Musil, the Company's Chief Financial Officer; and certain of the Company's other highly compensated executive officers as required by SEC rules. The 2013 Grants of Plan-Based Awards table following the Summary Compensation Table provides additional information regarding incentive compensation granted by the Company to these officers in 2013.

Name and Principal Position	Year	Salary (\$)	Bonus \$(⁽¹⁾)	Stock Awards \$(⁽²⁾)	Non-Equity Incentive Plan Compensation \$(⁽³⁾)	All Other Compensation \$(⁽⁴⁾)	Total (\$)
Bruce W. Duncan President and CEO	2013	834,250	—	1,622,916 ⁽⁵⁾	1,500,000	25,254	3,982,420
	2012	802,083	—	3,644,999	1,200,000	24,141	5,671,223
	2011	796,667	—	767,412	1,292,000	21,254	2,877,333
Scott A. Musil Chief Financial Officer	2013	265,000	135,555	884,926 ⁽⁶⁾	400,000	18,457	1,703,938
	2012	255,000	122,745	208,998	380,000	18,209	984,952
	2011	249,083	48,195	180,004	313,000	15,836	806,118
Johannson L. Yap Chief Investment Officer and Executive Vice President – West Region	2013	379,000	193,650	1,074,932 ⁽⁷⁾	659,000	37,271	2,343,853
	2012	365,000	175,350	414,003	620,000	34,120	1,608,473
	2011	363,500	68,850	350,232	589,000	34,106	1,405,688
David Harker Executive Vice President – Central Region	2013	240,000	135,555	771,944 ⁽⁸⁾	400,000	26,457	1,573,956
	2012	230,400	122,745	216,002	380,000	24,873	974,020
	2011	229,450	48,195	157,906	324,000	22,119	781,670
Peter Schultz Executive Vice President – East Region	2013	250,000	135,555	874,922 ⁽⁹⁾	360,000	26,557	1,647,034
	2012	240,000	122,745	212,494	360,000	26,609	961,848
	2011	239,000	48,195	164,450	319,000	23,775	794,420

- (1) Amounts for 2013 reflect awards paid in July 2013 under the 2012 Retention Bonus Plan. The material terms of awards under the 2012 Retention Bonus Plan are described in the Compensation Discussion and Analysis under "2012 Retention Bonus Plan."
- (2) Amounts reflect the aggregate grant date fair value of each award as determined under FASB ASC Topic 718. See note 14 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013 for a discussion of the assumptions used in valuing the 2013 awards. Amounts reflected were not actually received in the year reported and do not necessarily reflect the amounts that will actually be realized under the respective awards.
- (3) Amounts for 2013 reflect cash awards paid in March 2014 under the 2013 Executive Officer Bonus Plan. The material terms of awards under the 2013 Executive Officer Bonus Plan are described in the Compensation Discussion and Analysis under "2013 Executive Officer Bonus Plan."
- (4) For 2013, includes medical benefits of \$8,396, \$11,199, \$10,899, \$11,999 and \$10,899 paid on behalf of Messrs. Duncan, Musil, Yap, Harker and Schultz, respectively; a term life insurance premium of \$600 paid on behalf of each officer; short-term and long-term disability insurance premium of \$1,303 paid on behalf of each officer; 401(k) matching payments of \$5,355 paid on behalf of each officer; car allowances of \$9,600, \$14,400, \$7,200 and \$8,400 paid on behalf of Messrs. Duncan, Yap, Harker and Schultz, respectively; and a personal financial planning allowance of \$4,714 for Mr. Yap.
- (5) Amount reflects (a) an award of 60,759 shares of service-based restricted Common Stock, granted in 2013 in connection with the 2012 Executive Officer Bonus Plan, valued at \$16.59 per share under FASB ASC Topic 718 for an aggregate value of \$1,007,992, (b) an award of 40,850 Performance Units with a 12-month performance period granted in 2013 under the 2013 LTIP, valued at \$7.39 per unit under FASB ASC Topic 718 for an aggregate value of \$301,988 and (c) an award of 40,850 Performance Units with a 30-month performance period granted in 2013 under the 2013 LTIP, valued at \$7.66 per unit under FASB ASC Topic 718 for an aggregate value of \$312,936.

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- (6) Amount reflects (a) an award of 16,275 shares of service-based restricted Common Stock, granted in 2013 in connection with the 2012 Executive Officer Bonus Plan, valued at \$16.59 per share under FASB ASC Topic 718 for an aggregate value of \$270,002, (b) an award of 40,850 Performance Units with a 12-month performance period granted in 2013 under the 2013 LTIP, valued at \$7.39 per unit under FASB ASC Topic 718 for an aggregate value of \$301,988 and (c) an award of 40,850 Performance Units with a 30-month performance period granted in 2013 under the 2013 LTIP, valued at \$7.66 per unit under FASB ASC Topic 718 for an aggregate value of \$312,936.
- (7) Amount reflects (a) an award of 27,728 shares of service-based restricted Common Stock, granted in 2013 in connection with the 2012 Executive Officer Bonus Plan, valued at \$16.59 per share under FASB ASC Topic 718 for an aggregate value of \$460,008, (b) an award of 40,850 Performance Units with a 12-month performance period granted in 2013 under the 2013 LTIP, valued at \$7.39 per unit under FASB ASC Topic 718 for an aggregate value of \$301,988 and (c) an award of 40,850 Performance Units with a 30-month performance period granted in 2013 under the 2013 LTIP, valued at \$7.66 per unit under FASB ASC Topic 718 for an aggregate value of \$312,936.
- (8) Amount reflects (a) an award of 16,878 shares of service-based restricted Common Stock, granted in 2013 in connection with the 2012 Executive Officer Bonus Plan, valued at \$16.59 per share under FASB ASC Topic 718 for an aggregate value of \$280,006, (b) an award of 32,680 Performance Units with a 12-month performance period granted in 2013 under the 2013 LTIP, valued at \$7.39 per unit under FASB ASC Topic 718 for an aggregate value of \$241,590 and (c) an award of 32,680 Performance Units with a 30-month performance period granted in 2013 under the 2013 LTIP, valued at \$7.66 per unit under FASB ASC Topic 718 for an aggregate value of \$250,348.
- (9) Amount reflects (a) an award of 15,672 shares of service-based restricted Common Stock, granted in 2013 in connection with the 2012 Executive Officer Bonus Plan, valued at \$16.59 per share under FASB ASC Topic 718 for an aggregate value of \$259,998, (b) an award of 40,850 Performance Units with a 12-month performance period granted in 2013 under the 2013 LTIP, valued at \$7.39 per unit under FASB ASC Topic 718 for an aggregate value of \$301,988 and (c) an award of 40,850 Performance Units with a 30-month performance period granted in 2013 under the 2013 LTIP, valued at \$7.66 per unit under FASB ASC Topic 718 for an aggregate value of \$312,936.

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2013 GRANTS OF PLAN-BASED AWARDS

Name (a)	Grant Date ⁽¹⁾ (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#) (i)	Grant Date Fair Value of Stock and Option Awards (#) (l)
		Threshold (\$) (c)	Target ⁽²⁾ (\$) (d)	Maximum ⁽³⁾ (\$) (e)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)		
Bruce W. Duncan	2/15/2013	—	1,275,000	1,912,500	—	—	—	—	—
	2/15/2013	—	—	—	—	—	—	60,759 ⁽⁵⁾	1,007,992
	7/1/2013	—	—	—	20,425	32,680	81,700	—	614,924 ⁽⁶⁾
Scott A. Musil	2/15/2013	—	—	397,500	—	—	—	—	—
	2/15/2013	—	—	—	—	—	—	16,275 ⁽⁵⁾	270,002
	7/1/2013	—	—	—	20,425	32,680	81,700	—	614,924 ⁽⁶⁾
Johannson L. Yap	2/15/2013	—	—	758,000	—	—	—	—	—
	2/15/2013	—	—	—	—	—	—	27,728 ⁽⁵⁾	460,008
	7/1/2013	—	—	—	20,425	32,680	81,700	—	614,924 ⁽⁶⁾
David Harker	2/15/2013	—	—	360,000	—	—	—	—	—
	2/15/2013	—	—	—	—	—	—	16,878 ⁽⁵⁾	280,006
	7/1/2013	—	—	—	16,340	26,144	65,360	—	491,938 ⁽⁶⁾
Peter Schultz	2/15/2013	—	—	375,000	—	—	—	—	—
	2/15/2013	—	—	—	—	—	—	15,672 ⁽⁵⁾	259,998
	7/1/2013	—	—	—	20,425	32,680	81,700	—	614,924 ⁽⁶⁾

- (1) Reflects the date such awards were made effective by the Compensation Committee or the Board of Directors, as applicable.
- (2) For Mr. Duncan, amount reflects the target annual cash incentive bonus to which he is entitled pursuant to the terms of his employment agreement. No threshold or target amounts were established with respect to awards for 2013 under the 2013 Executive Officer Bonus Plan for the other officers.
- (3) Amounts reflect the target maximum cash incentive bonus that could become payable to the recipient for 2013 under the 2013 Executive Officer Bonus Plan. The material terms of awards under the 2013 Executive Officer Bonus Plan are described in the Compensation Discussion and Analysis under “2013 Executive Officer Bonus Plan.”
- (4) Amounts reflect the aggregate grant date fair value of each stock award as determined under FASB ASC Topic 718.
- (5) Amount reflects the number of shares each recipient could receive from the vesting of service-based restricted Common Stock awards granted in 2013 under the Company’s 2011 Stock Incentive Plan in settlement of awards under the 2012 Executive Officer Bonus Plan. Such restricted Common Stock awards vest ratably over a period of three years from the date of grant.
- (6) Amount reflects the grant date fair value, computed in accordance with FASB ASC Topic 718, of Performance Units granted in 2013 under the 2013 LTIP. The material terms of these awards are described in the Compensation Discussion and Analysis under “2013 Long-Term Incentive Plan.” The amount reflected was not actually received in 2013 and does not necessarily reflect the amount that will actually be realized under the 2013 LTIP. The amount actually earned under the 2013 LTIP, if any, would not be earned until the end of the applicable performance period.

PROXY STATEMENT

Employment Agreement with Mr. Duncan

On December 17, 2012, Mr. Duncan entered into an employment agreement with the Company and its operating partnership, First Industrial L.P., which reflects the terms and conditions of Mr. Duncan's employment. The agreement has an initial term expiring on December 31, 2014, unless otherwise terminated, with up to three one-year extensions that will automatically be effective provided that neither Mr. Duncan nor the Company provides notice to the other at least six months prior to the expiration of the initial term or any subsequent renewal term of their respective intent not to renew.

Mr. Duncan's employment agreement provides for a minimum annual base salary of \$850,000. Under the agreement, Mr. Duncan is also eligible for annual cash performance bonuses under the Company's incentive bonus plan, based on the satisfaction of performance goals established by the Compensation Committee in accordance with the terms of such plan, with a target annual bonus of 150% of Mr. Duncan's base salary, and a target maximum annual bonus of 225% of his base salary. Mr. Duncan is also entitled to participate in all long-term cash and equity incentive plans generally available to the senior executives of the Company with a target annual award of 150% of Mr. Duncan's base salary, and a target maximum annual award of 200% of his base salary. Equity awards granted to Mr. Duncan in connection with any long-term cash and equity incentive plan will vest in accordance with the vesting terms set forth in the restricted stock agreement he entered into on December 17, 2012 in connection with his employment agreement.

Mr. Duncan's employment agreement also provides for payments and benefits to Mr. Duncan by the Company in some circumstances in the event of a termination of employment or of a change of control (which payments and benefits are described below under "POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL.")

Employment Agreement with Mr. Yap

The Company and Mr. Yap were previously parties to an employment agreement that was originally entered into as of March 31, 2002 and amended as of December 29, 2008. This agreement expired on December 3, 2013 following a set, five-year term. The agreement reflected the terms and conditions of Mr. Yap's employment with the Company, and provided for payments and benefits to Mr. Yap in some circumstances in the event of a termination of employment or of a change of control. The agreement also contained confidentiality and non-compete restrictive covenants that applied to Mr. Yap during employment and following certain terminations of employment.

PROXY STATEMENT

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2013

Name (a)	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Un-exercisable (c)	Option Exercise Price (\$) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (1) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) (1) (j)
Bruce W. Duncan	—	—	—	—	268,144 ⁽²⁾	4,679,113	—	—
	—	—	—	—	—	—	81,700 ⁽³⁾	1,425,665
Scott A Musil	—	—	—	—	33,432 ⁽⁴⁾	583,388	—	—
	—	—	—	—	—	—	7,000 ⁽⁵⁾	122,150
	—	—	—	—	—	—	81,700 ⁽³⁾	1,425,665
Johannson L. Yap	—	—	—	—	61,527 ⁽⁶⁾	1,073,646	—	—
	—	—	—	—	—	—	10,000 ⁽⁵⁾	174,500
	—	—	—	—	—	—	81,700 ⁽³⁾	1,425,665
David Harker	—	—	—	—	33,767 ⁽⁷⁾	589,234	—	—
	—	—	—	—	—	—	7,000 ⁽⁵⁾	122,150
	—	—	—	—	—	—	65,360 ⁽³⁾	1,140,532
Peter Schultz	—	—	—	—	32,560 ⁽⁸⁾	568,172	—	—
	—	—	—	—	—	—	7,000 ⁽⁵⁾	122,150
	—	—	—	—	—	—	81,700 ⁽³⁾	1,425,665

- (1) The dollar amounts shown in columns (h) and (j) are approximately equal to the product of the number of shares or units reported in columns (g) and (i), respectively, multiplied by the closing price of Common Stock as reported by the NYSE on December 31, 2013, the last trading day of the year (\$17.45). This valuation does not take into account any diminution in value that results from the restrictions applicable under the respective awards.
- (2) Amount reflects 268,144 shares of unvested restricted Common Stock, 68,790 shares of which vested in January 2014, 45,767 shares of which vest in January 2015 and 20,253 shares of which vest in January 2016. Also included in this amount are shares awarded to Mr. Duncan when he entered into a Restricted Stock Award Agreement on December 17, 2012 under which he was granted 200,000 shares of restricted stock, 66,666 of which vested in December 2013, 66,667 of which will vest in December 2014 and 66,667 of which will vest in December 2015. All shares reflected in this footnote were fully transferable by Mr. Duncan as of their grant date pursuant to and subject to the terms of the applicable award agreements, and all such shares have been so transferred to a brokerage account.
- (3) Amount reflects Performance Units granted in 2013 under the 2013 LTIP. The vesting and other material terms of these awards are described in the Compensation Discussion and Analysis under “2013 Long-Term Incentive Plan.” The number of Performance Units reflected is based on maximum achievement of performance goals, as the Company achieved maximum performance in 2013 with respect to the performance measures under the 2013 LTIP.
- (4) Of the shares of unvested restricted Common Stock reported here, 16,703 vested in January 2014, 11,304 vest in January 2015 and 5,425 vest in January 2016.

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- (5) Amount reflects unvested 2009 Performance RSUs which have a performance-based vesting component and a service-based vesting component, with each 2009 Performance RSU vesting upon the later to occur of the satisfaction of the relevant performance-based and service-based vesting component. The performance-based component was satisfied with respect to 25% of the 2009 Performance RSUs on May 13, 2013 when the Company had maintained for a period of 15 consecutive trading days a stock price target of \$17.00. For the remaining 2009 Performance RSUs, the performance-based component will be satisfied with respect to installments of 25% of the total amount of 2009 Performance RSUs in the event that the Company maintains, for a period of 15 consecutive trading days prior to June 30, 2014, a stock price target of \$21.00. The service-based component is subject to a grantee's continued employment over a period of four years, and was satisfied with respect to 25% of the total amount of the Performance RSU's on each of June 30, 2010, 2011, 2012 and 2013.
- (6) Of the shares of unvested restricted Common Stock reported here, 31,397 vested in January 2014, 20,888 vest in January 2015 and 9,242 vest in January 2016.
- (7) Of the shares of unvested restricted Common Stock reported here, 16,439 vested in January 2014, 11,702 vest in January 2015 and 5,626 vest in January 2016.
- (8) Of the shares of unvested restricted Common Stock reported here, 16,134 vested in January 2014, 11,202 vest in January 2015 and 5,224 vest in January 2016.

2013 OPTION EXERCISES AND STOCK VESTED

In 2013, no options were exercised by the officers specified in the table below and an aggregate of 213,166 shares of restricted Common Stock and restricted stock units held by such officers vested.

Name (a)	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise (\$) (c)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting (\$) (e)
Bruce W. Duncan	—	—	166,666 ⁽¹⁾	2,733,989
Scott A. Musil	—	—	10,500 ⁽²⁾	176,453
Johannson L. Yap	—	—	15,000 ⁽³⁾	252,075
David Harker	—	—	10,500 ⁽²⁾	176,453
Peter Schultz	—	—	10,500 ⁽²⁾	176,453

- (1) The shares of Common Stock reported herein were acquired as a result of the vesting of (a) 100,000 restricted stock units on February 11, 2013, the value of which is based on the closing price of the Common Stock as reported by the NYSE for such date (\$16.04) and (b) 66,666 restricted shares on December 17, 2013, the value of which is based on the closing price of the Common Stock as reported by the NYSE for such date (\$16.95).
- (2) The shares of Common Stock reported herein were acquired as a result of the vesting of (a) 5,250 restricted stock units on May 13, 2013, the value of which is based on the closing price of the Common Stock reported by the NYSE for such date (\$18.31), and (b) 5,250 restricted stock units on June 30, 2013, the value of which is based on the closing price of the Common Stock as reported by the NYSE for July 1, 2013 (\$15.30), the first trading day following the date of vesting of such award.
- (3) The shares of Common Stock reported herein were acquired as a result of the vesting of (a) 7,500 restricted stock units on May 13, 2013, the value of which is based on the closing price of the Common Stock reported by the NYSE for such date (\$18.31), and (b) 7,500 restricted stock units on June 30, 2013, the value of which is based on the closing price of the Common Stock as reported by the NYSE for July 1, 2013 (\$15.30), the first trading day following the date of vesting of such award.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

Employment Agreement with Mr. Duncan

The Company has entered into a written employment agreement with Mr. Duncan that provides for payments and benefits to Mr. Duncan by the Company in some circumstances in the event of a termination of employment or of a change of control.

In addition to the events of termination of employment identified in the following table, Mr. Duncan's employment agreement provides for payments in the event of his death or disability. Upon death or disability, Mr. Duncan is entitled to (i) his base salary and vacation pay accrued through the date of his death or disability, (ii) his accrued bonus for the fiscal year prior to the year of his death or disability, to the extent not paid, (iii) his unreimbursed business expenses incurred through the date of his death or disability and (iv) certain health care benefits and any other benefits he may be eligible for under the Company's plans, policies or practices.

Mr. Duncan's employment agreement also contains important non-financial provisions that apply in the event of a termination of employment or of a change of control. Mr. Duncan has agreed to a one-year covenant not to compete after his termination, but his employment agreement does not provide for a gross-up payment in the event of any excise tax.

Stock Incentive Plans

Under the 1994, 1997, 2001, 2009 and 2011 Stock Plans (the "Stock Plans"), unvested restricted Common Stock vests in the event of a change of control. In addition, the Stock Plans empower the Compensation Committee to determine other vesting events in the individual restricted Common Stock awards, including vesting events such as involuntary termination of employment without cause and termination due to disability or death. Assuming that the triggering event occurred on December 31, 2013, Messrs. Duncan, Musil, Yap, Harker and Schultz would have vested in restricted Common Stock having the respective values set forth in the table below.

With respect to the 2009 Performance RSUs, upon the consummation of a change of control of the Company, all such awards vest in full. In the event of a termination of a grantee's employment due to his death or disability, each unvested 2009 Performance RSU vests to the extent that:

- the service-based component relating to that 2009 Performance RSU would have been satisfied had the grantee remained employed for an additional 24 months; and
- the performance-based component relating to that 2009 Performance RSU is satisfied at any time through the earlier of the 24-month anniversary of the grantee's termination and June 30, 2014.

With respect to the 2013 LTIP Awards, upon the consummation of a change of control of the Company, each grantee would become vested in a number of Performance Units based on the level of achievement of the applicable performance targets through the date of the change of control. In the event of a termination of a grantee's employment due to death or disability, the grantee would become vested in a pro rata number of Performance Units based on the level of achievement of the applicable performance targets through the date of death or disability. In the event of termination of a grantee's employment due to voluntary retirement, the grantee would become vested in a pro rata number of Performance Units based on the level of achievement of the applicable performance targets through the end of the original performance period.

Life Insurance

In addition to the events of termination of employment identified in the following table and above, each of Messrs. Duncan, Musil, Yap, Harker and Schultz are covered by a Company-provided life insurance policy that would entitle the respective executive's beneficiary to a payment of \$400,000 in the event of the executive's death.

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Termination and Change of Control Payments

The following table includes estimated payments owed and benefits required to be provided to our named executive officers under the employment agreements and Stock Plans described above, exclusive of benefits available on a non-discriminatory basis generally, in each case assuming that the triggering event described in the table occurred on December 31, 2013.

Name	Triggering Event	Severance (\$)	Accelerated Equity Awards \$(1)	Medical Insurance Premiums \$(2)
Bruce W. Duncan	Change of Control ⁽³⁾	—	6,104,778	—
	Termination Following Change of Control	6,812,500	—	50,602
	Termination w/o Cause ⁽⁴⁾	5,750,000	4,679,113	50,602
Scott A. Musil ⁽⁵⁾	Change of Control ⁽³⁾	—	2,131,203	—
	Termination w/o Cause	—	—	—
Johannson L. Yap	Change of Control ⁽³⁾	—	2,673,811	—
	Termination w/o Cause	—	—	—
David Harker ⁽⁵⁾	Change of Control ⁽³⁾	—	1,851,916	—
	Termination w/o Cause	—	—	—
Peter Schultz ⁽⁵⁾	Change of Control ⁽³⁾	—	2,115,987	—
	Termination w/o Cause	—	—	—

- (1) For purposes of estimating the value of awards of restricted Common Stock and restricted stock units which vest the Company has considered any applicable employment agreement limitations and assumed a price per share of its Common Stock of \$17.45, which was the closing price of its Common Stock on the NYSE on December 31, 2013, the last trading day of the year.
- (2) Present value of estimated premiums required to be paid by the Company or cash payments in lieu of benefits required to be provided.
- (3) Upon a change of control of the Company, the vesting of any unvested restricted Common Stock or 2009 Performance RSUs held by the officer will accelerate, and the 2013 LTIP Awards will vest based on the level of achievement of the applicable performance targets through the date of the change of control. The amounts reflected in this table for the 2013 LTIP Awards are based on the highest level of achievement of the applicable performance targets.
- (4) Includes constructive discharge under the terms of Mr. Duncan's employment agreement.
- (5) None of Messrs. Musil, Yap, Harker or Schultz was a party to an employment agreement with the Company as of December 31, 2013. As such, the amounts disclosed in this table relate only to awards of restricted Common Stock and restricted stock units granted to Messrs. Musil, Yap, Harker and Schultz under the Company's stock incentive plans.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee currently consists of Messrs. Tyler and Sharpe. Except for Messrs. Tyler's, and Sharpe's services as directors, none of Messrs. Tyler or Sharpe had any other business relationship or affiliation with the Company in 2013 requiring disclosure by the Company under Item 404 of Regulation S-K.

PROXY STATEMENT

REPORT OF THE AUDIT COMMITTEE

Pursuant to a meeting of the Audit Committee on February 13, 2014, the Audit Committee reports that it has: (i) reviewed and discussed the Company's audited financial statements with management; (ii) discussed with the independent registered public accounting firm the matters (such as the quality of the Company's accounting principles and internal controls) required to be discussed by Statement on Auditing Standards No. 61; and (iii) received written confirmation from PricewaterhouseCoopers LLP that it is independent and written disclosures as required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and discussed with PricewaterhouseCoopers LLP its independence. Based on the review and discussions referred to in items (i) through (iii) above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's annual report for the Company's fiscal year ended December 31, 2013.

Submitted by the Audit Committee:

H. Patrick Hackett, Jr., Chairman
John Rau
L. Peter Sharpe

TRANSACTIONS WITH RELATED PERSONS, PROMOTERS AND CERTAIN CONTROL PERSONS

Review, Approval or Ratification of Transactions with Related Persons. Transactions involving the Company and its executive officers and directors that are reportable under Item 404 of Regulation S-K are required by the Company's written policies to be reported to and approved by the Nominating/Corporate Governance Committee of the Board of Directors. The Nominating/Corporate Governance Committee addresses such transactions on a case-by-case basis, after considering the relevant facts and circumstances.

COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

Section 16(a) of the Securities Exchange Act of 1934 (as amended, the "Exchange Act") requires the Company's officers and directors, and persons who own more than ten percent of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the SEC and the NYSE. Officers, directors and "greater than ten-percent" stockholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms so filed.

Based solely on review of the copies of such forms furnished to the Company for 2013, all of the Company's officers, directors and "greater than ten-percent" stockholders timely filed all reports required to be filed by Section 16(a) of the Exchange Act during 2013, except that Mr. Duncan filed a Form 4 on July 29, 2013 related to a transaction occurring on July 18, 2013 and Mr. Harker filed a Form 4 on September 12, 2013 related to a transaction occurring on July 18, 2013.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table presents information concerning the ownership of Common Stock of the Company and limited partnership units ("Units") of First Industrial, L.P. (which generally are redeemable for Common Stock on a one-for-one basis or cash at the option of the Company) by:

- all directors named and nominees named in this Proxy Statement (the "named directors");
- all executive officers identified in the Summary Compensation Table;
- all directors and named executive officers of the Company as a group; and
- persons and entities known to the Company to be beneficial owners of more than 5% of the Company's Common Stock.

PROXY STATEMENT

The information is presented as of March 21, 2014, unless otherwise indicated, and is based on representations of officers and directors of the Company and filings received by the Company on Schedule 13G under the Exchange Act. Additionally, the restricted Common Stock granted contingent upon stockholder approval of the 2014 Stock Incentive Plan, as requested in Proposal 2 to this Proxy Statement, is excluded from this table. As of March 21, 2014, there were 110,136,614 shares of Common Stock and 4,465,469 Units outstanding.

<u>Names and Addresses of 5% Stockholders</u>	<u>Common Stock/Units Beneficially Owned</u>	
	<u>Number</u>	<u>Percent of Class</u>
The Vanguard Group ⁽¹⁾ 100 Vanguard Blvd. Malvern, PA 19355	13,068,796	11.87%
Cohen & Steers, Inc. ⁽²⁾ 280 Park Ave., 10 th Floor New York, NY 10017	12,908,429	11.72%
The London Company ⁽³⁾ 1801 Bayberry Court, Suite 301 Richmond, Virginia 23226	9,063,616	8.23%
FMR LLC ⁽⁴⁾ 245 Summer Street, Boston, Massachusetts 02210	9,000,146	8.17%
BlackRock, Inc. ⁽⁵⁾ 40 East 52 nd Street New York, NY 10022	8,056,601	7.32%
Vanguard Specialized Funds – Vanguard REIT Index Fund ⁽⁶⁾ 100 Vanguard Blvd. Malvern, PA 19355	7,062,629	6.41%

Names and Addresses of Directors and Officers*

Bruce W. Duncan ⁽⁷⁾	1,042,679	**
Matthew S. Dominski	16,900	**
H. Patrick Hackett, Jr.	67,423	**
John Rau ⁽⁸⁾	47,392	**
L. Peter Sharpe	50,000	**
W. Ed Tyler ⁽⁹⁾	82,232	**
Scott A. Musil ⁽¹⁰⁾	115,159	**
Johannson L. Yap ⁽¹¹⁾	338,969	**
David Harker ⁽¹²⁾	56,747	**
Peter Schultz ⁽¹³⁾	89,947	**
All named directors and currently-serving executive officers as a group (10 persons) ⁽¹⁴⁾	1,907,448	1.73%

* The business address for each of the directors and executive officers of the Company is 311 South Wacker Drive, Suite 3900, Chicago, Illinois 60606.

** Less than 1%

(1) Pursuant to a Schedule 13G/A filed February 12, 2014 of The Vanguard Group (“Vanguard Group”). Of the shares reported, Vanguard Group has the sole power to vote 294,492 shares, the shared power to vote 64,600 shares, the sole power to dispose of 12,832,004 shares and the shared power to dispose of 236,792 shares.

PROXY STATEMENT

- (2) Pursuant to a Schedule 13G/A filed February 14, 2014 of Cohen & Steers, Inc. (“C&S”). Of the shares reported, C&S has the sole power to vote 6,368,913 shares and the sole power to dispose of all 12,908,429 shares.
- (3) Pursuant to a Schedule 13G/A filed February 12, 2014 of The London Company (“London”). London has the sole power to vote and dispose of 8,432,959 shares and the shared power to dispose of 630,657 shares reported.
- (4) Pursuant to a Schedule 13G/A filed February 14, 2014 of FMR LLC (“FMR”). Of the shares reported, FMR has the sole power to vote 1,288,370 shares and the sole power to dispose of all 9,000,146 shares.
- (5) Pursuant to a Schedule 13G/A filed January 29, 2014 of Blackrock Inc. (“Blackrock”). Blackrock has the sole power to vote 7,696,541 shares and sole power to dispose of all 8,056,601 shares reported.
- (6) Pursuant to a Schedule 13G/A filed February 4, 2014 of Vanguard Specialized Funds – Vanguard REIT Index Fund (“Vanguard REIT”). Of the shares reported, Vanguard REIT has the sole power to vote all 7,062,629 shares.
- (7) Includes 199,354 shares of restricted Common Stock issued under the 2001 and 2009 Stock Plans.
- (8) Includes 656 shares of restricted Common Stock issued under the 1997 and 2001 Stock Plans and 27,475 shares of Common Stock held by a trust for his benefit.
- (9) Includes 1,128 shares of restricted Common Stock issued under the 1997 and 2001 Stock Plans.
- (10) Includes 2,106 shares held through Mr. Musil’s children and 9,507 shares held through his 401(k). Also includes 16,729 shares of restricted Common Stock issued under the 2001 and 2009 Stock Plans.
- (11) Includes 1,680 Units. Also includes 22,037 shares held through Mr. Yap’s 401(k) and 30,130 shares of restricted Common Stock issued under the 2001 and 2009 Stock Plans.
- (12) Includes 17,328 shares of restricted Common Stock issued under the 2001 and 2009 Stock Plans.
- (13) Includes 16,426 shares of restricted Common Stock issued under the 2001 and 2009 Stock Plans. Also includes 23,547 shares of Common Stock held in two personal loan accounts at Morgan Stanley and 49,972 shares of Common Stock held jointly with his wife.
- (14) Includes 1,680 Units. Also includes 281,751 shares of restricted Common Stock issued under the 1997, 2001 and 2009 Stock Plans.

PROPOSAL 2

APPROVAL OF THE 2014 STOCK INCENTIVE PLAN

At its meeting on March 11, 2014, the Board of Directors adopted the 2014 Stock Incentive Plan and directed that the plan be submitted to the stockholders for their approval. The Board of Directors believes that the adoption of the 2014 Stock Incentive Plan is in the best interests of the stockholders and the Company because the ability to grant stock-based awards thereunder is an important factor in attracting, motivating and retaining qualified personnel.

The Company is submitting the 2014 Stock Incentive Plan to the stockholders at this time to:

- Replace the Company's current equity compensation plan, the First Industrial Realty Trust, Inc. 2011 Stock Incentive Plan;
- Comply with New York Stock Exchange listing requirements, which require stockholder approval; and
- Allow performance awards under the 2014 Stock Incentive Plan to qualify as "performance-based compensation" under Code Section 162(m), if and to the extent applicable.

One of the requirements of "performance-based compensation" under Section 162(m) of the Code is that the material terms of the performance goals must be approved by stockholders. These material terms generally include (i) the employees eligible to receive compensation, (ii) a description of the business criteria on which the performance goal is based, and (iii) the maximum amount of compensation that could be paid to any employee if the performance goal is attained. Stockholder approval of the 2014 Stock Incentive Plan is intended to constitute approval of the material terms of the performance goals under the 2014 Stock Incentive Plan for purposes of Code Section 162(m).

If the 2014 Stock Incentive Plan is not approved by the stockholders, it will not be adopted and the Company will continue to operate under its existing equity compensation plans until no more shares remain available for issuance under those plans, at which time the Company believes that higher cash compensation may be required to attract and retain key employees and other individuals.

The 2014 Stock Incentive Plan submitted for approval reflects current practices in equity incentive plans that the Company considers best practices such as:

- *Multiple Award Types.* The 2014 Stock Incentive Plan permits the issuance of restricted stock awards, restricted stock units, stock options and other types of equity and cash incentive grants, subject to the share limits of the plan. This breadth of award types will enable the plan administrator to tailor awards in light of the accounting, tax and other standards applicable at the time of grant. Historically, these standards have changed over time.
- *Independent Oversight.* The 2014 Stock Incentive Plan will be administered by the Compensation Committee of the Board of Directors, comprised entirely of independent members of the Board of Directors.
- *No Evergreen Feature.* The number of authorized shares under the 2014 Stock Incentive Plan is fixed at 3,600,000, with adjustments for certain corporate transactions and for forfeited shares. The Company conducted an analysis of estimated equity incentive cost using the shareholder value transfer ("SVT") methodology of Institutional Shareholder Services, Inc. ("ISS") and, based on the cap of 6% allowable under ISS guidelines, the number of shares permitted to be requested is approximately 5,200,000. The 3,600,000 shares that would be authorized under the 2014 Stock Incentive Plan represents approximately five years of grants at the Company's current annual burn rate. From and after the receipt of stockholder approval of the 2014 Stock Incentive Plan, no new grants will be made under the Company's 2011 Stock Incentive Plan, 2009 Stock Incentive Plan, 2001 Stock Incentive Plan or 1997 Stock Incentive Plan (collectively, the "Prior Plans"). Any shares that become available for reuse under the terms of a Prior Plan award due to forfeiture, cancellation, expiration or the like will become available for issuance under

PROXY STATEMENT

the 2014 Stock Incentive Plan. The 2014 Stock Incentive Plan does not include an “evergreen” feature that would cause the number of authorized shares to automatically increase in future years.

- *Repricings Prohibited.* Repricing of options and stock appreciation rights (“SARs”) generally is prohibited under the 2014 Stock Incentive Plan without prior stockholder approval, with customary exceptions for stock dividends or splits, reorganizations, recapitalizations and similar events.
- *Discount Stock Options and SARs Prohibited.* All options and SARs granted under the 2014 Stock Incentive Plan must have an exercise price equal to or greater than the fair market value of Common Stock on the date the option or SAR is granted.
- *Minimum Vesting Period for Time-Based Awards.* There generally is a minimum three-year vesting period for awards granted to employees under the 2014 Stock Incentive Plan that vest based solely on the completion of a specified period of service, unless the Compensation Committee determines otherwise.
- *Tax-Deductible Cash Incentive Awards.* The 2014 Stock Incentive Plan allows for payment of cash incentives, so that future awards may be made to certain officers that are eligible to be deducted under Code Section 162(m) as “performance-based compensation,” if and to the extent applicable.
- *Clawback Policy Implementation.* All awards under the 2014 Stock Incentive Plan will be subject to any applicable Company clawback policy in effect from time to time.

SUMMARY OF THE PROVISIONS OF THE 2014 STOCK INCENTIVE PLAN

The following summary of the 2014 Stock Incentive Plan is qualified in its entirety by the specific language of the plan, a copy of which is attached hereto as Appendix A.

General. The purpose of the 2014 Stock Incentive Plan is to encourage and enable the officers, employees and directors of, and service providers to, the Company and its affiliates and subsidiaries, upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business, to acquire a proprietary interest in the Company. Approximately 169 employees and all six directors of the Company are eligible to participate in the 2014 Stock Incentive Plan. As of the date of stockholder approval of the 2014 Stock Incentive Plan, no additional awards will be granted under the Prior Plans.

The 2014 Stock Incentive Plan provides for the grant of incentive stock options, within the meaning of Code Section 422, to employees of the Company and its subsidiaries and for the grant of restricted stock awards, restricted stock units, nonstatutory stock options, stock appreciation rights, performance share awards and dividend equivalents to officers, employees and directors of, and service providers to, the Company and its affiliates and subsidiaries. The Board of Directors has authorized, subject to stockholder approval, 3,600,000 shares of Common Stock for issuance under the 2014 Stock Incentive Plan, plus any shares covered under a Prior Plan award that otherwise would become available for reuse under the respective terms of the Prior Plan due to forfeiture, expiration, cancellation or the like. The market value of shares of Common Stock was \$19.19 per share, based on its closing price as reported on the New York Stock Exchange on March 21, 2014.

The following additional limits apply to awards under the 2014 Stock Incentive Plan:

- The maximum number of shares that may be covered by options and SARs that are intended to be “performance-based compensation” under Code Section 162(m) that are granted to any one participant during any calendar year is 500,000 shares.
- The maximum number of shares that may be covered by performance share awards, restricted stock awards and restricted stock units that are intended to be “performance-based compensation” under Code Section 162(m) that are granted to any one participant during any calendar year is 500,000 shares.
- The maximum dollar amount of cash incentive awards and cash-settled stock awards that are intended to be “performance-based compensation” under Code Section 162(m) that is payable to any one participant during any calendar year is \$5,000,000.

PROXY STATEMENT

- The maximum number of shares that may be covered by options or SARs that are granted to any one director during any calendar year is 500,000 shares.
- The maximum number of shares that may be covered by stock awards other than options and SARs that are granted to any one director during any calendar year is 500,000 shares.

To the extent permitted pursuant to applicable law, in the event of any reorganization, recapitalization, reclassification, split-up or consolidation of shares of stock, separation (including a spin-off), stock split, dividend on shares of stock payable in capital stock, extraordinary cash dividend, combination or exchange of shares or other similar change in capitalization of the Company, or a merger or consolidation of the Company or sale by the Company of all or a portion of its assets or other similar event, appropriate adjustments will be made to the shares, including the number thereof, subject to the 2014 Stock Incentive Plan and to any outstanding awards. Shares of Common Stock underlying any awards that are forfeited, canceled, reacquired by the Company, satisfied without the issuance of Common Stock or otherwise terminated (other than by exercise) will be added back to the shares of Common Stock available for issuance under the 2014 Stock Incentive Plan.

Administration. The 2014 Stock Incentive Plan will be administered by the Compensation Committee of the Board of Directors of the Company. Subject to the provisions of the 2014 Stock Incentive Plan, the Compensation Committee will determine the persons to whom grants of awards are to be made, the number of shares of Common Stock to be covered by each grant and all other terms and conditions of the grant. If an option is granted, the Compensation Committee will determine whether the option is an incentive stock option or a nonstatutory stock option, the option's term, vesting and exercisability, and the other terms and conditions of the grant. The Compensation Committee will also determine the terms and conditions of SARs, restricted stock awards, restricted stock units, performance share awards and dividend equivalents. The Compensation Committee will have the responsibility to interpret the 2014 Stock Incentive Plan and to make determinations with respect to all awards granted under the 2014 Stock Incentive Plan. All determinations of the Compensation Committee will be binding on all persons, including the Company and plan participants and other beneficiaries under the 2014 Stock Incentive Plan. The costs and expenses of administering the 2014 Stock Incentive Plan will be borne by the Company.

Each member of the Compensation Committee and the Board of Directors and each Company employee delegated authority under the 2014 Stock Incentive Plan will be indemnified and held harmless by the Company against and from any losses incurred in connection with any claim, action, suit or proceeding to which he or she is involved by reason of his or her actions or omissions under the 2014 Stock Incentive Plan. The Company generally will be provided an opportunity to handle and defend the claim before the indemnified party undertakes to handle it on his or her own behalf.

Eligibility. Participants in the 2014 Stock Incentive Plan will be directors and the full and part-time officers and other employees of, and service providers to, the Company and its affiliates and subsidiaries who are responsible for or contribute to the management, growth or profitability of the Company and its affiliates and subsidiaries, and who are selected from time to time by the Compensation Committee, in its sole discretion.

Terms and Conditions of Option Grants. Each option granted under the 2014 Stock Incentive Plan will be evidenced by a written agreement in a form that the Compensation Committee may from time to time approve, will be subject to the terms and conditions of the 2014 Stock Incentive Plan and may contain such additional terms and conditions, not inconsistent with the terms of the 2014 Stock Incentive Plan, as may be determined by the Compensation Committee. The per share exercise price of an option may not be less than 100% of the fair market value of a share of Common Stock on the date of the option's grant and the term of any option will expire no later than the 10th anniversary of the date of the option's grant. In addition, the per share exercise price of any incentive stock option granted to a person who at the time of the grant owns stock possessing more than 10% of the total combined voting power or value of all classes of stock of the Company must be at least 110% of the fair market value of a share of the Common Stock on the date of grant and the option must expire no later than five years after the date of its grant. Generally, options may be exercised by the payment by the optionee or the optionee's broker of the exercise price in cash, certified check or wire transfer, through a net exercise or, subject

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to the approval of the Compensation Committee, through the tender of shares of the Common Stock owned by the optionee having a fair market value not less than the exercise price. Options granted under the 2014 Stock Incentive Plan will become exercisable at such times as may be specified by the Compensation Committee, subject to various limitations on exercisability in the event the optionee's employment or service with the Company terminates. Options are generally nontransferable by the optionee other than by will or by the laws of descent and distribution and are exercisable during the optionee's lifetime only by the optionee, except that non-qualified options may be transferred to one or more members of the optionee's immediate family, to certain entities for the benefit of the optionee's immediate family members or pursuant to a certified domestic relations order.

Terms and Conditions of Other Awards. Each SAR, restricted stock award, restricted stock unit and performance share award made under the 2014 Stock Incentive Plan will be evidenced by a written agreement in a form and containing such terms, restrictions and conditions as may be determined by the Compensation Committee, consistent with the requirements of the 2014 Stock Incentive Plan. A SAR may be granted separately or in conjunction with the grant of an option, and must be exercised within 10 years after the SAR is granted. If the Compensation Committee determines that a restricted stock award, restricted stock unit or a performance share award to be granted to a participant should qualify as "performance-based compensation" for purposes of Code Section 162(m), the grant, vesting and settlement of such award will be contingent upon achievement of one or more pre-established performance goals. One or more of the following business criteria for the Company, on a consolidated basis, and/or for specified affiliates, subsidiaries or business units of the Company (except with respect to the total stockholder return and earnings per share criteria), must be used by the Compensation Committee in establishing such performance goals: (1) earnings, including funds from operations; (2) revenues; (3) cash flow; (4) cash flow return on investment; (5) return on assets; (6) return on investment; (7) return on capital; (8) return on equity; (9) economic value added; (10) operating margin; (11) net income; (12) pretax earnings; (13) pretax earnings before interest, depreciation and amortization; (14) pretax operating earnings after interest expense and before incentives, service fees and extraordinary or special items; (15) operating earnings; (16) total stockholder return; (17) market share; (18) debt load reduction; (19) expense management; (20) stock price; (21) book value; (22) overhead; (23) assets; (24) assessment of balance sheet or income statement objectives; or (25) strategic business objectives, consisting of one or more objectives based on meeting specific cost targets, business expansion goals or goals relating to acquisitions or divestitures. Any of the above goals may be compared to the performance of a peer group, business plan or a published or special index deemed applicable by the Compensation Committee including, but not limited to, the Standard & Poor's 500 Stock Index.

The Compensation Committee may, in its sole discretion, provide for the exclusion of the effects of the following items, to the extent identified in the audited financial statements of the Company, including footnotes, or in the Management's Discussion and Analysis section of the Company's annual report: (1) extraordinary, unusual and/or nonrecurring items of gain or loss; (2) gains or losses on the disposition of a business; (3) changes in tax or accounting principles, regulations or laws; or (4) mergers or acquisitions. The Compensation Committee does not have the authority to increase the amount of compensation payable under any performance share award intended to qualify as "performance-based compensation" to the extent such an increase would cause the amounts payable pursuant to the performance share award to be nondeductible in whole or in part pursuant to Code Section 162(m) and the regulations thereunder. SARs, restricted stock awards, restricted stock units, performance share awards and dividend equivalents are generally nontransferable, except that SARs may be transferred pursuant to a certified domestic relations order and may be exercised by the executor, administrator or personal representative of a deceased participant within six months of the death of the participant.

Change of Control Provisions. "Change of Control" generally means the occurrence of any one of the following events:

- (1) Any "person", as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any of its subsidiaries, any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Company or any of its subsidiaries), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 of the Exchange Act) of such person, becomes the

PROXY STATEMENT

“beneficial owner” (as such term is defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing 40% or more of either (A) the combined voting power of the Company’s then outstanding securities having the right to vote in an election of the Board of Directors (“Voting Securities”) or (B) the then outstanding shares of Common Stock (in either such case other than as result of acquisition of securities directly from the Company); or

(2) Persons who, as of the effective date of the 2014 Stock Incentive Plan, constitute the Board of Directors (the “Incumbent Directors”) cease for any reason, including without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board of Directors, provided that any person becoming a director of the Company subsequent to the effective date of the 2014 Stock Incentive Plan whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors will, for purposes of the 2014 Stock Incentive Plan, be considered an Incumbent Director; or

(3) The consummation of: (A) any consolidation or merger of the Company or First Industrial, L.P. where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 of the Exchange Act), directly or indirectly, shares representing in the aggregate 50% or more of the voting stock of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (B) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company or (C) any plan or proposal for the liquidation or dissolution of the Company.

A “Change of Control” will not be deemed to have occurred for purposes of the foregoing clause (1) solely as the result of an acquisition of securities by the Company that, by reducing the number of shares of Common Stock or other Voting Securities outstanding, increases (A) the proportionate number of shares of Common Stock beneficially owned by any person to 40% or more of the shares of Common Stock then outstanding or (B) the proportionate voting power represented by the Voting Securities beneficially owned by any person to 40% or more of the combined voting power of all then outstanding Voting Securities; provided that if any person referred to in clause (A) or (B) of this sentence thereafter becomes the beneficial owner of any additional shares of Common Stock or other Voting Securities (other than pursuant to a stock split, stock dividend or similar transaction), then a “Change of Control” will be deemed to have occurred for purposes of the foregoing clause (1). In the event that any award under the 2014 Stock Incentive Plan constitutes deferred compensation, and the settlement of, or distribution of benefits under such award is to be triggered by a Change of Control, then such settlement or distribution will be subject to the event constituting the Change of Control also constituting a “change in control event” for purposes of Code Section 409A.

In general, upon the occurrence of a Change of Control, options and SARs automatically will become fully exercisable and restrictions and conditions on restricted stock awards, restricted stock units, performance share awards and dividend equivalents automatically will be deemed waived.

Amendment and Termination of the 2014 Stock Incentive Plan. The Board of Directors may at any time amend or discontinue the 2014 Stock Incentive Plan and the Compensation Committee may at any time amend or cancel any outstanding award, but no such action may adversely affect rights under any outstanding award without the holder’s consent. Except in the event of changes in the capitalization of the Company or other similar events, no amendment to any outstanding award under the 2014 Stock Incentive Plan may, withholder stockholder approval: (1) materially increase the benefits to participants; (2) materially increase the number of shares of Common Stock available under the plan; or (3) materially modify the requirements for participating in the plan.

Clawback Policy. All awards, amounts and benefits received under the 2014 Stock Incentive Plan will be subject to potential cancellation, recoupment, rescission, payback or other similar action in accordance with the terms of any applicable Company clawback policy or any applicable law.

