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

# Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the fiscal year ended December 31, 2007**

**or**

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the transition period from to**

**Commission File Number 1-13102**

# FIRST INDUSTRIAL REALTY TRUST, INC.
*(Exact name of Registrant as specified in its Charter)*

| | |
|---|---|
| **Maryland**<br>*(State or other jurisdiction of incorporation or organization)* | **36-3935116**<br>*(I.R.S. Employer Identification No.)* |
| **311 S. Wacker Drive, Suite 4000, Chicago, Illinois**<br>*(Address of principal executive offices)* | **60606**<br>*(Zip Code)* |

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

**Securities registered pursuant to Section 12(b) of the Act:**
**Common Stock**
*(Title of class)*

**New York Stock Exchange**
*(Name of exchange on which registered)*

**Depositary Shares Each Representing 1/10,000 of a Share of 7.25% Series J Cumulative Preferred Stock**
**Depositary Shares Each Representing 1/10,000 of a Share of 7.25% Series K Cumulative Preferred Stock**
*(Title of class)*

**New York Stock Exchange**
*(Name of exchange on which registered)*

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes o No ☑

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

| | | | |
|---|---|---|---|
| Large accelerated filer ☑ | Accelerated filer o | Non-accelerated filer o<br>(Do not check if a smaller reporting company) | Smaller reporting company o |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ☑

The aggregate market value of the voting and non-voting stock held by non-affiliates of the Registrant was approximately $1,706.2 million based on the closing price on the New York Stock Exchange for such stock on June 30, 2007.

At February 15, 2008, 43,574,385 shares of the Registrant's Common Stock, $0.01 par value, were outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Part III incorporates certain information by reference to the Registrant's definitive proxy statement expected to be filed with the Securities and Exchange Commission no later than 120 days after the end of the Registrant's fiscal year.

**FIRST INDUSTRIAL REALTY TRUST, INC.**

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This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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," "anticipate," "estimate," "project" 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 material adverse affect on our operations and future prospects include, but are not limited to, changes in: international, national, regional and local economic conditions generally and the real estate market specifically, legislative/regulatory changes (including changes to laws governing the taxation of real estate investment trusts), availability of financing, interest rates, competition, supply and demand for industrial properties in our current and proposed market areas, potential environmental liabilities, slippage in development or lease-up schedules, tenant credit risks, higher-than-expected costs and changes in general accounting principles, policies and guidelines applicable to real estate investment trusts and risks related to doing business internationally (including foreign currency exchange risks). These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Further information concerning the Company and its business, including additional factors that could materially affect our financial results, is included in Item 1A, "Risk Factors" and in our other filings with the Securities and Exchange Commission. Unless the context otherwise requires, the terms the "Company," "we," "us," and "our" refer to First Industrial Realty Trust, Inc., First Industrial, L.P. and their other controlled subsidiaries. We refer to our operating partnership, First Industrial, L.P., as the "Operating Partnership," and our taxable REIT subsidiary, First Industrial Investment, Inc., as the "TRS."

## PART I

## THE COMPANY

**Item 1.** ***Business***

**General**

First Industrial Realty Trust, Inc. is a Maryland corporation organized on August 10, 1993, and is a real estate investment trust ("REIT") under Sections 856 through 860 of the Internal Revenue Code of 1986 (the "Code"). We are a self-administered and fully integrated real estate company which owns, manages, acquires, sells, develops, and redevelops industrial real estate. As of December 31, 2007, our in-service portfolio consisted of 403 light industrial properties, 125 R&D/flex properties, 162 bulk warehouse properties, 89 regional warehouse properties and 25 manufacturing properties containing approximately 64.0 million square feet of gross leasable are ("GLA") located in 28 states in the United States and one province in Canada. Our in-service portfolio includes all properties other than developed, redeveloped and acquired properties that have not yet reached stabilized occupancy (generally defined as properties that are 90% leased).

Our interests in our properties and land parcels are held through partnerships, corporations, and limited liability companies controlled, directly or indirectly, by the Company, including the Operating Partnership, of which we are the sole general partner with an approximate 87.1% and 87.3% ownership interest at December 31, 2007 and December 31, 2006, respectively, as well as, among others, the TRS which is a taxable REIT subsidiary of which the Operating Partnership is the sole stockholder, all of whose operating data is consolidated with that of the Company as presented herein.

We also own minority equity interests in, and provide various services to, five joint ventures which invest in industrial properties (the "2003 Net Lease Joint Venture," the "2005 Development/Repositioning Joint Venture," the "2005 Core Joint Venture," the "2006 Net Lease Co-Investment Program" and the "2006 Land/Development Joint Venture"). We also owned economic interests in and provided various services to a sixth joint venture, (the "1998 Core Joint Venture"). On January 31, 2007 we purchased the 90% equity interest from the institutional investor in the 1998 Core Joint Venture. Effective January 31, 2007, the assets and liabilities and results of operations of the 1998 Core Joint Venture are consolidated with the Company since we own 100% of the equity interest. Prior to January 31, 2007, the 1998 Core Joint Venture was accounted for under the equity method of accounting. Additionally, in December 2007, we entered into two new joint ventures with institutional investors to invest in, own, develop, redevelop and operate industrial properties, (the "2007 Canada Joint Venture" and the "2007 Europe Joint Venture"; together with 2003 Net Lease Joint Venture, 2005 Development/Repositioning Joint Venture, 2005 Core Joint Venture, the 2006 Net Lease Co-Investment Program, the 2006 Land/Development Joint Venture and the 1998 Core Joint Venture, the "Joint Ventures"). We own a 10% interest in and will provide property management, asset management, development management and leasing management services to the 2007 Canada Joint Venture and the 2007 Europe Joint Venture. As of December 31, 2007, the 2007 Canada Joint Venture and the 2007 Europe Joint Venture did not own any properties.

The operating data of our Joint Ventures is not consolidated with that of the Company as presented herein. However, the operating data of the 2005 Development/Repositioning Joint Venture, referred to as FirstCal Industrial, LLC, is separately presented on a consolidated basis, separate from that of the Company.

We utilize an operating approach which combines the effectiveness of decentralized, locally-based property management, acquisition, sales and development functions with the cost efficiencies of centralized acquisition, sales and development support, capital markets expertise, asset management and fiscal control systems. At February 15, 2008, we had approximately 518 employees.

We have grown and will seek to continue to grow through the development and acquisition of additional industrial properties, through additional joint venture investments and through our corporate services program.

We maintain a website at www.firstindustrial.com. Information on this website shall not constitute part of this Form 10-K. Copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to such reports are available without charge on our website as soon as reasonably practicable after such reports are filed with or furnished to the Securities and Exchange Commission (the "SEC"). In addition, our Corporate Governance Guidelines, Code of Business Conduct and Ethics, Audit Committee Charter, Compensation Committee Charter, Nominating/Corporate Governance Committee Charter, along with supplemental financial and operating information prepared by us, are all available without charge on our website or upon request to us. Amendments to, or waivers from, our Code of Business Conduct and Ethics that apply to our executive officers or directors shall also be posted to our website. Please direct requests as follows:

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

**Business Objectives and Growth Plans**

Our fundamental business objective is to maximize the total return to our stockholders through increases in per share distributions and increases in the value of our properties and operations. Our growth plans include the following elements:

- *Internal Growth.* We seek to grow internally by (i) increasing revenues by renewing or re-leasing spaces subject to expiring leases at higher rental levels; (ii) increasing occupancy levels at properties where vacancies exist and maintaining occupancy elsewhere; (iii) controlling and minimizing property operating and general and administrative expenses; (iv) renovating existing properties; and (v) increasing ancillary revenues from non-real estate sources.
- *External Growth.* We seek to grow externally through (i) the development of industrial properties; (ii) the acquisition of portfolios of industrial properties, industrial property businesses or individual properties which meet our investment parameters and target markets; (iii) additional joint venture investments; and (iv) the expansion of our properties.
- *Corporate Services.* Through our corporate services program, we build for, purchase from, and lease and sell industrial properties to companies that need industrial facilities. We seek to grow this business by targeting both large and middle-market public and private companies.

**Business Strategies**

We utilize the following six strategies in connection with the operation of our business:

- *Organization Strategy.* We implement our decentralized property operations strategy through the deployment of experienced regional management teams and local property managers. Each operating region is headed by a managing director who is a senior executive officer of, and has an equity interest in, the Company. We provide acquisition, development and financing assistance, asset management oversight and financial reporting functions from our headquarters in Chicago, Illinois to support our regional operations. We believe the size of our portfolio enables us to realize operating efficiencies by spreading overhead among many properties and by negotiating purchasing discounts.
- *Market Strategy.* Our market strategy is to concentrate on the top industrial real estate markets in the United States and select industrial real estate markets in Canada, the Netherlands and Belgium. These markets have one or more of the following characteristic: (i) strong industrial real estate fundamentals, including increased industrial demand expectations; (ii) a history of and outlook for continued economic growth and industry diversity; and (iii) sufficient size to provide for ample transaction volume.
- *Leasing and Marketing Strategy.* We have an operational management strategy designed to enhance tenant satisfaction and portfolio performance. We pursue an active leasing strategy, which includes broadly marketing available space, seeking to renew existing leases at higher rents per square foot and seeking leases which provide for the pass-through of property-related expenses to the tenant. We also

have local and national marketing programs which focus on the business and real estate brokerage communities and national tenants.

- *Acquisition/Development Strategy.* Our acquisition/development strategy is to invest in properties and other assets with higher yield potential in the top industrial real estate markets in the United States and select industrial real estate markets in Canada, the Netherlands and Belgium. Of the 804 industrial properties in our in-service portfolio at December 31, 2007, 112 properties have been developed by us or our former management. We will continue to leverage the development capabilities of our management, many of whom are leading industrial property developers in their respective markets.
- *Disposition Strategy.* We continuously evaluate local market conditions and property-related factors in all of our markets for purposes of identifying assets suitable for disposition.
- *Financing Strategy.* We plan on utilizing a portion of net sales proceeds from property sales, borrowings under our unsecured line of credit and proceeds from the issuance, when and as warranted, of additional debt and equity securities to finance future acquisitions and developments. We also continually evaluate joint venture arrangements as another source of capital. As of February 15, 2008, we had approximately $47.9 million available for additional borrowings under our unsecured line of credit (the "Unsecured Line of Credit").

**Recent Developments**

In 2007, we acquired or placed in-service developments totaling 119 industrial properties and acquired several parcels of land for a total investment of approximately $609.8 million. We also sold 164 industrial properties and several parcels of land for a gross sales price of approximately $881.3 million. At December 31, 2007, we owned 804 in-service industrial properties containing approximately 64.0 million square feet of GLA.

In December 2007, we entered into two new joint ventures, the 2007 Canada Joint Venture and the 2007 Europe Joint Venture.

During the year ended December 31, 2007, we repurchased 1,797,714 shares of our own stock at an average price per share of $38.62, including brokerage commissions.

During 2007, in conjunction with the acquisition of several industrial properties, we assumed mortgage loans payable in the aggregate of $38.6 million; these mortgage loans payable were paid off and retired in 2007.

On May 7, 2007, we issued $150.0 million of senior unsecured debt which matures on May 15, 2017 and bears interest at a rate of 5.95% (the "2017 II Notes"). The issue price of the 2017 II Notes was 99.730%. In April 2006, we entered into interest rate protection agreements to fix the interest rate on the 2017 II Notes prior to issuance. The effective portion of the interest rate protection agreements were settled on May 1, 2007 for a payment of $4.3 million, which is included in other comprehensive income and will be amortized over the life of the notes.

On May 15, 2007, we paid off and retired our 7.60% 2007 Unsecured Notes in the amount of $150.0 million.

On September 28, 2007, we amended and restated our Unsecured Line of Credit. The Unsecured Line of Credit matures on September 28, 2012, has a borrowing capacity of $500.0 million (with the right, subject to certain conditions, to increase the borrowing capacity up to $700.0 million) and bears interest at a floating rate of LIBOR plus 0.475%, or the prime rate, at our election. Up to $100.0 million of the $500.0 million capacity may be borrowed in foreign currencies, including the Canadian dollar, Euro, British Sterling and Japanese Yen.

On January 31, 2007, we purchased the 90% equity interest in the 1998 Core Joint Venture from our partner. We paid $18.5 million in cash and assumed $30.3 million in mortgage loans payable. As of December 31, 2007, all of these mortgage loans payable were paid off and retired.

On February 27, 2007, we redeemed the 85% equity interest in one legal entity which owned one property from the institutional investor in the 2003 Net Lease Joint Venture. In connection with the redemption, we assumed a $8.3 million mortgage loan payable and $3.0 million in other liabilities. The mortgage loan payable was subsequently paid off in February 2007.

**Future Property Acquisitions, Developments and Property Sales**

We have an active acquisition and development program through which we are continually engaged in identifying, negotiating and consummating portfolio and individual industrial property acquisitions and developments. As a result, we are currently engaged in negotiations relating to the possible acquisition and development of certain industrial properties.

We also sell properties based on market conditions and property related factors. As a result, we are currently engaged in negotiations relating to the possible sale of certain industrial properties in our portfolio.

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

## INDUSTRY

Industrial properties are typically used for the design, assembly, packaging, storage and distribution of goods and/or the provision of services. As a result, the demand for industrial space in the United States is related to the level of economic output. Historically, occupancy rates for industrial property in the United States have been higher than those for other types of commercial property. We believe that the higher occupancy rate in the industrial property sector is a result of the construction-on-demand nature of, and the comparatively short development time required for, industrial property. For the five years ended December 31, 2007, the occupancy rates for industrial properties in the United States have ranged from 88.2%* to 90.8%*, with an occupancy rate of 90.6%* at December 31, 2007.

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* Source: Torto Wheaton Research

**Item 1A.** *Risk Factors*

**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:

***Real estate investments' value fluctuates depending on conditions in the general economy and the real estate business. 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.

***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 investment, such as real estate taxes and maintenance costs, generally are not reduced when circumstances cause a reduction in income from the investment.

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

Real estate investments generally cannot be sold quickly and, therefore, 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 Internal Revenue Code (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.

We have also sold to our joint ventures a significant number of properties in recent years and, as part of our business, we intend to continue to sell or contribute properties to our joint ventures as opportunities arise. If we do not have sufficient properties available that meet the investment criteria of current or future joint ventures, or if the joint ventures have reduced or do not have access to capital on favorable terms, then such sales could be delayed or prevented, adversely affecting our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock.

***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 both 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 price may be elevated. In addition, we expect to finance future acquisitions through a combination of borrowings under the Unsecured Line of Credit, proceeds from equity or debt offerings 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 complete development and re-development projects on advantageous terms.***

As part of our business, we develop new and re-develop existing properties. In addition, we have sold to third parties or sold to our joint ventures a significant number of development and re-development properties in recent years, and we intend to continue to sell such properties to third parties or to sell or contribute such properties to our 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;
- 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 our joint ventures.

***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, 2007, leases with respect to approximately 12.6 million, 10.1 million and 9.6 million square feet of GLA, representing 21%, 17% and 16% of GLA, expire in 2008, 2009 and 2010, 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 or sell properties to our joint ventures 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 IRS could contend that certain sales of properties by us are prohibited transactions. While we do not believe that the IRS would prevail in such a dispute, if the matter were 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 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, in connection with future acquisitions, 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.

***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.***

If the Operating Partnership decides to obtain additional debt financing in the future, it may do so through mortgages on some or all of its properties. 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 indebtedness that is so secured 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 secured 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. As of December 31, 2007, none of our current indebtedness was 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:

- $50.0 million aggregate principal amount of 7.75% Notes due 2032 (the "2032 Notes")
- $200.0 million aggregate principal amount of 7.60% Notes due 2028 (the "2028 Notes")
- approximately $15.0 million aggregate principal amount of 7.15% Notes due 2027 (the "2027 Notes")
- $150.0 million aggregate principal amount of 5.95% Notes due 2017 (the "2017 II Notes")
- $100.0 million aggregate principal amount of 7.50% Notes due 2017 (the "2017 Notes")
- $200.0 million aggregate principal amount of 5.75% Notes due 2016 (the "2016 Notes")
- $125.0 million aggregate principal amount of 6.42% Notes due 2014 (the "2014 Notes")
- $200.0 million aggregate principal amount of 6.875% Notes due 2012 (the "2012 Notes")
- $200.0 million aggregate principal amount of 4.625% Notes due 2011 (the "2011 Exchangeable Notes")
- $200.0 million aggregate principal amount of 7.375% Notes due 2011 (the "2011 Notes")
- $125.0 million aggregate principal amount of 5.25% Notes due 2009 (the "2009 Notes")
- $500.0 million Unsecured Line of Credit under which we may borrow to finance the acquisition of additional properties and for other corporate purposes, including working capital.

The Unsecured Line of Credit provides for the repayment of principal in a lump-sum or "balloon" payment at maturity in 2012. Under the Unsecured Line of Credit, we have the right, subject to certain conditions, to increase the aggregate commitment by up to $200.0 million. As of December 31, 2007, $322.1 million was outstanding under the Unsecured Line of Credit at a weighted average interest rate of 5.787%.

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 2009 Notes, the 2011 Notes, the 2011 Exchangeable Notes, the 2012 Notes, the 2014 Notes, the 2016 Notes, the 2017 Notes, the 2017 II Notes, the 2027 Notes, the 2028 Notes, the 2032 Notes or the Unsecured Line of Credit. Some of our existing debt obligations, other than those discussed above, are secured by our properties, and therefore such obligations will permit the lender to foreclose on those properties in the event of a default.

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

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 in an increased risk of default on our obligations. As of December 31, 2007, our ratio of debt to our total market capitalization was 49.2%. We compute that 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.

***Rising interest rates on the Company's Unsecured Line of Credit could decrease the Company's available cash.***

Our Unsecured Line of Credit bears interest at a floating rate. As of December 31, 2007, our Unsecured Line of Credit had an outstanding balance of $322.1 million at a weighted average interest rate of 5.787%. Our Unsecured Line of Credit bears interest at the prime rate or at the LIBOR plus 0.475%, at our election. Based on an outstanding balance on our Unsecured Line of Credit as of December 31, 2007, a 10% increase in interest rates would increase interest expense by $1.9 million on an annual basis. Increases in the interest rate payable on balances outstanding under our Unsecured Line of Credit would decrease our cash available for distribution to stockholders.

***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 based secondarily 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. Additionally, if the market price of our common stock declines significantly, then we might breach certain covenants with respect to our debt obligations, which could adversely affect our liquidity and ability to make future acquisitions and our ability to pay dividends to our stockholders.

***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 a 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 Company's properties.

***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, acts of terrorism 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 or a loss in excess of insured limits occurs 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, 2007, five of our joint ventures owned approximately 19.9 million square feet of properties. As of December 31, 2007, our investment in joint ventures exceeded $57.5 million in the aggregate, and for the year ended December 31, 2007, our equity in income of joint ventures exceeded $30.0 million. Our organizational documents do not limit the amount of available funds that we may invest in joint ventures and we intend to continue 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:

- co-members or joint venturers may share certain approval rights over major decisions;
- co-members or joint venturers might fail to fund their share of any required capital commitments;
- co-members or 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;
- co-members or 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 co-members or 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 co-members or 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.***

Under our market strategy, we plan to acquire and develop properties outside of the United States, including in Canada, the Netherlands and Belgium. 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.

We also have offices outside of the United States. Our ability to effectively establish, staff and manage these offices is subject to risks associated with employment practices, labor issues, and cultural factors that differ from those with which we are familiar. In addition, we may be subject to regulatory requirements and prohibitions that differ between jurisdictions. As we continue to expand our business globally, we may have difficulty anticipating and effectively managing these and other risks that our international operations may face, which may adversely affect our business outside the United States and our financial condition and results of operations.

***Acquired properties may be located in new markets, where we may face risks associated with investing in an unfamiliar market.***

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.

***Potential fluctuations in exchange rates between the U.S. dollar and the currencies of the other countries in which we invest may adversely affect our results of operations and financial position.***

Owning, operating and developing industrial property outside of the United States exposes the Company to the possibility of volatile movements in foreign exchange rates. Changes in foreign currencies can affect the operating results of international operations reported in US dollars and the value of the foreign assets reported in US 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. A significant depreciation in the value of the currency of one or more countries where we have a significant investment may materially affect our results of operations.

**Item 1B.** ***Unresolved SEC Comments***

None.

**Item 2.** ***Properties***

**General**

At December 31, 2007, we owned 804 in-service industrial properties containing an aggregate of approximately 64.0 million square feet of GLA in 28 states and one province in Canada, with a diverse base of more than 2,300 tenants engaged in a wide variety of businesses, including manufacturing, retail, wholesale trade, distribution and professional services. The properties are generally located in business parks that have convenient access to interstate highways and/or rail and air transportation. The weighted average age of the properties as of December 31, 2007 was approximately 20 years. We maintain insurance on our properties that we believe is adequate.

We classify our properties into five industrial categories: light industrial, R&D/flex, bulk warehouse, regional warehouse and manufacturing. While some properties may have characteristics which fall under more than one property type, we use what we believe is the most dominant characteristic to categorize the property.

The following describes, generally, the different industrial categories:

- Light industrial properties are of less than 100,000 square feet, have a ceiling height of 16-21 feet, are comprised of 5%-50% of office space, contain less than 50% of manufacturing space and have a land use ratio of 4:1. The land use ratio is the ratio of the total property area to the area occupied by the building.
- R&D/flex buildings are of less than 100,000 square feet, have a ceiling height of less than 16 feet, are comprised of 50% or more of office space, contain less than 25% of manufacturing space and have a land use ratio of 4:1.
- Bulk warehouse buildings are of more than 100,000 square feet, have a ceiling height of at least 22 feet, are comprised of 5%-15% of office space, contain less than 25% of manufacturing space and have a land use ratio of 2:1.
- Regional warehouses are of less than 100,000 square feet, have a ceiling height of at least 22 feet, are comprised of 5%-15% of office space, contain less than 25% of manufacturing space and have a land use ratio of 2:1.
- Manufacturing properties are a diverse category of buildings that have a ceiling height of 10-18 feet, are comprised of 5%-15% of office space, contain at least 50% of manufacturing space and have a land use ratio of 4:1.

Each of the properties is wholly owned by us or our consolidated subsidiaries. The following tables summarize certain information as of December 31, 2007, with respect to our in-service properties.

## Property Summary

| Metropolitan Area | Light Industrial | | R&D/Flex | | Bulk Warehouse | | Regional Warehouse | | Manufacturing | |
|---|---|---|---|---|---|---|---|---|---|---|
| | GLA | Number of Properties | GLA | Number of Properties | GLA | Number of Properties | GLA | Number of Properties | GLA | Number of Properties |
| Atlanta, GA(a) | 696,922 | 12 | 206,826 | 5 | 2,650,542 | 11 | 393,535 | 5 | 847,950 | 4 |
| Baltimore, MD | 989,634 | 16 | 169,660 | 5 | 383,135 | 3 | — | — | 171,000 | 1 |
| Central PA(b) | 541,722 | 7 | — | — | 897,000 | 3 | 117,599 | 3 | — | — |
| Chicago, IL | 1,019,409 | 18 | 174,841 | 3 | 2,346,598 | 12 | 169,989 | 4 | 421,000 | 2 |
| Cincinnati, OH | 604,389 | 7 | — | — | 1,525,130 | 7 | 130,870 | 2 | — | — |
| Cleveland, OH | 64,000 | 1 | — | — | 608,740 | 4 | — | — | — | — |
| Columbus, OH(c) | 217,612 | 2 | — | — | 2,442,967 | 7 | 98,800 | 1 | — | — |
| Dallas, TX | 2,475,044 | 49 | 454,963 | 18 | 1,762,736 | 16 | 677,433 | 10 | 128,478 | 1 |
| Denver, CO | 1,248,829 | 21 | 1,016,054 | 23 | 1,399,876 | 8 | 521,664 | 8 | 126,384 | 1 |
| Detroit, MI | 2,361,883 | 85 | 452,376 | 15 | 530,843 | 5 | 710,308 | 17 | 116,250 | 1 |
| Houston, TX | 330,322 | 7 | 111,111 | 5 | 2,233,064 | 13 | 355,793 | 5 | — | — |
| Indianapolis, IN(d,e,f,g) | 909,253 | 18 | 38,200 | 3 | 3,348,469 | 13 | 222,710 | 5 | 71,600 | 2 |
| Inland Empire, CA | — | — | — | — | 595,940 | 2 | — | — | — | — |
| Los Angeles, CA | 460,820 | 10 | — | — | 374,702 | 3 | 199,555 | 3 | — | — |
| Louisville, KY | — | — | — | — | 124,935 | 1 | — | — | — | — |
| Miami, FL | — | — | — | — | — | — | 228,726 | 5 | — | — |
| Milwaukee, WI | 263,567 | 6 | 93,705 | 2 | 838,129 | 6 | 129,557 | 2 | — | — |
| Minneapolis/St. Paul, MN(h,i) | 1,567,075 | 18 | 419,834 | 5 | 1,810,141 | 9 | 321,305 | 4 | 994,077 | 9 |
| Nashville, TN | 204,918 | 3 | — | — | 870,323 | 5 | — | — | 109,058 | 1 |
| N. New Jersey | 1,159,629 | 20 | 413,167 | 7 | 441,467 | 3 | 58,585 | 1 | — | — |
| Philadelphia, PA | 878,456 | 18 | 127,802 | 5 | 732,265 | 3 | 211,228 | 4 | 30,000 | 1 |
| Phoenix, AZ | 61,538 | 2 | — | — | 131,000 | 1 | 256,615 | 4 | — | — |
| Salt Lake City, UT | 706,201 | 35 | 146,937 | 6 | 648,625 | 4 | — | — | — | — |
| San Diego, CA | 112,773 | 5 | — | — | — | — | 69,985 | 2 | — | — |
| S. New Jersey(j) | 1,356,377 | 20 | — | — | 281,100 | 2 | 118,496 | 2 | 22,738 | 1 |
| St. Louis, MO(k) | 545,747 | 7 | — | — | 1,887,790 | 8 | 96,392 | 1 | — | — |
| Tampa, FL(l) | 234,679 | 7 | 486,192 | 23 | 209,500 | 1 | — | — | — | — |
| Toronto, ON | 57,540 | 1 | — | — | 897,954 | 3 | — | — | — | — |
| Other(m) | 696,547 | 8 | — | — | 1,727,328 | 9 | 88,000 | 1 | 36,000 | 1 |
| Total | 19,764,886 | 403 | 4,311,668 | 125 | 31,700,299 | 162 | 5,177,145 | 89 | 3,074,535 | 25 |

(a) One property collateralizes a $2.8 million mortgage loan which matures on May 1, 2016.

(b) One property collateralizes a $14.7 million mortgage loan which matures on December 1, 2010.

(c) One property collateralizes a $5.0 million mortgage loan which matures on December 1, 2019.

(d) Twelve properties collateralize a $1.1 million mortgage loan which matures on September 1, 2009.

(e) One property collateralizes a $1.4 million mortgage loan which matures on January 1, 2013.

(f) One property collateralizes a $2.4 million mortgage loan which matures on January 1, 2012.

(g) One property collateralizes a $1.7 million mortgage loan which matures on June 1, 2014.

(h) One property collateralizes a $5.1 million mortgage loan which matures on December 1, 2019.

(i) One property collateralizes a $1.8 million mortgage loan which matures on September 30, 2024.

(j) One property collateralizes a $6.4 million mortgage loan which matures on March 1, 2011.

(k) One property collateralizes a $13.8 million mortgage loan and a $11.7 million mortgage loan which both mature on January 1, 2014.

(l) Six properties collateralize a $5.7 million mortgage loan which matures on July 1, 2009.

(m) Properties are located in Wichita, KS, Grand Rapids, MI, Austin, TX, Orlando, FL, Johnson County, MS, Horn Lake, MS, Shreveport, LA, Kansas City, MO, San Antonio, TX, Birmingham, AL, Portland, OR, Des Moines, IA, Sumner, IA, Omaha, NE, and Winchester, VA.

**Property Summary Totals**

| | Totals | | | |
|---|---|---|---|---|
| **Metropolitan Area** | **GLA** | **Number of Properties(b)** | **Average Occupancy at 12/31/07(b)** | **GLA as a% of Total Portfolio(b)** |
| Atlanta, GA | 4,795,775 | 37 | 93% | 7.5% |
| Baltimore, MD | 1,713,429 | 25 | 100% | 2.7% |
| Central, PA | 1,556,321 | 13 | 100% | 2.4% |
| Chicago, IL | 4,131,837 | 39 | 97% | 6.5% |
| Cincinnati, OH | 2,260,389 | 16 | 98% | 3.5% |
| Cleveland, OH | 672,740 | 5 | 100% | 1.1% |
| Columbus, OH | 2,759,379 | 10 | 90% | 4.3% |
| Dallas, TX/Ft. Worth, TX | 5,498,654 | 94 | 91% | 8.6% |
| Denver, CO | 4,312,807 | 61 | 91% | 6.7% |
| Detroit, MI | 4,171,660 | 123 | 81% | 6.5% |
| Houston, TX | 3,030,290 | 30 | 99% | 4.7% |
| Indianapolis, IN | 4,590,232 | 41 | 97% | 7.2% |
| Inland Empire, CA | 595,940 | 2 | 100% | 0.9% |
| Los Angeles, CA | 1,035,077 | 16 | 85% | 1.6% |
| Louisville, KY | 124,935 | 1 | 100% | 0.2% |
| Miami, FL | 228,726 | 5 | 99% | 0.4% |
| Milwaukee, WI | 1,324,958 | 16 | 91% | 2.1% |
| Minneapolis/St. Paul, MN | 5,112,432 | 45 | 95% | 8.0% |
| Nashville, TN | 1,184,299 | 9 | 93% | 1.8% |
| N. New Jersey | 2,072,848 | 31 | 95% | 3.2% |
| Philadelphia, PA | 1,979,751 | 31 | 98% | 3.1% |
| Phoenix, AZ | 449,153 | 7 | 100% | 0.7% |
| Salt Lake City, UT | 1,501,763 | 45 | 94% | 2.3% |
| San Diego, CA | 182,758 | 7 | 92% | 0.3% |
| S. New Jersey | 1,778,711 | 25 | 98% | 2.8% |
| St. Louis, MO | 2,529,929 | 16 | 99% | 4.0% |
| Tampa, FL | 930,371 | 31 | 93% | 1.5% |
| Toronto, ON | 955,494 | 4 | 100% | 1.5% |
| Other(a) | 2,547,875 | 19 | 100% | 4.0% |
| Total or Average | 64,028,533 | 804 | 95% | 100.0% |

(a) Properties are located in Wichita, KS, Grand Rapids, MI, Austin, TX, Orlando, FL, Johnson County, KS, Horn Lake, MS, Shreveport, LA, Kansas City, MO, San Antonio, TX, Birmingham, AL, Portland, OR, Des Moines, IA, Sumner, IA, Omaha, NE, and Winchester, VA.

(b) Includes only in-service properties.

**Property Acquisition Activity**

During 2007, we acquired 105 industrial properties totaling approximately 8.6 million square feet of GLA at a total purchase price of approximately $399.1 million, or approximately $46.41 per square foot. We also purchased several land parcels for an aggregate purchase price of approximately $71.7 million. The 105 industrial properties acquired have the following characteristics:

| Metropolitan Area | Number of Properties | GLA | Property Type | Average Occupancy at 12/31/2007(b) |
|---|---|---|---|---|
| Atlanta, GA | 2 | 972,125 | Bulk Warehouse | N/A |
| Chicago, IL | 3 | 276,643 | Lt. Ind./Bulk/Regional Warehouse | 100% |
| Cincinnati, OH | 6 | 329,070 | Lt. Ind./Regional Warehouse | 99% |
| Columbus, OH(a) | 1 | 340,000 | Bulk Warehouse | N/A |
| Columbus, OH | 2 | 547,406 | Bulk Warehouse | N/A |
| Dallas, TX | 1 | 106,210 | Bulk Warehouse | 100% |
| Houston, TX(a) | 31 | 1,070,233 | Various | N/A |
| Houston, TX | 14 | 451,370 | Lt. Ind./Regional Warehouse/R&D Flex | 85% |
| Inland Empire, CA | 2 | 595,940 | Bulk Warehouse | 100% |
| Los Angeles, CA(a) | 1 | 27,692 | Regional Warehouse | N/A |
| Los Angeles, CA | 12 | 918,974 | Lt. Ind./Bulk/Regional Warehouse | 100% |
| Miami, FL | 7 | 424,730 | Bulk/Regional Warehouse | 99% |
| Milwaukee, WI | 4 | 192,941 | Light Industrial | N/A |
| Minneapolis, MN | 1 | 132,000 | Bulk Warehouse | N/A |
| Nashville, TN | 1 | 76,016 | Light Industrial | 100% |
| Philadelphia, PA(a) | 1 | 137,036 | Bulk Warehouse | N/A |
| Philadelphia, PA | 2 | 560,728 | Bulk/Regional Warehouse | 100% |
| Phoenix, AZ | 1 | 39,360 | Regional Warehouse | 100% |
| S. New Jersey(a) | 2 | 157,450 | Bulk/Regional Warehouse | N/A |
| S. New Jersey | 3 | 360,638 | Bulk/Regional Warehouse | 100% |
| Salt Lake City, UT | 3 | 185,000 | Light Industrial | 100% |
| San Diego, CA | 2 | 70,414 | Regional Warehouse | 100% |
| St. Louis, MO(a) | 1 | 226,576 | Bulk Warehouse | N/A |
| St. Louis | 1 | 115,200 | Bulk Warehouse | N/A |
| Toronto, ON | 1 | 276,124 | Bulk Warehouse | 100% |
| Total | 105 | 8,589,876 | | |

(a) Property was sold in 2007.

(b) Includes only in-service properties.

**Property Development Activity**

During 2007, we placed in-service 14 developments totaling approximately 2.6 million square feet of GLA at a total cost of approximately $139.0 million, or approximately $53.46 per square foot. The developments placed in-service have the following characteristics:

| Metropolitan Area | GLA | Property Type | Average Occupancy at 12/31/07 |
|---|---|---|---|
| Baltimore, MD | 300,000 | Bulk Warehouse | 100% |
| Baltimore, MD(a) | 130,200 | Bulk Warehouse | N/A |
| Dallas, TX(a) | 125,085 | Bulk Warehouse | N/A |
| Denver, CO | 20,320 | R&D/Flex | 100% |
| Denver, CO | 39,434 | Light Industrial | 100% |
| Indianapolis, IN | 71,753 | Light Industrial | 100% |
| Indianapolis, IN | 177,600 | Bulk Warehouse | 100% |
| Indianapolis, IN(a) | 241,824 | Bulk Warehouse | N/A |
| Kansas City, KS | 446,500 | Bulk Warehouse | 100% |
| Louisville, KY | 118,159 | Bulk Warehouse | 100% |
| Minneapolis, MN | 170,824 | Bulk Warehouse | 100% |
| Minneapolis/St. Paul, MN(a) | 340,478 | Bulk Warehouse | N/A |
| Phoenix, AZ(a) | 335,039 | Bulk Warehouse | N/A |
| Salt Lake City, UT(a) | 92,290 | Regional Warehouse | N/A |
| Total | 2,609,506 | | |

(a) Property was sold in 2007.

At December 31, 2007, we had 17 development projects not placed in service, totaling an estimated 4.8 million square feet and with an estimated completion cost of approximately $256.0 million. There can be no assurance that we will place these projects in service in 2008 or that the actual completion cost will not exceed the estimated completion cost stated above.

**Property Sales**

During 2007, we sold 164 industrial properties totaling approximately 13.7 million square feet of GLA and several land parcels. Total gross sales proceeds approximated $881.3 million. The 164 industrial properties sold have the following characteristics:

| Metropolitan Area | Number of Properties | GLA | Property Type |
|---|---|---|---|
| Atlanta, GA | 4 | 421,036 | Light Industrial/Bulk/Regional Warehouse |
| Baltimore, MD | 2 | 657,800 | Bulk Warehouse |
| Central, PA | 1 | 49,350 | Light Industrial |
| Chicago, IL | 8 | 1,003,748 | Light Industrial/Bulk/Regional Warehouse |
| Cincinnati, OH | 1 | 240,000 | Bulk Warehouse |
| Columbus, OH | 1 | 340,000 | Bulk Warehouse |
| Dallas, TX | 4 | 1,189,403 | Light Industrial/Bulk Warehouse |
| Denver, CO | 25 | 966,117 | R&D Flex/Light Industrial |
| Detroit, MI | 3 | 154,011 | Light Industrial/R&D/Flex |
| Houston, TX | 36 | 1,437,659 | Lt. Ind/R&D/Flex/Regional |
| Indianapolis, IN | 9 | 1,022,376 | Bulk/Lt. Ind/R&D/Flex/Regional |
| Los Angeles, CA | 5 | 482,833 | Regional/Bulk Warehouse/Lt. Ind. |
| Louisville, KY | 2 | 443,500 | Bulk Warehouse |
| Minneapolis/St. Paul, MN | 5 | 415,882 | Light Industrial/R&D/Flex |
| N. New Jersey | 2 | 154,965 | Bulk Warehouse |
| Nashville, TN | 5 | 866,121 | Light Industrial/Bulk Warehouse |
| Philadelphia, PA | 2 | 160,086 | Bulk Warehouse/R&D Flex |
| Phoenix, AZ | 10 | 780,601 | Regional/Bulk Warehouse/Light Industrial |
| S. New Jersey | 5 | 273,076 | Light Industrial/Regional/Bulk Warehouse |
| Salt Lake City, UT | 3 | 363,562 | Regional/Bulk Warehouse |
| San Diego, CA | 9 | 672,009 | Regional/Bulk Warehouse |
| Tampa, FL | 19 | 686,092 | R&D/Flex/Light Industrial |
| Other(a) | 3 | 922,576 | Regional/Bulk Warehouse |
| Total | 164 | 13,702,803 | |

(a) Properties are located in Shreveport, LA, McAllen, TX, and Kansas City, MO.

**Property Acquisitions, Developments and Sales Subsequent to Year End**

From January 1, 2008 to February 15, 2008, we acquired 11 industrial properties and several land parcels for a total estimated investment of approximately $79.1 million. We also sold three industrial properties and one land parcel for approximately $3.6 million of gross proceeds during this period.

**Tenant and Lease Information**

We have a diverse base of more than 2,300 tenants engaged in a wide variety of businesses including manufacturing, retail, wholesale trade, distribution and professional services. Most leases have an initial term of between three and six years and provide for periodic rent increases that are either fixed or based on changes in the Consumer Price Index. Industrial tenants typically have net or semi-net leases and pay as additional rent their percentage of the property's operating costs, including the costs of common area maintenance, property taxes and insurance. As of December 31, 2007, approximately 95% of the GLA of the in-service industrial properties was leased, and no single tenant or group of related tenants accounted for more than 1.6% of our rent revenues, nor did any single tenant or group of related tenants occupy more than 2.5% of our total GLA as of December 31, 2007.

The following table shows scheduled lease expirations for all leases for our in-service properties as of December 31, 2007.

| Year of Expiration(1) | Number of Leases Expiring | GLA Expiring(2) | Percentage of GLA Expiring | Annual Base Rent Under Expiring Leases | Percentage of Total Annual Base Rent Expiring(2) |
|---|---|---|---|---|---|
| | | | | (In thousands) | |
| 2008 | 657 | 12,568,701 | 21% | 54,285 | 20% |
| 2009 | 478 | 10,086,353 | 17% | 47,399 | 17% |
| 2010 | 469 | 9,595,302 | 16% | 44,412 | 16% |
| 2011 | 279 | 7,710,427 | 13% | 37,761 | 14% |
| 2012 | 213 | 6,097,906 | 10% | 29,083 | 11% |
| 2013 | 83 | 3,632,234 | 6% | 15,358 | 6% |
| 2014 | 36 | 1,814,585 | 3% | 8,712 | 3% |
| 2015 | 35 | 2,556,108 | 4% | 8,064 | 3% |
| 2016 | 23 | 1,414,386 | 2% | 5,474 | 2% |
| 2017 | 14 | 1,310,972 | 2% | 5,905 | 2% |
| Thereafter | 33 | 4,112,248 | 7% | 16,077 | 6% |
| Total | 2,320 | 60,899,222 | 100.0% | $ 272,530 | 100.0% |

(1) Lease expirations as of December 31, 2007 assume tenants do not exercise existing renewal, termination or purchase options.

(2) Does not include existing vacancies of 3,129,311 aggregate square feet.

**Item 3. *Legal Proceedings***

We are involved in legal proceedings arising in the ordinary course of business. All such proceedings, taken together, are not expected to have a material impact on the results of operations, financial position or liquidity of the Company.

**Item 4. *Submission of Matters to a Vote of Security Holders***

None.

## PART II

**Item 5.** ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

**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".

| Quarter Ended | High | Low | Distribution Declared |
|---|---|---|---|
| December 31, 2007 | $ 42.71 | $ 34.60 | $ 0.7200 |
| September 30, 2007 | $ 41.28 | $ 37.63 | $ 0.7100 |
| June 30, 2007 | $ 45.77 | $ 38.76 | $ 0.7100 |
| March 31, 2007 | $ 49.51 | $ 44.44 | $ 0.7100 |
| December 31, 2006 | $ 50.52 | $ 43.70 | $ 0.7100 |
| September 30, 2006 | $ 44.25 | $ 37.25 | $ 0.7000 |
| June 30, 2006 | $ 41.79 | $ 36.50 | $ 0.7000 |
| March 31, 2006 | $ 43.24 | $ 37.73 | $ 0.7000 |

We had 667 common stockholders of record registered with our transfer agent as of February 15, 2008.

We have estimated that, for federal income tax purposes, approximately 21.61% of the total $127.6 million in common stock distributions declared in 2007 were classified as ordinary dividend income to our shareholders, 69.02% qualified as capital gain income, and 9.37% represented a return of capital (nondividend distribution).

Additionally, for tax purposes, an estimated 23.84% of our 2007 preferred stock dividends were ordinary income, with 76.16% qualifying as capital gain income.

In order to comply with the REIT requirements of the Code, we are generally required to make common share distributions and preferred share dividends (other than capital gain distributions) to our shareholders in amounts that together at least equal i) the sum of a) 90% of our "REIT taxable income" computed without regard to the dividends paid deduction and net capital gains and b) 90% of net income (after tax), if any, from foreclosure property, minus ii) certain excess non-cash income. Our common share distribution policy is determined by our board of directors and is dependent on multiple factors, including cash flow and capital expenditure requirements, as well as ensuring that we meet the minimum distribution requirements set forth in the Code.

During 2007, the Operating Partnership did not issue any Units.

Subject to lock-up periods and certain adjustments, Units of the Operating Partnership are convertible into common stock of the Company on a one-for-one basis or cash at the option of the Company.

**Equity Compensation Plans**

The following table sets forth information regarding our equity compensation plans.

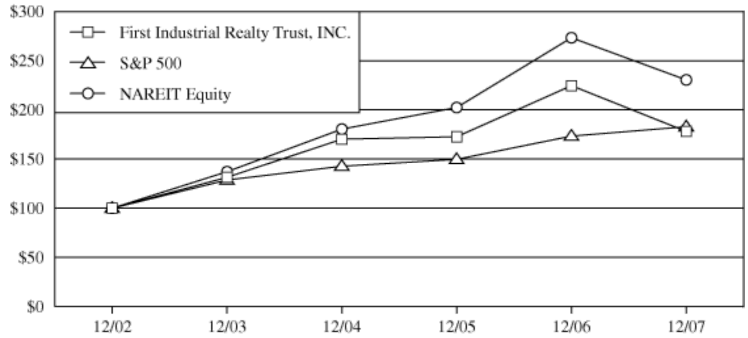
| Plan Category | Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights | Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights | Number of Securities Remaining Available for Further Issuance Under Equity Compensation Plans |
|---|---|---|---|
| Equity Compensation Plans Approved by Security Holders | — | — | 1,743,543 |
| Equity Compensation Plans Not Approved by Security Holders(1) | 355,901 | $ 31.68 | 84,274 |
| Total | 355,901 | $ 31.68 | 1,827,817 |

(1) See Notes 3 and 13 of the Notes to Consolidated Financial Statements contained herein for a description of the plan.

**Performance Graph***

The following graph provides a comparison of the cumulative total stockholder return among the Company, the NAREIT Equity REIT Total Return Index (the “NAREIT Index”) and the Standard & Poor’s 500 Index (“S&P 500”). The comparison is for the period from December 31, 2002 to December 31, 2007 and assumes the reinvestment of any dividends. The closing price for our Common Stock quoted on the NYSE at the close of business on December 31, 2002 was $28.00 per share. The NAREIT Index includes REITs with 75% or more of their gross invested book value of assets invested directly or indirectly in the equity ownership of real estate. Upon written request, we will provide stockholders with a list of the REITs included in the NAREIT Index. The historical information set forth below is not necessarily indicative of future performance. The following graph was prepared at our request by Research Data Group, Inc., San Francisco, California.

**COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN***




| | 12/02 | 12/03 | 12/04 | 12/05 | 12/06 | 12/07 |
|---|---|---|---|---|---|---|
| FIRST INDUSTRIAL REALTY TRUST, INC. | $100.00 | $131.43 | $170.19 | $172.67 | $224.61 | $178.05 |
| S&P 500 | 100.00 | 128.68 | 142.69 | 149.70 | 173.34 | 182.87 |
| NAREIT Equity | 100.00 | 137.13 | 180.44 | 202.38 | 273.34 | 230.45 |

* 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 Exchange Act of 1934 unless specifically treated as such.

The following table contains information for shares of the our common stock repurchased during the year ended December 31, 2007:

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs(1) |
|---|---|---|---|---|
| January 1, 2007 — July 31, 2007 | — | — | — | $ 29,513,176 |
| August 1, 2007 — August 31, 2007 | 645,083 | $ 39.46 | 645,083 | $ 4,060,637 |
| September 1, 2007 — September 30, 2007 | 98,431 | $ 39.90 | 98,431 | $ 100,132,878 |
| October 1, 2007 — October 31, 2007 | — | — | — | $ 100,132,878 |
| November 1, 2007 — November 30, 2007 | 1,054,200 | $ 37.93 | 1,054,200 | $ 60,144,757 |
| December 1, 2007 — December 31, 2007 | — | — | — | $ 60,144,757 |
| Total | 1,797,714 | $ 38.59 | 1,797,714 | |

(1) In March 2000 and in September 2007, our Board of Directors authorized a stock repurchase plan pursuant to which we are permitted to purchase up to $100.0 million and $100.0 million, respectively, of our outstanding common stock. During the year ended December 31, 2007, we repurchased 1,797,714 shares at an average price per share of $38.59 ($38.62 per share, including brokerage commissions). During November 2007 we completed the March 2000 Program.

## Item 6. *Selected Financial Data*

The following sets forth selected financial and operating data for the Company on a historical consolidated basis. The following 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. The historical statements of operations for the years ended December 31, 2007, 2006, 2005, 2004, and 2003 include the results of operations of the Company as derived from our audited financial statements, adjusted for discontinued operations. The results of operations of properties sold are presented in discontinued operations if they met both of the following criteria: (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 disposition and (b) we will not have any significant involvement in the operations of the property after the disposal transaction. The historical balance sheet data and other data as of December 31, 2007, 2006, 2005, 2004, and 2003 include the balances of the Company as derived from our audited financial statements.

| | Year Ended 12/31/07 | Year Ended 12/31/06 | Year Ended 12/31/05 | Year Ended 12/31/04 | Year Ended 12/31/03 |
|---|---|---|---|---|---|
| | | (In thousands, except per unit and property data) | | | |
| **Statement of Operations Data:** | | | | | |
| Total Revenues | $ 434,927 | $ 350,924 | $ 287,663 | $ 232,786 | $ 217,925 |
| Interest Income | 1,926 | 1,614 | 1,486 | 3,632 | 2,416 |
| Mark-to-Market/(Loss) Gain on Settlement of Interest Rate Protection Agreements | — | (3,112) | 811 | 1,583 | — |
| Property Expenses | (129,403) | (115,230) | (95,172) | (78,632) | (73,428) |
| General and Administrative Expense | (92,101) | (77,497) | (55,812) | (39,569) | (26,953) |
| Interest Expense | (119,314) | (121,141) | (108,339) | (98,636) | (94,895) |
| Amortization of Deferred Financing Costs | (3,210) | (2,666) | (2,125) | (1,931) | (1,764) |
| Depreciation and Other Amortization | (153,682) | (130,582) | (94,490) | (69,326) | (56,788) |
| Contractor Expenses | (34,553) | (10,263) | (15,574) | — | — |
| (Loss) Gain from Early Retirement from Debt | (393) | — | 82 | (515) | (1,466) |
| Equity in Income of Joint Ventures | 30,045 | 30,673 | 3,699 | 37,301 | 539 |
| Income Tax Benefit | 10,571 | 9,882 | 14,337 | 8,195 | 5,878 |
| Minority Interest Allocable to Continuing Operations | 9,944 | 11,593 | 9,695 | 3,774 | 7,033 |
| Loss from Continuing Operations | (45,243) | (55,805) | (53,739) | (1,338) | (21,503) |
| Income from Discontinued Operations (Including Gain on Sale of Real Estate of $244,962, $213,442, $132,139, $88,245 and $79,485 for the Years Ended December 31, 2007, 2006, 2005, 2004, and 2003, respectively) | 260,975 | 240,145 | 167,406 | 129,625 | 149,330 |
| Provision for Income Taxes Allocable to Discontinued Operations (Including $36,032, $47,511, $20,529, $8,659 and $2,154 allocable to Gain on Sale of Real Estate for the Years ended December 31, 2007, 2006, 2005, 2004, and 2003, respectively) | (38,044) | (51,102) | (23,898) | (11,275) | (3,866) |
| Minority Interest Allocable to Discontinued Operations | (28,178) | (24,594) | (18,886) | (16,238) | (21,427) |
| Gain on Sale of Real Estate | 9,425 | 6,071 | 29,550 | 16,755 | 15,794 |
| Provision for Income Taxes Allocable to Gain on Sale of Real Estate | (3,082) | (2,119) | (10,871) | (5,359) | (2,614) |
| Minority Interest Allocable to Gain on Sale of Real Estate | (802) | (514) | (2,458) | (1,564) | (1,941) |
| Net Income | 155,051 | 112,082 | 87,104 | 110,606 | 113,773 |
| Redemption of Preferred Stock | (2,017) | (672) | — | (7,959) | — |
| Preferred Dividends | (21,320) | (21,424) | (10,688) | (14,488) | (20,176) |
| Net Income Available to Common Stockholders | $ 131,174 | $ 89,986 | $ 76,416 | $ 88,159 | $ 93,597 |
| Basic and Diluted Earnings Per Weighted Average Common Share Outstanding: | | | | | |
| Loss from Continuing Operations Available to Common Stockholders | $ (1.43) | $ (1.69) | $ (1.14) | $ (0.34) | $ (0.79) |
| Net Income Available to Common Stockholders | $ 2.99 | $ 2.04 | $ 1.80 | $ 2.17 | $ 2.43 |
| Distributions Per Share | $ 2.8500 | $ 2.8100 | $ 2.7850 | $ 2.7500 | $ 2.7400 |
| Basic and Diluted Weighted Average Number of Common Shares Outstanding | 44,086 | 44,012 | 42,431 | 40,557 | 38,542 |
| Net Income | $ 155,051 | $ 112,082 | $ 87,104 | $ 110,606 | $ 113,773 |
| Other Comprehensive Income (Loss): | | | | | |
| Settlement of Interest Rate Protection Agreements | (4,261) | (1,729) | — | 6,816 | — |
| Reclassification of Settlement of Interest Rate Protection Agreements to Net Income | — | — | (159) | — | — |
| Mark-to-Market of Interest Rate Protection Agreements and Interest Rate Swap Agreements, Net of Tax Provision | 3,819 | (2,800) | (1,414) | 106 | 251 |
| Amortization of Interest Rate Protection Agreements | (916) | (912) | (1,085) | (512) | 198 |
| Foreign Currency Translation Adjustment, Net of Tax Provision | 2,134 | — | — | — | — |
| Other Comprehensive (Income) Loss Allocable to Minority Interest | (142) | 698 | 837 | — | — |
| Other Comprehensive Income | $ 155,685 | $ 107,339 | $ 85,283 | $ 117,016 | $ 114,222 |

| | Year Ended 12/31/07 | Year Ended 12/31/06 | Year Ended 12/31/05 | Year Ended 12/31/04 | Year Ended 12/31/03 |
|---|---|---|---|---|---|
| | | (In thousands, except per unit and property data) | | | |
| **Balance Sheet Data (End of Period):** | | | | | |
| Real Estate, Before Accumulated Depreciation | $ 3,326,268 | $ 3,219,728 | $ 3,260,761 | $ 2,856,474 | $ 2,738,034 |
| Real Estate, After Accumulated Depreciation | 2,816,287 | 2,754,310 | 2,850,195 | 2,478,091 | 2,388,782 |
| Real Estate Held for Sale, Net | 37,875 | 115,961 | 16,840 | 52,790 | — |
| Total Assets | 3,258,033 | 3,224,399 | 3,226,243 | 2,721,890 | 2,648,023 |
| Mortgage Loans Payable, Net, Unsecured Lines of Credit and Senior Unsecured Debt, Net | 1,946,670 | 1,834,658 | 1,813,702 | 1,574,929 | 1,453,798 |
| Total Liabilities | 2,183,755 | 2,048,873 | 2,020,361 | 1,719,463 | 1,591,732 |
| Stockholders' Equity | 923,919 | 1,022,979 | 1,043,562 | 845,494 | 889,173 |
| **Other Data:** | | | | | |
| Cash Flow From Operating Activities | $ 92,736 | $ 59,551 | $ 49,350 | $ 77,657 | $ 103,156 |
| Cash Flow From Investing Activities | 126,909 | 129,147 | (371,654) | 9,992 | 29,037 |
| Cash Flow From Financing Activities | (230,023) | (180,800) | 325,617 | (83,546) | (131,372) |
| Total In-Service Properties | 804 | 858 | 884 | 827 | 834 |
| Total In-Service GLA, in Square Feet | 64,028,533 | 68,610,505 | 70,193,161 | 61,670,735 | 57,925,466 |
| In-Service Occupancy Percentage | 95% | 94% | 92% | 90% | 88% |

**Item 7.** ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion should be read in conjunction with "Selected Financial 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 Securities Exchange Act of 1934. 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," "anticipate," "estimate," "project" 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 material adverse affect on the operations and future prospects of the Company on a consolidated basis include, but are not limited to, changes in: international, national, regional and local economic conditions generally and the real estate market specifically, legislative/regulatory changes (including changes to laws governing the taxation of real estate investment trusts), availability of financing, interest rate, competition, supply and demand for industrial properties in our current and proposed market areas, potential environmental liabilities, slippage in development or lease-up schedules, tenant credit risks, higher-than-expected costs and changes in general accounting principles, policies and guidelines applicable to real estate investment trusts and risks related to doing business internationally (including foreign currency exchange risks). These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Further information concerning the Company and its business, including additional factors that could materially affect our financial results, is included in Item 1A. "Risk Factors," and in our other filings with the Securities and Exchange Commission (the "SEC").

