UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
For the fiscal year ended December 31, 1996 OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
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	36-3935116
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
150 N. WACKER DRIVE, SUITE 150, CHICAGO, ILLINOIS (Address of principal executive offices)	60606 (Zip Code)

(312) 704-9000
(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)

9 1/2% SERIES A CUMULATIVE PREFERRED STOCK
(Title of class)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes __X__ No___.

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

The aggregate market value of the voting stock held by nonaffiliates of the Registrant was approximately $942.9 million based on the closing price on the New York Stock Exchange for such stock on March 20, 1997.

At March 20, 1997, 30,051,117 shares of the Registrant's Common Stock, $.01 par value, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE
Part III incorporates certain information by reference to the Registrant's definitive proxy statement to be filed with respect to the Annual Meeting of Stockholders to be held on May 14, 1997.

FIRST INDUSTRIAL REALTY TRUST, INC.

TABLE OF CONTENTS

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1993, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Reform Act of 1995, and is including this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project," or similar expressions. The Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on the operations and future prospects of the Company on a consolidated basis include, but are not limited to, changes in: economic conditions generally and the real estate market specifically, legislative/regulatory changes (including changes to laws governing the taxation of REITs), availability of capital, interest rates, competition, supply and demand for industrial properties in the Company's current and proposed market areas and general accounting principles, policies and guidelines applicable to REITs. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Further information concerning the Company and its business, including additional factors that could materially affect the Company's financial results, is included herein and in the Company's other filings with the Securities and Exchange Commission.

PART I

ITEM 1. BUSINESS

THE COMPANY

GENERAL

First Industrial Realty Trust, Inc. ("First Industrial" or the "Company") is a self-administered and fully integrated real estate company which owns, manages, acquires and develops industrial real estate. The Company completed its initial public offering in June 1994 (the "Initial Offering"). Upon consummation of the Initial Offering, the Company owned 226 bulk warehouse and light industrial properties which contained an aggregate of 17.4 million square feet of gross leasable area ("GLA"). As of December 31, 1996, the Company's portfolio consisted of 379 in-service bulk warehouse and light industrial properties containing approximately 32.7 million square feet of GLA located in 14 states, principally in the midwestern portion of the United States.

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

The Company's initial interest in the Operating Partnership was obtained in connection with the Initial Offering in exchange for the contribution of substantially all of the net proceeds thereof. Immediately prior to the Initial Offering, the Operating Partnership, which had previously been controlled by members of The Shidler Group, owned 23 properties. In connection with the Initial Offering, (1) entities affiliated with First Industrial Chairman of the Board Jay H. Shidler and other members of The Shidler Group contributed to the Operating Partnership 30 additional properties and the assets of certain property management operations and received $3.2 million in cash and ownership of 2,306,399 shares of the Company's common stock and 830,017 limited partnership interests in the Operating Partnership ("Units") having an aggregate value of $73.7 million (based on the initial public offering price of $23.50) and the assumption by the Operating Partnership of $107.4 million of indebtedness owed to affiliates of Jay H. Shidler and other members of The Shidler Group, (2) businesses of which First Industrial Executive Officers Michael G. Damone and Anthony Muscatello, and former Senior

Regional Director Steven B. Hoyt were principals contributed to the Operating Partnership 97 properties in the Detroit, central Pennsylvania and Minneapolis/St. Paul areas, respectively, and certain property management operations (such businesses, together with The Shidler Group, the "Contributing Businesses") and received $3.9 million in cash, 475,710 Units having a value of $11.2 million (based on the initial public offering price of $23.50) and the assumption of $131.4 million of indebtedness, (3) the Company and the Operating Partnership contributed a portion of the net proceeds of the Initial Offering to the Financing Partnership, (4) the Financing Partnership entered into the 1994 Mortgage Loan (as hereinafter defined) and (5) the Operating Partnership and the Financing Partnership acquired 76 additional properties from unaffiliated third parties.

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

The Company is continuing and expanding the midwestern industrial property business of The Shidler Group, a national organization with over 20 years experience in the industrial real estate business. The Company's Chairman of the Board and senior executive officers have an average of 19 years of business experience. The Company utilizes an operating approach which combines the effectiveness of locally based, or decentralized, property management, acquisition and development functions with the cost efficiencies of centralized acquisition and development support, capital markets expertise, asset management and fiscal control systems. At December 31, 1996, the Company had 106 employees.

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

BUSINESS OBJECTIVES AND GROWTH PLANS

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

- - Internal Growth. The Company seeks to grow internally by (i) increasing revenues by renewing or re-leasing spaces subject to expiring leases at higher rental levels; (ii) increasing occupancy levels at properties where vacancies exist and maintaining occupancy elsewhere; (iii) controlling and minimizing operating expenses; and (iv) renovating existing properties.

- - External Growth. The Company seeks to grow externally through (i) the acquisition of portfolios of industrial properties, industrial property businesses or individual properties which meet the Company's investment parameters; (ii) the development of primarily build-to-suit properties; and (iii) the expansion of its properties.