SUMMARY OF FEDERAL INCOME TAX CONSEQUENCES OF THE 2014 STOCK INCENTIVE PLAN

The following discussion generally summarizes the principal federal income tax consequences of the 2014 Stock Incentive Plan. This discussion is based on current provisions of the Code, the regulations promulgated thereunder and administrative and judicial interpretations thereof as in effect on the date hereof. The summary does not address any foreign, state or local tax consequences of participation in the 2014 Stock Incentive Plan. The company suggests that participants consult with their individual tax advisors to determine the applicability of the tax rules to the awards granted to them in their personal circumstances.

Stock Options. In general, the grant of an option will not be a taxable event to the recipient and it will not result in a deduction to the Company. The tax consequences associated with the exercise of an option and the subsequent disposition of shares of Common Stock acquired on the exercise of such option depend on whether the option is an incentive stock option or a nonqualified stock option.

Upon the exercise of a nonqualified stock option, the participant will recognize ordinary taxable income equal to the excess of the fair market value of the shares of Common Stock received upon exercise over the exercise price. The Company will be able to claim a deduction in an equivalent amount. Any gain or loss upon a subsequent sale or exchange of the shares of Common Stock will be capital gain or loss, long-term or short-term, depending on the holding period for the shares of Common Stock.

A participant will not recognize ordinary taxable income at the time of exercise of an incentive stock option and no deduction will be available to the Company, provided the option is exercised while the participant is an employee or within three months following termination of employment (longer, in the case of termination of employment by reason of disability or death). If an incentive stock option granted under the 2014 Stock Incentive Plan is exercised after these periods, the exercise will be treated for federal income tax purposes as the exercise of a nonqualified stock option. Also, an incentive stock option granted under the 2014 Stock Incentive Plan will be treated as a nonqualified stock option to the extent it (together with any other incentive stock options granted under other plans of the Company and/or its affiliates) first becomes exercisable in any calendar year for shares of Common Stock having a fair market value, determined as of the date of grant, in excess of \$100,000.

Although the exercise of an incentive stock option as described above would not produce ordinary taxable income to the participant, it would result in an increase in the participant's alternative minimum taxable income and may result in an alternative minimum tax liability.

If shares of Common Stock acquired upon exercise of an incentive stock option are sold or exchanged more than one year after the date of exercise and more than two years after the date of grant of the option, any gain or loss will be long-term capital gain or loss. If shares of Common Stock acquired upon exercise of an incentive stock option are disposed of prior to the expiration of either of these holding periods (a "Disqualifying Disposition"), the participant will recognize ordinary income at the time of disposition, and the Company will be able to claim a deduction, in an amount equal to the excess of the fair market value of the shares of Common Stock at the date of exercise over the exercise price. Any additional gain will be treated as capital gain, long-term or short-term, depending on how long the shares of Common Stock have been held. Where shares of Common Stock are sold or exchanged in a Disqualifying Disposition (other than certain related party transactions) for an amount less than their fair market value at the date of exercise, any ordinary income recognized in connection with the Disqualifying Disposition will be limited to the amount of gain, if any, recognized in the sale or exchange, and any loss will be a long-term or short-term capital loss, depending on how long the shares of Common Stock have been held.

Restricted Stock. In general, a participant who receives shares of restricted stock will recognize ordinary income at the time the restrictions lapse. The amount of ordinary income so recognized will be the fair market value of the Common Stock at the time the income is recognized, determined without regard to any restrictions other than restrictions that by their terms will never lapse. This amount is deductible for federal income tax purposes by the Company. Dividends paid with respect to unvested restricted stock will be ordinary

PROXY STATEMENT

compensation income to the participant (and deductible by the Company). Any gain or loss upon a subsequent sale or exchange of the shares of Common Stock, measured by the difference between the sale price and the fair market value on the date restrictions lapse, will be capital gain or loss, long-term or short-term, depending on the holding period for the shares of Common Stock. The holding period for this purpose will begin on the date following the date restrictions lapse.

In lieu of the treatment described above, a participant may elect immediate recognition of income under Code Section 83(b). In such event, the participant will recognize as income the fair market value of the restricted stock at the time of grant (determined without regard to any restrictions other than restrictions that by their terms will never lapse), and the Company will be entitled to a corresponding deduction. Dividends paid with respect to shares as to which a proper Code Section 83(b) election has been made will not be deductible to the Company. If a Code Section 83(b) election is made and the restricted stock is subsequently forfeited, the participant will not be entitled to any offsetting tax deduction.

Restricted Stock Units. In general, the grant of restricted stock units will not be a taxable event to the recipient and it will not result in a deduction to the Company. When the restrictions applicable to the restricted stock units lapse, and the awards are settled, a participant will recognize ordinary income at that time. The amount of ordinary income so recognized will be the fair market value of the Common Stock at the time the income is recognized, determined without regard to any restrictions other than restrictions that by their terms will never lapse. This amount is deductible for federal income tax purposes by the Company. Any gain or loss upon a subsequent sale or exchange of the shares of Common Stock, measured by the difference between the sale price and the fair market value on the date restrictions lapse, will be capital gain or loss, long-term or short-term, depending on the holding period for the shares of Common Stock. The holding period for this purpose will begin on the date following the date restrictions lapse.

Stock Appreciation Rights and Other Awards. In general, with respect to SARs and other awards under the 2014 Stock Incentive Plan not described above, when a participant receives payment with respect to an award granted to him or her under the 2014 Stock Incentive Plan, the amount of cash and the fair market value of any other property received will be ordinary income to such participant and will be allowed as a deduction for federal income tax purposes to the Company.

Payment of Withholding Taxes. The Company may withhold amounts from participants to satisfy withholding tax requirements. Except as otherwise provided by the Compensation Committee, participants may have shares withheld from awards or may tender previously owned shares to the Company to satisfy tax withholding requirements. The shares withheld from awards may only be used to satisfy the minimum statutory withholding obligation.

Special Rules. Certain special rules apply if the exercise price for an option is paid in shares previously owned by the optionee rather than in cash.

Limitation on Deductibility. Code Section 162(m) generally limits the deductible amount of annual compensation paid by a public company to a “covered employee” (the chief executive officer and three other most highly compensated executive officers of the Company other than the chief financial officer) to no more than \$1 million. The Company does not believe that Code Section 162(m) is applicable to its current arrangements with its executive officers.

NEW PLAN BENEFITS

Other than certain restricted stock awards granted contingent on stockholder approval of the 2014 Stock Incentive Plan (the “Contingent Award Grants”), the Compensation Committee will have full discretion to determine the number and amount of awards to be granted under the 2014 Stock Incentive Plan, subject to the terms of the plan. Therefore, other than the Contingent Award Grants, which are set forth in the table immediately below, the future benefits or amounts that would be received by the executive officers and the groups named in such table under the 2014 Stock Incentive Plan are not determinable at this time.

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First Industrial Realty Trust, Inc. 2014 Stock Incentive Plan

<u>Name and Position</u>	<u>Dollar Value \$(1)</u>	<u>Number of Units</u>
Bruce W. Duncan	1,425,000	79,788
Scott A. Musil	315,000	17,637
Johannson L. Yap	510,000	28,557
David Harker	320,000	17,919
Peter Schultz	260,000	14,559
All executive officers, as a group (5 persons)	2,830,000	158,460
All non-executive Directors, as a group (5 persons)	\$0	0
All non-executive officer employees, as a group	460,000	25,758

- (1) The dollar value for the Contingent Award Grants reflects the \$17.86 closing price of the Common Stock on February 12, 2014, the date the awards were granted, contingent on stockholder approval of this Proposal 2.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information regarding the Company's compensation plans under which equity securities are authorized for issuance to Company employees or non-employees, including directors, as of December 31, 2013.

<u>Plan Category</u>	<u>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights⁽¹⁾</u>	<u>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights⁽²⁾</u>	<u>Number of Securities Remaining Available for Further Issuance Under Equity Compensation Plans</u>
Equity Compensation Plans Approved by Security Holders	792,360	—	350,863 ⁽³⁾
Equity Compensation Plans Not Approved by Security Holders	—	—	22,380 ⁽⁴⁾
Total	<u>792,360</u>	<u>—</u>	<u>373,243</u>

- (1) All awards reflected in this column are performance-based vesting restricted stock units, which entitle the holder to a specified number of shares of Common Stock in the future upon the achievement of specified performance goals. Outstanding restricted stock awards under the Company's equity compensation plans are not reflected in the table, in accordance with SEC rules.
- (2) The Company did not have any outstanding stock options, warrants or stock appreciation rights under its equity compensation plans as of December 31, 2013.
- (3) Awards of restricted stock are authorized for issuance under the Company's 1997 Stock Incentive Plan, 2001 Stock Incentive Plan, 2009 Stock Incentive Plan, and 2011 Stock Incentive Plan. As of December 31, 2013, there were 16,631 shares of Common Stock authorized for issuance under the 2001 Stock Incentive Plan, 220,205 under the 2009 Stock Incentive Plan (200,000 of which may only be issued as options) and 114,027 under the 2011 Stock Incentive Plan.
- (4) Amount reflects shares remaining available for issuance under the Company's 1997 Stock Incentive Plan, which plan has not been approved by the Company's stockholders. The maximum number of shares available for issuance under this plan was originally 6,500,000, and the term of the plan is indefinite. Permitted awards under the plan are stock options, restricted stock, performance shares and stock appreciation rights. Directors, full and part-time officers and other employees of the Company, in each case as selected from time to time by the Compensation Committee, are eligible participants under the plan.

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Adoption of this proposal requires the affirmative vote of a majority of the shares of the Common Stock represented, in person or by proxy, and entitled to vote on the matter at the Annual Meeting.

The Board of Directors has approved the 2014 Stock Incentive Plan and recommends that the Company's stockholders vote FOR the approval of the 2014 Stock Incentive Plan.

PROXY STATEMENT

PROPOSAL 3

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Pursuant to Section 14A of the Exchange Act, our stockholders are entitled to vote to approve, on an advisory or non-binding basis, the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with SEC rules.

The Board of Directors believes that its executive compensation program serves the best interests of the Company's stockholders by not only attracting and retaining talented, capable individuals, but also providing them with proper incentives linked to performance criteria that are designed to maximize the Company's overall performance. To this end, the Company's compensation program consists of a mix of compensation that is intended to compensate executive officers for their contributions during the year and to reward them for achievements that lead to increased Company performance and increases in stockholder value. Please refer to "Compensation Discussion and Analysis" for a discussion of the compensation of the Company's named executive officers.

We are asking for stockholder approval of the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with SEC rules, which disclosures include the disclosures under "Compensation Discussion and Analysis" and the compensation tables and the narrative discussion following the compensation tables. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the policies and practices described in this Proxy Statement.

This vote is advisory and therefore not binding on the Company, the Compensation Committee or the Board of Directors. The Board of Directors and the Compensation Committee value the opinions of the Company's stockholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this Proxy Statement, we will consider those stockholders' concerns, and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

Accordingly, we ask our stockholders to vote on the following resolution at the Annual Meeting:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2014 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission under 'Compensation Discussion and Analysis' and the compensation tables and the narrative discussion following the compensation tables."

The affirmative vote of the holders of a majority of the votes cast with a quorum present at the Annual Meeting is required for advisory approval of this proposal.

The Board of Directors recommends an advisory vote FOR the approval of the compensation of the Company's named executive officers as disclosed in this Proxy Statement.

PROPOSAL 4
RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

The accounting firm of PricewaterhouseCoopers LLP (or its predecessor, Coopers & Lybrand L.L.P.) has served as the Company's independent auditors since the Company's formation in August 1993. On February 13, 2014, the Audit Committee of the Board of Directors appointed PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the current fiscal year. A representative of PricewaterhouseCoopers LLP will be present at the Annual Meeting, will be given the opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

Our Charter and Bylaws do not require that our stockholders ratify the appointment of our independent registered certified public accounting firm. We are doing so because we believe it is a matter of good corporate practice. If our stockholders do not ratify the appointment, the Audit Committee will reconsider whether to retain PricewaterhouseCoopers LLP but may still retain them. Even if the appointment is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that a change in registered certified public accounting firm would be in the best interests of the Company and its stockholders.

FEES

During 2013 and 2012, the aggregate fees for services provided by PricewaterhouseCoopers LLP in the following categories and amounts are:

	<u>2013</u>	<u>2012</u>
Audit Fees ⁽¹⁾	\$1,128,650	\$1,119,768
Audit-Related Fees ⁽²⁾	68,890	97,552
Tax Fees ⁽³⁾	30,000	51,625
Other Fees ⁽⁴⁾	<u>1,944</u>	<u>1,944</u>
Total Fees	<u>\$1,229,484</u>	<u>\$1,270,889</u>

- (1) Audit Fees include amounts related to the audits of the Company's annual financial statements, the reviews of our quarterly financial statements and internal control over financial reporting and other services that are normally provided by the auditor in connection with securities offerings and other filings with the SEC.
- (2) Audit-Related Fees include amounts related to joint venture audits, certain agreed-upon procedures and an annual employee benefit plan audit.
- (3) Tax Fees include amounts related to tax compliance, tax advice and tax planning. These amounts primarily relate to tax services related to tax return preparation, federal and state regulation consultation and federal and state entity structuring.
- (4) Other Fees include amounts related to technical research tools.

PRE-APPROVAL OF SERVICES

The Audit Committee pre-approves all audit, audit-related, tax and other services proposed to be provided by the Company's independent registered public accounting firm. Consideration and approval of such services generally occur at the Audit Committee's regularly scheduled meetings. In situations where it is impractical to wait until the next regularly scheduled meeting, the Audit Committee has delegated the authority to approve the audit, audit-related, tax and other services to each of its individual members. Approvals of audit, audit-related, tax and other services pursuant to the above-described delegation of authority are reported to the full Audit Committee.

The Board of Directors recommends a vote FOR ratification of the appointment of
PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for
fiscal 2014.

PROXY STATEMENT

OTHER MATTERS

SOLICITATION OF PROXIES

The cost of solicitation of proxies in the form enclosed herewith will be borne by the Company. In addition to the solicitation of proxies by mail, the directors, officers and employees of the Company may also solicit proxies personally or by telephone without additional compensation for such activities. The Company will also request persons, firms and corporations holding shares in their names or in the names of their nominees, which are beneficially owned by others, to send proxy materials to and obtain proxies from such beneficial owners. The Company will reimburse such holders for their reasonable expenses.

Georgeson Shareholder Services, Inc. acts as the Company's proxy solicitor at a cost of \$8,000, plus reasonable out of pocket expenses, including a telephone solicitation campaign approved by the Company.

STOCKHOLDER PROPOSALS

Stockholder proposals intended to be presented at the 2015 Annual Meeting of Stockholders must be received by the Secretary of the Company no later than December 5, 2014, in order to be considered for inclusion in the proxy statement and on the proxy card that will be solicited by the Board of Directors in connection with the 2015 Annual Meeting of Stockholders.

INCORPORATION BY REFERENCE

Appendix B to this Proxy Statement is the Company's 2013 Annual Report, which includes its consolidated financial statements and management's discussion and analysis of financial condition and results of operations, as well as certain other financial and other information required by the rules and regulations of the SEC. Information contained in Appendix B to this Proxy Statement shall not be deemed to be "filed" or "soliciting material," or subject to liability for purposes of Section 18 of the Exchange Act to the maximum extent permitted under the Exchange Act.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON MAY 7, 2014

The Proxy Statement, Notice of Annual Meeting, Proxy Card and the Company's 2013 Annual Report are available on the "Proxy Statement" tab of the Investor Relations page on the Company's website, at www.firstindustrial.com.

For directions to attend the Annual Meeting in person, please contact Art Harmon, the Company's Senior Director of Investor Relations, at (312) 344-4320.

OTHER MATTERS

The Board of Directors does not know of any matters other than those described in this Proxy Statement that will be presented for action at the Annual Meeting. If other matters are presented, it is the intention of the persons named as proxies in the accompanying Proxy Card to vote in their discretion all shares represented by validly executed proxies.

REGARDLESS OF THE NUMBER OF SHARES YOU OWN, YOUR VOTE IS IMPORTANT TO THE COMPANY. PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD TODAY.

FIRST INDUSTRIAL REALTY TRUST, INC.

2014 STOCK INCENTIVE PLAN

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FIRST INDUSTRIAL REALTY TRUST, INC.

2014 STOCK INCENTIVE PLAN

Section 1 General Purpose of Plan; Definitions.

The name of this plan is the First Industrial Realty Trust, Inc. 2014 Stock Incentive Plan (the “**Plan**”). The purpose of the Plan is to encourage and enable the officers, employees and Directors of, and service providers (with respect to which issuances of securities may be registered under Form S-8) to, First Industrial Realty Trust, Inc. (the “**Company**”) and its Affiliates and Subsidiaries upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company’s welfare will ensure a closer identification of their interests with those of the Company, thereby stimulating their efforts on the Company’s behalf and strengthening their desire to remain with the Company. As of the Effective Date, no further awards shall be granted under the Prior Plans.

The following terms shall be defined in the Plan as set forth below:

“**Act**” means the Securities Exchange Act of 1934, as amended, and any successor act, and related rules, regulations and interpretations.

“**Affiliate**” means any entity other than the Company and its Subsidiaries that is designated by the Board or the Committee as a participating employer under the Plan, *provided* that the Company directly or indirectly owns at least twenty percent (20%) of the combined voting power of all classes of stock of such entity or at least twenty percent (20%) of the ownership interests in such entity.

“**Award**” or “**Awards**,” except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Unit Awards, Performance Share Awards, Dividend Equivalents and Performance Awards.

“**Board**” means the Board of Directors of the Company.

“**Cause**” means the participant’s dismissal as a result of (i) any material breach by the participant of any agreement to which the participant and the Company or an Affiliate or Subsidiary are parties, (ii) any act (other than retirement) or omission to act by the participant, including without limitation, the commission of any crime (other than ordinary traffic violations), that may have a material and adverse effect on the business of the Company or any Affiliate or Subsidiary or on the participant’s ability to perform services for the Company or any Affiliate or Subsidiary, or (iii) any material misconduct or neglect of duties by the participant in connection with the business or affairs of the Company or any Affiliate or Subsidiary.

“**Change of Control**” is defined in **Section 15** below.

“**Code**” means the Internal Revenue Code of 1986, as amended, and any successor code, and related rules, regulations and interpretations.

“**Committee**” means any Committee of the Board referred to in **Section 2** below.

“**Company**” means First Industrial Realty Trust, Inc.

“**Deferred Compensation**” means a “deferral of compensation” as defined in Section 409A of the Code.

“**Director**” means a member of the Board.

“**Disability**” means “disability” as defined in Section 22(e)(3) of the Code.

“**Dividend Equivalent**” means a right, granted under **Section 7(c)(ii)** or **Section 10** below, to receive cash, Stock, or other property equal in value to dividends paid with respect to a specified number of shares of Stock or the excess of dividends paid over a specified rate of return. Dividend Equivalents may be awarded on a free-standing basis or in connection with another Award, and may be paid currently or on a deferred basis.

“**Effective Date**” means the date on which the Plan is approved by the stockholders of the Company as set forth in **Section 18** below.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended, and any successor act, and related rules, regulations and interpretations.

“**Fair Market Value**” on any given date means the last reported sale price at which Stock is traded on such date or, if no Stock is traded on such date, the most recent date on which Stock was traded, as reflected on the New York Stock Exchange or, if applicable, any other national stock exchange that is the principal trading market for the Stock.

“**Form S-8**” means a Registration Statement on Form S-8 promulgated by the U.S. Securities and Exchange Commission.

“**Incentive Stock Option**” means any Stock Option designated and qualified as an “incentive stock option” as defined in Section 422 of the Code.

“**Non-Qualified Stock Option**” means any Stock Option that is not an Incentive Stock Option.

“**Option**” or “**Stock Option**” means any option to purchase shares of Stock granted pursuant to **Section 6** below.

“**Parent**” means a “parent corporation” as defined in Section 424(e) of the Code.

“**Performance Award**” means an Award granted pursuant to **Section 11** below.

“**Performance-Based Compensation**” has the meaning set forth in Section 162(m) of the Code.

“**Performance Share Award**” means an Award granted pursuant to **Section 8** below.

“**Plan**” means the First Industrial Realty Trust, Inc. 2014 Stock Incentive Plan.

“**Prior Plan(s)**” means the First Industrial Realty Trust, Inc. 2011 Stock Incentive Plan, the First Industrial Realty Trust, Inc. 2009 Stock Incentive Plan, the First Industrial Realty Trust, Inc. 2001 Stock Incentive Plan and the First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan.

“**Restricted Stock**” is defined in **Section 7(a)(i)** below.

“**Restricted Stock Award**” means an Award granted pursuant to **Section 7(a)(i)** below.

“**Restricted Stock Units**” is defined in **Section 7(a)(ii)** below.

“**Restricted Stock Unit Award**” means an Award granted pursuant to **Section 7(a)(ii)** below.

“**Service Provider**” means an officer, employee or Director of, or other service provider (with respect to which issuances of securities may be registered under Form S-8) to, the Company or an Affiliate or Subsidiary.

“**Stock**” means the common stock, one cent (\$.01) par value per share, of the Company, subject to adjustment pursuant to **Section 3** below.

“**Stock Appreciation Right**” or “**SAR**” means an Award granted pursuant to **Section 9** below.

“**Subsidiary**” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations (other than the last corporation in the unbroken chain) owns stock possessing fifty percent (50%) or more of the combined voting power of all classes of stock in one (1) of the other corporations in the chain or fifty percent (50%) or more of the ownership interests in one (1) of the other corporations in the chain.

“**Termination of Service**” means the first day occurring on or after a grant date on which the participant ceases to be a Service Provider, regardless of the reason for such cessation, subject to the following:

(i) The participant’s cessation as Service Provider shall not be deemed to occur by reason of the transfer of the participant between the Company and an Affiliate or Subsidiary or between an Affiliate and a Subsidiary.

(ii) The participant’s cessation as a Service Provider shall not be deemed to occur by reason of the participant’s approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the Service Provider’s right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing.

(iii) A service provider other than an officer, employee or Director whose services to the Company or an Affiliate or a Subsidiary are governed by a written agreement with the service provider shall cease to be a service provider at the time the term of such written agreement ends (without renewal); and a service provider other than an officer, employee or Director whose services to the Company or an Affiliate or a Subsidiary are not governed by a written agreement with the service provider shall cease to be a service provider upon the earlier of (A) written notice from the Company, an Affiliate or a Subsidiary or (B) the date that is ninety (90) days after the date such service provider last provides services requested by the Company or an Affiliate or a Subsidiary (as determined by the Committee).

(iv) Unless otherwise provided by the Committee, an employee who ceases to be an employee, but become or remains a Director, or a Director who ceases to be a Director, but becomes or remains an employee, shall not be deemed to have incurred a Termination of Service.

(v) Notwithstanding the foregoing, in the event that any Award constitutes Deferred Compensation, the term Termination of Service shall be interpreted by the Committee in a manner not to be inconsistent with the definition of “separation from service” as defined under Section 409A of the Code.

“**10% Stockholder**” is defined in **Section 6(b)(i)** below.

Section 2 Administration of Plan; Committee Authority to Select Participants and Determine Awards.

(a) Committee. The Plan shall be administered by a committee of not less than two (2) Directors, as appointed by the Board from time to time (the “**Committee**”). Unless otherwise determined by the Board, each member of the Committee shall qualify as a “non-employee director” under Rule 16b-3 of the Act, an “outside director” under Section 162(m) of the Code and an “independent director” under the rules of the New York Stock Exchange or, if applicable, any other national stock exchange that is the principal trading market for the Stock. Subject to applicable stock exchange rules, if the Committee does not exist, or for any other reason determined by the Board, the Board may take any action under the Plan that would otherwise be the responsibility of the Committee.

(b) **Powers of Committee.** The Committee shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

- (i) To select the Service Providers to whom Awards may from time to time be granted;
- (ii) To determine the time or times of grant, and the extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Dividend Equivalents, or any combination of the foregoing, granted to any Service Provider;
- (iii) To determine the number of shares to be covered by any Award granted to a Service Provider;
- (iv) To determine the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award granted to a Service Provider, which terms and conditions may differ among individual Awards and participants, and to approve the form of written instruments evidencing the Awards;
- (v) To accelerate the exercisability or vesting of all or any portion of any Award granted to a participant;
- (vi) Subject to the provisions of **Section 6(b)(ii)** below, to extend the period in which Stock Options granted may be exercised;
- (vii) To determine whether, to what extent and under what circumstances Stock and other amounts payable with respect to an Award granted to a participant shall be deferred either automatically or at the election of the participant and whether and to what extent the Company shall pay or credit amounts equal to interest (at rates determined by the Committee) or dividends or deemed dividends on such deferrals;
- (viii) To adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments) granted to a participant; and to decide all disputes arising in connection with and make all determinations it deems advisable for the administration of the Plan; and
- (ix) To grant Awards, in its sole discretion, to Service Providers who are residing in jurisdictions outside of the United States. For purposes of the foregoing, the Committee may, in its sole discretion, vary the terms of the Plan in order to conform any Awards to the legal and tax requirements of each non-U.S. jurisdiction where such individual resides or any such non-U.S. jurisdiction that would apply its laws to such Award. The Committee may, in its sole discretion, establish one (1) or more sub-plans of the Plan and/or may establish administrative rules and procedures to facilitate the operation of the Plan in such non-U.S. jurisdictions. For purposes of clarity, any terms contained herein that are subject to variation in a non-U.S. jurisdiction and any administrative rules and procedures established for a non-U.S. jurisdiction shall be reflected in a written addendum to the Plan. To the extent permitted under applicable law, the Committee may delegate its authority and responsibilities under this **Section 2(b)(ix)** to any one (1) or more officers of the Company, an Affiliate or a Subsidiary.

All decisions and interpretations of the Committee shall be final and binding on all persons, including the Company and Plan participants and other beneficiaries under the Plan.

(c) **Delegation by Committee.** Except to the extent prohibited by applicable law, the applicable rules of a stock exchange or the Plan, or as necessary to comply with the exemptive provisions of Rule 16b-3 of the Act, the Committee may allocate all or any portion of its responsibilities and powers to any one (1) or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it, including: (i) delegating to a committee of one (1) or more members of the Board who are not “outside directors” within the meaning of Section 162(m) of the Code, the authority to grant Awards to eligible persons who are either: (A) not then “covered employees,” within the meaning of Section 162(m) of the Code and are not expected to be “covered employees” at the time of recognition of income resulting from such Award; or (B) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code; and/or

(ii) delegating to a committee of one (1) or more members of the Board who are not “non-employee directors,” within the meaning of Rule 16b-3 of the Act, the authority to grant Awards to eligible persons who are not then subject to Section 16 of the Act. The acts of such delegates shall be treated hereunder as acts of the Committee and such delegates shall report regularly to the Committee regarding the delegated duties and responsibilities and any Awards so granted. Any such allocation or delegation may be revoked by the Committee at any time.

(d) Information to be Furnished to Committee. As may be permitted by applicable law, the Company and any Affiliate or Subsidiary shall furnish the Committee with such data and information as it determines may be required for it to discharge its duties. The records of the Company and any Affiliate or Subsidiary as to a Service Provider’s employment or service, Termination of Service, leave of absence, reemployment and compensation shall be conclusive on all persons unless determined by the Committee to be manifestly incorrect. Subject to applicable law, participants and other persons entitled to benefits under the Plan must furnish the Committee such evidence, data or information as the Committee considers desirable to carry out the terms of the Plan.

(e) Expenses and Liabilities. All expenses and liabilities incurred by the Committee in the administration and interpretation of the Plan or any Award agreement shall be borne by the Company. The Committee may employ attorneys, consultants, accountants or other persons in connection with the administration and interpretation of the Plan. The Company, and its officers and Directors, shall be entitled to rely upon the advice, opinions or valuations of any such persons.

(f) Indemnification. To the fullest extent permitted by law, each person who is or shall have been a member of the Committee or of the Board, an officer of the Company to whom authority was delegated in accordance with the Plan or an employee of the Company shall be indemnified and held harmless by the Company against and from any loss (including amounts paid in settlement), cost, liability or expense (including reasonable attorneys’ fees) that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company’s approval, or paid by him or her in satisfaction of any judgment in any such action, suit or proceeding against him or her; *provided, however*, that he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf, unless such loss, cost, liability or expense is a result of his or her own willful misconduct or except as expressly provided by statute. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company’s charter or bylaws, as a matter of law or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

Section 3 Shares Issuable under Plan; Mergers; Substitution.

(a) Shares Issuable. Subject to adjustment as provided in **Section 3(d)** below, the maximum number of shares of Stock reserved and available for issuance under the Plan shall be three million six hundred thousand (3,600,000) (all of which may be issued through Incentive Stock Options), plus any shares of Stock that are covered under a Prior Plan award that otherwise would become available for reuse under the Prior Plan following the Effective Date due to forfeiture, expiration, cancellation or the like. For purposes of this limitation, the shares of Stock underlying any Awards that are forfeited, canceled, reacquired by the Company, satisfied without the issuance of Stock or otherwise terminated shall not be deemed to have been issued and shall be added back to the shares of Stock available for issuance under the Plan; *provided, however*, that any shares (i) tendered to pay the exercise price of an Award or (ii) withheld for taxes by the Company or an Affiliate or a Subsidiary will not be available for future issuance under the Plan. Shares issued under the Plan may be authorized but unissued shares or shares reacquired by the Company. Subject to adjustment as provided in **Section 3(d)** below, with respect to Performance Share Awards, Restricted Stock Awards and Restricted Stock Unit Awards, the maximum number of shares of Stock subject to such Awards shall be three million six hundred thousand (3,600,000).

(b) Share Limitations. Subject to adjustment as provided in **Section 3(d)** below, (i) the maximum number of shares of Stock with respect to which Stock Options and Stock Appreciation Rights may be granted during a calendar year to any participant under the Plan that are intended to be Performance-Based Compensation, and then only to the extent such limitation is required by Section 162(m) of the Code, shall be five hundred thousand (500,000) shares, (ii) with respect to Performance Share Awards, Restricted Stock Awards and Restricted Stock Unit Awards, the maximum number of shares of Stock subject to such Awards granted during a calendar year to any participant under the Plan that are intended to be Performance-Based Compensation, and then only to the extent such limitation is required by Section 162(m) of the Code, shall be five hundred thousand (500,000) shares and (iii) the maximum dollar amount that may be payable pursuant to cash incentive awards and cash-settled stock awards granted during a calendar year to any participant under the Plan that are intended to be Performance-Based Compensation, and then only to the extent such limitation is required by Section 162(m) of the Code, shall be five million dollars (\$5,000,000).

(c) Partial Performance. Notwithstanding the provisions of **Section 3(b)** above, if in respect of any performance period or restriction period, the Committee grants to a participant Awards having an aggregate dollar value and/or number of shares less than the maximum dollar value and/or number of shares that could be paid or awarded to such participant based on the degree to which the relevant performance measures were attained, the excess of such maximum dollar value and/or number of shares over the aggregate dollar value and/or number of shares actually subject to Awards granted to such participant shall be carried forward and shall increase the maximum dollar value and/or the number of shares that may be awarded to such participant in respect of the next performance period in respect of which the Committee grants to such participant an Award intended to qualify as Performance-Based Compensation, subject to adjustment as provided in **Section 3(d)** below.

(d) Corporate Transactions. To the extent permitted under Section 409A of the Code, if applicable, in the event of a corporate transaction involving the Company or the shares of Stock (including any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), all outstanding Awards, the number of shares reserved for issuance under the Plan under **Section 3(a)** above and the specified limitations set forth in **Section 3(b)** above shall automatically be adjusted to proportionately and uniformly reflect such transaction (but only to the extent that such adjustment will not affect the status of an Award intended to qualify as Performance-Based Compensation, if applicable); *provided, however*, that the Committee may otherwise adjust Awards (or prevent such automatic adjustment) as it deems necessary, in its sole discretion, to preserve the benefits or potential benefits of the Awards and the Plan. Action by the Committee may include: (i) adjustment of the number and kind of shares that may be delivered under the Plan; (ii) adjustment of the number and kind of shares subject to outstanding Awards; (iii) adjustment of the exercise price of outstanding Options and SARs; and (iv) any other adjustments that the Committee determines to be equitable (which may include, (A) replacement of Awards with other awards that the Committee determines have comparable value and that are based on stock of a company resulting from the corporate transaction, and (B) cancellation of the Award in return for cash payment of the current value of the Award, determined as though the Award were fully vested at the time of payment, *provided* that in the case of an Option or SAR, the amount of such payment shall be the excess of the value of the Stock subject to the Option or SAR at the time of the corporate transaction over the exercise price; *provided, however*, that no such payment shall be required in consideration of the Award if the exercise price is greater than the value of the Stock at the time of such corporate transaction).

Section 4 Awards.

(a) General. Any Award may be granted singularly, in combination with another Award (or Awards), or in tandem whereby the exercise or vesting of one (1) Award held by a participant cancels another Award held by the participant. Each Award shall be subject to the terms and conditions of the Plan and such additional terms, conditions, limitations and restrictions as the Committee shall provide with respect to such Award and as evidenced in the Award agreement. An Award may be granted as an alternative to or replacement of an existing

Award under (i) the Plan; (ii) any other plan of the Company or any Affiliate or Subsidiary; (iii) any Prior Plan; or (iv) as the form of payment for grants or rights earned or due under any other compensation plan or arrangement of the Company or any Affiliate or Subsidiary, including without limitation the plan of any entity acquired by the Company or any Affiliate or Subsidiary.

(b) Substitute Awards. The Committee may grant Awards in substitution for stock and stock-based awards held by employees of another corporation who concurrently become employees of the Company, an Affiliate or a Subsidiary as the result of a merger or consolidation of the employing corporation with the Company, an Affiliate or a Subsidiary or the acquisition by the Company, an Affiliate or a Subsidiary of property or stock of the employing corporation. The Committee may direct that the substitute Awards be granted on such terms and conditions as the Committee considers appropriate in the circumstances.

(c) Repricing Prohibited. Notwithstanding any provision in the Plan to the contrary, no adjustment or reduction of the exercise price of any outstanding Stock Option or SAR in the event of a decline in Stock price is permitted without approval by the Company's stockholders or as otherwise specifically provided under **Section 3(d)** above. The foregoing prohibition includes (i) reducing the exercise price of outstanding Stock Options or SARs, (ii) cancelling outstanding Stock Options or SARs in connection with granting of Stock Options or SARs with a lower exercise price to the same individual, (iii) cancelling a Stock Option or SAR in exchange for a cash or other payment, and (iv) taking any other action that would be treated as a repricing of a Stock Option or SAR under the rules of the primary stock exchange on which the Stock is listed.

(d) Director Awards.

(i) The maximum number of shares of Stock that may be subject to Stock Options or SARs granted to any one (1) Director during any calendar year shall be one hundred thousand (100,000).

(ii) The maximum number of shares of Stock that may be subject to Awards other than Options or SARs that are granted to any one (1) Director during any calendar year shall be one hundred thousand (100,000).

(iii) The foregoing limitations shall not apply to cash-based director fees that a Director elects to receive in the form of Stock or Stock-based units equal in value to the cash-based director fees.

Section 5 Eligibility.

Participants in the Plan will be such full or part-time Service Providers who are responsible for or contribute to the management, growth or profitability of the Company, its Affiliates and Subsidiaries and who are selected from time to time by the Committee, in its sole discretion. Notwithstanding any provision of the Plan to the contrary, an Award (other than an Incentive Stock Option) may be granted to a person, in connection with his or her hiring as an employee, prior to the date the employee first performed services for the Company, an Affiliate or a Subsidiary; *provided, however*, that any such Award shall not become exercisable or vested prior to the date the employee first performs such services as an employee.

Section 6 Stock Options.

(a) Form of Options. Any Stock Option shall be in such form as the Committee may from time to time approve. Stock Options may be either Incentive Stock Options or Non-Qualified Stock Options. To the extent that any Option does not qualify as an Incentive Stock Option, it shall constitute a Non-Qualified Stock Option. No Incentive Stock Option may be granted under the Plan after the tenth (10th) anniversary of the Effective Date. Incentive Stock Options may only be granted to employees of the Company, a Parent of the Company or a Subsidiary.

(b) Terms of Options. The Committee in its discretion may grant Stock Options to Service Providers. Stock Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable:

(i) Exercise Price. The per share exercise price of a Stock Option shall be determined by the Committee at the time of grant. The per share exercise price of a Stock Option shall not be less than one hundred percent (100%) of Fair Market Value on the date of grant. Unless specifically designated in writing by the Committee, any Stock Option shall be designed to be exempt from Section 409A of the Code. If an employee owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than ten percent (10%) of the combined voting power of all classes of stock of the Company or any Subsidiary or Parent corporation (a “**10% Stockholder**”) and an Incentive Stock Option is granted to such employee, the exercise price of such Incentive Stock Option shall not be less than one hundred ten percent (110%) of the Fair Market Value.

(ii) Option Term. The term of each Stock Option shall be fixed by the Committee, but no Stock Option shall be exercisable more than ten (10) years after the date the Option is granted. For 10% Stockholders, the term of an Incentive Stock Option shall be no more than five (5) years from the date of grant.

(iii) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Committee at or after the grant date. The Committee may at any time accelerate the exercisability of all or any portion of any Stock Option. Unless otherwise provided by the Committee and reflected in the Award agreement, if the exercisability of a Stock Option is conditioned solely on the completion of a specified period of service with the Company or its Subsidiaries, then the required period of service for full exercisability shall not be less than three (3) years (subject to accelerated vesting provisions contained in the Award agreement or the Plan); *provided, however*, that such required period of service for full exercisability shall not apply to Stock Options granted to non-employee Directors or substitute Awards granted pursuant to **Section 4** above. An optionee shall have the rights of a stockholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

(iv) Method of Exercise. Stock Options may be exercised in whole or in part, by giving written notice of exercise to the Company, specifying the number of shares to be purchased. Payment of the purchase price may be made by one (1) or more of the following methods:

(A) In cash, by certified or bank check or other instrument acceptable to the Committee or by wire transfer to an account designated by the Company;

(B) In the form of shares of Stock (by actual delivery or by attestation) that are not then subject to restrictions under any Company plan, if permitted by the Committee in its discretion. Such surrendered shares shall be valued at Fair Market Value on the exercise date;

(C) Payment through a net exercise such that, without the payment of any funds, the optionee may exercise the Option and receive the net number of shares of Stock equal in value to (y) the number of shares of Stock as to which the Option is being exercised, multiplied by (z) a fraction, the numerator of which is the Fair Market Value (on such date as is determined by the Committee) less the purchase price, and the denominator of which is such Fair Market Value;

(D) By the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the purchase price; *provided, however*, that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Committee shall prescribe as a condition of such payment procedure. Payment instruments will be received subject to collection; or

(E) Other such method as may be determined by the Committee from time to time.

The delivery of shares of Stock to be purchased pursuant to the exercise of the Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Stock Option or applicable provisions of laws (including satisfaction of applicable tax withholding requirements).

(v) Non-transferability of Options. No Incentive Stock Option shall be transferable by the optionee other than by will or by the laws of descent and distribution, and all Incentive Stock Options shall be exercisable, during the optionee's lifetime, only by the optionee. Non-Qualified Stock Options may be assigned or otherwise transferred by the participant only in the following circumstances: (A) by will or by the laws of descent and distribution; (B) by the participant to entities that are permitted to exercise rights under Awards in accordance with Form S-8, including to members of his or her immediate family, to a trust established for the exclusive benefit of solely one (1) or more members of the participant's immediate family and/or the participant, or to a partnership, limited liability company or corporation pursuant to which the only partners, members or stockholders, as the case may be, are one (1) or more members of the participant's immediate family and/or the participant; *provided, however*, that such transfers are not made for consideration to the participant; or (C) pursuant to a certified domestic relations order. Any Non-Qualified Stock Option held by a transferee will continue to be subject to the same terms and conditions that were applicable to the Option immediately prior to the transfer, except that the Option will be transferable by the transferee only by will or the laws of descent and distribution. For purposes hereof, "immediate family" means the participant's children, stepchildren, grandchildren, parents, stepparents, grandparents, spouse, siblings (including half brothers and sisters), in-laws, and relationships arising because of legal adoption.

(vi) Termination by Death. If any optionee's Termination of Service occurs by reason of death, the Stock Option may thereafter be exercised, to the extent exercisable at the date of death, by the legal representative or legatee of the optionee, for a period of six (6) months (or such longer period as the Committee shall specify at any time) from the date of death, or until the expiration of the stated term of the Option, if earlier.

(vii) Termination by Reason of Disability.

(A) Any Stock Option held by an optionee who incurs a Termination of Service by reason of Disability may thereafter be exercised, to the extent it was exercisable at the time of such termination, for a period of twelve (12) months (or such longer period as the Committee shall specify at any time) from such Termination of Service, or until the expiration of the stated term of the Option, if earlier.

(B) The Committee shall have sole authority and discretion to determine whether a participant's Termination of Service is by reason of Disability.

(C) Except as otherwise provided by the Committee at the time of grant or otherwise, the death of an optionee during a period provided in this **Section 6(vii)** for the exercise of a Non-Qualified Stock Option, shall extend such period for six (6) months from the date of death, subject to termination on the expiration of the stated term of the Option, if earlier.

(viii) Termination for Cause. If any optionee's Termination of Service is for Cause, any Stock Option held by such optionee shall immediately terminate and be of no further force and effect; *provided, however*, that the Committee may, in its sole discretion, provide that such Stock Option can be exercised for a period of up to thirty (30) days from the Termination of Service or until the expiration of the stated term of the Option, if earlier.

(ix) Other Termination. Unless otherwise determined by the Committee, if an optionee's Termination of Service is for any reason other than death, Disability, or for Cause, any Stock Option held by such optionee may thereafter be exercised, to the extent it was exercisable as of the Termination of Service, for three (3) months (or such longer period as the Committee shall specify at any time) from the Termination of Service or until the expiration of the stated term of the Option, if earlier.

(x) Annual Limit on Incentive Stock Options. To the extent required for “incentive stock option” treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the Stock with respect to which Incentive Stock Options granted under the Plan and any other plan of the Company or its Subsidiaries become exercisable for the first time by an optionee during any calendar year shall not exceed one hundred thousand dollars (\$100,000).

(xi) Form of Settlement. Shares of Stock issued upon exercise of a Stock Option shall be free of all restrictions under the Plan, except as otherwise provided in the Plan or the applicable Stock Option Award agreement.

Section 7 Restricted Stock Awards and Restricted Stock Unit Awards.

(a) Nature of Awards. The Committee may grant Restricted Stock Awards or Restricted Stock Unit Awards to Service Providers.

(i) Restricted Stock Award. A Restricted Stock Award is an Award entitling the recipient to acquire, at no cost or for a purchase price determined by the Committee, shares of Stock subject to such restrictions and conditions as the Committee may determine at the time of grant (“**Restricted Stock**”). Conditions may be based on continuing service and/or achievement of pre-established performance goals and objectives. In addition, a Restricted Stock Award may be granted to a Service Provider by the Committee in lieu of any compensation due to such Service Provider.

(ii) Restricted Stock Unit Award. A Restricted Stock Unit Award is an Award evidencing the right of the recipient to receive an equivalent number of shares of Stock on a specific date or upon the attainment of pre-established performance goals, objectives and other conditions as specified by the Committee, with the units being subject to such restrictions and conditions as the Committee may determine at the time of grant (“**Restricted Stock Units**”). Conditions may be based on continuing service and/or achievement of pre-established performance goals and objectives. In addition, a Restricted Stock Unit Award may be granted to a Service Provider by the Committee in lieu of any compensation due to such Service Provider.

(b) Acceptance of Award. A participant who is granted a Restricted Stock Award or a Restricted Stock Unit Award shall have no rights with respect to such Award unless the participant shall have accepted the Award within sixty (60) days (or such shorter date as the Committee may specify) following the grant date by making payment to the Company, if required, by certified or bank check or other instrument or form of payment acceptable to the Committee in an amount equal to the specified purchase price, if any, of the shares covered by the Award and by executing and delivering to the Company a written instrument that sets forth the terms and conditions of the Restricted Stock or the Restricted Stock Units in such form as the Committee shall determine.

(c) Rights as a Stockholder. Upon complying with **Section 7(b)** above:

(i) With respect to Restricted Stock, a participant shall have all the rights of a stockholder including voting and dividend rights, subject to transferability restrictions and forfeiture provisions described in this **Section 7** and subject to such other conditions contained in the written instrument evidencing the Restricted Stock Award. Unless the Committee shall otherwise determine, if certificates are issued to evidence shares of Restricted Stock, such certificates shall remain in the possession of the Company until such shares are vested as provided in **Section 7(e)(i)** below; and

(ii) With respect to Restricted Stock Units, a participant shall have no voting rights or dividend rights prior to the time shares of Stock are received in settlement of such Restricted Stock Units. Notwithstanding the foregoing, unless otherwise provided by the Committee and reflected in the Award agreement, in lieu of actual dividend rights in connection with Restricted Stock Units, the participant shall have the right to receive additional shares of Stock or cash (the “**Dividend Equivalents**”) equal in value (calculated using the closing price on the vesting date of the Restricted Stock Units) to any cash dividends and property dividends paid with respect to the shares underlying the Restricted Stock Units that vest in accordance with their terms; *provided, however*, that no such Dividend Equivalents shall be payable to or for the benefit of the

participant with respect to record dates for cash dividends or property dividends occurring before the grant date of the Restricted Stock Units or on or after the date, if any, on which the participant has forfeited the Restricted Stock Units or the Award has been settled in shares of Stock. Dividend Equivalents shall be delivered simultaneously with the delivery of the shares underlying the vested Restricted Stock Units.

(d) Restrictions. Restricted Stock Units and shares of Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein.

(e) Vesting of Restricted Stock and Restricted Stock Units. The Committee at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Stock and the Restricted Stock Units shall lapse:

(i) Vesting of Restricted Stock. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares of Restricted Stock on which all restrictions have lapsed shall no longer be Restricted Stock and shall be deemed “vested.” Unless otherwise provided by the Committee and reflected in the Award agreement, if the vesting of a Restricted Stock Award is conditioned solely on the completion of a specified period of service with the Company or its Subsidiaries, then the required period of service for full vesting shall not be less than three (3) years (subject to accelerated vesting provisions contained in the Award agreement or the Plan); *provided, however*, that such required period of service for full vesting shall not apply to Restricted Stock granted to non-employee Directors or substitute Awards granted pursuant to **Section 4** above.

(ii) Vesting of Restricted Stock Units. Upon such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the Restricted Stock Units on which all restrictions have lapsed shall no longer be Restricted Stock Units and shall be deemed “vested,” and, unless otherwise provided by the Committee and reflected in the Award agreement, the participant shall be entitled to shares of Stock equal to the number of vested Restricted Stock Units. Unless otherwise provided by the Committee and reflected in the Award agreement, if the vesting of a Restricted Stock Unit Award is conditioned solely on the completion of a specified period of service with the Company or its Subsidiaries, then the required period of service for full vesting shall not be less than three (3) years (subject to accelerated vesting provisions contained in the Award agreement or the Plan); *provided, however*, that such required period of service for full vesting shall not apply to Restricted Stock Units granted to non-employee Directors or substitute Awards granted pursuant to **Section 4** above. Unless otherwise provided by the Committee and reflected in the Award agreement, the newly acquired shares of Stock shall be acquired by the participant free and clear of any restrictions except such imposed under applicable law, if any.