The Company was organized in the state of Maryland on August 10, 1993. We are a real estate investment trust ("REIT"), as defined in the Internal Revenue Code of 1986 (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 First Industrial, L.P. (the "Operating Partnership"), of which we are the sole general partner, as well as, among others, our taxable REIT subsidiary, First Industrial Investment, Inc. (the "TRS"), of which the Operating Partnership is the sole stockholder, all of whose operating data is consolidated with that of the Company as presented herein.

We also own minority equity interests in, and provide services to, five joint ventures which invest in industrial properties (the "2003 Net Lease Joint Venture," the "2005 Development/Repositioning Joint Venture," the "2005 Core Joint Venture," the "2006 Net Lease Co-Investment Program" and the "2006 Land/Development Joint Venture"). We also owned a minority interest in and provided property management services to a sixth joint venture (the "1998 Core Joint Venture"). On January 31, 2007, we purchased the 90%

equity interest from the institutional investor in the 1998 Core Joint Venture. Effective January 31, 2007, the assets and liabilities and results of operations of the 1998 Core Joint Venture are consolidated with the Company since we effectively own 100% of the equity interest. Prior to January 31, 2007, the 1998 Core Joint Venture was accounted for under the equity method of accounting. Additionally, on December 28, 2007 we entered into two new joint ventures with institutional investors (the "2007 Canada Joint Venture" and the "2007 Europe Joint Venture"; together with 2003 Net Lease Joint Venture, 2005 Development/Repositioning Joint Venture, 2005 Core Joint Venture, the 2006 Net Lease Co-Investment Program, the 2006 Land/Development Joint Venture and the 1998 Core Joint Venture, the "Joint Ventures"). The operating data of our Joint Ventures is not consolidated with that of the Company as presented herein. However, the operating data of the 2005 Development/Repositioning Joint Venture, referred to as FirstCal Industrial, LLC, is separately presented on a consolidated basis, separate from that of the Company.

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

We generate revenue primarily from rental income and tenant recoveries from long-term (generally three to six years) operating leases of our industrial properties and our joint ventures' 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 and our joint ventures' 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 and our joint ventures' properties (as discussed below), for our distributions. 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 and our joint ventures' properties or to maintain tenant recoveries and operating and certain other expenses consistent with historical levels and proportions, our revenue growth would be limited. Further, if a significant number of our tenants and our joint ventures' tenants were unable to pay rent (including tenant recoveries) or if we or our joint ventures 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 and our joint ventures' ability to acquire existing, and acquire and develop new, additional industrial properties on favorable terms. The Company itself, and through our various joint ventures, continually seeks to acquire existing industrial properties on favorable terms, and, when conditions permit, also seeks 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 and our joint ventures' 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, as well as our joint ventures, face significant competition for attractive acquisition and development opportunities from other well-capitalized real estate investors, including both publicly-traded REITs and private investors. Further, as discussed below, we and our joint ventures may not be able to finance the acquisition and development opportunities we identify. If we and our joint ventures 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 and our joint ventures' properties (including existing buildings, buildings which we or our joint ventures have developed or re-developed on a merchant basis, and land). The Company itself and through our various joint ventures is continually engaged in, and our income growth is dependent in part on, systematically redeploying capital from properties and other assets with lower yield potential into properties and other assets with higher yield potential. As part of that process, we and our joint ventures sell, on an ongoing basis, select stabilized properties or land or properties offering lower potential returns relative to their market value. The gain/loss on, and fees from, the sale of such properties are included in our income and are a significant source of funds, in addition to revenues generated from rental income and tenant recoveries, for our distributions. Also, a significant portion of our proceeds from such sales is 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 and our joint ventures' 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 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 and our joint ventures were 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 would be adversely affected.

Currently, we utilize a portion of the net sales proceeds from property sales, borrowings under our unsecured line of credit (the "Unsecured Line of Credit") and proceeds from the issuance when and as warranted, of additional debt and equity securities to finance future acquisitions and developments and to fund our equity commitments to our joint ventures. 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, developments and contributions to our joint ventures 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 capital 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 would 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 affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

- We maintain an allowance for doubtful accounts which is based on estimates of potential losses which could result from the inability of our tenants to satisfy outstanding billings with us. The allowance for doubtful accounts is an estimate based on our assessment of the creditworthiness of our tenants.
- Properties are classified as held for sale when our management has approved the sales of such properties. When properties are classified as held for sale, we cease depreciating the properties and estimate the values of such properties and measure 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 is determined by deducting from the estimated sales price of the property the estimated costs to close the sale.

- We review our properties on a quarterly basis for possible impairment and provide a provision if impairments are determined. We utilize the guidelines established under Financial Accounting Standards Board's ("FASB") Statement of Financial Accounting Standards ("FAS") No. 144, *"Accounting for the Impairment or Disposal of Long Lived Assets"* ("FAS 144") to determine if impairment conditions exist. We review the expected undiscounted cash flows of each 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 determined by discounting the future expected cash flows of the property. The calculation of the fair value involves subjective assumptions such as estimated occupancy, rental rates, ultimate residual value and the discount rate used to present value the cash flows.

- We are engaged in the acquisition of individual properties as well as multi-property portfolios. In accordance with FAS No. 141, *"Business Combinations" ("FAS 141")*, we are required to allocate purchase price between land, building, tenant improvements, leasing commissions, in please leases, tenant relationship and above and below market leases. Above-market and below-market lease values for acquired properties are recorded based on the 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 and below market leases are amortized over the remaining non-cancelable terms of the respective leases as an adjustment to rental income. 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 relationship 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 our assessment of various characteristics of the markets where the property is located and the expected cash flows of the property.

- We capitalize (direct and certain indirect) costs incurred in developing, renovating, acquiring and rehabilitating real estate assets as part of the investment basis. Costs incurred in making certain other improvements are also capitalized. 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, renovations or rehabilitation up to the time the property is substantially complete. The determination and calculation of certain costs requires estimates by us. Amounts included in capitalized costs are included in the investment basis of real estate assets.

- We analyze our investments in joint ventures to determine whether the joint venture should be accounted for under the equity method of accounting or consolidated into our financial statements based on standards set forth under FAS Interpretation No. 46(R), *Consolidation of Variable Interest Entities*, EITF 96-16, *Investor's Accounting for an Investee When the Investor Has a Majority of the Voting Interest but the Minority Shareholder or Shareholders Have Certain Approval or Veto Rights* and Statement of Position 78-9, *Accounting for Investments in Real Estate Ventures*. 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 not to be a variable interest entity or it has been determined we are not the primary beneficiary. Our assessment of whether we are the primary beneficiary of a variable interest 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.

- In the preparation of our consolidated financial statements, significant management judgment is required to estimate our current and deferred income tax liabilities, and our compliance with REIT qualification requirements. 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.

## RESULTS OF OPERATIONS

**Comparison of Year Ended December 31, 2007 to Year Ended December 31, 2006**

Our net income available to common stockholders was $131.7 million and $90.0 million for the year ended December 31, 2007 and 2006, respectively. Basic and diluted net income available to common stockholders were $2.99 per share for the year ended December 31, 2007 and $2.04 per share for the year ended December 31, 2006.

The tables below summarize our revenues, property expenses and depreciation and other amortization by various categories for the year ended December 31, 2007 and December 31, 2006. Same store properties are properties owned prior to January 1, 2006 and held as an operating property through December 31, 2007 and developments and redevelopments that were stabilized (generally defined as 90% occupied) prior to January 1, 2006 or were substantially completed for 12 months prior to January 1, 2006. Acquired properties are properties that were acquired subsequent to December 31, 2005 and held as an operating property through December 31, 2007. Sold properties are properties that were sold subsequent to December 31, 2005. (Re)Developments and land are land parcels and developments and redevelopments that were not: a) substantially complete 12 months prior to January 1, 2006 or b) stabilized prior to January 1, 2006. Other revenues are derived from the operations of our maintenance company, fees earned from our joint ventures, and other miscellaneous revenues. Contractor revenues and expenses represent revenues earned and expenses incurred in connection with the TRS acting as general contractor to construct industrial properties, including industrial properties for the 2005 Development/Repositioning Joint Venture and also includes revenues and expenses related to the development of properties for third parties. 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.

At December 31, 2007 and 2006, the occupancy rates of our same store properties were 94.1% and 92.3%, respectively.

| | 2007 | 2006 | $ Change | % Change |
|---|---|---|---|---|
| | | ($ in 000's) | | |
| **REVENUES** | | | | |
| Same Store Properties | $ 301,404 | $ 289,761 | $ 11,643 | 4.0% |
| Acquired Properties | 55,724 | 16,844 | 38,880 | 230.8% |
| Sold Properties | 41,037 | 80,409 | (39,372) | (49.0)% |
| (Re)Developments and Land, Not Included Above | 8,213 | 5,973 | 2,240 | 37.5% |
| Other | 36,890 | 29,958 | 6,932 | 23.1% |
| | $ 443,268 | $ 422,945 | $ 20,323 | 4.8% |
| Discontinued Operations | (43,969) | (82,561) | 38,592 | (46.7)% |
| Subtotal Revenues | $ 399,299 | $ 340,384 | $ 58,915 | 17.3% |
| Contractor Revenues | 35,628 | 10,540 | 25,088 | 238.0% |
| Total Revenues | $ 434,927 | $ 350,924 | $ 84,003 | 23.9% |

Revenues from same store properties increased by $11.6 million due primarily to an increase in same store property occupancy rates and an increase in same store rental rates. Revenues from acquired properties increased $38.9 million due to the 196 industrial properties acquired subsequent to December 31, 2005 totaling approximately 19.1 million square feet of gross leasable area ("GLA"). Revenues from sold properties decreased $39.4 million due to the 289 industrial properties sold subsequent to December 31, 2005 totaling approximately 30.8 million square feet of GLA. Revenues from (re)developments and land increased $2.2 million due to an increase in occupancy. Other revenues increased by approximately $6.9 million due primarily to an increase in joint venture fees and fees earned related to us assigning our interest in certain purchase contracts to third parties for consideration. Contractor revenues increased $25.1 million for the year ended December 31, 2007 due primarily to increased third party development activity and an increased number of construction projects for which the TRS acted as general contractor.

| | 2007 | 2006 | $ Change | % Change |
|---|---|---|---|---|
| | | ($ in 000's) | | |
| **PROPERTY AND CONTRACTOR EXPENSES** | | | | |
| Same Store Properties | $ 96,368 | $ 94,400 | $ 1,968 | 2.1% |
| Acquired Properties | 13,680 | 4,037 | 9,643 | 238.9% |
| Sold Properties | 12,346 | 23,532 | (11,186) | (47.5)% |
| (Re) Developments and Land, Not Included Above | 4,512 | 3,979 | 533 | 13.4% |
| Other | 16,603 | 15,427 | 1,176 | 7.6% |
| | $ 143,509 | $ 141,375 | $ 2,134 | 1.5% |
| Discontinued Operations | (14,106) | (26,145) | 12,039 | (46.0)% |
| Property Expenses | $ 129,403 | $ 115,230 | $ 14,173 | 12.3% |
| Contractor Expenses | 34,553 | 10,263 | 24,290 | 236.7% |
| Total Property and Contractor Expenses | $ 163,956 | $ 125,493 | $ 38,463 | 30.6% |

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance, other property related expenses, and contractor expenses. Property expenses from same store properties increased $2.0 million due primarily to an increase in real estate taxes due to a reassessment of values of certain properties of ours, as well as an increase in repairs and maintenance. Property expenses from acquired properties increased by $9.6 million due to properties acquired subsequent to December 31, 2005. Property expenses from sold properties decreased by $11.2 million due to properties sold subsequent to

December 31, 2005. Property expenses from (re)developments and land increased $0.5 million due to an increase in occupancy. The $1.2 million increase in other expense is primarily attributable to increases in employee compensation. Contractor expenses increased $24.3 million for the year ended December 31, 2007 due primarily to increased third party development activity and an increased number of construction projects for which the TRS acted as general contractor.

General and administrative expense increased by approximately $14.6 million, or 18.8%, due primarily to increases in employee compensation related to compensation for additional employees as well as an increase in incentive compensation.

| | 2007 | 2006 | $ Change | % Change |
|---|---|---|---|---|
| | | ($ in 000's) | | |
| **DEPRECIATION AND OTHER AMORTIZATION** | | | | |
| Same Store Properties | $ 109,896 | $ 107,451 | $ 2,445 | 2.3% |
| Acquired Properties | 38,988 | 13,727 | 25,261 | 184.0% |
| Sold Properties | 12,568 | 28,383 | (15,815) | (55.7)% |
| (Re) Developments and Land, Not Included Above | 4,243 | 8,821 | (4,578) | (51.9)% |
| Corporate Furniture, Fixtures and Equipment | 1,837 | 1,913 | (76) | (4.0)% |
| | $ 167,532 | $ 160,295 | $ 7,237 | 4.5% |
| Discontinued Operations | (13,850) | (29,713) | 15,863 | (53.4)% |
| Total Depreciation and Other Amortization | $ 153,682 | $ 130,582 | $ 23,100 | 17.7% |

Depreciation and other amortization for same store properties remained relatively unchanged. Depreciation and other amortization from acquired properties increased by $25.3 million due to properties acquired subsequent to December 31, 2005. Depreciation and other amortization from sold properties decreased by $15.8 million due to properties sold subsequent to December 31, 2005. Depreciation and other amortization for (re)developments and land decreased by $4.6 million due primarily to accelerated depreciation recognized for the year ended December 31, 2006 on one property in Columbus, OH which was razed during 2006.

Interest income increased $0.3 million due primarily to an increase in the average mortgage loans receivable outstanding during the year ended December 31, 2007, as compared to the year ended December 31, 2006, partially offset by a decrease in interest income earned on funds held with intermediaries in connection with completing property transactions in accordance with Section 1031 of the Code.

Interest expense decreased by approximately $1.8 million primarily due to a decrease in the weighted average interest rate for the year ended December 31, 2007 (6.45%), as compared to the year ended December 31, 2006 (6.72%) and due to an increase in capitalized interest for the year ended December 31, 2007 due to an increase in development activities, partially offset by an increase in the weighted average debt balance outstanding for the year ended December 31, 2007 ($1,981.4 million), as compared to the year ended December 31, 2006 ($1,878.5 million).

Amortization of deferred financing costs increased by $0.5 million, or 20.4%, due primarily to financing fees incurred associated with the issuance of $200.0 million of senior unsecured debt in September 2006.

In October 2005, we entered into an interest rate protection agreement which hedged the change in value of a build to suit development project we were constructing. This interest rate protection agreement had a notional value of $50.0 million, was based on the three month LIBOR rate, had a strike rate of 4.8675%, had an effective date of December 30, 2005 and a termination date of December 30, 2010. Per FAS No. 133, *"Accounting for Derivative Instruments and Hedging Activities,"* fair value and cash flow hedge accounting for hedges of non-financial assets and liabilities is limited to hedges of the risk of changes in the market price of the entire hedged item because changes in the price of an ingredient or component of a non-financial item generally do not have a predictable, separately measurable effect on the price of the item. Since the interest rate protection agreement is hedging a component of the change in value of the build to suit development, the interest rate protection agreement does not qualify for hedge accounting and the change in value of the interest rate protection agreement is recognized immediately in net income as opposed to other comprehensive income. On January 5, 2006, we settled the interest rate protection agreement for a payment of $0.2 million. Included in Mark-to-Market/Loss on Settlement of Interest Rate Protection Agreement for the year ended December 31, 2006 is the settlement and mark-to-market of the interest rate protection agreement.

In April 2006, we entered into interest rate protection agreements which we designated as cash flow hedges. Each of the interest rate protection agreements had a notional value of $74.8 million, were effective from May 10, 2007 through May 10, 2012, and fixed the LIBOR rate at 5.42%. In September 2006, the interest rate protection agreements failed to qualify for hedge accounting since the actual debt issuance date was not within the range of dates we disclosed in our hedge designation. We settled the interest rate protection agreements and paid the counterparties $2.9 million.

We recognized a $0.4 million loss from early retirement of debt for the year ended December 31, 2007. This includes $0.1 million write-off of financing fees associated with our previous line of credit agreement which was amended and restated on September 28, 2007. The loss from early retirement of debt also includes $0.3 million due to early payoffs on mortgage loans.

Equity in income of joint ventures decreased by $0.6 million primarily due to a decrease in our economic share of the gains and earn outs on property sales from the 2005 Development/Repositioning Joint Venture during the year ended December 31, 2007, partially offset by an increase in our economic share of the gains on property sales from the 2005 Core Joint Venture for the year ended December 31, 2007.

The year to date income tax provision (included in continuing operations, discontinued operations and gain of sale) decreased $12.8 million, in the aggregate, due primarily to a decrease in rental income and gain on sale of real estate and an increase in general and administrative expenses, partially offset by an increase in joint venture fees and management/leasing fees, and a decrease in interest expense within the TRS.

The $9.4 million gain on sale of real estate for the year ended December 31, 2007, resulted from the sale of three industrial properties and several land parcels that do not meet the criteria established by FAS 144 for inclusion in discontinued operations. The $6.1 million gain on sale of real estate for the year ended December 31, 2006, resulted from the sale of several land parcels that do not meet the criteria established by FAS 144 for inclusion in discontinued operations.

The following table summarizes certain information regarding the industrial properties included in our discontinued operations for the year ended December 31, 2007 and December 31, 2006.

| | 2007 | 2006 |
|---|---|---|
| | ($ in 000's) | |
| Total Revenues | $ 43,969 | $ 82,561 |
| Property Expenses | (14,106) | (26,145) |
| Depreciation and Amortization | (13,850) | (29,713) |
| Gain on Sale of Real Estate | 244,962 | 213,442 |
| Provision for Income Taxes | (38,044) | (51,102) |
| Minority Interest | (28,178) | (24,594) |
| Income from Discontinued Operations | $ 194,753 | $ 164,449 |

Income from discontinued operations (net of income taxes and minority interest) for the year ended December 31, 2007 reflects the results of operations and gain on sale of real estate relating to 161 industrial properties that were sold during the year ended December 31, 2007 and the results of operations of six properties that were identified as held for sale at December 31, 2007.

Income from discontinued operations (net of income taxes and minority interest) for the year ended December 31, 2006 reflects the results of operations of the 161 industrial properties that were sold during the year ended December 31, 2007, the results of operations of 125 industrial properties that were sold during the year ended December 31, 2006, the results of operations of the six industrial properties identified as held for sale at December 31, 2007 and gain on sale of real estate relating to 125 industrial properties that were sold during the year ended December 31, 2006.

**Comparison of Year Ended December 31, 2006 to Year Ended December 31, 2005**

Our net income available to common stockholders was $90.0 million and $76.4 million for the years ended December 31, 2006 and 2005, respectively. Basic and diluted net income available to common stockholders were $2.04 per share for the year ended December 31, 2006, and $1.80 per share for the year ended December 31, 2005.

The tables below summarize our revenues, property expenses and depreciation and other amortization by various categories for the years ended December 31, 2006 and December 31, 2005. Same store properties are properties owned prior to January 1, 2005 and held as an operating property through December 31, 2006 and developments and redevelopments that were stabilized (generally defined as 90% occupied) prior to January 1, 2005 or were substantially completed for 12 months prior to January 1, 2005. Acquired properties are properties that were acquired subsequent to December 31, 2004 and held as an operating property through December 31, 2006. Sold properties are properties that were sold subsequent to December 31, 2004. (Re)Developments and land are land parcels and developments and redevelopments that were not: a) substantially complete 12 months prior to January 1, 2005 or b) stabilized prior to January 1, 2005. Other revenues are derived from the operations of our maintenance company, fees earned from our joint ventures, and other miscellaneous revenues. Contractor revenues and expenses represent revenues earned and expenses incurred in connection with the TRS acting as general contractor to construct industrial properties, including industrial properties for the 2005 Development/Repositioning Joint Ventures and also includes revenues and expenses related to the development of properties for third parties. Other expenses are derived from the operations of our maintenance company and other miscellaneous regional expenses.

At December 31, 2006 and 2005, the occupancy rates of our same store properties were 92.6% and 91.7%, respectively.

| | 2006 | 2005 | $ Change | % Change |
|---|---|---|---|---|
| | | ($ in 000's) | | |
| **REVENUES** | | | | |
| Same Store Properties | $ 257,525 | $ 255,963 | $ 1,562 | 0.6% |
| Acquired Properties | 86,150 | 18,565 | 67,585 | 364.0% |
| Sold Properties | 27,072 | 63,585 | (36,513) | (57.4)% |
| (Re)Developments and Land, Not Included Above | 22,217 | 18,789 | 3,428 | 18.2% |
| Other | 29,981 | 19,118 | 10,863 | 56.8% |
| | $ 422,945 | $ 376,020 | $ 49,925 | 12.5% |
| Discontinued Operations | (82,561) | (104,598) | 22,037 | (21.1)% |
| Subtotal Revenues | $ 340,384 | $ 271,422 | $ 68,962 | 25.4% |
| Contractor Revenues | 10,540 | 16,241 | (5,701) | (35.1)% |
| Total Revenues | $ 350,924 | $ 287,663 | $ 63,261 | 22.0% |

Revenues from same store properties remained relatively unchanged. Revenues from acquired properties increased $67.6 million due to the 252 industrial properties totaling approximately 30.6 million square feet of GLA acquired subsequent to December 31, 2004. Revenues from sold properties decreased $36.5 million due to the 221 industrial properties totaling approximately 29.9 million square feet of GLA sold subsequent to December 31, 2004. Revenues from (re)developments and land increased by approximately $3.4 million due primarily to an increase in properties placed in service during 2006 and 2005. Other revenues increased by approximately $10.9 million due primarily to an increase in joint venture fees, partially offset by a decrease in assignment fees. Contractor revenues decreased $5.7 million due to decreased third party development activity.

| | 2006 | 2005 | $ Change | % Change |
|---|---|---|---|---|
| | | ($ in 000's) | | |
| **PROPERTY AND CONTRACTOR EXPENSES** | | | | |
| Same Store Properties | $ 87,047 | $ 85,220 | $ 1,827 | 2.1% |
| Acquired Properties | 21,784 | 5,688 | 16,096 | 283.0% |
| Sold Properties | 7,603 | 19,385 | (11,782) | (60.8)% |
| (Re)Developments and Land, Not Included Above | 9,512 | 9,005 | 507 | 5.6% |
| Other | 15,429 | 11,321 | 4,108 | 36.3% |
| | $ 141,375 | $ 130,619 | $ 10,756 | 8.2% |
| Discontinued Operations | (26,145) | (35,447) | 9,302 | (26.2)% |
| Property Expenses | $ 115,230 | $ 95,172 | $ 20,058 | 21.1% |
| Contractor Expenses | 10,263 | 15,574 | (5,311) | (34.1)% |
| Total Property and Contractor Expenses | $ 125,493 | $ 110,746 | $ 14,747 | 13.3% |

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance, other property related expenses and contractor expenses. Property expenses from same store properties increased $1.8 million or 2.1% primarily due to an increase of $1.1 million in utility expense attributable to increases in gas and electric costs and an increase of $0.8 million in real estate tax expense. Property expenses from acquired properties increased by $16.1 million primarily due to properties acquired subsequent to December 31, 2004. Property expenses from sold properties decreased $11.8 million due to properties sold subsequent to December 31, 2004. Property expenses from (re)developments and land increased by approximately $0.5 million due primarily to an increase in properties placed in service during 2006 and 2005. Other expenses increased $4.1 million due primarily to increases in employee compensation. Contractor expenses decreased $5.3 million due to decreased third party development activity.

General and administrative expense increased by approximately $21.7 million, or 38.9%, due primarily to increases in employee compensation related to compensation for new employees as well as an increase in incentive compensation.

| | 2006 | 2005 | $ Change | % Change |
|---|---|---|---|---|
| | | ($ in 000's) | | |
| **DEPRECIATION AND OTHER AMORTIZATION** | | | | |
| Same Store Properties | $ 82,896 | $ 84,009 | $ (1,113) | (1.3)% |
| Acquired Properties | 51,652 | 11,808 | 39,844 | 337.4% |
| Sold Properties | 9,584 | 20,644 | (11,060) | (53.6)% |
| (Re)Developments and Land, Not Included Above | 14,250 | 10,169 | 4,081 | 40.1% |
| Corporate Furniture, Fixtures and Equipment | 1,913 | 1,371 | 542 | 39.5% |
| | 160,295 | 128,001 | 32,294 | 25.2% |
| Discontinued Operations | (29,713) | (33,511) | 3,798 | (11.3)% |
| Total Depreciation and Other Amortization | $ 130,582 | $ 94,490 | $ 36,092 | 38.2% |

Depreciation and other amortization for same store properties remained relatively unchanged. Depreciation and other amortization from acquired properties increased by $39.8 million due to properties acquired subsequent to December 31, 2004. Depreciation and other amortization from sold properties decreased by $11.1 million due to properties sold subsequent to December 31, 2004. Depreciation and other amortization for (re)developments and land increased $4.1 million due primarily to accelerated depreciation on one property in Columbus, OH which was razed during the year ended December 31, 2006. Amortization of corporate furniture, fixtures and equipment increased $0.5 million primarily due to expansion and improvement to corporate offices.

Interest income remained relatively unchanged.

In April 2006, we entered into interest rate protection agreements which we designated as cash flow hedges. Each of the interest rate protection agreements had a notional value of $74.8 million, were effective from May 10, 2007 through May 10, 2012, and fixed the LIBOR rate at 5.42%. In September 2006, the interest rate protection agreements failed to qualify for hedge accounting since the actual debt issuance date was not within the range of dates we disclosed in our hedge designation. We settled the interest rate protection agreements and paid the counterparties $2.9 million. In October 2005, we entered into an interest rate protection agreement which hedged the change in value of a build-to-suit development project we were constructing. This interest rate protection agreement did not qualify for hedge accounting. We recognized a loss of $0.2 million related to this interest rate protection agreement for the year ended December 31, 2006. Both transactions are recognized in the mark-to-market/(loss) gain on settlement of interest rate protection agreements caption on the consolidated statement of operations.

We recognized a $0.6 million gain related to the settlement/mark-to-market of two interest rate protection agreements we entered into during 2005 in order to hedge the change in value of a build-to-suit development project as well as $0.2 million in deferred gain that was reclassified out of other comprehensive income relating to a settled interest rate protection agreement that no longer qualified for hedge accounting.

Interest expense increased by approximately $12.8 million due primarily to an increase in the weighted average debt balance outstanding for the year ended December 31, 2006 ($1,878.5 million) as compared to the year ended December 31, 2005 ($1,690.2 million), an increase in the weighted average interest rate for the year ended December 31, 2006 (6.72%) as compared to the year ended December 31, 2005 (6.63%), partially offset by an increase in capitalized interest for the year ended December 31, 2006 due to an increase in development activities.

Amortization of deferred financing costs increased by approximately $0.5 million, or 25.5%, due primarily to financing fees incurred associated with the amendment and restatement of our Unsecured Line of Credit in August 2005, the issuance of the 2016 Notes in January 2006 and the issuance of the 2011 Exchangeable Notes in September 2006.

We recognized approximately $0.08 million of gain on the early retirement of debt for the year ended December 31, 2005, comprised of $0.05 million write-off of financing fees associated with our previous line of credit agreement which was amended and restated on August 23, 2005. The gain on early retirement of debt also includes a payment of $0.3 million of fees and a write-off of loan premium of $0.4 million on a $13.7 million mortgage loan which was assumed by the buyers of the related properties on July 13, 2005.

Equity in income of joint ventures increased by approximately $27.0 million due primarily to our economic share of gains and earn outs on property sales from the 2005 Development/Repositioning Joint Venture and the 2005 Core Joint Venture during the year ended December 31, 2006.

The income tax provision (included in continuing operations, discontinued operations and gain on sale) increased by $22.9 million, in the aggregate, due primarily to an increase in the gain on sale of real estate, joint venture fees, equity in net income of joint ventures, partially offset by an increase in interest expense and an increase in general and administrative expense within the TRS.

The $6.1 million gain on sale of real estate for the year ended December 31, 2006 resulted from the sale of several land parcels that do not meet the criteria established by FAS 144 for inclusion in discontinued operations. The $29.6 million gain on sale of real estate for the year ended December 31, 2005 resulted from the sale of ten industrial properties and several land parcels that do not meet the criteria established by FAS 144 for inclusion in discontinued operations.

The following table summarizes certain information regarding the industrial properties included in our discontinued operations for the years ended December 31, 2006 and December 31, 2005.

| | Year Ended December 31, 2006 | Year Ended December 31, 2005 |
|---|---|---|
| | ($ in 000's) | |
| Total Revenues | $ 82,561 | $ 104,598 |
| Property Expenses | (26,145) | (35,447) |
| Interest Expense | — | (373) |
| Depreciation and Amortization | (29,713) | (33,511) |
| Gain on Sale of Real Estate | 213,442 | 132,139 |
| Provision for Income Taxes | (51,102) | (23,898) |
| Minority Interest | (24,594) | (18,886) |
| Income from Discontinued Operations | 164,449 | 124,622 |

Income from discontinued operations, net of income taxes and minority interest, for the year ended December 31, 2006 reflects the results of operations of industrial properties that were sold during the year ended December 31, 2007, the results of operations and gain on sale of real estate of $213.4 million relating to 125 industrial properties that were sold during the year ended December 31, 2006 and the results of operations of six properties that were identified as held for sale at December 31, 2007.

Income from discontinued operations, net of income taxes and minority interest, for the year ended December 31, 2005 reflects the results of operations of industrial properties that were sold during the years ended December 31, 2007 and 2006, six properties that were identified as held for sale at December 31, 2007, the results of operations and gain on sale of real estate of $132.1 million from the 86 industrial properties which were sold during the year ended December 31, 2005.

## LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2007, our cash and restricted cash was approximately $5.8 and $24.9 million, respectively. Restricted cash is primarily comprised of cash held in escrow in connection with mortgage debt requirements and gross proceeds from the sales of certain industrial properties. These sales proceeds will be disbursed as we exchange industrial properties under Section 1031 of the Code.

We have considered our short-term (one year or less) liquidity needs and the adequacy of our estimated cash flow from operations and other expected liquidity sources to meet these needs. We believe that our principal short-term liquidity needs are to fund normal recurring expenses, debt service requirements and the minimum distribution required to maintain our REIT qualification under the Code. We anticipate that these needs will be met with cash flows provided by operating and investment activities.

We expect to meet long-term (greater than one year) liquidity requirements such as property acquisitions, developments, scheduled debt maturities, major renovations, expansions and other nonrecurring capital improvements through the disposition of select assets, long-term unsecured indebtedness and the issuance of additional equity securities. On April 30, 2007 we filed a registration statement with the SEC covering an indefinite number or amount of securities to be issued in the following three years.

We also may finance the development or acquisition of additional properties through borrowings under our Unsecured Line of Credit. At December 31, 2007, borrowings under our Unsecured Line of Credit bore interest at a weighted average interest rate of 5.787%. Our Unsecured Line of Credit bears interest at a floating rate of LIBOR plus 0.475% or the Prime Rate, at our election. As of February 15, 2008, we had approximately $47.9 million available for additional borrowings under our Unsecured Line of Credit. Our Unsecured Line of Credit 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. Also, our borrowing rate on our Unsecured Line of Credit may increase in the event of a downgrade on our unsecured notes by the rating agencies.

We currently have credit ratings from Standard & Poor's, Moody's and Fitch Ratings of BBB/Baa2/BBB, respectively. Our goal is to maintain our existing credit ratings. 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, 2007**

Net cash provided by operating activities of approximately $92.7 million for the year ended December 31, 2007 was comprised primarily of net income before minority interest of approximately $174.1 million and net distributions from joint ventures of $1.3 million, offset by adjustments for non-cash items of approximately $82.2 million and the net change in operating assets and liabilities of approximately $0.5 million. The adjustments for the non-cash items of approximately $82.2 million are primarily comprised of the gain on sale of real estate of approximately $254.4 million and the effect of the straight-lining of rental income of approximately $9.7 million, offset by depreciation and amortization of approximately $179.3 million, the provision for bad debt of approximately $2.2 million, and loss on early retirement of debt of approximately $0.4 million.

Net cash provided by investing activities of approximately $126.9 million for the year ended December 31, 2007 was comprised primarily of the net proceeds from the sale of real estate, the repayment of notes receivable, and distributions from our industrial real estate joint ventures, partially offset by the acquisition of real estate, development of real estate, capital expenditures related to the expansion and improvement of existing real estate, contributions to, and investments in, our industrial real estate joint ventures, the increase in restricted cash that is held by an intermediary for Section 1031 exchange purposes, and the funding of notes receivable.

During the year ended December 31, 2007, we acquired 105 industrial properties comprising approximately 8.6 million square feet of GLA and several land parcels. The purchase price of these acquisitions totaled approximately $470.8 million, excluding costs incurred in conjunction with the acquisition of the industrial properties and land parcels. We also substantially completed the development of 15 industrial properties comprising approximately 3.7 million square feet of GLA at a cost of approximately $114.8 million for the year ended December 31, 2007.

We invested approximately $27.7 million in, and received total distributions of approximately $54.2 million from, our industrial real estate joint ventures. As of December 31, 2007, our industrial real estate joint ventures owned 113 industrial properties comprising approximately 19.9 million square feet of GLA and several land parcels.

During the year ended December 31, 2007, we sold 164 industrial properties comprising approximately 13.7 million square feet of GLA and several land parcels. Net proceeds from the sales of the 164 industrial properties and several land parcels were approximately $800.1 million.

Net cash used in financing activities of approximately $230.0 million for the year ended December 31, 2007 was derived primarily from repayments of senior unsecured debt, common and preferred stock dividends and unit distributions, redemption of preferred stock, repayments on mortgage loans payable, purchase of treasury shares, other costs of senior unsecured debt, the repurchase of restricted stock from our employees to pay for withholding taxes on the vesting of restricted stock and costs incurred in connection with the early retirement of debt, partially offset by the net proceeds from the issuance of senior unsecured debt, net borrowings under our Unsecured Line of Credit, net proceeds from the exercise of stock options and a cash book overdraft.

During the year ended December 31, 2007, we repurchased 1,797,714 shares of our common stock, totaling approximately $69.4 million.

On June 7, 2007, we redeemed the Series C Preferred Stock for $25.00 per Depositary Share, or $50.0 million in the aggregate, and paid a prorated second quarter dividend of $0.40729 per Depositary Share, totaling approximately $0.8 million.

For the year ended December 31, 2007, certain directors and employees of the Company exercised 19,600 non-qualified employee stock options. Net proceeds to us were approximately $0.6 million.

On May 7, 2007, we issued the 2017 II Notes. Net of issuance discount, we received net proceeds of $149.6 million from the issuance of the 2017 II Notes. In April 2006, we entered into interest rate protection agreements to fix the interest rate on the 2017 II Notes prior to issuance. We settled the effective portion of the interest rate protection agreements on May 1, 2007 for a payment of $4.3 million which is included in other comprehensive income.

On May 15, 2007, we paid off and retired the 2007 Unsecured Notes in the amount of $150.0 million.

**Contractual Obligations and Commitments**

The following table lists our contractual obligations and commitments as of December 31, 2007 (In thousands):

| | | Payments Due by Period | | | |
|---|---|---|---|---|---|
| | Total | Less Than 1 Year | 1-3 Years | 3-5 Years | Over 5 Years |
| Operating and Ground Leases* | $ 52,764 | $ 3,339 | $ 5,821 | $ 4,692 | $ 38,912 |
| Real Estate Development* | 64,641 | 63,335 | 1,306 | — | — |
| Long-term Debt | 1,958,553 | 3,111 | 148,412 | 933,757 | 873,273 |
| Interest Expense on Long-Term Debt* | 894,138 | 104,003 | 196,559 | 141,551 | 452,025 |
| Total | $ 2,970,096 | $ 173,788 | $ 352,098 | $ 1,080,000 | $ 1,364,210 |

* Not on balance sheet.

**Off-Balance Sheet Arrangements**

Letters of credit are issued in most cases as pledges to governmental entities for development purposes. At December 31, 2007, we have $9.6 million in outstanding letters of credit, none of which are reflected as liabilities on our balance sheet. We have no other off-balance sheet arrangements other than those disclosed on the Contractual Obligations and Commitments table above.

**Environmental**

We incurred environmental costs of approximately $0.6 million and $0.6 million in 2007 and 2006, respectively. We estimate 2008 costs of approximately $0.5 million. We estimate that the aggregate cost which needs to be expended in 2008 and beyond with regard to currently identified environmental issues will not exceed approximately $2.6 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 expire within 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 lessor 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, 2007 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, 2007, $1,624.5 million (approximately 83.5% of total debt at December 31, 2007) of our debt was fixed rate debt and $322.1 million (approximately 16.5% of total debt at December 31, 2007) was variable rate debt. Currently, we do not enter into financial instruments for trading or other speculative purposes.

For fixed rate debt, changes in interest rates generally affect the fair value of the debt, but not our earnings or cash flows. Conversely, for variable rate debt, changes in the 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 5 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, 2007, 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 $1.9 million per year. A 10% increase in interest rates would decrease the fair value of the fixed rate debt at December 31, 2007 by approximately $55.3 million to $1,624.6 million. A 10% decrease in interest rates would increase the fair value of the fixed rate debt at December 31, 2007 by approximately $59.3 million to $1,739.2 million.

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. As of December 31, 2007, we had no outstanding derivative instruments.

**Foreign Currency Exchange Rate Risk**

Owning, operating and developing industrial property outside of the United States exposes the Company 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, 2007, the Company had only one property and one land parcel for which the U.S. dollar was not the functional currency. This property and land parcel are located in Ontario, Canada and use the Canadian dollar as their functional currency.

**Subsequent Events**

On January 22, 2008, we paid a fourth quarter 2007 distribution of $0.7200 per share, totaling approximately $36.1 million.

From January 1, 2008 to February 15, 2008, we awarded 2,168 shares of restricted common stock to certain Directors. These shares of restricted common stock had a fair value of approximately $0.1 million on the date of grant. The restricted common stock vest over a period of five years. Compensation expense will be charged to earnings over the respective vesting period.

From January 1, 2008 to February 15, 2008, we acquired 11 industrial properties and several land parcels for a total estimated investment of approximately $79.1 million. We also sold three industrial properties and one land parcel for approximately $3.6 million of gross proceeds during this period.

In January 2008, we entered into two interest rate protection agreements which fixed the interest rate on forecasted offerings of unsecured debt which we designated as cash flow hedges (the "January 2008 Agreements"). The January 2008 Agreements each have a notional value of $59.8 million and are effective from May 15, 2009 through May 15, 2014. The January 2008 Agreements fix the LIBOR rate at 4.0725% and 4.0770%, respectively.

**Related Party Transactions**

We periodically engage in transactions for which CB Richard Ellis, Inc. acts as a broker. A relative of Michael W. Brennan, the President and Chief Executive Officer and a director of the Company, is an employee of CB Richard Ellis, Inc. For the years ended December 31, 2007, 2006 and 2005 this relative received approximately $0.2, $0.3, and $0.3 million in brokerage commissions.

**Other**

In September 2006, the FASB issued SFAS No. 157, *"Fair Value Measurements"* which establishes a common definition of fair value, establishes a framework for measuring fair value, and expands disclosure about such fair value measurements. For financial assets and liabilities and nonfinancial assets and liabilities that are remeasured at least annually, this statement is effective for fiscal years beginning after November 15, 2007. We do not expect that the implementation of this statement will have a material effect on our consolidated financial position or results of operations.

In February 2007, the FASB issued SFAS No. 159, *"The Fair Value Option for Financial Assets and Financial Liabilities"* which permits entities to choose to measure many financial instruments and certain other items at fair value. This statement is effective for fiscal years beginning after November 15, 2007. We do not expect that the implementation of this statement will have a material effect on our consolidated financial position or results of operations.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *"Business Combinations"* ("SFAS 141R"). SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in it's financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141R is effective for financial statements issued for fiscal years beginning after December 15, 2008. We are currently evaluating the potential impact of adoption of SFAS 141R on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160. *"Noncontrolling Interests in Consolidated Financial Statements-and Amendment of ARB No. 51* ("SFAS 160") SFAS 160 establishes accounting and reporting standards pertaining to ownership interests in subsidiaries held by parties other than the parent, the amount of net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest, and the valuation of any retained noncontrolling equity investment when a subsidiary is deconsolidated. This statement also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS 160 is effective for fiscal years beginning on or after December 15, 2008. We are currently evaluating the potential impact of adoption of SFAS 160 on our consolidated financial statements.

**Item 7A.** ***Quantitative and Qualitative Disclosures About Market Risk***

Response to this item is included in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" above.

**Item 8.** ***Financial Statements and Supplementary Data***

See Index to Financial Statements and Financial Statement Schedule included in Item 15.

**Item 9.** ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

**Item 9A.** ***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 Securities Exchange Act of 1934 (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 its 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, 2007. In making its assessment of internal control over financial reporting, management used the criteria described in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Our management has concluded that, as of December 31, 2007, our internal control over financial reporting was effective.

The effectiveness of our internal control over financial reporting as of December 31, 2007 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 2007 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B.** ***Other Information***

None.

## PART III

**Item 10, 11, 12, 13 and 14.** ***Directors, Executive Officers and Corporate Governance, Executive Compensation, Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters, Certain Relationships and Related Transactions and Director Independence and Principal Accountant Fees and Services***

The information required by Item 10, Item 11, Item 12, Item 13 and Item 14 is hereby incorporated or furnished, solely to the extent required by such item, from the Company's definitive proxy statement, which is expected to be filed with the SEC no later than 120 days after the end of the Company's fiscal year. Information from the Company's definitive proxy statement shall not be deemed to be "filed" or "soliciting material," or subject to liability for purposes of Section 18 of the Securities Exchange Act of 1934 to the maximum extent permitted under the Exchange Act.

## PART IV

**Item 15.** ***Exhibits and Financial Statement Schedules***

(a) *Financial Statements, Financial Statement Schedule and Exhibits*

(1 & 2) See Index to Financial Statements and Financial Statement Schedule.

(3) *Exhibits:*

| Exhibits | Description |
|---|---|
| 3.1 | Amended and Restated Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.1 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102) |
| 3.2 | Amended and Restated Bylaws of the Company, dated September 4, 1997 (incorporated by reference to Exhibit 1 of the Company's Form 8-K, dated September 4, 1997, as filed on September 29, 1997, File No. 1-13102) |
| 3.3 | Articles of Amendment to the Company's Articles of Incorporation, dated June 20, 1994 (incorporated by reference to Exhibit 3.2 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102) |
| 3.4 | Articles of Amendment to the Company's Articles of Incorporation, dated May 31, 1996 (incorporated by reference to Exhibit 3.3 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102) |
| 3.5 | Articles Supplementary relating to the Company's 6.236% Series F Flexible Cumulative Redeemable Preferred Stock, $0.01 par value (incorporated by reference to Exhibit 3.1 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 3.6 | Articles Supplementary relating to the Company's 7.236% Series G Flexible Cumulative Redeemable Preferred Stock, $0.01 par value (incorporated by reference to Exhibit 3.2 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 3.7 | Articles Supplementary relating to the Company's Junior Participating Preferred Stock, $0.01 par value (incorporated by reference to Exhibit 4.10 of Form S-3 of the Company and First Industrial, L.P. dated September 24, 1997, Registration No. 333-29879) |
| 3.8 | Articles Supplementary relating to the Company's 7.25% Series J Cumulative Redeemable Preferred Stock, $0.01 par value (incorporated by reference to Exhibit 4.1 of the Form 8-K of the Company filed January 17, 2006, File No. 1-13102) |
| 3.9 | Articles Supplementary relating to the Company's 7.25% Series K Cumulative Redeemable Preferred Stock, $0.01 par value (incorporated by reference to Exhibit 1.6 of the Form 8-A of the Company, as filed on August 18, 2006, File No. 1-13102) |

| Exhibits | Description |
|---|---|
| 4.1 | Deposit Agreement, dated May 27, 2004, by and among the Company, EquiServe Inc. and EquiServe Trust Company, N.A. and holders from time to time of Series F Depositary Receipts (incorporated by reference to Exhibit 4.1 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 4.2 | Deposit Agreement, dated May 27, 2004, by and among the Company, EquiServe Inc. and EquiServe Trust Company, N.A. and holders from time to time of Series G Depositary Receipts (incorporated by reference to Exhibit 4.2 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 4.3 | Remarketing Agreement, dated May 27, 2004, relating to 50,000 depositary shares, each representing 1/100 of a share of the Series F Flexible Cumulative Redeemable Preferred Stock, by and among Lehman Brothers Inc., the Company and First Industrial, L.P. (incorporated by reference to Exhibit 1.2 of the Form 8-K of the Company, dated May 27, 2004, File No. 1-13102) |
| 4.4 | Remarketing Agreement, dated May 27, 2004, relating to 25,000 depositary shares, each representing 1/100 of a share of the Series G Flexible Cumulative Redeemable Preferred Stock, by and among Lehman Brothers Inc., the Company and First Industrial, L.P. (incorporated by reference to Exhibit 1.3 of the Form 8-K of the Company, dated May 27, 2004, File No. 1-13102) |
| 4.5 | Deposit Agreement, dated January 13, 2006, by and among the Company, Computershare Shareholder Services, Inc. and Computershare Trust Company, N.A., as depositary, and holders from time to time of Series J Depositary Receipts (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company, filed January 17, 2006, File No. 1-13102) |
| 4.6 | Deposit Agreement, dated August 21, 2006, by and among the Company, Computershare Shareholder Services, Inc. and Computershare Trust Company, N.A., as depositary, and holders from time to time of Series K Depositary Receipts (incorporated by reference to Exhibit 1.7 of the Form 8-A of the Company, as filed on August 18, 2006, File No. 1-13102) |
| 4.7 | Indenture, dated as of May 13, 1997, between First Industrial, L.P. and First Trust National Association, as Trustee (incorporated by reference to Exhibit 4.1 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102) |
| 4.8 | Supplemental Indenture No. 1, dated as of May 13, 1997, between First Industrial, L.P. and First Trust National Association as Trustee relating to $150 million of 7.60% Notes due 2007 and $100 million of 7.15% Notes due 2027 (incorporated by reference to Exhibit 4.2 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102) |
| 4.9 | Supplemental Indenture No. 2, dated as of May 22, 1997, between First Industrial, L.P. and First Trust National Association as Trustee relating to $100 million of $7^{3}/_{8}$% Notes due 2011(incorporated by reference to Exhibit 4.4 of the Form 10-Q of First Industrial, L.P. for the fiscal quarter ended March 31, 1997, File No. 333-21873) |
| 4.10 | Supplemental Indenture No. 3 dated October 28, 1997 between First Industrial, L.P. and First Trust National Association providing for the issuance of Medium-Term Notes due Nine Months or more from Date of Issue (incorporated by reference to Exhibit 4.1 of Form 8-K of First Industrial, L.P., dated November 3, 1997, as filed November 3, 1997, File No. 333-21873) |
| 4.11 | 7.50% Medium-Term Note due 2017 in principal amount of $100 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.19 of the Company's Annual Report on Form 10-K for the year ended December 31, 1997, File No. 1-13102) |
| 4.12 | Trust Agreement, dated as of May 16, 1997, between First Industrial, L.P. and First Bank National Association, as Trustee (incorporated by reference to Exhibit 4.5 of the Form 10-Q of First Industrial, L.P. for the fiscal quarter ended March 31, 1997, File No. 333-21873) |
| 4.13 | 7.60% Notes due 2028 in principal amount of $200 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.2 of the Form 8-K of First Industrial, L.P. dated July 15, 1998, File No. 333-21873) |

| Exhibits | Description |
|---|---|
| 4.14 | Supplemental Indenture No. 5, dated as of July 14, 1998, between First Industrial, L.P. and U.S. Bank Trust National Association, relating to First Industrial, L.P.'s 7.60% Notes due July 15, 2028 (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P. dated July 15, 1998, File No. 333-21873) |
| 4.15 | 7.375% Note due 2011 in principal amount of $200 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.15 of First Industrial, L.P.'s Annual Report on Form 10-K for the year ended December 31, 2000, File No. 333-21873) |
| 4.16 | Supplemental Indenture No. 6, dated as of March 19, 2001, between First Industrial, L.P. and U.S. Bank Trust National Association, relating to First Industrial, L.P.'s 7.375% Notes due March 15, 2011 (incorporated by reference to Exhibit 4.16 of First Industrial, L.P.'s Annual Report on Form 10-K for the year ended December 31, 2000, File No. 333-21873) |
| 4.17 | Registration Rights Agreement, dated as of March 19, 2001, among First Industrial, L.P. and Credit Suisse First Boston Corporation, Chase Securities, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Salomon Smith Barney, Inc., Banc of America Securities LLC, Banc One Capital Markets, Inc. and UBS Warburg LLC (incorporated by reference to Exhibit 4.17 of First Industrial, L.P.'s Annual Report on Form 10-K for the year ended December 31, 2000, File No. 333-21873) |
| 4.18 | Supplemental Indenture No. 7 dated as of April 15, 2002, between First Industrial, L.P. and U.S. Bank National Association, relating to First Industrial, L.P.'s 6.875% Notes due 2012 and 7.75% Notes due 2032 (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P. dated April 4, 2002, File No. 333-21873) |
| 4.19 | Form of 6.875% Notes due in 2012 in the principal amount of $200 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.2 of the Form 8-K of First Industrial, L.P., dated April 4, 2002, File No. 333-21873) |
| 4.20 | Form of 7.75% Notes due 2032 in the principal amount of $50.0 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.3 of the Form 8-K of First Industrial, L.P., dated April 4, 2002, File No. 333-21873) |
| 4.21 | Supplemental Indenture No. 8, dated as of May 17, 2004, relating to 6.42% Senior Notes due June 1, 2014, by and between First Industrial, L.P. and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P., dated May 27, 2004, File No. 333-21873) |
| 4.22 | Supplemental Indenture No. 9, dated as of June 14, 2004, relating to 5.25% Senior Notes due 2009, by and between the Operating Partnership and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P., dated June 17, 2004, File No. 333-21873) |
| 4.23 | Supplemental Indenture No. 10, dated as of January 10, 2006, relating to 5.75% Senior Notes due 2016, by and between the Operating Partnership and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of the Form 8-K of the Company, filed January 11, 2006, File No. 1-13102) |
| 4.24 | Indenture dated as of September 25, 2006 among First Industrial, L.P., as issuer, the Company, as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K of First Industrial, L.P. dated September 25, 2006, File No. 333-21873) |
| 4.25 | Form of 4.625% Exchangeable Senior Note due 2011 (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K of First Industrial, L.P. dated September 25, 2006, File No. 333-21873) |
| 4.26 | Registration Rights Agreement dated September 25, 2006 among the Company, First Industrial, L.P. and the Initial Purchasers named therein (incorporated by reference to Exhibit 10.1 of the current report on Form 8-K of First Industrial, L.P. dated September 25, 2006, File No. 333-21873) |
| 4.27 | Supplemental Indenture No. 11, dated as of May 7, 2007, relating to 5.95% Senior Notes due 2017, by and between the Operating Partnership and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of the Form 8-K of the Company, filed May 5, 2007, File No. 1-13102) |

| Exhibits | Description |
| --- | --- |
| 10.1 | Eleventh Amended and Restated Partnership Agreement of First Industrial, L.P. dated August 21, 2006 (the "LP Agreement") (incorporated by reference to Exhibit 10.2 of the Form 8-K of the Company, filed August 22, 2006, File No. 1-13102) |
| 10.2 | Sales Agreement by and among the Company, First Industrial, L.P. and Cantor Fitzgerald & Co. dated September 16, 2004 (incorporated by reference to Exhibit 1.1 of the Form 8-K of the Company, dated September 16, 2004, File No. 1-13102) |
| 10.3 | Registration Rights Agreement, dated April 29, 1998, relating to the Company's Common Stock, par value $0.01 per share, between the Company, the Operating Partnership and Merrill Lynch, Pierce, Fenner & Smith Incorporated (incorporated by reference to Exhibit 4.1 of the Form 8-K of the Company dated May 1, 1998, File No. 1-13102) |
| 10.4 | Non-Competition Agreement between Jay H. Shidler and First Industrial Realty Trust, Inc. (incorporated by reference to Exhibit 10.16 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102) |
| 10.5 | Form of Non-Competition Agreement between each of Michael T. Tomasz, Paul T. Lambert, Michael J. Havala, Michael W. Brennan, Michael G. Damone, Duane H. Lund, and Johannson L. Yap and First Industrial Realty Trust, Inc. (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-11, File No. 33-77804) |
| 10.6† | 1994 Stock Incentive Plan (incorporated by reference to Exhibit 10.37 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102) |
| 10.7† | First Industrial Realty Trust, Inc. Deferred Income Plan (incorporated by reference to Exhibit 10 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1996, File No. 1-13102) |
| 10.8 | Contribution Agreement, dated March 19, 1996, among FR Acquisitions, Inc. and the parties listed on the signature pages thereto (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company, dated April 3, 1996, File No. 1-13102) |
| 10.9 | Contribution Agreement, dated January 31, 1997, among FR Acquisitions, Inc. and the parties listed on the signature pages thereto (incorporated by reference to Exhibit 10.58 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102) |
| 10.10† | Employment Agreement, dated June 21, 2005, between the Company and Michael W. Brennan (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed June 24, 2005 File No. 1-13102) |
| 10.11† | 1997 Stock Incentive Plan (incorporated by reference to Exhibit 10.62 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102) |
| 10.12† | 2001 Stock Incentive Plan (incorporated by reference to Exhibit 10.34 of the Company's Annual Report on Form 10-K for the year ended December 31, 2001, File No. 1-13102) |
| 10.13† | Employment Agreement, dated March 31, 2002, between First Industrial Realty Trust, Inc. and Michael J. Havala (incorporated by reference to Exhibit 10.1 of the Form 10-Q of First Industrial Realty Trust, Inc. for the fiscal quarter ended March 31, 2002, File No. 1-13102) |
| 10.14† | Employment Agreement, dated March 31, 2002, between First Industrial Realty Trust, Inc. and Johannson L. Yap (incorporated by reference to Exhibit 10.2 of the Form 10-Q of First Industrial Realty Trust, Inc. for the fiscal quarter ended March 31, 2002, File No. 1-13102) |
| 10.15† | Employment Agreement, dated March 25, 2002, between First Industrial Realty Trust, Inc. and David P. Draft (incorporated by reference to Exhibit 10.3 of the Form 10-Q of First Industrial Realty Trust, Inc. for the fiscal quarter ended March 31, 2002, File No. 1-13102) |
| 10.16† | Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.3 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 10.17† | Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.4 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 10.18† | Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.5 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 10.19† | Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.6 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |

| Exhibits | Description |
|---|---|
| 10.20 | Fifth Amended and Restated Unsecured Revolving Credit Agreement, dated as of September 28, 2007, among First Industrial, L.P., First Industrial Realty Trust, Inc., JP Morgan Chase Bank, NA and certain other banks (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed October 1, 2007, File No. 1-13102) |
| 10.21† | Form of Restricted Stock Agreement (Director's Annual Retainer) (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed May 19, 2006, File No. 1-13102) |
| 10.22† | Amendment No. 1 to the Company's 2001 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2006, File No. 1-13102) |
| 10.23† | Amendment No. 2 to the Company's 2001 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2007, File No. 1-13102) |
| 10.24†* | Amendment No. 1 to the Company's 1994 Stock Incentive Plan |
| 10.25†* | Amendment No. 1 to the Company's 1997 Stock Incentive Plan |
| 10.26†* | Form of Director Restricted Stock Award Agreement |
| 10.27†* | Form of Director Restricted Stock Award Agreement |
| 10.28†* | Form of Employee Restricted Stock Award Agreement |
| 10.29†* | Form of Employee Restricted Stock Award Agreement |
| 10.30†* | Employment Agreement dated January 30, 2006 between First Industrial Development Services, Inc. and Gerald A. Pientka |
| 10.31† | Employment Agreement dated September 10, 2007 between First Industrial Realty Trust, Inc. and Robert Cutlip (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed September 12, 2007, File No. 1-13102) |
| 21* | Subsidiaries of the Registrant |
| 23* | Consent of PricewaterhouseCoopers LLP |
| 31.1* | Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended |
| 31.2* | Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended |
| 32** | Certification of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |

* Filed herewith.