(f) Waiver, Deferral and Reinvestment of Dividends. The written instrument evidencing the Restricted Stock Award or the Restricted Stock Unit Award may require or permit the immediate payment, waiver, deferral or investment of dividends paid on the Restricted Stock or the Restricted Stock Units; *provided, however*, that any such deferral may be permitted only to the extent that such deferral would satisfy the requirements of Section 409A of the Code.

Section 8 Performance Share Awards.

(a) Nature of Performance Shares. A Performance Share Award is an Award entitling the recipient to acquire shares of Stock upon the attainment of specified performance goals. The Committee may make Performance Share Awards independent of or in connection with the granting of any other Award. Performance Share Awards may be granted to Service Providers, including those who qualify for awards under other performance plans of the Company. The Committee in its sole discretion shall determine whether and to whom Performance Share Awards shall be made, the performance goals applicable under each such Award, the periods during which performance is to be measured and all other limitations and conditions applicable to the awarded Performance Shares; *provided, however*, that the Committee may rely on the performance goals and other standards applicable to other performance-based plans of the Company in setting the standards for Performance Share Awards.

(b) Restrictions on Transfer. Performance Share Awards and all rights with respect to such Awards may not be sold, assigned, transferred, pledged or otherwise encumbered.

(c) Rights as a Stockholder. A participant receiving a Performance Share Award shall have the rights of a stockholder only as to shares actually received by the participant under the Plan and not with respect to shares subject to the Award but not actually received by the participant. A participant shall be entitled to receive shares of Stock under a Performance Share Award only upon satisfaction of all conditions specified in the written instrument evidencing the Performance Share Award (or in a performance plan adopted by the Committee).

(d) Termination. Except as may otherwise be provided by the Committee at any time prior to Termination of Service, a participant's rights in all Performance Share Awards shall automatically terminate upon the participant's Termination of Service for any reason.

(e) Acceleration, Waiver, Etc. At any time prior to the participant's Termination of Service, the Committee may in its sole discretion accelerate, waive or, subject to **Section 13** below, amend any or all of the goals, restrictions or conditions imposed under any Performance Share Award; *provided, however*, that in no event shall any provision of the Plan be construed as granting to the Committee any discretion to increase the amount of compensation payable under any Performance Share Award intended to qualify as a Performance Award under **Section 11** below to the extent such an increase would cause the amounts payable pursuant to the Performance Share Award to be nondeductible in whole or in part pursuant to Section 162(m) of the Code, and the Committee shall have no such discretion notwithstanding any provision of the Plan to the contrary.

Section 9 Stock Appreciation Rights.

(a) Notice of Stock Appreciation Rights. A Stock Appreciation Right is a right entitling the participant to receive cash or Stock having a fair market value equal to the appreciation in the Fair Market Value of a stated number of shares from the date of grant, or in the case of rights granted in tandem with or by reference to an Option granted prior to the grant of such rights, from the date of grant of the related Option to the date of exercise. SARs may be granted to Service Providers.

(b) Terms of Awards. SARs may be granted in tandem with or with reference to a related Option, in which event the participant may elect to exercise either the Option or the SAR, but not both, as to the same share subject to the Option and the SAR, or the SAR may be granted independently. In the event of an Award with a related Option, the SAR shall be subject to the terms and conditions of the related Option. In the event of an independent Award, the SAR shall be subject to the terms and conditions determined by the Committee; *provided, however*, that no SAR shall be exercisable more than ten (10) years after the date the SAR is granted. Unless otherwise provided by the Committee and reflected in the Award agreement, if the exercisability of an SAR Award is conditioned solely on the completion of a specified period of service with the Company or its Subsidiaries, then the required period of service for full exercisability shall not be less than three (3) years (subject to accelerated vesting provisions contained in the Award agreement or the Plan); *provided, however*, that such required period of service for full exercisability shall not apply to SARs granted to non-employee Directors or substitute Awards granted pursuant to **Section 4** above.

(c) Restrictions on Transfer. SARs shall not be transferred, assigned or encumbered, except that SARs may be exercised by the executor, administrator or personal representative of the deceased participant within six (6) months of the death of the participant (or such longer period as the Committee shall specify at any time) and transferred pursuant to a certified domestic relations order.

(d) Payment Upon Exercise. Upon exercise of an SAR, the participant shall be paid the excess of the then Fair Market Value of the number of shares to which the SAR relates over the Fair Market Value of such number of shares at the date of grant of the SAR, or of the related Option, as the case may be. Such excess shall be paid in cash or in Stock having a Fair Market Value equal to such excess or in such combination thereof as the Committee shall determine.

Section 10 Dividend Equivalents.

The Committee is authorized to grant Dividend Equivalents to Service Providers. The Committee may provide, at the date of grant or thereafter, that Dividend Equivalents shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional Shares, or other investment vehicles as the Committee may specify; *provided, however*, that Dividend Equivalents (other than freestanding Dividend Equivalents) shall be subject to all conditions and restrictions of the underlying Awards to which they relate unless otherwise provided by the Committee. Any grant of Dividend Equivalents made to a participant hereunder shall be permitted only to the extent that such grant would satisfy the requirements of Section 409A of the Code. To the extent that a grant of Dividend Equivalents would be deemed, under Section 409A of the Code, to reduce the exercise price of an Option or SAR below the Fair Market Value (determined as of the date of grant) of the share of Stock underlying such Award, no grant of Dividend Equivalents shall be allowed with respect to such Option or SAR. No Dividend Equivalents shall be transferable by the holder other than by will or by the laws of descent and distribution.

Section 11 Performance Awards.

If the Committee determines that an Award to be granted to a participant should qualify as Performance-Based Compensation, the grant, vesting and/or settlement of such Award shall be contingent upon achievement of pre-established performance goals and other terms set forth in this **Section 11** and such Award shall be considered a “**Performance Award**” under the Plan.

(a) Performance Goals Generally. The performance goals for Performance Awards shall consist of one (1) or more business criteria and a targeted level or levels of performance with respect to each of such criteria, as specified by the Committee consistent with this **Section 11**. Performance goals shall be objective and shall otherwise meet the requirements of Section 162(m) of the Code. The Committee may determine that such Performance Awards shall be granted, vested and/or settled upon achievement of any one (1) performance goal or that two (2) or more of the performance goals must be achieved as a condition to grant, vesting and/or settlement of such Performance Awards. Performance goals may differ for Performance Awards granted to any one (1) participant or to different participants. Any Performance Award shall be settled as soon as administratively practicable following the date on which such Award vests, but in no event later than sixty (60) days after the date on which such Performance Award vests.

(b) Business Criteria. One (1) or more of the following business criteria for the Company, on a consolidated basis, and/or for specified Affiliates, Subsidiaries or business units of the Company (except with respect to the total stockholder return and earnings per share criteria), shall be used by the Committee in establishing performance goals for such Performance Awards: (1) earnings, including funds from operations; (2) revenues; (3) cash flow; (4) cash flow return on investment; (5) return on assets; (6) return on investment; (7) return on capital; (8) return on equity; (9) economic value added; (10) operating margin; (11) net income; (12) pretax earnings; (13) pretax earnings before interest, depreciation and amortization; (14) pretax operating earnings after interest expense and before incentives, service fees and extraordinary or special items; (15) operating earnings; (16) total stockholder return; (17) market share; (18) debt load reduction; (19) expense management; (20) stock price; (21) book value; (22) overhead; (23) assets; (24) assessment of balance sheet or income statement objectives; and (25) strategic business objectives, consisting of one (1) or more objectives based on meeting specific cost targets, business expansion goals and goals relating to acquisitions or divestitures. Any of the above goals may be compared to the performance of a peer group, business plan or a published or special index deemed applicable by the Committee including, but not limited to, the Standard & Poor’s 500 Stock Index.

(c) Performance Period; Timing for Established Performance Goals. Achievement of performance goals in respect of such Performance Awards shall be measured over a performance period, as specified by the Committee. Performance goals shall be established not later than ninety (90) days after the beginning of any performance period applicable to such Performance Awards, or at such other date as may be required or permitted for Performance-Based Compensation.

(d) Settlement of Performance Awards; Other Terms. Settlement of Performance Awards shall be in cash, Stock or other property, in the discretion of the Committee. The Committee may, in its discretion, reduce the amount of a settlement otherwise to be made in connection with Performance Awards, but may not exercise discretion to increase any such amount payable to a participant in respect of a Performance Award. The Committee shall specify the circumstances in which Performance Awards shall be paid or forfeited in the event of a Termination of Service of the participant prior to the end of a performance period or settlement of Performance Awards.

(e) Written Determination. All determinations by the Committee as to the establishment of performance goals or potential individual Performance Awards and as to the achievement of performance goals relating to Performance Awards shall be made in writing in the case of any Award intended to qualify as Performance-Based Compensation.

(f) Partial Achievement. The terms of any Performance Award may provide that partial achievement of the business criteria may result in a payment or vesting based upon the degree of achievement. In addition, partial achievement of business criteria shall apply toward a participant's individual limitations as set forth in **Section 3(b)** above.

(g) Extraordinary Items. In establishing any business criteria, the Committee may provide for the exclusion of the effects of the following items, to the extent identified in the audited financial statements of the Company, including footnotes, or in the Management's Discussion and Analysis section of the Company's annual report: (i) extraordinary, unusual and/or nonrecurring items of gain or loss; (ii) gains or losses on the disposition of a business; (iii) changes in tax or accounting principles, regulations or laws; (iv) mergers or acquisitions; or (v) such other items permitted from time to time hereafter under the regulations promulgated under Section 162(m) of the Code. To the extent not specifically excluded, such effects shall be included in any applicable business criteria.

Section 12 Tax Withholding.

(a) Payment by Participant. Each participant shall, no later than the date as of which the value of an Award or of any Stock or other amounts received thereunder first becomes includible in the gross income of the participant for federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any federal, state, or local taxes of any kind required by law to be withheld with respect to such income. The Company, its Affiliates and Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the participant.

(b) Payment in Shares. A participant may elect, subject to such rules and limitations as may be established by the Committee from time to time, to have such tax withholding obligation satisfied, in whole or in part, by (i) authorizing the Company to withhold from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due (based on the minimum statutory rates) (*provided, however*, that except as otherwise specifically provided by the Committee, such shares may not be used to satisfy more than the Company's minimum statutory withholding obligation), or (ii) transferring to the Company shares of Stock owned by the participant with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due (based on the minimum statutory rates).

Section 13 Amendments and Termination.

(a) General. The Board may, as permitted by law, at any time amend or discontinue the Plan and the Committee may at any time amend or cancel any outstanding Award, but no such action shall adversely affect rights under any outstanding Award without the holder's consent and, except as set forth in **Section 3(d)** above, no amendment shall (i) materially increase the benefits accruing to participants under the Plan; (ii) materially

increase the aggregate number of securities that may be issued under the Plan, or (iii) materially modify the requirements for participation in the Plan, unless the amendment under (i), (ii) or (iii) immediately above is approved by the Company's stockholders. It is the intention of the Company that the Plan and any Awards made hereunder comply with or are exempt from the requirements of Section 409A of the Code and the Plan shall be administered and interpreted in accordance with such intent. The Company does not guarantee that the Awards, payments and benefits that may be made or provided under the Plan will satisfy all applicable provisions of Section 409A or any other Section of the Code.

(b) Deferred Compensation. If any Award would be considered Deferred Compensation, the Committee reserves the absolute right (including the right to delegate such right) to unilaterally amend the Plan or the Award agreement, without the consent of the participant, to avoid the application of, or to maintain compliance with, Section 409A of the Code. Any amendment by the Committee to the Plan or an Award agreement pursuant to this section shall maintain, to the extent practicable and permissible, the original intent of the applicable provision without violating Section 409A of the Code. A participant's acceptance of any Award constitutes acknowledgement and consent to such rights of the Committee, without further consideration or action. Any discretionary authority retained by the Committee pursuant to the terms of the Plan or pursuant to an Award agreement shall not be applicable to an Award that is determined to constitute Deferred Compensation, if such discretionary authority would contravene Section 409A of the Code.

(c) Amendment to Conform to Law. Notwithstanding any provision in the Plan or any Award agreement to the contrary, the Committee may amend the Plan or an Award agreement, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or the Award agreement to any present or future law relating to plans of this or similar nature (including, but not limited to, Section 409A of the Code). By accepting an Award, a participant shall be deemed to have agreed and consented to any amendment made pursuant to this **Section 13(c)** or **Section 13(b)** above to any Award without further consideration or action.

Section 14 Status of Plan.

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a participant, a participant shall have no rights greater than those of a general unsecured creditor of the Company unless the Committee shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Committee may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Awards hereunder, *provided* that the existence of such trusts or other arrangements is consistent with the provision of the foregoing sentence.

Section 15 Change of Control Provisions.

Upon the occurrence of a Change of Control as defined in this **Section 15**:

(a) Each Stock Option and each Stock Appreciation Right shall automatically become fully exercisable unless the Committee shall otherwise expressly provide at the time of grant.

(b) Restrictions and conditions on Awards of Restricted Stock, Restricted Stock Units, Performance Shares, Dividend Equivalents and Performance Awards shall automatically be deemed waived, and the recipients of such Awards shall become entitled to receipt of the maximum amount of Stock subject to such Awards unless the Committee shall otherwise expressly provide at the time of grant.

(c) **"Change of Control"** shall mean the occurrence of any one (1) of the following events:

(i) any "person," as such term is used in Sections 13(d) and 14(d) of the Act (other than the Company, any of its Subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Company or any of its Subsidiaries), together with all "affiliates" and

“associates” (as such terms are defined in Rule 12b-2 of the Act) of such person, becomes the “beneficial owner” (as such term is defined in Rule 13d-3 of the Act), directly or indirectly, of securities of the Company representing forty percent (40%) or more of either (A) the combined voting power of the Company’s then outstanding securities having the right to vote in an election of the Board (“**Voting Securities**”) or (B) the then outstanding shares of Stock of the Company (in either such case other than as result of acquisition of securities directly from the Company); or

(ii) persons who, as of the Effective Date, constitute the Board (the “**Incumbent Directors**”) cease for any reason, including without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board, *provided* that any person becoming a director of the Company subsequent to the Effective Date whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors shall, for purposes of the Plan, be considered an Incumbent Director; or

(iii) the consummation of: (A) any consolidation or merger of the Company or First Industrial, L.P. where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 of the Act), directly or indirectly, shares representing in the aggregate fifty percent (50%) or more of the voting stock of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (B) any sale, lease, exchange or other transfer (in one (1) transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company or (C) any plan or proposal for the liquidation or dissolution of the Company.

Notwithstanding the foregoing, a “Change of Control” shall not be deemed to have occurred for purposes of the foregoing clause (i) solely as the result of an acquisition of securities by the Company that, by reducing the number of shares of Stock or other Voting Securities outstanding, increases (x) the proportionate number of shares of Stock beneficially owned by any person to forty percent (40%) or more of the shares of Stock then outstanding or (y) the proportionate voting power represented by the Voting Securities beneficially owned by any person to forty percent (40%) or more of the combined voting power of all then outstanding Voting Securities; *provided, however*, that if any person referred to in clause (x) or (y) of this sentence shall thereafter become the beneficial owner of any additional shares of Stock or other Voting Securities (other than pursuant to a stock split, stock dividend or similar transaction), then a “Change of Control” shall be deemed to have occurred for purposes of the foregoing clause (i). In the event that any Award constitutes Deferred Compensation, and the settlement of or distribution of benefits under such Award is to be triggered by a Change of Control, then such settlement or distribution shall be subject to the event constituting the Change of Control also constituting a “change in control event” under Section 409A of the Code.

Section 16 General Provisions.

(a) **No Distribution; Compliance with Legal Requirements.** The Committee may require each person acquiring shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof. No shares of Stock shall be issued pursuant to an Award until all applicable securities laws and other legal and stock exchange requirements have been satisfied. The Company may, as it deems appropriate: (i) require the placing of such stop-orders and restrictive legends on certificates, if any, for Stock and Awards, (ii) make a notation within any electronic recordation system for ownership of shares, or (iii) utilize other reasonable means to evidence such shares have not been registered under the Securities Act of 1933.

(b) **Certificates.** To the extent that the Plan provides for the issuance of shares of Stock, the issuance may be effected on a non-certificated basis, in accordance with applicable law and the applicable rules of any stock exchange. If stock certificates are issued to evidence shares awarded under the Plan, delivery of stock certificates to participants under the Plan shall be deemed effected for all purposes when the Company or a stock transfer agent of the Company shall have delivered such certificates in the United States mail, addressed to the participant, at the participant’s last known address on file with the Company.

(c) Other Compensation Arrangements; No Employment Rights. Nothing contained in the Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, subject to stockholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of the Plan and the grant of Awards do not confer upon any Service Provider any right to continued employment or service with the Company or any Affiliate or Subsidiary.

Section 17 Clawback Policy.

Any Award, amount or benefit received under the Plan shall be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any applicable Company clawback policy, as it may be amended from time to time (the “**Policy**”) or any applicable law. A Service Provider’s receipt of an Award shall be deemed to constitute the Service Provider’s acknowledgment of and consent to the Company’s application, implementation and enforcement of (a) the Policy or any similar policy established by the Company that may apply to the Service Provider and (b) any provision of applicable law relating to cancellation, rescission, payback or recoupment of compensation, as well as the Service Provider’s express agreement that the Company may take such actions as are necessary to effectuate the Policy, any similar policy (as applicable to the Service Provider) or applicable law, without further consideration or action.

Section 18 Effective Date of Plan.

The Plan shall become effective upon approval by the stockholders of the Company and shall terminate on the tenth (10th) anniversary of the Effective Date, unless terminated earlier in accordance with **Section 13** above.

Section 19 Governing Law.

THE PLAN SHALL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS THEREOF, EXCEPT TO THE EXTENT SUCH LAWS ARE PREEMPTED BY FEDERAL LAWS.

APPENDIX B
2013 ANNUAL REPORT

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SELECTED FINANCIAL DATA

The following sets forth selected financial and operating data for the Company on a consolidated basis. The following selected consolidated financial data should be read in conjunction with the Consolidated 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. All consolidated financial data has been restated, as appropriate, to reflect the impact of activity classified as discontinued operations for all periods presented.

	<u>Year Ended 12/31/13</u>	<u>Year Ended 12/31/12</u>	<u>Year Ended 12/31/11</u>	<u>Year Ended 12/31/10</u>	<u>Year Ended 12/31/09</u>
	(In thousands, except per share data)				
Statement of Operations Data:					
Total Revenues	\$ 328,226	\$ 314,325	\$ 302,668	\$ 306,606	\$ 369,229
Income (Loss) from Continuing Operations . . .	4,941	(22,459)	(33,631)	(161,520)	(22,807)
Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	(8,213)	(37,395)	(49,093)	(166,604)	(37,821)
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	<u>\$ 25,907</u>	<u>\$ (22,069)</u>	<u>\$ (27,010)</u>	<u>\$ (222,498)</u>	<u>\$ (13,783)</u>
Basic and Diluted Earnings Per Share:					
Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (0.08)</u>	<u>\$ (0.41)</u>	<u>\$ (0.61)</u>	<u>\$ (2.65)</u>	<u>\$ (0.78)</u>
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.24</u>	<u>\$ (0.24)</u>	<u>\$ (0.34)</u>	<u>\$ (3.53)</u>	<u>\$ (0.28)</u>
Distributions Per Share	<u>\$ 0.34</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Basic and Diluted Weighted Average Shares	<u>106,995</u>	<u>91,468</u>	<u>80,616</u>	<u>62,953</u>	<u>48,695</u>
Balance Sheet Data (End of Period):					
Real Estate, Before Accumulated Depreciation	\$3,119,547	\$3,121,448	\$2,992,096	\$2,618,767	\$3,319,764
Total Assets	2,597,510	2,608,842	2,666,657	2,750,054	3,204,586
Indebtedness (Inclusive of Indebtedness Held for Sale)	1,296,806	1,335,766	1,479,483	1,742,776	1,998,332
Total Equity	1,171,219	1,145,653	1,072,595	892,144	1,074,247
Cash Flow Data:					
Cash Flow From Operating Activities	\$ 125,751	\$ 136,422	\$ 87,534	\$ 83,189	\$ 142,179
Cash Flow From Investing Activities	(61,313)	(42,235)	(3,779)	(9,923)	4,777
Cash Flow From Financing Activities	(61,748)	(99,407)	(99,504)	(230,383)	32,724

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

In addition, the following discussion contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Exchange Act. We intend 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 are 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," "plan," "anticipate," "estimate," "project," "seek," "target," "potential," "focus," "may," "should" or similar expressions. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a materially adverse effect on our operations and future prospects include, but are not limited to: changes in national, international, regional and local economic conditions generally and real estate markets specifically; changes in legislation/regulation (including changes to laws governing the taxation of REITs) and actions of regulatory authorities (including the IRS); our ability to qualify and maintain our status as a REIT; the availability and attractiveness of financing (including both public and private capital) to us and to our potential counterparties; the availability and attractiveness of terms of additional debt repurchases; interest rates; our credit agency ratings; our ability to comply with applicable financial covenants; competition; changes in supply and demand for industrial properties (including land, the supply and demand for which is inherently more volatile than other types of industrial property) in the Company's current and proposed market areas; difficulties in consummating acquisitions and dispositions; risks related to our investments in properties through joint ventures; environmental liabilities; slippages in development or lease-up schedules; tenant creditworthiness; higher-than-expected costs; changes in asset valuations and related impairment charges; changes in general accounting principles, policies and guidelines applicable to REITs; international business risks and those additional factors described in Item 1A, "Risk Factors" and in our other filings with the SEC. We caution you not to place undue reliance on forward looking statements, which reflect our analysis only and speak only as of the date of this report or the dates indicated in the statements. We assume no obligation to update or supplement forward-looking statements.

The Company was organized in the state of Maryland on August 10, 1993. We are a REIT, as defined in the Code. We began operations on July 1, 1994. Our interests in our properties and land parcels are held through partnerships, corporations, and limited liability companies controlled, directly or indirectly, by us, including the Operating Partnership, of which we are the sole general partner, and through our taxable REIT subsidiaries. The Company also owns a preferred partnership interest in the Operating Partnership represented by preferred units with an aggregate liquidation priority of \$75.0 million at December 31, 2013. We also conduct operations through other partnerships and limited liability companies, the operating data of which, together with that of the Operating Partnership and the taxable REIT subsidiaries, is consolidated with that of the Company, as presented herein.

We also own noncontrolling equity interests in, and provide various services to, two joint ventures (the 2003 Net Lease Joint Venture and the 2007 Europe Joint Venture). The Joint Ventures are accounted for under the equity method of accounting. Accordingly, the operating data of our Joint Ventures is not consolidated with that of the Company as presented herein. See Note 5 to the Consolidated Financial Statements for more information on the Joint Ventures.

We believe our financial condition and results of operations are, primarily, a function of our performance in four key areas: leasing of industrial properties, acquisition and development of additional industrial properties, disposition of industrial properties and access to external capital.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We generate revenue primarily from rental income and tenant recoveries from long-term (generally three to six years) operating leases of our industrial properties. Such revenue is offset by certain property specific operating expenses, such as real estate taxes, repairs and maintenance, property management, utilities and insurance expenses, along with certain other costs and expenses, such as depreciation and amortization costs and general and administrative and interest expenses. Our revenue growth is dependent, in part, on our ability to (i) increase rental income, through increasing either or both occupancy rates and rental rates at our properties, (ii) maximize tenant recoveries and (iii) minimize operating and certain other expenses. Revenues generated from rental income and tenant recoveries are a significant source of funds, in addition to income generated from gains/losses on the sale of our properties (as discussed below), for our liquidity. The leasing of property, in general, and occupancy rates, rental rates, operating expenses and certain non-operating expenses, in particular, are impacted, variously, by property specific, market specific, general economic and other conditions, many of which are beyond our control. The leasing of property also entails various risks, including the risk of tenant default. If we were unable to maintain or increase occupancy rates and rental rates at our properties or to maintain tenant recoveries and operating and certain other expenses consistent with historical levels and proportions, our revenue would decline. Further, if a significant number of our tenants were unable to pay rent (including tenant recoveries) or if we were unable to rent our properties on favorable terms, our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock would be adversely affected.

Our revenue growth is also dependent, in part, on our ability to acquire existing, and acquire and develop new, additional industrial properties on favorable terms. The Company seeks to identify opportunities to acquire existing industrial properties on favorable terms, and, when conditions permit, also seeks to identify opportunities to acquire and develop new industrial properties on favorable terms. Existing properties, as they are acquired, and acquired and developed properties, as they are leased, generate revenue from rental income, tenant recoveries and fees, income from which, as discussed above, is a source of funds for our distributions. The acquisition and development of properties is impacted, variously, by property specific, market specific, general economic and other conditions, many of which are beyond our control. The acquisition and development of properties also entails various risks, including the risk that our investments may not perform as expected. For example, acquired existing and acquired and developed new properties may not sustain and/or achieve anticipated occupancy and rental rate levels. With respect to acquired and developed new properties, we may not be able to complete construction on schedule or within budget, resulting in increased debt service expense and construction costs and delays in leasing the properties. Also, we face significant competition for attractive acquisition and development opportunities from other well-capitalized real estate investors, including publicly-traded REITs and private investors. Further, as discussed below, we may not be able to finance the acquisition and development opportunities we identify. If we were unable to acquire and develop sufficient additional properties on favorable terms, or if such investments did not perform as expected, our revenue growth would be limited and our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock would be adversely affected.

We also generate income from the sale of our properties (including existing buildings, buildings which we have developed or re-developed on a merchant basis and land). The gain/loss on, and fees from, the sale of such properties are included in our income and can be a significant source of funds, in addition to revenues generated from rental income and tenant recoveries. Proceeds from sales are being used to repay outstanding debt and, market conditions permitting, may be used to fund the acquisition of existing, and the acquisition and development of new, industrial properties. The sale of properties is impacted, variously, by property specific, market specific, general economic and other conditions, many of which are beyond our control. The sale of properties also entails various risks, including competition from other sellers and the availability of attractive financing for potential buyers of our properties. Further, our ability to sell properties is limited by safe harbor rules applying to REITs under the Code which relate to the number of properties that may be disposed of in a

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

year, their tax bases and the cost of improvements made to the properties, along with other tests which enable a REIT to avoid punitive taxation on the sale of assets. If we are unable to sell properties on favorable terms, our income growth would be limited and our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock could be adversely affected.

We utilize a portion of the net sales proceeds from property sales, borrowings under our Unsecured Credit Facility, and proceeds from the issuance, when and as warranted, of additional debt and equity securities to refinance debt and finance future acquisitions and developments. Access to external capital on favorable terms plays a key role in our financial condition and results of operations, as it impacts our cost of capital and our ability and cost to refinance existing indebtedness as it matures and to fund acquisitions and developments or through the issuance, when and as warranted, of additional equity securities. Our ability to access external capital on favorable terms is dependent on various factors, including general market conditions, interest rates, credit ratings on our preferred stock and debt, the market's perception of our growth potential, our current and potential future earnings and cash distributions and the market price of our capital stock. If we were unable to access external capital on favorable terms, our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock could be adversely affected.

CRITICAL ACCOUNTING POLICIES

Our significant accounting policies are described in more detail in Note 3 to the Consolidated Financial Statements. We believe the following critical accounting policies relate to the more significant judgments and estimates used in the preparation of our consolidated financial statements.

- *Accounts Receivable:* We are subject to tenant defaults and bankruptcies that could affect the collection of rent due under our outstanding accounts receivable, include straight-line rent. In order to mitigate these risks, we perform credit reviews and analyses on our major existing tenants and all prospective tenants meeting certain financial thresholds before leases are executed. We maintain an allowance for doubtful accounts which is an estimate that is based on our assessment of various factors including the accounts receivable aging, customer credit-worthiness and historical bad debts.
- *Notes Receivable:* Notes receivable are included in prepaid expenses and other assets, net and are loans that are generally collateralized by real estate. Notes receivable are considered past due when a contractual payment is not remitted in accordance with the terms of the note agreement. We evaluate the collectability of each note receivable on an individual basis based on various factors which may include payment history, expected fair value of the collateral on the loan and internal and external credit information. A loan is considered to be impaired when, based upon current information and events, it is probable that we will be unable to collect all amounts due according to the existing contractual terms. When a loan is considered impaired, the amount of the loss accrual is calculated by comparing the carrying amount of the note receivable to the present value of expected future cash flows. Since the majority of our notes receivable are collateralized by a first mortgage, the loans have risk characteristics similar to the risks in owning commercial real estate. Interest income on performing loans is accrued as earned. A loan is placed on non-accrual status when, based upon current information and events, it is probable that we will not be able to collect all amounts due according to the existing contractual terms. Recognition of interest income on non-performing loans on an accrual basis is resumed when it is probable that we will be able to collect amounts due according to the contractual terms.
- *Investment in Real Estate:* We are engaged in the acquisition of individual properties as well as multi-property portfolios. We are required to allocate purchase price between land, building, tenant improvements, leasing commissions, in-place leases, tenant relationships and above and below market leases. Above-market and below-market lease values for acquired properties are recorded based on the

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present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) our estimate of fair market lease rents for each corresponding in-place lease. Acquired above market leases are amortized as a reduction of rental revenue over the remaining non-cancelable terms of the respective leases and acquired below market leases are amortized as an increase to rental income over the remaining initial terms plus the terms of any below market fixed rate renewal options of the respective leases. In-place lease and tenant relationship values for acquired properties are recorded based on our evaluation of the specific characteristics of each tenant's lease and our overall relationship with the respective tenant. The value allocated to in-place lease intangible assets is amortized to depreciation and amortization expense over the remaining lease term of the respective lease. The value allocated to tenant relationships is amortized to depreciation and amortization expense over the expected term of the relationship, which includes an estimate of the probability of lease renewal and its estimated term. We also must allocate purchase price on multi-property portfolios to individual properties. The allocation of purchase price is based on our assessment of various characteristics of the markets where the property is located and the expected cash flows of the property.

We review our held-for-use properties on a continuous basis for possible impairment and provide a provision if impairments are determined. We utilize the guidelines established under the Financial Accounting Standards Board's (the "FASB") guidance for accounting for the impairment of long lived assets to determine if impairment conditions exist. We review the expected undiscounted cash flows of the property to determine if there are any indications of impairment. If the expected undiscounted cash flows of a particular property are less than the net book basis of the property, we will recognize an impairment charge equal to the amount of carrying value of the property that exceeds the fair value of the property. Fair value is generally determined by discounting the future expected cash flows of the property. The preparation of the undiscounted cash flows and the calculation of fair value involve subjective assumptions such as estimated occupancy, rental rates, ultimate residual value and hold period. The discount rate used to present value the cash flows for determining fair value is also subjective.

- *Real Estate Held for Sale:* Properties are classified as held for sale when all criteria within the FASB's guidance relating to the disposal of long lived assets are met for such properties. When properties are classified as held for sale, we cease depreciating the properties and estimate the values of such properties and record them at the lower of depreciated cost or fair value, less costs to dispose. If circumstances arise that were previously considered unlikely, and, as a result, we decide not to sell a property previously classified as held for sale, we will reclassify such property as held and used. We estimate the value of such property and measure it at the lower of its carrying amount (adjusted for any depreciation and amortization expense that would have been recognized had the property been continuously classified as held and used) or fair value at the date of the subsequent decision not to sell. Fair value of operational industrial properties is generally determined either by discounting the future expected cash flows of the property, third party contract prices or quotes from local brokers. The preparation of the discounted cash flows and the calculation of fair value involve subjective assumptions such as estimated occupancy, rental rates, ultimate residual value, hold period and discount rate. Fair value of land is primarily determined by members of management who are responsible for the individual markets where the land parcels are located, quotes from local brokers or by third party contract prices. The determination of the fair value of real estate assets is also highly subjective, especially in markets where there is a lack of recent comparable transactions.
- *Accounting for Joint Ventures:* We analyze our investments in Joint Ventures to determine whether the joint ventures should be accounted for under the equity method of accounting or consolidated into our financial statements based on standards set forth under the FASB's guidance relating to the consolidation of variable interest entities. Based on the guidance set forth in these pronouncements, we do not consolidate any of our joint venture investments because either the joint venture has been determined to

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

be a variable interest entity but we are not the primary beneficiary or the joint venture has been determined not to be a variable interest entity and we lack control of the joint venture. Our assessment of whether we are the primary beneficiary of a variable interest entity involves the consideration of various factors including the form of our ownership interest, our representation on the entity's governing body, the size of our investment and future cash flows of the entity.

- *Capitalization of Costs:* We capitalize (direct and certain indirect) costs incurred in developing and expanding real estate assets as part of the investment basis. Costs incurred in making repairs and maintaining real estate assets are expensed as incurred. During the land development and construction periods, we capitalize interest costs, real estate taxes and certain general and administrative costs of the personnel performing development up to the time the property is substantially complete. The interest rate used to capitalize interest is based upon our average borrowing rate on existing debt. We also capitalize internal and external costs incurred to successfully originate a lease that result directly from, and are essential to, the acquisition of that lease. Leasing costs that meet the requirements for capitalization are presented as a component of prepaid expenses and other assets, net. The determination and calculation of certain costs requires estimates by us.
- *Deferred Tax Assets and Liabilities:* In the preparation of our consolidated financial statements, significant management judgment is required to estimate our current and deferred income tax liabilities. Our estimates are based on our interpretation of tax laws. These estimates may have an impact on the income tax expense recognized. Adjustments may be required by a change in assessment of our deferred income tax assets and liabilities, changes due to audit adjustments by federal and state tax authorities, our inability to qualify as a REIT, and changes in tax laws. Adjustments required in any given period are included within the income tax provision. In assessing the need for a valuation allowance against our deferred tax assets, we estimate future taxable income, considering the feasibility of ongoing tax planning strategies and the realizability of tax loss carryforwards. In the event we were to determine that we would not be able to realize all or a portion of our deferred tax assets in the future, we would reduce such amounts through a charge to income in the period in which that determination is made. Conversely, if we were to determine that we would be able to realize our deferred tax assets in the future in excess of the net carrying amounts, we would decrease the recorded valuation allowance through an increase to income in the period in which that determination is made.

RESULTS OF OPERATIONS

Comparison of Year Ended December 31, 2013 to Year Ended December 31, 2012

Our net income (loss) available to First Industrial Realty Trust, Inc.'s common stockholders and participating securities was \$25.9 million and \$(22.1) million for the years ended December 31, 2013 and 2012, respectively. Basic and diluted net income (loss) available to First Industrial Realty Trust, Inc.'s common stockholders was \$0.24 per share and \$(0.24) per share for the years ended December 31, 2013 and 2012, respectively.

The tables below summarize our revenues, property expenses and depreciation and other amortization by various categories for the years ended December 31, 2013 and 2012. Same store properties are properties owned prior to January 1, 2012 and held as an operating property through December 31, 2013 and developments and redevelopments that were placed in service prior to January 1, 2012 or were substantially completed for the 12 months prior to January 1, 2012. Properties which are at least 75% occupied at acquisition are placed in service. Acquisitions that are less than 75% occupied at the date of acquisition, developments and redevelopments are placed in service as they reach the earlier of a) stabilized occupancy (generally defined as 90% occupied), or b) one year subsequent to acquisition or development/redevelopment construction completion.

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Properties are moved from the same store classification to the redevelopment classification when capital expenditures for a project are estimated to exceed 25% of the undepreciated gross book value of the property. Acquired properties are properties that were acquired subsequent to December 31, 2011 and held as an operating property through December 31, 2013. Sold properties are properties that were sold subsequent to December 31, 2011. (Re)Developments and land are land parcels and developments and redevelopments that were not: a) substantially complete 12 months prior to January 1, 2012 or b) stabilized prior to January 1, 2012. Other revenues are derived from the operations of our maintenance company, fees earned from our Joint Ventures and other miscellaneous revenues. Other expenses are derived from the operations of our maintenance company and other miscellaneous regional expenses.

Our future financial condition and results of operations, including rental revenues, may be impacted by the future acquisition and sale of properties. Our future revenues and expenses may vary materially from historical rates.

For the years ended December 31, 2013 and 2012, the average occupancy rates of our same store properties were 90.1% and 88.3%, respectively.

	<u>2013</u>	<u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
			(\$ in 000's)	
REVENUES				
Same Store Properties	\$317,460	\$309,051	\$ 8,409	2.7%
Acquired Properties	2,729	1,954	775	39.7%
Sold Properties	10,892	21,618	(10,726)	(49.6)%
(Re) Developments and Land, Not Included Above	6,641	716	5,925	827.5%
Other	<u>1,459</u>	<u>2,635</u>	<u>(1,176)</u>	(44.6)%
	\$339,181	\$335,974	\$ 3,207	1.0%
Discontinued Operations	<u>(10,955)</u>	<u>(21,649)</u>	<u>10,694</u>	(49.4)%
Total Revenues	<u><u>\$328,226</u></u>	<u><u>\$314,325</u></u>	<u><u>\$ 13,901</u></u>	4.4%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Revenues from same store properties increased \$8.4 million primarily due to increases in occupancy and tenant recoveries, partially offset by a decrease in lease cancellation fees. Revenues from acquired properties increased \$0.8 million due to the two leased industrial properties acquired subsequent to December 31, 2011 totaling approximately 1.0 million square feet of GLA. Revenues from sold properties decreased \$10.7 million due to the 95 industrial properties sold subsequent to December 31, 2011 totaling approximately 7.2 million square feet of GLA. Revenues from (re)developments and land increased \$5.9 million due to an increase in occupancy. Other revenues decreased \$1.2 million primarily due to certain one-time revenue transactions during the year ended December 31, 2012, as well as a decrease in leasing fees earned from our Joint Ventures and a decrease in revenues from the operations of our maintenance company for the year ended December 31, 2013, as compared to the year ended December 31, 2012.

	<u>2013</u>	<u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
			(\$ in 000's)	
PROPERTY EXPENSES				
Same Store Properties	\$ 95,591	\$ 89,472	\$ 6,119	6.8%
Acquired Properties	1,047	420	627	149.3%
Sold Properties	4,226	8,700	(4,474)	(51.4)%
(Re) Developments and Land, Not Included Above	2,160	709	1,451	204.7%
Other	8,816	9,485	(669)	(7.1)%
	<u>\$111,840</u>	<u>\$108,786</u>	<u>\$ 3,054</u>	<u>2.8%</u>
Discontinued Operations	(4,450)	(8,879)	4,429	(49.9)%
Total Property Expenses	<u>\$107,390</u>	<u>\$ 99,907</u>	<u>\$ 7,483</u>	<u>7.5%</u>

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance and other property related expenses. Property expenses from same store properties increased \$6.1 million primarily due to an increase in real estate tax expense due to refunds received in 2012 relating to previous years and an increase in repairs and maintenance expense due to the higher snow removal costs incurred during the year ended December 31, 2013 as compared to the year ended December 31, 2012 due to the mild 2012 winter. Property expenses from acquired properties increased \$0.6 million due to properties acquired subsequent to December 31, 2011. Property expenses from sold properties decreased \$4.5 million due to properties sold subsequent to December 31, 2011. Property expenses from (re)developments and land increased \$1.5 million primarily due to an increase in real estate tax expense. Other expenses remained relatively unchanged.

General and administrative expense decreased \$2.0 million, or 7.8%, during the year ended December 31, 2013 compared to the year ended December 31, 2012 due primarily to the acceleration of expense recorded during 2012 related to restricted stock held by the Company's CEO in connection with the terms of his employment agreement that was entered into in December 2012.

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The impairment charge included in continuing operations for the year ended December 31, 2013 of \$1.0 million is primarily due to marketing a certain property for sale and our assessment of the likelihood of a potential sale transaction. The impairment reversal included in continuing operations for the year ended December 31, 2012 of \$0.2 million is primarily comprised of an impairment reversal relating to certain industrial properties that no longer qualified for held for sale classification.

	<u>2013</u>	<u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
			(\$ in 000's)	
DEPRECIATION AND OTHER AMORTIZATION				
Same Store Properties	\$106,797	\$112,435	\$(5,638)	(5.0)%
Acquired Properties	1,755	808	947	117.2%
Sold Properties	3,646	7,832	(4,186)	(53.4)%
(Re) Developments and Land, Not Included Above	1,862	357	1,505	421.6%
Corporate Furniture, Fixtures and Equipment	618	1,077	(459)	(42.6)%
	<u>\$114,678</u>	<u>\$122,509</u>	<u>\$(7,831)</u>	<u>(6.4)%</u>
Discontinued Operations	<u>(3,647)</u>	<u>(7,834)</u>	<u>4,187</u>	<u>(53.4)%</u>
Total Depreciation and Other Amortization	<u>\$111,031</u>	<u>\$114,675</u>	<u>\$(3,644)</u>	<u>(3.2)%</u>

Depreciation and other amortization for same store properties decreased \$5.6 million due to a decrease in catch-up depreciation taken for properties that were classified as held for sale in 2011 but no longer classified as held for sale during the year ended December 31, 2012, to certain intangible assets related to acquisitions of real estate becoming fully depreciated as well as certain adjustments, which should have been recorded in previous periods, recorded during the years ended December 31, 2013 and 2012 causing a decrease in depreciation and amortization expense. Depreciation and other amortization from acquired properties increased \$0.9 million due to properties acquired subsequent to December 31, 2011. Depreciation and other amortization from sold properties decreased \$4.2 million due to properties sold subsequent to December 31, 2011. Depreciation and other amortization for (re)developments and land increased \$1.5 million primarily due to an increase in substantial completion of developments. Corporate furniture, fixtures and equipment depreciation expense decreased \$0.5 million due to assets becoming fully depreciated.

Interest income decreased \$0.5 million, or 18.1%, primarily due to a decrease in the weighted average note receivable balance outstanding and a decrease in the weighted average interest rate for the year ended December 31, 2013 as compared to the year ended December 31, 2012.

Interest expense decreased \$9.9 million, or 11.9%, primarily due to a decrease in the weighted average debt balance outstanding for the year ended December 31, 2013 (\$1,338.5 million) as compared to the year ended December 31, 2012 (\$1,427.7 million), an increase in capitalized interest of \$1.6 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012 due to an increase in development activities and a decrease in the weighted average interest rate for the year ended December 31, 2013 (5.77%) as compared to the year ended December 31, 2012 (5.99%).

Amortization of deferred financing costs decreased \$0.2 million, or 6.8%, due to lower deferred financing costs due to the amendment to our credit facility in July 2013 and the write off of financing costs related to the early retirement of certain mortgage loans and the repurchase and retirement of certain senior unsecured notes.

In October 2008, we entered into an interest rate swap agreement (the "Series F Agreement") to mitigate our exposure to floating interest rates related to the coupon reset of our Series F Cumulative Redeemable Preferred

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Stock. The Series F Agreement had a notional value of \$50.0 million and fixed the 30 year Treasury constant maturity treasury rate at 5.2175%. We recorded \$0.1 million in mark-to-market net gain, inclusive of \$0.8 million in swap payments, for the year ended December 31, 2013, as compared to \$0.3 million in mark-to-market net loss, inclusive of \$1.2 million in swap payments, for the year ended December 31, 2012. The Series F Agreement matured on October 1, 2013.

For the year ended December 31, 2013, we recognized a net loss from retirement of debt of \$6.6 million due to the partial repurchase of certain series of our senior unsecured notes, the early payoff of certain mortgage loans and the write-off of certain unamortized loan fees associated with the amendment of our revolving line of credit. For the year ended December 31, 2012, we recognized a net loss from retirement of debt of \$9.7 million due to the partial repurchase of certain series of our senior unsecured notes and early payoff of certain mortgage loans.

Equity in income of joint ventures decreased \$1.4 million, or 91.3%, during the year ended December 31, 2013 as compared to the year ended December 31, 2012 primarily due to a decrease in our pro rata share of gain on sale of real estate and earn-outs on property sales from the 2003 Net Lease Joint Venture.

For the year ended December 31, 2012, we recognized \$0.8 million of gain on change in control of interests related to the acquisition of the 85% equity interest in one property from the institutional investor in the 2003 Net Lease Joint Venture. The \$0.8 million of gain represents the difference between our carrying value and fair value of our equity interest on the acquisition date.

The income tax provision (as allocated to continuing operations and gain on sale of real estate, as applicable) decreased \$5.5 million or 100.1% during the year ended December 31, 2013 compared to the year ended December 31, 2012 primarily due to a one-time IRS audit adjustment related to the 2009 liquidation of a former taxable REIT subsidiary that was recorded during the year ended December 31, 2012.

The following table summarizes certain information regarding the industrial properties included in discontinued operations for the years ended December 31, 2013 and 2012.

	<u>2013</u>	<u>2012</u>
	(\$ in 000's)	
Total Revenues	\$10,955	\$21,649
Property Expenses	(4,450)	(8,879)
Impairment of Real Estate	(1,605)	(1,438)
Depreciation and Amortization	(3,647)	(7,834)
Gain on Sale of Real Estate	<u>34,344</u>	<u>12,665</u>
Income from Discontinued Operations	<u>\$35,597</u>	<u>\$16,163</u>

Income from discontinued operations for the year ended December 31, 2013 reflects the results of operations and gain on sale of real estate relating to 67 industrial properties that were sold during the year ended December 31, 2013. The impairment loss for the year ended December 31, 2013 of \$1.6 million relates to impairment charges recorded due to the carrying values of certain properties exceeding the estimated fair values based upon third party purchase contracts for properties held for sale during 2013.

Income from discontinued operations for the year ended December 31, 2012 reflects the results of operations and gain on sale of real estate relating to 28 industrial properties that were sold during the year ended

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

December 31, 2012 and the results of operations of 67 industrial properties that were sold during the year ended December 31, 2013. The impairment loss for the year ended December 31, 2012 of \$1.4 million relates to impairment charges recorded due to carrying values of certain properties exceeding the estimated fair values based upon third party purchase contracts for properties held for sale during 2012.

The \$1.1 million and \$3.8 million gain on sale of real estate for the years ended December 31, 2013 and 2012, respectively, resulted from the sale of several land parcels that did not meet the criteria for inclusion in discontinued operations.

Comparison of Year Ended December 31, 2012 to Year Ended December 31, 2011

Our net loss available to First Industrial Realty Trust, Inc.'s common stockholders was \$22.1 million and \$27.0 million for the years ended December 31, 2012 and 2011, respectively. Basic and diluted net loss available to First Industrial Realty Trust, Inc.'s common stockholders was \$0.24 per share and \$0.34 per share for the years ended December 31, 2012 and 2011, respectively.

The tables below summarize our revenues, property expenses and depreciation and other amortization by various categories for the years ended December 31, 2012 and 2011. Same store properties are properties owned prior to January 1, 2011 and held as an operating property through December 31, 2012 and developments and redevelopments that were placed in service prior to January 1, 2011 or were substantially completed for the 12 months prior to January 1, 2011. Properties which are at least 75% occupied at acquisition are placed in service. Acquisitions that are less than 75% occupied at the date of acquisition, developments and redevelopments are placed in service as they reach the earlier of a) stabilized occupancy (generally defined as 90% occupied), or b) one year subsequent to acquisition or development/redevelopment construction completion. Properties are moved from the same store classification to the redevelopment classification when capital expenditures for a project are estimated to exceed 25% of the undepreciated gross book value of the property. Acquired properties are properties that were acquired subsequent to December 31, 2010 and held as an operating property through December 31, 2012. Sold properties are properties that were sold subsequent to December 31, 2010. (Re)Developments and land are land parcels and developments and redevelopments that were not: a) substantially complete 12 months prior to January 1, 2011 or b) stabilized prior to January 1, 2011. Other revenues are derived from the operations of our maintenance company, fees earned from our Joint Ventures and other miscellaneous revenues. Other expenses are derived from the operations of our maintenance company and other miscellaneous regional expenses.

During the period between January 1, 2011 and December 31, 2012, two industrial properties previously classified within same store, comprising approximately 0.1 million square feet, are included in the redevelopment classification as of December 31, 2012. As of December 31, 2013, redevelopment activities for both properties are complete and are classified as in-service. These properties were moved back to the same store classification in 2013.

Our future financial condition and results of operations, including rental revenues, may be impacted by the future acquisition and sale of properties. Our future revenues and expenses may vary materially from historical rates.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the years ended December 31, 2012 and 2011, the average occupancy rates of our same store properties were 87.5% and 86.3%, respectively.

	<u>2012</u>	<u>2011</u>	<u>\$ Change</u>	<u>% Change</u>
			(\$ in 000's)	
REVENUES				
Same Store Properties	\$319,845	\$313,411	\$ 6,434	2.1%
Acquired Properties	4,378	1,396	2,982	213.6%
Sold Properties	7,049	17,213	(10,164)	(59.0)%
(Re) Developments and Land, Not Included Above	1,521	673	848	126.0%
Other	<u>3,181</u>	<u>2,054</u>	<u>1,127</u>	54.9%
	\$335,974	\$334,747	\$ 1,227	0.4%
Discontinued Operations	<u>(21,649)</u>	<u>(32,079)</u>	<u>10,430</u>	(32.5)%
Total Revenues	<u>\$314,325</u>	<u>\$302,668</u>	<u>\$ 11,657</u>	3.9%

Revenues from same store properties increased \$6.4 million primarily due to an increase in average occupancy and an increase in lease cancellation fees. Revenues from acquired properties increased \$3.0 million due to the two industrial properties acquired subsequent to December 31, 2010 totaling approximately 1.1 million square feet of GLA. Revenues from sold properties decreased \$10.2 million due to the 64 industrial properties sold subsequent to December 31, 2010 totaling approximately 7.1 million square feet of GLA. Revenues from (re)developments and land increased \$0.8 million primarily due to an increase in occupancy. Other revenues increased \$1.1 million primarily due to several one-time fees and the reversal of an allowance for deferred rent receivable related to certain tenants, partially offset by a decrease in fees earned from our Joint Ventures.

	<u>2012</u>	<u>2011</u>	<u>\$ Change</u>	<u>% Change</u>
			(\$ in 000's)	
PROPERTY EXPENSES				
Same Store Properties	\$ 94,549	\$ 98,650	\$(4,101)	(4.2)%
Acquired Properties	888	261	627	240.2%
Sold Properties	2,610	6,602	(3,992)	(60.5)%
(Re) Developments and Land, Not Included Above	1,255	696	559	80.3%
Other	<u>9,484</u>	<u>8,019</u>	<u>1,465</u>	18.3%
	\$108,786	\$114,228	\$(5,442)	(4.8)%
Discontinued Operations	<u>(8,879)</u>	<u>(12,947)</u>	<u>4,068</u>	(31.4)%
Total Property Expenses	<u>\$ 99,907</u>	<u>\$101,281</u>	<u>\$(1,374)</u>	(1.4)%

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance and other property related expenses. Property expenses from same store properties decreased \$4.1 million due primarily to a decrease in real estate tax expense resulting from an increase in refunds received relating to previous tax years and a decrease in repairs and maintenance expense resulting from lower snow removal costs incurred due to the mild 2012 winter. Property expenses from acquired properties increased \$0.6 million due to properties acquired subsequent to December 31, 2010. Property expenses from sold properties decreased \$4.0 million due to properties sold subsequent to December 31, 2010. Property expenses from (re)developments and land increased by \$0.6 million due to an increase in real estate tax expense related to developments being placed in service. Other expenses increased by \$1.5 million due to an increase in incentive compensation expense.

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General and administrative expense increased \$4.5 million, or 21.6%, during the year ended December 31, 2012 compared to the year ended December 31, 2011 due primarily to the acceleration of expense recorded during 2012 related to restricted stock held by the Company's CEO in connection with the terms of his employment agreement that was entered into in December 2012. The increase was also due to an increase in incentive compensation expense and an increase in franchise tax expense due to the reversal of a state franchise tax reserve relating to the 1996-2001 tax years during the year ended December 31, 2011.

We committed to a plan to reduce organizational and overhead costs in October 2008 and have subsequently modified that plan with the goal of further reducing these costs. For the year ended December 31, 2011, we incurred \$1.6 million in restructuring charges to provide for costs associated with the termination of a certain office lease (\$1.2 million) and other costs (\$0.4 million) associated with implementing our restructuring plan.

The impairment reversal included in continuing operations for the years ended December 31, 2012 and 2011 of \$0.2 million and \$8.9 million, respectively, is primarily comprised of a impairment reversal relating to certain industrial properties that no longer qualified for held for sale classification and land parcels that were either sold or no longer qualified for held for sale classification.

	<u>2012</u>	<u>2011</u>	<u>\$ Change</u>	<u>% Change</u>
			(\$ in 000's)	
DEPRECIATION AND OTHER AMORTIZATION				
Same Store Properties	\$116,719	\$116,949	\$ (230)	(0.2)%
Acquired Properties	2,625	1,219	1,406	115.3%
Sold Properties	1,248	3,482	(2,234)	(64.2)%
(Re) Developments and Land, Not Included Above	840	673	167	24.8%
Corporate Furniture, Fixtures and Equipment	<u>1,077</u>	<u>1,426</u>	<u>(349)</u>	<u>(24.5)%</u>
	\$122,509	\$123,749	\$(1,240)	(1.0)%
Discontinued Operations	<u>(7,834)</u>	<u>(8,505)</u>	<u>671</u>	<u>(7.9)%</u>
Total Depreciation and Other Amortization	<u><u>\$114,675</u></u>	<u><u>\$115,244</u></u>	<u><u>\$ (569)</u></u>	<u><u>(0.5)%</u></u>

Depreciation and other amortization for same store properties decreased \$0.2 million primarily due to the accelerated depreciation and amortization taken during the year ended December 31, 2011 attributable to certain tenants who terminated their lease early, offset by an increase due to depreciation taken for properties that were classified as held for sale in 2011 but are no longer classified as held for sale in 2012. Depreciation and other amortization from acquired properties increased \$1.4 million due to properties acquired subsequent to December 31, 2010. Depreciation and other amortization from sold properties decreased \$2.2 million due to properties sold subsequent to December 31, 2010. Depreciation and other amortization for (re)developments and land and other increased \$0.2 million due to an increase in substantial completion of developments. Corporate furniture, fixtures and equipment depreciation expense decreased \$0.3 million due to assets becoming fully depreciated.

Interest income decreased \$1.0 million, or 26.7%, primarily due to a decrease in the weighted average interest rate for notes receivable for the year ended December 31, 2012 as compared to the year ended December 31, 2011.

Interest expense, inclusive of interest expense included in discontinued operations, decreased \$16.7 million, or 16.7%, primarily due to a decrease in the weighted average debt balance outstanding for the year ended December 31, 2012 (\$1,427.7 million) as compared to the year ended December 31, 2011 (\$1,594.3 million), an

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increase in capitalized interest of \$1.6 million for the year ended December 31, 2012 as compared to the year ended December 31, 2011 due to an increase in development activities and a decrease in the weighted average interest rate for the year ended December 31, 2012 (5.99%) as compared to the year ended December 31, 2011 (6.31%).

Amortization of deferred financing costs decreased \$0.5 million, or 12.7%, due primarily to lower deferred financing costs due to the write-off of financing costs related to the repurchase and retirement of certain of our senior unsecured notes, the replacement of our previous credit facility with the Old Credit Facility in December 2011 and the early retirement of certain mortgage loans, partially offset by the costs associated with the origination of mortgage financings during 2012 and 2011.

We recorded \$0.3 million in mark-to-market net loss, inclusive of \$1.2 million in swap payments, for the year ended December 31, 2012, as compared to \$1.7 million in mark-to-market loss, inclusive of \$0.6 million in swap payments, for the year ended December 31, 2011.

For the year ended December 31, 2012, we recognized a net loss from retirement of debt of \$9.7 million due to the partial repurchase of a certain series of our senior unsecured notes and early payoff of certain mortgage loans. For the year ended December 31, 2011, we recognized a net loss from retirement of debt of \$5.5 million due primarily to the early payoff of certain mortgage loans, the partial repurchase of certain series of our senior unsecured notes, the write-off of a portion of unamortized fees associated with the previous unsecured credit facility and a loss on a transfer of a property to a lender in satisfaction of a mortgage loan.

Foreign currency exchange loss of \$0.3 million for the year ended December 31, 2011 relates to the substantial liquidation of operations in Canada.

Equity in income of joint ventures increased \$0.6 million, or 59.1%, during the year ended December 31, 2012 as compared to the year ended December 31, 2011 primarily due to an increase in our pro rata share of gain on sale of real estate from the 2003 Net Lease Joint Venture.

For the years ended December 31, 2012 and 2011, gain on change in control of interests relates to the acquisition of the 85% equity interest in one property in each of those periods from the institutional investor in the 2003 Net Lease Joint Venture. For the years ended December 31, 2012 and 2011, we recognized \$0.8 million gain and \$0.7 million gain, respectively, which is the difference between our carrying value and fair value of our equity interest in each of the properties on the respective acquisition date.

Income tax provision (as allocated to continuing operations, discontinued operations and gain on sale of real estate, as applicable) increased \$3.4 million, or 157.1%, during the year ended December 31, 2012 compared to the year ended December 31, 2011 due primarily to a one-time IRS audit adjustment on the 2009 liquidation of a former taxable REIT subsidiary, partially offset by a decrease in taxes related to the gain on sale of real estate in the new taxable REIT subsidiaries for the year ended December 31, 2012 as compared to the year ended December 31, 2011.

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The following table summarizes certain information regarding the industrial properties included in discontinued operations for the years ended December 31, 2012 and 2011.

	<u>2012</u>	<u>2011</u>
	(\$ in 000's)	
Total Revenues	\$21,649	\$ 32,079
Property Expenses	(8,879)	(12,947)
Impairment of Real Estate	(1,438)	(6,214)
Depreciation and Amortization	(7,834)	(8,505)
Interest Expense	—	(63)
Gain on Sale of Real Estate	12,665	20,419
Provision for Income Taxes	<u>—</u>	<u>(1,246)</u>
Income from Discontinued Operations	<u>\$16,163</u>	<u>\$ 23,523</u>

Income from discontinued operations for the year ended December 31, 2012 reflects the results of operations and gain on sale of real estate relating to 28 industrial properties that were sold during the year ended December 31, 2012 and the results of operations of 67 industrial properties that were sold during the year ended December 31, 2013. The impairment loss for the year ended December 31, 2012 of \$1.4 million relates to impairment charges recorded due to carrying values of certain properties exceeding the estimated fair values based upon third party purchase contracts for properties held for sale during 2012.

Income from discontinued operations for the year ended December 31, 2011 reflects the results of operations and gain on sale of real estate relating to 36 industrial properties that were sold during the year ended December 31, 2011, the results of operations of 67 industrial properties that were sold during the year ended December 31, 2013 and the results of operations of 28 industrial properties that were sold during the year ended December 31, 2012. The impairment loss for the year ended December 31, 2011 of \$6.2 million relates to impairment charges recorded due to carrying values of certain properties exceeding the estimated fair values based upon third party purchase contracts for properties held for sale during 2011.

The \$3.8 million and \$1.4 million gain on sale of real estate for the years ended December 31, 2012 and 2011, respectively, resulted from the sale of one land parcel in each respective year that did not meet the criteria for inclusion in discontinued operations.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2013, our cash and cash equivalents were approximately \$7.6 million. We also had \$452.0 million available for additional borrowings under our Unsecured Credit Facility.

We have considered our short-term (through December 31, 2014) liquidity needs and the adequacy of our estimated cash flow from operations and other expected liquidity sources to meet these needs. Our 2014 Notes, in the aggregate principal amount of \$81.8 million, are due June 2, 2014. Also, we have \$44.5 million in mortgage loans payable outstanding at December 31, 2013 that mature prior to December 31, 2014 or we anticipate prepaying during 2014. Additionally, as discussed in Subsequent Events, during the first quarter of 2014 we are redeeming all outstanding shares of the Series F Flexible Cumulative Redeemable Preferred Stock and Series G Flexible Cumulative Redeemable Preferred Stock, for an aggregate payment of \$75.0 million plus all accumulated and unpaid distributions. We expect to satisfy these payment obligations prior to December 31, 2014 with borrowings under our Unsecured Credit Facility and the \$200.0 million unsecured term loan that we

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entered into during January 2014 (see Subsequent Events). With the exception of these payment obligations, we believe that our principal short-term liquidity needs are to fund normal recurring expenses, property acquisitions, developments, renovations, expansions and other nonrecurring capital improvements, debt service requirements, preferred dividends, the minimum distributions required to maintain our REIT qualification under the Code and distributions approved by our Board of Directors. We anticipate that these needs will be met with cash flows provided by operating activities as well as the disposition of select assets. These needs may also be met by the issuance of additional equity securities or long-term unsecured indebtedness, subject to market conditions and contractual restrictions or borrowings under our Unsecured Credit Facility.

We expect to meet long-term (after December 31, 2014) liquidity requirements such as property acquisitions, developments, scheduled debt maturities, major renovations, expansions and other nonrecurring capital improvements through the disposition of select assets, long-term unsecured and secured indebtedness and the issuance of additional equity securities, subject to market conditions.

We also financed the development and acquisition of additional properties through borrowings under our Unsecured Credit Facility and may finance the development or acquisition of additional properties through such borrowings, to the extent capacity is available, in the future. At December 31, 2013, borrowings under our Unsecured Credit Facility bore interest at a weighted average interest rate of 1.666%. As of February 27, 2014, we had approximately \$604.0 million available for additional borrowings under our Unsecured Credit Facility. Our Unsecured Credit Facility contains certain financial covenants including limitations on incurrence of debt and debt service coverage. Our access to borrowings may be limited if we fail to meet any of these covenants. We believe that we were in compliance with our financial covenants as of December 31, 2013, and we anticipate that we will be able to operate in compliance with our financial covenants in 2014.

Our senior unsecured notes have been assigned credit ratings from Standard & Poor's, Moody's and Fitch Ratings of BBB-/Ba2/BB+, respectively. In the event of a downgrade, we believe we would continue to have access to sufficient capital; however, our cost of borrowing would increase and our ability to access certain financial markets may be limited.

Year Ended December 31, 2013

Net cash provided by operating activities of approximately \$125.8 million for the year ended December 31, 2013, was comprised primarily of the non-cash adjustments of approximately \$98.3 million and net income of approximately \$41.4 million, offset by the net change in operating assets and liabilities of approximately \$8.9 million and payments of premiums, discounts and prepayment penalties associated with retirement of debt of approximately \$5.0 million. The adjustments for the non-cash items of approximately \$98.3 million are primarily comprised of depreciation and amortization of approximately \$128.2 million, the loss from retirement of debt of approximately \$6.6 million, the impairment of real estate of approximately \$2.7 million and the provision for bad debt of approximately \$0.7 million, offset by the gain on sale of real estate of approximately \$35.4 million and the effect of the straight-lining of rental income of approximately \$4.5 million.

Net cash used in investing activities of approximately \$61.3 million for the year ended December 31, 2013, was comprised primarily of the acquisition of two industrial properties and several land parcels, the development of real estate, capital expenditures related to the improvement of existing real estate and payments related to leasing activities offset by the net proceeds from the sale of real estate, repayments on our notes receivable, a decrease in escrows and contributions to, and investments in, our Joint Ventures.

During the year ended December 31, 2013, we acquired two industrial properties comprising approximately 1.1 million square feet of GLA and several land parcels. The purchase price of these acquisitions totaled approximately \$73.6 million, including costs incurred in conjunction with the acquisition of the industrial properties and land parcels.

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During the year ended December 31, 2013, we sold 67 industrial properties comprising approximately 3.0 million square feet of GLA and several land parcels. Proceeds from the sales of the 67 industrial properties and several land parcels, net of closing costs, were approximately \$126.3 million. We are in various stages of discussions with third parties for the sale of additional properties and plan to continue to selectively market other properties for sale in 2014.

Net cash used in financing activities of approximately \$61.7 million for the year ended December 31, 2013, was comprised primarily of the redemption of our Series J Preferred Stock and Series K Preferred Stock, repayments on our senior unsecured notes and mortgage loans payable, common stock/unit and preferred stock dividends, payments of debt and equity issuance costs, the repurchase and retirement of restricted stock and payments on the interest rate swap agreement, offset by net proceeds from the issuance of common stock and net proceeds from our Unsecured Credit Facility.

During the year ended December 31, 2013, we paid off and retired prior to maturity mortgage loans in the amount of \$72.3 million and we repurchased \$29.8 million of our unsecured notes at an aggregate purchase price of \$33.5 million. We may from time to time repay additional amounts of our outstanding debt. Any repayments would depend upon prevailing market conditions, our liquidity requirements, contractual restrictions and other factors we consider important. Future repayments may materially impact our liquidity, taxable income and results of operations.

During the year ended December 31, 2013, we redeemed the remaining 4,000,000 Depositary Shares of the Series J Preferred Stock for \$25.00 per Depositary Share, or \$100.0 million in the aggregate, and paid a prorated second quarter dividend of \$0.055382 per Depositary Share, totaling approximately \$0.2 million. Additionally, during the year ended December 31, 2013, we redeemed all of the 2,000,000 outstanding Depositary Shares of the Series K Preferred Stock for \$25.00 per Depositary Share, or \$50.0 million in the aggregate, and paid a prorated third quarter dividend of \$0.090625 per Depositary Share, totaling approximately \$0.2 million.

During the year ended December 31, 2013, we issued 8,400,000 shares of the Company's common stock through a public offering, resulting in proceeds, net of the underwriter's discount, of approximately \$132.3 million. Additionally, during the year ended December 31, 2013, we issued 2,315,704 shares of the Company's common stock through the 2012 ATM, resulting in net proceeds of approximately \$41.7 million.

Contractual Obligations and Commitments

The following table lists our contractual obligations and commitments as of December 31, 2013:

	Total	Payments Due by Period (In thousands)			
		Less Than 1 Year	1-3 Years	3-5 Years	Over 5 Years
Operating and Ground Leases(1)(2)	\$ 33,076	\$ 1,824	\$ 3,333	\$ 2,802	\$ 25,117
Real Estate Development Costs(1)(3)	23,900	23,900	—	—	—
Long Term Debt	1,297,671	113,321	310,380	510,064	363,906
Interest Expense on Long Term Debt(1)(4)	293,982	62,885	100,589	60,936	69,572
Total	<u>\$1,648,629</u>	<u>\$201,930</u>	<u>\$414,302</u>	<u>\$573,802</u>	<u>\$458,595</u>

(1) Not on balance sheet.

(2) Operating lease minimum rental payments have not been reduced by minimum sublease rentals of \$6.8 million due in the future under non-cancelable subleases.

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- (3) Represents estimated remaining costs on the completion of development projects.
- (4) Does not include interest expense on our Unsecured Credit Facility.

Off-Balance Sheet Arrangements

At December 31, 2013, we had a letter of credit and several performance bonds outstanding, amounting to \$8.1 million in the aggregate. The letter of credit and performance bonds are not reflected as liabilities on our balance sheet. We have no other off-balance sheet arrangements, as defined in Item 303 of Regulation S-K, other than those disclosed on the Contractual Obligations and Commitments table above, that have or are reasonably likely to have a current or future effect on our financial condition, results of operation or liquidity and capital resources.

Environmental

We paid approximately \$0.6 million and \$0.4 million in 2013 and 2012, respectively, related to environmental expenditures. We estimate 2014 expenditures of approximately \$0.8 million. We estimate that the aggregate expenditures which need to be expended in 2014 and beyond with regard to currently identified environmental issues will not exceed approximately \$2.3 million.

Inflation

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

Market Risk

The following discussion about our risk-management activities includes “forward-looking statements” that involve risk and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. Our business subjects us to market risk from interest rates, and to a much lesser extent, foreign currency fluctuations.

Interest Rate Risk

This analysis presents the hypothetical gain or loss in earnings, cash flows or fair value of the financial instruments and derivative instruments which are held by us at December 31, 2013 that are sensitive to changes in the interest rates. While this analysis may have some use as a benchmark, it should not be viewed as a forecast.

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

At December 31, 2013, \$1,123.8 million (86.7% of total debt at December 31, 2013) of our debt was fixed rate debt and \$173.0 million (13.3% of total debt at December 31, 2013) of our debt was variable rate debt. At December 31, 2012, \$1,237.8 million (92.7% of total debt at December 31, 2012) of our debt was fixed rate debt and \$98.0 million (7.3% of total debt at December 31, 2012) of our debt was variable rate debt. Currently, we do not enter into financial instruments for trading or other speculative purposes.

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For fixed rate debt, changes in interest rates generally affect the fair value of the debt, but not our earnings or cash flows. Conversely, for variable rate debt, changes in the base interest rate used to calculate the all-in interest rate generally do not impact the fair value of the debt, but would affect our future earnings and cash flows. The interest rate risk and changes in fair market value of fixed rate debt generally do not have a significant impact on us until we are required to refinance such debt. See Note 6 to the Consolidated Financial Statements for a discussion of the maturity dates of our various fixed rate debt.

Based upon the amount of variable rate debt outstanding at December 31, 2013 and 2012, a 10% increase or decrease in the interest rate on our variable rate debt would decrease or increase, respectively, future net income and cash flows by approximately \$0.3 million and \$0.2 million per year, respectively. The foregoing calculation assumes an instantaneous increase or decrease in the rates applicable to the amount of borrowings outstanding under our Unsecured Credit Facility at December 31, 2013. Changes in LIBOR could result in a greater than 10% increase to such rates. In addition, the calculation does not account for other possible actions, such as prepayment, that we might take in response to any rate increase. A 10% increase in interest rates would decrease the fair value of the fixed rate debt at December 31, 2013 and 2012 by approximately \$20.2 million to \$1,147.5 million and by approximately \$25.0 million to \$1,306.8 million, respectively. A 10% decrease in interest rates would increase the fair value of the fixed rate debt at December 31, 2013 and 2012 by approximately \$21.0 million to \$1,188.7 million and by approximately \$25.9 million to \$1,357.8 million, respectively.

The use of derivative financial instruments allows us to manage risks of increases in interest rates with respect to the effect these fluctuations would have on our earnings and cash flows. There were no derivatives outstanding as of December 31, 2013 (see Subsequent Events).

Foreign Currency Exchange Rate Risk

Owning industrial property outside of the United States exposes us to the possibility of volatile movements in foreign exchange rates. Changes in foreign currencies can affect the operating results of international operations reported in U.S. dollars and the value of the foreign assets reported in U.S. dollars. The economic impact of foreign exchange rate movements is complex because such changes are often linked to variability in real growth, inflation, interest rates, governmental actions and other factors. At December 31, 2013, we owned one land parcel for which the U.S. dollar was not the functional currency. The land parcel is located in Ontario, Canada and uses the Canadian dollar as its functional currency.

IRS Tax Refund

On August 24, 2009, we received a private letter ruling from the IRS granting favorable loss treatment under Sections 331 and 336 of the Code on the tax liquidation of one of our former taxable REIT subsidiaries. On November 6, 2009, legislation was signed that allowed businesses with net operating losses for 2008 or 2009 to carry back those losses for up to five years. As a result, we received a refund from the IRS of \$40.4 million in the fourth quarter of 2009 (the "Refund") in connection with this tax liquidation. The IRS examination team, which is required by statute to review all refund claims in excess of \$2.0 million on behalf of the Joint Committee on Taxation, indicated to us that it disagreed with certain of the property valuations we obtained from an independent valuation expert in support of our fair value of the liquidated taxable REIT subsidiary and our claim for the Refund. During the year ended December 31, 2012, we reached an agreement with the regional office of the IRS on a proposed adjustment to the Refund. The total agreed-upon adjustment to taxable income was \$13.7 million, which equates to \$4.8 million of taxes owed. We were also required to pay accrued interest of approximately \$0.5 million. During the year ended December 31, 2012, the Company recorded the charge for the agreed-upon adjustment and the related estimated accrued interest which was reflected as a component of income tax expense. During the year ended December 31, 2013, the settlement amount was approved by the Joint Committee on Taxation and we paid the agreed upon taxes and related accrued interest.

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As a result of the Joint Committee on Taxation's approval, during 2013 we entered into closing agreements with the IRS that determined the timing of the settlement on the tax characterization of the limited partners of the Operating Partnership and the stockholders of the Company. Pursuant to these closing agreements, \$8.2 million of the preferred stock distributions for the year ended December 31, 2012 are taxable as capital gain.

Supplemental Earnings Measure

Investors in and industry analysts following the real estate industry utilize funds from operations ("FFO") and net operating income ("NOI") as supplemental operating performance measures of an equity REIT. Historical cost accounting for real estate assets in accordance with accounting principles generally accepted in the United States of America ("GAAP") implicitly assumes that the value of real estate assets diminishes predictably over time through depreciation. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors prefer to supplement operating results that use historical cost accounting with measures such as FFO and NOI, among others. We provide information related to FFO and same store NOI ("SS NOI") both because such industry analysts are interested in such information, and because our management believes FFO and SS NOI are important performance measures. FFO and SS NOI are factors used by management in measuring our performance, including for purposes of determining the compensation of our executive officers under our 2013 incentive compensation plan.

Neither FFO nor SS NOI should be considered as a substitute for net income (loss), or any other measures derived in accordance with GAAP. Neither FFO nor SS NOI represents cash generated from operating activities in accordance with GAAP and neither should be considered as an alternative to cash flow from operating activities as a measure of our liquidity, nor is either indicative of funds available for our cash needs, including our ability to make cash distributions.

Funds From Operations

The National Association of Real Estate Investment Trusts ("NAREIT") created FFO as a supplemental measure of REIT operating performance that excludes historical cost depreciation, among other items, from net income (loss) determined in accordance with GAAP. FFO is a non-GAAP financial measure. FFO is calculated by us in accordance with the definition adopted by the Board of Governors of NAREIT and therefore may not be comparable to other similarly titled measures of other companies.

Management believes that the use of FFO available to common stockholders and participating securities, combined with net income (loss) (which remains the primary measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful. Management believes that, by excluding gains or losses related to sales of previously depreciated real estate assets, real estate asset depreciation and amortization and impairment charges (reversals) recorded on depreciable real estate, investors and analysts are able to identify the operating results of the long-term assets that form the core of a REIT's activity and use these operating results for assistance in comparing these operating results between periods or to those of different companies.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table shows a reconciliation of net income (loss) available to common stockholders and participating securities to the calculation of FFO available to common stockholders and participating securities for the years ended December 31, 2013, 2012 and 2011.

	Year Ended December 31,		
	2013	2012	2011
	(In thousands)		
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	\$ 25,907	\$ (22,069)	\$ (27,010)
Adjustments:			
Depreciation and Other Amortization of Real Estate	110,413	113,598	113,818
Depreciation and Other Amortization of Real Estate Included in Discontinued Operations	3,647	7,834	8,505
Equity in Depreciation and Other Amortization of Joint Ventures	273	(20)	551
Impairment of Depreciated Real Estate	1,047	(192)	(1,755)
Impairment of Depreciated Real Estate Included in Discontinued Operations	1,605	1,438	6,214
Non-NAREIT Compliant Gain	(34,344)	(12,665)	(20,419)
Non-NAREIT Compliant Gain from Joint Ventures	(111)	(902)	(616)
Gain on Change in Control of Interests	—	(776)	(689)
Noncontrolling Interest Share of Adjustments	<u>(3,426)</u>	<u>(5,606)</u>	<u>(6,448)</u>
Funds from Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	<u>\$105,011</u>	<u>\$ 80,640</u>	<u>\$ 72,151</u>

Same Store Net Operating Income

SS NOI is a non-GAAP financial measure that provides a measure of rental operations, and does not factor in depreciation and amortization, general and administrative expense, interest expense, impairment charges, interest income, equity in income from joint ventures, income tax expense, gains and losses on retirement of debt, sale of real estate and mark-to-market of interest rate protection agreements. We define SS NOI as revenues minus property expenses such as real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, minus the NOI of properties that are not same store properties and minus the impact of straight-line rent, the amortization of lease inducements, the amortization of above/below market rent and lease termination fees. As so defined, SS NOI may not be comparable to same store net operating income or similar measures reported by other REITs that define same store properties or NOI differently. The major factors influencing SS NOI are occupancy levels, rental rate increases or decreases and tenant recoveries increases or decreases. Our success depends largely upon our ability to lease space and to recover the operating costs associated with those leases from our tenants.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table shows a reconciliation of the same store revenues and property expenses disclosed in the results of operations (and reconciled to revenues and expenses reflected on the statements of operations) to SS NOI for the years ended December 31, 2013 and 2012.

	Year Ended December 31,	
	2013	2012
	(In thousands)	
Same Store Properties - Revenues	\$317,460	\$309,051
Same Store Properties - Property Expenses	<u>95,591</u>	<u>89,472</u>
Same Store Net Operating Income Before Adjustments	\$221,869	\$219,579
Adjustments:		
Lease Inducement Amortization	1,112	1,219
Straight-line Rent	(1,863)	(2,492)
Above / Below Market Rent Amortization	(551)	(788)
Lease Termination Fees	<u>(1,004)</u>	<u>(3,804)</u>
Same Store Net Operating Income	<u>\$219,563</u>	<u>\$213,714</u>

Subsequent Events

From January 1, 2014 to February 27, 2014, we acquired one industrial property for a purchase price of approximately \$13.4 million, excluding costs incurred in conjunction with the acquisition and we sold one industrial property for approximately \$1.3 million. Additionally, during January 2014, the 2003 Net Lease Joint Venture sold two industrial properties.

On January 29, 2014, we entered into a \$200.0 million unsecured loan with a seven-year term. The loan features interest-only payments and initially bears an interest rate of LIBOR plus 175 basis points. The rate is subject to adjustment based on our leverage ratio or credit ratings. We also entered into interest rate swap agreements, with an aggregate notional value of \$200.0 million, to convert the term loan's LIBOR rate to a fixed rate of approximately 4.04% per annum, based on the loan's current spread.

On February 3, 2014, we announced that we will redeem all 50,000 Depositary Shares of our Series F Flexible Cumulative Redeemable Preferred Stock. The redemption price will be \$1,000.00 per Depositary Share, or \$50.0 million, plus all accumulated and unpaid distributions to and including the date of redemption, March 6, 2014. We also announced that we will redeem all 25,000 Depositary Shares of our Series G Flexible Cumulative Redeemable Preferred Stock. The redemption price will be \$1,000.00 per Depositary Share, or \$25.0 million plus all accumulated and unpaid distributions to and including the date of redemption, March 31, 2014.

RISK FACTORS

Our operations involve various risks that could adversely affect our financial condition, results of operations, cash flow, ability to pay distributions on our common stock and the market price of our common stock. These risks, among others contained in our other filings with the SEC, include:

Disruptions in the financial markets could affect our ability to obtain financing and may negatively impact our liquidity, financial condition and operating results.

From time to time, the capital and credit markets in the United States and other countries experience significant price volatility, dislocations and liquidity disruptions, which can cause the market prices of many securities and the spreads on prospective debt financings to fluctuate substantially. These circumstances can materially impact liquidity in the financial markets, making terms for certain financings less attractive, and in some cases result in the unavailability of financing. A significant amount of our existing indebtedness was issued through capital markets transactions. We anticipate that the capital markets could be a source of refinancing of our existing indebtedness in the future. This source of refinancing may not be available if capital market volatility and disruption occurs. Furthermore, we could potentially lose access to available liquidity under our Unsecured Credit Facility if one or more participating lenders were to default on their commitments. If our ability to issue additional debt or equity securities to finance future acquisitions, developments and redevelopments and joint venture activities or to borrow money under our Unsecured Credit Facility were to be impaired by capital market volatility and disruption, it could have a material adverse effect on our liquidity and financial condition.

In addition, capital and credit market price volatility could make the valuation of our properties more difficult. There may be significant uncertainty in the valuation, or in the stability of the value, of our properties that could result in a substantial decrease in the value of our properties. As a result, we may not be able to recover the carrying amount of our properties, which may require us to recognize an impairment loss in earnings.

Real estate investments' value fluctuates depending on conditions in the general economy and the real estate industry. These conditions may limit the Company's revenues and available cash.

The factors that affect the value of our real estate and the revenues we derive from our properties include, among other things:

- general economic conditions;
- local, regional, national and international economic conditions and other events and occurrences that affect the markets in which we own properties;
- local conditions such as oversupply or a reduction in demand in an area;
- the attractiveness of the properties to tenants;
- tenant defaults;
- zoning or other regulatory restrictions;
- competition from other available real estate;
- our ability to provide adequate maintenance and insurance; and
- increased operating costs, including insurance premiums and real estate taxes.

These factors may be amplified in light of a disruption of the global credit markets. Our investments in real estate assets are concentrated in the industrial sector, and the demand for industrial space in the United States is related to the level of economic output. Accordingly, reduced economic output may lead to lower occupancy

RISK FACTORS

rates for our properties. In addition, if any of our tenants experiences a downturn in its business that weakens its financial condition, delays lease commencement, fails to make rental payments when due, becomes insolvent or declares bankruptcy, the result could be a termination of the tenant's lease, which could adversely affect our cash flow from operations.

Many real estate costs are fixed, even if income from properties decreases.

Our financial results depend on leasing space to tenants on terms favorable to us. Our income and funds available for distribution to our stockholders will decrease if a significant number of our tenants cannot pay their rent or we are unable to lease properties on favorable terms. In addition, if a tenant does not pay its rent, we may not be able to enforce our rights as landlord without delays and we may incur substantial legal costs. Costs associated with real estate property, such as real estate taxes and maintenance costs, generally are not reduced when circumstances cause a reduction in income from the property.

The Company may be unable to sell properties when appropriate or at all because real estate investments are not as liquid as certain other types of assets.

Real estate investments generally cannot be sold quickly, which will tend to limit our ability to adjust our property portfolio promptly in response to changes in economic or other conditions. The inability to respond promptly to changes in the performance of our property portfolio could adversely affect our financial condition and ability to service debt and make distributions to our stockholders. In addition, like other companies qualifying as REITs under the Code, we must comply with the safe harbor rules relating to the number of properties disposed of in a year, their tax basis and the cost of improvements made to the properties, or meet other tests which enable a REIT to avoid punitive taxation on the sale of assets. Thus, our ability at any time to sell assets may be restricted.

The Company may be unable to sell properties on advantageous terms.

We have sold to third parties a significant number of properties in recent years and, as part of our business, we intend to continue to sell properties to third parties. Our ability to sell properties on advantageous terms depends on factors beyond our control, including competition from other sellers and the availability of attractive financing for potential buyers of our properties. If we are unable to sell properties on favorable terms or redeploy the proceeds of property sales in accordance with our business strategy, then our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock could be adversely affected.

The Company may be unable to complete development and re-development projects on advantageous terms.

As part of our business, we develop new and re-develop existing properties when and as conditions warrant. In addition, we have sold to third parties or sold to joint ventures development and re-development properties, and we may continue to sell such properties to third parties or to sell or contribute such properties to joint ventures as opportunities arise. The real estate development and re-development business involves significant risks that could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock, which include:

- we may not be able to obtain financing for development projects on favorable terms and complete construction on schedule or within budget, resulting in increased debt service expense and construction costs and delays in leasing the properties and generating cash flow;
- we may not be able to obtain, or may experience delays in obtaining, all necessary zoning, land-use, building, occupancy and other governmental permits and authorizations; and
- the properties may perform below anticipated levels, producing cash flow below budgeted amounts and limiting our ability to sell such properties to third parties or to sell such properties to joint ventures.

RISK FACTORS

The Company may be unable to acquire properties on advantageous terms or acquisitions may not perform as the Company expects.

We acquire and intend to continue to acquire primarily industrial properties. The acquisition of properties entails various risks, including the risks that our investments may not perform as expected and that our cost estimates for bringing an acquired property up to market standards may prove inaccurate. Further, we face significant competition for attractive investment opportunities from other well-capitalized real estate investors, including publicly-traded REITs and private investors. This competition increases as investments in real estate become attractive relative to other forms of investment. As a result of competition, we may be unable to acquire additional properties as we desire or the purchase prices may be elevated. In addition, we expect to finance future acquisitions through a combination of borrowings under the Unsecured Credit Facility, proceeds from equity or debt offerings and debt originations by the Company and proceeds from property sales, which may not be available and which could adversely affect our cash flow. Any of the above risks could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market value of, our common stock.

The Company may be unable to renew leases or find other lessees.

We are subject to the risks that, upon expiration, leases may not be renewed, the space subject to such leases may not be relet or the terms of renewal or reletting, including the cost of required renovations, may be less favorable than expiring lease terms. If we were unable to promptly renew a significant number of expiring leases or to promptly relet the space covered by such leases, or if the rental rates upon renewal or reletting were significantly lower than the current rates, our financial condition, results of operation, cash flow and ability to pay dividends on, and the market price of, our common stock could be adversely affected. As of December 31, 2013, leases with respect to approximately 7.1 million, 9.0 million and 10.3 million square feet of our total GLA, representing 13%, 16% and 18% of our total GLA, expire in 2014, 2015 and 2016, respectively.

The Company might fail to qualify or remain qualified as a REIT.

We intend to operate so as to qualify as a REIT under the Code. Although we believe that we are organized and will operate in a manner so as to qualify as a REIT, qualification as a REIT involves the satisfaction of numerous requirements, some of which must be met on a recurring basis. These requirements are established under highly technical and complex Code provisions of which there are only limited judicial or administrative interpretations and involve the determination of various factual matters and circumstances not entirely within our control.

If we were to fail to qualify as a REIT in any taxable year, we would be subject to federal income tax, including any applicable alternative minimum tax, on our taxable income at corporate rates. This could result in a discontinuation or substantial reduction in dividends to stockholders and in cash to pay interest and principal on debt securities that we issue. Unless entitled to relief under certain statutory provisions, we would be disqualified from electing treatment as a REIT for the four taxable years following the year during which we failed to qualify as a REIT.

Certain property transfers may generate prohibited transaction income, resulting in a penalty tax on the gain attributable to the transaction.

As part of our business, we sell properties to third parties as opportunities arise. Under the Code, a 100% penalty tax could be assessed on the gain resulting from sales of properties that are deemed to be prohibited transactions. The question of what constitutes a prohibited transaction is based on the facts and circumstances surrounding each transaction. The Internal Revenue Service ("IRS") could contend that certain sales of properties by us are prohibited transactions. While we have implemented controls to avoid prohibited transactions, if a

RISK FACTORS

dispute were to arise that was successfully argued by the IRS, the 100% penalty tax could be assessed against the profits from these transactions. In addition, any income from a prohibited transaction may adversely affect our ability to satisfy the income tests for qualification as a REIT.

The REIT distribution requirements may limit the Company's ability to retain capital and require the Company to turn to external financing sources.

We could, in certain instances, have taxable income without sufficient cash to enable us to meet the distribution requirements of the REIT provisions of the Code. In that situation, we could be required to borrow funds or sell properties on adverse terms in order to meet those distribution requirements. In addition, because we must distribute to our stockholders at least 90% of our REIT taxable income each year, our ability to accumulate capital may be limited. Thus, to provide capital resources for our ongoing business, and to satisfy our debt repayment obligations and other liquidity needs, we may be more dependent on outside sources of financing, such as debt financing or issuances of additional capital stock, which may or may not be available on favorable terms. Additional debt financings may substantially increase our leverage and additional equity offerings may result in substantial dilution of stockholders' interests.

Debt financing, the degree of leverage and rising interest rates could reduce the Company's cash flow.

Where possible, we intend to continue to use leverage to increase the rate of return on our investments and to allow us to make more investments than we otherwise could. Our use of leverage presents an additional element of risk in the event that the cash flow from our properties is insufficient to meet both debt payment obligations and the distribution requirements of the REIT provisions of the Code. In addition, rising interest rates would reduce our cash flow by increasing the amount of interest due on our floating rate debt and on our fixed rate debt as it matures and is refinanced.

Failure to comply with covenants in our debt agreements could adversely affect our financial condition.

The terms of our agreements governing our Unsecured Credit Facility and other indebtedness require that we comply with a number of financial and other covenants, such as maintaining debt service coverage and leverage ratios and maintaining insurance coverage. Complying with such covenants may limit our operational flexibility. Our failure to comply with these covenants could cause a default under the applicable debt agreement even if we have satisfied our payment obligations. Consistent with our prior practice, we will, in the future, continue to interpret and certify our performance under these covenants in a good faith manner that we deem reasonable and appropriate. However, these financial covenants are complex and there can be no assurance that these provisions would not be interpreted by the noteholders or lenders in a manner that could impose and cause us to incur material costs. We anticipate that we will be able to operate in compliance with our financial covenants in 2014. Our ability to meet our financial covenants may be adversely affected if economic and credit market conditions limit our ability to reduce our debt levels consistent with, or result in net operating income below, our current expectations. Under our Unsecured Credit Facility, an event of default can also occur if the lenders, in their good faith judgment, determine that a material adverse change has occurred which could prevent timely repayment or materially impair our ability to perform our obligations under the loan agreement.

Upon the occurrence of an event of default, we would be subject to higher finance costs and fees, and the lenders under our Unsecured Credit Facility will not be required to lend any additional amounts to us. In addition, our outstanding senior unsecured notes as well as all outstanding borrowings under the Unsecured Credit Facility, together with accrued and unpaid interest and fees, could be accelerated and declared to be immediately due and payable. Furthermore, our Unsecured Credit Facility and the indentures governing our senior unsecured notes contain certain cross-default provisions, which are triggered in the event that our other material indebtedness is in default. These cross-default provisions may require us to repay or restructure the

RISK FACTORS

Unsecured Credit Facility and the senior unsecured notes or other debt that is in default, which could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock. If repayment of any of our borrowings is accelerated, we cannot provide assurance that we will have sufficient assets to repay such indebtedness or that we would be able to borrow sufficient funds to refinance such indebtedness. Even if we are able to obtain new financing, it may not be on commercially reasonable terms, or terms that are acceptable to us.

Cross-collateralization of mortgage loans could result in foreclosure on substantially all of the Company's properties if the Company is unable to service its indebtedness.

We may obtain additional mortgage debt financing in the future, if it is available to us. These mortgages may be issued on a recourse, non-recourse or cross-collateralized basis. Cross-collateralization makes all of the subject properties available to the lender in order to satisfy our debt. Holders of this indebtedness will have a claim against these properties. To the extent indebtedness is cross-collateralized, lenders may seek to foreclose upon properties that are not the primary collateral for their loan, which may, in turn, result in acceleration of other indebtedness collateralized by properties. Foreclosure of properties would result in a loss of income and asset value to us, making it difficult for us to meet both debt payment obligations and the distribution requirements of the REIT provisions of the Code. At December 31, 2013, mortgage loans payable totaling \$474.5 million were cross-collateralized.

The Company may have to make lump-sum payments on its existing indebtedness.

We are required to make the following lump-sum or “balloon” payments under the terms of some of our indebtedness, including indebtedness of the Operating Partnership. Our lump-sum payments as of December 31, 2013 consist of the following:

- \$10.6 million aggregate principal amount of 7.750% Notes due 2032 (the “2032 Notes”);
- \$31.9 million aggregate principal amount of 7.600% Notes due 2028 (the “2028 Notes”);
- \$6.1 million aggregate principal amount of 7.150% Notes due 2027 (the “2027 Notes”);
- \$101.9 million aggregate principal amount of 5.950% Notes due 2017 (the “2017 II Notes”);
- \$55.0 million aggregate principal amount of 7.500% Notes due 2017 (the “2017 Notes”);
- \$159.7 million aggregate principal amount of 5.750% Notes due 2016 (the “2016 Notes”);
- \$81.8 million aggregate principal amount of 6.420% Notes due 2014 (the “2014 Notes”);
- \$599.5 million in mortgage loans payable, in the aggregate, due between October 2014 and September 2022 on certain of our mortgage loans payable; and
- a \$625.0 million Unsecured Credit Facility maturing September 29, 2017, under which we may borrow to finance the acquisition of additional properties, fund developments and for other corporate purposes, including working capital. The Unsecured Credit Facility contains a one year extension option at our election, subject to certain restrictions.

As of December 31, 2013, \$173.0 million was outstanding under the Unsecured Credit Facility at a weighted average interest rate of 1.666%.

Our ability to make required payments of principal on outstanding indebtedness, whether at maturity or otherwise, may depend on our ability either to refinance the applicable indebtedness or to sell properties. We have no commitments to refinance the 2014 Notes, the 2016 Notes, the 2017 Notes, the 2017 II Notes, the 2027 Notes, the 2028 Notes, the 2032 Notes, the Unsecured Credit Facility or the mortgage loans. Our existing mortgage loan obligations are collateralized by our properties and therefore such obligations will permit the lender to foreclose on those properties in the event of a default.

RISK FACTORS

There is no limitation on debt in the Company's organizational documents.

As of December 31, 2013, our ratio of debt to our total market capitalization was 38.5%. We compute the percentage by calculating our total consolidated debt as a percentage of the aggregate market value of all outstanding shares of our common stock, assuming the exchange of all limited partnership units of the Operating Partnership for common stock, plus the aggregate stated value of all outstanding shares of preferred stock and total consolidated debt. Our organizational documents do not contain any limitation on the amount or percentage of indebtedness we may incur. Accordingly, we could become more highly leveraged, resulting in an increase in debt service that could adversely affect our ability to make expected distributions to stockholders and an increased risk of default on our obligations.

Rising interest rates on the Company's Unsecured Credit Facility could decrease the Company's available cash.

Our Unsecured Credit Facility bears interest at a floating rate. As of December 31, 2013, our Unsecured Credit Facility had an outstanding balance of \$173.0 million at a weighted average interest rate of 1.666%. At December 31, 2013, our Unsecured Credit Facility provides for interest only payments at LIBOR plus 150 basis points which rate varies based on our leverage ratio. Based on the outstanding balance on our Unsecured Credit Facility as of December 31, 2013, a 10% increase in interest rates would increase interest expense by \$0.3 million on an annual basis. Increases in the interest rate payable on balances outstanding under our Unsecured Credit Facility would decrease our cash available for distribution to stockholders.

The Company's mortgages may impact the Company's ability to sell encumbered properties on advantageous terms or at all.

As part of our plan to enhance liquidity and pay down our debt, we have originated numerous mortgage financings and from time to time engage in active discussions with various lenders regarding the origination of additional mortgage financings. Certain of our mortgages contain, and it is anticipated that some future mortgages will contain, substantial prepayment premiums which we would have to pay upon the sale of a property, thereby reducing the net proceeds to us from the sale of any such property. As a result, our willingness to sell certain properties and the price at which we may desire to sell a property may be impacted by the terms of any mortgage financing encumbering a property. If we are unable to sell properties on favorable terms or redeploy the proceeds of property sales in accordance with our business strategy, then our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock could be adversely affected.

Adverse market and economic conditions could cause us to recognize additional impairment charges.

We regularly review our real estate assets for impairment indicators, such as a decline in a property's occupancy rate, decline in general market conditions or a change in the expected hold period of an asset. If we determine that indicators of impairment are present, we review the properties affected by these indicators to determine whether an impairment charge is required. We use considerable judgment in making determinations about impairments, from analyzing whether there are indicators of impairment to the assumptions used in calculating the fair value of the investment. Accordingly, our subjective estimates and evaluations may not be accurate, and such estimates and evaluations are subject to change or revision.