** Furnished herewith.

† Indicates a compensatory plan or arrangement contemplated by Item 15 a (3) of Form 10-K.

## EXHIBIT INDEX

| Exhibits | Description |
| --- | --- |
| 3.1 | Amended and Restated Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.1 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102) |
| 3.2 | Amended and Restated Bylaws of the Company, dated September 4, 1997 (incorporated by reference to Exhibit 1 of the Company's Form 8-K, dated September 4, 1997, as filed on September 29, 1997, File No. 1-13102) |
| 3.3 | Articles of Amendment to the Company's Articles of Incorporation, dated June 20, 1994 (incorporated by reference to Exhibit 3.2 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102) |
| 3.4 | Articles of Amendment to the Company's Articles of Incorporation, dated May 31, 1996 (incorporated by reference to Exhibit 3.3 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102) |
| 3.5 | Articles Supplementary relating to the Company's 6.236% Series F Flexible Cumulative Redeemable Preferred Stock, $0.01 par value (incorporated by reference to Exhibit 3.1 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 3.6 | Articles Supplementary relating to the Company's 7.236% Series G Flexible Cumulative Redeemable Preferred Stock, $0.01 par value (incorporated by reference to Exhibit 3.2 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 3.7 | Articles Supplementary relating to the Company's Junior Participating Preferred Stock, $0.01 par value (incorporated by reference to Exhibit 4.10 of Form S-3 of the Company and First Industrial, L.P. dated September 24, 1997, Registration No. 333-29879) |
| 3.8 | Articles Supplementary relating to the Company's 7.25% Series J Cumulative Redeemable Preferred Stock, $0.01 par value (incorporated by reference to Exhibit 4.1 of the Form 8-K of the Company filed January 17, 2006, File No. 1-13102) |
| 3.9 | Articles Supplementary relating to the Company's 7.25% Series K Cumulative Redeemable Preferred Stock, $0.01 par value (incorporated by reference to Exhibit 1.6 of the Form 8-A of the Company, as filed on August 18, 2006, File No. 1-13102) |
| 4.1 | Deposit Agreement, dated May 27, 2004, by and among the Company, EquiServe Inc. and EquiServe Trust Company, N.A. and holders from time to time of Series F Depositary Receipts (incorporated by reference to Exhibit 4.1 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 4.2 | Deposit Agreement, dated May 27, 2004, by and among the Company, EquiServe Inc. and EquiServe Trust Company, N.A. and holders from time to time of Series G Depositary Receipts (incorporated by reference to Exhibit 4.2 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 4.3 | Remarketing Agreement, dated May 27, 2004, relating to 50,000 depositary shares, each representing 1/100 of a share of the Series F Flexible Cumulative Redeemable Preferred Stock, by and among Lehman Brothers Inc., the Company and First Industrial, L.P. (incorporated by reference to Exhibit 1.2 of the Form 8-K of the Company, dated May 27, 2004, File No. 1-13102) |
| 4.4 | Remarketing Agreement, dated May 27, 2004, relating to 25,000 depositary shares, each representing 1/100 of a share of the Series G Flexible Cumulative Redeemable Preferred Stock, by and among Lehman Brothers Inc., the Company and First Industrial, L.P. (incorporated by reference to Exhibit 1.3 of the Form 8-K of the Company, dated May 27, 2004, File No. 1-13102) |
| 4.5 | Deposit Agreement, dated January 13, 2006, by and among the Company, Computershare Shareholder Services, Inc. and Computershare Trust Company, N.A., as depositary, and holders from time to time of Series J Depositary Receipts (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company, filed January 17, 2006, File No. 1-13102) |
| 4.6 | Deposit Agreement, dated August 21, 2006, by and among the Company, Computershare Shareholder Services, Inc. and Computershare Trust Company, N.A., as depositary, and holders from time to time of Series K Depositary Receipts (incorporated by reference to Exhibit 1.7 of the Form 8-A of the Company, as filed on August 18, 2006, File No. 1-13102) |

| Exhibits | Description |
| --- | --- |
| 4.7 | Indenture, dated as of May 13, 1997, between First Industrial, L.P. and First Trust National Association, as Trustee (incorporated by reference to Exhibit 4.1 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102) |
| 4.8 | Supplemental Indenture No. 1, dated as of May 13, 1997, between First Industrial, L.P. and First Trust National Association as Trustee relating to $150 million of 7.60% Notes due 2007 and $100 million of 7.15% Notes due 2027 (incorporated by reference to Exhibit 4.2 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102) |
| 4.9 | Supplemental Indenture No. 2, dated as of May 22, 1997, between First Industrial, L.P. and First Trust National Association as Trustee relating to $100 million of $7^3/_8$% Notes due 2011(incorporated by reference to Exhibit 4.4 of the Form 10-Q of First Industrial, L.P. for the fiscal quarter ended March 31, 1997, File No. 333-21873) |
| 4.10 | Supplemental Indenture No. 3 dated October 28, 1997 between First Industrial, L.P. and First Trust National Association providing for the issuance of Medium-Term Notes due Nine Months or more from Date of Issue (incorporated by reference to Exhibit 4.1 of Form 8-K of First Industrial, L.P., dated November 3, 1997, as filed November 3, 1997, File No. 333-21873) |
| 4.11 | 7.50% Medium-Term Note due 2017 in principal amount of $100 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.19 of the Company's Annual Report on Form 10-K for the year ended December 31, 1997, File No. 1-13102) |
| 4.12 | Trust Agreement, dated as of May 16, 1997, between First Industrial, L.P. and First Bank National Association, as Trustee (incorporated by reference to Exhibit 4.5 of the Form 10-Q of First Industrial, L.P. for the fiscal quarter ended March 31, 1997, File No. 333-21873) |
| 4.13 | 7.60% Notes due 2028 in principal amount of $200 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.2 of the Form 8-K of First Industrial, L.P. dated July 15, 1998, File No. 333-21873) |
| 4.14 | Supplemental Indenture No. 5, dated as of July 14, 1998, between First Industrial, L.P. and U.S. Bank Trust National Association, relating to First Industrial, L.P.'s 7.60% Notes due July 15, 2028 (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P. dated July 15, 1998, File No. 333-21873) |
| 4.15 | 7.375% Note due 2011 in principal amount of $200 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.15 of First Industrial, L.P.'s Annual Report on Form 10-K for the year ended December 31, 2000, File No. 333-21873) |
| 4.16 | Supplemental Indenture No. 6, dated as of March 19, 2001, between First Industrial, L.P. and U.S. Bank Trust National Association, relating to First Industrial, L.P.'s 7.375% Notes due March 15, 2011 (incorporated by reference to Exhibit 4.16 of First Industrial, L.P.'s Annual Report on Form 10-K for the year ended December 31, 2000, File No. 333-21873) |
| 4.17 | Registration Rights Agreement, dated as of March 19, 2001, among First Industrial, L.P. and Credit Suisse First Boston Corporation, Chase Securities, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Salomon Smith Barney, Inc., Banc of America Securities LLC, Banc One Capital Markets, Inc. and UBS Warburg LLC (incorporated by reference to Exhibit 4.17 of First Industrial, L.P.'s Annual Report on Form 10-K for the year ended December 31, 2000, File No. 333-21873) |
| 4.18 | Supplemental Indenture No. 7 dated as of April 15, 2002, between First Industrial, L.P. and U.S. Bank National Association, relating to First Industrial, L.P.'s 6.875% Notes due 2012 and 7.75% Notes due 2032 (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P. dated April 4, 2002, File No. 333-21873) |
| 4.19 | Form of 6.875% Notes due in 2012 in the principal amount of $200 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.2 of the Form 8-K of First Industrial, L.P., dated April 4, 2002, File No. 333-21873) |
| 4.20 | Form of 7.75% Notes due 2032 in the principal amount of $50.0 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.3 of the Form 8-K of First Industrial, L.P., dated April 4, 2002, File No. 333-21873) |

| Exhibits | Description |
|---|---|
| 4.21 | Supplemental Indenture No. 8, dated as of May 17, 2004, relating to 6.42% Senior Notes due June 1, 2014, by and between First Industrial, L.P. and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P., dated May 27, 2004, File No. 333-21873) |
| 4.22 | Supplemental Indenture No. 9, dated as of June 14, 2004, relating to 5.25% Senior Notes due 2009, by and between the Operating Partnership and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P., dated June 17, 2004, File No. 333-21873) |
| 4.23 | Supplemental Indenture No. 10, dated as of January 10, 2006, relating to 5.75% Senior Notes due 2016, by and between the Operating Partnership and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of the Form 8-K of the Company, filed January 11, 2006, File No. 1-13102) |
| 4.24 | Indenture dated as of September 25, 2006 among First Industrial, L.P., as issuer, the Company, as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K of First Industrial, L.P. dated September 25, 2006, File No. 333-21873) |
| 4.25 | Form of 4.625% Exchangeable Senior Note due 2011 (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K of First Industrial, L.P. dated September 25, 2006, File No. 333-21873) |
| 4.26 | Registration Rights Agreement dated September 25, 2006 among the Company, First Industrial, L.P. and the Initial Purchasers named therein (incorporated by reference to Exhibit 10.1 of the current report on Form 8-K of First Industrial, L.P. dated September 25, 2006, File No. 333-21873) |
| 4.27 | Supplemental Indenture No. 11, dated as of May 7, 2007, relating to 5.95% Senior Notes due 2017, by and between the Operating Partnership and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of the Form 8-K of the Company, filed May 5, 2007, File No. 1-13102) |
| 10.1 | Eleventh Amended and Restated Partnership Agreement of First Industrial, L.P. dated August 21, 2006 (the “LP Agreement”) (incorporated by reference to Exhibit 10.2 of the Form 8-K of the Company, filed August 22, 2006, File No. 1-13102) |
| 10.2 | Sales Agreement by and among the Company, First Industrial, L.P. and Cantor Fitzgerald & Co. dated September 16, 2004 (incorporated by reference to Exhibit 1.1 of the Form 8-K of the Company, dated September 16, 2004, File No. 1-13102) |
| 10.3 | Registration Rights Agreement, dated April 29, 1998, relating to the Company’s Common Stock, par value $0.01 per share, between the Company, the Operating Partnership and Merrill Lynch, Pierce, Fenner & Smith Incorporated (incorporated by reference to Exhibit 4.1 of the Form 8-K of the Company dated May 1, 1998, File No. 1-13102) |
| 10.4 | Non-Competition Agreement between Jay H. Shidler and First Industrial Realty Trust, Inc. (incorporated by reference to Exhibit 10.16 of the Company’s Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102) |
| 10.5 | Form of Non-Competition Agreement between each of Michael T. Tomasz, Paul T. Lambert, Michael J. Havala, Michael W. Brennan, Michael G. Damone, Duane H. Lund, and Johannson L. Yap and First Industrial Realty Trust, Inc. (incorporated by reference to Exhibit 10.14 to the Company’s Registration Statement on Form S-11, File No. 33-77804) |
| 10.6† | 1994 Stock Incentive Plan (incorporated by reference to Exhibit 10.37 of the Company’s Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102) |
| 10.7† | First Industrial Realty Trust, Inc. Deferred Income Plan (incorporated by reference to Exhibit 10 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1996, File No. 1-13102) |
| 10.8 | Contribution Agreement, dated March 19, 1996, among FR Acquisitions, Inc. and the parties listed on the signature pages thereto (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company, dated April 3, 1996, File No. 1-13102) |
| 10.9 | Contribution Agreement, dated January 31, 1997, among FR Acquisitions, Inc. and the parties listed on the signature pages thereto (incorporated by reference to Exhibit 10.58 of the Company’s Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102) |

| Exhibits | Description |
|---|---|
| 10.10† | Employment Agreement, dated June 21, 2005, between the Company and Michael W. Brennan (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed June 24, 2005 File No. 1-13102) |
| 10.11† | 1997 Stock Incentive Plan (incorporated by reference to Exhibit 10.62 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102) |
| 10.12† | 2001 Stock Incentive Plan (incorporated by reference to Exhibit 10.34 of the Company's Annual Report on Form 10-K for the year ended December 31, 2001, File No. 1-13102) |
| 10.13† | Employment Agreement, dated March 31, 2002, between First Industrial Realty Trust, Inc. and Michael J. Havala (incorporated by reference to Exhibit 10.1 of the Form 10-Q of First Industrial Realty Trust, Inc. for the fiscal quarter ended March 31, 2002, File No. 1-13102) |
| 10.14† | Employment Agreement, dated March 31, 2002, between First Industrial Realty Trust, Inc. and Johannson L. Yap (incorporated by reference to Exhibit 10.2 of the Form 10-Q of First Industrial Realty Trust, Inc. for the fiscal quarter ended March 31, 2002, File No. 1-13102) |
| 10.15† | Employment Agreement, dated March 25, 2002, between First Industrial Realty Trust, Inc. and David P. Draft (incorporated by reference to Exhibit 10.3 of the Form 10-Q of First Industrial Realty Trust, Inc. for the fiscal quarter ended March 31, 2002, File No. 1-13102) |
| 10.16† | Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.3 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 10.17† | Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.4 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 10.18† | Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.5 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 10.19† | Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.6 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102) |
| 10.20 | Fifth Amended and Restated Unsecured Revolving Credit Agreement, dated as of September 28, 2007, among First Industrial, L.P., First Industrial Realty Trust, Inc., JP Morgan Chase Bank, NA and certain other banks (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed October 1, 2007, File No. 1-13102) |
| 10.21† | Form of Restricted Stock Agreement (Director's Annual Retainer) (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed May 19, 2006, File No. 1-13102) |
| 10.22† | Amendment No. 1 to the Company's 2001 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2006, File No. 1-13102) |
| 10.23† | Amendment No. 2 to the Company's 2001 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2007, File No. 1-13102) |
| 10.24†* | Amendment No. 1 to the Company's 1994 Stock Incentive Plan |
| 10.25†* | Amendment No. 1 to the Company's 1997 Stock Incentive Plan |
| 10.26†* | Form of Director Restricted Stock Award Agreement |
| 10.27†* | Form of Director Restricted Stock Award Agreement |
| 10.28†* | Form of Employee Restricted Stock Award Agreement |
| 10.29†* | Form of Employee Restricted Stock Award Agreement |
| 10.30†* | Employment Agreement dated January 30, 2006 between First Industrial Development Services, Inc. and Gerald A. Pientka |
| 10.31† | Employment Agreement dated September 10, 2007 between First Industrial Realty Trust, Inc. and Robert Cutlip (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed September 12, 2007, File No. 1-13102) |
| 21* | Subsidiaries of the Registrant |
| 23* | Consent of PricewaterhouseCoopers LLP |

| Exhibits | Description |
|---|---|
| 31.1* | Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended |
| 31.2* | Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended |
| 32** | Certification of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes — Oxley Act of 2002 |

* Filed herewith.

** Furnished herewith.

† Indicates a compensatory plan or arrangement contemplated by Item 15 a (3) of Form 10-K.

**FIRST INDUSTRIAL REALTY TRUST, INC.**

**INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE**



**FIRSTCAL INDUSTRIAL, L.L.C.**

**INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE**

**Report of Independent Registered Public Accounting Firm**

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

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of First Industrial Realty Trust, Inc. and its subsidiaries ("the Company") at December 31, 2007 and 2006, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2007 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents 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, 2007, based on criteria established in *Internal Control — Integrated Framework* 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 schedule, 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 under Item 9A. Our responsibility is to express opinions on these financial statements and financial statement schedule 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.

/s/ PricewaterhouseCoopers LLP
Chicago, Illinois

February 25, 2008

## FIRST INDUSTRIAL REALTY TRUST, INC.

## CONSOLIDATED BALANCE SHEETS

| | December 31, 2007 | December 31, 2006 |
|---|---|---|
| | (Dollars in thousands, except share and per share data) | |
| **ASSETS** | | |
| Assets: | | |
| Investment in Real Estate: | | |
| Land | $ 655,523 | $ 558,425 |
| Buildings and Improvements | 2,599,784 | 2,626,284 |
| Construction in Progress | 70,961 | 35,019 |
| Less: Accumulated Depreciation | (509,981) | (465,418) |
| Net Investment in Real Estate | 2,816,287 | 2,754,310 |
| Real Estate Held for Sale, Net of Accumulated Depreciation and Amortization of $3,038 and $9,688 at December 31, 2007 and December 31, 2006, respectively | 37,875 | 115,961 |
| Cash and Cash Equivalents | 5,757 | 16,135 |
| Restricted Cash | 24,903 | 15,970 |
| Tenant Accounts Receivable, Net | 9,665 | 8,014 |
| Investments in Joint Ventures | 57,543 | 55,527 |
| Deferred Rent Receivable, Net | 32,665 | 28,839 |
| Deferred Financing Costs, Net | 15,373 | 15,210 |
| Deferred Leasing Intangibles, Net | 87,019 | 86,265 |
| Prepaid Expenses and Other Assets, Net | 170,946 | 128,168 |
| Total Assets | $ 3,258,033 | $ 3,224,399 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Liabilities: | | |
| Mortgage Loans Payable, Net | $ 73,550 | $ 77,926 |
| Senior Unsecured Debt, Net | 1,550,991 | 1,549,732 |
| Unsecured Line of Credit | 322,129 | 207,000 |
| Accounts Payable and Accrued Expenses | 146,308 | 119,027 |
| Deferred Leasing Intangibles, Net | 22,041 | 19,486 |
| Rents Received in Advance and Security Deposits | 31,425 | 30,844 |
| Leasing Intangibles Held for Sale, Net of Accumulated Amortization of $0 and $183 at December 31, 2007 and December 31, 2006, respectively | — | 2,310 |
| Dividends Payable | 37,311 | 42,548 |
| Total Liabilities | 2,183,755 | 2,048,873 |
| Commitments and Contingencies | — | — |
| Minority Interest | 150,359 | 152,547 |
| Stockholders' Equity: | | |
| Preferred Stock ($0.01 par value, 10,000,000 shares authorized, 500, 250, 600, and 200 shares of Series F, G, J, and K Cumulative Preferred Stock, respectively, issued and outstanding at December 31, 2007, having a liquidation preference of $100,000 per share ($50,000), $100,000 per share ($25,000), $250,000 per share ($150,000), and $250,000 per share ($50,000), respectively. At December 31, 2006, 10,000,000 shares authorized, 20,000, 500, 250, 600 and 200 shares of Series C, F, G, J and K Cumulative Preferred Stock, respectively, issued and outstanding, having a liquidation preference of $2,500 per share ($50,000), $100,000 per share ($50,000), $100,000 per share ($25,000), $250,000 per share ($150,000) and $250,000 per share ($50,000), respectively) | — | — |
| Common Stock ($0.01 par value, 100,000,000 shares authorized, 47,996,263 and 47,537,030 shares issued and 43,672,149 and 45,010,630 shares outstanding at December 31, 2007 and December 31, 2006, respectively) | 480 | 475 |
| Additional Paid-in-Capital | 1,354,674 | 1,388,311 |
| Distributions in Excess of Accumulated Earnings | (281,587) | (284,955) |
| Accumulated Other Comprehensive Loss | (9,630) | (10,264) |
| Treasury Shares at Cost (4,324,114 and 2,526,400 shares at December 31, 2007 and December 31, 2006, respectively) | (140,018) | (70,588) |
| Total Stockholders' Equity | 923,919 | 1,022,979 |
| Total Liabilities and Stockholders' Equity | $ 3,258,033 | $ 3,224,399 |

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

## FIRST INDUSTRIAL REALTY TRUST, INC.

## CONSOLIDATED STATEMENTS OF OPERATIONS

| | Year Ended December 31, 2007 | Year Ended December 31, 2006 | Year Ended December 31, 2005 |
|---|---|---|---|
| | (In thousands except per share data) | | |
| Revenues: | | | |
| Rental Income | $ 281,747 | $ 239,448 | $ 194,500 |
| Tenant Recoveries and Other Income | 117,552 | 100,936 | 76,922 |
| Contractor Revenues | 35,628 | 10,540 | 16,241 |
| Total Revenues | 434,927 | 350,924 | 287,663 |
| Expenses: | | | |
| Property Expenses | 129,403 | 115,230 | 95,172 |
| General and Administrative | 92,101 | 77,497 | 55,812 |
| Depreciation and Other Amortization | 153,682 | 130,582 | 94,490 |
| Contractor Expenses | 34,553 | 10,263 | 15,574 |
| Total Expenses | 409,739 | 333,572 | 261,048 |
| Other Income/Expense: | | | |
| Interest Income | 1,926 | 1,614 | 1,486 |
| Interest Expense | (119,314) | (121,141) | (108,339) |
| Amortization of Deferred Financing Costs | (3,210) | (2,666) | (2,125) |
| Mark-to-Market/(Loss) Gain on Settlement of Interest Rate Protection Agreements | — | (3,112) | 811 |
| (Loss) Gain From Early Retirement of Debt | (393) | — | 82 |
| Total Other Income/Expense | (120,991) | (125,305) | (108,085) |
| Loss from Continuing Operations Before Equity in Income of Joint Ventures, Income Tax Benefit and Income Allocated To Minority Interest | (95,803) | (107,953) | (81,470) |
| Equity in Income of Joint Ventures | 30,045 | 30,673 | 3,699 |
| Income Tax Benefit | 10,571 | 9,882 | 14,337 |
| Minority Interest Allocable to Continuing Operations | 9,944 | 11,593 | 9,695 |
| Loss from Continuing Operations | (45,243) | (55,805) | (53,739) |
| Income from Discontinued Operations (Including Gain on Sale of Real Estate of $244,962, $213,442, and $132,139 for the Years Ended December 31, 2007, 2006 and 2005, respectively) | 260,975 | 240,145 | 167,406 |
| Provision for Income Taxes Allocable to Discontinued Operations (including $36,032, $47,511, and $20,529 allocable to Gain on Sale of Real Estate for the Years Ended December 31, 2007, 2006 and 2005, respectively) | (38,044) | (51,102) | (23,898) |
| Minority Interest Allocable to Discontinued Operations | (28,178) | (24,594) | (18,886) |
| Income Before Gain on Sale of Real Estate | 149,510 | 108,644 | 70,883 |
| Gain on Sale of Real Estate | 9,425 | 6,071 | 29,550 |
| Provision for Income Taxes Allocable to Gain on Sale of Real Estate | (3,082) | (2,119) | (10,871) |
| Minority Interest Allocable to Gain on Sale of Real Estate | (802) | (514) | (2,458) |
| Net Income | 155,051 | 112,082 | 87,104 |
| Less: Preferred Dividends | (21,320) | (21,424) | (10,688) |
| Less: Redemption of Preferred Stock | (2,017) | (672) | — |
| Net Income Available to Common Stockholders | $ 131,714 | $ 89,986 | $ 76,416 |
| Basic and Diluted Earnings Per Share: | | | |
| Loss from Continuing Operations Available to Common Stockholders | $ (1.43) | $ (1.69) | $ (1.14) |
| Income from Discontinued Operations | $ 4.42 | $ 3.74 | $ 2.94 |
| Net Income Available to Common Stockholders | $ 2.99 | $ 2.04 | $ 1.80 |
| Weighted Average Shares Outstanding | 44,086 | 44,012 | 42,431 |
| Dividends/Distributions declared per Common Share/Unit Outstanding | $ 2.8500 | $ 2.8100 | $ 2.7850 |

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

**FIRST INDUSTRIAL REALTY TRUST, INC.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

| | Year Ended December 31, 2007 | Year Ended December 31, 2006 | Year Ended December 31, 2005 |
|---|---|---|---|
| | | (Dollars in thousands) | |
| **Net Income** | $ 155,051 | $ 112,082 | $ 87,104 |
| **Other Comprehensive Income (Loss):** | | | |
| Settlement of Interest Rate Protection Agreements | (4,261) | (1,729) | — |
| Reclassification of Settlement of Interest Rate Protection Agreements to Net Income | — | — | (159) |
| Mark-to-Market of Interest Rate Protection Agreements, Net of Tax Provision | 3,819 | (2,800) | (1,414) |
| Amortization of Interest Rate Protection Agreements | (916) | (912) | (1,085) |
| Foreign Currency Translation Adjustment, Net of Tax Provision | 2,134 | — | — |
| Other Comprehensive (Income) Loss Allocable to Minority Interest | (142) | 698 | 837 |
| **Other Comprehensive Income** | $ 155,685 | $ 107,339 | $ 85,283 |

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

**FIRST INDUSTRIAL REALTY TRUST, INC.**

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

| | Year Ended December 31, 2007 | Year Ended December 31, 2006 | Year Ended December 31, 2005 |
|---|---|---|---|
| | | (Dollars in thousands) | |
| Preferred Stock — Beginning of Year | $ — | $ — | $ — |
| Issuance of Preferred Stock | — | — | — |
| Redemption of Preferred Stock | — | — | — |
| Preferred Stock — End of Year | $ — | $ — | $ — |
| Common Stock — Beginning of Year | $ 475 | $ 470 | $ 454 |
| Net Proceeds from the Issuance of Common Stock | — | 1 | 15 |
| Issuance of Restricted Stock | 5 | 3 | 2 |
| Repurchase and Retirement of Common Stock | — | (1) | (1) |
| Restricted Stock Forfeitures | — | — | (1) |
| Conversion of Units to Common Stock | — | 2 | 1 |
| Common Stock — End of Year | $ 480 | $ 475 | $ 470 |
| Additional Paid-In-Capital — Beginning of Year | $ 1,388,311 | $ 1,384,712 | $ 1,142,356 |
| Net Proceeds from the Issuance of Common Stock | 567 | 3,819 | 56,109 |
| Issuance of Restricted Stock | (5) | (3) | 8,379 |
| Repurchase and Retirement of Restricted Stock/Common Stock | (3,210) | (2,463) | (2,741) |
| Restricted Stock Forfeitures | — | — | (2,825) |
| Call Spread | — | (6,835) | — |
| Net Proceeds from the Issuance of Preferred Stock | — | 192,624 | 181,484 |
| Redemption of Preferred Stock | (47,997) | (181,484) | — |
| Conversion of Units to Common Stock | 2,858 | 5,142 | 1,950 |
| Reclassification to initially adopt SFAS No. 123R | — | (16,825) | — |
| Amortization of Restricted Stock Grants | 14,150 | 9,624 | — |
| Additional Paid-In-Capital — End of Year | $ 1,354,674 | $ 1,388,311 | $ 1,384,712 |
| Dist. In Excess of Accum. Earnings — Beginning of Year | $ (284,955) | $ (248,686) | $ (203,417) |
| Preferred Stock Dividends | (21,320) | (21,424) | (10,688) |
| Distributions ($2.8500, $2.8100 and $2.7850 per Share/Unit at December 31, 2007, 2006 and 2005, respectively) | (146,126) | (144,720) | (139,168) |
| Redemption of Preferred Stock | (2,017) | (672) | — |
| Repurchase and Retirement of Restricted Stock/Common Stock | (728) | (269) | (543) |
| Restricted Stock Forfeitures | — | — | (147) |
| Net Income Before Minority Interest | 174,087 | 125,597 | 98,753 |
| Minority Interest: | | | |
| Allocation of Income | (19,036) | (13,515) | (11,649) |
| Distributions ($2.8500, $2.8100 and $2.7850 per Unit at December 31, 2007, 2006 and 2005, respectively) | 18,508 | 18,734 | 18,173 |
| Dist. In Excess of Accum. Earnings — End of Year | $ (281,587) | $ (284,955) | $ (248,686) |
| Unearned Value of Rest. Stock Grants — Beginning of Year | $ — | $ (16,825) | $ (19,611) |
| Issuance of Restricted Stock | — | — | (8,381) |
| Amortization of Restricted Stock Grants | — | — | 8,845 |
| Restricted Stock Forfeitures | — | — | 2,322 |
| Reclassification to initially adopt SFAS No. 123R | — | 16,825 | — |
| Unearned Value of Rest. Stock Grants — End of Year | $ — | $ — | $ (16,825) |
| Treasury Shares, at cost — Beginning of Year | $ (70,588) | $ (70,588) | $ (70,588) |
| Purchase of Treasury Shares | (69,430) | — | — |
| Treasury Shares, at cost — End of Year | $ (140,018) | $ (70,588) | $ (70,588) |
| Accum. Other Comprehensive Loss — Beginning of Year | $ (10,264) | $ (5,521) | $ (3,700) |
| Settlement of Interest Rate Protection Agreements | (4,261) | (1,729) | — |
| Reclassification of Settlement of Interest Rate Protection Agreements to Net Income | — | — | (159) |
| Mark-to-Market of Interest Rate Protection Agreements, Net of Tax Provision | 3,819 | (2,800) | (1,414) |
| Amortization of Interest Rate Protection Agreements | (916) | (912) | (1,085) |
| Foreign Currency Translation Adjustment, Net of Tax Provision | 2,134 | — | — |
| Other Comprehensive (Income) Loss Allocable to Minority Interest | (142) | 698 | 837 |
| Accum. Other Comprehensive Loss — End of Year | $ (9,630) | $ (10,264) | $ (5,521) |
| Total Stockholders' Equity at End of Year | $ 923,919 | $ 1,022,979 | $ 1,043,562 |

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

## FIRST INDUSTRIAL REALTY TRUST, INC.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Year Ended December 31, 2007 | Year Ended December 31, 2006 | Year Ended December 31, 2005 |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net Income | $ 155,051 | $ 112,082 | $ 87,104 |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities: | | | |
| Allocation of Income to Minority Interest | 19,036 | 13,515 | 11,649 |
| Depreciation | 121,584 | 121,347 | 99,338 |
| Amortization of Deferred Financing Costs | 3,210 | 2,666 | 2,125 |
| Other Amortization | 54,556 | 40,965 | 33,728 |
| Provision for Bad Debt | 2,212 | 2,289 | 1,817 |
| Mark-to-Market/Loss on Settlement of Interest Rate Protection Agreements | — | (16) | (143) |
| Loss (Gain) From Early Retirement of Debt | 393 | — | (82) |
| Equity in Income of Joint Ventures | (30,045) | (30,673) | (3,699) |
| Distributions from Joint Ventures | 31,365 | 31,664 | 3,866 |
| Decrease (Increase) in Developments for Sale Costs | 1,209 | 5,883 | (16,241) |
| Gain on Sale of Real Estate | (254,387) | (219,513) | (161,689) |
| Increase in Tenant Accounts Receivable and Prepaid Expenses and Other Assets, Net | (20,140) | (16,524) | (23,371) |
| Increase in Deferred Rent Receivable | (9,710) | (10,154) | (9,459) |
| Increase in Accounts Payable and Accrued Expenses and Rents Received in Advance and Security Deposits | 18,408 | 6,020 | 24,407 |
| Increase in Restricted Cash | (6) | — | — |
| Net Cash Provided by Operating Activities | 92,736 | 59,551 | 49,350 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchases of and Additions to Investment in Real Estate | (677,461) | (813,840) | (920,707) |
| Net Proceeds from Sales of Investments in Real Estate | 800,147 | 907,428 | 537,252 |
| Contributions to and Investments in Joint Ventures | (27,696) | (32,773) | (45,175) |
| Distributions from Joint Ventures | 22,863 | 19,734 | 2,971 |
| Funding of Notes Receivable | (8,385) | — | — |
| Repayment and Sale of Mortgage Loans Receivable | 26,350 | 34,987 | 83,561 |
| (Increase) Decrease in Restricted Cash | (8,909) | 13,611 | (29,556) |
| Net Cash Provided by (Used in) Investing Activities | 126,909 | 129,147 | (371,654) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Net Proceeds from the Issuance of Common Stock | 567 | 3,462 | 55,754 |
| Proceeds from the Issuance of Preferred Stock | — | 200,000 | 187,500 |
| Preferred Stock Offering Costs | — | (7,103) | (5,906) |
| Redemption of Preferred Stock | (50,014) | (182,156) | — |
| Repurchase of Restricted Stock | (3,938) | (2,660) | (3,285) |
| Proceeds from Senior Unsecured Debt | 149,595 | 399,306 | — |
| Other Costs from Senior Unsecured Debt | (4,261) | (1,729) | — |
| Repayment of Senior Unsecured Debt | (150,000) | (150,000) | (50,000) |
| Dividends/Distributions | (146,660) | (143,858) | (137,672) |
| Preferred Stock Dividends | (26,023) | (19,248) | (8,162) |
| Purchase of Treasury Shares | (69,430) | — | — |
| Proceeds from Mortgage Loans Payable | — | — | 1,167 |
| Repayments of Mortgage Loans Payable | (41,475) | (12,618) | (1,987) |
| Proceeds from Unsecured Lines of Credit | 879,129 | 779,300 | 647,500 |
| Repayments on Unsecured Lines of Credit | (764,000) | (1,029,800) | (357,500) |
| Call Spread | — | (6,835) | — |
| Debt Issuance Costs and Costs Incurred in Connection with the Early Retirement of Debt | (3,766) | (6,861) | (1,792) |
| Cash Book Overdraft. | 253 | — | — |
| Net Cash (Used in) Provided by Financing Activities | (230,023) | (180,800) | 325,617 |
| Net (Decrease) Increase in Cash and Cash Equivalents | (10,378) | 7,898 | 3,313 |
| Cash and Cash Equivalents, Beginning of Period | 16,135 | 8,237 | 4,924 |
| Cash and Cash Equivalents, End of Period | $ 5,757 | $ 16,135 | $ 8,237 |

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Dollars in thousands, except per share amounts)**

## 1. Organization and Formation of Company

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

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 the TRS, of which the Operating Partnership is the sole stockholder. We also conduct operations through other partnerships, corporations, and limited liability companies, the operating data of which, together with that of the Operating Partnership and the TRS, is consolidated with that of the Company as presented herein.

We also own minority equity interests in, and provide various services to, five joint ventures which invest in industrial properties (the "2003 Net Lease Joint Venture," the "2005 Development/Repositioning Joint Venture," the "2005 Core Joint Venture," the "2006 Net Lease Co-Investment Program" and the "2006 Land/Development Joint Venture"). We also owned economic interests in and provided various services to a sixth joint venture (the "1998 Core Joint Venture"). On January 31, 2007, we purchased the 90% equity interest from the institutional investor in the 1998 Core Joint Venture. Effective January 31, 2007, the assets and liabilities and results of operations of the 1998 Core Joint Venture are consolidated with the Company since we own 100% of the equity interest. Prior to January 31, 2007, the 1998 Core Joint Venture was accounted for under the equity method of accounting. Additionally, in December 2007, we entered into two new joint ventures, (the "2007 Canada Joint Venture" and the "2007 Europe Joint Venture"; together with 2003 Net Lease Joint Venture, 2005 Development/Repositioning Joint Venture, 2005 Core Joint Venture, the 2006 Net Lease Co-Investment Program, the 2006 Land/Development Joint Venture and the 1998 Core Joint Venture, the "Joint Ventures"). At December 31, the 2007 Canada Joint Venture and the 2007 Europe Joint Venture did not own any properties. The operating data of our Joint Ventures is not consolidated with that of the Company as presented herein. However, the operating data of the 2005 Development/Repositioning Joint Venture, referred to as FirstCal Industrial, LLC, is separately presented on a consolidated basis, separate from that of the Company.

As of December 31, 2007, we owned 885 industrial properties (inclusive of developments in progress) located in 28 states in the United States and one province in Canada, containing an aggregate of approximately 75.9 million square feet of gross leasable area ("GLA").

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 87.1% and 87.3% ownership interest at December 31, 2007 and 2006, respectively. Minority interest at December 31, 2007 and 2006, represents the approximate 12.9% and 12.7%, respectively, aggregate partnership interest in the Operating Partnership held by the limited partners thereof.

Our consolidated financial statements at December 31, 2007 and 2006 and for each of the years ended December 31, 2007, 2006 and 2005 include the accounts and operating results of the Company and our subsidiaries. Such financial statements present our minority 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, 2007 and 2006, and the reported amounts of revenues and expenses for each of the years ended December 31, 2007, 2006 and 2005. Actual results could differ from those estimates.

### *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.

### *Restricted Cash*

At December 31, 2007 and 2006, restricted cash includes cash held in escrow in connection with mortgage debt requirements and gross proceeds from the sales of certain industrial properties. These sales proceeds will be disbursed as we exchange into properties under Section 1031 of the Internal Revenue Code. 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. We review our properties on a quarterly basis for impairment and provide a provision if impairments are found. 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). 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. To calculate the fair value of properties held for sale, we deduct from the estimated sales price of the property the estimated costs to close the sale. We classify properties as held for sale when our management has approved the properties for sale.

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:

| | Years |
|---|---|
| Buildings and Improvements | 8 to 50 |
| Land Improvements | 1 to 15 |
| Furniture, Fixtures and Equipment | 5 to 10 |

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.

We account for all acquisitions entered into subsequent to June 30, 2001 in accordance with Financial Accounting Standards Board's ("FASB") Statement of Financial Accounting Standard No. 141, "Business Combinations" ("FAS 141"). Upon acquisition of a property, we allocate the purchase price of the property based upon the fair value of the assets acquired, which generally consist 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 over the remaining lease term. Acquired above and below market leases are amortized over the remaining non-cancelable terms of the respective leases as an adjustment to rental revenue on our consolidated statements of operations.

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 (see below) 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, exclusive of deferred leasing intangibles held for sale, included in our total assets consist of the following:

| | December 31, 2007 | December 31, 2006 |
|---|---|---|
| In-Place Leases | $ 86,398 | $ 81,422 |
| Less: Accumulated Amortization | (24,860) | (15,361) |
| | $ 61,538 | $ 66,061 |
| Above Market Leases | $ 6,440 | $ 6,933 |
| Less: Accumulated Amortization | (2,519) | (2,177) |
| | $ 3,921 | $ 4,756 |
| Tenant Relationships | $ 24,970 | $ 16,657 |
| Less: Accumulated Amortization | (3,410) | (1,209) |
| | $ 21,560 | $ 15,448 |
| Total Deferred Leasing Intangibles, Net | 87,019 | 86,265 |

Deferred Leasing Intangibles, exclusive of deferred leasing intangibles held for sale, included in our total liabilities consist of the following:

| | December 31, 2007 | December 31, 2006 |
|---|---|---|
| Below Market Leases | $ 31,668 | $ 25,735 |
| Less: Accumulated Amortization | (9,627) | (6,249) |
| Total Deferred Leasing Intangibles, Net | $ 22,041 | $ 19,486 |

Amortization expense related to in-place leases and tenant relationships of deferred leasing intangibles was $23,913, $17,403, and $9,160 for the years ended December 31, 2007, 2006, and 2005, respectively. Rental revenues increased by $4,265, $3,656, and $2,427 related to amortization of above/(below) market leases for the years ended December 31, 2007, 2006, and 2005, respectively. We will recognize net amortization expense related to deferred leasing intangibles over the next five years, for properties owned as of December 31, 2007, as follows:

| | Estimated Net Amortization of In-Place Leases and Tenant Relationships | Estimated Net Increase to Rental Revenues Related to Above and Below Market Leases |
|---|---|---|
| 2008 | $ 15,110 | $ 3,948 |
| 2009 | 12,829 | 3,160 |
| 2010 | 11,046 | 2,373 |
| 2011 | 9,592 | 1,480 |
| 2012 | 7,942 | 1,077 |

***Contractor Revenues and Expenses***

During 2007 and 2006, the TRS entered into contracts with third parties to construct industrial properties and also acted as general contractor to construct industrial properties, including properties for the 2005 Development/Repositioning Joint Venture during 2007. We use the percentage-of-completion contract method to recognize revenue. Using this method, revenues are recorded based on estimates of the percentage of completion of individual contracts. The percentage of completion estimates are based on a comparison of the contract expenditures incurred to the estimated final costs. Changes in job performance, job conditions and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

***Foreign Currency Transactions and Translation***

During 2007, we owned one industrial property and one land parcel located in Toronto, Canada for which the functional currency was determined to be the Canadian dollar. The assets and liabilities of this industrial property and land parcel are translated to U.S. dollars from the Canadian dollar based on the current exchange rate prevailing at each balance sheet date and any resulting translation adjustments are included in accumulated other comprehensive income (loss). The revenues and expenses of this property and land parcel are translated into U.S. dollars using the average exchange rates prevailing during the periods presented.

***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 $15,089 and $13,863 at December 31, 2007 and 2006, 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 minority 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 operational control or a majority voting interest. 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, respectively, 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.

***Stock Based Compensation***

Effective January 1, 2006 we adopted Statement of Financial Accounting Standards No. 123R, "Share Based Payment" ("FAS 123R"), using the modified prospective application method, which requires measurement of compensation cost for all stock-based awards at fair value on the date of grant and recognition of compensation over the service period for awards expected to vest. For the year ended December 31, 2005, we accounted for our stock incentive plans under the recognition and measurement principles of Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation" for all new issuances of stock based compensation. At January 1, 2006, we did not have any unvested option awards and we had accounted for our previously issued restricted stock awards at fair value. Accordingly, the adoption of FAS 123R did not require us to recognize a cumulative effect of a change in accounting principle. We reclassified $16,825 from the Unearned Value of Restricted Stock Grants caption within Stockholder's Equity to Additional Paid in Capital during the year ended December 31, 2006 in accordance with the provisions of FAS 123R.

Prior to January 1, 2003, we accounted for our stock incentive plans under the recognition measurement principles of Accounting Principles Board opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"). Under APB 25, compensation expense is not recognized for options issued in which the strike price is equal to the fair value of our stock on the date of grant. The following table illustrates the pro forma effect on net income and earnings per share as if the fair value recognition provisions of FAS 123R had been applied to all outstanding and unvested option awards for the year ended December 31, 2005:

| | 2005 |
|---|---|
| Net Income Available to Common Stockholders — as reported | $ 76,416 |
| Add: Stock-Based Employee Compensation Expense Included in Net Income Available to Common Stockholders, Net of Minority Interest — as reported | — |
| Less: Total Stock-Based Employee Compensation Expense, Net of Minority Interest — Determined Under the Fair Value Method | (87) |
| Net Income Available to Common Stockholders — pro forma | $ 76,329 |
| Net Income Available to Common Stockholders per Share — as reported — Basic | $ 1.80 |
| Net Income Available to Common Stockholders per Share — pro forma — Basic | $ 1.80 |
| Net Income Available to Common Stockholders per Share — as reported — Diluted | $ 1.80 |
| Net Income Available to Common Stockholders per Share — pro forma — Diluted | $ 1.80 |

We have not issued any stock options subsequent to January 2005.

***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 recognized on payments received from tenants for early lease terminations after we determine that all the necessary criteria have been met in accordance with FASB Statement of Financial Accounting Standards No. 13, "Accounting for Leases" ("FAS 13").

Interest income on mortgage loans 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 which is estimated to be uncollectible. Accounts receivable in the consolidated balance sheets are shown net of an allowance for doubtful accounts of $837 and $783 as of December 31, 2007 and 2006, 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.

***Income Taxes***

We have elected to be taxed as a REIT under Sections 856 through 860 of the Code. As a result, we generally are not subject to federal income taxation to the extent of the income which we distribute if we satisfy the requirements set forth in Section 856 of the Code (pertaining to its organization and types of income and assets) necessary to maintain our status as a REIT. We are required to distribute annually at least 90% of our REIT taxable income, as defined in the Code, to our stockholders and we satisfy certain other requirements.

A provision has been made for federal income taxes in the accompanying consolidated financial statements for activities conducted in the TRS, which has been accounted for under FAS No. 109, *"Accounting for Income Taxes"* ("FAS 109"). In accordance with FAS 109, the total benefit/expense has been separately allocated to income from continuing operations, income from discontinued operations and gain on sale of real estate.

We and certain of our subsidiaries are subject to certain state and local income, excise and franchise taxes. 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. State and local income taxes are included in the provision/benefit for income taxes which is allocated to income from continuing operations, income from discontinued operations and gain on sale of real estate.

We file income tax returns in the U.S., and various states and foreign jurisdictions. The TRS is currently under examination by the Internal Revenue Service for tax years 2004 and 2005. In general, the statutes of limitations for income tax returns remain open for the years 2004 through 2007.

***Earnings Per Common Share***

Net income per weighted average share — basic is based on the weighted average common shares outstanding (excluding restricted stock that has not yet vested). Net income per weighted average share —

diluted is based on the weighted average common shares outstanding (excluding restricted stock that has not yet vested) plus the dilutive effect of in-the-money employee stock options, restricted stock and 2011 Exchangeable Notes (hereinafter defined). See Note 10 for further disclosure about earnings per share.

***Fair Value of Financial Instruments***

Our financial instruments include short-term investments, tenant accounts receivable, net, mortgage notes receivable, accounts payable, other accrued expenses, mortgage loans payable, unsecured line of credit and senior unsecured debt.

The fair values of the short-term investments, tenant accounts receivable, net, mortgage notes receivable, accounts payable and other accrued expenses approximates their carrying or contract values. See Note 5 for the fair values of the mortgage loans payable, unsecured line of credit and senior unsecured debt.

***Derivative Financial Instruments***

Historically, we have used interest rate protection agreements (the "Agreements") to fix the interest rate on anticipated offerings of senior unsecured debt or convert floating rate debt to fixed rate debt. Receipts or payments that result from the settlement of Agreements used to fix the interest rate on anticipated offerings of senior unsecured debt are amortized over the life of the senior unsecured debt 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). Any agreements which no longer qualify for hedge accounting are marked-to-market and any gain or loss is recognized in net income immediately. The credit risks associated with the Agreements are controlled through the evaluation and monitoring of the creditworthiness of the counterparty. In the event that the counterparty fails to meet the terms of the Agreements, our exposure is limited to the current value of the interest rate differential, not the notional amount, and our carrying value of the Agreements on the balance sheet. See Note 5 for more information on the Agreements.

***Discontinued Operations***

On January 1, 2002, we adopted the FASB Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long Lived Assets" ("FAS 144"). FAS 144 addresses financial accounting and reporting for the disposal of long lived assets. FAS 144 requires that the results of operations and gains or losses on the sale of 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. FAS 144 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 September 2006, the FASB issued SFAS No. 157, *"Fair Value Measurements"* which establishes a common definition of fair value, establishes a framework for measuring fair value, and expands disclosure about such fair value measurements. For financial assets and liabilities and nonfinancial assets and liabilities that are remeasured at least annually, this statement is effective for fiscal years beginning after November 15,

2007. We do not expect that the implementation of this statement will have a material effect on our consolidated financial position or results of operations.

In February 2007, the FASB issued SFAS No. 159, *"The Fair Value Option for Financial Assets and Financial Liabilities"* which permits entities to choose to measure many financial instruments and certain other items at fair value. This statement is effective for fiscal years beginning after November 15, 2007. We do not expect that the implementation of this statement will have a material effect on our consolidated financial position or results of operations.

In December 2007, the FASB issued No. 141 (revised 2007), "*Business Combinations"* (SFAS 141R). SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141R is effective for financial statements issued for fiscal years beginning after December 15, 2008. We are currently evaluating the potential impact of adoption of SFAS 141R on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, *"Noncontrolling Interests in Consolidated Financial Statements-and Amendment of ARB No. 51*." ("SFAS 160") SFAS 160 establishes accounting and reporting standards pertaining to ownership interests in subsidiaries held by parties other than the parent, the amount of net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest, and the valuation of any retained noncontrolling equity investment when a subsidiary is deconsolidated. This statement also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS 160 is effective for fiscal years beginning on or after December 15, 2008. We are currently evaluating the potential impact of adoption of SFAS 160 on our consolidated financial statements.

**4. Investments in Joint Ventures and Property Management Services**

On September 28, 1998, we entered into the 1998 Core Joint Venture with an institutional investor to invest in industrial properties. At December 31, 2006 we owned a 10% equity interest in the 1998 Core Joint Venture and provided property and asset management services to the 1998 Core Joint Venture. On January 31, 2007, we purchased the remaining 90% equity interest from the institutional investor in the 1998 Core Joint Venture. We paid $18,458 in cash and assumed $30,340 in mortgage loans payable. As of December 31, 2007, we have paid off and retired the mortgage loan payable. In connection with the early repayment of the mortgage loans payable, we incurred prepayment penalties and a write-off of unamortized deferred financing fees totaling $265.

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.

On March 18, 2005, we entered into the 2005 Development/Repositioning Joint Venture with an institutional investor to invest in, own, develop, redevelop and operate certain industrial properties. We own a 10% equity interest in and provide property management, asset management, development management, disposition, incentive and leasing management services to the 2005 Development/Repositioning Joint Venture.

On September 7, 2005, we entered into the 2005 Core Joint Venture with an institutional investor to invest in, own and operate certain industrial properties. We own a 10% equity interest in and provide property management, asset management, development management, disposition, incentive and leasing management services to the 2005 Core Joint Venture.

On March 21, 2006, we entered into the 2006 Net Lease Co-Investment Program with an institutional investor to invest in industrial properties. We own a 15% equity interest in and provide property management, asset management and leasing management services to the 2006 Net Lease Co-Investment Program.

On July 21, 2006, we entered into the 2006 Land/Development Joint Venture with an institutional investor to invest in land and vertical development. We own a 10% equity interest in and provide property management, asset management, development management and leasing management services to the 2006 Land/Development Joint Venture.

On February 27, 2007, we redeemed the 85% equity interest in one property from the institutional investor in the 2003 Net Lease Joint Venture. In connection with the redemption, we assumed a $8,250 mortgage loan payable and $2,951 in other liabilities. The mortgage loan payable was subsequently paid off in February 2007.

During July 2007, we entered into a management arrangement with an institutional investor to provide property management, leasing, acquisition, disposition and portfolio management services for industrial properties (the “July 2007 Fund”). We do not own an equity interest in the July 2007 Fund, however are entitled to incentive payments if certain economic thresholds related to the industrial properties are achieved.

During December 2007, we entered into the 2007 Canada Joint Venture and the 2007 Europe Joint Venture with an institutional investor to invest in, own, develop, redevelop and operate industrial properties. We own a 10% interest in and will provide property management, asset management, development management and leasing management services to the 2007 Canada Joint Venture and the 2007 Europe Joint Venture.

As of December 31, 2007, the 2003 Net Lease Joint Venture owned 11 industrial properties comprising approximately 5.1 million square feet of GLA, the 2005 Development/Repositioning Joint Venture owned 24 industrial properties comprising approximately 5.0 million square feet of GLA and several land parcels, the 2005 Core Joint Venture owned 66 industrial properties comprising approximately 4.8 million square feet of GLA and several land parcels, the 2006 Net Lease Co-Investment Program owned 12 industrial properties comprising approximately 5.0 million square feet of GLA and the 2006 Land/Development Joint Venture owned several land parcels. As of December 31, 2007, the 2007 Canada Joint Venture and the 2007 Europe Joint Venture do not own any properties.

During the year ended December 31, 2006, we sold two land parcels to the 2005 Development/Repositioning Joint Venture. During the year ended December 31, 2005, we sold eight industrial properties comprising approximately 1.6 million square feet of GLA and several land parcels to the 2005 Development/Repositioning Joint Venture. We deferred 10% of the gain from the sales, which is equal to our economic interest in the 2005 Development/Repositioning Joint Venture. On May 18, 2007, we repurchased 66 acres of the land we had sold to the 2005 Development/Repositioning Joint Venture for a purchase price of $6,379. Since we had deferred 10% of the gain on sale from the original sale in 2005, we netted the unamortized deferred gain amount, along with our 10% economic interest in the gain on sale and distributions in excess of our 10% economic interest we received from the sale against the basis of the land.

On October 15, 2007, we purchased 10 acres of land from the 2005 Development/Repositioning Joint Venture for a purchase price of $3,714. We netted our 10% economic interest in the gain on sale and distributions in excess of our 10% economic interest we received from the sale against the basis of the land.

During the year ended December 31, 2007, we earned acquisition fees from the 2006 Land/Development Joint Venture and the July 2007 Fund. During the year ended December 31, 2006, we earned acquisition fees from the 2003 Net Lease Joint Venture, the 2005 Core Joint Venture, the 2006 Net Lease Co-Investment Program and the July 2007 Fund. We deferred 15% of the acquisition fees earned from the 2003 Net Lease Joint Venture and the 2006 Net Lease Co-Investment Program activity and 10% of the acquisition fees earned from the 2005 Core Joint Venture and the 2006 Land/Development Joint Venture activity. The deferrals reduced our investment in the Joint Ventures and are amortized into income over the life of the underlying properties, generally 25 to 40 years.

At December 31, 2007 and 2006, we have a receivable from the Joint Ventures and the July 2007 Fund of $6,068 and $7,967, respectively, which mainly relates to development, leasing, property management and asset management fees due to us from the Joint Ventures and the July 2007 Fund and reimbursement for development expenditures made by the TRS who is acting in the capacity of the general contractor for development projects for the 2005 Development/Repositioning Joint Venture. These receivable accounts are included in prepaid expenses and other assets, net.

During the years ended December 31, 2007, 2006 and 2005, we invested the following amounts in, as well as received distributions from, our Joint Ventures and recognized fees from acquisition, disposition, leasing, development, incentive, property management and asset management services from our Joint Ventures and the July 2007 Fund in the following amounts:

| | Year Ended December 31, 2007 | Year Ended December 31, 2006 | Year Ended December 31, 2005 |
|---|---|---|---|
| Contributions | $ 25,482 | $ 29,194 | $ 43,311 |
| Distributions | $ 54,228 | $ 51,398 | $ 6,837 |
| Fees | $ 25,116 | $ 22,507 | $ 8,301 |

The combined summarized financial information of the investments in joint ventures is as follows:

| | December 31, 2007 | December 31, 2006 |
|---|---|---|
| **Condensed Combined Balance Sheets** | | |
| Gross Real Estate Investment | $ 1,777,964 | $ 1,685,969 |
| Less: Accumulated Depreciation | (69,811) | (72,398) |
| Net Real Estate | 1,708,153 | 1,613,571 |
| Other Assets | 163,583 | 224,048 |
| Total Assets | $ 1,871,736 | $ 1,837,619 |
| Debt | $ 1,264,769 | $ 1,276,001 |
| Other Liabilities | 112,268 | 108,430 |
| Equity | 494,699 | 453,188 |
| Total Liabilities and Equity | $ 1,871,736 | $ 1,837,619 |
| Company’s share of Equity | $ 56,494 | $ 53,151 |
| Basis Differentials(1) | 1,049 | 2,376 |
| Carrying Value of the Company’s investments in joint ventures | $ 57,543 | $ 55,527 |

(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 gain deferrals related to properties we sold to the Joint Ventures, deferred fees and certain equity costs which are not reflected at the joint venture level.