From time to time, adverse market and economic conditions and market volatility make it difficult to value the real estate assets owned by us as well as the value of our interests in unconsolidated joint ventures. There may be significant uncertainty in the valuation, or in the stability of the cash flows, discount rates and other factors related to such assets due to the adverse market and economic conditions that could result in a substantial decrease in their value. We may be required to recognize additional asset impairment charges in the future, which could materially and adversely affect our business, financial condition and results of operations.

RISK FACTORS

Earnings and cash dividends, asset value and market interest rates affect the price of the Company's common stock.

As a REIT, the market value of our common stock, in general, is based primarily upon the market's perception of our growth potential and our current and potential future earnings and cash dividends. The market value of our common stock is also based upon the market value of our underlying real estate assets. For this reason, shares of our common stock may trade at prices that are higher or lower than our net asset value per share. To the extent that we retain operating cash flow for investment purposes, working capital reserves, or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of our common stock. Our failure to meet the market's expectations with regard to future earnings and cash dividends likely would adversely affect the market price of our common stock. Further, the distribution yield on the common stock (as a percentage of the price of the common stock) relative to market interest rates may also influence the price of our common stock. An increase in market interest rates might lead prospective purchasers of our common stock to expect a higher distribution yield, which would adversely affect the market price of our common stock.

The Company may incur unanticipated costs and liabilities due to environmental problems.

Under various federal, state and local laws, ordinances and regulations, an owner or operator of real estate may be liable for the costs of clean-up of certain conditions relating to the presence of hazardous or toxic materials on, in or emanating from a property, and any related damages to natural resources. Environmental laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of hazardous or toxic materials. The presence of such materials, or the failure to address those conditions properly, may adversely affect the ability to rent or sell the property or to borrow using the property as collateral. Persons who dispose of or arrange for the disposal or treatment of hazardous or toxic materials may also be liable for the costs of clean-up of such materials, or for related natural resource damages, at or from an off-site disposal or treatment facility, whether or not the facility is owned or operated by those persons. No assurance can be given that existing environmental assessments with respect to any of our properties reveal all environmental liabilities, that any prior owner or operator of any of the properties did not create any material environmental condition not known to us or that a material environmental condition does not otherwise exist as to any of our properties. In addition, changes to existing environmental regulation to address, among other things, climate change, could increase the scope of our potential liabilities.

The Company's insurance coverage does not include all potential losses.

We currently carry comprehensive insurance coverage including property, boiler & machinery, liability, fire, flood, terrorism, earthquake, extended coverage and rental loss as appropriate for the markets where each of our properties and their business operations are located. The insurance coverage contains policy specifications and insured limits customarily carried for similar properties and business activities. We believe our properties are adequately insured. However, there are certain losses, including losses from earthquakes, hurricanes, floods, pollution, acts of war or riots, that are not generally insured against or that are not generally fully insured against because it is not deemed to be economically feasible or prudent to do so. If an uninsured loss, a loss in excess of insured limits occurs, or a loss is not paid due to insurer insolvency with respect to one or more of our properties, we could experience a significant loss of capital invested and potential revenues from these properties, and could potentially remain obligated under any recourse debt associated with the property.

The Company is subject to risks and liabilities in connection with its investments in properties through Joint Ventures.

As of December 31, 2013, the 2003 Net Lease Joint Venture owned approximately 2.5 million square feet of properties. Our net investment in this Joint Venture was \$0.9 million at December 31, 2013. Our organizational documents do not limit the amount of available funds that we may invest in joint ventures and we may continue

RISK FACTORS

to develop and acquire properties through joint ventures with other persons or entities when warranted by the circumstances. Joint venture investments, in general, involve certain risks, including:

- joint venturers may share certain approval rights over major decisions;
- joint venturers might fail to fund their share of any required capital commitments;
- joint venturers might have economic or other business interests or goals that are inconsistent with our business interests or goals that would affect our ability to operate the property;
- joint venturers may have the power to act contrary to our instructions, requests, policies or objectives, including our current policy with respect to maintaining our qualification as a real estate investment trust;
- the joint venture agreements often restrict the transfer of a member's or joint venturer's interest or "buy-sell" or may otherwise restrict our ability to sell the interest when we desire or on advantageous terms;
- disputes between us and our joint venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business and subject the properties owned by the applicable joint venture to additional risk; and
- we may in certain circumstances be liable for the actions of our joint venturers.

The occurrence of one or more of the events described above could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock.

In addition, joint venture investments in real estate involve all of the risks related to the ownership, acquisition, development, sale and financing of real estate discussed in the risk factors above. To the extent our investments in joint ventures are adversely affected by such risks our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock could be adversely affected.

We are subject to risks associated with our international operations.

As of December 31, 2013, we owned one land parcel located in Canada. Our international operations will be subject to risks inherent in doing business abroad, including:

- exposure to the economic fluctuations in the locations in which we invest;
- difficulties and costs associated with complying with a wide variety of complex laws, treaties and regulations;
- revisions in tax treaties or other laws and regulations, including those governing the taxation of our international revenues;
- obstacles to the repatriation of earnings and funds;
- currency exchange rate fluctuations between the United States dollar and foreign currencies;
- restrictions on the transfer of funds; and
- national, regional and local political uncertainty.

When we acquire properties located outside of the United States, we may face risks associated with a lack of market knowledge or understanding of the local economy, forging new business relationships in the area and unfamiliarity with local government and permitting procedures. We work to mitigate such risks through extensive diligence and research and associations with experienced partners; however, there can be no guarantee that all such risks will be eliminated.

RISK FACTORS

Adverse changes in our credit ratings could negatively affect our liquidity and business operations.

The credit ratings of the Operating Partnership's senior unsecured notes and the Company's preferred stock are based on the Company's operating performance, liquidity and leverage ratios, overall financial position and other factors employed by the credit rating agencies in their rating analyses. Our credit ratings can affect the availability, terms and pricing of any indebtedness and preferred stock that we may incur going forward. There can be no assurance that we will be able to maintain any credit rating, and in the event any credit rating is downgraded, we could incur higher borrowing costs or be unable to access certain capital markets at all.

Our business could be adversely impacted if we have deficiencies in our disclosure controls and procedures or internal control over financial reporting.

The design and effectiveness of our disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations. While management will continue to review the effectiveness of our disclosure controls and procedures and internal control over financial reporting, there can be no guarantee that our internal control over financial reporting will be effective in accomplishing all control objectives all of the time. Deficiencies, including any material weakness, in our internal control over financial reporting which may occur in the future could result in misstatements of our results of operations, restatements of our financial statements, a decline in the price of our securities, or otherwise materially adversely affect our business, reputation, results of operations, financial condition or liquidity.

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic reports pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required financial disclosure.

We carried out an evaluation, under the supervision and with the participation of our management, including the principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based upon this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Our management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2013. In making its assessment of internal control over financial reporting, management used the criteria described in the Internal Control-Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Our management has concluded that, as of December 31, 2013, our internal control over financial reporting was effective.

The effectiveness of our internal control over financial reporting as of December 31, 2013 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein within Item 15. See Report of Independent Registered Public Accounting Firm.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting that occurred during the fourth quarter of 2013 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive income, of changes in stockholders' equity and of cash flows present fairly, in all material respects, the financial position of First Industrial Realty Trust, Inc. and its subsidiaries (the "Company") at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing on page B-32. Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

Chicago, Illinois
February 27, 2014

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2013	December 31, 2012
	(In thousands except share and per share data)	
ASSETS		
Assets:		
Investment in Real Estate:		
Land	\$ 703,478	\$ 691,726
Buildings and Improvements	2,390,566	2,403,654
Construction in Progress	25,503	26,068
Less: Accumulated Depreciation	(748,044)	(732,635)
Net Investment in Real Estate	2,371,503	2,388,813
Real Estate and Other Assets Held for Sale, Net of Accumulated Depreciation and Amortization of \$0 and \$3,050	—	6,765
Cash and Cash Equivalents	7,577	4,938
Tenant Accounts Receivable, Net	5,705	4,596
Investments in Joint Ventures	907	1,012
Deferred Rent Receivable, Net	56,417	54,563
Deferred Financing Costs, Net	11,406	12,028
Deferred Leasing Intangibles, Net	29,790	33,190
Prepaid Expenses and Other Assets, Net	114,205	102,937
Total Assets	\$2,597,510	\$2,608,842
LIABILITIES AND EQUITY		
Liabilities:		
Indebtedness:		
Mortgage Loans Payable, Net	\$ 677,890	\$ 763,616
Senior Unsecured Notes, Net	445,916	474,150
Unsecured Credit Facility	173,000	98,000
Accounts Payable, Accrued Expenses and Other Liabilities	75,305	80,647
Deferred Leasing Intangibles, Net	13,626	15,522
Rents Received in Advance and Security Deposits	30,265	30,802
Dividend Payable	10,289	452
Total Liabilities	1,426,291	1,463,189
Commitments and Contingencies	—	—
Equity:		
First Industrial Realty Trust Inc.'s Stockholders' Equity:		
Preferred Stock	—	—
Common Stock (\$0.01 par value, 150,000,000 shares authorized, 114,304,964 and 103,092,027 shares issued and 109,980,850 and 98,767,913 shares outstanding)	1,143	1,031
Additional Paid-in-Capital	1,938,886	1,906,490
Distributions in Excess of Accumulated Earnings	(669,896)	(657,567)
Accumulated Other Comprehensive Loss	(3,265)	(6,557)
Treasury Shares at Cost (4,324,114 shares)	(140,018)	(140,018)
Total First Industrial Realty Trust, Inc.'s Stockholders' Equity	1,126,850	1,103,379
Noncontrolling Interest	44,369	42,274
Total Equity	1,171,219	1,145,653
Total Liabilities and Equity	\$2,597,510	\$2,608,842

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

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
	(In thousands except per share data)		
Revenues:			
Rental Income	\$252,822	\$244,798	\$ 234,007
Tenant Recoveries and Other Income	75,404	69,527	68,661
Total Revenues	<u>328,226</u>	<u>314,325</u>	<u>302,668</u>
Expenses:			
Property Expenses	107,390	99,907	101,281
General and Administrative	23,152	25,103	20,638
Restructuring Costs	—	—	1,553
Impairment of Real Estate	1,047	(192)	(8,875)
Depreciation and Other Amortization	111,031	114,675	115,244
Total Expenses	<u>242,620</u>	<u>239,493</u>	<u>229,841</u>
Other Income (Expense):			
Interest Income	2,354	2,874	3,922
Interest Expense	(73,558)	(83,506)	(100,127)
Amortization of Deferred Financing Costs	(3,225)	(3,460)	(3,963)
Mark-to-Market Gain (Loss) on Interest Rate Protection Agreements	52	(328)	(1,718)
Loss from Retirement of Debt	(6,637)	(9,684)	(5,459)
Foreign Currency Exchange Loss	—	—	(332)
Total Other Income (Expense)	<u>(81,014)</u>	<u>(94,104)</u>	<u>(107,677)</u>
Income (Loss) from Continuing Operations Before Equity in Income of Joint Ventures, Gain on Change in Control of Interests and Income Tax Benefit (Provision)	4,592	(19,272)	(34,850)
Equity in Income of Joint Ventures	136	1,559	980
Gain on Change in Control of Interests	—	776	689
Income Tax Benefit (Provision)	<u>213</u>	<u>(5,522)</u>	<u>(450)</u>
Income (Loss) from Continuing Operations	4,941	(22,459)	(33,631)
Discontinued Operations:			
Income Attributable to Discontinued Operations	1,253	3,498	4,350
Gain on Sale of Real Estate	34,344	12,665	20,419
Provision for Income Taxes Allocable to Discontinued Operations	—	—	(1,246)
Income from Discontinued Operations	<u>35,597</u>	<u>16,163</u>	<u>23,523</u>
Income (Loss) Before Gain on Sale of Real Estate	40,538	(6,296)	(10,108)
Gain on Sale of Real Estate	1,100	3,777	1,370
Provision for Income Taxes Allocable to Gain on Sale of Real Estate	<u>(210)</u>	<u>—</u>	<u>(452)</u>
Net Income (Loss)	41,428	(2,519)	(9,190)
Less: Net (Income) Loss Attributable to the Noncontrolling Interest	<u>(1,121)</u>	<u>1,201</u>	<u>1,745</u>
Net Income (Loss) Attributable to First Industrial Realty Trust, Inc.	40,307	(1,318)	(7,445)
Less: Preferred Dividends	(8,733)	(18,947)	(19,565)
Less: Redemption of Preferred Stock	<u>(5,667)</u>	<u>(1,804)</u>	<u>—</u>
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	<u>\$ 25,907</u>	<u>\$ (22,069)</u>	<u>\$ (27,010)</u>
Basic and Diluted Earnings Per Share:			
Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (0.08)</u>	<u>\$ (0.41)</u>	<u>\$ (0.61)</u>
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.32</u>	<u>\$ 0.17</u>	<u>\$ 0.27</u>
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.24</u>	<u>\$ (0.24)</u>	<u>\$ (0.34)</u>
Distributions Per Share	<u>\$ 0.34</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Weighted Average Shares Outstanding	<u>106,995</u>	<u>91,468</u>	<u>80,616</u>

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

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
		(In thousands)	
Net Income (Loss)	\$41,428	\$(2,519)	\$(9,190)
Amortization of Interest Rate Protection Agreements	2,411	2,271	2,166
Write-off of Unamortized Settlement Amounts of Interest Rate Protection Agreements	1,116	3,247	3,250
Reclassification of Foreign Exchange Loss on Substantial Liquidation of Foreign Entities, Net of Income Tax Benefit	—	—	179
Foreign Currency Translation Adjustment, Net of Income Tax Benefit	(60)	32	(1,480)
Comprehensive Income (Loss)	44,895	3,031	(5,075)
Comprehensive (Income) Loss Attributable to Noncontrolling Interest	(1,265)	913	1,494
Comprehensive Income (Loss) Attributable to First Industrial Realty Trust, Inc.	<u>\$43,630</u>	<u>\$ 3,944</u>	<u>\$(3,581)</u>

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

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Preferred Stock	Common Stock	Additional Paid-in Capital	Distributions in Excess of Accumulated Earnings	Accumulated Other Comprehensive Loss	Treasury Shares At Cost	Noncontrolling Interest	Total
(In thousands)								
Balance as of December 31, 2010	\$—	\$ 732	\$1,608,014	\$(606,511)	\$(15,339)	\$(140,018)	\$45,266	\$ 892,144
Issuance of Common Stock, Net of Issuance Costs	—	174	202,158	—	—	—	—	202,332
Stock Based Compensation Activity	—	4	3,088	(333)	—	—	—	2,759
Conversion of Units to Common Stock	—	1	1,108	—	—	—	(1,109)	—
Reallocation—Additional Paid in Capital	—	—	(3,019)	—	—	—	3,019	—
Preferred Dividends	—	—	—	(19,565)	—	—	—	(19,565)
Net Loss	—	—	—	(7,445)	—	—	(1,745)	(9,190)
Reallocation—Other Comprehensive Income	—	—	—	—	(237)	—	237	—
Other Comprehensive Income	—	—	—	—	3,864	—	251	4,115
Balance as of December 31, 2011	\$—	\$ 911	\$1,811,349	\$(633,854)	\$(11,712)	\$(140,018)	\$45,919	1,072,595
Issuance of Common Stock, Net of Issuance Costs	—	109	134,327	—	—	—	—	134,436
Redemption of Preferred Stock	—	—	(48,240)	(1,804)	—	—	—	(50,044)
Stock Based Compensation Activity	—	6	6,220	(1,644)	—	—	—	4,582
Conversion of Units to Common Stock	—	5	4,758	—	—	—	(4,763)	—
Reallocation—Additional Paid in Capital	—	—	(1,924)	—	—	—	1,924	—
Preferred Dividends	—	—	—	(18,947)	—	—	—	(18,947)
Net Loss	—	—	—	(1,318)	—	—	(1,201)	(2,519)
Reallocation—Other Comprehensive Income	—	—	—	—	(107)	—	107	—
Other Comprehensive Income	—	—	—	—	5,262	—	288	5,550
Balance as of December 31, 2012	\$—	\$1,031	\$1,906,490	\$(657,567)	\$(6,557)	\$(140,018)	\$42,274	1,145,653
Issuance of Common Stock, Net of Issuance Costs	—	107	173,678	—	—	—	—	173,785
Redemption of Preferred Stock	—	—	(144,384)	(5,667)	—	—	—	(150,051)
Stock Based Compensation Activity	—	4	5,476	(948)	—	—	—	4,532
Conversion of Units to Common Stock	—	1	995	—	—	—	(996)	—
Reallocation—Additional Paid in Capital	—	—	(3,369)	—	—	—	3,369	—
Common Stock and Unit Distributions	—	—	—	(37,288)	—	—	(1,574)	(38,862)
Preferred Dividends	—	—	—	(8,733)	—	—	—	(8,733)
Net Income	—	—	—	40,307	—	—	1,121	41,428
Reallocation—Other Comprehensive Income	—	—	—	—	(31)	—	31	—
Other Comprehensive Income	—	—	—	—	3,323	—	144	3,467
Balance as of December 31, 2013	<u>\$—</u>	<u>\$1,143</u>	<u>\$1,938,886</u>	<u>\$(669,896)</u>	<u>\$(3,265)</u>	<u>\$(140,018)</u>	<u>\$44,369</u>	<u>\$1,171,219</u>

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

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
	(In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$ 41,428	\$ (2,519)	\$ (9,190)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	94,271	100,074	95,931
Amortization of Deferred Financing Costs	3,225	3,460	3,963
Other Amortization	30,632	35,097	36,390
Impairment of Real Estate	2,652	1,246	(2,661)
Provision for Bad Debt	726	542	1,110
Equity in Income of Joint Ventures	(136)	(1,559)	(980)
Distributions from Joint Ventures	177	1,580	1,033
Gain on Sale of Real Estate	(35,444)	(16,442)	(21,789)
Gain on Change in Control of Interests	—	(776)	(689)
Loss from Retirement of Debt	6,637	9,684	5,459
Mark-to-Market (Gain) Loss on Interest Rate Protection Agreements	(52)	328	1,718
(Increase) Decrease in Tenant Accounts Receivable, Prepaid Expenses and Other Assets, Net	(3,192)	3,770	(2,933)
Increase in Deferred Rent Receivable	(4,516)	(3,504)	(7,733)
(Decrease) Increase in Accounts Payable, Accrued Expenses, Other Liabilities, Rents Received in Advance and Security Deposits	(5,679)	10,791	(5,684)
Decrease in Restricted Cash	—	—	117
Payments of Premiums, Discounts and Prepayment Penalties Associated with Retirement of Debt	(4,978)	(7,065)	(6,528)
Cash Book Overdraft	—	1,715	—
Net Cash Provided by Operating Activities	125,751	136,422	87,534
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of Real Estate	(73,642)	(55,508)	(5,277)
Additions to Investment in Real Estate and Non-Acquisition Tenant Improvements and Lease Costs	(114,806)	(83,222)	(85,247)
Net Proceeds from Sales of Investments in Real Estate	126,250	82,503	75,953
Contributions to and Investments in Joint Ventures	(38)	(190)	(155)
Distributions from Joint Ventures	104	90	650
Repayments of Notes Receivable	615	14,365	10,394
Decrease (Increase) in Escrows	204	(273)	(97)
Net Cash Used in Investing Activities	(61,313)	(42,235)	(3,779)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Debt and Equity Issuance Costs	(3,575)	(1,545)	(7,162)
Proceeds from the Issuance of Common Stock, Net of Underwriter's Discount	174,081	134,905	202,845
Repurchase and Retirement of Restricted Stock	(2,968)	(2,690)	(1,001)
Common Stock and Unit Distributions	(29,025)	—	—
Preferred Dividends Paid	(8,733)	(23,258)	(15,254)
Redemption of Preferred Stock	(150,000)	(50,000)	—
Payments on Interest Rate Swap Agreement	(1,079)	(1,144)	(489)
Proceeds from Origination of Mortgage Loans Payable	—	100,599	255,900
Repayments on Mortgage and Other Loans Payable	(85,680)	(39,121)	(71,983)
Repayments of Senior Unsecured Notes	(29,769)	(166,153)	(234,307)
Proceeds from Unsecured Credit Facility	373,000	339,000	390,500
Repayments on Unsecured Credit Facility	(298,000)	(390,000)	(618,553)
Net Cash Used in Financing Activities	(61,748)	(99,407)	(99,504)
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	(51)	5	(61)
Net Increase (Decrease) in Cash and Cash Equivalents	2,690	(5,220)	(15,749)
Cash and Cash Equivalents, Beginning of Year	4,938	10,153	25,963
Cash and Cash Equivalents, End of Year	\$ 7,577	\$ 4,938	\$ 10,153

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

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands except per share data)

1. Organization and Formation of Company

First Industrial Realty Trust, Inc. (the “Company”) was organized in the state of Maryland on August 10, 1993. The Company is a real estate investment trust (“REIT”) as defined in the Internal Revenue Code of 1986 (the “Code”). Unless the context otherwise requires, the terms “Company,” “we,” “us” and “our” refer to First Industrial Realty Trust, Inc., First Industrial, L.P. and their respective controlled subsidiaries. We refer to our operating partnership, First Industrial, L.P., as the “Operating Partnership.”

We began operations on July 1, 1994. Our operations are conducted primarily through the Operating Partnership, of which we are the sole general partner, and through our taxable REIT subsidiaries. The Company also owns a preferred partnership interest in the Operating Partnership represented by preferred units with an aggregate liquidation priority of \$75,000 at December 31, 2013. We also conduct operations through other partnerships (the “Other Real Estate Partnerships”) and limited liability companies, the operating data of which, together with that of the Operating Partnership and the taxable REIT subsidiaries, is consolidated with that of the Company as presented herein. First Industrial Realty Trust, Inc. does not have any significant assets or liabilities other than its investment in the Operating Partnership and its 100% ownership interest in the general partner of the Other Real Estate Partnerships.

We also own noncontrolling equity interests in, and provide various services to, two joint ventures (the “2003 Net Lease Joint Venture” and the “2007 Europe Joint Venture”; collectively, the “Joint Ventures”). The Joint Ventures are accounted for under the equity method of accounting. Accordingly, the operating data of our Joint Ventures is not consolidated with that of the Company as presented herein. See Note 5 for more information on the Joint Ventures.

As of December 31, 2013, we owned 652 industrial properties located in 25 states, containing an aggregate of approximately 63.0 million square feet of gross leasable area (“GLA”). Of the 652 properties owned by the Company on a consolidated basis, none of them are directly owned by First Industrial Realty Trust, Inc.

Any references to the number of buildings and square footage in the financial statement footnotes are unaudited.

2. Basis of Presentation

First Industrial Realty Trust, Inc. is the sole general partner of the Operating Partnership, with an approximate 96.0% and 95.5% ownership interest at December 31, 2013 and 2012, respectively. Noncontrolling interest of approximately 4.0% and 4.5% at December 31, 2013 and 2012, respectively, represents the aggregate partnership interest in the Operating Partnership held by the limited partners thereof.

Our consolidated financial statements at December 31, 2013 and 2012 and for each of the years ended December 31, 2013, 2012 and 2011 include the accounts and operating results of the Company and our subsidiaries. Such financial statements present our noncontrolling equity interests in our Joint Ventures under the equity method of accounting. All intercompany transactions have been eliminated in consolidation.

3. Summary of Significant Accounting Policies

In order to conform with generally accepted accounting principles, we are required in preparation of our financial statements 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, 2013 and 2012, and the reported amounts of revenues and expenses for each of the years ended December 31, 2013, 2012 and 2011. Actual results could differ from those estimates.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Reclassifications and Other Presentation Matters

Certain reclassifications have been made to the 2012 Consolidated Balance Sheet to conform to the 2013 presentation. The results of operations for the years ended December 31, 2013 and 2012 includes adjustments to depreciation and amortization expense of \$(1,640) and \$1,528, respectively, which should have been recorded during previous periods. Management evaluated the impact of the adjustments and does not believe they are material to the results of the current year or any previous period.

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 term maturity of these investments.

Investment in Real Estate and Depreciation

Investment in real estate is carried at cost, less accumulated depreciation and amortization. We review our properties on a quarterly basis for impairment and provide a provision if impairments exist. To determine if an impairment may exist, we review our properties and identify those that have had either an event of change or event of circumstances warranting further assessment of recoverability (such as a decrease in occupancy or decline in general market conditions). If further assessment of recoverability is needed, we estimate the future net cash flows expected to result from the use of the property and its eventual disposition on an individual property basis. If the sum of the expected future net cash flows (undiscounted and without interest charges) is less than the carrying amount of the property on an individual property basis, we will recognize an impairment loss based upon the estimated fair value of such property. For properties we consider held for sale, we cease depreciating the properties and value the properties at the lower of depreciated cost or fair value, less costs to dispose. If circumstances arise that were previously considered unlikely, and, as a result, we decide not to sell a property previously classified as held for sale, we will reclassify such property as held and used. Such property is measured at the lower of its carrying amount (adjusted for any depreciation and amortization expense that would have been recognized had the property been continuously classified as held and used) or fair value at the date of the subsequent decision not to sell. We classify properties as held for sale when all criteria within the Financial Accounting Standards Board's (the "FASB") guidance on the impairment or disposal of long-lived assets are met.

Interest costs, real estate taxes, compensation costs of development personnel and other directly related costs incurred during construction periods are capitalized and depreciated commencing with the date the property is substantially completed. Upon substantial completion, we reclassify construction in progress to building, tenant improvements and leasing commissions. Such costs begin to be capitalized to the development projects from the point we are undergoing necessary activities to get the development ready for its intended use and ceases when the development projects are substantially completed and held available for occupancy.

Depreciation expense is computed using the straight-line method based on the following useful lives:

	<u>Years</u>
Buildings and Improvements	7 to 50
Land Improvements	3 to 20
Furniture, Fixtures and Equipment	4 to 10
Tenant Improvements	Shorter of Lease Term or Useful Life

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Construction expenditures for tenant improvements, leasehold improvements and leasing commissions (inclusive of compensation costs of personnel attributable to leasing) are capitalized and amortized over the terms of each specific lease. Capitalized compensation costs of personnel attributable to leasing relate to time directly attributable to originating leases with independent third parties that result directly from and are essential to originating those leases and would not have been incurred had these leasing transactions not occurred. Repairs and maintenance are charged to expense when incurred. Expenditures for improvements are capitalized.

Upon acquisition of a property, we allocate the purchase price of the property based upon the fair value of the assets acquired and liabilities assumed, which generally consists of land, buildings, tenant improvements, leasing commissions and intangible assets including in-place leases, above market and below market leases and tenant relationships. We allocate the purchase price to the fair value of the tangible assets of an acquired property by valuing the property as if it were vacant. Acquired above and below market leases are valued based on the present value of the difference between prevailing market rates and the in-place rates measured over a period equal to the remaining term of the lease for above market leases and the initial term plus the term of any below market fixed rate renewal options for below market leases. The above market lease values are amortized as a reduction of rental revenue over the remaining term of the respective leases, and the below market lease values are amortized as an increase to base rental revenue over the remaining initial terms plus the terms of any below market fixed rate renewal options of the respective leases.

The purchase price is further allocated to in-place lease values and tenant relationships based on our evaluation of the specific characteristics of each tenant's lease and our overall relationship with the respective tenant. The value of in-place lease intangibles and tenant relationships, which are included as components of deferred leasing intangibles, net are amortized over the remaining lease term (and expected renewal periods of the respective lease for tenant relationships) as adjustments to depreciation and other amortization expense. If a tenant terminates its lease early, the unamortized portion of the tenant improvements, leasing commissions, above and below market leases, the in-place lease value and tenant relationships is immediately written off.

Deferred leasing intangibles, net of accumulated amortization, included in our total assets and total liabilities consist of the following:

	December 31, 2013	December 31, 2012
In-Place Leases	\$15,676	\$17,200
Above Market Leases	3,994	4,888
Tenant Relationships	10,120	11,102
Total Included in Total Assets, Net of \$30,017 and \$36,327 of Accumulated Amortization	<u>\$29,790</u>	<u>\$33,190</u>
Below Market Leases	<u>\$13,626</u>	<u>\$15,522</u>
Total Included in Total Liabilities, Net of \$8,240 and \$9,389 of Accumulated Amortization	<u>\$13,626</u>	<u>\$15,522</u>

Amortization expense related to in-place leases and tenant relationships, exclusive of amortization expense related to in-place leases and tenant relationships included in discontinued operations, was \$6,153, \$7,024 and \$10,550 for the years ended December 31, 2013, 2012 and 2011, respectively. Rental revenues increased by \$572, \$797 and \$1,456 related to net amortization of above/(below) market leases, exclusive of net amortization related to above/(below) market leases included in discontinued operations, for the years ended December 31,

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

2013, 2012 and 2011, respectively. We will recognize net amortization related to deferred leasing intangibles over the next five years, for properties owned as of December 31, 2013 as follows:

	<u>Estimated Amortization of In-Place Leases and Tenant Relationships</u>	<u>Estimated Net Increase to Rental Revenues Related to Above and Below Market Leases</u>
2014	\$4,972	\$438
2015	\$4,329	\$425
2016	\$3,270	\$938
2017	\$2,976	\$878
2018	\$2,076	\$806

Foreign Currency Transactions and Translation

At December 31, 2013, we owned a land parcel located in Toronto, Canada for which the functional currency was determined to be the Canadian dollar. The assets and liabilities related to this land parcel are translated to U.S. dollars from the Canadian dollar based on the current exchange rate prevailing at each balance sheet date. The income statement accounts related to this land parcel are translated using the average exchange rate for the period. The resulting translation adjustments are included in accumulated other comprehensive income.

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 \$17,122 and \$15,063 at December 31, 2013 and 2012, respectively. Unamortized deferred financing costs are written-off when debt is retired before the maturity date.

Investments in Joint Ventures

Investments in joint ventures represent our noncontrolling equity interests in our Joint Ventures. We account for our investments in joint ventures under the equity method of accounting, as we do not have a majority voting interest, operational control or financial control. Control is determined using accounting standards related to the consolidation of joint ventures and variable interest entities. In order to assess whether consolidation of a variable interest entity is required, an enterprise is required to qualitatively assess the determination of the primary beneficiary of a variable interest entity ("VIE") based on whether the entity (1) has the power to direct matters that most significantly impact the activities of the VIE and (2) has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. Additionally, they require an ongoing reconsideration of the primary beneficiary and provide a framework for the events that trigger a reassessment of whether an entity is a VIE.

Under the equity method of accounting, our share of earnings or losses of our Joint Ventures is reflected in income as earned and contributions or distributions increase or decrease our investments in joint ventures as paid or received, respectively. Differences between our carrying value of our investments in joint ventures and our underlying equity of such Joint Ventures are amortized over the respective lives of the underlying assets.

On a continuous basis, we assess whether there are any indicators that the value of our investments in joint ventures may be impaired. An investment is impaired if our estimate of the fair value of the investment is less than the carrying value of the investment, and such decline in fair value is deemed to be other than temporary. To

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the investment over the fair value of the investment. Our estimates of fair value for each investment are based on a number of subjective assumptions that are subject to economic and market uncertainties including, among others, demand for space, market rental rates and operating costs, the discount rate used to value the cash flows of the properties, the capitalization rate used to estimate the terminal value of the underlying properties and the discount rate used to value the Joint Ventures' debt. As these factors are difficult to predict and are subject to future events that may alter our assumptions, our fair values estimated in the impairment analyses may not be realized.

Stock Based Compensation

We measure compensation cost for all stock-based awards at fair value on the date of grant and recognize compensation expense over the service period for awards expected to vest.

Net income, net of preferred dividends and redemption of preferred stock, is allocated to common stockholders and participating securities based upon their proportionate share of weighted average shares plus weighted average participating securities. Participating securities are unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents. Restricted stock awards granted to employees and directors are considered participating securities as they receive non-forfeitable dividend or dividend equivalents at the same rate as common stock. See Note 10 for further disclosure about participating securities.

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 real estate taxes, insurance and other property operating expenses and is recognized as revenue in the same period the related expenses are incurred by us.

Revenue is generally recognized on payments received from tenants for early lease terminations upon the effective termination of a tenant's lease and when we have no further obligations under the lease.

Interest income on notes receivable is recognized based on the accrual method unless a significant uncertainty of collection exists. If a significant uncertainty exists, interest income is recognized as collected.

We provide an allowance for doubtful accounts against the portion of tenant accounts receivable including deferred rent receivable, which is estimated to be uncollectible. Accounts receivable in the consolidated balance sheets are shown net of an allowance for doubtful accounts of \$1,362 and \$1,875 as of December 31, 2013 and 2012, respectively. Deferred rent receivable in the consolidated balance sheets is shown net of an allowance for doubtful accounts of \$1,694 and \$1,733 as of December 31, 2013 and 2012, respectively. For accounts receivable we deem uncollectible, we use the direct write-off method.

Gain on Sale of Real Estate

Gain on sale of real estate is recognized using the full accrual method, when appropriate. Gains relating to transactions which do not meet the full accrual method of accounting are deferred and recognized when the full accrual method of accounting criteria are met or by using the installment or deposit methods of profit recognition, as appropriate in the circumstances. As the assets are sold, their costs and related accumulated depreciation are written off with resulting gains or losses reflected in net income or loss. Estimated future costs to be incurred by us after completion of each sale are included in the determination of the gain on sales.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Notes Receivable

Notes receivable are primarily comprised of mortgage notes receivable that we have made in connection with sales of real estate assets. The notes receivable are recorded at fair value at the time of issuance. Discounts on notes receivable are accreted over the life of the related note receivable. Interest income is accrued as earned. Notes receivable are considered past due when a contractual payment is not remitted in accordance with the terms of the note agreement. On a quarterly basis, we evaluate the collectability of each mortgage note receivable on an individual basis based on various factors which may include payment history, expected fair value of the collateral and internal and external credit information. A loan is considered impaired when, based upon current information and events, it is probable that we will be unable to collect all amounts due under the existing contractual terms. When a loan is considered impaired, the amount of the loss accrual is calculated by comparing the carrying amount of the note receivable to the present value of expected future cash flows. Since the majority of our notes receivable are collateralized by a first mortgage, the loans have risk characteristics similar to the risks in owning commercial real estate.

Income Taxes

We have elected to be taxed as a REIT under the Code. To qualify as a REIT, we must meet a number of organizational and operational requirements, including a requirement to distribute at least 90% of our adjusted taxable income to our stockholders. Management intends to continue to adhere to these requirements and to maintain our REIT status. As a REIT, we are entitled to a tax deduction for some or all of the dividends we pay to shareholders. Accordingly, we generally will not be subject to federal income taxes as long as we currently distribute to shareholders an amount equal to or in excess of our taxable income. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income taxes and may not be able to qualify as a REIT for four subsequent taxable years.

REIT qualification reduces, but does not eliminate, the amount of state and local taxes we pay. In addition, our financial statements include the operations of taxable corporate subsidiaries that are not entitled to a dividends paid deduction and are subject to corporate federal, state and local income taxes. As a REIT, we may also be subject to certain federal excise and franchise taxes if we engage in certain types of transactions. A benefit/provision has been made for federal, state and local income taxes in the accompanying consolidated financial statements. In accordance with FASB's guidance, the total benefit/provision has been separately allocated to income (loss) from continuing operations, income (loss) from discontinued operations and gain (loss) on sale of real estate. The provision for excise and franchise 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.

During 2005, we recorded a \$745 franchise tax reserve related to a potential state franchise tax assessment for the 1996-2001 tax years. During the year ended December 31, 2011, we received a refund from the state, representing amounts paid during 2006 related to the 1996-2001 tax years. Based on the refund received and discussions with the taxing authorities, as of December 31, 2011, management believes that it is unlikely that any franchise tax amounts will be assessed by the state for such tax years. As such, during the year ended December 31, 2011, we reversed \$745 of franchise taxes. Franchise taxes are recorded within general and administrative expense.

Earnings Per Share ("EPS")

Basic net income (loss) per common share is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted net income (loss) per common share is computed by dividing net income (loss) available to common shareholders by the sum of the weighted average number of common shares outstanding and any dilutive non-participating securities for the period. See Note 10 for further disclosure about EPS.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Derivative Financial Instruments

Historically, we have used interest rate protection agreements (“Agreements”) to fix the interest rate on anticipated offerings of senior unsecured notes or convert floating rate debt and preferred stock to fixed rate. Receipts or payments that result from the settlement of Agreements used to fix the interest rate on anticipated offerings of senior unsecured notes are amortized over the life of the derivative or the life of the debt and included in interest expense. Receipts or payments resulting from Agreements used to convert floating rate debt to fixed rate debt are recognized as a component of interest expense. Agreements which qualify for hedge accounting are marked-to-market and any gain or loss that is effective is recognized in other comprehensive income (shareholders’ equity). Agreements which do not qualify for hedge accounting are marked-to-market and any gain or loss is recognized in net income (loss) immediately. Amounts accumulated in other comprehensive income during the hedge period are reclassified to earnings in the same period during which the forecasted transaction or hedged item affects net income (loss). The credit risks associated with 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 Agreements, our exposure is limited to the current value of the interest rate differential, not the notional amount, and our carrying value of Agreements on the balance sheet. See Note 15 for more information on the Agreements.

Fair Value of Financial Instruments

Financial instruments other than our derivatives include tenant accounts receivable, notes receivable, accounts payable, other accrued expenses, mortgage loans payable, unsecured credit facility and senior unsecured notes. The fair values of the tenant accounts receivable, accounts payable and other accrued expenses approximate their carrying or contract values. See Note 6 for the fair values of the mortgage loans payable, unsecured credit facility and senior unsecured notes and see Note 4 for the fair value of our notes receivable.

Discontinued Operations

The FASB’s guidance on financial reporting for the disposal of long lived assets requires that the results of operations and gains or losses on the sale of property or property held for sale be presented in discontinued operations if both of the following criteria are met: (a) the operations and cash flows of the property have been (or will be) eliminated from the ongoing operations of the Company as a result of the disposal transaction and (b) we will not have any significant continuing involvement in the operations of the property after the disposal transaction. The guidance also requires prior period results of operations for these properties to be reclassified and presented in discontinued operations in prior consolidated statements of operations.

Segment Reporting

Management views the Company as a single segment based on its method of internal reporting.

Recent Accounting Pronouncements

In February 2013, the FASB issued Accounting Standards Update No. 2013-02, “Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income” (“ASU 2013-02”). ASU 2013-02 requires that public companies present, either in a single note or parenthetically on the face of the financial statements, the effect of significant amounts reclassified from each component of accumulated other comprehensive income based on its source and the income statement line items affected by the reclassification. ASU 2013-02 is effective for annual periods beginning after December 15, 2012, and is to be applied prospectively. The adoption of this guidance did not have a material impact on our consolidated financial statements.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

4. Investment in Real Estate

Acquisitions

In 2011, we acquired one industrial property comprising approximately 0.7 million square feet of GLA through the purchase of the 85% equity interest in one property from the institutional investor in the 2003 Net Lease Joint Venture (see Note 5). The gross agreed-upon fair value for the industrial property was \$30,625, excluding costs incurred in conjunction with the acquisition of the industrial property. The acquisition was funded through the assumption of a mortgage loan, whose carrying value approximated fair market value, in the amount of \$24,417 and a cash payment of \$5,277 (85% of the net fair value of the acquisition). We accounted for this transaction as a step acquisition utilizing the purchase method of accounting. Due to the change in control that occurred, we recorded a gain during the year ended December 31, 2011 of \$689 related to the difference between our carrying value and fair value of our equity interest on the acquisition date.

In 2012, we acquired one industrial property comprising approximately 0.4 million square feet of GLA through the purchase of the 85% equity interest in one property from the institutional investor in the 2003 Net Lease Joint Venture (see Note 5) and several land parcels. The gross agreed-upon fair value for the industrial property was \$21,819, excluding costs incurred in conjunction with the acquisition of the industrial property. The acquisition was funded through the assumption of a mortgage loan, which was subsequently paid off on the date of acquisition and whose carrying value approximated fair market value, in the amount of \$12,026 and a cash payment of \$8,324 (85% of the net fair value of the acquisition). We accounted for this transaction as a step acquisition utilizing the purchase method of accounting. Due to the change in control that occurred, we recorded a gain during the year ended December 31, 2012 of \$776 related to the difference between our carrying value and fair value of our equity interest on the acquisition date. The purchase price of the land parcels was approximately \$46,695, excluding costs incurred in conjunction with the acquisition of the land parcels.

In 2013, we acquired two industrial properties, one of which we acquired through the acquisition of 100% of the equity interest in the limited liability company that owned the industrial property, comprising approximately 1.1 million square feet of GLA and several land parcels. One of the two industrial properties was vacant upon acquisition. The purchase price of these acquisitions totaled approximately \$72,812, excluding costs incurred in conjunction with the acquisition of the industrial properties and land parcels.

We value third party acquisitions and acquisitions of unconsolidated joint venture partner interests in industrial properties on a similar basis, generally by applying an income capitalization approach. The fair value measurements are based on significant inputs not observable in the market and thus represent Level 3 measurements, as discussed below. The fair value estimates for each industrial property acquired from our joint venture partner during the years ended December 31, 2012 and 2011 were based on a weighted average capitalization rate approximating 7.3% and 8.4%, respectively. The fair value measurements also include consideration of the fair market value of debt.

Intangible Assets (Liabilities) Subject To Amortization in the Period of Acquisition

The fair value at the date of acquisition of in-place leases, tenant relationships and below market leases recorded due to the real estate properties acquired for the years ended December 31, 2013 and 2012, which are recorded as deferred leasing intangibles, are as follows:

	Year Ended December 31, 2013	Year Ended December 31, 2012
In-Place Leases	\$2,807	\$1,750
Tenant Relationships	\$1,914	\$1,012
Below Market Leases	\$ (188)	\$ (102)

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The weighted average life in months of in-place leases, tenant relationships and below market leases recorded at the time of acquisition as a result of the real estate properties acquired for the years ended December 31, 2013 and 2012 is as follows:

	Year Ended December 31, 2013	Year Ended December 31, 2012
In-Place Leases	52	118
Tenant Relationships	112	178
Below Market Leases	52	118

Sales and Discontinued Operations

In 2011, we sold 36 industrial properties comprising approximately 2.9 million square feet of GLA and one land parcel. Gross proceeds from the sales of the industrial properties and one land parcel were approximately \$86,643. Included in the 36 industrial properties sold is one industrial property totaling approximately 0.4 million square feet of GLA that we transferred title to a lender in satisfaction of a non-recourse mortgage loan. The gain on sale of real estate was approximately \$21,789, of which \$20,419 is shown in discontinued operations. The 36 sold industrial properties meet the criteria to be included in discontinued operations. Therefore the results of operations and gain on sale of real estate for the 36 sold industrial properties are included in discontinued operations. The results of operations and gain on sale of real estate for the one land parcel, which does not meet the criteria to be included in discontinued operations, is included in continuing operations.

In 2012, we sold 28 industrial properties comprising approximately 4.2 million square feet of GLA and one land parcel. Gross proceeds from the sales of the industrial properties and one land parcel were approximately \$85,561. The gain on sale of real estate was approximately \$16,442, of which \$12,665 is shown in discontinued operations. The 28 sold industrial properties meet the criteria to be included in discontinued operations. Therefore the results of operations and gain on sale of real estate for the 28 industrial properties sold are included in discontinued operations. The results of operations and gain on sale of real estate for the one land parcel, which does not meet the criteria to be included in discontinued operations, is included in continuing operations.

In 2013, we sold 67 industrial properties comprising approximately 3.0 million square feet of GLA and several land parcels. Gross proceeds from the sales of the industrial properties and land parcels were approximately \$144,628. The gain on sale of real estate was approximately \$35,444, of which \$34,344 is shown in discounted operations. The 67 sold industrial properties meet the criteria to be included in discontinued operations. Therefore the results of operations and gain on sale of real estate for the 67 industrial properties sold are included in discontinued operations. The results of operations and gain on sale of real estate for the several land parcels, which do not meet the criteria to be included in discontinued operations, are included in continuing operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table discloses certain information regarding the industrial properties included in our discontinued operations for the years ended December 31, 2013, 2012 and 2011:

	Year Ended December 31,		
	2013	2012	2011
Total Revenues	\$10,955	\$21,649	\$ 32,079
Property Expenses	(4,450)	(8,879)	(12,947)
Impairment of Real Estate	(1,605)	(1,438)	(6,214)
Depreciation and Amortization	(3,647)	(7,834)	(8,505)
Interest Expense	—	—	(63)
Gain on Sale of Real Estate	34,344	12,665	20,419
Provision for Income Taxes	—	—	(1,246)
Income from Discontinued Operations	<u>\$35,597</u>	<u>\$16,163</u>	<u>\$ 23,523</u>

At December 31, 2013 and 2012, we had notes receivable and accrued interest outstanding, issued in connection with sales of industrial properties, of approximately \$52,605 and \$40,771, net of a discount of \$191 and \$255, respectively, which are included as a component of prepaid expenses and other assets, net. At December 31, 2013 and 2012, the fair value of the notes receivable, including accrued interest, was \$53,482 and \$44,352, respectively. The fair value of our notes receivable was determined by discounting the future cash flows using the current rates at which similar loans with similar remaining maturities would be made to other borrowers. The current market rates we utilized were internally estimated; therefore, we have concluded that our determination of fair value of our notes receivable was primarily based upon Level 3 inputs, as discussed below.

Impairment Charges

During the years ended December 31, 2013, 2012 and 2011, we recorded the following net non-cash impairment charges (reversals):

	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
Sold Operating Properties	<u>\$1,605</u>	<u>\$1,438</u>	<u>\$ 6,214</u>
Impairment — Discontinued Operations	<u>\$1,605</u>	<u>\$1,438</u>	<u>\$ 6,214</u>
Sold Land Parcels	\$ —	\$ —	\$(5,918)
Operating Properties Not Held for Sale	1,047	(192)	(1,755)
Land Parcels	—	—	(1,202)
Impairment — Continuing Operations	<u>\$1,047</u>	<u>\$ (192)</u>	<u>\$(8,875)</u>
Total Net Impairment	<u><u>\$2,652</u></u>	<u><u>\$1,246</u></u>	<u><u>\$(2,661)</u></u>

The net impairment charges for assets that qualify to be classified as held for sale are calculated as the difference between the carrying value of the properties and land parcels and the estimated fair value, less costs to sell. The impairment charges for assets not held for sale are calculated as the difference between the carrying value of the properties and land parcels and the estimated fair value. The net impairment charges recorded during the years ended December 31, 2013, 2012 and 2011 are due to marketing certain properties and land parcels for

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

sale and our assessment of the likelihood and timing of a potential sale transaction. Catch-up depreciation and amortization has been recorded during the years ended December 31, 2012 and 2011, if applicable, for certain assets that are no longer classified as held for sale.

The accounting guidance for the fair value measurement provisions for the impairment of long lived assets establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets for identical assets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The real estate assets measured at fair value on a non-recurring basis during the years ended December 31, 2013 and 2012 were either sold or are recorded at carrying value at December 31, 2013.

The fair market values were determined using widely accepted valuation techniques including discounted cash flow analyses using expected cash flows, internal valuations of real estate and third party offers. For operational real estate assets, the most significant assumptions used in the discounted cash flow analyses included the discount rate, projected occupancy levels, market rental rates, capital expenditures and the terminal capitalization rate. For the valuation of land parcels, we reviewed recent comparable sales transactions, to the extent available, or if not available, we considered older comparable transactions, adjusted upward or downward to reflect management's assumptions about current market conditions. In all cases, members of our management team that were responsible for the individual markets where the land parcels were located determined the internal valuations. Valuations based on third party offers include bona fide contract prices and letter of intent amounts that we believe are indicative of fair value.