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2007 | 2006 | 2005 |
| **Condensed Combined Statements of Operations** | | | |
| Total Revenues | $ 127,928 | $ 163,443 | $ 59,411 |
| Expenses: | | | |
| Operating and Other | 43,449 | 55,070 | 16,128 |
| Interest | 63,768 | 61,524 | 20,995 |
| Depreciation and Amortization | 64,690 | 90,842 | 32,150 |
| Total Expenses | 171,907 | 207,436 | 69,273 |
| Gain on Sale of Real Estate | 108,175 | 94,352 | 10,761 |
| Net Income | 64,196 | 50,359 | 899 |
| Company's share of Net Income | $ 30,045 | $ 30,673 | $ 3,699 |

### 5. Mortgage Loans Payable, Net, Senior Unsecured Notes, Net and Unsecured Line of Credit

The following table discloses certain information regarding our mortgage loans, senior unsecured notes and unsecured line of credit:

| | Outstanding Balance at | | Interest Rate at | Effective Interest Rate at | Maturity |
|---|---|---|---|---|---|
| | December 31, 2007 | December 31, 2006 | December 31, 2007 | December 31, 2007 | Date |
| **Mortgage Loans Payable, Net** | $ 73,550 | $ 77,926 | 5.50% - 9.25% | 4.58% - 9.25% | July 2009 - September 2024 |
| *Unamortized Premiums* | (2,196) | (2,919) | | | |
| **Mortgage Loans Payable, Gross** | $ 71,354 | $ 75,007 | | | |
| **Senior Unsecured Notes, Net** | | | | | |
| 2007 Notes | — | 149,998 | 7.600% | 7.61% | 05/15/07 |
| 2016 Notes | 199,442 | 199,372 | 5.750% | 5.91% | 01/15/16 |
| 2017 Notes | 99,905 | 99,895 | 7.500% | 7.52% | 12/01/17 |
| 2027 Notes | 15,056 | 15,055 | 7.150% | 7.11% | 05/15/27 |
| 2028 Notes | 199,838 | 199,831 | 7.600% | 8.13% | 07/15/28 |
| 2011 Notes | 199,807 | 199,746 | 7.375% | 7.39% | 03/15/11 |
| 2012 Notes | 199,408 | 199,270 | 6.875% | 6.85% | 04/15/12 |
| 2032 Notes | 49,457 | 49,435 | 7.750% | 7.87% | 04/15/32 |
| 2009 Notes | 124,937 | 124,893 | 5.250% | 4.10% | 06/15/09 |
| 2014 Notes | 113,521 | 112,237 | 6.420% | 6.54% | 06/01/14 |
| 2011 Exchangeable Notes | 200,000 | 200,000 | 4.625% | 4.63% | 09/15/11 |
| 2017 II Notes | 149,620 | — | 5.950% | 6.37% | 05/15/17 |
| **Subtotal** | $ 1,550,991 | $ 1,549,732 | | | |
| *Unamortized Discounts* | 14,079 | 15,338 | | | |
| **Senior Unsecured Notes, Gross** | $ 1,565,070 | $ 1,565,070 | | | |
| **Unsecured Line of Credit** | $ 322,129 | $ 207,000 | 5.787% | 5.787% | 09/28/12 |

***Mortgage Loans Payable, Net***

During 2007, in conjunction with the acquisition of several industrial properties, we assumed mortgages in the aggregate of $38,590; these mortgages were paid off and retired during 2007. As of December 31, 2007, mortgage loans payable of $73,550 are collateralized by industrial properties with a carrying value of $136,846.

***Senior Unsecured Notes, Net***

On May 7, 2007, we issued $150,000 of senior unsecured debt which matures on May 15, 2017 and bears interest at a rate of 5.95% (the “2017 II Notes”). The issue price of the 2017 II Notes was 99.730%. Interest is paid semi-annually in arrears on May 15 and November 15. In April 2006, we entered into interest rate protection agreements to fix the interest rate on the 2017 II Notes prior to issuance. We settled the effective portion of the interest rate protection agreements on May 1, 2007 for a payment of $4,261 which is included in other comprehensive income. The debt issue discount and the settlement amount of the interest rate protection agreements will be amortized over the life of the 2017 II Notes as an adjustment to interest expense. Including the impact of the offering discount and the settlement amount of the interest rate projection agreements, our effective interest rate on the 2017 II Notes is 6.37%. The 2017 II Notes contain certain covenants, including limitations on incurrence of debt and debt service coverage.

On May 15, 2007, we paid off and retired our 7.60% 2007 Unsecured Notes in the amount of $150,000.

On September 25, 2006, we issued $175,000 of senior unsecured debt which bears interest at a rate of 4.625% (the “2011 Exchangeable Notes”). We also granted the initial purchasers of the 2011 Exchangeable Notes an option exercisable until October 4, 2006 to purchase up to an additional $25,000 principal amount of the 2011 Exchangeable Notes to cover over-allotments, if any (the “Over-allotment Option”). Holders of the 2011 Exchangeable Notes may exchange their notes for our common stock prior to the close of business on the second business day immediately preceding the stated maturity date at any time beginning on July 15, 2011 and also under the following circumstances: 1) during any calendar quarter beginning after December 31, 2006 (and only during such calendar quarter), if, and only if, the closing sale price per share of our common stock for at least 20 trading days ending on the last trading day of the preceding calendar quarter is more than 130% of the exchange price per share of our common stock in effect on the applicable trading day; 2) during the five consecutive trading-day period following any five consecutive trading-day period in which the trading price of the notes was less than 98% of the product of the closing sale price per share of our common stock multiplied by the applicable exchange rate; 3) if those notes have been called for redemption, at any time prior to the close of business on the second business day prior to the redemption date; 4) upon the occurrence of distributions of certain rights to purchase our common stock or certain other assets; or 5) if our common stock ceases to be listed on a U.S. national or regional securities exchange and is not quoted on the over-the-counter market as reported by Pink Sheets LLC or any similar organization, in each case, for 30 consecutive trading days. The 2011 Exchangeable Notes have an initial exchange rate of 19.6356 shares of our common stock per $1,000 principal amount, representing an exchange price of approximately $50.93 per common share and an exchange premium of approximately 20% based on the last reported sale price of $42.44 per share of our common stock on September 19, 2006. If a change of control transaction described in the indenture relating to the 2011 Exchangeable Notes occurs and a holder elects to exchange notes in connection with any such transaction, holders of the 2011 Exchangeable Notes will be entitled to a make-whole amount in the form of an increase in the exchange rate. The exchange rate may also be adjusted under certain other circumstances, including the payment of cash dividends in excess of our current regular quarterly dividend on its common stock of $0.70 per share. The 2011 Exchangeable Notes will be exchangeable for cash up to their principal amount and shares of our common stock for the remainder of the exchange value in excess of the principal amount. The 2011 Exchangeable notes mature on September 15, 2011, unless previously redeemed or repurchased by us or exchanged in accordance with their terms prior to such date. Interest is paid semi-annually in arrears on March 15 and September 15 of each year, beginning March 15, 2007. The 2011 Exchangeable Notes are fully and unconditionally guaranteed by us. On October 3, 2006, the initial purchasers of the 2011 Exchangeable Notes exercised their Over-Allotment Option with respect to $25,000 in principal amount of the 2011 Exchangeable Notes. With the exercise of the Over-Allotment Option, the aggregate principal amount of 2011 Exchangeable Notes issued and outstanding is $200,000. In connection with the Operating Partnership's offering of the 2011 Exchangeable Notes, the Operating Partnership entered into capped call transactions (the "capped call transactions") with affiliates of two of the initial purchasers of the 2011 Exchangeable Notes (the "option counterparties") in order to increase the effective exchange price of the 2011 Exchangeable Notes to $59.42 per share of our common stock, which represents an exchange premium of approximately 40% based on the last reported sale price of $42.44 per share of our common stock on September 19, 2006. The aggregate cost of the capped call transactions was approximately $6,835. The capped call transactions are expected to reduce the potential dilution with respect to our common stock upon exchange of the 2011 Exchangeable Notes to the extent the then market value per share of our common stock does not exceed the cap price of the capped call transaction during the observation period relating to an exchange. The cost of the capped call is accounted for as a hedge and is included in shareholders' equity because the derivative is indexed to our own stock and meets the scope exception in FAS 133. The capped call on the 2011 Exchangeable Notes requires a net share settlement.

All of our senior unsecured debt (except for the 2011 Exchangeable Notes) contains certain covenants, including limitations on incurrence of debt and debt service coverage.

***Unsecured Line of Credit***

We have maintained an unsecured revolving credit facility since 1997. On September 28, 2007, we amended and restated our unsecured revolving credit facility (the "Unsecured Line of Credit"). The Unsecured Line of Credit matures on September 28, 2012, has a borrowing capacity of $500,000 (with the right, subject to certain conditions, to increase the borrowing capacity up to $700,000) and bears interest at a floating rate of LIBOR plus 0.475%, or the prime rate, at our election. At December 31, 2007, borrowings under our unsecured revolving credit facility, bore interest at a weighted average interest rate of 5.787%. Up to $100,000 of the $500,000 capacity may be borrowed in foreign currencies, including the Canadian dollar, Euro, British Sterling and Japanese Yen. The net unamortized deferred financing fees related to the prior unsecured revolving credit facility and any additional deferred financing fees incurred in entering into the Unsecured Line of Credit on September 28, 2007 are being amortized over the life of the Unsecured Line of Credit, except for $128, which represents the write off of unamortized deferred financing costs associated with certain lenders who did not renew the line of credit and is included in loss from early retirement of debt. The Unsecured Line of Credit contains certain covenants including limitations on incurrence of debt and debt service coverage.

The following is a schedule of the stated maturities and scheduled principal payments of the mortgage loans, senior unsecured debt and unsecured line of credit, exclusive of premiums and discounts, for the next five years ending December 31, and thereafter:

| | Amount |
|---|---|
| 2008 | $ 3,111 |
| 2009 | 132,959 |
| 2010 | 15,453 |
| 2011 | 407,269 |
| 2012 | 526,488 |
| Thereafter | 873,273 |
| Total | $ 1,958,553 |

***Fair Value***

At December 31, 2007 and 2006, the fair value of our mortgage loans payable, senior unsecured debt and Unsecured Line of Credit were as follows:

| | December 31, 2007 | | December 31, 2006 | |
|---|---|---|---|---|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Mortgage Loans Payable | $ 73,550 | $ 74,867 | $ 77,926 | $ 78,730 |
| Senior Unsecured Debt | 1,550,991 | 1,605,048 | 1,549,732 | 1,636,318 |
| Unsecured Line of Credit | 322,129 | 322,129 | 207,000 | 207,000 |
| Total | $ 1,946,670 | $ 2,002,044 | $ 1,834,658 | $ 1,922,048 |

The fair value of the senior unsecured debt was determined by quoted market prices, if available. The fair values of our senior unsecured debt that were not valued by quoted market prices and 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 to borrowers with similar credit ratings and for the same remaining maturities. The fair value of the Unsecured Line of Credit was equal to its carrying value due to the variable interest rate nature of the loans.

***Other Comprehensive Income***

In conjunction with certain issuances of senior unsecured debt, we entered into interest rate protection agreements to fix the interest rate on anticipated offerings of senior unsecured debt. In the next 12 months, we will amortize approximately $741 into net income by decreasing interest expense.

In April 2006, we entered into two interest rate protection agreements which fixed the interest rate on forecasted offerings of unsecured debt which we designated as cash flow hedges (the “April 2006 Agreements”). The April 2006 Agreements each had a notional value of $72,900 and were effective from November 28, 2006 through November 28, 2016. The April 2006 Agreements fixed the LIBOR rate at 5.537%. On May 1, 2007 we settled the effective portion of the April 2006 Agreements for $4,261 which is included in other comprehensive income. The settlement amount of the April 2006 Agreements will be amortized over the life of the 2017 II Notes as an adjustment to interest expense.

In July 2007, the 2006 Land/Development Joint Venture entered into two interest rate protection agreements to effectively convert floating rate debt to fixed rate debt on a portion of its line of credit. The hedge relationship is considered highly effective and for the year ended December 31, 2007, $6,499 of unrealized loss due to a change in values of the swap contracts was recognized in other comprehensive income by the 2006 Land/Development Joint Venture. We recorded $ 650 in unrealized loss, representing our 10% share, net of $254 of income tax provision, which is shown as mark to market of interest rate protection agreements in other comprehensive income for the year ended December 31, 2007.

During 2007, we owned one industrial property and one land parcel located in Toronto, Canada for which the functional currency was determined to be the Canadian dollar. The assets and liabilities of this industrial property and land parcel are translated to U.S. dollars from the Canadian dollar based on the current exchange rate prevailing at each balance sheet date and any resulting translation adjustments are included in accumulated other comprehensive income. For year ended December 31, 2007, we recorded $3,283 in foreign currency translation gain, net of $1,149 of income tax provision.

**6. Stockholders' Equity**

***Preferred Stock***

On June 6, 1997, we issued 2,000,000 Depositary Shares, each representing 1/100th of a share of our $8^{5}/_{8}$%, $0.01 par value, Series C Cumulative Preferred Stock (the "Series C Preferred Stock"), at an initial offering price of $25.00 per Depositary Share. On June 6, 2007, the Series C Preferred Stock became redeemable for cash at our option, in whole or in part, at a redemption price equivalent to $25 per Depositary Share, or $50,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. We redeemed the Series C Preferred Stock on June 7, 2007, at a redemption price of $25.00 per Depositary Share, and paid a prorated second quarter dividend of $0.40729 per Depositary Share, totaling approximately $815. Due to the redemption of the Series C Preferred Stock, the initial offering costs associated with the issuance of the Series C Preferred Stock of $2,017 were reflected as a deduction from net income to arrive at net income available to common stockholders in determining earnings per share for the year ended December 31, 2007.

On May 27, 2004, we issued 50,000 Depositary Shares, each representing 1/100th of a share of our 6.236%, $0.01 par value, Series F Flexible Cumulative Redeemable Preferred Stock (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 semi-annually in arrears for the period from the date of original issuance through March 31, 2009 (the "Series F Initial Fixed Rate Period"), commencing on September 30, 2004, at a rate of 6.236% per annum of the liquidation preference (the "Series F Initial Distribution Rate") (equivalent to $62.36 per Depositary Share). On or after March 31, 2009, the Series F 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 2.375% (the initial credit spread), plus the greater of (i) the 3-month LIBOR Rate, (ii) the 10-year Treasury CMT Rate (as defined in the Articles Supplementary), and (iii) the 30-year Treasury CMT Rate (the adjustable rate)(as defined in the Articles Supplementary), reset quarterly. Dividends on the Series F Preferred Stock are payable semi-annually in arrears for fixed rate periods subsequent to the Series F Initial Fixed Rate Period and quarterly in arrears for floating rate periods. 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), Series J Preferred Stock (hereinafter defined) and Series K Preferred Stock (hereinafter defined). On or after March 31, 2009, subject to any conditions on redemption applicable in any fixed rate period subsequent to the Series F Initial Fixed Rate Period, the Series F Preferred Stock is redeemable for cash at our option, in whole or in part, at a redemption price equivalent to $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.

On May 27, 2004, we issued 25,000 Depositary Shares, each representing 1/100th of a share our 7.236%, $0.01 par value, Series G Flexible Cumulative Redeemable Preferred Stock (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 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 Rate, (ii) the 10-year Treasury CMT Rate (as defined in the Articles Supplementary), and (iii) the 30-year Treasury CMT Rate (the adjustable rate) (as defined in the Articles Supplementary), reset quarterly. Dividends on the Series G Preferred Stock are payable semi-annually in arrears for fixed rate periods subsequent to the Series G Initial Fixed Rate Period and 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, Series J Preferred Stock (hereinafter defined) and Series K Preferred Stock (hereinafter defined). On or after March 31, 2014, subject to any conditions on redemption applicable in any fixed rate period subsequent to the Series G Initial Fixed Rate Period, the Series G Preferred Stock is redeemable for cash at our option, in whole or in part, at a redemption price equivalent to $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 November 8, 2005 and November 18, 2005, we issued 600 and 150 Shares, respectively, of $.01 par value, Series I Flexible Cumulative Redeemable Preferred Stock, (the “Series I Preferred Stock”), in a private placement at an initial offering price of $250,000 per share for an aggregate initial offering price of $187,500. We redeemed the Series I Preferred Stock on January 13, 2006 for $242,875.00 per share, and paid a prorated first quarter dividend of $470.667 per share, totaling approximately $353. In accordance with EITF D-42, due to the redemption of the Series I Preferred Stock, the difference between the redemption cost and the carrying value of the Series I Preferred Stock of approximately $672 is reflected as a deduction from net income to arrive at net income available to common stockholders in determining earnings per share for the year ended December 31, 2006.

On January 13, 2006, we issued 6,000,000 Depositary Shares, each representing 1/10,000th of a share of our 7.25%, $.01 par value, Series J Cumulative Redeemable Preferred Stock (the “Series J Preferred Stock”), at an initial offering price of $25.00 per Depositary Share. Dividends on the Series J Preferred Stock, represented by the Depositary Shares, are cumulative from the date of initial issuance and are payable quarterly in arrears. However, during any period that both (i) the depositary shares are not listed on the NYSE or AMEX, or quoted on NASDAQ, and (ii) we are not subject to the reporting requirements of the Exchange Act, but the preferred shares are outstanding, we will increase the dividend on the preferred shares to a rate of 8.25% of the liquidation preference per year. However, if at any time both (i) the depositary shares cease to be listed on the NYSE or the AMEX, or quoted on NASDAQ, and (ii) we cease to be subject to the reporting requirements of the Exchange Act, but the preferred shares are outstanding, then the preferred shares will be redeemable, in whole but not in part at our option, within 90 days of the date upon which the depositary shares cease to be listed and we cease to be subject to such reporting requirements, at a redemption price equivalent to $25.00 per Depositary Share, plus all accrued and unpaid dividends to the date of redemption. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series J Preferred Stock ranks senior to payments on our Common Stock and pari passu with our Series F Preferred Stock, Series G Preferred Stock and Series K Preferred Stock (hereinafter defined). The Series J Preferred Stock is not redeemable prior to January 15, 2011. On or after January 15, 2011, 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. The Series J Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

On August 21, 2006, we issued 2,000,000 Depositary Shares, each representing 1/10,000th of a share of our 7.25%, $.01 par value, Series K Flexible Cumulative Redeemable Preferred Stock (the “Series K Preferred Stock”), at an initial offering price of $25.00 per Depositary Share. Dividends on the Series K Preferred Stock, represented by the Depositary Shares, are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series K Preferred Stock ranks senior to payments on our Common Stock and pari passu with our Series F Preferred Stock, Series G Preferred Stock and Series J Preferred Stock. The Series K Preferred

Stock is not redeemable prior to August 15, 2011. On or after August 15, 2011, 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. The Series K Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

The following table summarizes certain information regarding our preferred stock:

| | Stated Value at | |
|---|---|---|
| | December 31, 2007 | December 31, 2006 |
| Series C Preferred Stock | $ — | $ 50,000 |
| Series F Preferred Stock | 50,000 | 50,000 |
| Series G Preferred Stock | 25,000 | 25,000 |
| Series J Preferred Stock | 150,000 | 150,000 |
| Series K Preferred Stock | 50,000 | 50,000 |
| Total | $ 275,000 | $ 325,000 |

***Shares of Common Stock***

On December 9, 2005, we issued 1,250,000 shares of $0.01 par value common stock (the "December 2005 Equity Offering"). The price per share was $39.45 resulting in gross offering proceeds of $49,313. Proceeds to us, net of underwriters' discount and total expenses, were approximately $48,775.

For the years ended December 31, 2007, 2006 and 2005, 119,747, 213,773, and 81,644, respectively, shares of common stock were converted from an equivalent number of limited partnership interests in the Operating Partnership ("Units").

***Treasury Stock***

In March 2000 and in September 2007, our Board of Directors authorized a stock repurchase plan pursuant to which we are permitted to purchase up to $100,000 (the "March 2000 Program") and $100,000, respectively, of our outstanding common stock. We may make purchases from time to time in the open market or in privately negotiated transactions, depending on market and business conditions. During the year ended December 31, 2007, we repurchased 1,797,714 shares at an average price per share of $38.62, including brokerage commissions. During November 2007 we completed the March 2000 Program.

***Non-Qualified Employee Stock Options***

For the year ended December 31, 2005, certain employees of the Company exercised 248,881 non-qualified employee stock options. Net proceeds to us were approximately $6,698.

For the year ended December 31, 2006, certain employees of the Company exercised 125,780 non-qualified employee stock options. Net proceeds to us were approximately $3,742.

For the year ended December 31, 2007, certain employees of the Company exercised 19,600 non-qualified employee stock options. Net proceeds to us were approximately $613.

***Restricted Stock***

During the years ended December 31, 2007, 2006, and 2005 we awarded 442,008, 303,142, and 189,878 restricted shares of common stock, respectively, to certain employees of the Company and 17,139, 16,232, and

10,164, respectively, to certain directors of the Company. See Note 13 for further disclosure on our stock based compensation.

The following table is a roll-forward of our shares of common stock outstanding, including unvested restricted shares of common stock for the three years ended December 31, 2007:

| | Shares of Common Stock Outstanding |
|---|---|
| **Balance at December 31, 2004** | 42,834,091 |
| Issuance of Common Stock and Stock Option Exercises | 1,480,942 |
| Issuance of Restricted Stock Shares | 200,042 |
| Repurchase and Retirement of Restricted Stock Shares | (152,009) |
| Conversion of Operating Partnership Units | 81,644 |
| **Balance at December 31, 2005** | 44,444,710 |
| Stock Option Exercises | 125,780 |
| Issuance of Restricted Stock Shares | 319,374 |
| Repurchase and Retirement of Restricted Stock Shares | (93,007) |
| Conversion of Operating Partnership Units | 213,773 |
| **Balance at December 31, 2006** | 45,010,630 |
| Issuance of Common Stock and Stock Option Exercises | 19,600 |
| Issuance of Restricted Stock Shares | 459,147 |
| Repurchase of Treasury Shares | (1,797,714) |
| Repurchase and Retirement of Restricted Stock Shares | (139,261) |
| Conversion of Operating Partnership Units | 119,747 |
| **Balance at December 31, 2005** | 43,672,149 |

***Dividends/Distributions***

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

| | Year Ended 2007 | | Year Ended 2006 | | Year Ended 2005 | |
|---|---|---|---|---|---|---|
| | Dividend/ Distribution per Share/ Unit | Total Dividend/ Distribution | Dividend/ Distribution per Share/ Unit | Total Dividend/ Distribution | Dividend/ Distribution per Share/ Unit | Total Dividend/ Distribution |
| Common Stock/Operating Partnership Units | $ 2.8500 | $ 146,126 | $ 2.8100 | $ 144,720 | $ 2.7850 | $ 139,168 |
| Series C Preferred Stock | $ 94.6353 | $ 1,893 | $ 215.6240 | $ 4,313 | $ 215.6240 | $ 4,313 |
| Series F Preferred Stock | $ 6,236.0000 | $ 3,118 | $ 6,236.0000 | $ 3,118 | $ 6,236.0000 | $ 3,118 |
| Series G Preferred Stock | $ 7,236.0000 | $ 1,809 | $ 7,236.0000 | $ 1,809 | $ 7,236.0000 | $ 1,809 |
| Series I Preferred Stock | $ — | $ — | $ 470.6667 | $ 353 | $ 1,930.2431 | $ 1,448 |
| Series J Preferred Stock | $ 18,125.2000 | $ 10,875 | $ 17,521.0000 | $ 10,512 | $ — | $ — |
| Series K Preferred Stock | $ 18,125.2000 | $ 3,625 | $ 6,595.6000 | $ 1,319 | $ — | $ — |

## 7. Acquisition and Development of Real Estate

In 2005, we acquired 161 industrial properties comprising, in the aggregate, approximately 20.1 million square feet of GLA and several land parcels. The gross purchase price for 160 industrial properties and several land parcels totaled approximately $752,674, (approximately $14,698 of which was made through the issuance of 366,472 Units relating to five properties) excluding costs incurred in conjunction with the acquisition of the properties. Additionally, one industrial property was acquired through foreclosure due to a default on a mortgage loan receivable. We also substantially completed development of five properties comprising approximately 1.8 million square feet of GLA at a cost of approximately $97,466. We reclassed the costs of the substantially completed developments from construction in progress to building, tenant improvements and leasing commissions.

In 2006, we acquired 91 industrial properties comprising, in the aggregate, approximately 10.5 million square feet of GLA and several land parcels for a total purchase price of approximately $610,745 (approximately $1,288 of which was made through the issuance of 31,473 Units relating to two properties) excluding costs incurred in conjunction with the acquisition of the properties. We also substantially completed development of 15 properties comprising approximately 5.0 million square feet of GLA at a cost of approximately $188,592. We reclassed the costs of the substantially completed developments from construction in progress to building, tenant improvements and leasing commissions.

In 2007, we acquired 105 industrial properties comprising, in the aggregate, approximately 8.6 million square feet of GLA and several land parcels, including 41 industrial properties comprising approximately 1.3 million square feet of GLA in connection with the purchase of the 90% equity interest from the institutional investor of the 1998 Core Joint Venture and one industrial property comprising 0.3 million square feet of GLA in connection with the redemption of the 85% equity interest in one property from the institutional investor in the 2003 Net Lease Joint Venture (see Note 4). The purchase price of these acquisitions totaled approximately $470,784, excluding costs incurred in conjunction with the acquisition of the industrial properties and land parcels. We also substantially completed development of 15 properties comprising approximately 3.7 million square feet of GLA at a cost of approximately $144,790. We reclassed the costs of the substantially completed developments from construction in progress to building, tenant improvements and leasing commissions.

### *Intangible Assets Subject To Amortization in the Period of Acquisition*

The fair value of in-place leases, above market leases, tenant relationships and below market leases recorded as a result of the above acquisitions was $36,270, $3,831, $20,336, and $(13,148), respectively, for the year ended December 31, 2006. The weighted average life in months of in-place leases, above market leases, tenant relationships and below market leases recorded as a result of 2006 acquisitions was 72, 71, 105, and 109 months, respectively.

The fair value of in-place leases, above market leases, tenant relationships, and below market leases recorded as a result of the above acquisitions was $23,038, $1,000, $10,007 and $(8,108), respectively for the year ended December 31, 2007. The weighted average life in months of in-place leases, above market leases, tenant relationships, and below market leases recorded as a result of 2007 acquisitions was 76, 99, 114, and 132 months, respectively.

## 8. Sale of Real Estate, Real Estate Held for Sale and Discontinued Operations

In 2005, we sold 96 industrial properties comprising approximately 12.8 million square feet of GLA and several land parcels. Of the 96 industrial properties sold, eight industrial property sales were to the 2005 Development/Repositioning Joint Venture. Gross proceeds from the sales of the 96 industrial properties and several land parcels were approximately $656,094. The gain on sale of real estate was approximately

$161,689, of which $132,139 is shown in discontinued operations. Eighty-six of the 96 sold industrial properties meet the criteria established by FAS 144 to be included in discontinued operations. Therefore, in accordance with FAS 144, the results of operations and gain on sale of real estate, net of income taxes and minority interest, for the 86 sold industrial properties that meet the criteria established by FAS 144 are included in discontinued operations. The results of operations and gain on sale of real estate, net of income taxes and minority interest, for the ten industrial properties and several land parcels that do not meet the criteria established by FAS 144 are included in continuing operations.

In 2006, we sold 125 industrial properties comprising approximately 17.1 million square feet of GLA and several land parcels, totaling gross proceeds of $946,800. The gain on sale of real estate was approximately $219,513, of which $213,442 is shown in discontinued operations. The 125 sold industrial properties meet the criteria established by FAS 144 to be included in discontinued operations. Therefore, in accordance with FAS 144, the results of operations and gain on sale of real estate, net of income taxes and minority interest, for the 125 sold industrial properties are included in discontinued operations. The results of operations and gain on sale of real estate, net of income taxes and minority interest, for the several land parcels that do not meet the criteria established by FAS 144 are included in continuing operations.

In 2007, we sold 164 industrial properties comprising approximately 13.7 million square feet of GLA and several land parcels. Gross proceeds from the sales of the 164 industrial properties and several land parcels were approximately $881,278. The gain on sale of real estate was approximately $254,387, of which $244,962 is shown in discontinued operations. One hundred sixty-one of the 164 sold industrial properties meet the criteria established by FAS 144 to be included in discontinued operations. Therefore, in accordance with FAS 144, the results of operations and gain on sale of real estate, net of income taxes and minority interest for the 161 sold industrial properties that meet the criteria established by FAS 144 are included in discontinued operations. The results of operations and gain on sale of real estate, net of income taxes and minority interest for the three industrial properties and several land parcels that do not meet the criteria established by FAS 144 are included in continuing operations.

At December 31, 2007, we had six industrial properties comprising approximately 0.8 million square feet of GLA held for sale. In accordance with FAS 144, the results of operations of the six industrial properties held for sale at December 31, 2007 are included in discontinued operations. There can be no assurance that such industrial properties held for sale will be sold.

The following table discloses certain information regarding the industrial properties included in our discontinued operations for the years ended December 31, 2007, 2006 and 2005.

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2007 | 2006 | 2005 |
| Total Revenues | $ 43,969 | $ 82,561 | $ 104,598 |
| Property Expenses | (14,106) | (26,145) | (35,447) |
| Interest Expense | — | — | (373) |
| Depreciation and Amortization | (13,850) | (29,713) | (33,511) |
| Gain on Sale of Real Estate | 244,962 | 213,442 | 132,139 |
| Provision for Income Taxes | (38,044) | (51,102) | (23,898) |
| Minority Interest | (28,178) | (24,594) | (18,886) |
| Income from Discontinued Operations | $ 194,753 | $ 164,449 | $ 124,622 |

In conjunction with certain property sales, we provided seller financing. At December 31, 2007 and 2006, we had mortgage notes receivable and accrued interest outstanding of approximately $30,456 and $0, respectively, which is included as a component of prepaid expenses and other assets.

**9. Supplemental Information to Statements of Cash Flows**

Supplemental disclosure of cash flow information:

| | Year Ended December 31, 2007 | Year Ended December 31, 2006 | Year Ended December 31, 2005 |
|---|---|---|---|
| Interest paid, net of capitalized interest | $ 118,909 | $ 114,709 | $ 107,573 |
| Capitalized Interest | $ 8,413 | $ 5,159 | $ 3,271 |
| Income Taxes Paid | $ 42,169 | $ 36,374 | $ 36,080 |
| Supplemental schedule of noncash investing and financing activities: | | | |
| Distribution payable on common stock/Units | $ 36,079 | $ 36,613 | $ 35,752 |
| Distribution payable on preferred stock | $ 1,232 | $ 5,935 | $ 3,757 |
| Exchange of units for common stock: | | | |
| Minority interest | $ (2,858) | $ (5,144) | $ (1,951) |
| Common stock | — | 2 | 1 |
| Additional paid-in-capital | 2,858 | 5,142 | 1,950 |
| | $ — | $ — | $ — |
| In conjunction with property and land acquisitions, the following assets and liabilities were assumed: | | | |
| Accounts payable and accrued expenses | $ (6,095) | $ (1,928) | $ (4,735) |
| Issuance of Operating Partnership Units | $ — | $ (1,288) | $ (14,698) |
| Mortgage debt | $ (38,590) | $ (33,982) | $ (11,545) |
| Foreclosed property acquisition and write-off of a Mortgage loan receivable | $ — | $ — | $ 3,870 |
| Write-off of fully depreciated assets | $ 45,031 | $ 30,596 | $ 67,814 |
| In conjunction with certain property sales, we provided seller financing or assigned a mortgage loan payable: | | | |
| Notes receivable | $ 48,282 | $ 11,200 | $ 76,744 |
| Mortgage Note Payable | $ 769 | $ — | $ 13,242 |

**10. Earnings Per Share ("EPS")**

The computation of basic and diluted EPS is presented below.

| | Year Ended December 31, 2007 | Year Ended December 31, 2006 | Year Ended December 31, 2005 |
|---|---|---|---|
| Numerator: | | | |
| Loss from Continuing Operations | $ (45,243) | $ (55,805) | $ (53,739) |
| Gain on Sale of Real Estate, Net of Minority Interest and Income Tax | 5,541 | 3,438 | 16,221 |
| Less: Preferred Stock Dividends | (21,320) | (21,424) | (10,688) |
| Less: Redemption of Preferred Stock | (2,017) | (672) | — |
| Loss from Continuing Operations Available to Common Stockholders, Net of Minority Interest and Income Tax — For Basic and Diluted EPS | (63,039) | (74,463) | (48,206) |
| Discontinued Operations, Net of Minority Interest and Income Tax | 194,753 | 164,449 | 124,622 |
| Net Income Available to Common Stockholders — For Basic and Diluted EPS | $ 131,714 | $ 89,986 | $ 76,416 |
| Denominator: | | | |
| Weighted Average Shares — Basic and Diluted | 44,085,998 | 44,011,503 | 42,431,109 |
| Basic and Diluted EPS: | | | |
| Loss from Continuing Operations Available to Common Stockholders, Net of Minority Interest and Income Tax | $ (1.43) | $ (1.69) | $ (1.14) |
| Discontinued Operations, Net of Minority Interest and Income Tax | $ 4.42 | $ 3.74 | $ 2.94 |
| Net Income Available to Common Stockholders | $ 2.99 | $ 2.04 | $ 1.80 |

The number of weighted average shares — diluted is the same as the number of weighted average shares — basic for the years ended December 31, 2007, 2006 and 2005 as the dilutive effect of stock options and restricted stock was excluded because its inclusion would have been anti-dilutive to the loss from continuing operations available to common stockholders, net of minority interest and income tax. The dilutive stock options and restricted stock excluded from the computation are 90,386 and 73,837, respectively, for the year ended December 31, 2007, 116,155 and 93,643, respectively, for the year ended December 31, 2006, and 141,625 and 82,888, respectively, for the year ended December 31, 2005.

Unvested restricted stock of 909,966, 778,535, and 700,023 were outstanding as of December 31, 2007, 2006, and 2005, respectively. Unvested restricted stock aggregating 470,009, 109,517, and 182,651 were antidilutive at December 31, 2007, 2006 and 2005, respectively, and accordingly, were excluded from dilution computations.

Additionally, options to purchase common stock of 355,901, 381,976, and 546,723 were outstanding as of December 31, 2007, 2006 and 2005, respectively.

The $200,000 of senior unsecured debt (the "2011 Exchangeable Notes") issued during 2006, which are convertible into common shares of the Company at a price of $50.93, were not included in the computation of diluted EPS as our average stock price did not exceed the strike price of the conversion feature (see Note 5).

## 11. Income Taxes

For income tax purposes, distributions paid to common shareholders are classified as ordinary income, capital gain, return of capital or qualified dividends. For the years ended December 31, 2007, 2006 and 2005, the distributions per common share were classified as follows:

| | 2007 | As a Percentage of Distributions | 2006 | As a Percentage of Distributions | 2005 | As a Percentage of Distributions |
|---|---|---|---|---|---|---|
| Ordinary income | $ 0.6158 | 21.61% | $ 0.2613 | 9.30% | $ 0.3278 | 11.77% |
| Long-term capital gains | 1.2950 | 45.44% | 0.3364 | 11.97% | 0.4289 | 15.40% |
| Unrecaptured Section 1250 gain | 0.6721 | 23.58% | 0.2408 | 8.57% | 0.2158 | 7.75% |
| Return of capital | 0.2671 | 9.37% | 1.3918 | 49.53% | 1.6276 | 58.44% |
| Qualified Dividends | — | 0.00% | 0.5797 | 20.63% | 0.1849 | 6.64% |
| | $ 2.8500 | 100.00% | $ 2.810 | 100.00% | $ 2.785 | 100.00% |

For income tax purposes, distributions paid to preferred shareholders are classified as ordinary income, capital gain, or qualified dividends. For the years ended December 31, 2007, 2006 and 2005, the preferred distributions per depositary share were classified as follows:

| Series C Preferred Stock | 2007 | As a Percentage of Distributions | 2006 | As a Percentage of Distributions | 2005 | As a Percentage of Distributions |
|---|---|---|---|---|---|---|
| Ordinary income | $ 0.1285 | 23.84% | $ 0.3972 | 18.42% | $ 0.5992 | 27.79% |
| Long-term capital gains | 0.2703 | 50.14% | 0.5115 | 23.72% | 0.8023 | 37.21% |
| Unrecaptured Section 1250 gain | 0.1403 | 26.02% | 0.3661 | 16.98% | 0.4041 | 18.74% |
| Qualified Dividends | — | 0.00% | 0.8814 | 40.88% | 0.3506 | 16.26% |
| | $ 0.5391 | 100.00% | $ 2.1562 | 100.00% | $ 2.1562 | 100.00% |

| Series J Preferred Stock | 2007 | As a Percentage of Distributions | 2006 | As a Percentage of Distributions |
|---|---|---|---|---|
| Ordinary income | $ 0.4322 | 23.84% | $ 0.3227 | 18.42% |
| Long-term capital gains | 0.9087 | 50.14% | 0.4156 | 23.72% |
| Unrecaptured Section 1250 gain | 0.4716 | 26.02% | 0.2975 | 16.98% |
| Qualified Dividends | — | 0.00% | 0.7163 | 40.88% |
| | $ 1.8125 | 100.00% | $ 1.7521 | 100.00% |

| Series K Preferred Stock | 2007 | As a Percentage of Distributions | 2006 | As a Percentage of Distributions |
|---|---|---|---|---|
| Ordinary income | $ 0.4322 | 23.84% | $ 0.1215 | 18.42% |
| Long-term capital gains | 0.9087 | 50.14% | 0.1564 | 23.72% |
| Unrecaptured Section 1250 gain | 0.4716 | 26.02% | 0.1120 | 16.98% |
| Qualified Dividends | — | 0.00% | 0.2696 | 40.88% |
| | $ 1.8125 | 100.00% | $ 0.6595 | 100.00% |

The components of income tax expense for the TRS for the years ended December 31, 2007, 2006 and 2005 are comprised of the following:

| | 2007 | 2006 | 2005 |
|---|---|---|---|
| **Current:** | | | |
| Federal | $ (28,209) | $ (39,531) | $ (19,265) |
| State | (4,934) | (7,734) | (4,519) |
| **Deferred:** | | | |
| Federal | 3,977 | 3,548 | 4,299 |
| State | 571 | 695 | 1,009 |
| | $ (28,595) | $ (43,022) | $ (18,476) |

In addition to income tax expense recognized by the TRS, $1,960, $317 and $1,956 of state income taxes was recognized by the Company and is included in income tax expense on the consolidated statement of operations for the years ended December 31, 2007, 2006 and 2005, respectively.

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) of the TRS include the following as of December 31, 2007, 2006 and 2005:

| | 2007 | 2006 | 2005 |
|---|---|---|---|
| Bad debt expense | $ 32 | $ 119 | $ 118 |
| Investment in joint ventures | 2,677 | 2,519 | 648 |
| Fixed assets | 8,204 | 7,133 | 4,363 |
| Prepaid rent | 215 | 556 | 461 |
| Capitalized general and administrative expense under 263A | 2,671 | 2,408 | 2,696 |
| Deferred losses/gains | 905 | 968 | 878 |
| Mark-to-Market of interest rate protection agreements | — | — | 6 |
| Capitalized interest under 263A | 613 | 191 | 184 |
| Accrued contingency loss | 289 | 297 | — |
| Restricted stock | 2,744 | — | — |
| Total deferred tax assets | $ 18,350 | $ 14,191 | $ 9,354 |
| Straight-line rent | (967) | (1,483) | (923) |
| Build to suit development | (97) | (100) | (66) |
| Fixed assets | (130) | — | — |
| Total deferred tax liabilities | $ (1,194) | $ (1,583) | $ (989) |
| Total net deferred tax asset | $ 17,156 | $ 12,608 | $ 8,365 |

The TRS does not have net operating loss carryforwards or tax credit carryforwards.

The TRS's components of income tax expense for the years ended December 31, 2007, 2006 and 2005 are as follows:

| | 2007 | 2006 | 2005 |
|---|---|---|---|
| Tax expense associated with income from operations on sold properties which is included in discontinued operations | $ (2,012) | $ (3,591) | $ (3,369) |
| Tax expense associated with gains and losses on the sale of real estate which is included in discontinued operations | (36,032) | (47,511) | (20,529) |
| Tax expense associated with gains and losses on the sale of real estate | (3,082) | (2,119) | (10,871) |
| Income tax benefit | 12,531 | 10,199 | 16,293 |
| Income tax expense | $ (28,595) | $ (43,022) | $ (18,476) |

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

| | 2007 | 2006 | 2005 |
|---|---|---|---|
| Tax benefit at federal rate related to continuing operations | $ 8,100 | $ 6,725 | $ 3,058 |
| State tax benefit, net of federal benefit | 998 | 801 | 442 |
| Meals and entertainment | (121) | (24) | (19) |
| Prior year provision to return adjustments | 436 | 484 | 1,886 |
| Other | 36 | 94 | 55 |
| Net income tax benefit | $ 9,449 | $ 8,080 | $ 5,422 |

We adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), on January 1, 2007. The adoption of FIN 48 had no affect on our financial statements as we had no unrecognized tax benefits. As of the adoption date, we had paid approximately $1,400 (representing taxes and interest) to the State of Michigan regarding business loss carryforwards for which we are currently litigating. That amount will favorably affect our effective income tax rate in future periods should we prevail.

On December 11, 2007, the Michigan Court of Claims rendered a decision against us regarding the business loss carryforwards. Also, the court ruled against us on an alternative position involving Michigan's Capital Acquisition Deduction (CAD). We filed an appeal to the Michigan Appeals Court in January 2008. However, as a result of the lower court's decision, $705 was accrued for both tax and financial statement purposes; therefore, there is no unrecognized tax benefit related to this issue.

We have no unrecognized tax benefits as of December 31, 2007. To the extent we have unrecognized tax benefits in the future, it will be our policy to recognize interest and penalties related to unrecognized tax benefits in income tax expense.

## 12. 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, 2007 are approximately as follows:

| | |
|---|---|
| 2008 | $ 266,885 |
| 2009 | 223,719 |
| 2010 | 174,816 |
| 2011 | 128,002 |
| 2012 | 93,790 |
| Thereafter | 303,081 |
| Total | $ 1,190,293 |

## 13. Stock Based Compensation

We maintain three stock incentive plans (the "Stock Incentive Plans") which are administered by the Compensation Committee of the Board of Directors. There are approximately 10.0 million shares reserved 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 awards, (iv) performance share awards and (v) 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, 2007, stock options and restricted stock covering 1.3 million shares were outstanding and 1.8 million shares were available under the Stock Incentive Plans. At December 31, 2007 all outstanding stock options are vested. Stock option transactions are summarized as follows:

| | Shares | Weighted Average Exercise Price | Exercise Price per Share | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Outstanding at December 31, 2005 | 546,723 | $ 31.27 | $ 22.75-$33.15 | $ 3,954 |
| Exercised | (125,780) | $ 30.24 | $ 22.75-$33.15 | $ 1,846 |
| Expired or Terminated | (38,967) | $ 30.88 | $ 27.25-$33.13 | |
| Outstanding at December 31, 2006 | 381,976 | $ 31.65 | $ 25.13-$33.15 | $ 5,823 |
| Exercised | (19,600) | $ 31.27 | $ 30.38-$33.13 | $ 230 |
| Expired or Terminated | (6,475) | $ 30.85 | $ 27.25-$33.13 | |
| Outstanding at December 31, 2007 | 355,901 | $ 31.68 | $ 25.13-$33.15 | $ 3,669 |

The following table summarizes currently outstanding and exercisable options as of December 31, 2007:

| Range of Exercise Price | Number Outstanding and Exercisable | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price |
|---|---|---|---|
| $25.13 - $30.53 | 100,101 | 3.31 | 29.85 |
| $31.05 - $33.15 | 255,800 | 2.43 | 32.40 |

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, 2007, 2006 and 2005, we made matching contributions of approximately $542, $451, and $358, respectively.

For the twelve months ended December 31, 2007, 2006 and 2005, we awarded 442,008, 303,142, and 189,878 restricted stock awards to our employees having a fair value at grant date of $20,882, $11,519, and $7,976, respectively. We also awarded 17,139, 16,232, and 10,164, restricted stock awards to our directors having a fair value at grant date of $688, $633, and $405, respectively. Restricted stock awards granted to employees generally vest over a period of three years and restricted stock awards granted to directors generally vest over a period of three to ten years. For the twelve months ended December 31, 2007, 2006 and 2005, we recognized $14,150, $9,624, and $8,845 in restricted stock amortization related to restricted stock awards, of which $1,707, $967, and $1,297 respectively, was capitalized in connection with development activities. At December 31, 2007, we have $23,787 in unearned compensation related to unvested restricted stock awards. The weighted average period that the unrecognized compensation is expected to be incurred is 1.38 years. We have not awarded options to our employees or our directors during the twelve months ended December 31, 2007, 2006 and 2005, and therefore no stock-based employee compensation expense related to options is included in net income available to common stockholders.

Restricted stock transactions for the years ended December 31, 2007 and 2006 are summarized as follows:

| | Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Outstanding at December 31, 2005 | 700,023 | $ 34.23 |
| Issued | 319,374 | $ 38.05 |
| Vested | (217,168) | $ 36.57 |
| Forfeited | (23,694) | $ 34.55 |
| Outstanding at December 31, 2006 | 778,535 | $ 35.49 |
| Issued | 459,147 | $ 46.98 |
| Vested | (272,745) | $ 37.74 |
| Forfeited | (54,971) | $ 39.59 |
| Outstanding at December 31, 2007 | 909,966 | $ 41.88 |

## 14. Related Party Transactions

We periodically engage in transactions for which CB Richard Ellis, Inc. acts as a broker. A relative of one of our officers/Directors is an employee of CB Richard Ellis, Inc. For the years ended December 31, 2007, 2006 and 2005 this relative received brokerage commissions in the amount of $240, $341, and $285, respectively.

## 15. Commitments and Contingencies

In the normal course of business, we are involved in legal actions arising from the ownership of our 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 the consolidated financial position, our operations or our liquidity.

Seven 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.

We have committed to the construction of certain development projects totaling approximately 2.1 million square feet of GLA. The estimated total construction costs are approximately $114,005. Of this amount, approximately $64,641 remains to be funded. There can be no assurance that the actual completion cost will not exceed the estimated completion cost stated above.

At December 31, 2007, we had 23 letters of credit outstanding in the aggregate amount of $9,582. These letters of credit expire between February, 2008 and January, 2010.

***Ground and Operating Lease Agreements***

For the years ended December 31, 2007, 2006 and 2005, we recognized $3,102, $2,737 and $2,275 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, 2007, are as follows:

| | |
|---|---|
| 2008 | $ 3,339 |
| 2009 | 3,077 |
| 2010 | 2,744 |
| 2011 | 2,534 |
| 2012 | 2,158 |
| Thereafter | 38,912 |
| Total | $ 52,764 |

## 16. Subsequent Events

On January 22, 2008, we paid a fourth quarter 2007 distribution of $0.72 per common share/unit, totaling approximately $36,079.

From January 1, 2008 to February 15, 2008, we awarded 2,168 shares of restricted common stock to certain Directors. These shares of restricted common stock had a fair value of approximately $67 on the date of grant. The restricted common stock and units vest over a period of five years. Compensation expense will be charged to earnings over the respective vesting period.

From January 1, 2008 to February 15, 2008, we acquired 11 industrial properties and several land parcels for a total estimated investment of approximately $79,073. We also sold three industrial properties and one land parcel for approximately $3,592 of gross proceeds during this period.

In January 2008, we entered into two interest rate protection agreements which fixed the interest rate on forecasted offerings of unsecured debt which we designated as cash flow hedges (the “January 2008 Agreements”). The January 2008 Agreements each have a notional value of $59,750 and are effective from May 15, 2009 through May 15, 2014. The January 2008 Agreements fix the LIBOR rate at 4.0725% and 4.0770%, respectively.

## 17. Quarterly Financial Information (unaudited)

The following table summarizes our quarterly financial information. The first, second and third fiscal quarters of 2007 and all fiscal quarters in 2006 have been revised in accordance with FAS 144.

Net income available to common stockholders and basic and diluted EPS from net income available to common stockholders has not been affected.

| | Year Ended December 31, 2007 | | | |
|---|---|---|---|---|
| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
| Total Revenues | $ 107,174 | $ 107,339 | $ 105,675 | $ 114,739 |
| Equity in Income of Joint Ventures | 5,631 | 11,626 | 6,376 | 6,412 |
| Minority Interest Allocable to Continuing Operations | 2,577 | 2,363 | 2,411 | 2,593 |
| Loss from Continuing Operations, Net of Income Tax and Minority Interest | (11,648) | (8,790) | (11,961) | (12,844) |
| Income from Discontinued Operations, Net of Income Tax | 50,818 | 52,325 | 52,689 | 67,099 |
| Minority Interest Allocable to Discontinued Operations | (6,434) | (6,562) | (6,623) | (8,559) |
| Gain on Sale of Real Estate, Net of Income Tax | 2,806 | 503 | 63 | 2,971 |
| Minority Interest Allocable to Gain on Sale of Real Estate | (355) | (63) | (8) | (376) |
| Net Income | 35,187 | 37,413 | 34,160 | 48,291 |
| Preferred Stock Dividends | (5,935) | (5,671) | (4,857) | (4,857) |
| Less: Redemption of Preferred Stock | — | (2,017) | — | — |
| Net Income Available to Common Stockholders | $ 29,252 | $ 29,725 | $ 29,303 | $ 43,434 |
| Basic and Diluted Earnings Per Share: | | | | |
| Loss From Continuing Operations | $ (0.34) | $ (0.36) | $ (0.38) | $ (0.35) |
| Income from Discontinued Operations | $ 1.00 | $ 1.03 | $ 1.04 | $ 1.35 |
| Net Income Available to Common Stockholders | $ 0.66 | $ 0.67 | $ 0.66 | $ 1.00 |
| Weighted Average Shares Outstanding | 44,410 | 44,471 | 44,240 | 43,234 |

| | Year Ended December 31, 2006 | | | |
|---|---|---|---|---|
| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
| Total Revenues | $ 80,851 | $ 84,041 | $ 85,249 | $ 100,783 |
| Equity in Income (Loss) of Joint Ventures | (34) | 7,307 | 4,747 | 18,654 |
| Minority Interest Allocable to Continuing Operations | 3,312 | 2,641 | 3,397 | 2,243 |
| Loss from Continuing Operations, Net of Income Tax and Minority Interest | (16,359) | (13,376) | (17,447) | (8,623) |
| Income from Discontinued Operations, Net of Income Tax | 44,285 | 51,025 | 52,079 | 41,654 |
| Minority Interest Allocable to Discontinued Operations | (5,838) | (6,638) | (6,765) | (5,353) |
| Gain (Loss) on Sale of Real Estate, Net of Income Tax | 982 | 1,475 | 1,729 | (234) |
| Minority Interest Allocable to (Gain) Loss Sale of Real Estate | (127) | (192) | (225) | 30 |
| Net Income | 22,943 | 32,294 | 29,371 | 27,474 |
| Preferred Stock Dividends | (5,019) | (5,029) | (5,442) | (5,934) |
| Less: Redemption of Preferred Stock | (672) | — | — | — |
| Net Income Available to Common Stockholders | $ 17,252 | $ 27,265 | $ 23,929 | $ 21,540 |
| Basic and Diluted Earnings Per Share: | | | | |
| Loss From Continuing Operations | $ (0.48) | $ (0.39) | $ (0.49) | $ (0.33) |
| Income from Discontinued Operations | $ 0.88 | $ 1.01 | $ 1.03 | $ 0.82 |
| Net Income Available to Common Stockholders | $ 0.39 | $ 0.62 | $ 0.54 | $ 0.49 |
| Weighted Average Shares Outstanding | 43,887 | 44,006 | 44,032 | 44,118 |

**18. Pro Forma Financial Information (unaudited)**

The following Pro Forma Condensed Statements of Operations for the years ended December 31, 2007 and 2006 (the “Pro Forma Statements”) are presented as if the acquisition of 56 operating industrial properties between January 1, 2007 and December 31, 2007 had occurred at the beginning of each year. The Pro Forma Statements do not include acquisitions between January 1, 2007 and December 31, 2007 for industrial properties that were vacant upon purchase, were leased back to the sellers upon purchase or were subsequently sold before December 31, 2007. The Pro Forma Condensed Statements of Operations include all necessary adjustments to reflect the occurrence of purchases and sales of properties during 2007 as of January 1, 2007 and 2006.

The Pro Forma Statements are not necessarily indicative of what our results of operations would have been for the years ended December 31, 2007 and 2006, nor do they purport to present our future results of operations.

**Pro Forma Condensed Statements of Operations**

| | Year Ended December 31, 2007 | Year Ended December 31, 2006 |
|---|---|---|
| Pro Forma Revenues | $ 441,933 | $ 371,713 |
| Pro Forma Loss from Continuing Operations Available to Common Stockholders, Net of Minority Interest and Income Taxes | $ (44,798) | $ (49,248) |
| Pro Forma Net Income Available to Common Stockholders | $ 149,955 | $ 115,200 |
| Per Share Data: | | |
| Pro Forma Basic and Diluted Earnings Per Share Data: | | |
| Loss from Continuing Operations Available to Common Stockholders | $ (1.02) | $ (1.12) |
| Net Income Available to Common Stockholders | $ 3.40 | $ 2.62 |

The following Pro Forma Condensed Statements of Operations for the years ended December 31, 2006 and 2005 (the “Pro Forma Statements”) are presented as if the acquisition of 56 operating industrial properties between January 1, 2006 and December 31, 2006 had occurred at the beginning of each year. The Pro Forma Statements do not include acquisitions between January 1, 2006 and December 31, 2006 for industrial properties that were vacant upon purchase, were leased back to the sellers upon purchase or were subsequently sold before December 31, 2006. The Pro Forma Condensed Statements of Operations include all necessary adjustments to reflect the occurrence of purchases and sales of properties during 2006 as of January 1, 2006 and 2005.

The Pro Forma Statements are not necessarily indicative of what our results of operations would have been for the years ended December 31, 2006 and 2005, nor do they purport to present our future results of operations.