5. Investments in Joint Ventures

On May 16, 2003, we entered into the 2003 Net Lease Joint Venture with an institutional investor to invest in industrial properties. We own a 15% equity interest in and provide property management services to the 2003 Net Lease Joint Venture. At December 31, 2013, the 2003 Net Lease Joint Venture owned four industrial properties comprising approximately 2.5 million square feet of GLA. During January 2014, the 2003 Net Lease Joint Venture sold two properties comprising approximately 1.6 million square feet of GLA.

The 2003 Net Lease Joint Venture is considered a variable interest entity in accordance with the FASB guidance on the consolidation of variable interest entities. We continue to conclude that we are not the primary beneficiary of this venture. As of December 31, 2013, our investment in the 2003 Net Lease Joint Venture is \$907. Our maximum exposure to loss is equal to our investment. We acquired the 85% equity interest in one property on February 13, 2012 and the 85% equity interest in another property on May 26, 2011, in each case from the institutional investor in the 2003 Net Lease Joint Venture (see Note 4).

During December 2007, we entered into the 2007 Europe Joint Venture with an institutional investor to invest in, own, develop, redevelop and operate industrial properties. We continue to hold our 10% equity interest in the 2007 Europe Joint Venture. As of December 31, 2013, the 2007 Europe Joint Venture did not own any properties.

During the years ended December 31, 2013, 2012 and 2011, we recognized fees of \$231, \$516 and \$970, respectively, from our Joint Ventures.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The combined summarized financial information of the investments in Joint Ventures is as follows:

	<u>December 31,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
<i>Condensed Combined Balance Sheets:</i>		
Gross Investment in Real Estate	\$28,389	\$115,488
Less: Accumulated Depreciation	<u>(4,253)</u>	<u>(38,535)</u>
Net Investment in Real Estate	<u>24,136</u>	<u>76,953</u>
Real Estate and Other Assets Held for Sale, Net of Accumulated Depreciation and Amortization of \$40,387 and \$0	48,408	—
Other Assets	<u>7,690</u>	<u>17,327</u>
Total Assets	<u>\$80,234</u>	<u>\$ 94,280</u>
Indebtedness	\$24,656	\$ 81,764
Other Liabilities	1,615	4,817
Indebtedness, Accrued Interest Expense and Leasing Intangibles Held for Sale, Net of Accumulated Amortization of \$3,208 and \$0	48,651	—
Equity	<u>5,312</u>	<u>7,699</u>
Total Liabilities and Equity	<u>\$80,234</u>	<u>\$ 94,280</u>
Company's Share of Equity	\$ 896	\$ 1,252
Basis Differentials ⁽¹⁾	<u>(200)</u>	<u>(448)</u>
Carrying Value of the Company's Investments in Joint Ventures ..	<u>\$ 696</u>	<u>\$ 804</u>

- (1) This amount represents the aggregate difference between our historical cost basis and the basis reflected at the joint venture level. Basis differentials are primarily comprised of impairments we recorded to reduce certain of our investments in the 2003 Net Lease Joint Venture to fair value and certain deferred fees which are not reflected at the joint venture level.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Year Ended December 31,		
	2013	2012	2011
Condensed Combined Statements of Operations:			
Total Revenues	\$ 3,433	\$ 3,371	\$ 3,411
Expenses:			
Property Expenses and Other	1,070	1,096	1,226
Depreciation and Other Amortization	931	764	836
Interest Expense	1,532	1,633	1,643
Total Expenses	<u>3,533</u>	<u>3,493</u>	<u>3,705</u>
Discontinued Operations:			
Loss Attributable to Discontinued Operations	(1,300)	(1,607)	(1,587)
Gain on Sale of Real Estate	<u>513</u>	<u>4,974</u>	<u>3,137</u>
(Loss) Income from Discontinued Operations	<u>(787)</u>	<u>3,367</u>	<u>1,550</u>
Net (Loss) Income	<u>\$ (887)</u>	<u>\$ 3,245</u>	<u>\$ 1,256</u>
Equity in Income of Joint Ventures	<u>\$ 136</u>	<u>\$ 1,559</u>	<u>\$ 980</u>

6. Indebtedness

The following table discloses certain information regarding our indebtedness:

	Outstanding Balance at		Interest Rate at	Effective Interest Rate at	Maturity Date
	December 31, 2013	December 31, 2012	December 31, 2013	Issuance	
Mortgage Loans					October 2014 –
Payable, Net	\$677,890	\$763,616	4.03% –8.26%	4.03% –8.26%	September 2022
Unamortized Premiums	<u>(115)</u>	<u>(161)</u>			
Mortgage Loans Payable, Gross . . .	<u>\$677,775</u>	<u>\$763,455</u>			
Senior Unsecured Notes, Net					
2016 Notes	\$159,566	\$159,510	5.750%	5.91%	1/15/2016
2017 Notes	54,960	55,385	7.500%	7.52%	12/1/2017
2027 Notes	6,066	6,066	7.150%	7.11%	5/15/2027
2028 Notes	31,883	55,261	7.600%	8.13%	7/15/2028
2032 Notes	10,514	11,500	7.750%	7.87%	4/15/2032
2014 Notes	81,149	79,683	6.420%	6.54%	6/1/2014
2017 II Notes	101,778	106,745	5.950%	6.37%	5/15/2017
Subtotal	\$445,916	\$474,150			
Unamortized Discounts	<u>980</u>	<u>2,570</u>			
Senior Unsecured Notes, Gross	<u>\$446,896</u>	<u>\$476,720</u>			
Unsecured Credit Facility*	<u>\$173,000</u>	<u>\$ 98,000</u>	1.666%	1.666%	9/29/2017

* The maturity date may be extended an additional year at our election, subject to certain restrictions.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Mortgage Loans Payable, Net

During the year ended December 31, 2012, we originated the following mortgage loans:

<u>Mortgage Financing</u>	<u>Loan Principal</u>	<u>Interest Rate</u>	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Amortization Period</u>	<u>Number of Industrial Properties Collateralizing Mortgage</u>	<u>GLA (In millions)</u>	<u>Properties Carrying Value at December 31, 2012</u>
I-VI	\$100,599	4.03%	August 2012	September 2022	30-year	31	3.8	\$103,671

For Mortgage Financings I through VI, principal prepayments were prohibited for 12 months after loan origination, after which prepayment premiums are calculated at the greater of yield maintenance or 1% of the outstanding balance.

During the years ended December 31, 2013 and 2012, we paid off and retired prior to maturity mortgage loans payable in the amount of \$72,261 and \$14,112, respectively. In connection with these pay offs prior to maturity, we recognized \$1,578 and \$361 as loss from retirement of debt for the years ended December 31, 2013 and 2012, respectively.

As of December 31, 2013, mortgage loans payable are collateralized, and in some instances cross-collateralized, by industrial properties with a net carrying value of \$826,754. We believe the Operating Partnership and the Company were in compliance with all covenants relating to mortgage loans payable as of December 31, 2013.

Senior Unsecured Notes, Net

During the years ended December 31, 2013 and 2012, we repurchased and retired the following senior unsecured notes prior to maturity:

	<u>Principal Amount Repurchased</u>		<u>Purchase Price</u>	
	<u>For the Year Ended December 31, 2013</u>	<u>For the Year Ended December 31, 2012</u>	<u>For the Year Ended December 31, 2013</u>	<u>For the Year Ended December 31, 2012</u>
2014 Notes	\$ —	\$ 9,000	\$ —	\$ 9,439
2017 Notes	430	4,223	482	4,632
2017 II Notes	5,000	—	5,300	—
2028 Notes	23,394	69,680	26,547	72,541
2032 Notes	1,000	23,400	1,163	24,001
Total	<u>\$29,824</u>	<u>\$106,303</u>	<u>\$33,492</u>	<u>\$110,613</u>

In connection with these repurchases prior to maturity, we recognized \$5,003 and \$9,323 as loss from retirement of debt for the years ended December 31, 2013 and 2012, which is the difference between the repurchase price and the principal amount retired, net of the pro rata write-off of the unamortized debt issue discount, the unamortized deferred financing costs, the unamortized settlement amount of the interest rate protection agreements and the professional services fees related to the repurchases of \$28, \$191, \$1,116 and \$0 and \$598, \$728, \$3,247 and \$440, respectively.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

On April 16, 2012, we paid off and retired our 2012 Notes, at maturity, in the amount of \$61,829.

The indentures governing our senior unsecured notes contain certain financial covenants, including limitations on incurrence of debt and debt service coverage. We believe the Operating Partnership and the Company were in compliance with all covenants relating to senior unsecured notes as of December 31, 2013. However, these financial covenants are complex and there can be no assurance that these provisions would not be interpreted by our noteholders in a manner that could impose and cause us to incur material costs.

Unsecured Credit Facility

On July 19, 2013, we amended and restated our existing \$450,000 revolving credit agreement (the “Old Credit Facility”), increasing the borrowing capacity thereunder to \$625,000 (as amended and restated, the “Unsecured Credit Facility”). We may request that the borrowing capacity under the Unsecured Credit Facility be increased to \$825,000, subject to certain restrictions. The amendment extended the maturity date from December 12, 2014 to September 29, 2017 with an option to extend an additional one year at our election, subject to certain restrictions. At December 31, 2013, the Unsecured Credit Facility provides for interest only payments at LIBOR plus 150 basis points. The interest rate on the Unsecured Credit Facility varies based on our leverage ratio. In the event we achieve an investment grade rating from one of certain rating agencies, the rate may be decreased at our election, based on the investment grade rating. In connection with the amendment of the Old Credit Facility, we wrote off \$56 of unamortized deferred financing costs, which is included in loss from retirement of debt for the year ended December 31, 2013.

The Unsecured Credit Facility contains certain financial covenants, including limitations on incurrence of debt and debt service coverage. Under the Unsecured Credit Facility, an event of default can also occur if the lenders, in their good faith judgment, determine that a material adverse change has occurred which could prevent timely repayment or materially impair our ability to perform our obligations under the loan agreement. We believe that we were in compliance with all covenants relating to the Unsecured Credit Facility as of December 31, 2013. However, these financial covenants are complex and there can be no assurance that these provisions would not be interpreted by our lenders in a manner that could impose and cause us to incur material costs.

Indebtedness

The following is a schedule of the stated maturities and scheduled principal payments of our indebtedness, exclusive of premiums and discounts, for the next five years ending December 31, and thereafter:

	<u>Amount</u>
2014	\$ 113,321
2015	37,762
2016	272,618
2017	341,723
2018	168,341
Thereafter	<u>363,906</u>
Total	<u><u>\$1,297,671</u></u>

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Fair Value

At December 31, 2013 and 2012, the fair value of our indebtedness was as follows:

	December 31, 2013		December 31, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Mortgage Loans Payable, Net	\$ 677,890	\$ 684,914	\$ 763,616	\$ 814,915
Senior Unsecured Debt, Net	445,916	482,781	474,150	516,943
Unsecured Credit Facility	173,000	173,000	98,000	98,192
Total	<u>\$1,296,806</u>	<u>\$1,340,695</u>	<u>\$1,335,766</u>	<u>\$1,430,050</u>

The fair values of our mortgage loans payable were determined by discounting the future cash flows using the current rates at which similar loans would be made based upon similar leverage levels and similar remaining maturities. The current market rates we utilized were internally estimated. The fair value of the senior unsecured debt was determined by using rates, as advised by our bankers in certain cases, that are based upon recent trades within the same series of the senior unsecured debt, recent trades for senior unsecured debt with comparable maturities, recent trades for fixed rate unsecured debt from companies with profiles similar to ours, as well as overall economic conditions. The fair value of the Unsecured Credit Facility was determined by discounting the future cash flows using current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining term, assuming no repayment until maturity. We have concluded that our determination of fair value for our mortgage loans payable, senior unsecured debt and Unsecured Credit Facility was primarily based upon Level 3 inputs.

7. Stockholders' Equity

Preferred Stock

On May 27, 2004, we issued 50,000 Depositary Shares, each representing 1/100th of a share of our 6.236%, Series F Flexible Cumulative Redeemable Preferred Stock, \$0.01 par value (the "Series F Preferred Stock"), at an initial offering price of \$1,000.00 per Depositary Share. Dividends on the Series F Preferred Stock are cumulative from the date of initial issuance and are payable quarterly in arrears. The coupon rate of our Series F Preferred Stock resets every quarter at 2.375% plus the greater of (i) the 30 year Treasury constant maturity treasury ("CMT") Rate, (ii) the 10 year Treasury CMT Rate or (iii) 3-month LIBOR. For the fourth quarter of 2013, the coupon rate was 6.065%. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series F Preferred Stock ranks senior to payments on our Common Stock and pari passu with our Series G Preferred Stock (hereinafter defined). The Series F Preferred Stock is redeemable for cash at our option, in whole or in part, at a redemption price of \$1,000.00 per Depositary Share, or \$50,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series F Preferred Stock has no stated maturity and is not convertible into any other securities of the Company. In October 2008, we entered into an interest rate swap agreement to mitigate our exposure to floating interest rates related to the forecasted reset rate of the coupon rate of our Series F Preferred Stock, which matured on October 1, 2013 (see Note 15). On February 3, 2014, we called for the redemption of the Series F Preferred Stock (see Note 17).

On May 27, 2004, we issued 25,000 Depositary Shares, each representing 1/100th of a share of our 7.236%, Series G Flexible Cumulative Redeemable Preferred Stock, \$0.01 par value (the "Series G Preferred Stock"), at an initial offering price of \$1,000.00 per Depositary Share. Dividends on the Series G Preferred Stock are cumulative from the date of initial issuance and are payable semi-annually in arrears for the period from the date

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

of original issuance of the Series G Preferred Stock through March 31, 2014 (the “Series G Initial Fixed Rate Period”), commencing on September 30, 2004, at a rate of 7.236% per annum of the liquidation preference (the “Series G Initial Distribution Rate”) (equivalent to \$72.36 per Depositary Share). On or after March 31, 2014, the Series G Initial Distribution Rate is subject to reset, at our option, subject to certain conditions and parameters, at fixed or floating rates and periods. Fixed rates and periods will be determined through a remarketing procedure. Floating rates during floating rate periods will equal 2.500% (the initial credit spread), plus the greater of (i) the 3-month LIBOR, (ii) the 10 year Treasury CMT Rate, and (iii) the 30 year Treasury CMT Rate, resetting quarterly. Dividends on the Series G Preferred Stock are payable quarterly in arrears for floating rate periods. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series G Preferred Stock ranks senior to payments on our Common Stock and *pari passu* with our Series F Preferred Stock. On or after March 31, 2014, the Series G Preferred Stock is redeemable for cash at our option, in whole or in part, at a redemption price of \$1,000.00 per Depositary Share, or \$25,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series G Preferred Stock has no stated maturity and is not convertible into any other securities of the Company. On February 3, 2014, we called for the redemption of the Series G Preferred Stock (see Note 17).

On January 13, 2006, we issued 6,000,000 Depositary Shares, each representing 1/10,000th of a share of our 7.25%, Series J Cumulative Redeemable Preferred Stock, \$0.01 par value (the “Series J Preferred Stock”), at an initial offering price of \$25.00 per Depositary Share. The Series J Preferred Stock is redeemable for cash at our option, in whole or in part, at a redemption price equivalent to \$25.00 per Depositary Share, or \$150,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. On December 21, 2012, we redeemed 2,000,000 Depositary Shares of the Series J Preferred Stock at a redemption price of \$25.00 per Depositary Share, and paid a pro-rated fourth quarter dividend of \$0.407812 per Depositary Share, totaling \$816. One-third of the initial offering costs associated with the issuance of the Series J Preferred Stock, as well as costs associated with the partial redemption, totaled \$1,804 and are reflected as a deduction from net loss in determining earnings per share for the year ended December 31, 2012. The remaining 4,000,000 Depositary Shares of the Series J Preferred Stock were redeemed on April 11, 2013, at a redemption price of \$25.00 per Depositary Share, and paid a pro-rated second quarter dividend of \$0.055382 per Depositary Share, totaling \$221. The remaining initial offering costs associated with the issuance of the Series J Preferred Stock, as well as costs associated with the redemption, totaled \$3,546 and are reflected as a deduction from net income in determining earnings per share for the year ended December 31, 2013.

On August 21, 2006, we issued 2,000,000 Depositary Shares, each representing 1/10,000th of a share of our 7.25%, Series K Flexible Cumulative Redeemable Preferred Stock, \$0.01 par value (the “Series K Preferred Stock”), at an initial offering price of \$25.00 per Depositary Share. The Series K Preferred Stock is redeemable for cash at our option, in whole or in part, at a redemption price equivalent to \$25.00 per Depositary Share, or \$50,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. On July 18, 2013, we fully redeemed the Series K Preferred Stock at a redemption price of \$25.00 per Depositary Share, and paid a pro-rated third quarter dividend of \$0.090625 per Depositary Share, totaling \$181. The initial offering costs associated with the issuance of the Series K Preferred Stock, as well as costs associated with the redemption, totaled \$2,121 and are reflected as a deduction from net income in determining earnings per share for the year ended December 31, 2013.

The Company has 10,000,000 shares of preferred stock authorized. All series of preferred stock have no stated maturity (although we may redeem all such preferred stock on or following their optional redemption dates at our option, in whole or in part).

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table summarizes the preferred shares outstanding at December 31, 2013 and 2012:

	Year Ended 2013		Year Ended 2012	
	Shares Outstanding	Liquidation Preference	Shares Outstanding	Liquidation Preference
Series F Preferred Stock	500	\$50,000	500	\$ 50,000
Series G Preferred Stock	250	\$25,000	250	\$ 25,000
Series J Preferred Stock	N/A	N/A	400	\$100,000
Series K Preferred Stock	N/A	N/A	200	\$ 50,000

Shares of Common Stock

For the years ended December 31, 2013, 2012 and 2011, 105,028, 535,026, and 125,784 limited partnership interests in the Operating Partnership (“Units”), respectively, were converted into an equivalent number of shares of common stock, resulting in a reclassification of \$996, \$4,763 and \$1,109, respectively, of noncontrolling interest to First Industrial Realty Trust Inc.’s stockholders’ equity.

During the years ended December 31, 2013, 2012 and 2011, we issued 8,400,000, 9,400,000 and 17,300,000 shares of the Company’s common stock in an underwritten public offering. Net proceeds to us for the years ended December 31, 2013, 2012 and 2011, were \$132,050, \$116,715 and \$201,150, respectively.

On February 28, 2011, we entered into distribution agreements with sales agents to sell up to 10,000,000 shares of the Company’s common stock, for up to \$100,000 aggregate gross sale proceeds, from time to time in “at-the-market” offerings (the “2011 ATM”). During the year ended December 31, 2011, we issued 115,856 shares of the Company’s common stock under the 2011 ATM resulting in net proceeds to us of \$1,391. On February 29, 2012, we terminated the 2011 ATM in preparation for the commencement of the 2012 ATM (defined hereafter).

On March 1, 2012, we entered into distribution agreements with sales agents to sell up to 12,500,000 shares of the Company’s common stock, for up to \$125,000 aggregate gross sale proceeds, from time to time in “at-the-market” offerings (the “2012 ATM”). During the years ended December 31, 2013 and 2012, we issued 2,315,704 and 1,532,598 shares, respectively, of the Company’s common stock under the 2012 ATM resulting in net proceeds to us of \$41,735 and \$18,063.

Under the terms of the ATMs, sales are to be made primarily in transactions that are deemed to be “at-the-market” offerings, including sales made directly on the New York Stock Exchange or sales made through a market maker other than on an exchange or by privately negotiated transactions.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table is a roll-forward of our shares of common stock outstanding, including unvested restricted shares of common stock (see Note 14), for the three years ended December 31, 2013:

	<u>Shares of Common Stock Outstanding</u>
Balance at December 31, 2010	68,841,296
Issuance of Common Stock, Including Vesting of Restricted Stock Units	17,646,586
Issuance of Restricted Stock Shares	292,339
Repurchase and Retirement of Restricted Stock Shares	(98,603)
Conversion of Operating Partnership Units	125,784
Balance at December 31, 2011	<u>86,807,402</u>
Issuance of Common Stock, Including Vesting of Restricted Stock Units	11,085,905
Issuance of Restricted Stock Shares	565,137
Repurchase and Retirement of Restricted Stock Shares	(225,557)
Conversion of Operating Partnership Units	535,026
Balance at December 31, 2012	<u>98,767,913</u>
Issuance of Common Stock, Including Vesting of Restricted Stock Units	10,853,693
Issuance of Restricted Stock Shares	284,461
Repurchase and Retirement of Restricted Stock Shares	(30,245)
Conversion of Operating Partnership Units	105,028
Balance at December 31, 2013	<u><u>109,980,850</u></u>

Dividends/Distributions

The coupon rate of our Series F Preferred Stock resets every quarter at 2.375% plus the greater of (i) the 30 year Treasury CMT Rate, (ii) the 10 year Treasury CMT Rate or (iii) 3-month LIBOR. For the fourth quarter of 2013, the coupon rate was 6.065%. See Note 15 for additional derivative information related to the Series F Preferred Stock coupon rate reset.

The following table summarizes dividends/distributions accrued during the past three years:

	<u>2013 Total Dividend/ Distribution *</u>	<u>2012 Total Dividend/ Distribution *</u>	<u>2011 Total Dividend/ Distribution</u>
Common Stock/Operating Partnership Units	\$38,862	\$ —	\$ —
Series F Preferred Stock	\$ 2,896	\$ 2,728	\$ 3,256
Series G Preferred Stock	\$ 1,809	\$ 1,809	\$ 1,809
Series J Preferred Stock	\$ 2,034	\$10,785	\$10,875
Series K Preferred Stock	\$ 1,994	\$ 3,625	\$ 3,625

* The second quarter 2013 and fourth quarter 2012 dividend related to redeemed Series J Preferred Stock was pro-rated as discussed in the “Preferred Stock” section. The third quarter 2013 dividend related to redeemed Series K Preferred Stock was pro-rated as discussed in the “Preferred Stock” section.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

8. Accumulated Other Comprehensive Loss

The following tables summarize the changes in accumulated other comprehensive loss by component and the reclassifications out of accumulated other comprehensive loss for the year ended December 31, 2013:

	<u>Interest Rate Protection Agreements</u>	<u>Foreign Currency Translation Adjustment</u>	<u>Comprehensive Income (Loss) Attributable to Noncontrolling Interest</u>	<u>Total</u>
Balance as of December 31, 2012	\$(7,008)	\$138	\$ 313	\$(6,557)
Other Comprehensive Loss Before Reclassifications . . .	—	(60)	(175)	(235)
Amounts Reclassified from Accumulated Other Comprehensive Loss	3,527	—	—	3,527
Net Current Period Other Comprehensive Income (Loss)	3,527	(60)	(175)	3,292
Balance as of December 31, 2013	<u>\$(3,481)</u>	<u>\$ 78</u>	<u>\$ 138</u>	<u>\$(3,265)</u>

<u>Details about Accumulated Other Comprehensive Loss Components</u>	<u>Amount Reclassified from Accumulated Other Comprehensive Loss</u>	<u>Affected Line Item in the Consolidated Statements of Operations</u>
Interest Rate Protection Agreements		
Amortization of Interest Rate Protection Agreements . . .	\$2,411	Interest Expense
Write-off of Unamortized Settlement Amounts of Interest Rate Protection Agreements	1,116	Loss from Retirement of Debt
	<u>\$3,527</u>	Total

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

9. Supplemental Information to Statements of Cash Flows

	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
Interest Paid, Net of Interest Expense Capitalized in Connection with Development Activity	<u>\$ 70,726</u>	<u>\$ 83,504</u>	<u>\$100,375</u>
Interest Expense Capitalized in Connection with Development Activity	<u>\$ 3,611</u>	<u>\$ 1,997</u>	<u>\$ 437</u>
Income Taxes Paid (Refunded)	<u>\$ 5,433</u>	<u>\$ (295)</u>	<u>\$ 1,876</u>
Supplemental Schedule of Non-Cash Investing and Financing Activities:			
Distribution Payable on Common Stock/Operating Partnership Units	<u>\$ 9,837</u>	<u>\$ —</u>	<u>\$ —</u>
Distribution Payable on Preferred Stock	<u>\$ 452</u>	<u>\$ 452</u>	<u>\$ 4,763</u>
Exchange of Operating Partnership Units for Common Stock:			
Noncontrolling Interest	\$ (996)	\$ (4,763)	\$ (1,109)
Common Stock	1	5	1
Additional Paid-in-Capital	<u>995</u>	<u>4,758</u>	<u>1,108</u>
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Property Transfer to Lender in Satisfaction of Non-Recourse Mortgage Loan:			
Net Investment in Real Estate	\$ —	\$ —	\$ (3,200)
Prepaid Expenses and Other Assets, Net	—	—	(1,987)
Mortgage Loan Payable, Net	<u>—</u>	<u>—</u>	<u>5,040</u>
Loss from Retirement of Debt	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (147)</u>
Assumption of Indebtedness and Other Liabilities in Real Estate Acquisitions	<u>\$ 483</u>	<u>\$ 12,026</u>	<u>\$ 24,417</u>
Notes Receivable Issued in Conjunction with Certain Property Sales	<u>\$ 12,520</u>	<u>\$ —</u>	<u>\$ 7,029</u>
Accounts Payable Related to Construction in Progress and Additions to Investment in Real Estate	<u>\$ 15,249</u>	<u>\$ 12,524</u>	<u>\$ 6,517</u>
Write-off of Fully Depreciated Assets	<u>\$(62,281)</u>	<u>\$(46,801)</u>	<u>\$(58,357)</u>

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

10. Earnings Per Share (EPS)

The computation of basic and diluted EPS is presented below:

	<u>Year Ended December 31, 2013</u>	<u>Year Ended December 31, 2012</u>	<u>Year Ended December 31, 2011</u>
Numerator:			
Income (Loss) from Continuing Operations	\$ 4,941	\$(22,459)	\$(33,631)
Gain on Sale of Real Estate, Net of Income Tax Provision	890	3,777	918
Noncontrolling Interest Allocable to Continuing Operations	<u>356</u>	<u>2,038</u>	<u>3,185</u>
Income (Loss) from Continuing Operations Attributable to First Industrial Realty Trust, Inc.	6,187	(16,644)	(29,528)
Preferred Dividends	(8,733)	(18,947)	(19,565)
Redemption of Preferred Stock	<u>(5,667)</u>	<u>(1,804)</u>	<u>—</u>
Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (8,213)</u>	<u>\$(37,395)</u>	<u>\$(49,093)</u>
Income from Discontinued Operations, Net of Income Tax Provision	\$ 35,597	\$ 16,163	\$ 23,523
Noncontrolling Interest Allocable to Discontinued Operations ...	(1,477)	(837)	(1,440)
Income from Discontinued Operations Allocable to Participating Securities	<u>(162)</u>	<u>—</u>	<u>—</u>
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.	<u>\$ 33,958</u>	<u>\$ 15,326</u>	<u>\$ 22,083</u>
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	\$ 25,907	\$(22,069)	\$(27,010)
Net Income Allocable to Participating Securities	<u>(162)</u>	<u>—</u>	<u>—</u>
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>25,745</u>	<u>(22,069)</u>	<u>(27,010)</u>
Denominator:			
Weighted Average Shares—Basic and Diluted	106,995	91,468	80,616
Basic and Diluted EPS:			
Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (0.08)</u>	<u>\$ (0.41)</u>	<u>\$ (0.61)</u>
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.32</u>	<u>\$ 0.17</u>	<u>\$ 0.27</u>
Net Income (Loss) Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.24</u>	<u>\$ (0.24)</u>	<u>\$ (0.34)</u>

Participating securities include 488,861, 288,627 and 673,381 of unvested restricted stock awards outstanding at December 31, 2013, 2012 and 2011, respectively, which participate in non-forfeitable dividends of the Company. Under the two class method, participating security holders are allocated income, in proportion to total weighted average shares outstanding, based upon the greater of net income (after reduction for preferred dividends and redemption of preferred stock) or common dividends declared. Since participating security holders

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

are not obligated to share in losses and no common dividends were declared during the years ended December 31, 2012 and 2011, there was no allocation of income to participating security holders for the years ended December 31, 2012 and 2011.

The number of weighted average shares—diluted is the same as the number of weighted average shares—basic for the years ended December 31, 2013, 2012 and 2011, as the effect of LTIP Unit Awards (as defined in Note 14) which do not participate in non-forfeitable dividends of the Company was excluded as its inclusion would have been antidilutive to the loss from continuing operations available to First Industrial Realty Trust, Inc.'s common stockholders. The following awards could be dilutive in future periods:

	Number of Awards Outstanding At December 31, 2013	Number of Awards Outstanding At December 31, 2012	Number of Awards Outstanding At December 31, 2011
Non-Participating Securities:			
Restricted Unit Awards	73,400	483,500	731,900
Options	—	—	25,201
LTIP Unit Awards	718,960	—	—

11. Income Taxes

The components of income tax benefit (provision) for the years ended December 31, 2013, 2012 and 2011 are comprised of the following:

	2013	2012	2011
Current:			
Federal	\$ 231	\$(5,210)	\$ (622)
State	(264)	(253)	(502)
Foreign	—	(10)	(41)
Deferred:			
Federal	—	—	(284)
State	36	(49)	(2)
Foreign	—	—	(697)
	<u>\$ 3</u>	<u>\$(5,522)</u>	<u>\$(2,148)</u>

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Deferred income taxes represent the tax effect of the temporary differences between the book and tax basis of assets and liabilities. Deferred tax assets (liabilities) include the following as of December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Impairment of Real Estate	\$ 5,185	\$ 5,519
Foreign Net Operating Loss Carryforward	1,312	854
Valuation Allowance	(5,357)	(5,244)
Other	<u>696</u>	<u>617</u>
Total Deferred Tax Assets, Net of Allowance	<u>\$ 1,836</u>	<u>\$ 1,746</u>
Straight-line Rent	(76)	(91)
Fixed Assets	(1,771)	(1,666)
Other	<u>(122)</u>	<u>(158)</u>
Total Deferred Tax Liabilities	<u>\$(1,969)</u>	<u>\$(1,915)</u>
Total Net Deferred Tax Liabilities	<u>\$ (133)</u>	<u>\$ (169)</u>

A valuation allowance is recorded if we believe it is more likely than not that all or some portion of our deferred tax assets will not be realized. We do not have projections of future taxable income or other sources of taxable income in the taxable REIT subsidiaries significant enough to allow us to believe it is more likely than not that we will realize our deferred tax assets. Therefore, we have recorded a valuation allowance against our deferred tax assets. An increase or decrease in the valuation allowance that results from a change in circumstances, and which causes a change in our judgment about the realizability of the related deferred tax assets, is included in the current tax provision.

The income tax benefit (provision) pertaining to income (loss) from continuing operations and gain on sale of real estate differs from the amounts computed by applying the applicable federal statutory rate as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Benefit (Provision) at Federal Rate Related to Continuing Operations	\$ 286	\$ 557	\$(2,162)
State Tax Provision, Net of Federal Benefit (Provision)	(236)	(244)	(521)
Non-deductible Permanent Items, Net	21	32	(54)
IRS Audit Adjustment and Accrued Interest	58	(5,523)	—
Change in Valuation Allowance	(388)	(166)	1,853
Foreign Taxes, Net	—	(10)	(96)
Other	<u>262</u>	<u>(168)</u>	<u>78</u>
Net Income Tax Benefit (Provision)	<u>\$ 3</u>	<u>\$(5,522)</u>	<u>\$ (902)</u>

We evaluate tax positions taken in the financial statements on a quarterly basis under the interpretation for accounting for uncertainty in income taxes. As a result of this evaluation, we may recognize a tax benefit from an uncertain tax position only if it is “more-likely-than-not” that the tax position will be sustained on examination by taxing authorities. As of December 31, 2013, we do not have any unrecognized tax benefits.

We file income tax returns in the U.S., and various states and foreign jurisdictions. In general, the statutes of limitations for income tax returns remain open for the years 2010 through 2013.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

IRS Tax Refund

On August 24, 2009, we received a private letter ruling from the IRS granting favorable loss treatment under Sections 331 and 336 of the Code on the tax liquidation of one of our former taxable REIT subsidiaries. On November 6, 2009, legislation was signed that allowed businesses with net operating losses for 2008 or 2009 to carry back those losses for up to five years. As a result, we received a refund from the IRS of \$40,418 in the fourth quarter of 2009 (the “Refund”) in connection with this tax liquidation. The IRS examination team, which is required by statute to review all refund claims in excess of \$2,000 on behalf of the Joint Committee on Taxation, indicated to us that it disagreed with certain of the property valuations we obtained from an independent valuation expert in support of our fair value of the liquidated taxable REIT subsidiary and our claim for the Refund. During the year ended December 31, 2012, we reached an agreement with the regional office of the IRS on a proposed adjustment to the Refund. The total agreed-upon adjustment to taxable income was \$13,700, which equates to \$4,806 of taxes owed. We were also required to pay accrued interest of approximately \$500. During the year ended December 31, 2012, the Company recorded a charge for the agreed-upon adjustment and the related estimated accrued interest which was reflected as a component of income tax expense. During the year ended December 31, 2013, the settlement amount was approved by the Joint Committee on Taxation and we paid the agreed upon taxes and related accrued interest.

As a result of the Joint Committee on Taxation’s approval during 2013, we entered into closing agreements with the IRS that determined the timing of the settlement on the tax characterization of the limited partners of the Operating Partnership and the stockholders of the Company. Pursuant to these closing agreements, \$8,238 of the preferred stock distributions for the year ended December 31, 2012 are taxable as capital gain. As revised, for income tax purposes, 35.42% of our 2012 preferred stock distributions are classified as long term capital gains and 64.58% are classified as return of capital.

Federal Income Tax Treatment of Share Distributions

For income tax purposes, distributions paid to common shareholders are classified as ordinary income, capital gain, return of capital or qualified dividends. We did not pay common share distributions for the years ended December 31, 2012 and 2011. For the year ended December 31, 2013, the distributions per common share were classified as follows:

<u>Common Stock</u>	<u>2013</u>	<u>As a Percentage of Distributions</u>
Ordinary Income	\$0.3088	100.00%
Long-term Capital Gains	—	0.00%
Unrecaptured Section 1250 Gain	—	0.00%
Return of Capital	—	0.00%
Qualified Dividends	—	0.00%
	<u>\$0.3088</u>	<u>100.00%</u>

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

For income tax purposes, distributions paid to preferred shareholders are classified as ordinary income, capital gain, return of capital or qualified dividends. For the years ended December 31, 2013, 2012 and 2011, the preferred distributions per depositary share were classified as follows:

<u>Series J Preferred Stock</u>	<u>2013 (1)</u>	<u>As a Percentage of Distributions (1)</u>	<u>2012</u>	<u>As a Percentage of Distributions</u>	<u>2011</u>	<u>As a Percentage of Distributions</u>
Ordinary Income	\$0.5085	100.00%	\$ —	0.00%	\$0.3130	23.02%
Long-term Capital Gains	—	0.00%	0.8025	35.42%	—	0.00%
Unrecaptured Section 1250 Gain	—	0.00%	—	0.00%	—	0.00%
Return of Capital	—	0.00%	1.4632	64.58%	1.0402	76.52%
Qualified Dividends	—	0.00%	—	0.00%	0.0062	0.46%
	<u>\$0.5085</u>	<u>100.00%</u>	<u>\$2.2657</u>	<u>100.00%</u>	<u>\$1.3594</u>	<u>100.00%</u>

- (1) The remaining 4,000,000 Depositary Shares of the Series J Preferred Stock were redeemed on April 11, 2013. The 2013 redemption had no impact on the 2012 or 2011 allocations included in the table above.

<u>Series J Preferred Stock – Depositary Shares Redeemed (2)</u>	<u>2012</u>	<u>As a Percentage of Distributions</u>
Ordinary Income	\$ —	0.00%
Long-term Capital Gains	0.7864	35.42%
Unrecaptured Section 1250 Gain	—	0.00%
Return of Capital	1.4339	64.58%
Qualified Dividends	—	0.00%
	<u>\$2.2203</u>	<u>100.00%</u>

- (2) Schedule relates to the 2,000,000 Depositary Shares of the Series J Preferred Stock that were redeemed on December 21, 2012. The 2012 redemption had no impact on the 2011 allocation.

<u>Series K Preferred Stock</u>	<u>2013 (3)</u>	<u>As a Percentage of Distributions (3)</u>	<u>2012</u>	<u>As a Percentage of Distributions</u>	<u>2011</u>	<u>As a Percentage of Distributions</u>
Ordinary Income	\$0.9969	100.00%	\$ —	0.00%	\$0.3130	23.02%
Long-term Capital Gains	—	0.00%	0.8025	35.42%	—	0.00%
Unrecaptured Section 1250 Gain	—	0.00%	—	0.00%	—	0.00%
Return of Capital	—	0.00%	1.4632	64.58%	1.0402	76.52%
Qualified Dividends	—	0.00%	—	0.00%	0.0062	0.46%
	<u>\$0.9969</u>	<u>100.00%</u>	<u>\$2.2657</u>	<u>100.00%</u>	<u>\$1.3594</u>	<u>100.00%</u>

- (3) Schedule relates to the 2,000,000 Depositary Shares of the Series K Preferred Stock that were redeemed on July 18, 2013. The 2013 redemption had no impact on the 2012 or 2011 allocations included in the table above.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

12. Restructuring Costs

We committed to a plan to reduce organizational and overhead costs in October 2008 and had subsequently modified that plan during 2011 with the goal of further reducing those costs. During the year ended December 31, 2011, we recognized \$1,553 in restructuring costs, of which \$1,200 related to the termination of certain office leases and \$353 related to other expenses. At December 31, 2013 and 2012, \$1,130 and \$1,464, respectively, relating to unpaid restructuring expense was included in accounts payable, accrued expenses and other liabilities.

13. Future Rental Revenues

Our properties are leased to tenants under net and semi-net operating leases. Minimum lease payments receivable, excluding tenant reimbursements of expenses, under non-cancelable operating leases in effect as of December 31, 2013 are approximately as follows:

2014	\$ 242,261
2015	210,117
2016	167,903
2017	134,636
2018	102,717
Thereafter	<u>298,738</u>
Total	<u>\$1,156,372</u>

14. Stock Based Compensation

We maintain five stock incentive plans, (the “Stock Incentive Plans”) which are administered by the Compensation Committee of the Board of Directors. There are 11,500,000 shares authorized for issuance under the Stock Incentive Plans. Only officers, certain employees, our Independent Directors and our affiliates generally are eligible to participate in the Stock Incentive Plans.

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/unit awards (including awards subject to performance conditions), and (iv) dividend equivalent rights. The exercise price of the stock options is determined by the Compensation Committee. Special provisions apply to awards granted under the Stock Incentive Plans in the event of a change in control in the Company. As of December 31, 2013, awards covering 373,243 shares of common stock were available to be granted under the Stock Incentive Plans.

In September 1994, the Board of Directors approved and we adopted a 401(k)/Profit Sharing Plan. Under our 401(k)/Profit Sharing Plan, all eligible employees may participate by making voluntary contributions. We may make, but are not required to make, matching contributions. For the years ended December 31, 2013, 2012 and 2011, matching contributions of \$300, \$284 and \$197, respectively, were recorded.

For the years ended December 31, 2013, 2012 and 2011, we awarded 284,461, 565,137 and 292,339 shares, respectively, of restricted stock awards to certain employees, which had a fair value of \$4,719, \$7,065 and \$3,248 on the date of approval by the Compensation Committee of the Board of Directors and/or the Board of Directors. These restricted stock awards generally vest over a period of three years. Compensation expense will be charged to earnings over the vesting period for the shares expected to vest except if the recipient is not required to provide

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

future service in exchange for vesting of the share. If vesting of a recipient's restricted stock awards is not contingent upon future service, the expense is recognized immediately at the date of grant. During the years ended December 31, 2013 and 2012, we recognized \$1,008 and \$3,649 of compensation expense related to restricted stock awards granted to our Chief Executive Officer for which future service was not required.

The Board of Directors adopted the 2013 Long-Term Incentive Program ("LTIP") and effective July 1, 2013, certain officers and employees were granted 718,960 performance units ("LTIP Unit Awards"). The LTIP Unit Awards had a fair value of \$5,411 on the grant date as determined by a lattice-binomial option-pricing model based on a Monte Carlo simulation. The LTIP Unit Awards vest based upon the relative total shareholder return ("TSR") of our common stock compared to the TSRs of the MSCI US REIT Index and the NAREIT Industrial Index. The TSR for half of the granted units is calculated based upon the performance from July 1, 2013 through June 30, 2014 and the other half is calculated based upon the performance from July 1, 2013 through December 31, 2015. Compensation expense will be charged to earnings on a straight-line basis over the respective performance periods. At the end of the respective performance periods, each participant will be issued shares of our common stock equal to the maximum shares issuable to the participant for the performance period multiplied by a percentage, ranging from 0% to 100% , based on our TSR as compared to the TSR of the MSCI US REIT Index and the NAREIT Industrial Index. The participants will also be entitled to dividend equivalents for shares issued pursuant to vested LTIP Unit Awards, of which dividend equivalents represent any common dividends that would have been paid with respect to such issued shares after the grant of the LTIP Unit Awards and prior to the date of settlement.

As mentioned above, the fair value of the LTIP Unit Awards at issuance was determined by a lattice-binomial option-pricing model based on a Monte Carlo simulation using the following assumptions:

Expected dividend yield	2.22%
Expected volatility - range used	24.28% - 34.66%
Expected volatility - weighted average	30.61%
Risk-free interest rate	0.03% - 0.71%
Expected term	1 - 2.5 years

For the years ended December 31, 2013, 2012 and 2011, we recognized \$6,202, \$8,559 and \$3,759 in amortization related to restricted stock and unit awards and LTIP Unit Awards, of which \$43, \$32 and \$0, respectively, was capitalized in connection with development activities. At December 31, 2013, we had \$7,319 in unrecognized compensation related to unvested restricted stock and LTIP Unit Awards. The weighted average period that the unrecognized compensation is expected to be recognized is 0.83 years.

Restricted stock and unit award and LTIP Unit Award transactions for the year ended December 31, 2013 are summarized as follows:

	<u>Awards</u>	<u>Weighted Average Grant Date Fair Value</u>
Outstanding at December 31, 2012 (Restricted Stock and Unit)	772,127	\$ 7.02
Issued (Restricted Stock and Unit and LTIP Unit Award)	1,003,421	\$10.10
Forfeited (Restricted Stock and Unit)	(201,719)	\$ 4.58
Vested (Restricted Stock and Unit)	(292,608)	\$ 7.41
Outstanding at December 31, 2013 (Restricted Stock and Unit and LTIP Unit Award)	<u>1,281,221</u>	<u>\$ 9.72</u>

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

15. Derivatives

Our objectives in using interest rate derivatives are to add stability to interest expense or preferred stock dividends and to manage our cash flow volatility and exposure to interest rate movements. To accomplish this objective, we primarily use interest rate swaps as part of our interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

Our Series F Preferred Stock is subject to a coupon rate reset. The coupon rate resets every quarter at 2.375% plus the greater of i) the 30 year Treasury CMT Rate, ii) the 10 year Treasury CMT Rate or iii) 3-month LIBOR. For the fourth quarter of 2013, the new coupon rate was 6.065%. In October 2008, we entered into an interest rate swap agreement with a notional value of \$50,000 to mitigate our exposure to floating interest rates related to the forecasted reset rate of the coupon rate of our Series F Preferred Stock (the "Series F Agreement"). This Series F Agreement fixes the 30 year Treasury CMT rate at 5.2175%. Accounting guidance for derivatives does not permit hedge accounting treatment related to equity instruments and therefore the mark-to-market gains or losses related to this agreement are recorded in the statement of operations. For the years ended December 31, 2013 and 2012, gains of \$52 and losses of \$328, respectively, are recognized as mark-to-market gain (loss) on interest rate protection agreements. Quarterly payments are treated as a component of the mark-to-market gains or losses and totaled \$774 and \$1,169 for the years ended December 31, 2013 and 2012, respectively. The Series F Agreement matured on October 1, 2013.

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in other comprehensive income ("OCI") and is subsequently reclassified to earnings through interest expense over the life of the derivative or over the life of the debt. In the next 12 months, we expect to amortize approximately \$1,358 into net income by increasing interest expense for interest rate protection agreements we settled in previous periods.

The following is a summary of the terms of our Series F Agreement and its fair value, which is included in accounts payable, accrued expenses and other liabilities on the accompanying consolidated balance sheets:

<u>Hedge Product</u>	<u>Notional Amount</u>	<u>Strike</u>	<u>Trade Date</u>	<u>Maturity Date</u>	<u>Fair Value As of December 31, 2013</u>	<u>Fair Value As of December 31, 2012</u>
Derivatives Not Designated as Hedging Instruments:						
Series F Agreement*	\$ 50,000	5.2175%	October 1, 2008	October 1, 2013	N/A	\$(826)

* Fair value excludes quarterly settlement payment due on Series F Agreement. As of December 31, 2012, the outstanding payable was \$305.

The following is a summary of the impact of the derivatives in cash flow hedging relationships on the statements of operations and the statements of OCI for the years ended December 31, 2013 and 2012:

<u>Interest Rate Products</u>	<u>Location on Statement</u>	<u>Year Ended</u>	
		<u>December 31, 2013</u>	<u>December 31, 2012</u>
Amortization Reclassified from OCI into Income (Loss) . . .	Interest Expense	\$(2,411)	\$(2,271)

The guidance for fair value measurement of financial instruments includes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The following table sets forth our financial liability related to the Series F Agreement that is accounted for at fair value on a recurring basis as of December 31, 2012:

Description	Fair Value	Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Liabilities:				
Series F Agreement at December 31, 2012	\$(826)	—	—	\$(826)

The following table presents the quantitative information about the Level 3 fair value measurements at December 31, 2012:

Description	Quantitative Information about Level 3 Fair Value Measurements:			
	Fair Value	Valuation Technique	Unobservable Inputs	Range
Series F Agreement at December 31, 2012	\$(826)	Discounted Cash Flow	Long Dated Treasuries (A) Own Credit Risk (B)	2.82% -2.91% 0.98% -1.59%

(A) Represents the forward 30 year Treasury CMT Rate.

(B) Represents credit default swap spread curve used in the valuation analysis at December 31, 2012.

The valuation of the Series F Agreement was determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the instrument. This analysis reflected the contractual terms of the agreement including the period to maturity. In adjusting the fair value of the Series F Agreement for the effect of nonperformance risk, we had considered the impact of netting and any applicable credit enhancement. To comply with the provisions of fair value measurement, we calculated a credit valuation adjustment to appropriately reflect both our own nonperformance risk and our counterparty's nonperformance risk in the fair value measurements. We considered the Series F Agreement to be classified as Level 3 in the fair value hierarchy due to a significant number of unobservable inputs. The Series F Agreement swapped a fixed rate of 5.2175% for floating rate payments based on 30 year Treasury CMT rate. No market observable prices exist for long dated Treasuries. Therefore, we have classified the Series F Agreement in its entirety as Level 3.