**Pro Forma Condensed Statements of Operations**

| | Year Ended December 31, 2006 | Year Ended December 31, 2005 |
|---|---|---|
| Pro Forma Revenues | $ 409,229 | $ 355,126 |
| Pro Forma Loss from Continuing Operations Available to Common Stockholders, Net of Minority Interest and Income Taxes | $ (58,391) | $ (36,017) |
| Pro Forma Net Income Available to Common Stockholders | $ 94,029 | $ 77,290 |
| Per Share Data: | | |
| Pro Forma Basic and Diluted Earnings Per Share Data: | | |
| Loss from Continuing Operations Available to Common Stockholders | $ (1.33) | $ (0.85) |
| Net Income Available to Common Stockholders | $ 2.14 | $ 1.82 |

**FIRSTCAL INDUSTRIAL, LLC**
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

**Report of Independent Registered Accounting Firm**

To the Members of
FirstCal Industrial, LLC:

In our opinion, the accompanying consolidated statements of operations, changes in members' capital and cash flows present fairly, in all material respects, the results of operations and cash flows of FirstCal Industrial, LLC and its subsidiaries (the "Joint Venture") for the period from March 18, 2005 (inception) though December 31, 2005 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Joint Venture's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements of operations, changes in members' capital and cash flows are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements of operations, changes in members' capital and cash flows, assessing the accounting principles used and significant estimates made by management, and evaluating the overall presentation of the statements of operations, changes in members' capital and cash flows. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Chicago, Illinois
May 16, 2006, except with respect to our opinion on the consolidated statement of operations insofar as it relates to the effects of discontinued operations discussed in Note 5, as to which the date is February 25, 2008.

**FIRSTCAL INDUSTRIAL, LLC**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

| | December 31, 2007 (Not covered by the report included herein) | December 31, 2006 (Not covered by the report included herein) |
|---|---|---|
| | ($ in 000's) | |
| **ASSETS** | | |
| Assets: | | |
| Investment in Real Estate: | | |
| Land and Land Improvements | $ 440,136 | $ 257,758 |
| Buildings and Improvements | 146,282 | 142,403 |
| Furniture and Fixtures | 106 | — |
| Construction in Progress | 83,558 | 46,776 |
| Gross Real Estate Investment | 670,082 | 446,937 |
| Less: Accumulated Depreciation | (6,420) | (6,416) |
| Net Investment in Real Estate | 663,662 | 440,521 |
| Real Estate Held for Sale, net of Accumulated Depreciation and Amortization of $2,658 and $717 at December 31, 2007 and December 31, 2006, respectively | 57,509 | 9,411 |
| Cash and Cash Equivalents | 13,234 | 3,018 |
| Restricted Cash | 4,238 | 3,571 |
| Tenant Accounts Receivable, Net | 156 | 384 |
| Deferred Rent Receivable | 3,981 | 923 |
| Deferred Financing Costs, Net | 1,943 | 748 |
| Prepaid Expenses and Other Assets, Net | 7,904 | 15,159 |
| Total Assets | $ 752,627 | $ 473,735 |
| **LIABILITIES AND MEMBERS' CAPITAL** | | |
| Liabilities: | | |
| Unsecured Line of Credit | $ 211,015 | $ 305,643 |
| Related Party Notes | 277,500 | — |
| Accounts Payable and Accrued Expenses | 29,111 | 18,469 |
| Rents Received in Advance and Security Deposits | 1,880 | 1,344 |
| Other Liabilities, Net | 1,138 | 1,604 |
| Total Liabilities | 520,644 | 327,060 |
| Commitments and Contingencies | — | — |
| Members' Capital | 231,983 | 146,675 |
| Total Liabilities and Members' Capital | $ 752,627 | $ 473,735 |

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

**FIRSTCAL INDUSTRIAL, LLC**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

| | Year Ended December 31, 2007 (Not covered by the report included herein) | Year Ended December 31, 2006 (Not covered by the report included herein) | Period from March 18, 2005 (inception) through December 31, 2005 |
|---|---|---|---|
| | | ($ in 000's) | |
| Revenues: | | | |
| Rental Income | $ 7,312 | $ 4,192 | $ 427 |
| Tenant Recoveries and Other Income | 2,142 | 925 | 94 |
| Total Revenues | 9,454 | 5,117 | 521 |
| Expenses: | | | |
| Real Estate Tax | 3,544 | 1,386 | 258 |
| Repairs and Maintenance | 771 | 261 | 49 |
| Property Management | 134 | 124 | 15 |
| Utilities | 452 | 272 | 21 |
| Insurance | 317 | 67 | 5 |
| Other | 1,208 | 354 | 20 |
| General and Administrative | 1,305 | 1,143 | 246 |
| Depreciation and Other Amortization | 5,584 | 5,837 | 383 |
| Total Expenses | 13,315 | 9,444 | 997 |
| Other Income (Expense): | | | |
| Interest Income | 642 | 283 | 10 |
| Interest Expense | (19,108) | (12,530) | (3,941) |
| Amortization of Deferred Financing Costs | (316) | (576) | (221) |
| Total Other Income (Expense) | (18,782) | (12,823) | (4,152) |
| Loss from Continuing Operations | $ (22,643) | $ (17,150) | (4,628) |
| Income (Loss) from Discontinued Operations (Including Gain on Sale of Real Estate of $35,765, $34,669 and $0 for the years ended December 31, 2007, December 31, 2006 and for the period from March 18, 2005 through December 31, 2005, respectively) | 35,160 | 32,971 | (2,096) |
| Income Before Gain on Sale of Real Estate | $ 12,517 | $ 15,821 | $ (6,724) |
| Gain on Sale of Real Estate | 19,411 | 27,535 | 9,434 |
| Net Income | $ 31,928 | $ 43,356 | 2,710 |

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

**FIRSTCAL INDUSTRIAL, LLC**

**CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL**
**For the Years Ended December 31, 2007 and 2006 (not covered by the report included herein) and for the Period from March 18, 2005 (inception) through December 31, 2005**

| | Total | CSJV FirstCal, LLC ($ in 000's) | FR FirstCal, LLC |
|---|---|---|---|
| Balance at March 18, 2005 (Inception) | $ — | $ — | $ — |
| Cash Contributions | 126,656 | 113,990 | 12,666 |
| Cash Distributions | (26,046) | (19,966) | (6,080) |
| Net Income | 2,711 | (1,035) | 3,746 |
| Balance at December 31, 2005 | $ 103,321 | $ 92,989 | $ 10,332 |
| Cash Contributions | 136,677 | 123,009 | 13,668 |
| Cash Distributions | (136,679) | (106,302) | (30,377) |
| Net Income | 43,356 | 22,311 | 21,045 |
| Balance at December 31, 2006 | $ 146,675 | $ 132,007 | $ 14,668 |
| Cash Contributions | 167,812 | 151,031 | 16,781 |
| Cash Distributions | (114,432) | (87,408) | (27,024) |
| Net Income | 31,928 | 13,080 | 18,848 |
| Balance at December 31, 2007 | $ 231,983 | $ 208,710 | $ 23,273 |

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

**FIRSTCAL INDUSTRIAL, LLC**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | Year Ended December 31, 2007 (Not covered by the report included herein) | Year Ended December 31, 2006 (Not covered by the report included herein) | Period from March 18, 2005 (inception) through December 31, 2005 |
|---|---|---|---|
| | | ($ in 000's) | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net Income | $ 31,928 | $ 43,356 | $ 2,711 |
| Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities: | | | |
| Gain on Sale of Real Estate | (55,176) | (62,204) | (9,434) |
| Depreciation and Amortization | 10,473 | 14,741 | 6,735 |
| Deferred Financing Cost Amortization | 316 | 576 | 221 |
| Provision for Bad Debt | (136) | 153 | 16 |
| Decrease (Increase) in Tenant Accounts Receivable and Prepaid Expenses and Other Assets | (9) | (717) | (1,370) |
| Increase in Deferred Rent Receivable | (4,183) | (1,075) | (1,074) |
| Increase in Accounts Payable and Accrued Expenses, Rents Received in Advance and Security Deposits and Other Liabilities | 9,082 | 1,214 | 1,790 |
| Net Cash Used in Operating Activities | (7,705) | (3,956) | (405) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchases of and Additions to Investment in Real Estate | (449,374) | (374,400) | (322,003) |
| Net Proceeds from Sales of Investments in Real Estate | 233,221 | 275,338 | 27,309 |
| Increase in Restricted Cash | (599) | (2,293) | — |
| Net Cash Used in Investing Activities | (216,752) | (101,355) | (294,694) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Proceeds from Unsecured Lines of Credit | 283,138 | 442,608 | 188,938 |
| Repayments on Unsecured Lines of Credit | (377,766) | (314,588) | (11,315) |
| Proceeds / (Repayments of) from Related Party Note | 277,500 | (30,964) | 30,964 |
| Cost of Debt Issuance | (1,511) | (594) | (951) |
| Increase in Restricted Cash | (68) | (1,278) | — |
| Contributions from Members | 167,812 | 136,677 | 126,656 |
| Distributions to Members | (114,432) | (136,679) | (26,046) |
| Net Cash Provided by Financing Activities | 234,673 | 95,182 | 308,246 |
| Net Increase / (Decrease) in Cash and Cash Equivalents | 10,216 | (10,129) | 13,147 |
| Cash and Cash Equivalents, Beginning of Period | 3,018 | 13,147 | — |
| Cash and Cash Equivalents, End of Period | $ 13,234 | $ 3,018 | $ 13,147 |
| Supplemental Information: | | | |
| Interest Paid, Net of Capitalized Interest | $ 18,548 | $ 11,666 | $ 3,470 |
| Capitalized Interest | $ 3,397 | $ 1,480 | $ 292 |
| Accounts Receivable Write Off | $ 250 | $ — | $ — |
| Non-Cash Investing Activities: | | | |
| Security Deposits Assumed in Conjunction with the Acquisition of Real Estate | $ — | $ 330 | $ 1,078 |
| Real Estate Taxes Assumed in Conjunction with the Acquisition of Real Estate | $ 285 | $ 140 | $ 82 |
| Liabilities Assumed in Conjunction with Sale of Real Estate | $ 1,954 | $ 368 | $ 534 |
| Capital Expenditures Recorded, Included in Liabilities | $ 2,212 | $ 5,512 | $ 9,476 |
| Write-off of Fully Amortized Assets | $ 2,181 | $ 3,588 | $ 1,653 |

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AMOUNTS AS OF DECEMBER 31, 2007 AND 2006 AND FOR THE YEARS THEN ENDED NOT
COVERED BY THE REPORT INCLUDED HEREIN
($ in 000's)**

## 1. Organization and Formation of Joint Venture

FirstCal Industrial, LLC (the "Joint Venture") was organized in the state of Delaware on March 18, 2005. The Joint Venture was formed to invest in, own, develop, redevelop, operate and hold for long term capital appreciation interests in certain industrial properties. CSJV FirstCal, LLC, a wholly owned subsidiary of California State Teachers' Retirement System, holds a 90% membership interest. FR FirstCal, LLC, a wholly owned subsidiary of First Industrial Investment, Inc. ("FIII"), holds the remaining 10% membership interest and acts as manager to the Joint Venture. FIII is a wholly owned subsidiary of First Industrial, LP ("FILP"). FILP is a limited partnership organized in the state of Delaware on November 23, 1993. The sole general partner of FILP is First Industrial Realty Trust, Inc. (the "REIT") which is a real estate investment trust organized in the state of Maryland on August 10, 1993.

The Joint Venture finances its investments with capital contributions from its Members, or proceeds from its unsecured line of credits or such other financing as the Members deem appropriate. Properties are managed on a day to day basis by FirstCal Industrial Property Manager, LLC, a wholly owned subsidiary of First Industrial LP ("FILP") through August 14, 2006 and a wholly owned subsidiary of FIII thereafter. Major decisions are made by the board of the Joint Venture.

As of December 31, 2007, the Joint Venture owned 24 industrial properties comprising approximately 5.0 million square feet (unaudited) of gross leaseable area ("GLA") and several land parcels. The Joint Venture had 18 development projects in progress. As of December 31, 2006, the Joint Venture owned 45 industrial properties comprising approximately 4.7 million square feet (unaudited) of GLA and several land parcels, and had 22 development projects in progress.

## 2. Summary of Significant Accounting Policies

***Basis of Presentation***

The consolidated financial statements as of December 31, 2007 and December 31, 2006 and for the years ended December 31, 2007 and December 31, 2006 and for the period from March 18, 2005 through December 31, 2005 reflect the assets, liabilities, results of operations and cash flows of the Joint Venture on a consolidated basis in accordance with generally accepted accounting principles ("GAAP"). The Joint Venture wholly owns Limited Liability Companies ("LLCs"), whose purpose is to hold, develop and operate single industrial properties. The financial statements presented consolidate the wholly owned LLCs. All inter-company transactions have been eliminated.

***Management Estimates***

In order to conform with GAAP, management, in preparation of the Joint Venture's consolidated financial statements, is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of December 31, 2007 and December 31, 2006 and the reported amounts of revenues and expenses for the years ended December 31, 2007 and December 31, 2006 and for the period from March 18, 2005 through December 31, 2005. Actual results differ from those estimates.

***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.

($ in 000's)

***Restricted Cash***

At December 31, 2007 and December 31, 2006, restricted cash includes cash held in escrow accounts managed by third parties for earnest deposits on prospective property and land acquisitions and miscellaneous obligations arising from the sales of certain properties. At December 31, 2007 and December 31, 2006, restricted cash also includes gross proceeds from the sales of certain properties which will be disbursed to FR FirstCal, LLC upon satisfaction of the terms of a resolution passed by the board of the Joint Venture.

***Investment in Real Estate and Depreciation***

Investment in real estate is carried at cost. The Joint Venture reviews its properties on an annual basis for impairment. To determine if an impairment may exist, the Joint Venture reviews its properties and identifies those that have had either an event of change or event of circumstances warranting further assessment of recoverability (such as a decrease in occupancy). If further assessment of recoverability is needed, the Joint Venture estimates 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, the Joint Venture will recognize an impairment loss based upon the estimated fair value of such property. For properties management considers held for sale, the Joint Venture ceases depreciating the properties and values 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, the Joint Venture decides not to sell a property previously classified as held for sale, the Joint Venture 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. The Joint Venture determines fair value of properties that are held for use by discounting the future expected cash flows of the properties. To calculate the fair value of properties held for sale, the Joint Venture deducts from the contract price of the property the estimated costs to close the sale. The Joint Venture classifies properties as held for sale when the board of the Joint Venture approves the sale of the property.

Costs such as interest, real estate taxes and other directly related costs incurred during construction periods begin to be capitalized to the development projects from the point the Joint Venture is 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. Upon substantial completion, the Joint Venture reclassifies construction in progress to building, tenant improvements and leasing commissions. Depreciation expense is computed using the straight-line method based on the following useful lives:

| | Years |
|---|---|
| Buildings and Improvements | 10 to 45 |
| Land Improvements | 3 to 15 |

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

The Joint Venture accounts for all acquisitions in accordance with Financial Accounting Standards Board's ("FASB") Statement of Financial Accounting Standard No. 141, "Business Combinations". Upon acquisition of a property, the Joint Venture allocates the purchase price of the property based upon the fair value of the assets acquired, which generally consist of land, buildings, tenant improvements, leasing commissions and intangible assets including in-place leases, tenant relationships, above market and below market leases. The Joint Venture allocates 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 over the remaining lease term and are amortized over the remaining non-cancelable terms of the respective leases as an adjustment to rental income on the Joint Venture's consolidated statement of operations.

($ in 000's)

The purchase price is further allocated to in-place lease and tenant relationship values based on management's evaluation of the specific characteristics of each tenant's lease and the Joint Venture's overall relationship with the respective tenant. The value of in-place lease intangible assets are amortized to depreciation and amortization expense over the remaining lease term of the respective lease. The value allocated to tenant relationship 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. If a tenant terminates its lease before maturity, the unamortized portion of the tenant improvements, leasing commissions, above and below market leases, in-place lease and the tenant relationship value is immediately expensed.

Deferred leasing intangibles included in the Joint Venture's Other Assets and Real Estate Held for Sale consist of the following:

| | December 31, 2007 | December 31, 2006 |
|---|---|---|
| In-Place Leases | $ 1,672 | $ 6,585 |
| Less: Accumulated Amortization | (666) | (1,760) |
| | $ 1,006 | $ 4,825 |
| Above Market Leases | $ 741 | $ 5,349 |
| Less: Accumulated Amortization. | (465) | (604) |
| | $ 276 | $ 4,745 |
| Tenant Relationship | $ 609 | $ 2,721 |
| Less: Accumulated Amortization. | (121) | (249) |
| | $ 488 | $ 2,472 |
| Deferred Leasing Intangibles included in the Joint Venture's other liabilities consist of the following: | | |
| Below Market Leases | $ 135 | $ 1,336 |
| Less: Accumulated Amortization | (110) | (444) |
| | $ 25 | $ 892 |

Amortization expense related to in-place leases and tenant relationships of deferred leasing intangibles was $1,878, $4,905, and $1,807, for the years ended December 31, 2007 and 2006 and for the period from March 18, 2005 through December 31, 2005, respectively. Rental revenues decreased by $299, $174, and $197 related to amortization of above/(below) market leases for the years ended December 31, 2007 and 2006 and for the period from March 18, 2005 through December 31, 2005, respectively. We will recognize net amortization expense related to the deferred leasing intangibles over the next five years, for properties owned as of December 31, 2007, as follows:

($ in 000's)

| | Estimated Net Amortization of In-Place Leases and Tenant Relationships | Estimated Net Decrease to Rental Revenues Related to Above and Below Market Leases |
|---|---|---|
| 2008 | $ 374 | $ 152 |
| 2009 | 287 | 93 |
| 2010 | 263 | 5 |
| 2011 | 206 | 1 |
| 2012 | 169 | — |

***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 at December 31, 2007 and December 31, 2006 was $1,113 and $797, respectively. Unamortized deferred financing costs are immediately expensed when debt is retired before the maturity date.

***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 the Joint Venture.

Revenue is recognized on payments received from tenants for early lease terminations after the Joint Venture determines that all the necessary criteria have been met in accordance with FASB Statement of Financial Accounting Standards No. 13, "Accounting for Leases."

The Joint Venture provides an allowance for doubtful accounts against the portion of tenant accounts receivable which is estimated to be uncollectible. Accounts receivable in the consolidated balance sheets are shown net of an allowance for doubtful accounts of $33 and $169 as of December 31, 2007 and December 31, 2006, respectively.

***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 removed from the accounts with resulting gains or losses reflected in net income or loss. Estimated future costs to be incurred by the Joint Venture after completion of each sale are included in the determination of the gains on sales.

***Income Taxes***

In accordance with limited liability company taxation, each of the members is responsible for reporting their share of taxable income or loss. Accordingly, no provision has been made in the consolidated financial statements for federal income taxes. Certain subsidiaries are subject to state and franchise taxes. The provision for state income and franchise taxes has been allocated to General and Administrative expense and Income from Discontinued Operations in the consolidated statements of operations and has not been separately stated.

***Fair Value of Financial Instruments***

FASB Statement of Financial Accounting Standards No. 107, "Disclosures About Fair Value of Financial Instruments," requires disclosures about the fair value of financial instruments whether or not such instruments are recognizable in the balance sheet. The Joint Venture's financial instruments include net tenant accounts receivable, accounts payable, other accrued expenses, related party notes and unsecured lines of credit.

The fair values of the net tenant accounts receivable, accounts payable and other accrued expenses were not materially different from their carrying or contract values due to the short-term nature of these financial instruments. See Note 3 for the fair values of the unsecured lines of credit and related party notes.

***Discontinued Operations***

FASB Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long Lived Assets" ("FAS 144") addresses financial accounting and reporting for the disposal of long lived assets. FAS 144 requires that the results of operations and gains or losses on the sale of property 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 Joint Venture as a result of the disposal transaction and (b) the Joint Venture will not have any significant continuing involvement in the operations of the property after the disposal transaction. FAS 144 also requires prior period results of operations for these properties to be reclassified and presented in discontinued operations in prior period consolidated statements of operations.

**3. Unsecured Lines of Credit and Due to Related Party**

On March 18, 2005, the Joint Venture entered into a revolving unsecured line of credit (the "March 2005 LOC") with a borrowing capacity of $100,000 which matured on June 16, 2005 and bore interest at a floating rate of LIBOR plus 0.675%. The March 2005 LOC was paid off and retired utilizing proceeds received under the June 2005 LOC (as defined below).

On June 6, 2005, the Joint Venture entered into a revolving unsecured line of credit (the "June 2005 LOC") with a borrowing capacity of $125,000, with the right, subject to certain conditions, to increase the borrowing capacity up to $200,000, which had a maturity date of December 17, 2007 and bears interest at a floating rate of LIBOR plus 0.675%. On August 18, 2005, the Joint Venture amended the June 2005 LOC to increase the borrowing capacity to $180,000. On January 13, 2006, the Joint Venture entered into a second amendment to the June 2005 LOC to increase the borrowing capacity to $300,000 subject to certain conditions. On August 14, 2006, the Joint Venture entered into a third amendment to the June 2005 LOC to extend the maturity date to April 21, 2009. The unsecured line of credit contains certain covenants, including limitations on occurrence of debt and debt service coverage. The Joint Venture is in compliance with these covenants at December 31, 2007 and 2006.

On November 14, 2005, the Joint Venture entered into a note payable (the "November 2005 Note") to FirstCal Industrial 2, LLC, a joint venture between CSJV FirstCal 2, LLC and FR FirstCal 2, LLC, which are wholly owned entities of the California State Teachers' Retirement System and FIII, respectively. The November 2005 Note had a borrowing capacity of $36,000, matured on September 30, 2006 and bore interest at a floating rate of LIBOR plus 0.65%. The Joint Venture paid off the November 2005 Note in January 2006 utilizing proceeds received under the January 2006 LOC (as defined below).

On January 13, 2006, the Joint Venture entered into an unsecured line of credit (the "January 2006 LOC") which has a borrowing capacity of $125,000, matures on January 31, 2009 and bears a fixed interest rate of 5.065%. The unsecured line of credit contains certain covenants, including limitations on occurrence of debt and debt service coverage. The Joint Venture is in compliance with these covenants at December 31, 2007 and 2006.

On February 1, 2006, the Joint Venture entered into an unsecured line of credit (the "February 2006 LOC") which has a borrowing capacity of $75,000, matures on February 1, 2009 and bears a fixed interest rate of 5.95%. The unsecured line of credit contains certain covenants, including limitations on occurrence of debt and debt service coverage. The Joint Venture is in compliance with these covenants at December 31, 2007 and 2006

On June 4, 2007, the Joint Venture entered into a note payable (the "June 2007 Note") to FirstCal Industrial 2, LLC. The June 2007 Note matures on September 30, 2009 and bears interest at a floating rate of the Effective Federal Funds Rate plus 0.85%. The outstanding balance at December 31, 2007 totaled $155,000, which is reflected on the consolidated balance sheet as Related Party Notes.

On November 15, 2007, the Joint Venture entered into a note payable (the "November 2007 Note I") to FirstCal Industrial 3, LLC, a joint venture between CSJV FirstCal 3, LLC and FR FirstCal 3, LLC, which are wholly owned entities of the California State Teachers' Retirement System and FIII respectively. The November 2007 Note I matures on November 15, 2011 and bears interest at a floating rate of LIBOR plus 0.375%. The outstanding balance at December 31, 2007 totaled $100,000, which is reflected on the consolidated balance sheet as Related Party Notes.

On November 15, 2007, the Joint Venture entered into a note payable (the "November 2007 Note II") to FirstCal Industrial 3, LLC. The November 2007 Note II matures on November 15, 2013 and bears interest at a floating rate of LIBOR plus 0.4%. The outstanding balance at December 31, 2007 totaled $22,500, which is reflected on the consolidated balance sheet as Related Party Notes.

All lines of credit are guaranteed by California State Teachers' Retirement System, sole owner of the CSJV FirstCal, LLC member.

The net unamortized deferred financing fees related to the lines of credit are being amortized over the life of the lines of credit in accordance with Emerging Issues Task Force Issue 98-14, "Debtor's Accounting for Changes in Line-of-Credit or Revolving-Debt Arrangements."

($ in 000's)

The following table discloses certain information regarding the Joint Venture's unsecured lines of credit and the related party notes:

| | Outstanding Balance at December 31, 2007 | Accrued Interest at December 31, 2007 | Interest Rate at December 31, 2007 | Maturity Date |
|---|---|---|---|---|
| **Unsecured Lines of Credit** | | | | |
| June 2005 LOC | $ 11,015 | $ 78 | 7.250% | 4/21/2009 |
| January 2006 LOC | 125,000 | 510 | 5.065% | 1/1/2009 |
| February 2006 LOC | 75,000 | 360 | 5.953% | 2/1/2009 |
| Total | $ 211,015 | $ 948 | | |
| **Related Party Notes** | | | | |
| June 2007 Note | $ 155,000 | $ 671 | 3.910% | 9/30/2009 |
| November 2007 Note I | 100,000 | 225 | 5.405% | 11/15/2011 |
| November 2007 Note II | 22,500 | 51 | 5.430% | 11/15/2013 |
| Total | $ 277,500 | $ 1,895 | | |

| | Outstanding Balance at December 31, 2006 | Accrued Interest at December 31, 2006 | Interest Rate at December 31, 2006 | Maturity Date |
|---|---|---|---|---|
| **Unsecured Lines of Credit** | | | | |
| June 2005 LOC | $ 105,643 | $ 406 | 5.646% | 4/21/2009 |
| January 2006 LOC | 125,000 | 545 | 5.065% | 1/1/2009 |
| February 2006 LOC | 75,000 | 384 | 5.953% | 2/1/2009 |
| Total | $ 305,643 | $ 1,335 | | |

The following is a schedule of the stated maturities and scheduled principal payments of the unsecured lines of credit inclusive of related party debt:

| | Amount |
|---|---|
| 2008 | $ — |
| 2009 | 366,015 |
| 2010 | — |
| 2011 | 100,000 |
| 2012 | — |
| Thereafter | 22,500 |
| Total | $ 488,515 |

The Joint Venture is charged an unused commitment fee that is equal to 0.15% of the unused portion of the June 2005 LOC. Total fees are $135, $119 and $24 for the years ended December 31, 2007 and December 31, 2006 and for the period from March 18, 2005 through December 31, 2005, respectively, and are recorded in General and Administrative expense.

($ in 000's)

***Fair Value of Financial Instruments***

At December 31, 2007 and December 31, 2006 the fair value of the Joint Venture's unsecured lines of credit were as follows:

| | December 31, 2007 | | December 31, 2006 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Unsecured Lines of Credit** | | | | |
| June 2005 LOC | $ 11,015 | $ 11,015 | $ 105,643 | $ 105,643 |
| January 2006 LOC | 125,000 | 119,831 | 125,000 | 123,294 |
| February 2006 LOC | 75,000 | 72,200 | 75,000 | 75,686 |
| Total | $ 211,015 | $ 203,046 | $ 305,643 | $ 304,623 |
| **Related Party Notes** | | | | |
| June 2007 Note | 155,000 | 155,000 | — | — |
| November 2007 Note I | 100,000 | 100,000 | — | — |
| November 2007 Note II | 22,500 | 22,500 | — | — |
| Total | $ 277,500 | $ 277,500 | $ — | $ — |

The fair values of the January 2006 LOC and February 2006 LOC were determined by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. The fair values of the June 2005 LOC, June 2007 Note, November 2007 Note I and November Note II approximate their carrying values due to the variable interest rate nature of the loans.

## 4. Acquisition and Development of Real Estate

In 2007, the Joint Venture acquired three industrial properties comprising, in aggregate, approximately 1.2 million square feet (unaudited) of GLA and several land parcels for approximately $289,359, excluding costs of $3,394 incurred in conjunction with the acquisition of the properties. The Joint Venture also substantially completed development of four properties comprising approximately 2.0 million square feet (unaudited) of GLA for approximately $87,554. The Joint Venture reclassified the costs of the substantially completed developments from construction in progress to building, tenant improvements and leasing commissions.

On March 2, 2007, the Joint Venture acquired an operating golf course in Litchfield Park, Arizona, for purposes of future development. The following are the results of operations for the ownership period in 2007. The Total Revenues are included in Other Income in the consolidated statement of operations and Costs of Goods Sold and Operating Expenses are included in Other Expenses in the consolidated statement of operations:

| | |
|---|---|
| Total Revenues | $ 941 |
| Cost of Goods Sold | (134) |
| Operating Expenses | (594) |
| General and Administrative | (151) |
| Income from Operations | $ 62 |

In 2006, the Joint Venture acquired 21 industrial properties comprising, in aggregate, approximately 3.1 million square feet (unaudited) of GLA and several land parcels for approximately $298,031, excluding costs of $4,966 incurred in conjunction with the acquisition of the properties. The Joint Venture also substantially completed development of three properties comprising approximately 0.8 million square feet (unaudited) of GLA at a cost of approximately $35,367. The Joint Venture reclassified the costs of the substantially completed developments from construction in progress to building, tenant improvements and leasing commissions.

In 2005, the Joint Venture acquired 47 industrial properties comprising, in aggregate, approximately 4.2 million square feet (unaudited) of GLA and several land parcels. The gross purchase price for 47 industrial properties and several land parcels totaled approximately $309,308, excluding costs of $1,198 incurred in conjunction with the acquisition of the properties

***Intangible Assets Subject To Amortization in the Period of Acquisition***

There were no in-place leases, above market leases, leasing commissions, tenant relationships and below market leases recorded as a result of the 2007 acquisitions.

The fair value of in-place leases, above market leases, leasing commissions and tenant relationships recorded as a result of the 2006 acquisitions was $3,925, $3,898, $1,262 and $3,169, respectively. The fair value of below market leases recorded as a result of the 2006 acquisitions was $1,065. The weighted average life in months of in-place leases, above market leases, leasing commissions and tenant relationships recorded as a result of 2006 acquisitions were 38, 114, 79 and 86 months, respectively. The weighted average life in months of below market leases recorded as a result of 2006 acquisitions was 25 months.

**5. Sale of Real Estate, Real Estate Held for Sale and Discontinued Operations**

In 2007, the Joint Venture sold 31 industrial properties comprising, in aggregate, approximately 3.1 million square feet (unaudited) of GLA and eight land parcels. Gross proceeds from the sales of the 31 industrial properties and eight land parcels were approximately $244,767. The gain on sale of real estate was approximately $55,176, of which $35,765 is shown in discontinued operations as 28 of the 31 properties meet the criteria of FAS 144. The results of operations and gain on sale of real estate for the three properties and eight land parcels that do not meet the criteria established by FAS 144 are included in Gain on Sale of Real Estate in continuing operations.

In 2006, the Joint Venture sold 26 industrial properties comprising, in aggregate, approximately 3.3 million square feet (unaudited) of GLA and seven land parcels. Gross proceeds from the sales of the 26 industrial properties and seven land parcels were approximately $287,106. The gain on sale of real estate was approximately $62,204, of which $34,669 is shown in discontinued operations as all 26 properties meet the criteria of FAS 144. The results of operations and gain on sale of real estate for the seven land parcels that do not meet the criteria established by FAS 144 are included in Gain on Sale of Real Estate in continuing operations.

In 2005, the Joint Venture sold two land parcels. Gross proceeds from the sales of the two land parcels were $28,908. The gain on sale of real estate was approximately $9,434. The two land parcels do not meet the criteria established by the Financial Accounting Standards Board's ("FASB") Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("FAS 144") to be included in discontinued operations.

($ in 000's)

At December 31, 2007, the Joint Venture had six industrial properties comprising approximately 0.9 million square feet (unaudited) of GLA held for sale. In accordance with FAS 144, the results of operations of the six industrial properties held for sale at December 31, 2007 are included in discontinued operations. There can be no assurance that such industrial properties held for sale will be sold.

The following table discloses certain information regarding the industrial properties included in discontinued operations by the Company for the years ended December 31, 2007 and December 31, 2006 and for the period from March 18, 2005 through December 31, 2005.

| | 2007 | 2006 | 2005 |
|---|---|---|---|
| Total Revenues | $ 7,769 | $ 12,894 | $ 6,881 |
| Operating Expenses | (3,439) | (5,309) | (2,552) |
| Depreciation and Amortization | (4,588) | (8,729) | (6,155) |
| General and Administrative | (347) | (554) | (270) |
| Gain on Sale of Real Estate | 35,765 | 34,669 | — |
| Income (Loss) from Discontinued Operations | $ 35,160 | $ 32,971 | $ (2,096) |

## 6. Future Minimum Rental Revenues

The Joint Venture's properties are leased to tenants under net and semi-net operating leases. Minimum lease payments from rent, excluding tenant reimbursements of expenses, under non-cancelable operating leases in effect as of December 31, 2007 are approximately as follows:

| | |
|---|---|
| 2008 | $ 13,739 |
| 2009 | 13,256 |
| 2010 | 13,194 |
| 2011 | 13,167 |
| 2012 | 12,924 |
| Thereafter | 56,975 |
| Total | $ 123,255 |

### *Credit Risk*

For the year ended December 31, 2007, JC Penney Corporation accounted for 14.3% of rental revenue. For the year ended December 31, 2006, no individual tenants accounted for more than 10% of rental revenue. For the period of March 18, 2005 (inception) through December 31, 2005, Edron Fixture Corporation accounted for 18.5% of rental revenue.

## 7. Member's Equity

### *Capital Contributions*

The Members are required to make capital contributions in accordance with their ownership percentages from time to time as required by the LLC agreement.

***Distributions and Allocations of Profits and Losses***

Distributions of operating cash flows are made to Members in proportion to their ownership interests. Distributions of extraordinary cash flows from a capital event are distributed to the Members with FR FirstCal, LLC receiving a higher allocation of distributions compared to its ownership interest if certain IRR hurdles are met.

**8. Related Party Transactions**

In 2007, the Joint Venture sold one parcel of land to FIII and one parcel of land to FILP, the sole owner of FIII. Gross proceeds from the sales of the two land parcels were approximately $10,093. The gain on sale of real estate was approximately $3,524.

The Joint Venture acquired two land parcels in June 2006 from FIII for a total purchase price of $12,305.

The Joint Venture acquired six industrial properties and several land parcels in March 2005 from FILP for a total purchase price of $77,061. An additional industrial property was acquired from FILP in June 2005 for a purchase price of $7,000. The Joint Venture acquired one industrial property from the REIT in June 2005 for a purchase price of $3,580.

The properties owned by the Joint Venture are managed by FR FirstCal, LLC, a wholly owned subsidiary of FIII, which is a 10% member of the Joint Venture. Fees earned by FIII from the Joint Venture through its wholly owned subsidiaries include portfolio management fees, development fees and disposition fees. Portfolio management fees totaled $420, $270 and $195 for the years ended December 31, 2007 and December 31, 2006 and for the period from March 18, 2005 through December 31, 2005, respectively. The portfolio management fee is a fixed amount per year plus a percentage of the Excess Management Fee Basis, as defined per the Joint Venture Operating Agreement, of $500,000, which was achieved in 2006. The portfolio management fees were prorated for 2005, based on the fixed rate of $250 per year. Development fees, which are based on a percentage of any hard or soft costs incurred with respect to the construction, development or repositioning of a property, totaled $7,282, $3,041 and $1,091 for the years ended December 31, 2007 and December 31, 2006 and for the period from March 18, 2005 through December 31, 2005, respectively. Disposition fees are based on the market rate that would be paid for the sale of similar properties, in the geographic market in which the property is located, provided there is no external broker or a percentage of the sales price if an external broker is engaged. The Joint Venture paid $864, $1,094 and $196 of disposition fees for the years ended December 31, 2007 and December 31, 2006 and for the period from March 18, 2005 through December 31, 2005, respectively. FILP, the sole owner of FIII, earns property management fees, leasing fees and administrative fees through its wholly owned subsidiaries. As of August 15, 2006, the property management, leasing management and administration was assigned to FIII. Property management fees incurred are based on a percentage of gross receipts. Property Management fees totaled $362, $478 and $190 for the years ended December 31, 2007 and December 31, 2006 and for the period from March 18, 2005 through December 31, 2005, respectively. Leasing fees are based on the market rate provided there is no tenant broker or a percentage of the market rate if there is a tenant broker. Leasing fees totaled $1,984, $895 and $215 for the years ended December 31, 2007 and December 31, 2006 and for the period from March 18, 2005 through December 31, 2005, respectively. Administrative fees related to reimbursement for FIII employees managing the Joint Venture properties totaled $242, $268 and $29 for the years ended December 31, 2007 and December 31, 2006 and for the period from March 18, 2005 through December 31, 2005, respectively.

In 2007 and 2006, the Joint Venture engaged FIII to act as general contractor for several development projects. Under the terms of the contract between FIII and the Joint Venture, general contracting fees incurred are based on a percentage of hard costs. These fees totaled $719 and $941 for the years ended December 31, 2007 and 2006, respectively.

At December 31, 2007 and December 31, 2006, the Joint Venture accrued property management fees, portfolio management fees, development fees, maintenance services, construction reimbursements and other reimbursements payable to FIII and FILP of $3,259 and $5,711, respectively.

As stated in Note 3, the Joint Venture entered into a note payable to FirstCal Industrial 2, LLC, a joint venture between CSJV FirstCal 2, LLC and FR FirstCal 2, LLC, which are wholly owned entities of the California State Teachers' Retirement System and FIII, respectively. Additionally, the Joint Venture entered into a note payable to FirstCal Industrial 3, LLC, a joint venture between CSJV FirstCal 3, LLC and FR FirstCal 3, LLC, which are wholly owned entities of the California State Teachers' Retirement System and FIII, respectively. In 2005, the Joint Venture entered into a revolving line of credit with FirstCal Industrial 2, LLC, which was paid off in January 2006.

**9. Commitments and Contingencies**

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

The Joint Venture has committed to the construction of certain industrial properties totaling approximately 10.7 million square feet (unaudited) of GLA. The estimated total construction costs are approximately $855.6 million (unaudited). Of this amount, approximately $383.2 million (unaudited) remains to be funded. There can be no assurance that the actual completion cost will not exceed the estimated completion cost stated above.

**10. Subsequent Events**

During the period from January 1, 2008 through February 21, 2008, the Joint Venture acquired 2 land parcels. The gross purchase price for the land parcels was approximately $19,098, excluding costs incurred in conjunction with the acquisition of the properties.

On January 25, 2008, the Joint Venture entered into a note payable (the "January 2008 Note") to FirstCal Industrial 2, LLC. The January 2008 Note matures on September 30, 2009 and bears interest at a floating rate of LIBOR plus 0.65%. As of the issuance date of the report, $122,500 has been drawn upon. On January 25, 2008, the Joint Venture paid off the November 2007 Note I and the November 2007 Note II using proceeds received under the January 2008 Note.

During the period January 1, 2008 through February 21, 2008, the Joint Venture received contributions totaling $16,529 from the members of the Joint Venture and distributed $1,347 to the members of the Joint Venture.

**FIRST INDUSTRIAL REALTY TRUST, INC.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**
**As Of December 31, 2007**

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost | | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 | | | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Land | Buildings | | Land | Building and Improvements | Total | | | |
| | | | | | | (Dollars in thousands) | | | | | |
| **Atlanta** | | | | | | | | | | | |
| 4250 River Green Parkway | Duluth, GA | | $ 264 | $ 1,522 | $ 215 | $ 264 | $ 1,737 | $ 2,001 | $ 587 | 1994 | (m) |
| 3450 Corporate Parkway | Duluth, GA | | 506 | 2,904 | 452 | 506 | 3,356 | 3,861 | 1,235 | 1994 | (m) |
| 1650 GA Highway 155 | McDonough, GA | | 788 | 4,544 | 289 | 788 | 4,833 | 5,622 | 1,576 | 1994 | (m) |
| 1665 Dogwood Drive | Conyers, GA | | 635 | 3,662 | 482 | 635 | 4,144 | 4,778 | 1,618 | 1994 | (m) |
| 1715 Dogwood Drive | Conyers, GA | | 288 | 1,675 | 1,744 | 288 | 3,419 | 3,707 | 639 | 1994 | (m) |
| 11235 Harland Drive | Covington, GA | | 125 | 739 | 161 | 125 | 900 | 1,024 | 278 | 1994 | (m) |
| 4050 Southmeadow Parkway | Atlanta, GA | | 401 | 2,813 | 328 | 425 | 3,117 | 3,542 | 1,113 | 1994 | (m) |
| 4051 Southmeadow Parkway | Atlanta, GA | | 726 | 4,130 | 1,328 | 726 | 5,458 | 6,184 | 1,939 | 1994 | (m) |
| 4071 Southmeadow Parkway | Atlanta, GA | | 750 | 4,460 | 1,307 | 828 | 5,690 | 6,517 | 1,816 | 1994 | (m) |
| 4081 Southmeadow Parkway | Atlanta, GA | | 1,012 | 5,918 | 1,733 | 1,157 | 7,506 | 8,663 | 2,321 | 1994 | (m) |
| 370 Great Southwest Parkway(d) | Atlanta, GA | | 527 | 2,984 | 655 | 546 | 3,619 | 4,165 | 1,080 | 1996 | (m) |
| 955 Cobb Place | Kennesaw, GA | | 780 | 4,420 | 636 | 804 | 5,032 | 5,836 | 1,325 | 1997 | (m) |
| 1005 Sigman Road | Conyers, GA | | 566 | 3,134 | 419 | 574 | 3,545 | 4,119 | 689 | 1999 | (m) |
| 2050 East Park Drive | Conyers, GA | | 452 | 2,504 | 111 | 459 | 2,608 | 3,067 | 535 | 1999 | (m) |
| 1256 Oakbrook Drive | Norcross, GA | | 336 | 1,907 | 387 | 339 | 2,291 | 2,630 | 468 | 2001 | (m) |
| 1265 Oakbrook Drive | Norcross, GA | | 307 | 1,742 | 636 | 309 | 2,377 | 2,686 | 427 | 2001 | (m) |
| 1266 Oakbrook Drive | Norcross, GA | | 234 | 1,326 | 141 | 235 | 1,465 | 1,701 | 244 | 2001 | (m) |
| 1280 Oakbrook Drive | Norcross, GA | | 281 | 1,592 | 346 | 283 | 1,937 | 2,219 | 370 | 2001 | (m) |
| 1300 Oakbrook Drive | Norcross, GA | | 420 | 2,381 | 209 | 423 | 2,588 | 3,011 | 410 | 2001 | (m) |
| 1325 Oakbrook Drive | Norcross, GA | | 332 | 1,879 | 320 | 334 | 2,197 | 2,531 | 385 | 2001 | (m) |
| 1351 Oakbrook Drive | Norcross, GA | | 370 | 2,099 | 246 | 373 | 2,343 | 2,716 | 388 | 2001 | (m) |
| 1346 Oakbrook Drive | Norcross, GA | | 740 | 4,192 | 489 | 744 | 4,676 | 5,420 | 719 | 2001 | (m) |
| 1412 Oakbrook Drive | Norcross, GA | | 313 | 1,776 | 198 | 315 | 1,972 | 2,288 | 352 | 2001 | (m) |
| Greenwood Industrrial Park | McDonough, GA | | 1,550 | — | 7,485 | 1,550 | 7,485 | 9,035 | 629 | 2004 | (m) |
| 3060 South Park Blvd | Ellenwood, GA | | 1,600 | 12,464 | 862 | 1,603 | 13,323 | 14,926 | 1,781 | 2003 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | (b) Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Gross Amount Carried At Close of Period 12/31/07 Building and Improvements | Gross Amount Carried At Close of Period 12/31/07 Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 46 Kent Drive | Cartersville, GA | | 875 | 2,476 | 13 | 879 | 2,485 | 3,364 | 241 | 2005 | (m) |
| 100 Dorris Williams Industrial -King | Atlanta, GA | (n) | 401 | 3,754 | 42 | 406 | 3,791 | 4,197 | 560 | 2005 | (m) |
| 605 Stonehill Diver | Atlanta, GA | | 485 | 1,979 | 27 | 490 | 2,001 | 2,491 | 538 | 2005 | (m) |
| 5095 Phillips Lee Drive | Atlanta, GA | | 735 | 3,627 | 232 | 740 | 3,854 | 4,594 | 604 | 2005 | (m) |
| 6514 Warren Drive | Norcross, GA | | 510 | 1,250 | (132) | 513 | 1,115 | 1,628 | 105 | 2005 | (m) |
| 6544 Warren Drive | Norcross, GA | | 711 | 2,310 | 63 | 715 | 2,369 | 3,083 | 259 | 2005 | (m) |
| 720 Industrial Boulevard | Dublin, GA | | 250 | 2,632 | 40 | 255 | 2,667 | 2,922 | 723 | 2005 | (m) |
| 5356 East Ponce DeLeon | One Mountain, GA | | 604 | 3,888 | 12 | 610 | 3,894 | 4,504 | 547 | 2005 | (m) |
| 5390 East Ponce DeLeon | One Mountain, GA | | 397 | 1,791 | 16 | 402 | 1,802 | 2,204 | 227 | 2005 | (m) |
| 1755 Enterprise Drive | Buford, GA | | 712 | 2,118 | 52 | 716 | 2,166 | 2,882 | 179 | 2006 | (m) |
| 4555 Atwater Court | Buford, GA | | 881 | 3,550 | 300 | 885 | 3,846 | 4,731 | 280 | 2006 | (m) |
| 80 Liberty Industrial Parkway | McDonough, GA | | 756 | 3,695 | 176 | 763 | 3,864 | 4,627 | 139 | 2007 | (m) |
| 195 & 197 Collins Boulevard | Athens, GA | | 1,410 | 5,344 | 65 | 1,426 | 5,393 | 6,819 | 1,388 | 2005 | (m) |
| 596 Bonnie Valentine Way | Pendergrass, GA | | 2,580 | 21,730 | 144 | 2,596 | 21,857 | 24,454 | 53 | 2007 | (m) |
| **Baltimore** | | | | | | | | | | | |
| 1820 Portal | Baltimore, MD | | 884 | 4,891 | 455 | 899 | 5,330 | 6,230 | 1,284 | 1998 | (m) |
| 8900 Yellow Brick Road | Baltimore, MD | | 447 | 2,473 | 384 | 475 | 2,829 | 3,304 | 672 | 1998 | (m) |
| 9700 Martin Luther King Hwy | Lanham, MD | | 700 | 1,920 | 728 | 700 | 2,648 | 3,348 | 625 | 2003 | (m) |
| 9730 Martin Luther King Hwy | Lanham, MD | | 500 | 955 | 501 | 500 | 1,456 | 1,956 | 286 | 2003 | (m) |
| 4621 Boston Way | Lanham, MD | | 1,100 | 3,070 | 780 | 1,100 | 3,850 | 4,950 | 788 | 2003 | (m) |
| 4720 Boston Way | Lanham, MD | | 1,200 | 2,174 | 686 | 1,200 | 2,860 | 4,060 | 669 | 2003 | (m) |
| 2250 Randolph Drive | Dulles, VA | | 3,200 | 8,187 | 36 | 3,208 | 8,215 | 11,423 | 944 | 2004 | (m) |
| 22630 Dulles Summit Court | Dulles, VA | | 2,200 | 9,346 | 128 | 2,206 | 9,468 | 11,674 | 1,097 | 2004 | (m) |
| 4201 Forbes Boulevard | Lanham, MD | | 356 | 1,823 | 396 | 375 | 2,200 | 2,575 | 319 | 2005 | (m) |
| 4370-4383 Lottsford Vista Road | Lanham, MD | | 279 | 1,358 | 192 | 296 | 1,533 | 1,829 | 174 | 2005 | (m) |
| 4400 Lottsford Vista Road | Lanham, MD | | 351 | 1,955 | 93 | 372 | 2,027 | 2,399 | 185 | 2005 | (m) |
| 4420 Lottsford Vista Road | Lanham, MD | | 539 | 2,196 | 241 | 568 | 2,408 | 2,976 | 254 | 2005 | (m) |
| 11204 McCormick Road | Hunt Valley, MD | | 1,017 | 3,132 | 99 | 1,038 | 3,210 | 4,248 | 341 | 2005 | (m) |
| 11110 Pepper Road | Hunt Valley, MD | | 918 | 2,529 | 253 | 938 | 2,762 | 3,700 | 299 | 2005 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | (b) Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Gross Amount Carried At Close of Period 12/31/07 Building and Improvements | Gross Amount Carried At Close of Period 12/31/07 Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 11100 Gilroy Road | Hunt Valley, MD | | 901 | 1,455 | 43 | 919 | 1,480 | 2,399 | 206 | 2005 | (m) |
| 318 Clubhouse | Hunt Valley, MD | | 701 | 1,691 | (4) | 718 | 1,670 | 2,388 | 246 | 2005 | (m) |
| 336 Clubhouse | Hunt Valley, MD | | 982 | 3,158 | 633 | 1,004 | 3,769 | 4,773 | 545 | 2005 | (m) |
| 10709 Gilroy Road | Hunt Valley, MD | | 907 | 2,884 | (173) | 913 | 2,705 | 3,618 | 375 | 2005 | (m) |
| 10707 Gilroy Road | Hunt Valley, MD | | 1,111 | 3,819 | 96 | 1,136 | 3,890 | 5,026 | 526 | 2005 | (m) |
| 10947 Golden West | Hunt Valley, MD | | 1,134 | 3,436 | 70 | 1,135 | 3,504 | 4,640 | 322 | 2005 | (m) |
| 38 Loveton Circle | Hunt Valley, MD | | 1,648 | 2,151 | (174) | 1,690 | 1,935 | 3,625 | 245 | 2005 | (m) |
| 7120-7132 Ambassador Road | Hunt Valley, MD | | 829 | 1,329 | 254 | 847 | 1,565 | 2,412 | 230 | 2005 | (m) |
| 7142 Ambassador Road | Hunt Valley, MD | | 924 | 2,876 | 115 | 942 | 2,973 | 3,915 | 229 | 2005 | (m) |
| 7144-7160 Ambassador Road | Hunt Valley, MD | | 979 | 1,672 | 101 | 1,000 | 1,752 | 2,752 | 302 | 2005 | (m) |
| 7223-7249 Ambassador Road | Hunt Valley, MD | | 1,283 | 2,674 | 229 | 1,311 | 2,875 | 4,186 | 507 | 2005 | (m) |
| 7200 Rutherford | Hunt Valley, MD | | 1,032 | 2,150 | 122 | 1,054 | 2,250 | 3,304 | 316 | 2005 | (m) |
| 2700 Lord Baltimore | Hunt Valley, MD | | 875 | 1,826 | 262 | 897 | 2,066 | 2,963 | 346 | 2005 | (m) |
| 9800 Martin Luther King Hwy | Lanham, MD | | 1,200 | 2,457 | 309 | 1,200 | 2,766 | 3,966 | 478 | 2003 | (m) |
| **Central Pennsylvania** | | | | | | | | | | | |
| 1214-B Freedom Road | Cranberry Township, PA | | 31 | 994 | 612 | 200 | 1,438 | 1,637 | 874 | 1994 | (m) |
| 401 Russell Drive | Middletown, PA | | 262 | 857 | 2,065 | 287 | 2,896 | 3,184 | 1,785 | 1994 | (m) |
| 2700 Commerce Drive | Middletown, PA | | 196 | 997 | 710 | 206 | 1,697 | 1,903 | 956 | 1994 | (m) |
| 2701 Commerce Drive | Middletown, PA | | 141 | 859 | 1,174 | 164 | 2,010 | 2,174 | 975 | 1994 | (m) |
| 2780 Commerce Drive | Middletown, PA | | 113 | 743 | 1,169 | 209 | 1,817 | 2,025 | 982 | 1994 | (m) |
| 350 Old Silver Springs Road | Mechanicsburg, PA | | 510 | 2,890 | 5,678 | 541 | 8,537 | 9,078 | 1,906 | 1997 | (m) |
| 16522 Hunters Green Parkway | Hagerstown, MD | (o) | 1,390 | 13,104 | 3,902 | 1,863 | 16,534 | 18,396 | 1,903 | 2003 | (m) |
| 18212 Shawley Drive | Hagerstown, MD | | 1,000 | 5,847 | 501 | 1,016 | 6,332 | 7,348 | 693 | 2004 | (m) |
| 301 Railroad Avenue | Shiremanstown, PA | | 1,181 | 4,447 | 1,530 | 1,328 | 5,830 | 7,158 | 1,018 | 2005 | (m) |
| 431 Railroad Avenue | Shiremanstown, PA | | 1,293 | 7,164 | 1,695 | 1,341 | 8,810 | 10,152 | 1,160 | 2005 | (m) |
| Golden Eagle Business Center | Harrisburg, PA | | 585 | 3,176 | 120 | 601 | 3,281 | 3,881 | 302 | 2005 | (m) |
| 37 Valleyview Business Park | Jessup, PA | | 542 | — | 2,972 | 542 | 2,972 | 3,513 | 225 | 2004 | (m) |
| 1351 Eisenhower Blvd., Bldg 1 | Harrisburg, PA | | 382 | 2,343 | 25 | 387 | 2,363 | 2,750 | 170 | 2006 | (m) |
| 1351 Eisenhower Blvd., Bldg 2 | Harrisburg, PA | | 436 | 1,587 | 16 | 443 | 1,596 | 2,039 | 125 | 2006 | (m) |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 320 Museum Road | Washington, PA | | 201 | 1,819 | 57 | 208 | 1,869 | 2,077 | 237 | 2005 | (m) |
| **Chicago** | | | | | | | | | | | |
| 720-730 Landwehr Road | Northbrook, IL | | 521 | 2,982 | 1,340 | 521 | 4,322 | 4,843 | 1,494 | 1994 | (m) |
| 20W201 101st Street | Lemont, IL | | 967 | 5,554 | 650 | 968 | 6,204 | 7,171 | 2,089 | 1994 | (m) |
| 3600 West Pratt Avenue | Lincolnwood, IL | | 1,050 | 5,767 | 1,199 | 1,050 | 6,966 | 8,016 | 2,368 | 1994 | (m) |
| 6750 South Sayre Avenue | Bedford Park, IL | | 224 | 1,309 | 585 | 224 | 1,894 | 2,118 | 561 | 1994 | (m) |
| 585 Slawin Court | Mount Prospect, IL | | 611 | 3,505 | 941 | 611 | 4,446 | 5,058 | 1,230 | 1994 | (m) |
| 2300 Windsor Court | Addison, IL | | 688 | 3,943 | 590 | 696 | 4,525 | 5,221 | 1,625 | 1994 | (m) |
| 3505 Thayer Court | Aurora, IL | | 430 | 2,472 | 33 | 430 | 2,505 | 2,936 | 844 | 1994 | (m) |
| 305-311 Era Drive | Northbrook, IL | | 200 | 1,154 | 146 | 205 | 1,296 | 1,501 | 431 | 1994 | (m) |
| 12241 Melrose Street | Franklin Park, IL | | 332 | 1,931 | 1,901 | 469 | 3,695 | 4,164 | 1,480 | 1995 | (m) |
| 3150-3160 MacArthur Boulevard | Northbrook, IL | | 429 | 2,518 | 32 | 429 | 2,551 | 2,979 | 864 | 1994 | (m) |
| 365 North Avenue | Carol Stream, IL | | 1,081 | 6,882 | 4,609 | 1,111 | 11,460 | 12,572 | 3,898 | 1994 | (m) |
| 305-307 East North Ave | Carol Stream, IL | | 126 | — | 2,648 | 128 | 2,647 | 2,775 | 417 | 2000 | (m) |
| 11939 S Central Avenue | Alsip, IL | | 1,208 | 6,843 | 3,185 | 1,305 | 9,931 | 11,235 | 2,440 | 1997 | (m) |
| 405 East Shawmut | LaGrange, IL | | 368 | 2,083 | 434 | 388 | 2,497 | 2,884 | 675 | 1997 | (m) |
| 1010-50 Sesame Street | Bensenville, IL | | 979 | 5,546 | 2,300 | 1,048 | 7,776 | 8,825 | 1,688 | 1997 | (m) |
| 7501 S. Pulaski | Chicago, IL | | 318 | 2,038 | 895 | 318 | 2,934 | 3,251 | 669 | 1997 | (m) |
| 385 Fenton Lane | West Chicago, IL | | 868 | 4,918 | (242) | 884 | 4,658 | 5,543 | 1,198 | 1998 | (m) |
| 905 Paramount | Batavia, IL | | 243 | 1,375 | 439 | 252 | 1,804 | 2,056 | 459 | 1998 | (m) |
| 1005 Paramount | Batavia, IL | | 282 | 1,600 | 451 | 293 | 2,040 | 2,333 | 546 | 1998 | (m) |
| 2120-24 Roberts | Broadview, IL | | 220 | 1,248 | 460 | 231 | 1,698 | 1,929 | 456 | 1998 | (m) |
| 700 Business Center Drive | Mount Prospect, IL | | 270 | 1,492 | 297 | 288 | 1,771 | 2,059 | 287 | 2000 | (m) |
| 800 Business Center Drive | Mount Prospect, IL | | 631 | 3,493 | 237 | 666 | 3,695 | 4,361 | 630 | 2000 | (m) |
| 580 Slawin Court | Mount Prospect, IL | | 233 | 1,292 | 234 | 254 | 1,505 | 1,760 | 255 | 2000 | (m) |
| 1150 Feehanville Drive | Mount Prospect, IL | | 260 | 1,437 | 131 | 273 | 1,555 | 1,829 | 291 | 2000 | (m) |
| 19W661 101st Street | Lemont, IL | | 1,200 | 6,643 | 2,300 | 1,220 | 8,923 | 10,142 | 1,692 | 2001 | (m) |
| 175 Wall Street | Glendale Heights, IL | | 427 | 2,363 | 163 | 433 | 2,520 | 2,953 | 377 | 2002 | (m) |
| 800-820 Thorndale Avenue | Bensenville, IL | | 751 | 4,159 | 637 | 761 | 4,786 | 5,547 | 623 | 2002 | (m) |
| 1661 Feehanville Drive | Mount Prospect, IL | | 985 | 5,455 | 1,962 | 1,044 | 7,358 | 8,402 | 1,395 | 2004 | (m) |
| 2250 Arthur Avenue | Elk Grove Village, IL | | 800 | 1,543 | (3) | 811 | 1,529 | 2,340 | 330 | 2004 | (m) |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Land | Buildings | | Land | Building and Improvements | Total | | | |
| | | | | | | (Dollars in thousands) | | | | | |
| 1850 Touhy & 1158-60 McCage Ave | Elk Grove Village, IL | | 1,500 | 4,842 | 57 | 1,514 | 4,885 | 6,399 | 795 | 2004 | (m) |
| 1088-1130 Thorndale Avenue | Bensenville, IL | | 2,103 | 3,674 | 4 | 2,108 | 3,673 | 5,781 | 496 | 2005 | (m) |
| 855-891 Busse(Route 83) | Bensenville, IL | | 1,597 | 2,767 | (28) | 1,601 | 2,735 | 4,336 | 363 | 2005 | (m) |
| 1060-1074 W. Thorndale Ave | Bensenville, IL | | 1,704 | 2,108 | 31 | 1,709 | 2,134 | 3,843 | 341 | 2005 | (m) |
| 400 Crossroads Parkway | Bolingbrook, IL | | 1,178 | 9,453 | 723 | 1,181 | 10,173 | 11,354 | 971 | 2005 | (m) |
| 7609 West Industrial Drive | Forest Park, IL | | 1,207 | 2,343 | 207 | 1,213 | 2,544 | 3,757 | 347 | 2005 | (m) |
| 7801 West Industrial Drive | Forest Park, IL | | 1,215 | 3,020 | 19 | 1,220 | 3,034 | 4,254 | 425 | 2005 | (m) |
| 825 East 26th Street | LaGrange Park, IL | | 1,547 | 2,078 | 2,432 | 1,617 | 4,440 | 6,057 | 543 | 2005 | (m) |
| 1111 Davis Road | Elgin, IL | | 998 | 1,859 | 635 | 1,046 | 2,447 | 3,493 | 460 | 2006 | (m) |
| 2900 W 166th St | Markham, IL | | 1,132 | 4,293 | 2 | 1,133 | 4,294 | 5,427 | 268 | 2007 | (m) |
| 555 W Algonquin Rd | Arlington Heights, IL | | 574 | 741 | 2,049 | 579 | 2,785 | 3,364 | 48 | 2007 | (m) |
| 7000 W 60th Street | Chicago, IL | | 609 | 932 | 106 | 667 | 980 | 1,647 | 23 | 2007 | (m) |
| 251 Airport Road | Aurora, IL | | 983 | — | 6,659 | 983 | 6,660 | 7,642 | 1,302 | 2002 | (m) |
| 725 Kimberly Drive | Carol Stream, IL | | 793 | 1,395 | (20) | 801 | 1,367 | 2,168 | 156 | 2005 | (m) |
| 17001 S. Vincennes | Thornton, IL | | 497 | 504 | 30 | 513 | 518 | 1,031 | 120 | 2005 | (m) |
| **Cincinnati** | | | | | | | | | | | |
| 9900-9970 Princeton | Cincinnati, OH | | 545 | 3,088 | 2,179 | 566 | 5,245 | 5,811 | 1,748 | 1996 | (m) |
| 2940 Highland Avenue | Cincinnati, OH | | 1,717 | 9,730 | 2,162 | 1,772 | 11,837 | 13,609 | 3,894 | 1996 | (m) |
| 4700-4750 Creek Road | Blue Ash, OH | | 1,080 | 6,118 | 673 | 1,109 | 6,761 | 7,870 | 2,116 | 1996 | (m) |
| 12072 Best Place | Springboro, OH | | 426 | — | 3,198 | 443 | 3,181 | 3,625 | 801 | 1998 | (m) |
| 901 Pleasant Valley Drive | Springboro, OH | | 304 | 1,721 | 332 | 316 | 2,042 | 2,357 | 490 | 1998 | (m) |
| 4434 Mulhauser Road | Cincinnati, OH | | 444 | 16 | 4,721 | 463 | 4,718 | 5,181 | 954 | 1999 | (m) |
| 9449 Glades Drive | Hamilton, OH | | 465 | — | 4,057 | 477 | 4,045 | 4,522 | 753 | 2000 | (m) |
| 4436 Muhlhauser Road | Hamilton, OH | | 630 | — | 5,672 | 630 | 5,672 | 6,302 | 1,225 | 2002 | (m) |
| 4438 Muhlhauser Road | Hamilton, OH | | 779 | — | 7,354 | 779 | 7,354 | 8,133 | 1,406 | 2002 | (m) |
| 9345 Princeton-Glendale Road | West Chester, OH | | 818 | 1,648 | 360 | 827 | 1,998 | 2,826 | 239 | 2006 | (m) |
| 9525 Glades Drive | West Chester, OH | | 347 | 1,323 | 37 | 355 | 1,351 | 1,707 | 71 | 2007 | (m) |
| 9776-9876 Windisch Road | West Chester, OH | | 392 | 1,744 | 11 | 394 | 1,753 | 2,147 | 41 | 2007 | (m) |
| 9810-9822 Windisch Road | West Chester, OH | | 395 | 2,541 | 16 | 397 | 2,556 | 2,952 | 39 | 2007 | (m) |
| 9842-9862 Windisch Road | West Chester, OH | | 506 | 3,148 | 22 | 508 | 3,168 | 3,676 | 54 | 2007 | (m) |
| 9872-9898 Windisch Road | West Chester, OH | | 546 | 3,039 | 17 | 548 | 3,054 | 3,602 | 45 | 2007 | (m) |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 9902-9922 Windisch Road | West Chester, OH | | 623 | 4,003 | 22 | 627 | 4,021 | 4,648 | 81 | 2007 | (m) |
| 420 Wars Corner Road | Loveland, OH | | 600 | 1,083 | 994 | 606 | 2,071 | 2,677 | 477 | 2003 | (m) |
| 422 Wards Corner Road | Loveland, OH | | 600 | 1,811 | 441 | 605 | 2,246 | 2,852 | 653 | 2003 | (m) |
| 4663 Dues Drive | West Chester, OH | | 858 | 2,273 | 1,174 | 875 | 3,430 | 4,305 | 825 | 2005 | (m) |
| **Cleveland** | | | | | | | | | | | |
| 2368 E. Enterprise Parkway | Twinsburg, OH | | 294 | 1,857 | 29 | 298 | 1,881 | 2,180 | 219 | 2006 | (m) |
| 30311 Emerald Valley Parkway | Glenwillow, OH | | 681 | 11,838 | 320 | 691 | 12,148 | 12,839 | 708 | 2006 | (m) |
| 30333 Emerald Valley Parkway | Glenwillow, OH | | 466 | 5,447 | 104 | 475 | 5,541 | 6,017 | 361 | 2006 | (m) |
| 7800 Cochran Road | Glenwillow, OH | | 972 | 7,033 | 66 | 980 | 7,091 | 8,071 | 461 | 2006 | (m) |
| 7900 Cochran Road | Glenwillow, OH | | 775 | 6,244 | 136 | 792 | 6,363 | 7,155 | 391 | 2006 | (m) |
| 7905 Cochran Road | Glenwillow, OH | | 920 | 6,174 | 173 | 945 | 6,323 | 7,268 | 436 | 2006 | (m) |
| 30600 Carter Street | Solon, OH | | 989 | 3,492 | (231) | 1,022 | 3,227 | 4,249 | 540 | 2006 | (m) |
| **Columbus** | | | | | | | | | | | |
| 3800 Lockbourne Industrial Pkwy | Columbus, OH | | 1,045 | 6,421 | 392 | 1,045 | 6,813 | 7,858 | 1,915 | 1996 | (m) |
| 3880 Groveport Road | Columbus, OH | | 1,955 | 12,154 | 696 | 1,955 | 12,850 | 14,805 | 3,861 | 1996 | (m) |
| 1819 North Walcutt Road | Columbus, OH | | 637 | 4,590 | (309) | 634 | 4,284 | 4,918 | 1,350 | 1997 | (m) |
| 4300 Cemetary Road | Hillard, OH | | 764 | 6,248 | (5,628) | 764 | 620 | 1,384 | 18 | 1997 | (m) |
| 4115 Leap Road(d) | Hillard, OH | | 756 | 4,297 | 1,121 | 756 | 5,418 | 6,174 | 1,211 | 1998 | (m) |
| 3300 Lockbourne | Columbus, OH | | 708 | 3,920 | 1,671 | 710 | 5,589 | 6,299 | 1,534 | 1998 | (m) |
| 1076 Pittsburgh Drive | Delaware, OH | (p) | 2,497 | 5,103 | 37 | 2,505 | 5,132 | 7,637 | 695 | 2005 | (m) |
| 6150 Huntley Road | Columbus, OH | | 986 | 5,162 | 17 | 990 | 5,175 | 6,165 | 447 | 2005 | (m) |
| 4985 Frusta Drive | Obetz, OH | | 318 | 837 | 28 | 326 | 858 | 1,184 | 139 | 2006 | (m) |
| 4600 S. Hamilton Road | Groveport, OH | | 681 | 5,941 | 77 | 688 | 6,011 | 6,699 | 296 | 2006 | (m) |
| 2200 Spiegel | Groveport, OH | | 780 | 3,700 | (209) | 793 | 3,478 | 4,271 | 91 | 2007 | (m) |
| 4311 Janitrol Road | Columbus, OH | | 662 | 4,332 | 76 | 675 | 4,396 | 5,070 | 65 | 2007 | (m) |
| **Dallas/Fort Worth** | | | | | | | | | | | |
| 1275-1281 Roundtable Drive | Dallas, TX | | 117 | 839 | 39 | 117 | 878 | 995 | 221 | 1997 | (m) |
| 2406-2416 Walnut Ridge | Dallas, TX | | 178 | 1,006 | 247 | 183 | 1,247 | 1,431 | 287 | 1997 | (m) |
| 1324-1343 Roundtable Drive | Dallas, TX | | 178 | 1,006 | 227 | 184 | 1,227 | 1,411 | 306 | 1997 | (m) |
| 2401-2419 Walnut Ridge | Dallas, TX | | 148 | 839 | 128 | 153 | 962 | 1,115 | 266 | 1997 | (m) |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 900-906 Great Southwest Pkwy | Arlington, TX | | 237 | 1,342 | 596 | 270 | 1,905 | 2,175 | 521 | 1997 | (m) |
| 3000 West Commerce | Dallas, TX | | 456 | 2,584 | 535 | 469 | 3,106 | 3,575 | 763 | 1997 | (m) |
| 3030 Hansboro | Dallas, TX | | 266 | 1,510 | 477 | 276 | 1,977 | 2,253 | 448 | 1997 | (m) |
| 405-407 113th | Arlington, TX | | 181 | 1,026 | 424 | 185 | 1,445 | 1,630 | 294 | 1997 | (m) |
| 816 111th Street | Arlington, TX | | 251 | 1,421 | 266 | 258 | 1,680 | 1,938 | 509 | 1997 | (m) |
| 7341 Dogwood Park | Richland Hills, TX | | 79 | 435 | 237 | 84 | 666 | 750 | 255 | 1998 | (m) |
| 7427 Dogwood Park | Richland Hills, TX | | 96 | 532 | 571 | 102 | 1,098 | 1,200 | 265 | 1998 | (m) |
| 7348-54 Tower Street | Richland Hills, TX | | 88 | 489 | 283 | 94 | 766 | 860 | 182 | 1998 | (m) |
| 7370 Dogwood Park | Richland Hills, TX | | 91 | 503 | 128 | 96 | 626 | 722 | 131 | 1998 | (m) |
| 7339-41 Tower Street | Richland Hills, TX | | 98 | 541 | 189 | 104 | 724 | 828 | 151 | 1998 | (m) |
| 7437-45 Tower Street | Richland Hills, TX | | 102 | 563 | 86 | 108 | 642 | 750 | 144 | 1998 | (m) |
| 7331-59 Airport Freeway | Richland Hills, TX | | 354 | 1,958 | 377 | 372 | 2,316 | 2,689 | 591 | 1998 | (m) |
| 7338-60 Dogwood Park | Richland Hills, TX | | 106 | 587 | 118 | 112 | 699 | 811 | 156 | 1998 | (m) |
| 7450-70 Dogwood Park | Richland Hills, TX | | 106 | 584 | 130 | 112 | 708 | 820 | 183 | 1998 | (m) |
| 7423-49 Airport Freeway | Richland Hills, TX | | 293 | 1,621 | 312 | 308 | 1,918 | 2,226 | 466 | 1998 | (m) |
| 7400 Whitehall Street | Richland Hills, TX | | 109 | 603 | 91 | 115 | 688 | 804 | 170 | 1998 | (m) |
| 1602-1654 Terre Colony | Dallas, TX | | 458 | 2,596 | 783 | 468 | 3,369 | 3,837 | 567 | 2000 | (m) |
| 3330 Duncanville Road | Dallas, TX | | 197 | 1,114 | 32 | 199 | 1,143 | 1,342 | 215 | 2000 | (m) |
| 2351-2355 Merritt Drive | Garland, TX | | 101 | 574 | 120 | 103 | 693 | 795 | 121 | 2000 | (m) |
| 701-735 North Plano Road | Richardson, TX | | 696 | 3,944 | 248 | 705 | 4,183 | 4,888 | 795 | 2000 | (m) |
| 2220 Merritt Drive | Garland, TX | | 352 | 1,993 | 727 | 356 | 2,716 | 3,072 | 506 | 2000 | (m) |
| 2010 Merritt Drive | Garland, TX | | 350 | 1,981 | 619 | 357 | 2,592 | 2,949 | 505 | 2000 | (m) |
| 2363 Merritt Drive | Garland, TX | | 73 | 412 | 93 | 74 | 504 | 578 | 85 | 2000 | (m) |
| 2447 Merritt Drive | Garland, TX | | 70 | 395 | 77 | 71 | 471 | 542 | 82 | 2000 | (m) |
| 2465-2475 Merritt Drive | Garland, TX | | 91 | 514 | 141 | 92 | 654 | 746 | 107 | 2000 | (m) |
| 2485-2505 Merritt Drive | Garland, TX | | 431 | 2,440 | 445 | 436 | 2,879 | 3,315 | 503 | 2000 | (m) |
| 2081 Hutton Drive(e) | Carrolton, TX | | 448 | 2,540 | 407 | 453 | 2,942 | 3,395 | 510 | 2001 | (m) |
| 2150 Hutton Drive | Carrolton, TX | | 192 | 1,089 | 410 | 194 | 1,497 | 1,692 | 278 | 2001 | (m) |
| 2110 Hutton Drive | Carrolton, TX | | 374 | 2,117 | 353 | 377 | 2,466 | 2,843 | 387 | 2001 | (m) |
| 2025 McKenzie Drive | Carrolton, TX | | 437 | 2,478 | 369 | 442 | 2,842 | 3,284 | 544 | 2001 | (m) |
| 2019 McKenzie Drive | Carrolton, TX | | 502 | 2,843 | 538 | 507 | 3,376 | 3,883 | 653 | 2001 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | (b) Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Gross Amount Carried At Close of Period 12/31/07 Building and Improvements | Gross Amount Carried At Close of Period 12/31/07 Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 1420 Valwood Parkway — Bldg 1(d) | Carrolton, TX | | 460 | 2,608 | 746 | 466 | 3,349 | 3,814 | 577 | 2001 | (m) |
| 1620 Valwood Parkway(e) | Carrolton, TX | | 1,089 | 6,173 | 1,112 | 1,100 | 7,274 | 8,374 | 1,347 | 2001 | (m) |
| 1505 Luna Road — Bldg II | Carrolton, TX | | 167 | 948 | 96 | 169 | 1,042 | 1,210 | 205 | 2001 | (m) |
| 1625 West Crosby Road | Carrolton, TX | | 617 | 3,498 | 679 | 631 | 4,163 | 4,794 | 935 | 2001 | (m) |
| 2029-2035 McKenzie Drive | Carrolton, TX | | 306 | 1,870 | 1,053 | 306 | 2,923 | 3,229 | 993 | 2001 | (m) |
| 1840 Hutton Drive(d) | Carrolton, TX | | 811 | 4,597 | 677 | 819 | 5,267 | 6,085 | 959 | 2001 | (m) |
| 1420 Valwood Pkwy — Bldg II | Carrolton, TX | | 373 | 2,116 | 363 | 377 | 2,475 | 2,852 | 456 | 2001 | (m) |
| 2015 McKenzie Drive | Carrolton, TX | | 510 | 2,891 | 408 | 516 | 3,294 | 3,810 | 585 | 2001 | (m) |
| 2105 McDaniel Drive | Carrolton, TX | | 502 | 2,844 | 735 | 507 | 3,573 | 4,080 | 662 | 2001 | (m) |
| 2009 McKenzie Drive | Carrolton, TX | | 476 | 2,699 | 441 | 481 | 3,136 | 3,617 | 601 | 2001 | (m) |
| 1505 Luna Road — Bldg I | Carrolton, TX | | 521 | 2,953 | 579 | 529 | 3,524 | 4,053 | 704 | 2001 | (m) |
| 900-1100 Avenue S | Grand Prairie, TX | | 623 | 3,528 | 801 | 629 | 4,323 | 4,951 | 661 | 2002 | (m) |
| Plano Crossing(f) | Plano, TX | | 1,961 | 11,112 | 396 | 1,981 | 11,488 | 13,469 | 1,557 | 2002 | (m) |
| 7413A-C Dogwood Park | Richland Hills, TX | | 110 | 623 | 110 | 111 | 732 | 843 | 95 | 2002 | (m) |
| 7450 Tower Street | Richland Hills, TX | | 36 | 204 | 192 | 36 | 395 | 431 | 78 | 2002 | (m) |
| 7436 Tower Street | Richland Hills, TX | | 57 | 324 | 161 | 58 | 485 | 543 | 89 | 2002 | (m) |
| 7501 Airport Freeway | Richland Hills, TX | | 113 | 638 | 90 | 115 | 726 | 840 | 114 | 2002 | (m) |
| 7426 Tower Street | Richland Hills, TX | | 76 | 429 | 146 | 76 | 575 | 651 | 77 | 2002 | (m) |
| 7427-7429 Tower Street | Richland Hills, TX | | 75 | 427 | 21 | 76 | 447 | 523 | 59 | 2002 | (m) |
| 2840-2842 Handley Ederville Rd | Richland Hills, TX | | 112 | 635 | 65 | 113 | 699 | 812 | 106 | 2002 | (m) |
| 7451-7477 Airport Freeway | Richland Hills, TX | | 256 | 1,453 | 195 | 259 | 1,645 | 1,904 | 268 | 2002 | (m) |
| 7415 Whitehall Street | Richland Hills, TX | | 372 | 2,107 | 196 | 375 | 2,299 | 2,675 | 331 | 2002 | (m) |
| 7450 Whitehall Street | Richland Hills, TX | | 104 | 591 | 110 | 105 | 700 | 805 | 82 | 2002 | (m) |
| 7430 Whitehall Street | Richland Hills, TX | | 143 | 809 | 16 | 144 | 823 | 967 | 110 | 2002 | (m) |
| 7420 Whitehall Street | Richland Hills, TX | | 110 | 621 | 47 | 111 | 666 | 777 | 99 | 2002 | (m) |
| 300 Wesley Way | Richland Hills, TX | | 208 | 1,181 | 17 | 211 | 1,196 | 1,407 | 157 | 2002 | (m) |
| 825-827 Avenue H(d) | Arlington, TX | | 600 | 3,006 | 250 | 604 | 3,252 | 3,856 | 520 | 2004 | (m) |
| 1013-31 Avenue M | Grand Prairie, TX | | 300 | 1,504 | 78 | 302 | 1,580 | 1,882 | 261 | 2004 | (m) |
| 1172-84 113th Street(d) | Grand Prairie, TX | | 700 | 3,509 | 59 | 704 | 3,564 | 4,268 | 501 | 2004 | (m) |
| 1200-16 Avenue H(d) | Arlington, TX | | 600 | 2,846 | 80 | 604 | 2,922 | 3,526 | 444 | 2004 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | (b) Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Gross Amount Carried At Close of Period 12/31/07 Building and Improvements | Gross Amount Carried At Close of Period 12/31/07 Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 1322-66 N. Carrier Parkway(e) | Grand Prairie, TX | | 1,000 | 5,012 | 164 | 1,006 | 5,170 | 6,176 | 755 | 2004 | (m) |
| 2401-2407 Centennial Dr. | Arlington, TX | | 600 | 2,534 | 141 | 604 | 2,672 | 3,275 | 422 | 2004 | (m) |
| 3111 West Commerce Street | Dallas, TX | | 1,000 | 3,364 | 69 | 1,011 | 3,421 | 4,433 | 580 | 2004 | (m) |
| 4201 Kellway | Addison, TX | | 306 | 1,342 | 31 | 317 | 1,361 | 1,679 | 140 | 2005 | (m) |
| 9150 West Royal Lane | Irving, TX | | 818 | 3,767 | 292 | 820 | 4,058 | 4,877 | 439 | 2005 | (m) |
| 13800 Senlac Drive | Farmers Ranch, TX | | 823 | 4,042 | 12 | 825 | 4,052 | 4,877 | 553 | 2005 | (m) |
| 801-831 S. Great Southwest Pkwy(g) | Grand Prairie, TX | | 2,581 | 16,556 | 502 | 2,586 | 17,053 | 19,639 | 3,142 | 2005 | (m) |
| 801-842 Heinz Way | Grand Prairie, TX | | 599 | 3,327 | 110 | 601 | 3,435 | 4,036 | 430 | 2005 | (m) |
| 901-937 Heinz Way | Grand Prairie, TX | | 493 | 2,823 | (53) | 481 | 2,782 | 3,263 | 404 | 2005 | (m) |
| 2900 Avenue E | Arlington, TX | | 296 | — | 1,970 | 296 | 1,970 | 2,266 | 133 | 2005 | (m) |
| 7451 Dogwood Park | Richland Hills, TX | | 133 | 753 | 195 | 134 | 947 | 1,081 | 262 | 2002 | (m) |
| 2104 Hutton Drive | Carrolton, TX | | 246 | 1,393 | 182 | 249 | 1,572 | 1,821 | 288 | 2001 | (m) |
| 3301 Century Circle | Irving, TX | | 760 | 3,856 | 54 | 769 | 3,901 | 4,670 | 125 | 2007 | (m) |
| 3730 Wheeler Avenue | Fort Smith, AR | | 720 | 2,800 | 27 | 726 | 2,822 | 3,547 | 131 | 2006 | (m) |
| **Denver** | | | | | | | | | | | |
| 4785 Elati | Denver, CO | | 173 | 981 | 178 | 175 | 1,157 | 1,333 | 344 | 1997 | (m) |
| 4770 Fox Street | Denver, CO | | 132 | 750 | 116 | 134 | 864 | 998 | 266 | 1997 | (m) |
| 1550 W. Evans | Denver, CO | | 385 | 2,200 | 451 | 385 | 2,650 | 3,035 | 690 | 1997 | (m) |
| 3871 Revere | Denver, CO | | 361 | 2,047 | 606 | 368 | 2,645 | 3,014 | 717 | 1997 | (m) |
| 4570 Ivy Street | Denver, CO | | 219 | 1,239 | 172 | 220 | 1,409 | 1,630 | 368 | 1997 | (m) |
| 5855 Stapleton Drive North | Denver, CO | | 288 | 1,630 | 262 | 290 | 1,890 | 2,180 | 525 | 1997 | (m) |
| 5885 Stapleton Drive North | Denver, CO | | 376 | 2,129 | 268 | 380 | 2,392 | 2,773 | 602 | 1997 | (m) |
| 5977-5995 North Broadway | Denver, CO | | 268 | 1,518 | 424 | 271 | 1,939 | 2,210 | 520 | 1997 | (m) |
| 2952-5978 North Broadway | Denver, CO | | 414 | 2,346 | 700 | 422 | 3,039 | 3,461 | 800 | 1997 | (m) |
| 4721 Ironton Street | Denver, CO | | 232 | 1,313 | 709 | 236 | 2,017 | 2,254 | 719 | 1997 | (m) |
| 445 Bryant Street | Denver, CO | | 1,829 | 10,219 | 1,539 | 1,829 | 11,757 | 13,587 | 2,961 | 1998 | (m) |
| East 47th Drive — A | Denver, CO | | 441 | 2,689 | (17) | 441 | 2,672 | 3,113 | 728 | 1997 | (m) |
| 9500 West 49th Street — A | Wheatridge, CO | | 283 | 1,625 | 328 | 286 | 1,951 | 2,236 | 663 | 1997 | (m) |
| 9500 West 49th Street — B | Wheatridge, CO | | 225 | 1,272 | 102 | 226 | 1,373 | 1,599 | 342 | 1997 | (m) |
| 9500 West 49th Street — C | Wheatridge, CO | | 600 | 3,409 | 126 | 600 | 3,536 | 4,136 | 955 | 1997 | (m) |
| 9500 West 49th Street — D | Wheatridge, CO | | 246 | 1,537 | 89 | 246 | 1,626 | 1,872 | 455 | 1997 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | (b) Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Gross Amount Carried At Close of Period 12/31/07 Building and Improvements | Gross Amount Carried At Close of Period 12/31/07 Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 451-591 East 124th Avenue | Littleton, CO | | 383 | 2,145 | 816 | 383 | 2,961 | 3,344 | 1,006 | 1997 | (m) |
| 608 Garrison Street | Lakewood, CO | | 265 | 1,501 | 408 | 267 | 1,907 | 2,173 | 521 | 1997 | (m) |
| 610 Garrison Street | Lakewood, CO | | 264 | 1,494 | 433 | 266 | 1,925 | 2,191 | 562 | 1997 | (m) |
| 15000 West 6th Avenue | Golden, CO | | 913 | 5,174 | 1,145 | 916 | 6,317 | 7,233 | 1,910 | 1997 | (m) |
| 14998 West 6th Avenue Bldg E | Golden, CO | | 565 | 3,199 | 209 | 568 | 3,405 | 3,973 | 968 | 1997 | (m) |
| 14998 West 6th Avenue Bldg F | Englewood, CO | | 269 | 1,525 | 57 | 271 | 1,580 | 1,851 | 429 | 1997 | (m) |
| 12503 East Euclid Drive | Denver, CO | | 1,208 | 6,905 | 977 | 1,208 | 7,883 | 9,091 | 2,251 | 1997 | (m) |
| 6547 South Racine Circle | Denver, CO | | 739 | 4,241 | 208 | 739 | 4,449 | 5,188 | 1,153 | 1997 | (m) |
| 1600 South Abilene | Aurora, CO | | 465 | 2,633 | 83 | 467 | 2,714 | 3,181 | 717 | 1997 | (m) |
| 1620 South Abilene | Aurora, CO | | 268 | 1,520 | 101 | 270 | 1,619 | 1,889 | 443 | 1997 | (m) |
| 1640 South Abilene | Aurora, CO | | 368 | 2,085 | 111 | 382 | 2,183 | 2,564 | 581 | 1997 | (m) |
| 13900 East Florida Ave | Aurora, CO | | 189 | 1,071 | 125 | 190 | 1,195 | 1,385 | 318 | 1997 | (m) |
| 11701 East 53rd Avenue | Denver, CO | | 416 | 2,355 | 193 | 422 | 2,542 | 2,964 | 666 | 1997 | (m) |
| 5401 Oswego Street | Denver, CO | | 273 | 1,547 | 419 | 278 | 1,960 | 2,238 | 624 | 1997 | (m) |
| 3811 Joilet | Denver, CO | | 735 | 4,166 | 448 | 752 | 4,597 | 5,349 | 1,095 | 1998 | (m) |
| 14818 West 6th Avenue Bldg A | Golden, CO | | 468 | 2,799 | 354 | 468 | 3,152 | 3,621 | 859 | 1997 | (m) |
| 14828 West 6th Avenue Bldg B | Golden, CO | | 503 | 2,942 | 559 | 503 | 3,501 | 4,004 | 1,087 | 1997 | (m) |
| 12055 E 49th Ave/4955 Peoria | Denver, CO | | 298 | 1,688 | 439 | 305 | 2,120 | 2,424 | 577 | 1998 | (m) |
| 4940-4950 Paris | Denver, CO | | 152 | 861 | 187 | 156 | 1,045 | 1,200 | 268 | 1998 | (m) |
| 4970 Paris | Denver, CO | | 95 | 537 | 121 | 97 | 656 | 753 | 145 | 1998 | (m) |
| 7367 South Revere Parkway | Englewood, CO | | 926 | 5,124 | 620 | 934 | 5,736 | 6,670 | 1,441 | 1998 | (m) |
| 8200 East Park Meadows Drive(d) | Lone Tree, CO | | 1,297 | 7,348 | 1,215 | 1,304 | 8,556 | 9,860 | 1,766 | 2000 | (m) |
| 3250 Quentin(d) | Aurora, CO | | 1,220 | 6,911 | 603 | 1,230 | 7,503 | 8,733 | 1,521 | 2000 | (m) |
| 11585 E. 53rd Ave.(d) | Denver, CO | | 1,770 | 10,030 | 945 | 1,780 | 10,965 | 12,745 | 1,918 | 2001 | (m) |
| 10500 East 54th Ave.(e) | Denver, CO | | 1,253 | 7,098 | 892 | 1,260 | 7,983 | 9,242 | 1,688 | 2001 | (m) |
| 8835 W. 116th Street | Broomfield, CO | | 1,151 | 6,523 | 975 | 1,304 | 7,345 | 8,649 | 934 | 2003 | (m) |
| 3101-3151 S. Platte River Dr. | Englewood, CO | | 2,500 | 8,549 | 168 | 2,504 | 8,713 | 11,217 | 1,104 | 2004 | (m) |
| 3155-3199 S. Platte River Dr. | Englewood, CO | | 1,700 | 7,787 | 1,413 | 1,702 | 9,198 | 10,900 | 1,007 | 2004 | (m) |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 3201-3273 S. Platte River Dr. | Englewood, CO | | 1,600 | 6,592 | 167 | 1,602 | 6,757 | 8,359 | 982 | 2004 | (m) |
| 18150 E. 32nd Street | Aurora, CO | | 563 | 3,188 | 1,033 | 572 | 4,212 | 4,784 | 1,116 | 2004 | (m) |
| 8820 W. 116th Street | Broomfield, CO | | 338 | 1,918 | 392 | 372 | 2,275 | 2,647 | 322 | 2003 | (m) |
| 3400 Fraser Street | Aurora, CO | | 616 | 3,593 | 9 | 620 | 3,598 | 4,218 | 409 | 2005 | (m) |
| 7005 East 46th Avenue | Denver, CO | | 512 | 2,025 | 19 | 517 | 2,039 | 2,556 | 183 | 2005 | (m) |
| Hilltop Business Center I — Bldg. B | Littleton, CO | | 739 | — | 3,500 | 781 | 3,457 | 4,239 | 693 | 2000 | (m) |
| Jeffco Business Center A | Broomfield, CO | | 312 | — | 1,382 | 370 | 1,324 | 1,694 | 199 | 2001 | (m) |
| Park Centre A | Westminister, CO | | 441 | — | 4,282 | 441 | 4,281 | 4,723 | 1,105 | 2000 | (m) |
| Park Centre B | Westminister, CO | | 374 | — | 2,986 | 374 | 2,986 | 3,360 | 634 | 2000 | (m) |
| Park Centre C | Westminister, CO | | 374 | — | 2,876 | 374 | 2,876 | 3,250 | 549 | 2000 | (m) |
| Park Centre D | Westminister, CO | | 441 | — | 3,737 | 441 | 3,737 | 4,178 | 764 | 2001 | (m) |
| 4001 Salazar Way | Frederick, CO | | 1,271 | 6,577 | (43) | 1,276 | 6,529 | 7,805 | 504 | 2006 | (m) |
| 1690 S. Abilene | Aurora, CO | | 406 | 2,814 | 83 | 411 | 2,892 | 3,302 | 230 | 2006 | (m) |
| 5909-5915 N. Broadway | Denver, CO | | 495 | 1,268 | 38 | 500 | 1,301 | 1,801 | 146 | 2006 | (m) |
| 9586 Interstate 25 East Frontage | Longmont, CO | | 898 | 5,038 | 377 | 967 | 5,346 | 6,313 | 667 | 2005 | (m) |
| 555 Corporate Circle | Golden, CO | | 397 | 2,673 | (62) | 448 | 2,561 | 3,009 | 171 | 2006 | (m) |
| **Detroit** | | | | | | | | | | | |
| 1731 Thorncroft | Troy, MI | | 331 | 1,904 | 173 | 331 | 2,077 | 2,408 | 703 | 1994 | (m) |
| 1653 E. Maple | Troy, MI | | 192 | 1,104 | 156 | 192 | 1,260 | 1,451 | 402 | 1994 | (m) |
| 47461 Clipper | Plymouth Township, MI | | 122 | 723 | 128 | 122 | 851 | 973 | 276 | 1994 | (m) |
| 238 Executive Drive | Troy, MI | | 52 | 173 | 554 | 100 | 679 | 779 | 623 | 1994 | (m) |
| 301 Executive Drive | Troy, MI | | 71 | 293 | 731 | 133 | 962 | 1,095 | 859 | 1994 | (m) |
| 449 Executive Drive | Troy, MI | | 125 | 425 | 1,030 | 218 | 1,362 | 1,580 | 1,145 | 1994 | (m) |
| 501 Executive Drive | Troy, MI | | 71 | 236 | 678 | 129 | 856 | 985 | 529 | 1994 | (m) |
| 451 Robbins Drive | Troy, MI | | 96 | 448 | 961 | 192 | 1,313 | 1,505 | 1,106 | 1994 | (m) |
| 1095 Crooks Road | Troy, MI | | 331 | 1,017 | 2,216 | 360 | 3,204 | 3,564 | 1,359 | 1994 | (m) |
| 1416 Meijer Drive | Troy, MI | | 94 | 394 | 496 | 121 | 863 | 984 | 563 | 1994 | (m) |
| 1624 Meijer Drive | Troy, MI | | 236 | 1,406 | 940 | 373 | 2,209 | 2,582 | 1,472 | 1994 | (m) |
| 1972 Meijer Drive | Troy, MI | | 315 | 1,301 | 738 | 372 | 1,982 | 2,354 | 1,268 | 1994 | (m) |
| 1621 Northwood Drive | Troy, MI | | 85 | 351 | 954 | 215 | 1,176 | 1,390 | 1,075 | 1994 | (m) |
| 1707 Northwood Drive | Troy, MI | | 95 | 262 | 1,310 | 239 | 1,428 | 1,667 | 967 | 1994 | (m) |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 1788 Northwood Drive | Troy, MI | | 50 | 196 | 549 | 103 | 692 | 795 | 568 | 1994 | (m) |
| 1821 Northwood Drive | Troy, MI | | 132 | 523 | 756 | 220 | 1,192 | 1,411 | 1,099 | 1994 | (m) |
| 1826 Northwood Drive | Troy, MI | | 55 | 208 | 394 | 103 | 554 | 657 | 520 | 1994 | (m) |
| 1864 Northwood Drive | Troy, MI | | 57 | 190 | 437 | 107 | 577 | 684 | 541 | 1994 | (m) |
| 2277 Elliott Avenue | Troy, MI | | 48 | 188 | 501 | 104 | 633 | 737 | 545 | 1994 | (m) |
| 2451 Elliott Avenue | Troy, MI | | 78 | 319 | 766 | 164 | 999 | 1,163 | 896 | 1994 | (m) |
| 2730 Research Drive | Rochester Hills, MI | | 903 | 4,215 | 800 | 903 | 5,015 | 5,918 | 3,012 | 1994 | (m) |
| 2791 Research Drive | Rochester Hills, MI | | 557 | 2,731 | 719 | 560 | 3,447 | 4,007 | 1,854 | 1994 | (m) |
| 2871 Research Drive | Rochester Hills, MI | | 324 | 1,487 | 647 | 327 | 2,131 | 2,458 | 1,057 | 1994 | (m) |
| 3011 Research Drive | Rochester Hills, MI | | 457 | 2,104 | 406 | 457 | 2,510 | 2,967 | 1,546 | 1994 | (m) |
| 2870 Technology Drive | Rochester Hills, MI | | 275 | 1,262 | 284 | 279 | 1,541 | 1,821 | 934 | 1994 | (m) |
| 2900 Technology Drive | Rochester Hills, MI | | 214 | 977 | 534 | 219 | 1,506 | 1,725 | 792 | 1994 | (m) |
| 2930 Technology Drive | Rochester Hills, MI | | 131 | 594 | 380 | 138 | 966 | 1,105 | 493 | 1994 | (m) |
| 2950 Technology Drive | Rochester Hills, MI | | 178 | 819 | 353 | 185 | 1,165 | 1,350 | 591 | 1994 | (m) |
| 23014 Commerce Drive | Farmington Hills, MI | | 39 | 203 | 169 | 56 | 355 | 411 | 242 | 1994 | (m) |
| 23028 Commerce Drive | Farmington Hills, MI | | 98 | 507 | 247 | 125 | 727 | 852 | 492 | 1994 | (m) |
| 23035 Commerce Drive | Farmington Hills, MI | | 71 | 355 | 262 | 93 | 596 | 688 | 405 | 1994 | (m) |
| 23042 Commerce Drive | Farmintgon Hills, MI | | 67 | 277 | 311 | 89 | 565 | 655 | 382 | 1994 | (m) |
| 23065 Commerce Drive | Farmington Hills, MI | | 71 | 408 | 207 | 93 | 593 | 686 | 378 | 1994 | (m) |
| 23070 Commerce Drive | Farmington Hills, MI | | 112 | 442 | 398 | 125 | 827 | 952 | 559 | 1994 | (m) |
| 23079 Commerce Drive | Farmington Hills, MI | | 68 | 301 | 316 | 79 | 605 | 685 | 387 | 1994 | (m) |
| 23093 Commerce Drive | Farmington Hills, MI | | 211 | 1,024 | 844 | 295 | 1,784 | 2,079 | 1,214 | 1994 | (m) |
| 23135 Commerce Drive | Farmington Hills, MI | | 146 | 701 | 295 | 158 | 984 | 1,142 | 591 | 1994 | (m) |
| 23163 Commerce Drive | Farmington Hills, MI | | 111 | 513 | 342 | 138 | 828 | 966 | 491 | 1994 | (m) |
| 23177 Commerce Drive | Farmington Hills, MI | | 175 | 1,007 | 573 | 254 | 1,501 | 1,755 | 924 | 1994 | (m) |
| 23206 Commerce Drive | Farmington Hills, MI | | 125 | 531 | 350 | 137 | 868 | 1,006 | 550 | 1994 | (m) |
| 23370 Commerce Drive | Farmington Hills, MI | | 59 | 233 | 308 | 66 | 534 | 600 | 391 | 1994 | (m) |
| 1451 East Lincoln Avenue | Madison Heights, MI | | 299 | 1,703 | 228 | 306 | 1,925 | 2,231 | 618 | 1995 | (m) |
| 4400 Purks Drive | Auburn Hills, MI | | 602 | 3,410 | 2,998 | 612 | 6,398 | 7,010 | 1,789 | 1995 | (m) |
| 6515 Cobb Drive | Sterling Heights, MI | | 305 | 1,753 | 325 | 305 | 2,078 | 2,382 | 668 | 1994 | (m) |
| 32450 N Avis Drive | Madison Heights, MI | | 281 | 1,590 | 193 | 286 | 1,778 | 2,064 | 514 | 1996 | (m) |
| 12707 Eckles Road | Plymouth Township, MI | | 255 | 1,445 | 140 | 267 | 1,573 | 1,840 | 442 | 1996 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | (b) Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Gross Amount Carried At Close of Period 12/31/07 Building and Improvements | Gross Amount Carried At Close of Period 12/31/07 Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 9300-9328 Harrison Rd | Romulus, MI | | 147 | 834 | 336 | 154 | 1,162 | 1,317 | 346 | 1996 | (m) |
| 9330-9358 Harrison Rd | Romulus, MI | | 81 | 456 | 295 | 85 | 747 | 832 | 196 | 1996 | (m) |
| 28420-28448 Highland Rd | Romulus, MI | | 143 | 809 | 190 | 149 | 993 | 1,142 | 311 | 1996 | (m) |
| 28450-28478 Highland Rd | Romulus, MI | | 81 | 461 | 313 | 85 | 771 | 856 | 245 | 1996 | (m) |
| 28421-28449 Highland Rd | Romulus, MI | | 109 | 617 | 386 | 114 | 998 | 1,112 | 270 | 1996 | (m) |
| 28451-28479 Highland Rd | Romulus, MI | | 107 | 608 | 309 | 112 | 912 | 1,024 | 236 | 1996 | (m) |
| 28825-28909 Highland Rd | Romulus, MI | | 70 | 395 | 313 | 73 | 705 | 778 | 180 | 1996 | (m) |
| 28933-29017 Highland Rd | Romulus, MI | | 112 | 634 | 289 | 117 | 919 | 1,036 | 226 | 1996 | (m) |
| 28824-28908 Highland Rd | Romulus, MI | | 134 | 760 | 234 | 140 | 987 | 1,128 | 276 | 1996 | (m) |
| 28932-29016 Highland Rd | Romulus, MI | | 123 | 694 | 330 | 128 | 1,019 | 1,147 | 321 | 1996 | (m) |
| 9710-9734 Harrison Rd | Romulus, MI | | 125 | 706 | 142 | 130 | 842 | 973 | 263 | 1996 | (m) |
| 9740-9772 Harrison Rd | Romulus, MI | | 132 | 749 | 164 | 138 | 906 | 1,044 | 273 | 1996 | (m) |
| 9840-9868 Harrison Rd | Romulus, MI | | 144 | 815 | 146 | 151 | 954 | 1,105 | 285 | 1996 | (m) |
| 9800-9824 Harrison Rd | Romulus, MI | | 117 | 664 | 126 | 123 | 785 | 907 | 218 | 1996 | (m) |
| 29265-29285 Airport Dr | Romulus, MI | | 140 | 794 | 254 | 147 | 1,042 | 1,188 | 297 | 1996 | (m) |
| 29185-29225 Airport Dr | Romulus, MI | | 140 | 792 | 302 | 146 | 1,088 | 1,234 | 286 | 1996 | (m) |
| 29149-29165 Airport Dr | Romulus, MI | | 216 | 1,225 | 379 | 226 | 1,594 | 1,820 | 464 | 1996 | (m) |
| 29101-29115 Airport Dr | Romulus, MI | | 130 | 738 | 292 | 136 | 1,024 | 1,160 | 305 | 1996 | (m) |
| 29031-29045 Airport Dr | Romulus, MI | | 124 | 704 | 144 | 130 | 842 | 972 | 257 | 1996 | (m) |
| 29050-29062 Airport Dr | Romulus, MI | | 127 | 718 | 101 | 133 | 813 | 946 | 229 | 1996 | (m) |
| 29120-29134 Airport Dr | Romulus, MI | | 161 | 912 | 244 | 169 | 1,149 | 1,317 | 306 | 1996 | (m) |
| 29200-29214 Airport Dr | Romulus, MI | | 170 | 963 | 281 | 178 | 1,236 | 1,414 | 353 | 1996 | (m) |
| 9301-9339 Middlebelt Rd | Romulus, MI | | 124 | 703 | 284 | 130 | 981 | 1,111 | 266 | 1996 | (m) |
| 26980 Trolley Industrial Drive | Taylor, MI | | 450 | 2,550 | 1,019 | 463 | 3,556 | 4,019 | 1,035 | 1997 | (m) |
| 32975 Capitol Avenue | Livonia, MI | | 135 | 748 | 332 | 144 | 1,071 | 1,215 | 295 | 1998 | (m) |
| 2725 S. Industrial Highway | Ann Arbor, MI | | 660 | 3,654 | 484 | 704 | 4,094 | 4,798 | 978 | 1998 | (m) |
| 32920 Capitol Avenue | Livonia, MI | | 76 | 422 | 88 | 82 | 504 | 586 | 124 | 1998 | (m) |
| 11923 Brookfield Avenue | Livonia, MI | | 120 | 665 | 495 | 128 | 1,151 | 1,280 | 484 | 1998 | (m) |
| 11965 Brookfield Avenue | Livonia, MI | | 120 | 665 | 67 | 128 | 724 | 852 | 174 | 1998 | (m) |
| 13405 Stark Road | Livonia, MI | | 46 | 254 | 136 | 49 | 387 | 436 | 119 | 1998 | (m) |
| 1170 Chicago Road | Troy, MI | | 249 | 1,380 | 256 | 266 | 1,618 | 1,885 | 373 | 1998 | (m) |
| 1200 Chicago Road | Troy, MI | | 268 | 1,483 | 274 | 286 | 1,739 | 2,025 | 398 | 1998 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | (b) Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Gross Amount Carried At Close of Period 12/31/07 Building and Improvements | Gross Amount Carried At Close of Period 12/31/07 Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 450 Robbins Drive | Troy, MI | | 166 | 920 | 272 | 178 | 1,180 | 1,358 | 270 | 1998 | (m) |
| 1230 Chicago Road | Troy, MI | | 271 | 1,498 | 156 | 289 | 1,636 | 1,925 | 391 | 1998 | (m) |
| 12886 Westmore Avenue | Livonia, MI | | 190 | 1,050 | 194 | 202 | 1,232 | 1,434 | 290 | 1998 | (m) |
| 12898 Westmore Avenue | Livonia, MI | | 190 | 1,050 | 235 | 202 | 1,273 | 1,475 | 324 | 1998 | (m) |
| 33025 Industrial Road | Livonia, MI | | 80 | 442 | 130 | 85 | 567 | 652 | 158 | 1998 | (m) |
| 47711 Clipper Street | Plymouth Township, MI | | 539 | 2,983 | 265 | 575 | 3,212 | 3,787 | 772 | 1998 | (m) |
| 32975 Industrial Road | Livonia, MI | | 160 | 887 | 343 | 171 | 1,219 | 1,390 | 356 | 1998 | (m) |
| 32985 Industrial Road | Livonia, MI | | 137 | 761 | 149 | 147 | 900 | 1,047 | 219 | 1998 | (m) |
| 32995 Industrial Road | Livonia, MI | | 160 | 887 | 186 | 171 | 1,062 | 1,233 | 274 | 1998 | (m) |
| 12874 Westmore Avenue | Livonia, MI | | 137 | 761 | 239 | 147 | 990 | 1,137 | 263 | 1998 | (m) |
| 33067 Industrial Road | Livonia, MI | | 160 | 887 | 305 | 171 | 1,181 | 1,352 | 301 | 1998 | (m) |
| 1775 Bellingham | Troy, MI | | 344 | 1,902 | 297 | 367 | 2,176 | 2,543 | 502 | 1998 | (m) |
| 1785 East Maple | Troy, MI | | 92 | 507 | 159 | 98 | 660 | 758 | 146 | 1998 | (m) |
| 1807 East Maple | Troy, MI | | 321 | 1,775 | 359 | 342 | 2,113 | 2,455 | 479 | 1998 | (m) |
| 980 Chicago | Troy, MI | | 206 | 1,141 | 176 | 220 | 1,303 | 1,523 | 297 | 1998 | (m) |
| 1840 Enterprise Drive | Rochester Hills, MI | | 573 | 3,170 | 347 | 611 | 3,479 | 4,090 | 835 | 1998 | (m) |
| 1885 Enterprise Drive | Rochester Hills, MI | | 209 | 1,158 | 134 | 223 | 1,278 | 1,501 | 305 | 1998 | (m) |
| 1935-55 Enterprise Drive | Rochester Hills, MI | | 1,285 | 7,144 | 701 | 1,371 | 7,759 | 9,130 | 1,883 | 1998 | (m) |
| 5500 Enterprise Court | Warren, MI | | 675 | 3,737 | 500 | 721 | 4,191 | 4,912 | 992 | 1998 | (m) |
| 750 Chicago Road | Troy, MI | | 323 | 1,790 | 472 | 345 | 2,240 | 2,585 | 586 | 1998 | (m) |
| 800 Chicago Road | Troy, MI | | 283 | 1,567 | 540 | 302 | 2,087 | 2,390 | 674 | 1998 | (m) |
| 850 Chicago Road | Troy, MI | | 183 | 1,016 | 262 | 196 | 1,265 | 1,461 | 295 | 1998 | (m) |
| 2805 S. Industrial Highway | Ann Arbor, MI | | 318 | 1,762 | 478 | 340 | 2,218 | 2,558 | 570 | 1998 | (m) |
| 6833 Center Drive | Sterling Heights, MI | | 467 | 2,583 | 218 | 493 | 2,775 | 3,268 | 683 | 1998 | (m) |
| 32201 North Avis Drive | Madison Heights, MI | | 345 | 1,911 | 476 | 349 | 2,383 | 2,732 | 776 | 1998 | (m) |
| 1100 East Mandoline Road | Madison Heights, MI | | 888 | 4,915 | 1,262 | 897 | 6,168 | 7,066 | 1,590 | 1998 | (m) |
| 30081 Stephenson Highway | Madison Heights, MI | | 271 | 1,499 | 399 | 274 | 1,895 | 2,169 | 485 | 1998 | (m) |
| 1120 John A. Papalas Drive(e) | Lincold Park, MI | | 366 | 3,241 | 949 | 469 | 4,087 | 4,556 | 977 | 1998 | (m) |
| 4872 S. Lapeer Road | Lake Orion Twsp, MI | | 1,342 | 5,441 | 2,200 | 1,412 | 7,571 | 8,983 | 2,448 | 1999 | (m) |
| 22701 Trolley Industrial | Taylor, MI | | 795 | — | 7,223 | 849 | 7,168 | 8,017 | 1,236 | 1999 | (m) |
| 1400 Allen Drive | Troy, MI | | 209 | 1,154 | 243 | 212 | 1,394 | 1,606 | 235 | 2000 | (m) |
| 1408 Allen Drive | Troy, MI | | 151 | 834 | 171 | 153 | 1,003 | 1,156 | 271 | 2000 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | (b) Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Gross Amount Carried At Close of Period 12/31/07 Building and Improvements | Gross Amount Carried At Close of Period 12/31/07 Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 1305 Stephenson Hwy | Troy, MI | | 345 | 1,907 | 231 | 350 | 2,133 | 2,483 | 366 | 2000 | (m) |
| 32505 Industrial Drive | Madison Heights, MI | | 345 | 1,910 | 418 | 351 | 2,322 | 2,673 | 560 | 2000 | (m) |
| 1799-1813 Northfield Drive(d) | Rochester Hills, MI | | 481 | 2,665 | 254 | 490 | 2,910 | 3,400 | 530 | 2000 | (m) |
| 32200 N. Avis | Madison Heights, MI | | 503 | 3,367 | 1,225 | 503 | 4,592 | 5,095 | 261 | 2005 | (m) |
| 100 Kay Industrial | Orion, MI | | 677 | 2,018 | 403 | 685 | 2,414 | 3,098 | 460 | 2005 | (m) |
| 1849 West Maple Road | Troy, MI | | 1,688 | 2,790 | 30 | 1,700 | 2,808 | 4,508 | 302 | 2005 | (m) |
| 42555 Merrill Road | Sterling Heights, MI | | 1,080 | 2,300 | 3,702 | 1,090 | 5,992 | 7,082 | 459 | 2006 | (m) |
| 28435 Automation Blvd. | Wixom, MI | | 621 | | 3,804 | 628 | 3,797 | 4,425 | 337 | 2004 | (m) |
| 2441 N. Opdyke Road | Auburn Hills, MI | | 530 | 737 | 16 | 538 | 745 | 1,283 | 82 | 2006 | (m) |
| 200 Northpointe Drive | Orion Township, MI | | 723 | 2,063 | 36 | 734 | 2,088 | 2,822 | 134 | 2006 | (m) |
| 32500 Capitol Avenue | Livonia, MI | | 258 | 1,032 | 275 | 260 | 1,305 | 1,565 | 65 | 2005 | (m) |
| 32650 Capitol Avenue | Livonia, MI | | 282 | 1,128 | 54 | 284 | 1,181 | 1,464 | 79 | 2005 | (m) |
| 11800 Sears Drive | Livonia, MI | | 693 | 1,507 | 1,240 | 703 | 2,737 | 3,440 | 464 | 2005 | (m) |
| 1099 Church Road | Troy, MI | | 702 | 1,332 | 45 | 721 | 1,358 | 2,079 | 274 | 2005 | (m) |
| **Houston** | | | | | | | | | | | |
| 2102-2314 Edwards Street | Houston, TX | | 348 | 1,973 | 1,436 | 382 | 3,375 | 3,757 | 731 | 1997 | (m) |
| 3351 Rauch St | Houston, TX | | 272 | 1,541 | 203 | 278 | 1,738 | 2,016 | 425 | 1997 | (m) |
| 3851 Yale St | Houston, TX | | 413 | 2,343 | 639 | 425 | 2,971 | 3,395 | 839 | 1997 | (m) |
| 3337-3347 Rauch Street | Houston, TX | | 227 | 1,287 | 215 | 233 | 1,498 | 1,730 | 365 | 1997 | (m) |
| 8505 N Loop East | Houston, TX | | 439 | 2,489 | 741 | 449 | 3,220 | 3,670 | 816 | 1997 | (m) |
| 4749-4799 Eastpark Dr | Houston, TX | | 594 | 3,368 | 987 | 611 | 4,339 | 4,949 | 1,097 | 1997 | (m) |
| 4851 Homestead Road | Houston, TX | | 491 | 2,782 | 874 | 504 | 3,642 | 4,147 | 892 | 1997 | (m) |
| 3365-3385 Rauch Street | Houston, TX | | 284 | 1,611 | 517 | 290 | 2,122 | 2,412 | 439 | 1997 | (m) |
| 5050 Campbell Road | Houston, TX | | 461 | 2,610 | 388 | 470 | 2,988 | 3,458 | 746 | 1997 | (m) |
| 4300 Pine Timbers | Houston, TX | | 489 | 2,769 | 597 | 499 | 3,355 | 3,854 | 857 | 1997 | (m) |
| 2500-2530 Fairway Park Drive | Houston, TX | | 766 | 4,342 | 753 | 792 | 5,069 | 5,861 | 1,310 | 1997 | (m) |
| 6550 Longpointe | Houston, TX | | 362 | 2,050 | 549 | 370 | 2,591 | 2,961 | 664 | 1997 | (m) |
| 1815 Turning Basin Dr | Houston, TX | | 487 | 2,761 | 581 | 531 | 3,298 | 3,829 | 821 | 1997 | (m) |
| 1819 Turning Basin Dr | Houston, TX | | 231 | 1,308 | 571 | 251 | 1,858 | 2,109 | 500 | 1997 | (m) |
| 1805 Turning Basin Drive | Houston, TX | | 564 | 3,197 | 718 | 616 | 3,863 | 4,478 | 961 | 1997 | (m) |
| 9835A Genard Road | Houston, TX | | 1,505 | 8,333 | 3,011 | 1,581 | 11,268 | 12,849 | 2,413 | 1999 | (m) |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 9835B Genard Road | Houston, TX | | 245 | 1,357 | 463 | 256 | 1,809 | 2,065 | 348 | 1999 | (m) |
| 8705 City Park Loop | Houston, TX | | 710 | 2,983 | 933 | 714 | 3,912 | 4,626 | 590 | 2003 | (m) |
| 11505 State Highway 225 | LaPorte City, TX | | 940 | 4,675 | 615 | 940 | 5,290 | 6,230 | 529 | 2005 | (m) |
| 6955 Portwest Drive | Houston, TX | | 314 | 1,686 | 354 | 320 | 2,033 | 2,354 | 196 | 2005 | (m) |
| 6925 Portwest Drive | Houston, TX | | 402 | 1,360 | 234 | 407 | 1,589 | 1,996 | 199 | 2005 | (m) |
| South by Southwest | Sugarland , TX | | 608 | 3,679 | 257 | 617 | 3,928 | 4,544 | 114 | 2007 | (m) |
| 7230-7238 Wynnwood | Houston, TX | | 254 | 764 | 28 | 259 | 787 | 1,046 | 36 | 2007 | (m) |
| 7240-7248 Wynnwood | Houston, TX | | 271 | 726 | 26 | 276 | 747 | 1,023 | 30 | 2007 | (m) |
| 7250-7260 Wynnwood | Houston, TX | | 200 | 481 | 18 | 203 | 496 | 699 | 20 | 2007 | (m) |
| 1500 E. Main | LaPorte City, TX | | 201 | 1,328 | 24 | 204 | 1,349 | 1,553 | 225 | 2005 | (m) |
| 3300 Claymore Park Drive | Houston, TX | | 232 | 812 | 2 | 232 | 814 | 1,046 | 33 | 2007 | (m) |
| 6400 Long Point | Houston, TX | | 188 | 898 | 1 | 188 | 899 | 1,088 | 60 | 2007 | (m) |
| 12705 S Kirkwood Ste 100-150 | Houston, TX | | 154 | 626 | 5 | 154 | 631 | 785 | 39 | 2007 | (m) |
| 12705 S Kirkwood Ste 200-220 | Houston, TX | | 404 | 1,698 | 52 | 412 | 1,742 | 2,154 | 123 | 2007 | (m) |
| 8850 Jameel | Houston, TX | | 171 | 826 | 15 | 171 | 841 | 1,012 | 45 | 2007 | (m) |
| 8800 Jameel | Houston, TX | | 163 | 798 | — | 163 | 798 | 961 | 59 | 2007 | (m) |
| 8700 Jameel | Houston, TX | | 170 | 1,020 | (4) | 170 | 1,016 | 1,186 | 35 | 2007 | (m) |
| 8600 Jameel | Houston, TX | | 163 | 818 | — | 163 | 817 | 981 | 55 | 2007 | (m) |
| 9362 Wallisville | Houston, TX | | 114 | 564 | 1 | 114 | 565 | 679 | 42 | 2007 | (m) |
| 9366 Wallisville | Houston, TX | | 233 | 1,200 | 14 | 233 | 1,214 | 1,447 | 74 | 2007 | (m) |
| **Indianapolis** | | | | | | | | | | | |
| 2900 N Shadeland Avenue | Indianapolis, IN | | 2,057 | 13,565 | 3,605 | 2,057 | 17,169 | 19,226 | 5,412 | 1996 | (m) |
| 7901 West 21st St. | Indianapolis, IN | | 1,048 | 6,027 | 435 | 1,048 | 6,462 | 7,510 | 1,922 | 1997 | (m) |
| 1445 Brookville Way | Indianapolis, IN | | 459 | 2,603 | 802 | 476 | 3,389 | 3,865 | 1,100 | 1996 | (m) |
| 1440 Brookville Way | Indianapolis, IN | | 665 | 3,770 | 1,087 | 685 | 4,838 | 5,523 | 1,473 | 1996 | (m) |
| 1240 Brookville Way | Indianapolis, IN | | 247 | 1,402 | 349 | 258 | 1,741 | 1,999 | 530 | 1996 | (m) |
| 1345 Brookville Way | Indianapolis, IN | (q) | 586 | 3,321 | 904 | 601 | 4,209 | 4,810 | 1,327 | 1996 | (m) |
| 1350 Brookville Way | Indianapolis, IN | | 205 | 1,161 | 271 | 212 | 1,425 | 1,636 | 424 | 1996 | (m) |
| 1341 Sadlier Circle E Dr | Indianapolis, IN | (r) | 131 | 743 | 313 | 136 | 1,050 | 1,187 | 379 | 1996 | (m) |
| 1322-1438 Sadlier Circle E Dr | Indianapolis, IN | (r) | 145 | 822 | 291 | 152 | 1,107 | 1,259 | 365 | 1996 | (m) |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 1327-1441 Sadlier Circle E Dr | Indianapolis, IN | (r) | 218 | 1,234 | 403 | 225 | 1,630 | 1,854 | 481 | 1996 | (m) |
| 1304 Sadlier Circle E Dr | Indianapolis, IN | (r) | 71 | 405 | 153 | 75 | 554 | 629 | 198 | 1996 | (m) |
| 1402 Sadlier Circle E Dr | Indianapolis, IN | (r) | 165 | 934 | 392 | 171 | 1,320 | 1,491 | 453 | 1996 | (m) |
| 1504 Sadlier Circle E Dr | Indianapolis, IN | (r) | 219 | 1,238 | 289 | 226 | 1,520 | 1,745 | 415 | 1996 | (m) |
| 1311 Sadlier Circle E Dr | Indianapolis, IN | (r) | 54 | 304 | 106 | 57 | 406 | 463 | 120 | 1996 | (m) |
| 1365 Sadlier Circle E Dr | Indianapolis, IN | (r) | 121 | 688 | 289 | 126 | 972 | 1,098 | 279 | 1996 | (m) |
| 1352-1354 Sadlier Circle E Dr | Indianapolis, IN | (r) | 178 | 1,008 | 399 | 184 | 1,400 | 1,584 | 442 | 1996 | (m) |
| 1335 Sadlier Circle E Dr | Indianapolis, IN | (r) | 81 | 460 | 309 | 85 | 765 | 850 | 193 | 1996 | (m) |
| 1327 Sadlier Circle E Dr | Indianapolis, IN | (r) | 52 | 295 | 53 | 55 | 345 | 400 | 103 | 1996 | (m) |
| 1425 Sadlier Circle E Dr | Indianapolis, IN | (r) | 21 | 117 | 39 | 23 | 154 | 177 | 44 | 1996 | (m) |
| 6951 E 30th St | Indianapolis, IN | | 256 | 1,449 | 220 | 265 | 1,659 | 1,924 | 538 | 1996 | (m) |
| 6701 E 30th St | Indianapolis, IN | | 78 | 443 | 41 | 82 | 480 | 562 | 142 | 1996 | (m) |
| 6737 E 30th St | Indianapolis, IN | | 385 | 2,181 | 295 | 398 | 2,462 | 2,860 | 779 | 1996 | (m) |
| 1225 Brookville Way | Indianapolis, IN | | 60 | — | 458 | 68 | 450 | 518 | 113 | 1997 | (m) |
| 6555 E 30th St | Indianapolis, IN | | 484 | 4,760 | 1,833 | 484 | 6,593 | 7,077 | 2,042 | 1996 | (m) |
| 8402-8440 E 33rd St | Indianapolis, IN | | 222 | 1,260 | 593 | 230 | 1,845 | 2,075 | 540 | 1996 | (m) |
| 8520-8630 E 33rd St | Indianapolis, IN | | 326 | 1,848 | 731 | 336 | 2,570 | 2,906 | 857 | 1996 | (m) |
| 8710-8768 E 33rd St | Indianapolis, IN | | 175 | 993 | 370 | 187 | 1,350 | 1,537 | 377 | 1996 | (m) |
| 3316-3346 N. Pagosa Court | Indianapolis, IN | | 325 | 1,842 | 583 | 335 | 2,415 | 2,750 | 794 | 1996 | (m) |
| 6751 E 30th St | Indianapolis, IN | | 728 | 2,837 | 277 | 741 | 3,101 | 3,842 | 835 | 1997 | (m) |
| 9200 East 146th Street | Noblesville, IN | | 181 | 1,221 | 992 | 181 | 2,213 | 2,394 | 613 | 1998 | (m) |
| 6575 East 30th Street | Indianapolis, IN | | 118 | — | 2,014 | 128 | 2,004 | 2,132 | 470 | 1998 | (m) |
| 6585 East 30th Street | Indianapolis, IN | | 196 | — | 3,231 | 196 | 3,231 | 3,427 | 762 | 1998 | (m) |
| 8525 E. 33rd Street | Indianapolis, IN | | 1,300 | 2,091 | 687 | 1,308 | 2,771 | 4,078 | 492 | 2003 | (m) |
| 5705-97 Park Plaza Ct | Indianapolis, IN | (s) | 600 | 2,194 | 792 | 609 | 2,977 | 3,586 | 797 | 2003 | (m) |
| 9319-9341 Castlegate Drive | Indianapolis, IN | | 530 | 1,235 | 1,001 | 544 | 2,222 | 2,766 | 512 | 2003 | (m) |
| 9332-9350 Castlegate Drive | Indianapolis, IN | | 420 | 646 | 662 | 429 | 1,299 | 1,728 | 391 | 2003 | (m) |
| 1133 Northwest L Street | Richmond, IN | (t) | 201 | 1,358 | 51 | 208 | 1,403 | 1,611 | 299 | 2006 | (m) |
| 1380 Perry Road | Plainfield, IN | | 781 | 5,156 | 35 | 785 | 5,187 | 5,972 | 543 | 2005 | (m) |
| 9210 East 146th Street | Noblesville, IN | | 66 | 684 | 818 | 66 | 1,502 | 1,568 | 596 | 1998 | (m) |
| Helmer Spec BTS — 1 | Noblesville, IN | | 547 | — | 4,701 | 628 | 4,619 | 5,248 | 13 | 2007 | (m) |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Land | Buildings | | Land | Building and Improvements | Total | | | |
| | | | | | | (Dollars in thousands) | | | | | |
| Genco BTS | Indianapolis, IN | | 886 | — | 6,819 | 1,037 | 6,668 | 7,705 | — | 2007 | (m) |
| **Inland Empire** | | | | | | | | | | | |
| 3411 N Perris Blvd | Riverside, CA | | 8,125 | 7,150 | 68 | 8,166 | 7,177 | 15,343 | 390 | 2007 | (m) |
| 100 W Sinclair | Riverside, CA | | 6,042 | 4,298 | 44 | 6,072 | 4,313 | 10,384 | 180 | 2007 | (m) |
| **Los Angeles** | | | | | | | | | | | |
| 350-390 Manville St. | Compton, CA | | 2,300 | 3,768 | 103 | 2,313 | 3,857 | 6,171 | 558 | 2004 | (m) |
| 1944 Vista Bella Way | Rancho Dominguez, CA | | 1,746 | 3,148 | 646 | 1,821 | 3,719 | 5,540 | 415 | 2005 | (m) |
| 2000 Vista Bella Way | Rancho Dominguez, CA | | 817 | 1,673 | 294 | 852 | 1,932 | 2,784 | 211 | 2005 | (m) |
| 2835 East Ana Street Drive | Rancho Dominguez, CA | | 1,682 | 2,750 | 134 | 1,770 | 2,796 | 4,566 | 360 | 2005 | (m) |
| 665 N. Baldwin Park Blvd | City of Industry, CA | | 2,124 | 5,219 | (135) | 2,139 | 5,069 | 7,208 | 284 | 2006 | (m) |
| 27801 Avenue Scott | Santa Clarita, CA | | 2,890 | 7,020 | 469 | 2,902 | 7,476 | 10,379 | 353 | 2006 | (m) |
| 2610 & 2660 Columbia Street | Torrance, CA | | 3,008 | 5,826 | (71) | 3,031 | 5,732 | 8,763 | 223 | 2006 | (m) |
| 433 Alaska Avenue | Torrance, CA | | 681 | 168 | 5 | 684 | 170 | 854 | 29 | 2006 | (m) |
| 21730-21748 Marilla Street | Chatsworth, CA | | 2,585 | 3,210 | 90 | 2,608 | 3,277 | 5,885 | 130 | 2007 | (m) |
| 8015 Paramount | Pico Riviera, CA | | 3,616 | 3,902 | 51 | 3,653 | 3,916 | 7,569 | 135 | 2007 | (m) |
| 3365 E. Slauson | Los Angeles, CA | | 2,367 | 3,243 | 37 | 2,393 | 3,254 | 5,647 | 118 | 2007 | (m) |
| 3015 E Ana & 18744 Reyes | Los Angeles, CA | | 19,678 | 9,321 | 655 | 20,140 | 9,514 | 29,654 | 677 | 2007 | (m) |
| 19067 Reyes Ave | Rancho Dominguez, CA | | 9,281 | 3,920 | 107 | 9,373 | 3,936 | 13,308 | 104 | 2007 | (m) |
| 1250 Rancho Conejo Blvd | Thousand Oaks, CA | | 1,435 | 779 | 8 | 1,440 | 782 | 2,222 | 15 | 2007 | (m) |
| 1260 Rancho Conejo Blvd | Thousand Oaks, CA | | 1,353 | 722 | 9 | 1,358 | 726 | 2,084 | 13 | 2007 | (m) |
| 1270 Rancho Conejo Blvd | Thousand Oaks, CA | | 1,224 | 716 | 7 | 1,229 | 719 | 1,947 | 17 | 2007 | (m) |
| 1280 Rancho Conejo Blvd | Thousand Oaks, CA | | 2,043 | 3,408 | 19 | 2,050 | 3,420 | 5,470 | 57 | 2007 | (m) |
| 1290 Rancho Conejo Blvd | Thousand Oaks, CA | | 1,754 | 2,949 | 17 | 1,760 | 2,959 | 4,720 | 49 | 2007 | (m) |
| 4020 S. Compton Ave | Los Angeles, CA | | 3,800 | 7,330 | 71 | 3,825 | 7,376 | 11,201 | 326 | 2006 | (m) |
| 500 N Nash St | El Segundo, CA | | 1,189 | 3,167 | 99 | 1,198 | 3,257 | 4,455 | 65 | 2007 | (m) |
| 4790 Valley Blvd | Los Angeles, CA | | 960 | 3,840 | 33 | 966 | 3,866 | 4,833 | 26 | 2007 | (m) |
| **Louisville** | | | | | | | | | | | |
| Penske BTS | Louisville, KY | | 2,074 | — | 9,639 | 2,079 | 9,634 | 11,713 | 172 | 2007 | (m) |
| **Miami** | | | | | | | | | | | |
| 4700 NW 15th Ave | Ft.Lauderdale, FL | | 908 | 1,883 | 57 | 912 | 1,936 | 2,848 | 94 | 2007 | (m) |
| 4710 NW 15th Ave | Ft.Lauderdale, FL | | 830 | 2,722 | 54 | 834 | 2,772 | 3,606 | 109 | 2007 | (m) |
| 4720 NW 15th Ave | Ft.Lauderdale, FL | | 937 | 2,455 | 72 | 942 | 2,523 | 3,464 | 141 | 2007 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Building and Improvements | Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 4740 NW 15th Ave | Ft.Lauderdale, FL | | 1,107 | 3,111 | 70 | 1,112 | 3,176 | 4,288 | 198 | 2007 | (m) |
| 4750 NW 15th Ave | Ft.Lauderdale, FL | | 947 | 3,079 | 82 | 951 | 3,157 | 4,108 | 122 | 2007 | (m) |
| 4800 NW 15th Ave | Ft.Lauderdale, FL | | 1,092 | 3,308 | 140 | 1,097 | 3,443 | 4,540 | 141 | 2007 | (m) |
| Smurfit Container | Medley, FL | | 857 | 3,428 | 181 | 864 | 3,602 | 4,466 | 24 | 2007 | (m) |
| **Milwaukee** | | | | | | | | | | | |
| N25 W23050 Paul Road | Pewaukee, WI | | 474 | 2,723 | 1,932 | 485 | 4,645 | 5,130 | 1,479 | 1994 | (m) |
| N25 W23255 Paul Road | Pewaukee, WI | | 569 | 3,270 | 183 | 569 | 3,453 | 4,022 | 1,117 | 1994 | (m) |
| N27 W23293 Roundy Drive | Pewaukee, WI | | 412 | 2,837 | 102 | 420 | 2,931 | 3,351 | 965 | 1994 | (m) |
| 6523 N Sydney Place | Glendale, WI | | 172 | 976 | 349 | 176 | 1,322 | 1,498 | 362 | 1995 | (m) |
| 4560 N 124th Street | Wauwatosa, WI | | 118 | 667 | 85 | 129 | 741 | 870 | 196 | 1997 | (m) |
| 4410-80 North 132nd Street | Butler, WI | | 355 | — | 3,967 | 359 | 3,963 | 4,322 | 721 | 1999 | (m) |
| 5355 South Westridge Drive | New Berlin, WI | | 1,630 | 7,058 | 94 | 1,646 | 7,136 | 8,782 | 798 | 2004 | (m) |
| 320-34 W. Vogel | Milwaukee, WI | | 506 | 3,199 | 73 | 508 | 3,270 | 3,778 | 581 | 2005 | (m) |
| 4950 S. 6th Avenue | Milwaukee, WI | | 299 | 1,565 | 85 | 301 | 1,648 | 1,949 | 357 | 2005 | (m) |
| 1711 Paramount Court | Waukesha, WI | | 308 | 1,762 | 19 | 311 | 1,778 | 2,089 | 199 | 2005 | (m) |
| 17005 W. Ryerson Road | New Berlin, WI | | 403 | 3,647 | (63) | 405 | 3,581 | 3,987 | 444 | 2005 | (m) |
| W 140 N9059 Lilly Road | Iomonee Falls, WI | | 343 | 1,153 | 242 | 366 | 1,372 | 1,738 | 196 | 2005 | (m) |
| 200 W. Vogel Ave., Bldg B | Milwaukee, WI | | 301 | 2,150 | 13 | 302 | 2,162 | 2,464 | 349 | 2005 | (m) |
| 16600 West Glendale Avenue | New Berlin, WI | | 704 | 1,923 | 372 | 715 | 2,284 | 2,999 | 314 | 2006 | (m) |
| 4921 S. 2nd Street | Milwaukee, WI | | 101 | 713 | 2 | 101 | 715 | 816 | 106 | 2005 | (m) |
| 1500 Peebles Drive | Richland Center, WI | | 1,577 | 1,018 | 35 | 1,603 | 1,027 | 2,630 | 639 | 2005 | (m) |
| 2905 S 160th Street | New Berlin, WI | | 261 | 672 | 18 | 265 | 686 | 951 | 23 | 2007 | (m) |
| 2855 S 160th Street | New Berlin, WI | | 221 | 628 | 23 | 225 | 647 | 872 | 22 | 2007 | (m) |
| 2485 Commerce Drive | New Berlin, WI | | 483 | 1,516 | 20 | 491 | 1,528 | 2,019 | 41 | 2007 | (m) |
| 14518 Whittaker Way | New Berlin, WI | | 437 | 1,082 | 62 | 445 | 1,135 | 1,581 | 42 | 2007 | (m) |
| **Minneapolis/St. Paul** | | | | | | | | | | | |
| 6507-6545 Cecilia Circle | Bloomington, MN | | 357 | 1,320 | 1,257 | 386 | 2,548 | 2,934 | 1,541 | 1994 | (m) |
| 6201 West 111th Street | Bloomington, MN | (u) | 1,358 | 8,622 | 4,421 | 1,499 | 12,903 | 14,401 | 6,819 | 1994 | (m) |
| 6403-6545 Cecilia Drive | Bloomington, MN | | 366 | 1,363 | 1,168 | 395 | 2,502 | 2,897 | 1,603 | 1994 | (m) |
| 7251-7267 Washington Avenue | Edina, MN | | 129 | 382 | 710 | 182 | 1,038 | 1,221 | 792 | 1994 | (m) |
| 7301-7325 Washington Avenue | Edina, MN | | 174 | 391 | 84 | 193 | 456 | 649 | 193 | 1994 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | (b) Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Gross Amount Carried At Close of Period 12/31/07 Building and Improvements | Gross Amount Carried At Close of Period 12/31/07 Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 7101 Winnetka Avenue North | Brooklyn Park, MN | | 2,195 | 6,084 | 4,126 | 2,228 | 10,177 | 12,405 | 5,465 | 1994 | (m) |
| 7600 Golden Triangle Drive | Eden Prairie, MN | | 566 | 1,394 | 1,894 | 615 | 3,240 | 3,854 | 1,668 | 1994 | (m) |
| 9901 West 74th Street | Eden Prairie, MN | | 621 | 3,289 | 3,283 | 639 | 6,554 | 7,193 | 3,810 | 1994 | (m) |
| 1030 Lone Oak Road | Eagan, MN | | 456 | 2,703 | 563 | 456 | 3,266 | 3,721 | 1,048 | 1994 | (m) |
| 1060 Lone Oak Road | Eagan, MN | | 624 | 3,700 | 717 | 624 | 4,417 | 5,042 | 1,519 | 1994 | (m) |
| 5400 Nathan Lane | Plymouth, MN | | 749 | 4,461 | 1,167 | 757 | 5,620 | 6,377 | 2,054 | 1994 | (m) |
| 10120 W 76th Street | Eden Prairie, MN | | 315 | 1,804 | 1,025 | 315 | 2,828 | 3,144 | 1,257 | 1995 | (m) |
| 7615 Golden Triangle | Eden Prairie, MN | | 268 | 1,532 | 785 | 268 | 2,316 | 2,584 | 716 | 1995 | (m) |
| 7625 Golden Triangle | Eden Prairie, MN | | 415 | 2,375 | 1,032 | 415 | 3,407 | 3,822 | 1,117 | 1995 | (m) |
| 12155 Nicollet Ave | Burnsville, MN | | 286 | — | 1,731 | 288 | 1,729 | 2,017 | 528 | 1995 | (m) |
| 6655 Wedgewood Road | Maple Grove, MN | | 1,466 | 8,342 | 3,291 | 1,466 | 11,633 | 13,099 | 3,516 | 1994 | (m) |
| 900 Apollo Road | Eagan, MN | | 1,029 | 5,855 | 1,202 | 1,030 | 7,056 | 8,086 | 2,191 | 1995 | (m) |
| 7316 Aspen Lane North | Brooklyn Park, MN | | 368 | 2,156 | 746 | 377 | 2,893 | 3,270 | 874 | 1995 | (m) |
| 4100 Peavey Road | Chaska, MN | | 277 | 2,261 | 830 | 277 | 3,091 | 3,368 | 861 | 1996 | (m) |
| 11300 Hamshire Ave South | Bloomington, MN | | 527 | 2,985 | 1,469 | 541 | 4,440 | 4,981 | 1,092 | 1996 | (m) |
| 5205 Highway 169 | Plymouth, MN | | 446 | 2,525 | 1,002 | 740 | 3,232 | 3,972 | 886 | 1996 | (m) |
| 6451-6595 Citywest Parkway | Eden Prairie, MN | | 525 | 2,975 | 1,347 | 538 | 4,309 | 4,847 | 1,265 | 1996 | (m) |
| 7100-7198 Shady Oak Road | Eden Prairie, MN | | 715 | 4,054 | 1,254 | 736 | 5,288 | 6,023 | 1,831 | 1996 | (m) |
| 7500-7546 Washington Square | Eden Prairie, MN | | 229 | 1,300 | 776 | 235 | 2,071 | 2,306 | 585 | 1996 | (m) |
| 7550-7558 Washington Square | Eden Prairie, MN | | 153 | 867 | 171 | 157 | 1,034 | 1,191 | 270 | 1996 | (m) |
| 5240-5300 Valley Industrial Blvd S | Shakopee, MN | | 362 | 2,049 | 1,005 | 371 | 3,044 | 3,415 | 965 | 1996 | (m) |
| 7102 Winnetka Ave. North | Brooklyn Park, MN | | 1,275 | — | 6,505 | 1,337 | 6,443 | 7,780 | 25 | 2007 | (m) |
| 6477-6525 City West Parkway | Eden Prairie, MN | | 810 | 4,590 | 1,049 | 819 | 5,629 | 6,449 | 1,558 | 1997 | (m) |
| 1157 Valley Park Drive | Shakopee, MN | | 760 | — | 6,192 | 888 | 6,064 | 6,952 | 1,247 | 1999 | (m) |
| 500-530 Kasota Avenue SE | Minneapolis, MN | | 415 | 2,354 | 894 | 432 | 3,231 | 3,664 | 924 | 1998 | (m) |
| 770-786 Kasota Avenue SE | Minneapolis, MN | | 333 | 1,888 | 510 | 347 | 2,383 | 2,730 | 561 | 1998 | (m) |
| 800 Kasota Avenue SE | Minneapolis, MN | | 524 | 2,971 | 921 | 597 | 3,819 | 4,416 | 971 | 1998 | (m) |
| 2530-2570 Kasota Avenue | St. Paul, MN | | 407 | 2,308 | 841 | 465 | 3,091 | 3,556 | 804 | 1998 | (m) |
| 1280 Energy Park Drive | St. Paul, MN | | 700 | 2,779 | 23 | 705 | 2,797 | 3,502 | 387 | 2004 | (m) |
| 9600 West 76th Street | Eden Prairie, MN | | 1,000 | 2,450 | 47 | 1,034 | 2,462 | 3,497 | 281 | 2004 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | (b) Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Gross Amount Carried At Close of Period 12/31/07 Building and Improvements | Gross Amount Carried At Close of Period 12/31/07 Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 9700 West 76th Street | Eden Prairie, MN | | 1,000 | 2,709 | 145 | 1,038 | 2,815 | 3,854 | 295 | 2004 | (m) |
| 5017 Boone Avenue North | New Hope, MN | (v) | 1,000 | 1,599 | 58 | 1,009 | 1,648 | 2,657 | 407 | 2005 | (m) |
| 2300 West Highway 13(I-35 Dist Ctr) | Burnsville, MN | | 2,517 | 6,069 | 604 | 2,524 | 6,665 | 9,190 | 2,072 | 2005 | (m) |
| 1087 Park Place | Shakopee, MN | | 1,195 | 4,891 | 15 | 1,198 | 4,903 | 6,101 | 634 | 2005 | (m) |
| 5391 12th Avenue SE | Shakopee, MN | | 1,392 | 8,149 | 185 | 1,395 | 8,331 | 9,726 | 943 | 2005 | (m) |
| 4701 Valley Industrial Boulevard | Shakopee, MN | | 1,296 | 7,157 | (81) | 1,299 | 7,073 | 8,372 | 886 | 2005 | (m) |
| Park 2000 III | Shakopee, MN | | 590 | — | 5,619 | 590 | 5,619 | 6,209 | 802 | 1998 | (m) |
| 7600 69th Avenue | Greenfield, MN | | 1,500 | 8,328 | 1,808 | 1,510 | 10,126 | 11,636 | 1,310 | 2004 | (m) |
| 316 Lake Hazeltine Drive | Chaska, MN | | 714 | 944 | 166 | 729 | 1,095 | 1,824 | 187 | 2006 | (m) |
| 6455 City West Parkway | Eden Prairie, MN | | 659 | 3,189 | 92 | 665 | 3,274 | 3,939 | 701 | 2006 | (m) |
| 1225 Highway 169 North | Plymouth, MN | | 1,190 | 1,979 | 59 | 1,207 | 2,022 | 3,228 | 191 | 2006 | (m) |
| 9200 10th Ave | Golden Valley, MN | | 892 | 2,306 | (5) | 902 | 2,291 | 3,193 | 155 | 2007 | (m) |
| **Nashville** | | | | | | | | | | | |
| 1621 Heil Quaker Boulevard | Nashville, TN | | 413 | 2,383 | 1,687 | 430 | 4,053 | 4,483 | 1,301 | 1995 | (m) |
| 3099 Barry Drive | Portland, TN | | 418 | 2,368 | 121 | 421 | 2,486 | 2,907 | 697 | 1996 | (m) |
| 3150 Barry Drive | Portland, TN | | 941 | 5,333 | 520 | 981 | 5,813 | 6,794 | 1,605 | 1996 | (m) |
| 5599 Highway 31 West | Portland, TN | | 564 | 3,196 | 131 | 571 | 3,320 | 3,891 | 919 | 1996 | (m) |
| 1650 Elm Hill Pike | Nashville, TN | | 329 | 1,867 | 265 | 332 | 2,129 | 2,461 | 550 | 1997 | (m) |
| 1931 Air Lane Drive | Nashville, TN | | 489 | 2,785 | 272 | 493 | 3,053 | 3,546 | 820 | 1997 | (m) |
| 4640 Cummings Park | Nashville, TN | | 360 | 2,040 | 210 | 365 | 2,245 | 2,610 | 450 | 1999 | (m) |
| 1740 River Hills Drive | Nashville, TN | | 848 | 4,383 | 572 | 888 | 4,915 | 5,803 | 954 | 2005 | (m) |
| Royal Park Business Center — 211 Ellery Ct | Nashville, TN | | 606 | 3,192 | 107 | 616 | 3,289 | 3,905 | 83 | 2007 | (m) |
| **Northern New Jersey** | | | | | | | | | | | |
| 14 World's Fair Drive | Franklin, NJ | | 483 | 2,735 | 605 | 503 | 3,320 | 3,823 | 926 | 1997 | (m) |
| 12 World's Fair Drive | Franklin, NJ | | 572 | 3,240 | 538 | 593 | 3,756 | 4,349 | 1,038 | 1997 | (m) |
| 22 World's Fair Drive | Franklin, NJ | | 364 | 2,064 | 469 | 375 | 2,522 | 2,897 | 612 | 1997 | (m) |
| 26 World's Fair Drive | Franklin, NJ | | 361 | 2,048 | 357 | 377 | 2,388 | 2,766 | 635 | 1997 | (m) |
| 24 World's Fair Drive | Franklin, NJ | | 347 | 1,968 | 525 | 362 | 2,478 | 2,840 | 671 | 1997 | (m) |
| 20 World's Fair Drive Lot 13 | Sumerset, NJ | | 9 | — | 2,549 | 691 | 1,867 | 2,558 | 342 | 1999 | (m) |
| 45 Route 46 | Pine Brook, NJ | | 969 | 5,491 | 811 | 978 | 6,293 | 7,271 | 1,242 | 2000 | (m) |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 43 Route 46 | Pine Brook, NJ | | 474 | 2,686 | 387 | 479 | 3,069 | 3,547 | 686 | 2000 | (m) |
| 39 Route 46 | Pine Brook, NJ | | 260 | 1,471 | 223 | 262 | 1,691 | 1,953 | 339 | 2000 | (m) |
| 26 Chapin Road | Pine Brook, NJ | | 956 | 5,415 | 583 | 965 | 5,988 | 6,953 | 1,135 | 2000 | (m) |
| 30 Chapin Road | Pine Brook, NJ | | 960 | 5,440 | 770 | 969 | 6,201 | 7,170 | 1,226 | 2000 | (m) |
| 20 Hook Mountain Road | Pine Brook, NJ | | 1,507 | 8,542 | 2,650 | 1,534 | 11,166 | 12,700 | 1,847 | 2000 | (m) |
| 30 Hook Mountain Road | Pine Brook, NJ | | 389 | 2,206 | 368 | 396 | 2,567 | 2,963 | 509 | 2000 | (m) |
| 55 Route 46 | Pine Brook, NJ | | 396 | 2,244 | 239 | 403 | 2,476 | 2,879 | 486 | 2000 | (m) |
| 16 Chapin Road | Pine Brook, NJ | | 885 | 5,015 | 375 | 901 | 5,375 | 6,275 | 1,049 | 2000 | (m) |
| 20 Chapin Road | Pine Brook, NJ | | 1,134 | 6,426 | 300 | 1,154 | 6,706 | 7,860 | 1,068 | 2000 | (m) |
| Sayreville Lot 3 | Sayreville, NJ | | 996 | — | 5,315 | 996 | 5,315 | 6,311 | 458 | 2003 | (m) |
| Sayreville Lot 4 | Sayreville, NJ | | 944 | — | 4,749 | 944 | 4,749 | 5,693 | 713 | 2002 | (m) |
| 400 Raritan Center Parkway | Edison, NJ | | 829 | 4,722 | 525 | 851 | 5,226 | 6,077 | 851 | 2001 | (m) |
| 300 Columbus Circle | Edison, NJ | | 1,257 | 7,122 | 969 | 1,277 | 8,071 | 9,348 | 1,457 | 2001 | (m) |
| 400 Apgar | Franklin Township, NJ | | 780 | 4,420 | 758 | 822 | 5,136 | 5,958 | 816 | 2002 | (m) |
| 500 Apgar | Franklin Township, NJ | | 361 | 2,044 | 449 | 368 | 2,486 | 2,854 | 444 | 2002 | (m) |
| 1 Pearl Ct | Allendale, NJ | | 623 | 3,528 | 1,305 | 649 | 4,806 | 5,455 | 688 | 2002 | (m) |
| 2 Pearl Ct | Allendale, NJ | | 255 | 1,445 | 1,294 | 403 | 2,590 | 2,994 | 371 | 2002 | (m) |
| 3 Pearl Ct | Allendale, NJ | | 440 | 2,491 | 259 | 458 | 2,731 | 3,189 | 354 | 2002 | (m) |
| 5 Pearl Ct | Allendale, NJ | | 505 | 2,860 | 546 | 526 | 3,386 | 3,911 | 501 | 2002 | (m) |
| 6 Pearl Ct | Allendale, NJ | | 1,160 | 6,575 | 779 | 1,177 | 7,337 | 8,514 | 1,060 | 2002 | (m) |
| 7 Pearl Ct | Allendale, NJ | | 513 | 2,907 | 245 | 520 | 3,145 | 3,665 | 418 | 2002 | (m) |
| 59 Route 17 | Allendale, NJ | | 518 | 2,933 | 1,133 | 539 | 4,044 | 4,583 | 847 | 2002 | (m) |
| 309-319 Pierce Street | Somerset, NJ | | 1,300 | 4,628 | 947 | 1,309 | 5,566 | 6,875 | 648 | 2004 | (m) |
| 50 Triangle Blvd | Carlstadt, NJ | | 497 | 2,195 | 259 | 532 | 2,419 | 2,951 | 249 | 2005 | (m) |
| **Philadelphia** | | | | | | | | | | | |
| 230-240 Welsh Pool Road | Exton, PA | | 154 | 851 | 142 | 170 | 977 | 1,147 | 237 | 1998 | (m) |
| 264 Welsh Pool Road | Exton, PA | | 147 | 811 | 84 | 162 | 880 | 1,042 | 215 | 1998 | (m) |
| 254 Welsh Pool Road | Exton, PA | | 152 | 842 | 370 | 184 | 1,179 | 1,364 | 269 | 1998 | (m) |
| 213 Welsh Pool Road | Exton, PA | | 149 | 827 | 171 | 173 | 974 | 1,147 | 242 | 1998 | (m) |
| 251 Welsh Pool Road | Exton, PA | | 144 | 796 | 394 | 159 | 1,176 | 1,334 | 238 | 1998 | (m) |
| 253-255 Welsh Pool Road | Exton, PA | | 113 | 626 | 175 | 125 | 789 | 914 | 196 | 1998 | (m) |
| 151-161 Philips Road | Exton, PA | | 191 | 1,059 | 266 | 229 | 1,287 | 1,516 | 323 | 1998 | (m) |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 216 Philips Road | Exton, PA | | 199 | 1,100 | 238 | 220 | 1,317 | 1,537 | 327 | 1998 | (m) |
| 964 Postal Road | Lehigh, PA | | 215 | 1,216 | 124 | 224 | 1,330 | 1,554 | 227 | 2001 | (m) |
| 966 Postal Road | Lehigh, PA | | 268 | 1,517 | 133 | 279 | 1,639 | 1,918 | 294 | 2001 | (m) |
| 999 Postal Road | Lehigh, PA | | 439 | 2,486 | 655 | 458 | 3,122 | 3,580 | 595 | 2001 | (m) |
| 7331 William Avenue | Lehigh, PA | | 311 | 1,764 | 144 | 325 | 1,894 | 2,219 | 321 | 2001 | (m) |
| 7350 William Ave | Lehigh, PA | | 552 | 3,128 | 767 | 576 | 3,871 | 4,447 | 890 | 2001 | (m) |
| 7377 William Ave | Lehigh, PA | | 290 | 1,645 | 235 | 303 | 1,867 | 2,170 | 370 | 2001 | (m) |
| 2000 Cabot Boulevard West | Langhorne, PA | | 414 | 2,346 | 660 | 424 | 2,996 | 3,420 | 466 | 2002 | (m) |
| 2005 Cabot Boulevard West | Langhorne, PA | | 315 | 1,785 | 222 | 322 | 2,000 | 2,322 | 328 | 2002 | (m) |
| 2010 Cabot Boulevard West | Langhorne, PA | | 513 | 2,907 | 581 | 525 | 3,476 | 4,001 | 535 | 2002 | (m) |
| 2200 Cabot Boulevard West | Langhorne, PA | | 428 | 2,427 | 346 | 438 | 2,763 | 3,201 | 495 | 2002 | (m) |
| 2260-2270 Cabot Boulevard West | Langhorne, PA | | 361 | 2,044 | 484 | 369 | 2,520 | 2,889 | 434 | 2002 | (m) |
| 3000 Cabot Boulevard West | Langhorne, PA | | 509 | 2,886 | 652 | 521 | 3,526 | 4,047 | 624 | 2002 | (m) |
| 180 Wheeler Court | Langhorne, PA | | 447 | 2,533 | 240 | 458 | 2,762 | 3,220 | 433 | 2002 | (m) |
| 2512 Metropolitan Drive | Trevose, PA | | 242 | 1,369 | 248 | 248 | 1,610 | 1,858 | 271 | 2002 | (m) |
| 2515 Metropolitan Drive | Trevose, PA | | 259 | 1,466 | 203 | 265 | 1,663 | 1,928 | 271 | 2002 | (m) |
| 2450 Metropolitan Drive | Trevose, PA | | 571 | 3,234 | 586 | 586 | 3,805 | 4,391 | 663 | 2002 | (m) |
| 4667 Somerton Road | Trevose, PA | | 637 | 3,608 | 782 | 652 | 4,375 | 5,027 | 911 | 2002 | (m) |
| 835 Wheeler Way | Langhorne, PA | | 293 | 1,658 | 525 | 319 | 2,156 | 2,475 | 450 | 2002 | (m) |
| 14 McFadden Road | Palmer, PA | | 600 | 1,349 | 56 | 625 | 1,380 | 2,005 | 257 | 2004 | (m) |
| 2801 Red Lion Road | Philadelphia, PA | | 950 | 5,916 | 88 | 964 | 5,990 | 6,954 | 1,317 | 2005 | (m) |
| 200 Cascade Drive — Bldg 1 | Allentown, PA | | 2,133 | 17,562 | 913 | 2,769 | 17,838 | 20,608 | 835 | 2007 | (m) |
| 200 Cascade Drive — Bldg 2 | Allentown, PA | | 310 | 2,268 | 106 | 316 | 2,369 | 2,684 | 88 | 2007 | (m) |
| 3240 S.78th Street | Philadelphia, PA | | 515 | 1,245 | 71 | 540 | 1,291 | 1,831 | 135 | 2005 | (m) |
| **Phoenix** | | | | | | | | | | | |
| 1045 South Edward Drive | Tempe, AZ | | 390 | 2,160 | 86 | 394 | 2,242 | 2,636 | 495 | 1999 | (m) |
| 46 N. 49th Ave | Phoenix, AZ | | 283 | 1,704 | 718 | 283 | 2,422 | 2,706 | 572 | 2002 | (m) |
| 10220 S. 51st Street | Phoenix, AZ | | 400 | 1,493 | 184 | 406 | 1,671 | 2,077 | 245 | 2004 | (m) |
| 50 South 56th Street | Chandler, AZ | | 1,200 | 3,333 | (31) | 1,207 | 3,294 | 4,502 | 353 | 2004 | (m) |
| 4701 W. Jefferson | Phoenix, AZ | | 926 | 2,195 | 628 | 929 | 2,820 | 3,749 | 515 | 2005 | (m) |
| 7102 W. Roosevelt | Phoenix, AZ | | 1,613 | 6,451 | 984 | 1,620 | 7,428 | 9,048 | 418 | 2006 | (m) |
| 4137 West Adams Street | Phoenix, AZ | | 990 | 2,661 | 146 | 1,033 | 2,764 | 3,797 | 148 | 2006 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | (b) Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Gross Amount Carried At Close of Period 12/31/07 Building and Improvements | Gross Amount Carried At Close of Period 12/31/07 Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 245 W Lodge | Tempe, AZ | | 898 | 3,066 | 37 | 907 | 3,095 | 4,001 | 92 | 2007 | (m) |
| **Salt Lake City** | | | | | | | | | | | |
| 512 Lawndale Drive(i) | Salt Lake City, UT | | 2,705 | 15,749 | 2,924 | 2,705 | 18,672 | 21,377 | 5,382 | 1997 | (m) |
| 1270 West 2320 South | West Valley, UT | | 138 | 784 | 203 | 143 | 983 | 1,126 | 268 | 1998 | (m) |
| 1275 West 2240 South | West Valley, UT | | 395 | 2,241 | 473 | 408 | 2,702 | 3,109 | 755 | 1998 | (m) |
| 1288 West 2240 South | West Valley, UT | | 119 | 672 | 147 | 123 | 816 | 938 | 254 | 1998 | (m) |
| 2235 South 1300 West | West Valley, UT | | 198 | 1,120 | 259 | 204 | 1,373 | 1,577 | 427 | 1998 | (m) |
| 1293 West 2200 South | West Valley, UT | | 158 | 896 | 69 | 163 | 960 | 1,124 | 231 | 1998 | (m) |
| 1279 West 2200 South | West Valley, UT | | 198 | 1,120 | 47 | 204 | 1,161 | 1,365 | 289 | 1998 | (m) |
| 1272 West 2240 South | West Valley, UT | | 336 | 1,905 | 247 | 347 | 2,141 | 2,488 | 514 | 1998 | (m) |
| 1149 West 2240 South | West Valley, UT | | 217 | 1,232 | 99 | 225 | 1,324 | 1,549 | 331 | 1998 | (m) |
| 1142 West 2320 South | West Valley, UT | | 217 | 1,232 | 88 | 225 | 1,313 | 1,538 | 337 | 1998 | (m) |
| 1152 West 2240 South | West Valley, UT | | 2,067 | — | 3,549 | 2,114 | 3,503 | 5,617 | 657 | 2000 | (m) |
| 369 Orange Street | Salt Lake City, UT | | 600 | 2,855 | 163 | 606 | 3,012 | 3,618 | 430 | 2003 | (m) |
| 2323 South 900 W | Salt Lake City, UT | | 886 | 2,995 | 59 | 898 | 3,041 | 3,940 | 432 | 2006 | (m) |
| 9140 South 150 East-Eckman | Sandy City, UT | | 1,417 | 3,668 | 189 | 1,580 | 3,694 | 5,274 | 248 | 2006 | (m) |
| 4625 West 1730 South | Salt Lake City, UT | | 903 | 4,005 | 20 | 907 | 4,021 | 4,928 | 215 | 2006 | (m) |
| 1815-1957 South 4650 West | Salt Lake City, UT | | 1,707 | 10,873 | 170 | 1,713 | 11,037 | 12,750 | 510 | 2006 | (m) |
| 2100 Alexander Street | West Valley, UT | | 373 | 1,675 | (2) | 376 | 1,670 | 2,046 | 38 | 2007 | (m) |
| 2064 Alexander Street | West Valley, UT | | 864 | 2,771 | (9) | 869 | 2,758 | 3,626 | 76 | 2007 | (m) |
| Bard Access System -5425 Amelia Earhart | Salt Lake City, UT | | 615 | 2,461 | 43 | 628 | 2,491 | 3,119 | 8 | 2007 | (m) |
| **San Diego** | | | | | | | | | | | |
| 16275 Technology Drive | San Diego, CA | | 2,848 | 8,641 | 42 | 2,859 | 8,672 | 11,531 | 706 | 2005 | (m) |
| 6305 El Camino Real | Carlsbad, CA | | 1,590 | 6,360 | 214 | 1,590 | 6,574 | 8,163 | 345 | 2006 | (m) |
| 8572 Spectrum Lane | San Diego, CA | | 806 | 3,225 | 402 | 807 | 3,626 | 4,433 | 89 | 2007 | (m) |
| 13100 Gregg St | Poway, CA | | 1,040 | 4,160 | 271 | 1,073 | 4,399 | 5,471 | 115 | 2007 | (m) |
| 2325 Camino Vida Roble | Carlsbad, CA | | 1,441 | 1,239 | 42 | 1,446 | 1,276 | 2,722 | 105 | 2006 | (m) |
| 2335 Camino Vida Roble | Carlsbad, CA | | 817 | 762 | 100 | 821 | 858 | 1,679 | 84 | 2006 | (m) |
| 2345 Camino Vida Roble | Carlsbad, CA | | 562 | 456 | 28 | 565 | 481 | 1,046 | 51 | 2006 | (m) |
| 2355 Camino Vida Roble | Carlsbad, CA | | 481 | 365 | 59 | 483 | 422 | 905 | 49 | 2006 | (m) |
| 2365 Camino Vida Roble | Carlsbad, CA | | 1,098 | 630 | 9 | 1,102 | 634 | 1,737 | 86 | 2006 | (m) |
| 2375 Camino Vida Roble | Carlsbad, CA | | 1,210 | 874 | 121 | 1,214 | 991 | 2,205 | 103 | 2006 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost: Land | (b) Initial Cost: Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07: Land | Gross Amount Carried At Close of Period 12/31/07: Building and Improvements | Gross Amount Carried At Close of Period 12/31/07: Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 6451 El Camino Real | Carlsbad, CA | | 2,885 | 1,931 | 52 | 2,895 | 1,973 | 4,868 | 197 | 2006 | (m) |
| **Southern New Jersey** | | | | | | | | | | | |
| 4 Springdale Road(d) | Cherry Hill, NJ | | 332 | 1,853 | 1,291 | 332 | 3,144 | 3,476 | 733 | 1998 | (m) |
| 8 Springdale Road | Cherry Hill, NJ | | 258 | 1,436 | 854 | 258 | 2,290 | 2,548 | 580 | 1998 | (m) |
| 2050 Springdale Road | Cherry Hill, NJ | | 277 | 1,545 | 1,052 | 277 | 2,597 | 2,874 | 599 | 1998 | (m) |
| 16 Springdale Road | Cherry Hill, NJ | | 240 | 1,336 | 134 | 240 | 1,471 | 1,710 | 350 | 1998 | (m) |
| 5 Esterbrook Lane | Cherry Hill, NJ | | 240 | 1,336 | 236 | 240 | 1,572 | 1,812 | 368 | 1998 | (m) |
| 2 Pin Oak Lane | Cherry Hill, NJ | | 314 | 1,757 | 810 | 314 | 2,567 | 2,881 | 658 | 1998 | (m) |
| 28 Springdale Road | Cherry Hill, NJ | | 190 | 1,060 | 213 | 190 | 1,273 | 1,463 | 304 | 1998 | (m) |
| 3 Esterbrook Lane | Cherry Hill, NJ | | 198 | 1,102 | 486 | 198 | 1,588 | 1,786 | 371 | 1998 | (m) |
| 26 Springdale Road | Cherry Hill, NJ | | 226 | 1,257 | 589 | 226 | 1,846 | 2,072 | 455 | 1998 | (m) |
| 1 Keystone Ave | Cherry Hill, NJ | | 218 | 1,223 | 963 | 218 | 2,186 | 2,404 | 515 | 1998 | (m) |
| 21 Olnev Ave | Cherry Hill, NJ | | 68 | 380 | 75 | 68 | 455 | 523 | 106 | 1998 | (m) |
| 19 Olnev Ave | Cherry Hill, NJ | | 200 | 1,119 | 1,130 | 200 | 2,249 | 2,449 | 483 | 1998 | (m) |
| 2 Keystone Ave | Cherry Hill, NJ | | 214 | 1,194 | 551 | 214 | 1,746 | 1,959 | 471 | 1998 | (m) |
| 18 Olnev Ave | Cherry Hill, NJ | | 247 | 1,382 | 515 | 247 | 1,896 | 2,143 | 418 | 1998 | (m) |
| 2030 Springdale Rod | Cherry Hill, NJ | | 523 | 2,914 | 1,389 | 523 | 4,304 | 4,826 | 1,118 | 1998 | (m) |
| 111 Whittendale Drive | Morrestown, NJ | | 522 | 2,916 | 130 | 522 | 3,046 | 3,568 | 636 | 2000 | (m) |
| 9 Whittendale | Morrestown, NJ | | 337 | 1,911 | 108 | 343 | 2,013 | 2,356 | 335 | 2001 | (m) |
| 1931 Olney Road | Cherry Hill, NJ | | 262 | 1,486 | 117 | 267 | 1,598 | 1,865 | 217 | 2002 | (m) |
| 7851 Airport | Pennsauken, NJ | | 160 | 508 | 382 | 163 | 888 | 1,050 | 210 | 2003 | (m) |
| 103 Central | Mt. Laurel, NJ | | 610 | 1,847 | 1,542 | 619 | 3,380 | 3,999 | 855 | 2003 | (m) |
| 7890 Airport Hwy/7015 Central | Pennsauken, NJ | | 300 | 989 | 1,062 | 425 | 1,926 | 2,351 | 714 | 2006 | (m) |
| 999 Grand Avenue | Hammonton, NJ | (w) | 969 | 8,793 | 713 | 979 | 9,495 | 10,475 | 1,541 | 2005 | (m) |
| 600 Creek Road | Delanco, NJ | | 2,125 | 6,504 | 4 | 2,126 | 6,507 | 8,633 | 419 | 2007 | (m) |
| 1070 Thomas Busch Memorial Hwy | Pennsauken, NJ | | 1,054 | 2,278 | 65 | 1,084 | 2,313 | 3,397 | 151 | 2007 | (m) |
| 1601 Schlumberger Drive | Moorestown, NJ | | 560 | 2,240 | 272 | 608 | 2,464 | 3,072 | 61 | 2007 | (m) |
| **St. Louis** | | | | | | | | | | | |
| 8921-8971 Fost Avenue | Hazelwood, MO | | 431 | 2,479 | 68 | 431 | 2,547 | 2,979 | 856 | 1994 | (m) |
| 9043-9083 Frost Avenue | Hazelwood, MO | | 319 | 1,838 | 712 | 319 | 2,550 | 2,869 | 815 | 1994 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | (b) Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Gross Amount Carried At Close of Period 12/31/07 Building and Improvements | Gross Amount Carried At Close of Period 12/31/07 Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 10431-10449 Midwest Industrial Blvd | Olivette, MO | | 237 | 1,360 | 555 | 237 | 1,915 | 2,152 | 766 | 1994 | (m) |
| 10751 Midwest Industrial Boulevard | Olivette, MO | | 193 | 1,119 | 368 | 194 | 1,487 | 1,681 | 589 | 1994 | (m) |
| 6951 N Hanley(d) | Hazelwood, MO | | 405 | 2,295 | 1,382 | 419 | 3,663 | 4,082 | 998 | 1996 | (m) |
| 1037 Warson — Bldg A | St. Louis, MO | | 246 | 1,359 | 623 | 251 | 1,977 | 2,228 | 260 | 2002 | (m) |
| 1037 Warson — Bldg B | St. Louis, MO | | 380 | 2,103 | 1,730 | 388 | 3,825 | 4,212 | 487 | 2002 | (m) |
| 1037 Warson — Bldg C | St. Louis, MO | | 303 | 1,680 | 1,224 | 310 | 2,897 | 3,207 | 447 | 2002 | (m) |
| 1037 Warson — Bldg D | St. Louis, MO | | 353 | 1,952 | 766 | 360 | 2,711 | 3,071 | 341 | 2002 | (m) |
| 6821-6857 Hazelwood Ave | Berkeley, MO | | 985 | 6,205 | 775 | 985 | 6,979 | 7,965 | 1,073 | 2003 | (m) |
| 13701 Rider Trail North | Earth City, MO | | 800 | 2,099 | 653 | 804 | 2,748 | 3,552 | 545 | 2003 | (m) |
| 1908-2000 Innerbelt(d) | Overland, MO | | 1,590 | 9,026 | 1,057 | 1,591 | 10,083 | 11,673 | 1,951 | 2004 | (m) |
| 8449-95 Mid-County Industrial | Vinita Park, MO | | 520 | 1,590 | 222 | 520 | 1,812 | 2,332 | 384 | 2004 | (m) |
| 84104-76 Mid County Industrial | Vinita Park, MO | | 540 | 2,109 | 132 | 540 | 2,241 | 2,781 | 440 | 2004 | (m) |
| 2001 Innerbelt Business Center | Overland, MO | | 1,050 | 4,451 | 256 | 1,050 | 4,707 | 5,757 | 910 | 2004 | (m) |
| 9060 Latty Avenue | Berkeley, MO | | 687 | 1,947 | 43 | 694 | 1,984 | 2,678 | 480 | 2006 | (m) |
| 21-25 Gateway Commerce Center | Edwardsville, IL | (x) | 1,874 | 31,958 | 371 | 1,928 | 32,275 | 34,203 | 1,230 | 2006 | (m) |
| Cenveno Building — 601 Cannonball | O'Fallon, MO | | 584 | 2,336 | 34 | 595 | 2,359 | 2,954 | 8 | 2007 | (m) |
| **Tampa** | | | | | | | | | | | |
| 5313 Johns Road | Tampa, FL | | 204 | 1,159 | 219 | 257 | 1,325 | 1,582 | 342 | 1997 | (m) |
| 5525 Johns Road | Tampa, FL | | 192 | 1,086 | 435 | 200 | 1,513 | 1,713 | 357 | 1997 | (m) |
| 5709 Johns Road | Tampa, FL | | 192 | 1,086 | 168 | 200 | 1,246 | 1,446 | 332 | 1997 | (m) |
| 5711 Johns Road | Tampa, FL | | 243 | 1,376 | 183 | 255 | 1,546 | 1,801 | 388 | 1997 | (m) |
| 5453 W Waters Avenue | Tampa, FL | | 71 | 402 | 138 | 82 | 529 | 611 | 142 | 1997 | (m) |
| 5455 W Waters Avenue | Tampa, FL | | 307 | 1,742 | 387 | 326 | 2,111 | 2,436 | 537 | 1997 | (m) |
| 5553 W Waters Avenue | Tampa, FL | | 307 | 1,742 | 267 | 326 | 1,990 | 2,316 | 517 | 1997 | (m) |
| 5501 W Waters Avenue | Tampa, FL | | 154 | 871 | 133 | 142 | 1,015 | 1,157 | 290 | 1997 | (m) |
| 5503 W Waters Avenue | Tampa, FL | | 71 | 402 | 41 | 66 | 449 | 514 | 118 | 1997 | (m) |
| 5555 W Waters Avenue | Tampa, FL | | 213 | 1,206 | 143 | 221 | 1,340 | 1,562 | 369 | 1997 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | (b) Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Gross Amount Carried At Close of Period 12/31/07 Building and Improvements | Gross Amount Carried At Close of Period 12/31/07 Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | (Dollars in thousands) | | | | | |
| 5557 W Waters Avenue | Tampa, FL | | 59 | 335 | 47 | 62 | 379 | 442 | 100 | 1997 | (m) |
| 5463 W Waters Avenue | Tampa, FL | | 497 | 2,751 | 782 | 560 | 3,470 | 4,030 | 883 | 1998 | (m) |
| 5461 W Waters | Tampa, FL | | 261 | — | 1,406 | 265 | 1,402 | 1,667 | 297 | 1998 | (m) |
| 5481 W. Waters Avenue | Tampa, FL | | 558 | — | 2,283 | 561 | 2,280 | 2,841 | 492 | 1999 | (m) |
| 4515-4519 George Road | Tampa, FL | | 633 | 3,587 | 636 | 640 | 4,216 | 4,856 | 743 | 2001 | (m) |
| 6089 Johns Road | Tampa, FL | (y) | 180 | 987 | 104 | 186 | 1,086 | 1,271 | 166 | 2004 | (m) |
| 6091 Johns Road | Tampa, FL | (y) | 140 | 730 | 51 | 144 | 777 | 921 | 107 | 2004 | (m) |
| 6103 Johns Road | Tampa, FL | (y) | 220 | 1,160 | 75 | 226 | 1,230 | 1,455 | 165 | 2004 | (m) |
| 6201 Johns Road | Tampa, FL | (y) | 200 | 1,107 | 88 | 205 | 1,190 | 1,395 | 176 | 2004 | (m) |
| 6203 Johns Road | Tampa, FL | (y) | 300 | 1,460 | 105 | 311 | 1,555 | 1,865 | 265 | 2004 | (m) |
| 6205 Johns Road | Tampa, FL | (y) | 270 | 1,363 | 46 | 278 | 1,402 | 1,679 | 123 | 2004 | (m) |
| 6101 Johns Road | Tampa, FL | | 210 | 833 | 179 | 216 | 1,006 | 1,222 | 147 | 2004 | (m) |
| 4908 Tampa West Blvd | Tampa, FL | | 2,622 | 8,643 | 36 | 2,635 | 8,666 | 11,301 | 1,072 | 2005 | (m) |
| 7201-7245 Bryan Dairy Road(d) | Largo, FL | | 1,895 | 5,408 | 525 | 1,909 | 5,918 | 7,827 | 466 | 2006 | (m) |
| 11701 Belcher Road South | Largo, FL | | 1,657 | 2,768 | 314 | 1,669 | 3,070 | 4,739 | 318 | 2006 | (m) |
| 4900-4914 Creekside Drive(h) | Clearwater, FL | | 3,702 | 7,338 | 301 | 3,730 | 7,611 | 11,341 | 718 | 2006 | (m) |
| 4908 Creekside Drive | Clearwater, FL | | 506 | 645 | 329 | 509 | 971 | 1,480 | 82 | 2006 | (m) |
| 12345 Starkey Road | Largo, FL | | 898 | 2,078 | 292 | 905 | 2,363 | 3,268 | 168 | 2006 | (m) |
| **Toronto** | | | | | | | | | | | |
| 114 Packham Rd — Brooks Industries | Stratford, Ontario | | 1,000 | 3,526 | 55 | 1,012 | 3,569 | 4,581 | 281 | 2007 | (m) |
| 135 Dundas Street | Cambridge Ontario, Canada | | 3,128 | 4,958 | 138 | 3,179 | 5,045 | 8,224 | 1,344 | 2005 | (m) |
| 678 Erie Street | Stratford Ontario, Canada | | 786 | 557 | 78 | 829 | 592 | 1,421 | 459 | 2005 | (m) |
| 777 Bayly Street West | Ajax Ontario, Canada | | 7,224 | 13,156 | 4,119(z) | 8,707 | 15,792 | 24,499 | 971 | 2006 | (m) |
| **Other** | | | | | | | | | | | |
| 3501 Maple Street | Abilene, TX | | 67 | 1,057 | 1,422 | 266 | 2,280 | 2,546 | 1,140 | 1994 | (m) |
| 4200 West Harry Street(e) | Wichita, KS | | 193 | 2,224 | 1,777 | 532 | 3,662 | 4,194 | 2,162 | 1994 | (m) |
| 5050 Kendrick Court | Grand Rapids, MI | | 1,721 | 11,433 | 7,230 | 1,721 | 18,663 | 20,383 | 5,829 | 1994 | (m) |
| 5015 52nd Street SE | Grand Rapids, MI | | 234 | 1,321 | 141 | 234 | 1,462 | 1,696 | 544 | 1994 | (m) |
| 2250 Delaware Ave | Des Moines, IA | | 277 | 1,609 | 612 | 277 | 2,222 | 2,499 | 559 | 1998 | (m) |
| 9601A Dessau Road | Austin, TX | | 255 | — | 2,184 | 366 | 2,073 | 2,439 | 645 | 1999 | (m) |
| 9601B Dessau Road | Austin, TX | | 248 | — | 1,855 | 355 | 1,747 | 2,102 | 332 | 2000 | (m) |