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table presents a reconciliation of our liability classified as Level 3 at December 31, 2013 and 2012:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Derivatives
Ending Liability Balance at December 31, 2011	\$(1,667)
Mark-to-Market of the Series F Agreement	841
Ending Liability Balance at December 31, 2012	\$ (826)
Mark-to-Market of the Series F Agreement	<u>826</u>
Ending Liability Balance at December 31, 2013	<u><u>\$ —</u></u>

16. Commitments and Contingencies

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

Three properties have leases granting the tenants options to purchase the property. Such options are exercisable at various times at appraised fair market value or at a fixed purchase price in excess of our depreciated cost of the asset. We have no notice of any exercise of any tenant purchase option.

At December 31, 2013, we had an outstanding letter of credit and performance bonds in the aggregate amount of \$8,054.

In conjunction with the development of industrial properties, we have entered into agreements with general contractors for the construction of industrial buildings. At December 31, 2013, we have three industrial buildings totaling approximately 0.8 million square feet of GLA that are under construction. The estimated total construction costs as of December 31, 2013, are approximately \$49,200 (unaudited). Of this amount, approximately \$23,900 (unaudited) remains to be funded. There can be no assurance that the actual completion cost will not exceed the estimated completion cost stated above.

Ground and Operating Lease Agreements

For the years ended December 31, 2013, 2012 and 2011, we recognized \$1,440, \$1,565 and \$1,955, respectively, in operating and ground lease expense.

Future minimum rental payments under the terms of all non-cancelable ground and operating leases under which we are the lessee as of December 31, 2013 are as follows:

2014	\$ 1,824
2015	1,660
2016	1,673
2017	1,702
2018	1,100
Thereafter	<u>25,117</u>
Total*	<u><u>\$33,076</u></u>

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

* Minimum rental payments have not been reduced by minimum sublease rentals of \$6,832 due in the future under non-cancelable subleases.

17. Subsequent Events

From January 1, 2014 to February 27, 2014, we acquired one industrial property for a purchase price of approximately \$13,400, excluding costs incurred in conjunction with the acquisition and we sold one industrial property for approximately \$1,335. Additionally, in January 2014 the 2003 Net Lease Joint Venture sold two industrial properties (see Note 5).

On January 29, 2014, we entered into a \$200,000 unsecured loan with a seven-year term. The loan features interest-only payments and initially bears an interest rate of LIBOR plus 175 basis points. The rate is subject to adjustment based on our leverage ratio or credit ratings. We also entered into interest rate swap agreements, with an aggregate notional value of \$200,000, to convert the term loan's LIBOR rate to a fixed rate of approximately 4.04% per annum, based on the loan's current spread.

On February 3, 2014, we announced that we will redeem all 50,000 Depositary Shares of our Series F Preferred Stock. The redemption price will be \$1,000.00 per Depositary Share, or \$50,000, plus all accumulated and unpaid distributions to and including the date of redemption, March 6, 2014. We also announced that we will redeem all 25,000 Depositary Shares of our Series G Preferred Stock. The redemption price will be \$1,000.00 per Depositary Share, or \$25,000 plus all accumulated and unpaid distributions to and including the date of redemption, March 31, 2014.

FIRST INDUSTRIAL REALTY TRUST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

18. Quarterly Financial Information (unaudited)

The following tables summarize our quarterly financial information. The first, second and third fiscal quarters of 2013 and all fiscal quarters in 2012 have been revised in accordance with guidance on accounting for discontinued operations. Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities and basic and diluted EPS from Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders have not been affected.

	Year Ended December 31, 2013			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues	\$ 80,698	\$ 82,098	\$ 81,294	\$ 84,136
Equity in Income of Joint Ventures	20	27	72	17
Noncontrolling Interest Allocable to Continuing Operations	128	293	39	(67)
Income (Loss) from Continuing Operations, Net of Noncontrolling Interest	1,027	(984)	2,592	2,699
(Loss) Income from Discontinued Operations	(2,284)	12,639	5,919	19,323
Noncontrolling Interest Allocable to Discontinued Operations ...	104	(538)	(246)	(797)
Gain on Sale of Real Estate, Net of Income Tax	262	—	291	337
Noncontrolling Interest Allocable to Gain on Sale of Real Estate	(12)	—	(12)	(13)
Net (Loss) Income Attributable to First Industrial Realty Trust, Inc.	(903)	11,117	8,544	21,549
Preferred Dividends	(3,837)	(2,277)	(1,392)	(1,227)
Redemption of Preferred Stock	—	(3,546)	(2,121)	—
Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities ..	(4,740)	5,294	5,031	20,322
Income from Continuing Operations Allocable to Participating Securities	(36)	—	—	(8)
Income from Discontinued Operations Allocable to Participating Securities	—	(42)	(42)	(82)
Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (4,776)</u>	<u>\$ 5,252</u>	<u>\$ 4,989</u>	<u>\$ 20,232</u>
Basic and Diluted Earnings Per Share:				
(Loss) Income from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (0.03)</u>	<u>\$ (0.06)</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>
(Loss) Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (0.02)</u>	<u>\$ 0.11</u>	<u>\$ 0.05</u>	<u>\$ 0.17</u>
Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (0.05)</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>	<u>\$ 0.18</u>
Weighted Average Shares – Basic	100,774	108,117	109,474	109,490
LTIP Unit Awards	—	—	—	485
Weighted Average Units —Diluted	<u>100,774</u>	<u>108,117</u>	<u>109,474</u>	<u>109,975</u>

FIRST INDUSTRIAL REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Year Ended December 31, 2012			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues	\$77,523	\$ 78,946	\$76,636	\$81,220
Equity in Income of Joint Ventures	91	37	28	1,403
Noncontrolling Interest Allocable to Continuing Operations	538	1,005	204	487
Loss from Continuing Operations, Net of Noncontrolling Interest	(4,396)	(12,502)	(246)	(3,081)
Income from Discontinued Operations	5,989	3,141	5,869	1,164
Noncontrolling Interest Allocable to Discontinued Operations	(331)	(167)	(285)	(54)
Gain on Sale of Real Estate	—	—	3,777	—
Noncontrolling Interest Allocable to Gain on Sale of Real Estate	—	—	(196)	—
Net Income (Loss) Attributable to First Industrial Realty Trust, Inc.	1,262	(9,528)	8,919	(1,971)
Preferred Dividends	(4,762)	(4,798)	(4,725)	(4,662)
Redemption of Preferred Stock	—	—	—	(1,804)
Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	(3,500)	(14,326)	4,194	(8,437)
Income from Discontinued Operations Allocable to Participating Securities	—	—	(33)	—
Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (3,500)</u>	<u>\$ (14,326)</u>	<u>\$ 4,161</u>	<u>\$ (8,437)</u>
Basic and Diluted Earnings Per Share:				
Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (0.11)</u>	<u>\$ (0.19)</u>	<u>\$ (0.02)</u>	<u>\$ (0.10)</u>
Income from Discontinued Operations Attributable to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 0.07</u>	<u>\$ 0.03</u>	<u>\$ 0.06</u>	<u>\$ 0.01</u>
Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ (0.04)</u>	<u>\$ (0.16)</u>	<u>\$ 0.04</u>	<u>\$ (0.09)</u>
Weighted Average Shares – Basic and Diluted	<u>86,575</u>	<u>87,981</u>	<u>93,488</u>	<u>97,738</u>

**SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2013**

Building Address	Location (City/State)	(a)		(b)		(c)		Gross Amount Carried At Close of Period 12/31/13		Accumulated Depreciation 12/31/2013	Year Acquired/ Constructed	Depreciable Lives (Years)
		Encumbrances	Land	Building and Improvements	Capitalized Subsequent to Acquisition or Completion	Initial Cost	Building and Improvements		Total			
							Provision	Land				
(In thousands)												
Atlanta												
4250 River Green Parkway	Duluth, GA	\$ —	\$ 264	\$ 1,522	\$ 32	\$ 214	\$ 1,604	\$ 1,818	\$ 813	1994	(i)	
3450 Corporate Way	Duluth, GA	—	506	2,904	(705)	284	2,421	2,705	1,319	1994	(i)	
1650 Highway 155	McDonough, GA	—	788	4,544	(817)	365	4,150	4,515	2,368	1994	(i)	
1665 Dogwood	Conyers, GA	—	635	3,662	946	635	4,608	5,243	2,064	1994	(i)	
1715 Dogwood	Conyers, GA	—	288	1,675	801	228	2,536	2,764	1,006	1994	(i)	
11235 Harland Drive	Covington, GA	—	125	739	164	125	903	1,028	422	1994	(i)	
4051 Southmeadow Parkway	Atlanta, GA	—	726	4,130	889	726	5,019	5,745	2,238	1994	(i)	
4071 Southmeadow Parkway	Atlanta, GA	—	750	4,460	1,688	828	6,070	6,898	2,733	1994	(i)	
4081 Southmeadow Parkway	Atlanta, GA	—	1,012	5,918	1,457	1,157	7,230	8,387	3,214	1994	(i)	
5570 Tulane Dr (d)	Atlanta, GA	2,281	527	2,984	1,046	546	4,011	4,557	1,546	1996	(i)	
955 Cobb Place	Kennesaw, GA	3,008	780	4,420	809	804	5,205	6,009	1,929	1997	(i)	
1005 Sigman Road	Conyers, GA	2,163	566	3,134	433	574	3,559	4,133	1,224	1999	(i)	
2050 East Park Drive	Conyers, GA	—	452	2,504	143	459	2,640	3,099	932	1999	(i)	
1256 Oakbrook Drive	Norcross, GA	1,290	336	1,907	334	339	2,238	2,577	673	2001	(i)	
1265 Oakbrook Drive	Norcross, GA	1,167	307	1,742	281	309	2,021	2,330	631	2001	(i)	
1280 Oakbrook Drive	Norcross, GA	1,161	281	1,592	286	283	1,876	2,159	563	2001	(i)	
1300 Oakbrook Drive	Norcross, GA	1,640	420	2,381	248	423	2,626	3,049	797	2001	(i)	
1325 Oakbrook Drive	Norcross, GA	1,362	332	1,879	322	334	2,199	2,533	681	2001	(i)	
1351 Oakbrook Drive	Norcross, GA	—	370	2,099	(940)	146	1,383	1,529	687	2001	(i)	
1346 Oakbrook Drive	Norcross, GA	—	740	4,192	(699)	352	3,881	4,233	1,719	2001	(i)	
3060 South Park Blvd	Ellenwood, GA	—	1,600	12,464	2,386	1,604	14,846	16,450	4,514	2003	(i)	
Greenwood Industrial Park	McDonough, GA	4,523	1,550	—	7,485	1,550	7,485	9,035	1,761	2004	(i)	
46 Kent Drive	Cartersville, GA	1,757	794	2,252	6	798	2,254	3,052	725	2005	(i)	
605 Stonehill Drive	Atlanta, GA	1,534	485	1,979	(23)	490	1,951	2,441	1,521	2005	(i)	
5095 Phillip Lee Drive	Atlanta, GA	5,008	735	3,627	451	740	4,073	4,813	2,086	2005	(i)	
6514 Warren Drive	Norcross, GA	—	510	1,250	114	513	1,361	1,874	390	2005	(i)	
6544 Warren Drive	Norcross, GA	—	711	2,310	298	715	2,604	3,319	799	2005	(i)	
5356 E. Ponce De Leon	Stone Mountain, GA	2,571	604	3,888	288	610	4,170	4,780	1,724	2005	(i)	
5390 E. Ponce De Leon	Stone Mountain, GA	—	397	1,791	42	402	1,828	2,230	622	2005	(i)	
195 & 197 Collins Boulevard	Athens, GA	—	1,410	5,344	(1,742)	989	4,023	5,012	3,142	2005	(i)	
1755 Enterprise Drive	Buford, GA	1,317	712	2,118	(200)	716	1,914	2,630	533	2006	(i)	
4555 Atwater Court	Buford, GA	2,266	881	3,550	96	885	3,642	4,527	1,002	2006	(i)	
80 Liberty Industrial Parkway	McDonough, GA	—	756	3,695	(1,428)	467	2,556	3,023	800	2007	(i)	
596 Bonnie Valentine	Pendergrass, GA	—	2,580	21,730	2,870	2,594	24,586	27,180	5,013	2007	(i)	
11415 Old Roswell Road	Alpharetta, GA	3,148	2,403	1,912	628	2,428	2,515	4,943	784	2008	(i)	
Baltimore												
9700 Martin Luther King Hwy	Lanham, MD	—	700	1,920	734	700	2,654	3,354	961	2003	(i)	
9730 Martin Luther King Hwy	Lanham, MD	—	500	955	500	500	1,455	1,955	498	2003	(i)	

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Building Address	Location (City/State)	(a)		(b)		(c) Costs		Gross Amount Carried At Close of Period 12/31/13		Accumulated Depreciation 12/31/2013	Year Acquired/ Constructed	Depreciable Lives (Years)
		Encumbrances	Land	Building and Improvements	Initial Cost	Completion and Valuation Provision	Building and Improvements		Total			
							Land	Improvements				
(In thousands)												
4621 Boston Way	Lanham, MD	—	1,100	3,070	466	3,070	466	1,100	3,536	4,636	1,235	2003
4720 Boston Way	Lanham, MD	—	1,200	2,174	630	2,174	630	1,200	2,804	4,004	903	2003
22520 Randolph Drive	Dulles, VA	7,301	3,200	8,187	(850)	8,187	(850)	3,208	7,329	10,537	1,508	2004
22630 Dulles Summit Court	Dulles, VA	—	2,200	9,346	(820)	9,346	(820)	2,206	8,520	10,726	1,793	2004
4201 Forbes Boulevard	Lanham, MD	—	356	1,823	156	1,823	156	375	1,960	2,335	518	2005
4370-4383 Lottsford Vista Road	Lanham, MD	—	279	1,358	107	1,358	107	296	1,448	1,744	399	2005
4400 Lottsford Vista Road	Lanham, MD	—	351	1,955	206	1,955	206	372	2,140	2,512	481	2005
4420 Lottsford Vista Road	Lanham, MD	—	539	2,196	(14)	2,196	(14)	568	2,153	2,721	522	2005
11204 McCormick Road	Hunt Valley, MD	—	1,017	3,132	(59)	3,132	(59)	1,038	3,052	4,090	1,043	2005
11110 Pepper Road	Hunt Valley, MD	—	918	2,529	337	2,529	337	938	2,846	3,784	1,070	2005
11100-11120 Gilroy Road	Hunt Valley, MD	—	901	1,455	(55)	1,455	(55)	919	1,382	2,301	490	2005
318 Clubhouse Lane	Hunt Valley, MD	—	701	1,691	53	1,691	53	718	1,727	2,445	592	2005
10709 Gilroy Road	Hunt Valley, MD	2,436	913	2,705	(143)	2,705	(143)	913	2,562	3,475	1,030	2005
10707 Gilroy Road	Hunt Valley, MD	—	1,111	3,819	502	3,819	502	1,136	4,296	5,432	1,267	2005
38 Loveton Circle	Sparks, MD	—	1,648	2,151	(241)	2,151	(241)	1,690	1,868	3,558	642	2005
7120-7132 Ambassador Road	Baltimore, MD	—	829	1,329	1,155	1,329	1,155	847	2,466	3,313	648	2005
7142 Ambassador Road	Hunt Valley, MD	—	924	2,876	4,274	2,876	4,274	942	7,132	8,074	1,363	2005
7144-7162 Ambassador Road	Baltimore, MD	—	979	1,672	181	1,672	181	1,000	1,832	2,832	613	2005
7223-7249 Ambassador Road	Woodlawn, MD	—	1,283	2,674	392	2,674	392	1,311	3,038	4,349	1,175	2005
7200 Rutherford Road	Baltimore, MD	—	1,032	2,150	330	2,150	330	1,054	2,458	3,512	840	2005
2700 Lord Baltimore Road	Baltimore, MD	—	875	1,826	740	1,826	740	897	2,544	3,441	939	2005
1225 Bengies Road	Baltimore, MD	—	2,640	270	14,439	270	14,439	2,823	14,526	17,349	2,902	2008
Central Pennsylvania												
1214-B Freedom Road	Cranberry Township, PA	1,402	31	994	613	994	613	200	1,438	1,638	1,211	1994
401 Russell Drive	Middletown, PA	1,191	262	857	1,696	857	1,696	287	2,528	2,815	1,882	1994
2700 Commerce Drive	Middletown, PA	—	196	997	935	997	935	206	1,922	2,128	1,393	1994
2701 Commerce Drive	Middletown, PA	1,937	141	859	1,263	859	1,263	164	2,099	2,263	1,384	1994
2780 Commerce Drive	Middletown, PA	1,700	113	743	1,131	743	1,131	209	1,778	1,987	1,348	1994
350 Old Silver Spring Road	Mechanicsburg, PA	—	510	2,890	6,863	2,890	6,863	541	9,722	10,263	3,615	1997
16522 Hunters Green Parkway	Hagerstown, MD	11,893	1,390	13,104	3,948	13,104	3,948	1,863	16,579	18,442	4,302	2003
18212 Shawley Drive	Hagerstown, MD	6,461	1,000	5,847	702	5,847	702	1,016	6,533	7,549	1,491	2004
37 Valley View Drive	Jessup, PA	3,046	542	—	3,017	—	3,017	532	3,027	3,559	675	2004
301 Railroad Avenue	Shiremanstown, PA	—	1,181	4,447	2,647	4,447	2,647	1,328	6,947	8,275	2,606	2005
431 Railroad Avenue	Shiremanstown, PA	8,503	1,293	7,164	1,611	7,164	1,611	1,341	8,727	10,068	3,129	2005
6951 Allentown Blvd	Harrisburg, PA	—	585	3,176	306	3,176	306	601	3,466	4,067	1,045	2005
320 Reliance Road	Washington, PA	—	201	1,819	(283)	1,819	(283)	178	1,559	1,737	660	2005
1351 Eisenhower Blvd., Bldg. 1	Harrisburg, PA	1,931	382	2,343	55	2,343	55	387	2,393	2,780	752	2006
1351 Eisenhower Blvd., Bldg. 2	Harrisburg, PA	1,393	436	1,587	7	1,587	7	443	1,587	2,030	521	2006
1490 Dennison Circle	Carlisle, PA	—	1,500	—	14,234	—	14,234	2,341	13,393	15,734	2,527	2008
298 First Avenue	Gouldsboro, PA	—	7,022	—	58,462	—	58,462	7,019	58,465	65,484	8,269	2008
225 Cross Farm Lane	York, PA	17,796	4,718	—	23,567	—	23,567	4,715	23,570	28,285	3,689	2008

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			Land	Building and Improvements		Land	Building and Improvements				Total
105 Steamboat Blvd 20 Leo Lane	Manchester, PA York County, PA	— —	4,085 6,884	14,464 —	1 23,731	(In thousands) 4,070 6,886	14,480 23,729	18,550 30,615	2012 2013	(j) (j)	
Chicago											
720-730 Landwehr Drive	Northbrook, IL	—	521	2,982	759	521	3,741	4,262	1994	(j)	
1385 101st Street	Lemont, IL	4,298	967	5,554	1,692	968	7,245	8,213	1994	(j)	
6750 South Sayre Avenue	Bedford Park, IL	—	224	1,309	584	224	1,893	2,117	1994	(j)	
585 Slawin Court	Mount Prospect, IL	—	611	3,505	1,697	525	5,288	3,093	1994	(j)	
2300 Windsor Court	Addison, IL	3,652	688	3,943	1,173	696	5,108	5,804	1994	(j)	
305-311 Era Drive	Northbrook, IL	—	200	1,154	1,012	205	2,161	2,366	1994	(j)	
365 North Avenue	Carol Stream, IL	6,046	1,042	6,882	2,631	1,073	9,482	10,555	1994	(j)	
11241 Melrose Street	Franklin Park, IL	—	332	1,931	44	208	2,099	2,307	1995	(j)	
11939 South Central Avenue	Alsip, IL	—	1,208	6,843	2,685	1,305	9,431	10,736	1997	(j)	
1010-50 Sesame Street	Bensenville, IL	—	979	5,546	3,998	1,048	9,475	10,523	1997	(j)	
2120-24 Roberts	Broadview, IL	—	220	1,248	277	231	1,514	1,745	1998	(j)	
800 Business Drive	Mount Prospect, IL	—	631	3,493	328	666	3,786	4,452	2000	(j)	
580 Slawin Court	Mount Prospect, IL	818	233	1,292	(37)	162	1,326	1,488	2000	(j)	
1005 101st Street	Lemont, IL	6,141	1,200	6,643	918	1,220	7,541	8,761	2001	(j)	
175 Wall Street	Glendale Heights, IL	1,478	427	2,363	163	433	2,520	2,953	2002	(j)	
800-820 Thorndale Avenue	Bensenville, IL	—	751	4,159	1,464	761	5,613	6,374	2002	(j)	
251 Airport Road	North Aurora, IL	5,171	983	—	6,696	983	6,696	7,679	2002	(j)	
1661 Feehanville Drive	Mount Prospect, IL	—	985	5,455	2,725	1,044	8,121	9,165	2004	(j)	
400 Crossroads Pkwy	Bolingbrook, IL	—	1,178	9,453	1,130	1,181	10,580	11,761	2005	(j)	
7609 W. Industrial Drive	Forest Park, IL	—	1,207	2,343	103	1,213	2,440	3,653	2005	(j)	
7801 W. Industrial Drive	Forest Park, IL	—	1,215	3,020	468	1,220	3,483	4,703	2005	(j)	
825 E. 26th Street	LaGrange, IL	—	1,547	2,078	2,665	1,617	4,673	6,290	2005	(j)	
725 Kimberly Drive	Carol Stream, IL	—	793	1,395	154	801	1,541	2,342	2005	(j)	
17001 S. Vincennes	Thornton, IL	—	497	504	37	513	525	1,038	2005	(j)	
11111 Davis Road	Elgin, IL	2,777	998	1,859	1,028	1,046	2,839	3,885	2006	(j)	
2900 W. 166th Street	Markham, IL	—	1,132	4,293	723	1,134	5,014	6,148	2007	(j)	
555 W. Algonquin Rd	Arlington Heights, IL	—	574	741	1,936	579	2,672	3,251	2007	(j)	
7000 W. 60th Street	Chicago, IL	—	609	932	100	667	974	1,641	2007	(j)	
9501 Nevada	Franklin Park, IL	—	2,721	5,630	(199)	2,737	5,415	8,152	2008	(j)	
1501 Oakton Street	Elk Grove Village, IL	7,283	3,369	6,121	(117)	3,482	5,891	9,373	2008	(j)	
16500 W. 103rd Street	Woodridge, IL	2,448	744	2,458	366	762	2,806	3,568	2008	(j)	
8505 50th Street	Kenosha, WI	—	3,212	—	24,960	3,212	24,960	28,172	2008	(j)	
4100 Rock Creek Blvd	Joliet, IL	—	4,476	16,061	77	4,476	16,138	20,614	2013	(j)	
10100 58th Place	Kenosha, WI	—	4,201	17,604	1,363	4,201	18,967	23,168	2013	(j)	
Cincinnati											
9900-9970 Princeton	Cincinnati, OH	3,743	545	3,088	1,706	566	4,773	5,339	1996	(j)	
2940 Highland	Cincinnati, OH	—	1,717	9,730	94	952	10,589	11,541	1996	(j)	

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		Encumbrances	Land	Building and Improvements			Land Improvements	Total			
				Initial Cost	Building and Improvements						
							(In thousands)				
4700-4750 Creek Road	Blue Ash, OH	—	1,080	6,118	1,351	—	1,109	7,440	8,549	1996	(i)
4436 Muhlhauser Road	Hamilton, OH	3,715	630	—	5,276	—	630	5,276	5,906	2002	(i)
4438 Muhlhauser Road	Hamilton, OH	4,575	779	—	6,517	—	779	6,517	7,296	2002	(i)
420 Wards Corner Road	Loveland, OH	—	600	1,083	574	—	606	1,651	2,257	2003	(i)
422 Wards Corner Road	Loveland, OH	—	600	1,811	(137)	—	592	1,682	2,274	2003	(i)
4663 Dues Drive	Westchester, OH	—	858	2,273	543	—	875	2,799	3,674	2005	(i)
9345 Princeton-Glendale Road	Westchester, OH	1,555	818	1,648	380	—	840	2,006	2,846	2006	(i)
9525 Glades Drive	Westchester, OH	—	347	1,323	115	—	355	1,430	1,785	2007	(i)
9774-9792 Windisch Road	Westchester, OH	—	392	1,744	29	—	394	1,771	2,165	2007	(i)
9808-9830 Windisch Road	Westchester, OH	—	395	2,541	47	—	397	2,586	2,983	2007	(i)
9842-9862 Windisch Road	Westchester, OH	—	506	3,148	143	—	508	3,289	3,797	2007	(i)
9872-9898 Windisch Road	Westchester, OH	—	546	3,039	137	—	548	3,174	3,722	2007	(i)
9902-9922 Windisch Road	Westchester, OH	—	623	4,003	694	—	627	4,693	5,320	2007	(i)
Cleveland											
30311 Emerald Valley Parkway	Glenwillow, OH	9,320	681	11,838	988	—	691	12,816	13,507	2006	(i)
30333 Emerald Valley Parkway	Glenwillow, OH	4,693	466	5,447	186	—	475	5,624	6,099	2006	(i)
7800 Cochran Road	Glenwillow, OH	—	972	7,033	337	—	991	7,351	8,342	2006	(i)
7900 Cochran Road	Glenwillow, OH	4,808	775	6,244	10	—	792	6,237	7,029	2006	(i)
7905 Cochran Road	Glenwillow, OH	—	920	6,174	341	—	921	6,514	7,435	2006	(i)
30600 Carter Street	Solon, OH	—	989	3,042	652	—	1,022	3,661	4,683	2006	(i)
8181 Darrow Road	Twinsburg, OH	7,100	2,478	6,791	2,016	—	2,496	8,789	11,285	2008	(i)
Dallas											
2406-2416 Walnut Ridge	Dallas, TX	—	178	1,006	633	—	172	1,645	1,817	1997	(i)
2401-2419 Walnut Ridge	Dallas, TX	—	148	839	403	—	142	1,248	1,390	1997	(i)
900-906 Great Southwest Pkwy	Arlington, TX	—	237	1,342	638	—	270	1,947	2,217	1997	(i)
3000 West Commerce	Dallas, TX	—	456	2,584	1,032	—	469	3,603	4,072	1997	(i)
3030 Hansboro	Dallas, TX	—	266	1,510	(664)	—	87	1,025	1,112	1997	(i)
405-407 113th	Arlington, TX	—	181	1,026	588	—	185	1,610	1,795	1997	(i)
816 111th Street	Arlington, TX	882	251	1,421	195	—	258	1,609	1,867	1997	(i)
7427 Dogwood Park	Richland Hills, TX	—	96	532	302	—	102	828	930	1998	(i)
7348-54 Tower Street	Richland Hills, TX	—	88	489	213	—	94	696	790	1998	(i)
7339-41 Tower Street	Richland Hills, TX	—	98	541	174	—	104	709	813	1998	(i)
7437-45 Tower Street	Richland Hills, TX	—	102	563	287	—	108	844	952	1998	(i)
7331-59 Airport Freeway	Richland Hills, TX	1,669	354	1,958	340	—	372	2,280	2,652	1998	(i)
7338-60 Dogwood Park	Richland Hills, TX	—	106	587	244	—	112	825	937	1998	(i)
7450-70 Dogwood Park	Richland Hills, TX	—	106	584	99	—	112	677	789	1998	(i)
7423-49 Airport Freeway	Richland Hills, TX	1,487	293	1,621	449	—	308	2,055	2,363	1998	(i)
7400 Whitehall Street	Richland Hills, TX	—	109	603	95	—	115	692	807	1998	(i)
1602-1654 Terre Colony	Dallas, TX	1,831	458	2,596	822	—	468	3,408	3,876	2000	(i)
2351-2355 Merritt Drive	Garland, TX	—	101	574	157	—	92	740	832	2000	(i)

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		Encumbrances	Land	Building and Improvements		Provision	Land Improvements		Total			
				Initial Cost	Building and Improvements		Land	Improvements				
(In thousands)												
2220 Merritt Drive	Garland, TX	—	352	1,993	507	316	2,536	2,852	896	2000	(i)	
2010 Merritt Drive	Garland, TX	—	350	1,981	55	318	2,068	2,386	608	2000	(i)	
2363 Merritt Drive	Garland, TX	—	73	412	10	47	448	495	200	2000	(i)	
2447 Merritt Drive	Garland, TX	—	70	395	(115)	23	327	350	190	2000	(i)	
2465-2475 Merritt Drive	Garland, TX	—	91	514	39	71	573	644	206	2000	(i)	
2485-2505 Merritt Drive	Garland, TX	—	431	2,440	762	426	3,207	3,633	1,055	2000	(i)	
2110 Hutton Drive	Carrollton, TX	—	374	2,117	100	255	2,336	2,591	717	2001	(i)	
2025 McKenzie Drive	Carrollton, TX	1,439	437	2,478	130	442	2,603	3,045	831	2001	(i)	
2019 McKenzie Drive	Carrollton, TX	1,734	502	2,843	324	507	3,162	3,669	1,031	2001	(i)	
2029-2035 McKenzie Drive	Carrollton, TX	1,512	306	1,870	236	306	2,106	2,412	675	2001	(i)	
2015 McKenzie Drive	Carrollton, TX	2,527	510	2,891	352	516	3,237	3,753	1,015	2001	(i)	
2009 McKenzie Drive	Carrollton, TX	2,448	476	2,699	460	481	3,154	3,635	1,011	2001	(i)	
900-1100 Avenue S	Grand Prairie, TX	2,577	623	3,528	1,304	629	4,826	5,455	1,538	2002	(i)	
Piano Crossing (f)	Plano, TX	9,504	1,961	11,112	1,039	1,981	12,131	14,112	3,464	2002	(i)	
7413A-C Dogwood Park	Richland Hills, TX	—	110	623	255	111	877	988	265	2002	(i)	
7450 Tower Street	Richland Hills, TX	—	36	204	103	36	307	343	101	2002	(i)	
7436 Tower Street	Richland Hills, TX	—	57	324	196	58	519	577	150	2002	(i)	
7426 Tower Street	Richland Hills, TX	—	76	429	249	76	678	754	230	2002	(i)	
7427-7429 Tower Street	Richland Hills, TX	—	75	427	146	76	572	648	189	2002	(i)	
2840-2842 Handley Ederville Rd	Richland Hills, TX	—	112	635	55	113	689	802	192	2002	(i)	
7451-7477 Airport Freeway	Richland Hills, TX	1,387	256	1,453	495	259	1,945	2,204	541	2002	(i)	
7450 Whitehall Street	Richland Hills, TX	—	104	591	339	105	929	1,034	223	2002	(i)	
3000 Wesley Way	Richland Hills, TX	907	208	1,181	18	211	1,196	1,407	337	2002	(i)	
7451 Dogwood Park	Richland Hills, TX	671	133	753	184	134	936	1,070	224	2002	(i)	
825-827 Avenue H (d)	Arlington, TX	2,568	600	3,006	58	604	3,060	3,664	1,094	2004	(i)	
1013-31 Avenue M	Grand Prairie, TX	—	300	1,504	243	302	1,745	2,047	527	2004	(i)	
11172-84 113th Street (d)	Grand Prairie, TX	1,992	700	3,509	5	704	3,510	4,214	1,091	2004	(i)	
1200-16 Avenue H (d)	Arlington, TX	1,733	600	2,846	222	604	3,064	3,668	847	2004	(i)	
1322-66 W. North Carrier Parkway (e)	Grand Prairie, TX	4,633	1,000	5,012	598	1,006	5,604	6,610	1,571	2004	(i)	
2401-2407 Centennial Dr	Arlington, TX	2,107	600	2,534	(93)	604	2,437	3,041	909	2004	(i)	
3111 West Commerce Street	Dallas, TX	3,731	1,000	3,364	517	1,011	3,870	4,881	1,201	2004	(i)	
13800 Senlac Drive	Farmers Ranch, TX	3,399	823	4,042	(16)	825	4,024	4,849	1,204	2005	(i)	
801-831 S Great Southwest Pkwy (g)	Grand Prairie, TX	—	2,581	16,556	15	2,586	16,566	19,152	6,938	2005	(i)	
801 Heinz Way	Grand Prairie, TX	2,697	599	3,327	360	601	3,685	4,286	1,227	2005	(i)	
901-937 Heinz Way	Grand Prairie, TX	2,065	493	2,758	31	481	2,801	3,282	970	2005	(i)	
3301 Century Circle	Irving, TX	2,173	760	3,856	(16)	771	3,829	4,600	746	2007	(i)	
3901 W Miller Road	Garland, TX	—	1,912	—	16,444	1,947	16,409	18,356	3,234	2008	(i)	
Denver												
4785 Eliat	Denver, CO	—	173	981	203	175	1,182	1,357	448	1997	(i)	
4770 Fox Street	Denver, CO	—	132	750	216	134	964	1,098	378	1997	(i)	

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		Encumbrances	Land	Building and Improvements		Capitalized Subsequent to Acquisition or Completion	Costs	Land	Improvements				Total
				Initial Cost	Building and Improvements								
								(In thousands)					
3851-3871 Revere	Denver, CO	1,309	361	2,047	363	368	2,403	2,771	909	1997	(i)		
4570 Ivy Street	Denver, CO	1,120	219	1,239	279	220	1,517	1,737	587	1997	(i)		
5855 Stapleton Drive North	Denver, CO	1,398	288	1,630	249	290	1,877	2,167	742	1997	(i)		
5885 Stapleton Drive North	Denver, CO	1,741	376	2,129	195	380	2,320	2,700	919	1997	(i)		
5977 North Broadway	Denver, CO	1,438	268	1,518	500	271	2,015	2,286	719	1997	(i)		
5952-5978 North Broadway	Denver, CO	2,301	414	2,346	898	422	3,236	3,658	1,307	1997	(i)		
4721 Ironton Street	Denver, CO	—	232	1,313	305	236	1,614	1,850	624	1997	(i)		
7003 E 47th Ave Drive	Denver, CO	—	441	2,689	16	441	2,705	3,146	1,099	1997	(i)		
9500 West 49th Street—A	Wheatridge, CO	—	283	1,625	112	287	1,733	2,020	762	1997	(i)		
9500 West 49th Street—B	Wheatridge, CO	—	225	1,272	132	227	1,402	1,629	556	1997	(i)		
9500 West 49th Street—C	Wheatridge, CO	—	600	3,409	123	601	3,531	4,132	1,460	1997	(i)		
9500 West 49th Street—D	Wheatridge, CO	—	246	1,537	390	247	1,926	2,173	812	1997	(i)		
451-591 East 124th Avenue	Littleton, CO	—	383	2,145	466	383	2,611	2,994	989	1997	(i)		
15000 West 6th Avenue	Golden, CO	—	913	5,174	1,097	918	6,266	7,184	2,593	1997	(i)		
14998 West 6th Avenue Bldg E	Golden, CO	—	565	3,199	341	570	3,535	4,105	1,370	1997	(i)		
14998 West 6th Avenue Bldg F	Englewood, CO	—	269	1,525	96	273	1,617	1,890	650	1997	(i)		
6547 South Racine Circle	Englewood, CO	2,930	739	4,241	346	739	4,587	5,326	1,925	1997	(i)		
11701 East 53rd Avenue	Denver, CO	—	416	2,355	399	422	2,748	3,170	1,041	1997	(i)		
5401 Oswego	Denver, CO	—	273	1,547	254	278	1,796	2,074	722	1997	(i)		
14818 West 6th Avenue Bldg A	Golden, CO	—	468	2,799	131	468	2,930	3,398	1,176	1997	(i)		
14828 West 6th Avenue Bldg B	Golden, CO	—	503	2,942	383	503	3,328	3,831	1,334	1997	(i)		
445 Bryant Street	Denver, CO	6,904	1,829	10,219	2,564	1,829	12,783	14,612	4,935	1998	(i)		
3811 Joliet	Denver, CO	—	735	4,166	543	752	4,692	5,444	1,802	1998	(i)		
12055 E 49th Ave/4955 Peoria	Denver, CO	—	298	1,688	481	305	2,162	2,467	802	1998	(i)		
4940-4950 Paris	Denver, CO	—	152	861	285	156	1,142	1,298	427	1998	(i)		
4970 Paris	Denver, CO	—	95	537	101	97	636	733	239	1998	(i)		
7367 South Revere Parkway	Englewood, CO	3,273	926	5,124	877	934	5,993	6,927	2,444	1998	(i)		
8200 East Park Meadows Drive (d)	Lone Tree, CO	—	1,297	7,348	1,281	1,304	8,622	9,926	2,817	2000	(i)		
3250 Quentin Street (d)	Aurora, CO	—	1,220	6,911	937	1,230	7,838	9,068	2,612	2000	(i)		
Highpoint Bus Ctr B	Littleton, CO	—	739	—	3,500	781	3,458	4,239	1,020	2000	(i)		
1130 W. 124th Ave.	Westminster, CO	—	441	—	3,382	441	3,382	3,823	1,154	2000	(i)		
1070 W. 124th Ave.	Westminster, CO	—	374	—	2,902	374	2,902	3,276	924	2000	(i)		
1020 W. 124th Ave.	Westminster, CO	—	374	—	2,825	374	2,825	3,199	859	2000	(i)		
8810 W. 116th Circle	Broomfield, CO	—	312	—	1,462	370	1,404	1,774	407	2001	(i)		
960 W. 124th Ave	Westminster, CO	—	441	—	3,432	442	3,431	3,873	1,070	2001	(i)		
8820 W. 116th Circle	Broomfield, CO	—	338	1,918	317	372	2,201	2,573	597	2003	(i)		
8835 W. 116th Circle	Broomfield, CO	—	1,151	6,523	1,628	1,304	7,998	9,302	2,205	2003	(i)		
18150 E. 32nd Place	Aurora, CO	1,913	563	3,188	298	572	3,477	4,049	1,052	2004	(i)		
3400 Fraser Street	Aurora, CO	2,111	616	3,593	(184)	620	3,405	4,025	900	2005	(i)		
7005 E. 46th Avenue Drive	Denver, CO	1,448	512	2,025	94	517	2,114	2,631	674	2005	(i)		
4001 Salazar Way	Frederick, CO	—	1,271	6,508	(88)	1,276	6,415	7,691	1,818	2006	(i)		

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			Land	Building and Improvements		Land Improvements	Total				
(In thousands)											
5909-5915 N. Broadway	Denver, CO	913	495	1,268	80	500	1,343	1,843	514	2006	(j)
Detroit											
1731 Thorncroft	Troy, MI	—	331	1,904	189	331	2,093	2,424	993	1994	(i)
47461 Clipper	Plymouth Township, MI	—	122	723	54	122	777	899	387	1994	(i)
449 Executive Drive	Troy, MI	—	125	425	1,060	218	1,392	1,610	1,244	1994	(i)
501 Executive Drive	Troy, MI	—	71	236	610	129	788	917	634	1994	(i)
451 Robbins Drive	Troy, MI	—	96	448	877	192	1,229	1,421	1,093	1994	(i)
1416 Meijer Drive	Troy, MI	—	94	394	399	121	766	887	695	1994	(i)
1624 Meijer Drive	Troy, MI	—	236	1,406	967	373	2,236	2,609	1,967	1994	(i)
1972 Meijer Drive	Troy, MI	—	315	1,301	787	372	2,031	2,403	1,478	1994	(i)
1621 Northwood Drive	Troy, MI	—	85	351	1,014	215	1,235	1,450	1,171	1994	(i)
1707 Northwood Drive	Troy, MI	—	95	262	1,720	239	1,838	2,077	1,302	1994	(i)
1788 Northwood Drive	Troy, MI	—	50	196	483	103	626	729	564	1994	(i)
1826 Northwood Drive	Troy, MI	—	55	208	472	103	632	735	554	1994	(i)
1864 Northwood Drive	Troy, MI	—	57	190	489	107	629	736	572	1994	(i)
2451 Elliott Avenue	Troy, MI	—	78	319	742	164	975	1,139	781	1994	(i)
2730 Research Drive	Rochester Hills, MI	—	903	4,215	829	903	5,044	5,947	3,918	1994	(i)
2791 Research Drive	Rochester Hills, MI	—	557	2,731	1,000	560	3,728	4,288	2,360	1994	(i)
2871 Research Drive	Rochester Hills, MI	—	324	1,487	437	327	1,921	2,248	1,350	1994	(i)
3011 Research Drive	Rochester Hills, MI	—	457	2,104	475	457	2,579	3,036	1,994	1994	(i)
2870 Technology Drive	Rochester Hills, MI	—	275	1,262	342	279	1,600	1,879	1,220	1994	(i)
2900 Technology Drive	Rochester Hills, MI	—	214	977	564	219	1,536	1,755	970	1994	(i)
2930 Technology Drive	Rochester Hills, MI	—	131	594	435	138	1,022	1,160	663	1994	(i)
2950 Technology Drive	Rochester Hills, MI	—	178	819	305	185	1,117	1,302	754	1994	(i)
23014 Commerce Drive	Farmington Hills, MI	—	39	203	197	56	383	439	318	1994	(i)
23028 Commerce Drive	Farmington Hills, MI	—	98	507	285	125	765	890	676	1994	(i)
23035 Commerce Drive	Farmington Hills, MI	—	71	355	237	93	570	663	497	1994	(i)
23042 Commerce Drive	Farmington Hills, MI	—	67	277	273	89	528	617	477	1994	(i)
23065 Commerce Drive	Farmington Hills, MI	—	71	408	338	93	724	817	553	1994	(i)
23079 Commerce Drive	Farmington Hills, MI	—	68	301	290	79	580	659	491	1994	(i)
23093 Commerce Drive	Farmington Hills, MI	—	211	1,024	1,219	295	2,159	2,454	1,635	1994	(i)
23135 Commerce Drive	Farmington Hills, MI	—	146	701	392	158	1,081	1,239	849	1994	(i)
23163 Commerce Drive	Farmington Hills, MI	—	111	513	382	138	868	1,006	682	1994	(i)
23177 Commerce Drive	Farmington Hills, MI	—	175	1,007	608	254	1,536	1,790	1,239	1994	(i)
23206 Commerce Drive	Farmington Hills, MI	—	125	531	367	137	886	1,023	693	1994	(i)
23370 Commerce Drive	Farmington Hills, MI	—	59	233	175	66	401	467	374	1994	(i)
1451 East Lincoln Avenue	Madison Heights, MI	—	299	1,703	(182)	148	1,672	1,820	821	1995	(i)
4400 Purks Drive	Auburn Hills, MI	—	602	3,410	3,300	612	6,700	7,312	2,859	1995	(i)
32450 N Avis Drive	Madison Heights, MI	—	281	1,590	529	286	2,114	2,400	963	1996	(i)
12707 Eckles Road	Plymouth Township, MI	—	255	1,445	220	267	1,653	1,920	687	1996	(i)
9300-9328 Harrison Rd	Romulus, MI	—	147	834	407	159	1,229	1,388	493	1996	(i)

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			Land Improvements	Building and Improvements		Provision	Total				
							Land Improvements	Building and Improvements			
						(In thousands)					
9330-9358 Harrison Rd	Romulus, MI	—	81	456	242	89	690	779	270	1996	(j)
28420-28448 Highland Rd	Romulus, MI	—	143	809	641	154	1,439	1,593	464	1996	(j)
28450-28478 Highland Rd	Romulus, MI	—	81	461	457	90	909	999	314	1996	(j)
28421-28449 Highland Rd	Romulus, MI	—	109	617	480	119	1,087	1,206	414	1996	(j)
28451-28479 Highland Rd	Romulus, MI	—	107	608	413	117	1,011	1,128	364	1996	(j)
28825-28909 Highland Rd	Romulus, MI	—	70	395	393	78	780	858	277	1996	(j)
28933-29017 Highland Rd	Romulus, MI	—	112	634	592	122	1,216	1,338	371	1996	(j)
28824-28908 Highland Rd	Romulus, MI	—	134	760	577	145	1,326	1,471	472	1996	(j)
28932-29016 Highland Rd	Romulus, MI	—	123	694	582	133	1,266	1,399	436	1996	(j)
9710-9734 Harrison Rd	Romulus, MI	—	125	706	432	135	1,128	1,263	425	1996	(j)
9740-9772 Harrison Rd	Romulus, MI	—	132	749	398	143	1,136	1,279	441	1996	(j)
9840-9868 Harrison Rd	Romulus, MI	—	144	815	296	155	1,100	1,255	429	1996	(j)
9800-9824 Harrison Rd	Romulus, MI	—	117	664	362	127	1,016	1,143	362	1996	(j)
29265-29285 Airport Dr	Romulus, MI	—	140	794	258	151	1,041	1,192	431	1996	(j)
29185-29225 Airport Dr	Romulus, MI	—	140	792	514	151	1,295	1,446	519	1996	(j)
29149-29165 Airport Dr	Romulus, MI	—	216	1,225	295	231	1,505	1,736	629	1996	(j)
29101-29115 Airport Dr	Romulus, MI	—	130	738	290	141	1,017	1,158	440	1996	(j)
29031-29045 Airport Dr	Romulus, MI	—	124	704	157	134	851	985	345	1996	(j)
29050-29062 Airport Dr	Romulus, MI	—	127	718	221	137	929	1,066	386	1996	(j)
29120-29134 Airport Dr	Romulus, MI	—	161	912	522	173	1,422	1,595	503	1996	(j)
29200-29214 Airport Dr	Romulus, MI	—	170	963	376	182	1,327	1,509	555	1996	(j)
9301-9339 Middlebelt Rd	Romulus, MI	—	124	703	481	130	1,178	1,308	504	1996	(j)
32975 Capitol Avenue	Livonia, MI	—	135	748	(183)	77	623	700	291	1998	(j)
32920 Capitol Avenue	Livonia, MI	—	76	422	(91)	27	380	407	197	1998	(j)
11923 Brookfield Avenue	Livonia, MI	—	120	665	(324)	32	429	461	281	1998	(j)
13405 Stark Road	Livonia, MI	—	46	254	(3)	30	267	297	127	1998	(j)
450 Robbins Drive	Troy, MI	—	166	920	231	178	1,139	1,317	433	1998	(j)
12886 Westmore Avenue	Livonia, MI	—	190	1,050	(351)	86	803	889	424	1998	(j)
33025 Industrial Road	Livonia, MI	—	80	442	(324)	6	192	198	168	1998	(j)
47711 Clipper Street	Plymouth Township, MI	—	539	2,983	299	575	3,246	3,821	1,255	1998	(j)
32975 Industrial Road	Livonia, MI	—	160	887	(192)	92	763	855	365	1998	(j)
32985 Industrial Road	Livonia, MI	—	137	761	(329)	46	523	569	303	1998	(j)
32995 Industrial Road	Livonia, MI	—	160	887	(409)	53	585	638	349	1998	(j)
12874 Westmore Avenue	Livonia, MI	—	137	761	(302)	58	538	596	289	1998	(j)
1775 Bellingham	Troy, MI	—	344	1,902	329	367	2,208	2,575	835	1998	(j)
1785 East Maple	Troy, MI	—	92	507	200	98	701	799	237	1998	(j)
1807 East Maple	Troy, MI	—	321	1,775	(437)	191	1,468	1,659	692	1998	(j)
980 Chicago	Troy, MI	—	206	1,141	272	220	1,399	1,619	498	1998	(j)
1840 Enterprise Drive	Rochester Hills, MI	—	573	3,170	(2,261)	49	1,433	1,482	1,176	1998	(j)
1885 Enterprise Drive	Rochester Hills, MI	—	209	1,158	200	223	1,344	1,567	498	1998	(j)