| Building Address | Location (City/State) | (a) Encumbrances | (b) Initial Cost Land | (b) Initial Cost Buildings | (c) Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision | Gross Amount Carried At Close of Period 12/31/07 Land | Gross Amount Carried At Close of Period 12/31/07 Building and Improvements | Gross Amount Carried At Close of Period 12/31/07 Total | Accumulated Depreciation 12/31/07 | Year Acquired/ Constructed | Depreciable Lives (Years) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | (Dollars in thousands) | | | | | | |
| 9601C Dessau Road | Austin, TX | | 248 | — | 2,186 | 355 | 2,079 | 2,434 | 855 | 1999 | (m) |
| Lake Point IV | Orlando, FL | | 909 | 4,613 | 129 | 920 | 4,731 | 5,651 | 498 | 2005 | (m) |
| Ozburn Hessey Logistics — BTS | Winchester, VA | | 2,320 | | 10,821 | 2,401 | 10,740 | 13,141 | 151 | 2007 | (m) |
| 6266 Hurt Road | Horn Lake, MS | | 427 | — | 3,270 | 427 | 3,271 | 3,697 | 459 | 2004 | (m) |
| 6266 Hurt Road Building B | Horn Lake, MS | | — | — | 868 | 99 | 769 | 868 | 92 | 2004 | (m) |
| 7601 NW 107th Terrace | Kansas City, MO | | 746 | 4,712 | 50 | 750 | 4,758 | 5,508 | 987 | 2005 | (m) |
| 12626 Silicon Drive | San Antonio, TX | | 768 | 3,448 | 22 | 779 | 3,459 | 4,238 | 432 | 2005 | (m) |
| 3100 Pinson Valley Parkway | Birmingham, AL | | 303 | 742 | 21 | 310 | 756 | 1,066 | 84 | 2005 | (m) |
| 1021 W. First Street, Hwy 93 | Sumner, IA | | 99 | 2,540 | 20 | 100 | 2,559 | 2,659 | 365 | 2005 | (m) |
| 1245 N. Hearne Avenue | Shreveport, LA | | 99 | 1,263 | 33 | 102 | 1,293 | 1,395 | 169 | 2005 | (m) |
| 2315 NW 21st Place | Portland, OR | | 301 | 1,247 | 39 | 309 | 1,278 | 1,587 | 110 | 2005 | (m) |
| 10330 I Street | Omaha, NE | | 1,808 | 8,340 | 15 | 1,809 | 8,354 | 10,163 | 1,115 | 2006 | (m) |
| Kimberly Clark BTS | Johnson County, KS | | — | — | 17,518 | 25 | 17,492 | 17,518 | 57 | 2007 | (m) |
| Redevelopments / Developments / Developable Land(k) | | | 110,947 | 698 | 64,480(z) | 116,478 | 59,655 | 176,134 | 652 | | |
| | | | $ 639,306 | $ 2,047,081 | $ 608,144 | $ 661,619(1) | $ 2,632,920(1) | $ 3,294,539 | $ 512,781(l) | | |

**NOTES:**

(a) See description of encumbrances in Note 5 to Notes to Consolidated Financial Statements.

(b) Initial cost for each respective property is tangible purchase price allocated in accordance with SFAS No. 141.

(c) Improvements are net of write-off of fully depreciated assets.

(d) Comprised of two properties.

(e) Comprised of three properties.

(f) Comprised of four properties.

(g) Comprised of five properties.

(h) Comprised of eight properties.

(i) Comprised of 28 properties.

(j) Not used.

(k) These properties represent developable land and redevelopments that have not been placed in service.

(l)

| | Amounts Included in Real Estate Held for Sale | Amounts Within Net Investment in Real Estate | Gross Amount Carried At Close of Period December 31, 2007 |
|---|---|---|---|
| Land | $ 6,096 | $ 655,523 | $ 661,619 |
| Buildings & Improvements | 33,136 | 2,599,784 | 2,632,920 |
| Accumulated Depreciation | (2,800) | (509,981) | (512,781) |
| Subtotal | 36,432 | 2,745,326 | 2,781,758 |
| Construction in Progress | — | 70,961 | 70,961 |
| Net Investment in Real Estate | 36,432 | 2,816,287 | 2,852,719 |
| Leasing Commissions, Net, Deferred Leasing Intangibles, Net and Deferred Rent Receivable, Net | 1,443 | | |
| Total at December 31, 2007 | $ 37,875 | | |

(m) Depreciation is computed based upon the following estimated lives:

| | |
|---|---|
| Buildings and Improvements | 8 to 50 years |
| Tenant Improvements, Leasehold Improvements | Life of lease |

(n) This property collateralizes a $2.8 million mortgage loan which matures on May 1, 2016.

(o) This property collateralizes a $14.7 million mortgage loan which matures on December 1, 2010.

(p) This property collateralizes a $5.0 million mortgage loan which matures on December 1, 2019.

(q) This property collateralizes a $1.4 million mortgage loan which matures on January 1, 2013.

(r) These properties collateralize a $1.1 million mortgage loan which matures on September 1, 2009.

(s) This property collateralizes a $2.4 million mortgage loan which matures on January 1, 2012.

(t) This property collateralizes a $1.7 million mortgage loan which matures on June 1, 2014.

(u) This property collateralizes a $5.1 million mortgage loan which matures on December 1, 2019.

(v) This property collateralizes a $1.8 million mortgage loan which matures on September 30, 2024.

(w) This property collateralizes a $6.4 million mortgage loan which matures on March 1, 2011.

(x) This property collateralizes a $13.8 million mortgage loan and a $11.7 million mortgage loan which both mature on January 1, 2014.

(y) These properties collateralize a $5.7 million mortgage loan which matures on July 1, 2009.

(z) Includes foreign currency translation adjustments.

At December 31, 2007, 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 total real estate assets, including real estate held for sale, for the three years ended December 31, 2007 are as follows:

| | 2007 | 2006 (Dollars in thousands) | 2005 |
|---|---|---|---|
| Balance, Beginning of Year | $ 3,331,382 | $ 3,278,740 | $ 2,910,468 |
| Acquisition of Real Estate Assets | 440,664 | 551,860 | 678,528 |
| Construction Costs and Improvements | 237,135 | 211,711 | 196,500 |
| Disposition of Real Estate Assets | (619,785) | (693,159) | (473,743) |
| Write-off of Fully Depreciated Assets | (23,896) | (17,770) | (33,013) |
| Balance, End of Year | $ 3,365,500 | $ 3,331,382 | $ 3,278,740 |

The changes in accumulated depreciation, including accumulated depreciation for real estate held for sale, for the three years ended December 31, 2007 are as follows:

| | 2007 | 2006 | 2005 |
|---|---|---|---|
| Balance, Beginning of Year | $ 473,882 | $ 412,039 | $ 381,297 |
| Depreciation for Year | 121,714 | 121,347 | 99,338 |
| Disposition of Assets | (58,919) | (41,734) | (35,946) |
| Write-off of Fully Depreciated Assets | (23,896) | (17,770) | (32,650) |
| Balance, End of Year | $ 512,781 | $ 473,882 | $ 412,039 |

## SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**FIRST INDUSTRIAL REALTY TRUST, INC.**

By: /s/ Michael W. Brennan
Michael W. Brennan
President, Chief Executive Officer and Director
(Principal Executive Officer)

Date: February 25, 2008

By: /s/ Michael J. Havala
Michael J. Havala
Chief Financial Officer
(Principal Financial Officer)

Date: February 25, 2008

By: /s/ Scott A. Musil
Scott A. Musil
Chief Accounting Officer
(Principal Accounting Officer)

Date: February 25, 2008

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

| Signature | Title | Date |
|---|---|---|
| /s/ Jay H. Shidler<br>Jay H. Shidler | Chairman of the Board of Directors | February 25, 2008 |
| /s/ Michael W. Brennan<br>Michael W. Brennan | President, Chief Executive Officer and Director | February 25, 2008 |
| /s/ John Brenninkmeijer<br>John Brenninkmeijer | Director | February 25, 2008 |
| /s/ Michael G. Damone<br>Michael G. Damone | Director of Strategic Planning and Director | February 25, 2008 |
| /s/ Kevin W. Lynch<br>Kevin W. Lynch | Director | February 25, 2008 |

| Signature | Title | Date |
|---|---|---|
| /s/ Robert D. Newman<br>Robert D. Newman | Director | February 20, 2008 |
| /s/ John E. Rau<br>John E. Rau | Director | February 25, 2008 |
| /s/ Robert J. Slater<br>Robert J. Slater | Director | February 25, 2008 |
| /s/ W. Edwin Tyler<br>W. Edwin Tyler | Director | February 25, 2008 |
| /s/ J. Steven Wilson<br>J. Steven Wilson | Director | February 25, 2008 |

**AMENDMENT NO. 1**
**TO THE**
**FIRST INDUSTRIAL REALTY TRUST, INC.**
**1994 STOCK INCENTIVE PLAN**

AMENDMENT NO. 1 (the “**First Amendment**”) to the First Industrial Realty Trust, Inc. 1994 Stock Incentive Plan (the “**Plan**”) established and maintained by First Industrial Realty Trust, Inc., a Maryland corporation (the “**Company**”). Capitalized terms used herein and not defined shall have the meanings set forth in the Plan.

WHEREAS, the Company’s common stock is listed on the New York Stock Exchange (“**NYSE**”);

WHEREAS, the NYSE has required that all listed securities be eligible for the Direct Registration System (“**DRS**”) by March 31, 2008, and DRS is intended to facilitate the issuance, ownership and transfer of the Company’s common stock in uncertificated form;

WHEREAS, the Plan currently contemplates the issuance of certificates to represent awarded shares;

WHEREAS, section 11 of the Plan reserves to the Board the right to amend the Plan at any time; and

WHEREAS, the Board desires to amend the Plan to permit the issuance of awarded shares in uncertificated form.

NOW, THEREFORE, BE IT RESOLVED, that the Plan is hereby amended by this First Amendment as follows:

**SECTION 1. Amendments to Plan.**

1. Section 5(iv) is hereby amended by deleting the words “certificates representing” in the final paragraph thereof.

2. Section 6(c) is hereby amended by replacing the existing phrase “certificates evidencing shares of Restricted Stock” with the phrase “if certificates are issued to evidence shares of Restricted Stock, such certificates”.

3. Section 7(c) is hereby amended by deleting the existing phrase “a stock certificate evidencing the acquisition of” from the second sentence thereof.

4. Section 14(a) is hereby amended by replacing the final sentence of such section with the sentence, “The Company may, as it deems appropriate: (i) require the placing of such stop-orders and restrictive legends on certificates 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.”

5. Section 15(b) is hereby amended by inserting at the beginning of the first sentence of such section the phrase, "If stock certificates are issued to evidence shares awarded under this Plan,".

**SECTION 2. <u>Effective Date of the Amendment; Ratification and Confirmation</u>**.

This Amendment shall become effective upon approval by the Board of Directors of the Company. In all other respects, the Plan is hereby ratified and confirmed.

**SECTION 3. <u>Governing Law</u>.**

***THIS AMENDMENT SHALL BE GOVERNED BY NEW YORK LAW WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS THEREOF, EXCEPT TO THE EXTENT SUCH LAW IS PREEMPTED BY FEDERAL LAW.***

# AMENDMENT NO. 1
# TO THE
# FIRST INDUSTRIAL REALTY TRUST, INC.
# 1997 STOCK INCENTIVE PLAN

AMENDMENT NO. 1 (the "**First Amendment**") to the First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan (the "**Plan**") established and maintained by First Industrial Realty Trust, Inc., a Maryland corporation (the "**Company**"). Capitalized terms used herein and not defined shall have the meanings set forth in the Plan.

WHEREAS, the Company's common stock is listed on the New York Stock Exchange ("**NYSE**");

WHEREAS, the NYSE has required that all listed securities be eligible for the Direct Registration System ("**DRS**") by March 31, 2008, and DRS is intended to facilitate the issuance, ownership and transfer of the Company's common stock in uncertificated form;

WHEREAS, the Plan currently contemplates the issuance of certificates to represent awarded shares;

WHEREAS, section 12 of the Plan reserves to the Board the right to amend the Plan at any time; and

WHEREAS, the Board desires to amend the Plan to permit the issuance of awarded shares in uncertificated form.

NOW, THEREFORE, BE IT RESOLVED, that the Plan is hereby amended by this First Amendment as follows:

**SECTION 1. <u>Amendments to Plan</u>.**

1. Section 5(iv) is hereby amended by deleting the words "certificates representing" in the final paragraph thereof.

2. Section 6(c) is hereby amended by replacing the existing phrase "certificates evidencing shares of Restricted Stock" with the phrase "if certificates are issued to evidence shares of Restricted Stock, such certificates".

3. Section 7(c) is hereby amended by deleting the existing phrase "a stock certificate evidencing the acquisition of" from the second sentence thereof.

4. Section 15(a) is hereby amended by replacing the final sentence of such section with the sentence, "The Company may, as it deems appropriate: (i) require the placing of such stop-orders and restrictive legends on certificates 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."

5. Section 15(b) is hereby amended by inserting at the beginning of the first sentence of such section the phrase, “If stock certificates are issued to evidence shares awarded under this Plan,”.

**SECTION 2. Effective Date of the Amendment; Ratification and Confirmation.**

This Amendment shall become effective upon approval by the Board of Directors of the Company. In all other respects, the Plan is hereby ratified and confirmed.

**SECTION 3. Governing Law.**

***THIS AMENDMENT SHALL BE GOVERNED BY NEW YORK LAW WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS THEREOF, EXCEPT TO THE EXTENT SUCH LAW IS PREEMPTED BY FEDERAL LAW.***

**Exhibit 10.26**

**FIRST INDUSTRIAL REALTY TRUST, INC.**
**1997 STOCK INCENTIVE PLAN**
**FORM OF NON-EMPLOYEE DIRECTOR**
**RESTRICTED STOCK AWARD AGREEMENT**

AGREEMENT, made and entered into as of __________, 200___ by and between the First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan Committee (the "Committee") and __________ (the "Grantee").

WHEREAS, the Grantee has been elected to participate in the First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan (the "Plan").

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, and for other good and valuable consideration, First Industrial Realty Trust, Inc. (the "Company") and the Grantee agree as follows:

(a) Grant. Pursuant to the provisions of the Plan, the terms of which are incorporated herein by reference, the Committee hereby grants to the Grantee an interest (the "Award") in ___ shares of common stock, par value $.01 per share, of the Company (the "Shares"). The Award is granted as of ___, 2008 (the "Date of Grant") and such grant is subject to the terms and conditions contained herein, and the terms and conditions of the Plan.

(b) Vesting. The Award shall vest, and the Grantee shall be deemed to have acquired complete ownership and control over the Award Shares, under the following circumstances:

(i) on January 31 of the fifth calendar year following the Date of Grant calendar year (e.g. January 31, 2013 for an Award with a January ___, 2008 Date of Grant);

(ii) in the event of a Change in Control of the Company, as defined under the Plan;

(iii) on the January 31 of the year following the year in which the Grantee voluntarily terminates service as a Board member with the Company, as long as the total funds from operations (FFO) or FFO per share of the Company for such year of termination has increased from the FFO or FFO per share for the calendar year immediately preceding the Date of Grant calendar year;

(iv) in the event of the involuntary termination of the service of the Grantee as a Board member for any reason; or

(v) the Compensation Committee so directs.

(a) Share Delivery. Upon vesting, shares shall be issued to the Grantee; provided, that the Company shall not be obligated to issue Shares in certificated form; provided, further, that the Company shall not be obligated to issue any Shares hereunder until all applicable securities laws and other legal and stock exchange requirements have been satisfied. The Grantee shall execute a stock power in the form attached hereto granting the Company the right to transfer Award Shares in the event the Grantee does not vest in the Award.

(b) Rights of Stockholder. The Grantee shall, by virtue of the Award, be entitled to receive dividends and vote the Award Shares. The grant of the Award shall not confer on the Grantee any right with respect to continuance of service as a Board member with the Company nor shall such grant interfere in any way with the right of the Company to terminate the Grantee's service as a Board member at any time.

(c) Recapitalizations, Dividends and Adjustments. In the event of any recapitalization, reclassification, split-up or consolidation of Shares, separation (including a spin-off), dividend on Shares payable in capital stock or other similar change in capitalization of the Company, merger or consolidation of the Company, sale by the Company of all or a portion of its assets or other similar event, the Committee shall make such appropriate adjustments in the number and kind of securities, cash or other property which may be issued pursuant to the Award as is necessary to maintain the proportionate interest of the Grantee and preserve the value of the Award.

(d) Nontransferability. The Award shall not be transferable by the Grantee except by will or the laws of descent and distribution.

(e) Withholding. The Grantee agrees to make appropriate arrangements, consistent with the provisions of Section 10 of the Plan, with the Company for satisfaction of any applicable tax withholding requirements, or similar requirements, arising out of this Agreement.

(f) References. References herein to rights and obligations of the Grantee shall apply, where appropriate, to the Grantee's legal representative or estate without regard to whether specific reference to such legal representative or estate is contained in a particular provision of this Agreement. Capitalized terms referred to herein but not defined shall have the meanings given to them in the Plan.

(g) Notice. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

| | |
|---|---|
| If to the Company: | First Industrial Realty Trust, Inc.<br>311 S. Wacker Drive, Suite 4000<br>Chicago, Illinois 60606<br>Attn: Chief Financial Officer |

If to the Grantee: ______________________
______________________
______________________
______________________

(h) Counterparts. This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

(i) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without reference to the principles of conflict of laws, except to the extent such law is preempted by federal law.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of ___, 200__.

FIRST INDUSTRIAL REALTY TRUST, INC.

By: ______________________
Michael J. Havala
Chief Financial Officer

I hereby acknowledge that I have received a copy of the Plan and am familiar with the terms and conditions set forth therein. I agree to accept as binding, conclusive, and final all decisions and interpretations of the Committee. As a condition to the receipt of the Award, I hereby authorize the Company to withhold from any regular cash compensation payable to me by the Company any taxes required to be withheld under any federal, state or local law as a result of this Award.

GRANTEE

______________________
Name:

Date: ______________________

Exhibit 10.27

**FIRST INDUSTRIAL REALTY TRUST, INC.**
**1997 STOCK INCENTIVE PLAN**

**FORM OF NON-EMPLOYEE DIRECTOR**
**RESTRICTED STOCK AWARD AGREEMENT**

AGREEMENT, made and entered into as of ___, 200___ by and between the First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan Committee (the “Committee”) and «Name» (the “Grantee”).

WHEREAS, the Grantee has been elected to participate in the First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan (the “Plan”).

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, and for other good and valuable consideration, First Industrial Realty Trust, Inc. (the “Company”) and the Grantee agree as follows:

(a) Grant. Pursuant to the provisions of the Plan, the terms of which are incorporated herein by reference, the Committee hereby grants to the Grantee an interest (the “Award”) in ___ shares of common stock, par value $.01 per share, of the Company (the “Shares”). The Award is granted as of July ___, 200___ (the “Date of Grant”) and such grant is subject to the terms and conditions contained herein, and the terms and conditions of the Plan.

(b) Vesting. The Award shall vest, and the Grantee shall be deemed to have acquired complete ownership and control over the Award Shares, under the following circumstances:

(i) on July 1 of the third calendar year following the Date of Grant calendar year (e.g. July 1, 2011 for an Award with a July 1, 2008 Date of Grant);

(ii) in the event of a Change in Control of the Company, as defined under the Plan;

(iii) on the January 31 of the year following the year in which the Grantee voluntarily terminates service as a Board member with the Company, as long as the total funds from operations (FFO) or FFO per share of the Company for such year of termination has increased from the FFO or FFO per share for the calendar year immediately preceding the Date of Grant calendar year;

(iv) in the event of the involuntary termination of the service of the Grantee as a Board member for any reason; or

(v) the Compensation Committee so directs.

(c) Share Delivery. Upon vesting, shares shall be issued to the Grantee; provided, that the Company shall not be obligated to issue Shares in certificated form; provided, further, that the Company shall not be obligated to issue any Shares hereunder until all applicable securities laws and other legal and stock exchange requirements have been satisfied. The Grantee shall execute a stock power in the form attached hereto granting the Company the right to transfer Award Shares in the event the Grantee does not vest in the Award.

(d) Rights of Stockholder. The Grantee shall, by virtue of the Award, be entitled to receive dividends and vote the Award Shares. The grant of the Award shall not confer on the Grantee any right with respect to continuance of service as a Board member with the Company nor shall such grant interfere in any way with the right of the Company to terminate the Grantee's service as a Board member at any time.

(e) Recapitalizations, Dividends and Adjustments. In the event of any recapitalization, reclassification, split-up or consolidation of Shares, separation (including a spin-off), dividend on Shares payable in capital stock or other similar change in capitalization of the Company, merger or consolidation of the Company, sale by the Company of all or a portion of its assets or other similar event, the Committee shall make such appropriate adjustments in the number and kind of securities, cash or other property which may be issued pursuant to the Award as is necessary to maintain the proportionate interest of the Grantee and preserve the value of the Award.

(f) Nontransferability. The Award shall not be transferable by the Grantee except by will or the laws of descent and distribution.

(g) Withholding. The Grantee agrees to make appropriate arrangements, consistent with the provisions of Section 10 of the Plan, with the Company for satisfaction of any applicable tax withholding requirements, or similar requirements, arising out of this Agreement.

(h) References. References herein to rights and obligations of the Grantee shall apply, where appropriate, to the Grantee's legal representative or estate without regard to whether specific reference to such legal representative or estate is contained in a particular provision of this Agreement. Capitalized terms referred to herein but not defined shall have the meanings given to them in the Plan.

(i) Notice. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

| | |
|---|---|
| If to the Company: | First Industrial Realty Trust, Inc.<br>311 S. Wacker Drive, Suite 4000<br>Chicago, Illinois 60606<br>Attn: Chief Financial Officer |

If to the Grantee:

(j) Counterparts. This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

(k) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without reference to the principles of conflict of laws, except to the extent such law is preempted by federal law.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of July ___, 200__.

FIRST INDUSTRIAL REALTY TRUST, INC.

By: ______________________________

I hereby acknowledge that I have received a copy of the Plan and am familiar with the terms and conditions set forth therein. I agree to accept as binding, conclusive, and final all decisions and interpretations of the Committee. As a condition to the receipt of the Award, I hereby authorize the Company to withhold from any regular cash compensation payable to me by the Company any taxes required to be withheld under any federal, state or local law as a result of this Award.

GRANTEE

______________________________
Name:

Date: ______________________________

**Exhibit 10.28**

**FIRST INDUSTRIAL REALTY TRUST, INC.**
**2001 STOCK INCENTIVE PLAN**

**FORM OF RESTRICTED STOCK AWARD AGREEMENT**

AGREEMENT, made and entered into as of ___, 200___ by and between First Industrial Realty Trust, Inc. (the "Company") and ___(the "Grantee"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Company's 2001 Stock Incentive Plan (the "Plan").

WHEREAS, the Committee, pursuant to the Plan, desires to make a Restricted Stock Award to Grantee.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, and for other good and valuable consideration, the Company and the Grantee agree as follows:

(a) Grant. Pursuant to the provisions of the Plan, the terms of which are incorporated herein by reference, the Company hereby grants to the Grantee an interest (the "Award") in ___ shares of common stock, par value $.01 per share, of the Company (the "Award Shares"). The Award is granted as of ___, 200___ (the "Date of Grant") and such grant is subject to the terms and conditions contained herein, and the terms and conditions of the Plan.

(b) Vesting. The Award shall vest, and the Grantee shall be deemed to have acquired complete ownership and control over the Award Shares, under the following circumstances:

(i) so long as the Grantee is employed with the Company:

(A) one-third of the Award Shares shall vest on January 1, 200_;

(B) an additional one-third of the Award Shares shall vest on January 1, 200_;

(C) the remaining one-third of the Award Shares shall vest on January 1, 20___;

(ii) in the event of a Change in Control of the Company, as defined under the Plan;

(iii) in the event of the involuntary termination of the service of the Grantee for any reason, including, but not limited to, for Cause, as defined under the Plan; or

(iv) the Committee so directs.

(c)Share Delivery. Upon vesting, shares shall be issued to the Grantee; provided, that the Company shall not be obligated to issue Shares in certificated form; provided, further, that the Company shall not be obligated to issue any Award Shares hereunder until all applicable securities laws and other legal and stock exchange requirements have been satisfied. The Grantee shall execute a stock power granting the Company the right to transfer Award Shares in the event the Grantee does not vest in the Award.

(d) Rights of Stockholder. The Grantee shall, by virtue of the Award, be entitled to receive dividends and vote the Award Shares. The grant of the Award shall not confer on the Grantee any right with respect to continuance of service with the Company nor shall such grant interfere in any way with the right of the Company to terminate the Grantee's service at any time.

(e) Recapitalizations, Dividends and Adjustments. In the event of any recapitalization, reclassification, split-up or consolidation of shares of Stock, separation (including a spin-off), dividend on shares Stock payable in capital stock or other similar change in capitalization of the Company, merger or consolidation of the Company, sale by the Company of all or a portion of its assets or other similar event, the Committee shall make such appropriate adjustments in the number and kind of securities, cash or other property which may be issued pursuant to the Award as is necessary to maintain the proportionate interest of the Grantee and preserve the value of the Award.

(f) Nontransferability. The Award shall not be transferable by the Grantee except by will or the laws of descent and distribution.

(g) Withholding. The Grantee agrees to make appropriate arrangements, consistent with the provisions of Section 11 of the Plan, with the Company for satisfaction of any applicable tax withholding requirements, or similar requirements, arising out of this Agreement.

(h) References. References herein to rights and obligations of the Grantee shall apply, where appropriate, to the Grantee's legal representative or estate without regard to whether specific reference to such legal representative or estate is contained in a particular provision of this Agreement.

(i) Notice. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

| | |
|---|---|
| If to the Company: | First Industrial Realty Trust, Inc.<br>311 S. Wacker Drive, Suite 4000<br>Chicago, Illinois 60606<br>Attn: Chief Financial Officer |

If to the Grantee: ______________________

______________________

______________________

(j) Counterparts. This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

(k) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without reference to the principles of conflict of laws, except to the extent such law is preempted by federal law.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of March 12, 2007.

FIRST INDUSTRIAL REALTY TRUST, INC.

By: ______________________
Michael J. Havala
Chief Financial Officer

I hereby acknowledge that I have received a copy of the Plan and am familiar with the terms and conditions set forth therein. I agree to accept as binding, conclusive, and final all decisions and interpretations of the Committee. As a condition to the receipt of the Award, I hereby authorize the Company to withhold from any regular cash compensation payable to me by the Company any taxes required to be withheld under any federal, state or local law as a result of this Award.

GRANTEE

______________________

Date: ______________________

**Exhibit 10.29**

**FIRST INDUSTRIAL REALTY TRUST, INC.**
**2001 STOCK INCENTIVE PLAN**
**FORM OF RESTRICTED STOCK AWARD AGREEMENT**

AGREEMENT, made and entered into as of ___, 200___ by and between First Industrial Realty Trust, Inc. (the "Company") and ___ (the "Grantee"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Company's 2001 Stock Incentive Plan (the "Plan").

WHEREAS, the Committee, pursuant to the Plan, desires to make a Restricted Stock Award to Grantee.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, and for other good and valuable consideration, the Company and the Grantee agree as follows:

(a) Grant. Pursuant to the provisions of the Plan, the terms of which are incorporated herein by reference, the Company hereby grants to the Grantee an interest (the "Award") in ___ shares of common stock, par value $.01 per share, of the Company (the "Award Shares"). The Award is granted as of ___, 200___ (the "Date of Grant") and such grant is subject to the terms and conditions contained herein, and the terms and conditions of the Plan.

(b) Vesting. The Award shall vest, and the Grantee shall be deemed to have acquired complete ownership and control over the Award Shares, under the following circumstances:

(i) so long as the Grantee is employed with the Company:

(A) one-third of the Award Shares shall vest on January 1, 200_;

(B) an additional one-third of the Award Shares shall vest on January 1, 200_;

(C) the remaining one-third of the Award Shares shall vest on January 1, 20___;

(ii) in the event of a Change in Control of the Company, as defined under the Plan;

(iii) on the January 1 of the year following the year in which the Grantee voluntarily terminates service with the Company, as long as the total funds from operations (FFO) or FFO per share of the Company for such year of termination equals or exceeds ___% of the FFO or FFO per share for the calendar year immediately preceding the Date of Grant calendar year;

(iv) in the event of the involuntary termination of the service of the Grantee for any reason, including, but not limited to, for Cause, as defined under the Plan; or

(v) the Committee so directs.

(c)Share Delivery. Upon vesting, shares shall be issued to the Grantee; provided, that the Company shall not be obligated to issue Shares in certificated form; provided, further, that the Company shall not be obligated to issue any Award Shares hereunder until all applicable securities laws and other legal and stock exchange requirements have been satisfied. The Grantee shall execute a stock power granting the Company the right to transfer Award Shares in the event the Grantee does not vest in the Award.

(d) Rights of Stockholder. The Grantee shall, by virtue of the Award, be entitled to receive dividends and vote the Award Shares. The grant of the Award shall not confer on the Grantee any right with respect to continuance of service with the Company nor shall such grant interfere in any way with the right of the Company to terminate the Grantee's service at any time.

(e) Recapitalizations, Dividends and Adjustments. In the event of any recapitalization, reclassification, split-up or consolidation of shares of Stock, separation (including a spin-off), dividend on shares Stock payable in capital stock or other similar change in capitalization of the Company, merger or consolidation of the Company, sale by the Company of all or a portion of its assets or other similar event, the Committee shall make such appropriate adjustments in the number and kind of securities, cash or other property which may be issued pursuant to the Award as is necessary to maintain the proportionate interest of the Grantee and preserve the value of the Award.

(f) Nontransferability. The Award shall not be transferable by the Grantee except by will or the laws of descent and distribution.

(g) Withholding. The Grantee agrees to make appropriate arrangements, consistent with the provisions of Section 11 of the Plan, with the Company for satisfaction of any applicable tax withholding requirements, or similar requirements, arising out of this Agreement.

(h) References. References herein to rights and obligations of the Grantee shall apply, where appropriate, to the Grantee's legal representative or estate without regard to whether specific reference to such legal representative or estate is contained in a particular provision of this Agreement.

(i) Notice. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

| | |
|---|---|
| If to the Company: | First Industrial Realty Trust, Inc.<br>311 S. Wacker Drive, Suite 4000<br>Chicago, Illinois 60606<br>Attn: Chief Financial Officer |

If to the Grantee: ______________________________

______________________________

______________________________

(j) Counterparts. This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

(k) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without reference to the principles of conflict of laws, except to the extent such law is preempted by federal law.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of March 12, 2007.

FIRST INDUSTRIAL REALTY TRUST, INC.

By: ______________________________
Michael J. Havala
Chief Financial Officer

I hereby acknowledge that I have received a copy of the Plan and am familiar with the terms and conditions set forth therein. I agree to accept as binding, conclusive, and final all decisions and interpretations of the Committee. As a condition to the receipt of the Award, I hereby authorize the Company to withhold from any regular cash compensation payable to me by the Company any taxes required to be withheld under any federal, state or local law as a result of this Award.

GRANTEE

______________________________

Date: ______________________________

**FIRST INDUSTRIAL LETTERHEAD**

January 30, 2006

Mr. Gerald A. Pientka

Re: Employment Agreement

Dear Gerry:

The purpose of this letter is to memorialize the terms of your employment with First Industrial Development Services, Inc., and its affiliates ("FR"), in the newly created position of Executive Vice President — Development, on the terms set forth below.

1. Position and Responsibilities: You will be titled as above, and in that capacity will head up our existing national and prospective international development and land investment business. In so doing, you will oversee and provide support to regional and headquarters officers and staff in: (i) land purchases and sales; (ii) ground-up development; and (iii) "redevelopment," defined as the investment of 30% or more of a given project's acquisition price into hard retrofit and renovation costs (collectively "Development Activities"). You will work with our managing Directors, Regional Directors, and transaction officers, so as to lend your expertise and guidance to their Development Activities in furtherance of FR's New Business Generation Plan ("NBGP"), and will also devote time and attention to the generation of new Development Activities sourced directly by you. While you will interact with the Chief Investment Officer, Chief Financial Officer and Executive Vice President — Operations with respect to Development Activities, you will report directly to the CEO.

2. Term: The term of this Agreement will be three (3) years, commencing February 1, 2006 (the "Start Date"), and terminating January 31, 2009, unless extended by mutual written agreement. In the event of a change in control, as defined below, which occurs during the Agreement term, the term will automatically extend for twelve (12) months from such change and then end.

3. Annual Compensation: Your annual compensation package shall consist of a number of components, as follows:

   a. Base Salary: You will be paid an initial Base Salary, for FY 06, of $240,000 per annum, which Base Salary shall be subject to annual review and adjustment by the Compensation Committee of the Board of Directors, but which shall not be reduced below that figure.

   b. Incentive Compensation: Your annual incentive will be paid under a customized

Incentive Compensation plan, as follows:

i) Participation in Income from Development Activities: You will be paid, on an annual basis, "Incentive Compensation" in an amount equal to two percent (2%) of net after-tax profits ("NATP's") generated, on a cash basis, from Development Activities, where the closing of the sale or other final disposition of such Development Activities occurs during the term of your employment, i.e. from the Start Date to and through the effective date of termination of your employment. For purposes of determining whether and when Incentive Compensation shall have been earned, NATPs will be deemed to have been generated on the date of receipt of the proceeds of sale of and or fees generated by Development Activities (i.e., so as to exclude any closings or receipts of proceeds occurring in 2006 prior to February 1, 2006). Without limiting the foregoing, in no event shall Incentive Compensation be earned hereunder in respect of the Le*Nature's build-to-suit project and the sale thereof, notwithstanding the deferred receipt of certain sale proceeds beyond February 1, 2006. NATP's shall be generated from land deals; ground-up development deals; and redevelopment deals. NATP's for a given project will take into account taxes payable by any applicable taxable REIT Subsidiary, G & A and cost of funds allocations to that project, and venture-wide profits (as opposed to internal promotes and fees) on joint venture projects. For purposes of illustration, we have attached pro forma project income statements reflecting the methodology for determining NATP's from Development Activities, both for on-balance sheet and joint venture formats, which we use for compensation purposes in the NBGP, and which we will also use for purposes of this Agreement. Any net after-tax gains or losses from any Development Activities shall, for purposes of your Incentive Compensation be netted in the aggregate on an annual non-cumulative basis.

ii) Bonus Draw: For the first two (2) years of your employment, you will receive a "Bonus Draw" against Incentive Compensation in the amount of $275,000 per annum, payable in accordance with FR's general payroll practice (currently, bi-monthly). Thereafter, there will be no such Bonus Draw. The Bonus Draw will be guaranteed by FR, and will be retained by you notwithstanding any shortfall between the Bonus Draw for any year and actual earned Incentive Compensation for that year.

iii) Payment of Incentive Compensation: All Incentive Compensation earned for any year in excess of any applicable Bonus Draw shall be paid partly in cash and partly in restricted stock of FR, on the basis of 60% cash and 40% restricted stock. The restricted stock will vest over a three (3) year period following the date of issuance, on a level pro rata basis of 33-1/3% at the end of each of years one (1), two (2) and three (3) following issuance. Subject to the approval of the Compensation Committee, the restricted stock shall be denominated based on a discounted issuance price equal to approximately 75-85% of its trading price as of the date of issuance. Under all circumstances, the discount afforded by the Compensation Committee to you will be the same as the discount afforded to the CEO, CIO, CFO and Executive Vice President — Development of FR. Any payment of Incentive Compensation pursuant to this Section 3 will require your continued employment through the payment date, which will normally be no later than 2 1/2 months following the close of the annual performance period. Termination of employment, for any reason other than under Paragraphs 5(a) (termination by FR without cause), 5(c) (change in control), 5(d) (death or disability) and 5(e) (change in responsibility), prior to the payment date will result in the forfeiture of any right to payment of the Incentive Compensation amount.

iv) Benefits, Insurance and Automobile Allowance: You will receive the standard benefits and insurance package provided to all other senior officers of FR. You will also receive an automobile allowance of $750 per month.

v) Vacation: You will be entitled to four (4) weeks of paid vacation per year, which will not carry over to subsequent years or be redeemable for cash if not fully used in a given year.

4. Special Compensation — Initial Sign-Up Bonus: In addition to all of the above, you will receive, at the commencement of your employment, a one-time "Sign-Up Bonus" of twenty-five thousand (25,000) shares of restricted stock in FR, which will vest over a period of five (5) years on a level pro rata basis of 20% at the end of each of years one (1) through five (5). All restricted shares issued pursuant to the Sign-Up Bonus, as well as all restricted shares issued as Incentive Compensation, will be subject to the terms and conditions of the relevant FR equity compensation plans under which they are issued, unless and only to the extent (if any) specifically otherwise provided in this Agreement.

5. Termination:

a. No Cause: Either you or FR will have the right to terminate this Agreement at any time, for no cause, upon thirty (30) days' prior written notice to the other party. In the event of such termination by FR, you will be paid a cash "Severance Payment" equal to (1) $600,000, if such termination takes place prior to the first (1st) anniversary of the Start Date and (ii) if such termination takes place subsequent to the first (1st) anniversary of the Start Date, equal to one hundred percent (100%) of "total annual compensation." In addition, all of your restricted stock (including any unvested restricted stock received under Section 4 as the Signing Bonus) will immediately vest on such termination, with such vesting and Severance Payment, constituting the full extent of FR's obligation to you in such circumstance. For purposes of this subsection, total annual compensation shall mean the compensation paid in the fiscal year prior to the year in which termination takes place, consisting of Base Salary, Bonus Draw (if applicable) and other Incentive Compensation paid in respect of such prior year (even if paid shortly after the end of that year), inclusive of the grant value of any restricted stock grant provided to you in that prior year as part of Incentive Compensation under Section 3(b) (but specifically excluding the value of restricted stock issued pursuant to the Sign-Up Bonus under Section 4), which shall be valued at the discounted issue price and without regard to whether it shall have fully vested. If this Agreement is terminated by you for no cause, all unvested restricted stock will be forfeited by you and revert to FR, and FR will have no continuing obligations to you.

b. Cause: FR will have the right to terminate your employment for cause at any time, on the lesser of thirty (30) days' notice or such lesser notice as may be necessary in the event of an emergency created by your misconduct. Cause shall mean your having been found (i) guilty of criminal activity; (ii) to have engaged in substance abuse; (iii) to have committed acts of fraud or dishonesty, (iv) to have engaged in willful or grossly negligent misconduct; or (v) to have committed intentional acts or engaged in omissions that have a material adverse effect on FR. If FR intends to terminate you for cause, it shall notify you of the basis for such intended action, and provide you with an opportunity to meet with the CEO and others designated by the CEO (if any) to address the validity of the relevant factual accusations, but FR shall retain the right to make a good faith determination of the existence of the grounds for a cause-based termination. In the event of such termination, all unvested restricted stock shall be immediately forfeited and shall revert to FR, and no Severance Payment or other compensation shall be provided to you by FR.

c. Change in Control: In the event that fifty percent (50%) or more of FR's common stock or assets is acquired by an outside party in a friendly or unfriendly "M&A Transaction," all outstanding unvested restricted stock issued to you will vest immediately. If, in such circumstance, you are terminated without cause or your position is substantially adversely modified, then you shall have the right to terminate your employment within twelve (12) months of the effective date of such M&A Transaction, and (i) to receive a Severance Payment equal to two hundred percent (200%) of the Severance Payment described in Paragraph 5a above (i.e. 200% of the prior year's total annual compensation); and (ii) all outstanding unvested restricted stock will vest immediately.

d. Death or Disability: In the event of termination of your employment due to your death or permanent disability, you or your family will receive a Severance Payment equal to fifty percent (50%) of the Severance Payment described in Paragraph 5a above (i.e. 50% of the prior year's total compensation).

e. Change in Responsibility: If there is a substantial reduction in your level of your responsibility or a change in the organization of FR so that you cease to report directly to the CEO, you may elect to treat the reduction or change as a termination by FR for no cause under Paragraph 5(a); provided, however, that you must first give FR notice of the events giving rise to such right and allow FR a reasonable period to cure such circumstances. The acquiescence to such a reduction of responsibility or change in reporting obligations for a period of time up to six months shall not be deemed to be a waiver of your right to claim the reduction or change as a termination by FR for no cause under Paragraph 5(a); provided, however, that such right may be waived at any time in writing. For purposes of this subsection, a reduction in responsibilities due your disability or in response your behavior which can constitute "cause" under Paragraph 5(b), will not be treated as a termination for no cause under Paragraph 5(a).

6. <u>Exclusivity, Non-Compete and Confidentiality</u>: During the term of this Agreement, you will devote all of your professional time and attention to the business of FR, and will specifically refrain from any other commercial real estate activity, with the exception of (i) retention of your pre-existing non-managing ownership interests in those entities formed by Verus Partners listed on an Exhibit to this Agreement; and (ii) minority investments in publicly traded real estate companies. For a period of one (1) year following (i) any termination of your employment to which a Severance Payment is applicable, or (ii) a termination of your employment by you for no cause or by FR for cause, you agree not to directly or indirectly compete with FR, as a principal, advisor, investor or otherwise, whether with respect to tenants, lenders, investors, sellers or buyers, sellers or brokers of industrial real estate with whom FR shall have had contact in any of its markets during the term of your employment. In addition, you will not employ, solicit employment of, or engage in employment-related communication with any employee of FR during this one (1) year period. In addition, you will, for an indefinite period of time, maintain the confidentiality of proprietary information, concerning FR or its lenders, tenants, sellers, buyers or investors made available to you by FR during the term of your employment.

7. <u>No Conflicting Agreement</u>: You are certifying to us that you are not subject to any existing non-competition or other restrictive agreements or arrangements, written or oral, as to Verus Partners, its affiliated entities, or otherwise, that in any way prohibit or constrain your acceptance of and/or performance of your duties pursuant to your employment with us, or that in any manner circumscribe the scope of Development Activities or other business that you are entitled to pursue and consummate on behalf of FR. Without limitation of its other rights and remedies, FR shall be entitled to terminate this Agreement for cause in the event that you are precluded, enjoined or inhibited from fully performing your duties under this Agreement, or if a colorable threat of the above (determined in good faith by FR) and/or legal action against FR is asserted by any party on the basis of a purportedly existing restrictive agreement or arrangement.

8. <u>Mandatory Arbitration</u>: Any dispute or controversy hereunder shall be committed to binding arbitration under the AAA rules, by a single arbitrator selected by the parties through the process of single elimination of a proposed roster of eleven (11) arbitrators submitted by the AAA. Such arbitration shall be conducted under a “baseball arbitration” format, pursuant to which the arbitrator shall be required to adopt the position of one of the parties, and not any compromise position, and under which the non-prevailing party shall bear all costs of the arbitration, including the prevailing party’s legal fees. The order of such arbitrator shall be final and binding, and may be enforced by a Court of competent jurisdiction. Nothing herein contained shall preclude either party from seeking equitable or injunctive relief from a court of competent jurisdiction in order to prevent, terminate or reduce the likelihood of the infliction of irreparable harm on the petitioning party.

I am extremely enthusiastic about the prospect of working with you over many years to come, to our mutual benefit.

Best regards,

/s/ Michael W. Brennan
Michael W. Brennan
President, First Industrial Development Services, Inc.

Agreed, January 30, 2006

/s/ Gerald A. Pientka
Gerald A. Pientka

**EXHIBIT 21.1**

**FIRST INDUSTRIAL REALTY TRUST, INC.**
**SUBSIDIARIES OF THE REGISTRANT**

| Name | State of Incorporation Formation | Registered Names in Foreign Jurisdictions |
|---|---|---|
| First Industrial, L.P. | Delaware | First Industrial (Alabama), Limited Partnership |
| | | First Industrial (Michigan), Limited Partnership |
| | | First Industrial (Minnesota), Limited Partnership |
| | | First Industrial (Tennessee), L.P. |
| | | First Industrial Limited Partnership |
| First Industrial Finance Corporation | Maryland | N/A |
| First Industrial Financing Partnership, L.P. | Delaware | First Industrial Financing Partnership, Limited Partnership |
| | | First Industrial Financing Partnership, (Alabama), Limited Partnership |
| | | First Industrial Financing Partnership, (Minnesota), Limited Partnership |
| | | First Industrial Financing Partnership, (Wisconsin), Limited Partnership |
| First Industrial Pennsylvania Corporation | Maryland | N/A |
| First Industrial Pennsylvania, L.P. | Delaware | N/A |
| First Industrial Harrisburg, Corporation | Maryland | N/A |
| First Industrial Harrisburg, L.P. | Delaware | N/A |
| First Industrial Securities Corporation | Maryland | N/A |
| First Industrial Securities, L.P. | Delaware | First Industrial Securities, Limited Partnership |
| First Industrial Mortgage Corporation | Maryland | N/A |
| First Industrial Mortgage Partnership, L.P. | Delaware | First Industrial MP, L.P. |
| First Industrial Indianapolis Corporation | Maryland | N/A |
| First Industrial Indianapolis, L.P. | Delaware | N/A |
| FI Development Services Corporation | Maryland | N/A |
| FI Development Services, L.P. | Delaware | FIDS (Arizona) L.P. |
| | | FI Development Services, Limited Partnership |
| | | FI Development Services of Delaware, L.P. |
| First Industrial Investment, Inc. | Delaware | N/A |
| First Industrial Texas, L.P. | Delaware | N/A |
| FR FirstCal, LLC | Delaware | N/A |
| FirstCal Industrial Development Manager, LLC | Delaware | N/A |
| FR FirstCal 2, LLC | Delaware | N/A |

**EXHIBIT 23**

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File No.'s 33-95190, 333-039999, 333-21887, 333-57355, 333-53835, 333-64743, 333-38850, 33-104211, 333-70638, 333-142470, 333-142472, and 333-142474) and Form S-8 (File No.'s 33-95188, 333-36699, 333-45317, 333-67824 and 333-100630) of First Industrial Realty Trust, Inc. of our report dated February 25, 2008 relating to the consolidated financial statements, financial statement schedule and the effectiveness of internal control over financial reporting of First Industrial Realty Trust, Inc., and our report dated May 16, 2006, except with respect to our opinion on the consolidated statement of operations insofar as it relates to the effects of discontinued operations discussed in Note 5, as to which the date is February 25, 2008, relating to the consolidated financial statements of FirstCal Industrial, LLC, which appear in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Chicago, Illinois

February 25, 2008

**EXHIBIT 31.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**
**PURSUANT TO SECTION 302 OF THE**
**SARBANES-OXLEY ACT OF 2002**

I, Michael W. Brennan, certify that:

1. I have reviewed this annual report on Form 10-K of First Industrial Realty Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in the report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2008

/s/ Michael W. Brennan
Michael W. Brennan
President and Chief Executive Officer

**EXHIBIT 31.2**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**
**PURSUANT TO SECTION 302 OF THE**
**SARBANES-OXLEY ACT OF 2002**

I, Michael J. Havala, certify that:

1. I have reviewed this annual report on Form 10-K of First Industrial Realty Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in the report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2008

/s/ Michael J. Havala
Michael J. Havala
Chief Financial Officer

**CERTIFICATION**
Accompanying Form 10-K Report
of First Industrial Realty Trust, Inc.
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Chapter 63, Title 18 U.S.C. §1350(a) and (b))

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chapter 63, Title 18 U.S.C. §1350(a) and (b)), each of the undersigned hereby certifies, to his knowledge, that the Annual Report on Form 10-K for the period ended December 31, 2007 of First Industrial Realty Trust, Inc. (the "Company") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

| | |
|---|---|
| Dated: February 25, 2008 | /s/ Michael W. Brennan<br>Michael W. Brennan<br>Chief Executive Officer (Principal Executive Officer) |
| Dated: February 25, 2008 | /s/ Michael J. Havala<br>Michael J. Havala<br>Chief Financial Officer (Principal Financial Officer) |

**A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The information contained in this written statement shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference to such filing.**