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		(b) Initial Cost	Capitalized Subsequent to Acquisition or Completion							
			(a) Encumbrances	Building and Land Improvements					Provision	
(In thousands)										
1935-55 Enterprise Drive	Rochester Hills, MI	1,285	7,144	1,352	1,371	8,410	9,781	3,318	1998	(i)
5500 Enterprise Court	Warren, MI	675	3,737	671	721	4,362	5,083	1,636	1998	(i)
750 Chicago Road	Troy, MI	323	1,790	373	345	2,141	2,486	824	1998	(i)
800 Chicago Road	Troy, MI	283	1,567	370	302	1,918	2,220	713	1998	(i)
850 Chicago Road	Troy, MI	183	1,016	218	196	1,221	1,417	462	1998	(i)
1100 East Mandoline Road	Madison Heights, MI	888	4,915	(1,234)	332	4,237	4,569	2,211	1998	(i)
1080, 1120, 1180 John Papalas Drive (e)	Lincoln Park, MI	366	3,241	356	297	3,666	3,963	1,756	1998	(i)
4872 S. Lapeer Road	Lake Orion Twp, MI	1,342	5,441	1,208	1,412	6,579	7,991	2,350	1999	(i)
22701 Trolley Industrial	Taylor, MI	795	—	7,166	849	7,112	7,961	2,252	1999	(i)
1400 Allen Drive	Troy, MI	209	1,154	213	212	1,364	1,576	419	2000	(i)
1408 Allen Drive	Troy, MI	151	834	110	153	942	1,095	289	2000	(i)
32505 Industrial Drive	Madison Heights, MI	345	1,910	340	351	2,244	2,595	847	2000	(i)
1799-1855 Northfield Drive (d)	Rochester Hills, MI	481	2,665	367	490	3,023	3,513	976	2000	(i)
28435 Automation Blvd	Wixom, MI	621	—	3,662	628	3,655	4,283	827	2004	(i)
32200 N Avis Drive	Madison Heights, MI	503	3,367	(1,376)	195	2,299	2,494	857	2005	(i)
100 Kay Industrial Drive	Rion Township, MI	677	2,018	78	685	2,088	2,773	741	2005	(i)
11800 Sears Drive	Livonia, MI	693	1,507	1,195	476	2,919	3,395	1,304	2005	(i)
1099 Chicago Road	Troy, MI	1,277	1,332	(1,291)	303	1,015	1,318	239	2005	(i)
42555 Merrill Road	Sterling Heights, MI	1,080	2,300	3,487	1,090	5,777	6,867	1,759	2006	(i)
200 Northpointe Drive	Orion Township, MI	723	2,063	36	734	2,088	2,822	775	2006	(i)
Houston										
2102-2314 Edwards Street	Houston, TX	348	1,973	1,708	382	3,647	4,029	1,241	1997	(i)
3351 Rauch St	Houston, TX	272	1,541	497	278	2,032	2,310	709	1997	(i)
3801-3851 Yale St	Houston, TX	413	2,343	435	425	2,766	3,191	1,117	1997	(i)
3337-3347 Rauch Street	Houston, TX	227	1,287	454	233	1,735	1,968	617	1997	(i)
8505 N Loop East	Houston, TX	439	2,489	626	449	3,105	3,554	1,183	1997	(i)
4749-4799 Eastpark Dr	Houston, TX	594	3,368	1,290	611	4,641	5,252	1,741	1997	(i)
4851 Homestead Road	Houston, TX	491	2,782	1,573	504	4,342	4,846	1,560	1997	(i)
3365-3385 Rauch Street	Houston, TX	284	1,611	677	290	2,282	2,572	936	1997	(i)
5050 Campbell Road	Houston, TX	461	2,610	1,009	470	3,610	4,080	1,200	1997	(i)
4300 Pine Timbers	Houston, TX	489	2,769	741	499	3,500	3,999	1,369	1997	(i)
2500-2530 Fairway Park Drive	Houston, TX	766	4,342	2,027	792	6,343	7,135	2,290	1997	(i)
6550 Longpointe	Houston, TX	362	2,050	1,010	370	3,052	3,422	1,000	1997	(i)
1815 Turning Basin Dr	Houston, TX	487	2,761	687	531	3,404	3,935	1,337	1997	(i)
1819 Turning Basin Dr	Houston, TX	231	1,308	543	251	1,831	2,082	697	1997	(i)
1805 Turning Basin Dr	Houston, TX	564	3,197	902	616	4,047	4,663	1,599	1997	(i)
9835A Genard Road	Houston, TX	1,505	8,333	3,162	1,581	11,419	13,000	3,629	1999	(i)
9835B Genard Road	Houston, TX	245	1,357	827	256	2,173	2,429	788	1999	(i)
11505 State Highway 225	LaPorte City, TX	940	4,675	606	940	5,281	6,221	1,658	2005	(i)
1500 E. Main Street	Houston, TX	201	1,328	(26)	204	1,299	1,503	765	2005	(i)
700 Industrial Blvd	Sugar Land, TX	608	3,679	259	617	3,929	4,546	1,019	2007	(i)

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Building Address	Location (City/State)	(c) Costs				Accumulated Depreciation 12/31/2013	Year Acquired/ Constructed	Depreciable Lives (Years)		
		(a) Encumbrances	(b) Initial Cost		Gross Amount Carried At Close of Period 12/31/13					
			Building and Improvements	Land						
		Land Improvements	Provision	Building and Improvements	Total					
(In thousands)										
7230-7238 Wynnwood	Houston, TX	254	764	152	259	911	1,170	315	2007	(i)
7240-7248 Wynnwood	Houston, TX	271	726	27	276	748	1,024	289	2007	(i)
7250-7260 Wynnwood	Houston, TX	200	481	115	203	593	796	191	2007	(i)
6400 Long Point	Houston, TX	188	898	(87)	188	811	999	248	2007	(i)
12705 S. Kirkwood, Ste 100-150	Stafford, TX	154	626	80	155	705	860	215	2007	(i)
12705 S. Kirkwood, Ste 200-220	Stafford, TX	404	1,698	282	393	1,991	2,384	643	2007	(i)
8850 Jameel	Houston, TX	171	826	41	171	867	1,038	289	2007	(i)
8800 Jameel	Houston, TX	163	798	(105)	124	732	856	249	2007	(i)
8700 Jameel	Houston, TX	170	1,020	(265)	120	805	925	201	2007	(i)
8600 Jameel	Houston, TX	163	818	58	163	876	1,039	280	2007	(i)
7967 Blankenship	Houston, TX	307	1,166	335	307	1,501	1,808	278	2010	(i)
8800 City Park Loop East	Houston, TX	3,717	19,237	—	3,717	19,237	22,954	2,570	2011	(i)
Indianapolis										
2900 N Shadeland Avenue	Indianapolis, IN	2,057	13,565	3,267	2,057	16,832	18,889	6,969	1996	(i)
1445 Brookville Way	Indianapolis, IN	459	2,603	1,007	476	3,593	4,069	1,476	1996	(i)
1440 Brookville Way	Indianapolis, IN	665	3,770	588	685	4,338	5,023	1,914	1996	(i)
1240 Brookville Way	Indianapolis, IN	247	1,402	369	258	1,760	2,018	792	1996	(i)
1345 Brookville Way	Indianapolis, IN	586	3,321	794	601	4,100	4,701	1,756	1996	(i)
1350 Brookville Way	Indianapolis, IN	205	1,161	310	212	1,464	1,676	681	1996	(i)
1341 Sadlier Circle South	Indianapolis, IN	131	743	198	136	936	1,072	386	1996	(i)
1322-1438 Sadlier Circle East	Indianapolis, IN	145	822	301	152	1,116	1,268	479	1996	(i)
1327-1441 Sadlier Circle West	Indianapolis, IN	218	1,234	558	225	1,785	2,010	674	1996	(i)
1304 Sadlier Circle West	Indianapolis, IN	71	405	189	75	590	665	261	1996	(i)
1402-1430 Sadlier Circle West	Indianapolis, IN	165	934	371	171	1,299	1,470	535	1996	(i)
1504 Sadlier Circle South	Indianapolis, IN	219	1,238	(112)	115	1,230	1,345	701	1996	(i)
1365-1367 Sadlier Way Circle East	Indianapolis, IN	121	688	136	91	854	945	351	1996	(i)
1352-1354 Sadlier Circle West	Indianapolis, IN	178	1,008	187	166	1,207	1,373	508	1996	(i)
1335 Sadlier Circle East	Indianapolis, IN	81	460	197	85	653	738	260	1996	(i)
1425 Sadlier Circle West	Indianapolis, IN	21	117	37	23	152	175	67	1996	(i)
6951 East 30th St.	Indianapolis, IN	256	1,449	213	265	1,653	1,918	707	1996	(i)
6701 East 30th St.	Indianapolis, IN	78	443	98	82	537	619	229	1996	(i)
6737 East 30th St.	Indianapolis, IN	385	2,181	195	398	2,363	2,761	1,046	1996	(i)
6555 East 30th St.	Indianapolis, IN	484	4,760	1,971	484	6,731	7,215	2,630	1996	(i)
8402-8440 E 33rd St.	Indianapolis, IN	222	1,260	603	230	1,855	2,085	812	1996	(i)
8520-8630 E 33rd St.	Indianapolis, IN	326	1,848	270	281	2,163	2,444	926	1996	(i)
8710-8768 E 33rd St.	Indianapolis, IN	175	993	397	180	1,385	1,565	538	1996	(i)
3316-3346 N. Pagosa Court	Indianapolis, IN	325	1,842	458	332	2,293	2,625	921	1996	(i)
7901 West 21st St.	Indianapolis, IN	1,048	6,027	240	1,048	6,267	7,315	2,531	1997	(i)
1225 Brookville Way	Indianapolis, IN	60	—	416	68	408	476	166	1997	(i)
6751 E 30th St.	Indianapolis, IN	2,391	2,837	235	741	3,059	3,800	1,213	1997	(i)
6575 East 30th Street	Indianapolis, IN	1,880	118	2,079	128	2,069	2,197	839	1998	(i)

(c) Costs Capitalized	Gross Amount Carried Subsequent to Acquisition or At Close of Period 12/31/13
(b) Initial Cost	

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		Initial Cost	Building and Improvements		Provision	Land	Building and Improvements	Total			
(In thousands)											
10120 W 76th Street	Eden Prairie, MN	315	1,804	—	1,876	315	3,680	3,995	1,748	1995	(i)
12155 Nicollet Ave.	Burnsville, MN	286	—	—	1,827	288	1,825	2,113	796	1995	(i)
4100 Peavey Road	Chaska, MN	277	2,261	—	806	277	3,067	3,344	1,268	1996	(i)
5205 Highway 169	Plymouth, MN	446	2,525	—	767	578	3,160	3,738	1,409	1996	(i)
7100-7198 Shady Oak Road	Eden Prairie, MN	715	4,054	4,828	2,400	736	6,433	7,169	2,524	1996	(i)
7500-7546 Washington Avenue	Eden Prairie, MN	229	1,300	—	847	235	2,141	2,376	842	1996	(i)
7550-7586 Washington Avenue	Eden Prairie, MN	153	867	—	281	157	1,144	1,301	484	1996	(i)
5240-5300 Valley Industrial Blvd	Shakopee, MN	362	2,049	2,270	827	371	2,867	3,238	1,115	1996	(i)
500-530 Kasota Avenue SE	Minneapolis, MN	415	2,354	—	1,042	434	3,377	3,811	1,334	1998	(i)
2530-2570 Kasota Avenue	St. Paul, MN	407	2,308	—	836	441	3,110	3,551	1,186	1998	(i)
5775 12th Avenue	Shakopee, MN	590	—	4,108	5,270	590	5,270	5,860	1,871	1998	(i)
11157 Valley Park Drive	Shakopee, MN	760	—	—	6,592	888	6,464	7,352	2,352	1999	(i)
9600 West 76th Street	Eden Prairie, MN	1,000	2,450	2,317	378	1,034	2,794	3,828	848	2004	(i)
9700 West 76th Street	Eden Prairie, MN	1,000	2,709	3,243	871	1,038	3,542	4,580	1,072	2004	(i)
7600 69th Avenue	Greenfield, MN	1,500	8,328	—	1,387	1,510	9,705	11,215	3,234	2004	(i)
5017 Boone Avenue North	New Hope, MN	1,000	1,599	—	(100)	1,009	1,490	2,499	721	2005	(i)
2300 West Highway 13	Burnsville, MN	2,517	6,069	—	(1,692)	1,296	5,598	6,894	3,092	2005	(i)
1087 Park Place	Shakopee, MN	1,195	4,891	4,196	(666)	1,198	4,222	5,420	961	2005	(i)
5391 12th Avenue SE	Shakopee, MN	1,392	8,149	4,510	(501)	1,395	7,645	9,040	1,700	2005	(i)
4701 Valley Industrial Blvd S	Shakopee, MN	1,296	7,157	5,660	(379)	1,299	6,775	8,074	2,166	2005	(i)
6455 City West Parkway	Eden Prairie, MN	659	3,189	—	949	665	4,132	4,797	701	2006	(i)
7035 Winnetka Avenue North	Brooklyn Park, MN	1,275	—	4,260	6,469	1,343	6,401	7,744	1,081	2007	(i)
139 Eva Street	St. Paul, MN	2,132	3,105	—	90	2,175	3,152	5,327	806	2008	(i)
21900 Dodd Boulevard	Lakeville, MN	2,289	7,952	9,203	—	2,289	7,952	10,241	1,349	2010	(i)
Nashville											
1621 Heil Quaker Boulevard	Nashville, TN	413	2,383	1,955	940	430	3,306	3,736	1,484	1995	(i)
3099 Barry Drive	Portland, TN	418	2,368	—	(680)	248	1,858	2,106	988	1996	(i)
1931 Air Lane Drive	Nashville, TN	489	2,785	2,398	286	493	3,067	3,560	1,230	1997	(i)
4640 Cummings Park	Nashville, TN	360	2,040	2,113	613	365	2,648	3,013	884	1999	(i)
1740 River Hills Drive	Nashville, TN	848	4,383	2,898	558	888	4,901	5,789	1,681	2005	(i)
211 Ellery Court	Nashville, TN	606	3,192	2,832	258	616	3,440	4,056	902	2007	(i)
130 Maddox Road	Gallatin, TN	1,778	—	16,406	24,298	1,778	24,298	26,076	3,465	2008	(i)
Northern New Jersey											
14 World's Fair Drive	Franklin, NJ	483	2,735	—	704	503	3,419	3,922	1,371	1997	(i)
12 World's Fair Drive	Franklin, NJ	572	3,240	—	1,014	593	4,233	4,826	1,713	1997	(i)
22 World's Fair Drive	Franklin, NJ	364	2,064	—	379	375	2,432	2,807	954	1997	(i)
26 World's Fair Drive	Franklin, NJ	361	2,048	—	508	377	2,540	2,917	979	1997	(i)
24 World's Fair Drive	Franklin, NJ	347	1,968	—	471	362	2,424	2,786	948	1997	(i)
20 World's Fair Drive Lot 13	Sumerset, NJ	9	—	—	2,555	691	1,873	2,564	603	1999	(i)
45 Route 46	Pine Brook, NJ	969	5,491	—	906	978	6,388	7,366	2,048	2000	(i)

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		(a) Encumbrances	(b) Initial Cost		Gross Amount Carried At Close of Period 12/31/13			
			Land Improvements	Building and Improvements				
(In thousands)								
43 Route 46	Pine Brook, NJ	—	474	553	2,686	3,713	2000	(j)
39 Route 46	Pine Brook, NJ	—	260	196	1,471	1,927	2000	(j)
26 Chapin Road	Pine Brook, NJ	4,654	956	796	5,415	7,167	2000	(j)
30 Chapin Road	Pine Brook, NJ	4,494	960	521	5,440	6,921	2000	(j)
20 Hook Mountain Road	Pine Brook, NJ	—	1,507	2,815	8,542	12,864	2000	(j)
30 Hook Mountain Road	Pine Brook, NJ	—	389	540	2,206	3,135	2000	(j)
16 Chapin Rod	Pine Brook, NJ	3,538	885	569	5,015	6,469	2000	(j)
20 Chapin Road	Pine Brook, NJ	4,437	1,134	550	6,426	8,110	2000	(j)
2500 Main Street	Sayreville, NJ	3,534	944	4,535	—	5,479	2002	(j)
2400 Main Street	Sayreville, NJ	—	996	5,527	—	6,523	2003	(j)
309-313 Pierce Street	Somerset, NJ	3,478	1,300	1,020	4,628	6,948	2004	(j)
Philadelphia								
230-240 Welsh Pool Road	Exton, PA	—	154	355	851	1,360	1998	(j)
264 Welsh Pool Road	Exton, PA	—	147	147	811	1,105	1998	(j)
254 Welsh Pool Road	Exton, PA	—	75	205	418	698	1998	(j)
243-251 Welsh Pool Road	Exton, PA	—	144	364	796	1,304	1998	(j)
151-161 Philips Road	Exton, PA	—	191	285	1,059	1,535	1998	(j)
216 Philips Road	Exton, PA	—	199	499	1,100	1,798	1998	(j)
14 McFadden Road	Palmer, PA	1,440	600	(274)	1,349	1,675	2004	(j)
2801 Red Lion Road	Philadelphia, PA	—	950	(62)	5,916	6,804	2005	(j)
3240 S. 78th Street	Philadelphia, PA	—	515	(513)	1,245	824	2005	(j)
200 Cascade Drive, Bldg. 1	Allen Town, PA	17,193	2,133	38	17,562	19,733	2007	(j)
200 Cascade Drive, Bldg. 2	Allen Town, PA	2,407	310	174	2,268	2,752	2007	(j)
6300 Bristol Pike	Levittown, PA	—	1,074	(424)	2,642	3,292	2008	(j)
2455 Boulevard of Generals	Norristown, PA	3,548	1,200	1,088	4,800	7,088	2008	(j)
Phoenix								
1045 South Edward Drive	Tempe, AZ	—	390	155	2,160	2,705	1999	(j)
50 South 56th Street	Chandler, AZ	—	1,206	1,362	3,218	5,786	2004	(j)
4701 W. Jefferson	Phoenix, AZ	2,526	926	443	2,195	3,564	2005	(j)
7102 W. Roosevelt	Phoenix, AZ	—	1,613	389	6,451	8,453	2006	(j)
4137 West Adams Street	Phoenix, AZ	—	990	467	2,661	3,080	2006	(j)
245 W. Lodge	Tempe, AZ	—	898	(1,890)	3,066	2,074	2007	(j)
1590 E Riverview Dr.	Phoenix, AZ	4,809	1,293	401	5,950	7,644	2008	(j)
14131 N. Rio Vista Blvd	Peoria, AZ	—	2,563	1,160	9,388	13,111	2008	(j)
8716 W. Ludlow Drive	Peoria, AZ	—	2,709	935	10,970	14,614	2008	(j)
3815 W. Washington St.	Phoenix, AZ	3,725	1,675	149	4,514	6,338	2008	(j)
9180 W. Buckeye Road	Tolleson, AZ	6,872	1,904	2,251	6,805	10,960	2008	(j)
Salt Lake City								
1270 West 2320 South	West Valley, UT	—	138	144	784	1,066	1998	(j)
1275 West 2240 South	West Valley, UT	—	395	275	2,241	2,911	1998	(j)

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		Encumbrances	Land	Initial Cost		Capitalized Subsequent to Acquisition or Completion	Building and Improvements		Total			
				Building and Improvements	Land Improvements		Land	Building and Improvements				
(In thousands)												
1288 West 2240 South	West Valley, UT	—	119	672	128	128	796	919	293	1998	(j)	
2235 South 1300 West	West Valley, UT	—	198	1,120	346	346	1,460	1,664	541	1998	(j)	
1293 West 2200 South	West Valley, UT	—	158	896	248	248	1,139	1,302	412	1998	(j)	
1279 West 2200 South	West Valley, UT	—	198	1,120	360	360	1,474	1,678	636	1998	(j)	
1272 West 2240 South	West Valley, UT	—	336	1,905	415	415	2,309	2,656	891	1998	(j)	
1149 West 2240 South	West Valley, UT	—	217	1,232	248	248	225	1,697	550	1998	(j)	
1142 West 2320 South	West Valley, UT	—	217	1,232	168	168	225	1,617	518	1998	(j)	
1152 West 2240 South	West Valley, UT	—	1,652	—	2,577	2,577	669	4,229	1,352	2000	(j)	
2323 South 900 W	Salt Lake City, UT	—	886	2,995	429	429	898	3,412	1,698	2006	(j)	
1815-1957 South 4650 West	Salt Lake City, UT	7,372	1,707	10,873	451	451	1,713	13,031	2,650	2006	(j)	
2100 Alexander Street	West Valley, UT	1,287	376	1,670	293	293	376	2,339	421	2007	(j)	
2064 Alexander Street	West Valley, UT	2,076	864	2,771	138	138	869	3,773	819	2007	(j)	
Seattle												
1901 Raymond Ave SW	Renton, WA	1,362	4,458	2,659	722	722	4,594	3,245	7,839	827	2008	(j)
19014 64th Avenue South	Kent, WA	3,164	1,990	3,979	352	352	2,042	4,279	6,321	914	2008	(j)
18640 68th Avenue South	Kent, WA	544	1,218	1,950	374	374	1,258	2,284	630	2008	(j)	
3480 Marginal Way	Seattle, WA	—	9,139	5,881	1,228	1,228	9,340	6,908	16,248	918	2008	(j)
Southern California												
1944 Vista Bella Way	Rancho Domingue, CA	3,824	1,746	3,148	562	562	1,822	3,634	5,456	1,248	2005	(j)
2000 Vista Bella Way	Rancho Domingue, CA	1,390	817	1,673	287	287	853	1,924	2,777	653	2005	(j)
2835 East Ana Street	Rancho Domingue, CA	3,049	1,682	2,750	96	96	1,772	2,756	4,528	804	2005	(j)
16275 Technology Drive	San Diego, CA	—	2,848	8,641	244	244	2,859	8,874	11,733	2,002	2005	(j)
665 N. Baldwin Park Blvd.	City of Industry, CA	4,470	2,124	5,219	1,587	1,587	2,143	6,787	8,930	2,145	2006	(j)
27801 Avenue Scott	Santa Clarita, CA	7,499	2,890	7,020	788	788	2,902	7,796	10,698	2,084	2006	(j)
2610 & 2660 Columbia St	Torrance, CA	4,796	3,008	5,826	748	748	3,031	6,551	9,582	1,517	2006	(j)
433 Alaska Avenue	Torrance, CA	—	681	168	19	19	684	184	868	95	2006	(j)
4020 S. Compton Ave	Los Angeles, CA	—	3,800	7,330	71	71	3,825	7,376	11,201	1,629	2006	(j)
6305 El Camino Real	Carlsbad, CA	—	1,590	6,360	7,730	7,730	1,590	14,090	15,680	2,965	2006	(j)
2325 Camino Vida Roble	Carlsbad, CA	2,049	1,441	1,239	706	706	1,446	1,940	3,386	483	2006	(j)
2335 Camino Vida Roble	Carlsbad, CA	1,115	817	762	263	263	821	1,021	1,842	355	2006	(j)
2345 Camino Vida Roble	Carlsbad, CA	720	562	456	88	88	565	541	1,106	238	2006	(j)
2355 Camino Vida Roble	Carlsbad, CA	596	481	365	139	139	483	502	985	182	2006	(j)
2365 Camino Vida Roble	Carlsbad, CA	1,204	1,098	630	261	261	1,102	887	1,989	280	2006	(j)
2375 Camino Vida Roble	Carlsbad, CA	1,412	1,210	874	185	185	1,214	1,055	2,269	385	2006	(j)
6451 El Camino Real	Carlsbad, CA	—	2,885	1,931	728	728	2,895	2,649	5,544	852	2006	(j)
8572 Spectrum Lane	San Diego, CA	2,237	806	3,225	439	439	807	3,663	4,470	753	2007	(j)
13100 Gregg Street	Poway, CA	—	1,040	4,160	341	341	1,073	4,468	5,541	1,153	2007	(j)
21730-21748 Marilla St.	Chatsworth, CA	2,988	2,585	3,210	99	99	2,608	3,286	5,894	833	2007	(j)
8015 Paramount	Pico Rivera, CA	—	3,616	3,902	61	61	3,657	3,922	7,579	1,215	2007	(j)
3365 E. Slauson	Vernon, CA	—	2,367	3,243	40	40	2,396	3,254	5,650	1,062	2007	(j)

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Building Address	Location (City/State)	(a)		(b)		(c) Costs Capitalized Subsequent to Acquisition or Completion	Gross Amount Carried At Close of Period 12/31/13		Accumulated Depreciation 12/31/2013	Year Acquired/ Constructed	Depreciable Lives (Years)
		Encumbrances	Land	Building and Improvements	Land Improvements		Total				
								Initial Cost	Building and Improvements	Land	Improvements
(In thousands)											
3015 East Ana	Rancho Domingue, CA	—	19,678	9,321	6,271	20,144	15,126	35,270	2,954	2007	(i)
19067 Reyes Ave	Rancho Domingue, CA	—	9,281	3,920	40	9,381	3,860	13,241	1,389	2007	(i)
24870 Nandina Avenue	Moreno Valley, CA	—	13,543	—	20,904	6,482	27,965	34,447	848	2012	(i)
1250 Rancho Conejo Blvd.	Thousand Oaks, CA	—	1,435	779	42	1,441	815	2,256	280	2007	(i)
1260 Rancho Conejo Blvd.	Thousand Oaks, CA	—	1,353	722	(844)	675	556	1,231	219	2007	(i)
1270 Rancho Conejo Blvd.	Thousand Oaks, CA	—	1,224	716	21	1,229	732	1,961	258	2007	(i)
1280 Rancho Conejo Blvd.	Thousand Oaks, CA	2,971	2,043	3,408	(233)	2,051	3,167	5,218	586	2007	(i)
1290 Rancho Conejo Blvd.	Thousand Oaks, CA	2,559	1,754	2,949	(204)	1,761	2,738	4,499	512	2007	(i)
100 West Sinclair Street	Riverside, CA	—	4,894	3,481	(4,546)	1,819	2,010	3,829	1,165	2007	(i)
14050 Day Street	Moreno Valley, CA	3,376	2,538	2,538	290	2,565	2,801	5,366	668	2008	(i)
12925 Marlay Avenue	Fontana, CA	9,265	6,072	7,891	762	6,090	8,635	14,725	2,669	2008	(i)
18201-18291 Santa Fe	Rancho Domingue, CA	10,015	6,720	—	9,197	6,897	9,020	15,917	1,409	2008	(i)
1011 Rancho Conejo	Thousand Oaks, CA	5,629	7,717	2,518	(187)	7,752	2,296	10,048	852	2008	(i)
2300 Corporate Center Drive	Thousand Oaks, CA	—	6,506	4,885	(5,433)	3,236	2,722	5,958	803	2008	(i)
20700 Denker Avenue	Rancho Domingue, CA	5,399	5,767	2,538	1,470	5,964	3,811	9,775	1,388	2008	(i)
18408 Laurel Park Road	Rancho Domingue, CA	—	2,850	2,850	722	2,874	3,548	6,422	736	2008	(i)
19021 S. Reyes Ave.	Rancho Domingue, CA	—	8,183	7,501	761	8,545	7,900	16,445	1,390	2008	(i)
6185 Kimball Ave	Chino, CA	—	6,385	—	12,335	6,382	12,338	18,720	297	2013	(i)
5555 Bandini Blvd	Bell, CA	—	32,536	—	20,668	32,540	20,664	53,204	128	2013	(i)
Southern New Jersey											
2060 Springdale Road	Cherry Hill, NJ	—	258	1,436	795	258	2,231	2,489	916	1998	(i)
111 Whittendale Drive	Morrestown, NJ	1,933	522	2,916	425	522	3,341	3,863	1,095	2000	(i)
7851 Airport Highway	Pennsauken, NJ	—	160	508	381	162	887	1,049	313	2003	(i)
103 Central Avenue	Mt. Laurel, NJ	—	610	1,847	1,239	619	3,077	3,696	935	2003	(i)
7890 Airport Hwy/7015 Central	Pennsauken, NJ	1,182	300	989	543	425	1,407	1,832	814	2006	(i)
600 Creek Road	Delanco, NJ	—	2,125	6,504	(4,089)	1,557	2,983	4,540	596	2007	(i)
St. Louis											
8921-8971 Frost Avenue	Hazelwood, MO	—	431	2,479	835	431	3,314	3,745	1,398	1994	(i)
9043-9083 Frost Avenue	Hazelwood, MO	—	319	1,838	2,318	319	4,156	4,475	1,397	1994	(i)
10431 Midwest Industrial Blvd	Olivette, MO	1,284	237	1,360	444	237	1,804	2,041	789	1994	(i)
10751 Midwest Industrial Boulevard	Olivette, MO	—	193	1,119	294	194	1,412	1,606	542	1994	(i)
6951 N Hanley (d)	Hazelwood, MO	—	405	2,295	2,465	419	4,746	5,165	1,656	1996	(i)
1067-1083 Warson-Bldg A	St. Louis, MO	1,685	246	1,359	798	251	2,152	2,403	510	2002	(i)
1093-1107 Warson-Bldg B	St. Louis, MO	2,877	380	2,103	1,622	388	3,717	4,105	929	2002	(i)
1113-1129 Warson-Bldg C	St. Louis, MO	2,404	303	1,680	1,446	310	3,119	3,429	993	2002	(i)
1131-1151 Warson-Bldg D	St. Louis, MO	2,188	353	1,952	817	360	2,762	3,122	919	2002	(i)
6821-6857 Hazelwood Avenue	Berkeley, MO	—	985	6,205	556	985	6,761	7,746	1,946	2003	(i)
13701 Rider Trail North	Earth City, MO	—	800	2,099	710	804	2,805	3,609	883	2003	(i)
1908-2000 Innerbelt (d)	Overland, MO	7,343	1,590	9,026	1,018	1,591	10,043	11,634	3,515	2004	(i)
9060 Latty Avenue	Berkeley, MO	—	687	1,947	(241)	694	1,699	2,393	1,354	2006	(i)

SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2013

Building Address	Location (City/State)	(a)		(b)		(c)		Gross Amount Carried At Close of Period 12/31/13		Accumulated Depreciation 12/31/2013	Year Acquired/ Constructed	Depreciable Lives (Years)
		Encumbrances	Land	Building and Improvements	Initial Cost	Building and Valuation Provision	Land	Building and Improvements	Total			
21-25 Gateway Commerce Center	Edwardsville, IL	—	1,874	31,958	(470)	1,902	31,460	33,362	6,418	2006	(i)	
6647 Romiss Court	St. Louis, MO	—	230	681	(8)	241	662	903	210	2008	(j)	
Tampa												
5313 Johns Road	Tampa, FL	—	204	1,159	541	257	1,647	1,904	546	1997	(j)	
5525 Johns Road	Tampa, FL	—	192	1,086	263	200	1,341	1,541	499	1997	(j)	
5709 Johns Road	Tampa, FL	—	192	1,086	170	200	1,248	1,448	501	1997	(j)	
5711 Johns Road	Tampa, FL	—	243	1,376	159	255	1,523	1,778	599	1997	(j)	
5453 W Waters Avenue	Tampa, FL	—	71	402	147	82	538	620	217	1997	(j)	
5455 W Waters Avenue	Tampa, FL	—	307	1,742	724	326	2,447	2,773	931	1997	(j)	
5553 W Waters Avenue	Tampa, FL	—	307	1,742	353	326	2,076	2,402	822	1997	(j)	
5501 W Waters Avenue	Tampa, FL	—	215	871	300	242	1,144	1,386	455	1997	(j)	
5503 W Waters Avenue	Tampa, FL	—	98	402	313	110	703	813	321	1997	(j)	
5555 W Waters Avenue	Tampa, FL	—	213	1,206	277	221	1,475	1,696	627	1997	(j)	
5557 W Waters Avenue	Tampa, FL	—	59	335	52	62	384	446	150	1997	(j)	
5463 W Waters Avenue	Tampa, FL	—	497	2,751	673	560	3,361	3,921	1,260	1998	(j)	
5461 W Waters Avenue	Tampa, FL	—	261	—	1,305	265	1,301	1,566	495	1998	(j)	
5481 W Waters Avenue	Tampa, FL	—	558	—	2,498	561	2,495	3,056	977	1999	(j)	
4515-4519 George Road	Tampa, FL	2,532	633	3,587	838	640	4,418	5,058	1,404	2001	(j)	
6089 Johns Road	Tampa, FL	932	180	987	114	186	1,095	1,281	380	2004	(j)	
6091 Johns Road	Tampa, FL	649	140	730	48	144	774	918	269	2004	(j)	
6103 Johns Road	Tampa, FL	978	220	1,160	2	226	1,156	1,382	339	2004	(j)	
6201 Johns Road	Tampa, FL	932	200	1,107	10	205	1,112	1,317	396	2004	(j)	
6203 Johns Road	Tampa, FL	1,331	300	1,460	122	311	1,571	1,882	705	2004	(j)	
6205 Johns Road	Tampa, FL	1,260	270	1,363	149	278	1,504	1,782	387	2004	(j)	
6101 Johns Road	Tampa, FL	739	210	833	1	216	828	1,044	276	2004	(j)	
4908 Tampa West Blvd	Tampa, FL	—	2,622	8,643	(820)	2,635	7,810	10,445	2,421	2005	(j)	
7201-7281 Bryan Dairy Road												
(d)	Largo, FL	—	1,895	5,408	(1,524)	1,365	4,414	5,779	1,006	2006	(j)	
11701 Belcher Road South	Largo, FL	—	1,657	2,768	(1,656)	852	1,917	2,769	637	2006	(j)	
4900-4914 Creekside Drive												
(h)	Clearwater, FL	—	3,702	7,338	(3,252)	2,245	5,543	7,788	1,867	2006	(j)	
12345 Starkey Road	Largo, FL	—	898	2,078	(643)	599	1,734	2,333	606	2006	(j)	
Other												
5050 Kendrick Court	Grand Rapids, MI	—	1,721	11,433	(2,272)	988	9,894	10,882	7,052	1994	(j)	
2250 Delaware Ave.	Des Moines, IA	—	277	1,609	(58)	173	1,655	1,828	771	1998	(j)	
9601A Dessau Road	Austin, TX	1,225	255	—	1,884	366	1,773	2,139	637	1999	(j)	
9601C Dessau Road	Austin, TX	1,355	248	—	2,119	355	2,012	2,367	1,029	1999	(j)	
9601B Dessau Road	Austin, TX	1,209	248	—	1,863	355	1,756	2,111	595	2000	(j)	
6266 Hurt Road	Horn Lake, MS	—	427	—	3,782	387	3,822	4,209	806	2004	(j)	

SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2013

Building Address	Location (City/State)	(a) Encumbrances			(b) Initial Cost		(c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation		Gross Amount Carried At Close of Period 12/31/13			Accumulated Depreciation 12/31/2013	Year Acquired/ Constructed	Depreciable Lives (Years)
		Land	Improvements	Land	Improvements	Provision	Land	Improvements	Total					
(In thousands)														
6301 Hazeltine National Drive	Orlando, FL	3,809	909	4,613	203	920	4,805	5,725	1,693	2005	(i)			
12626 Silicon Drive	San Antonio, TX	2,580	768	3,448	(216)	779	3,221	4,000	1,024	2005	(i)			
313100 Pinson Valley Parkway	Birmingham, AL	—	303	742	(285)	225	535	760	186	2005	(i)			
37370 Wheeler Avenue	Fort Smith, AR	—	720	2,800	(589)	583	2,348	2,931	736	2006	(i)			
323200 Pond Station	Jefferson County, KY	—	2,074	—	9,896	2,120	9,850	11,970	1,734	2007	(i)			
581 Welltown Road/Tyson Blvd	Winchester, VA	—	2,320	—	10,885	2,401	10,804	13,205	1,767	2007	(i)			
7501 NW 106th Terrace	Kansas City, MO	11,200	4,152	—	13,649	4,228	13,573	17,801	1,767	2008	(i)			
600 Greene Drive	Greenville, KY	—	294	8,570	(727)	296	7,841	8,137	3,509	2008	(i)			
Parcels														
Developments / Land														
Parcels (i)		—	147,085	430	2,897(k)	137,641	12,771	150,412	1,714					
Total		\$677,890	\$730,667	\$1,652,430	\$710,947	\$703,478	\$2,390,566	\$3,094,044	\$748,044					

NOTES:

- See description of encumbrances in Note 6 of the Notes to Consolidated Financial Statements.
- Initial cost for each respective property is tangible purchase price allocated in accordance with FASB's guidance on business combinations.
- Improvements are net of the write-off of fully depreciated assets and impairment of real estate.
- Comprised of two properties.
- Comprised of three properties.
- Comprised of four properties.
- Comprised of five properties.
- Comprised of eight properties.
- These properties represent developable land and land parcels for which we receive ground lease income.

FIRST INDUSTRIAL REALTY TRUST, INC.
SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2013

(j) Depreciation is computed based upon the following estimated lives:

Buildings and Improvements	7 to 50 years
Land Improvements	3 to 20 years
Tenant Improvements	Shorter of Lease Term or Useful Life

(k) Includes foreign currency translation adjustments.

At December 31, 2013, the aggregate cost of land and buildings and equipment for federal income tax purpose was approximately \$3.1 billion (excluding construction in progress).

The changes in investment in real estate, including investment in real estate held for sale, for the three years ended December 31, 2013 are as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
		(In thousands)	
Balance, Beginning of Year	\$3,130,942	\$3,115,050	\$3,140,649
Acquisition of Real Estate Assets	69,481	65,770	22,953
Construction Costs and Improvements	100,207	74,116	72,822
Disposition of Real Estate Assets	(142,369)	(94,093)	(91,312)
Impairment of Real Estate	(2,652)	(1,246)	2,661
Write-off of Fully Depreciated Assets	(36,062)	(28,655)	(32,723)
Balance, End of Year	<u>\$3,119,547</u>	<u>\$3,130,942</u>	<u>\$3,115,050</u>

The changes in accumulated depreciation, including accumulated depreciation for real estate held for sale, for the three years ended December 31, 2013 are as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
		(In thousands)	
Balance, Beginning of Year	\$735,593	\$695,931	\$663,310
Depreciation for Year	94,271	100,074	95,931
Disposition of Assets	(45,758)	(31,757)	(30,587)
Write-off of Fully Depreciated Assets	(36,062)	(28,655)	(32,723)
Balance, End of Year	<u>\$748,044</u>	<u>\$735,593</u>	<u>\$695,931</u>

SCHEDULE IV:
MORTGAGE LOANS ON REAL ESTATE
As of December 31, 2013
(In thousands)

<u>Description</u>	<u>Interest rate</u>	<u>Final Maturity Date</u>	<u>Periodic Payment Terms</u>	<u>Prior Liens</u>	<u>Face Amount of Mortgages</u>	<u>Carrying Amount of Mortgages *</u>	<u>Principal Amount of Loans Subject to Delinquent Principal or Interest</u>
Borrower A	4.75%	3/31/2014	Interest monthly and principal at maturity	N/A	\$ 9,800	\$ 9,800	N/A
Borrower B	4.75%	12/26/2014	Interest monthly and principal at maturity	N/A	2,720	2,720	N/A
Borrower C	6.75%	6/30/2015	Interest and principal monthly	N/A	10,325	9,821	N/A
Borrower D	7.50%	12/22/2016	Interest and principal monthly	N/A	8,030	7,165	N/A
Borrower E	6.35%	6/30/2017	Interest and principal monthly	N/A	24,207	23,099	N/A
					<u>\$55,082</u>	<u>\$52,605</u>	

* Carrying amount includes all applicable accrued interest and accretion of discount to date, net of amounts reserved for loan losses.

	<u>Year Ended December 31, 2013</u>	<u>Year Ended December 31, 2012</u>	<u>Year Ended December 31, 2011</u>
Balance at Beginning of Period	\$40,771	\$47,420	\$ 50,687
Additions During Period:			
New Mortgage Loans	12,520	—	7,029
Accretion of Discount	64	64	64
Deductions During Period:			
Provision for Loan Loss Reserve	(150)	—	—
Collections of Principal	(598)	(6,707)	(10,304)
Interest	(2)	(6)	(56)
Balance at Close of Period	<u>\$52,605</u>	<u>\$40,771</u>	<u>\$ 47,420</u>

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 our common stock, which trades on the New York Stock Exchange under the trading symbol “FR.”

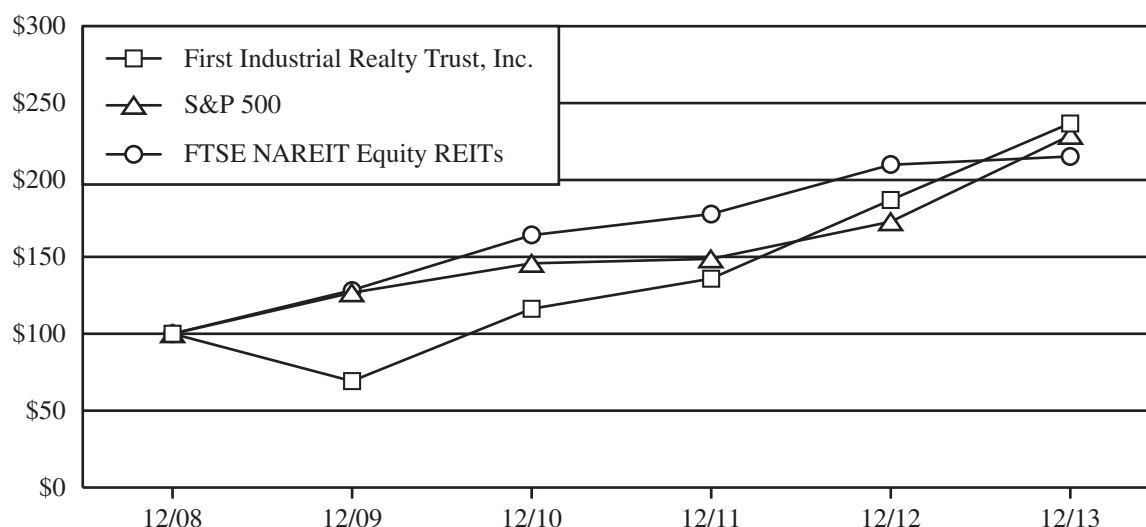
<u>Quarter Ended</u>	<u>High</u>	<u>Low</u>	<u>Distribution Declared</u>
December 31, 2013	\$18.81	\$16.30	\$0.085
September 30, 2013	\$17.08	\$14.83	\$0.085
June 30, 2013	\$18.71	\$14.26	\$0.085
March 31, 2013	\$17.13	\$14.22	\$0.085
December 31, 2012	\$14.10	\$12.66	\$0.000
September 30, 2012	\$13.60	\$11.99	\$0.000
June 30, 2012	\$12.72	\$11.09	\$0.000
March 31, 2012	\$12.38	\$10.30	\$0.000

We had 481 common stockholders of record registered with our transfer agent as of February 27, 2014.

Performance Graph

The following graph provides a comparison of the cumulative total stockholder return among the Company, the FTSE NAREIT Equity REIT Total Return Index (the “NAREIT Index”) and the Standard & Poor’s 500 Index (“S&P 500”). The historical information set forth below is not necessarily indicative of future performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN* Among First Industrial Realty Trust Inc., the S&P 500 Index, and the FTSE NAREIT Equity REITs Index



* \$100 invested on 12/31/08 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

	12/08	12/09	12/10	12/11	12/12	12/13
FIRST INDUSTRIAL REALTY TRUST, INC.	\$100.00	\$ 69.27	\$116.03	\$135.50	\$186.49	\$235.97
S&P 500	\$100.00	\$126.46	\$145.51	\$148.59	\$172.37	\$228.19
FTSE NAREIT Equity REITs	\$100.00	\$127.99	\$163.78	\$177.36	\$209.39	\$214.56

* The information provided in this performance graph shall not be deemed to be “soliciting material,” to be “filed” or to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 unless specifically treated as such.

CORPORATE MANAGEMENT AND DIRECTORS

CORPORATE MANAGEMENT

Bruce W. Duncan

President and Chief Executive Officer

Scott A. Musil

Chief Financial Officer,

Treasurer and Assistant Secretary

Johannson L. Yap

Chief Investment Officer and

Executive Vice President — West Region

David G. Harker

Executive Vice President — Central Region

Peter O. Schultz

Executive Vice President — East Region

Christopher M. Schneider

*Chief Information Officer and Senior Vice President —
Operations*

Donald Stoffle

Executive Director — Dispositions

Robert Walter

Senior Vice President — Capital Markets

John W. Lee

General Counsel and Secretary

Arthur J. Harmon

Senior Director — Investor Relations

DIRECTORS

W. Ed Tyler†

Chairman

First Industrial Realty Trust, Inc.

Chief Executive Officer

Ideapoint Ventures

Director

Nanophase Technologies Corporation

Bruce W. Duncan‡

President and Chief Executive Officer

First Industrial Realty Trust, Inc.

Chairman

Starwood Hotels & Resorts Worldwide, Inc.

Director

T. Rowe Price Funds

Matthew S. Dominski‡§

Director

CBL & Associates Properties, Inc.

H. Patrick Hackett, Jr.*‡§

Chief Executive Officer

HHS Co.

Director

Wintrust Financial Corporation

North Shore Community Bank

John Rau*§

President, Chief Executive Officer and Director

Miami Corporation

Director

AGL Resources Inc.

BMO Financial Corp.

BMO/Harris Bank

L. Peter Sharpe*†

Former President and Chief Executive Officer

Cadillac Fairview Corporation

Director

Postmedia Network Canada Corp.

Morguard Corporation

Allied Properties Real Estate Investment Trust

* Audit Committee

† Compensation Committee

‡ Investment Committee

§ Nominating/Corporate

Governance Committee

CORPORATE AND STOCKHOLDER INFORMATION

Executive Office

First Industrial Realty Trust, Inc.
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Chicago, IL 60606
Phone: 312.344.4300
Fax: 312.922.6320
www.firstindustrial.com
info@firstindustrial.com

Stock Exchange Listing

New York Stock Exchange
Symbol: FR

Registrar and Transfer Agent

Computershare Trust Company, N.A.
P.O. Box 43078
Providence, RI 02940-3078
Phone: 800.446.2617

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
Chicago, Illinois

Corporate Counsel

Barack Ferrazzano Kirschbaum &
Nagelberg LLP
Chicago, Illinois

10-K Report

A copy of the Company's Form 10-K as filed with the Securities and Exchange Commission is available on the Company's website and may also be obtained free of charge by contacting the Director of Investor Relations and Corporate Communications, First Industrial Realty Trust, Inc. Included in such report were the certifications required by Section 302 of the Sarbanes-Oxley Act.

Annual Meeting

The Annual Meeting of Stockholders of First Industrial Realty Trust, Inc., will be held on Wednesday, May 7, 2014, at 9:00 A.M. CDT at the 10th Floor Conference Room, 311 South Wacker Drive, Chicago, Illinois.

To contact First Industrial's Audit Committee:

Chairman of the Audit Committee
c/o First Industrial Realty Trust, Inc.
311 South Wacker Drive, Suite 3900
Chicago, IL 60606

To contact First Industrial's Nominating/Corporate Governance Committee:

Chairman of the Nominating/Corporate Governance Committee
c/o First Industrial Realty Trust, Inc.
311 South Wacker Drive, Suite 3900
Chicago, IL 60606



LETTER TO STOCKHOLDERS
FROM THE PRESIDENT AND CEO

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

PROXY STATEMENT

2013 ANNUAL REPORT