BUSINESS STRATEGIES

First Industrial utilizes the following seven strategies in connection with the operation of its business:

- - Organization Strategy. The Company implements its decentralized property operations strategy through the use of experienced regional management teams and local property managers. Each operating region is headed by a senior regional director, who is a senior executive officer of, and has an equity interest in, the Company. The Company provides acquisition and financing assistance, property management oversight and financial reporting functions from its headquarters in Chicago to support its regional operations. The Company believes the size of its portfolio enables it to realize operating efficiencies by spreading overhead over many properties and by negotiating quantity purchasing discounts.

- - Market Strategy. The Company invests in markets where it can achieve size and economies of scale. By focusing on specific markets, properties can be added without incurring appreciable increases in overhead. Based on the size of its portfolios in its current markets, which as of December 31, 1996 averaged approximately 2.1 million square feet per market, and the experience of its senior regional directors, the Company believes that it has sufficient market presence and resources to compete effectively. As of December 31, 1996, the Company owned portfolios in the metropolitan areas of Minneapolis/St. Paul, Minnesota; Detroit, Michigan; Atlanta, Georgia; Chicago, Illinois; Grand Rapids, Michigan; Indianapolis, Indiana; Central Pennsylvania; Nashville, Tennessee; St. Louis, Missouri; Columbus, Ohio; Cincinnati, Ohio; Des Moines, Iowa; Milwaukee, Wisconsin; Dayton, Ohio; and Cleveland, Ohio.

- - Leasing and Marketing Strategy. The Company has an operational management strategy designed to enhance tenant satisfaction and portfolio performance. The Company pursues an active leasing strategy, which includes aggressively marketing available space, renewing existing leases at higher rents per square foot and seeking leases which provide for the pass-through of property-related expenses to the tenant. The Company also has local and national marketing programs which focus on the business and brokerage communities and national tenants.

- - Acquisition Strategy. The primary focus of First Industrial's acquisition strategy is to acquire properties in its current markets to capitalize on local market expertise and maximize operating effectiveness and efficiencies. As appropriate opportunities arise, the Company will acquire additional properties in other markets where it can achieve sufficient size and scale as well as hire top-quality management.

- - Development Strategy. Of the 379 buildings in First Industrial's portfolio at December 31, 1996, 99 have been developed by its current or former management. The Company will continue to leverage the development capabilities of its management, many of whom are leading developers in their respective markets. In 1996, the Company formed a new subsidiary ("FI Development Services Group, Inc.") to focus on development activities.

- - Disposition Strategy. The Company continually evaluates local market conditions and property-related factors and will sell a property when it believes it is to the Company's advantage to do so.

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

RECENT DEVELOPMENTS

In 1996, the Company acquired or completed development of 114 properties for a total estimated investment of approximately $262.0 million. Also, in 1996, the Company improved its capital structure by (1) issuing 5.175 million shares (inclusive of the underwriters' over-allotment option) of common stock on February 2, 1996, at a purchase price to the public of $22 per share. The net proceeds of $106.3 million were used to repay outstanding borrowings totaling $59.4 million and fund property acquisitions; (2) issuing 5.75 million shares (inclusive of the underwriters' over-allotment option) of common stock on October 25, 1996, at a purchase price to the public of $25.50 per share. The net proceeds of $137.7 million were used to repay outstanding borrowings of $84.2 million and fund property acquisitions; and (3) terminating its $150 million secured revolving credit facility ("1994 Acquisition Facility") and entering into a $200 million unsecured revolving credit facility ("1996 Unsecured Acquisition Facility"). The 1996 Unsecured Acquisition Facility initially bears interest at LIBOR plus 1.10% which is .65 percentage points less than the interest rate of LIBOR plus 1.75% borne by the 1994 Acquisition Facility.

Subsequent to December 31, 1996, the Company purchased 45 properties containing an aggregate of 3.9 million square feet of GLA for approximately $164.3 million, or $42 per square foot. The purchase price consisted of approximately $110.3 million cash, Operating Partnership units valued at approximately $49.5 million and assumed debt of approximately $4.5 million.

FUTURE ACQUISITIONS AND DEVELOPMENT

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

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

INDUSTRY

Industrial properties are typically used for the design, assembly, packaging, storage and distribution of goods and/or the provision of services. As a result, the demand for industrial space in the United States is related to the level of economic output. Historically, occupancy rates for industrial property in the United States have been higher than those for other types of commercial property. The Company believes that the higher occupancy rate in the industrial property sector is a result of the construction-on-demand nature of, and the comparatively short development time required for, industrial property.

Overall, the midwest region (where approximately 74% of the properties owned at December 31, 1996 and 68% of the properties owned at March 27, 1997 are located) has had the highest average occupancy rate for industrial properties of the major regions in the United States since 1992, according to CB Commercial Real Estate Group, Inc.'s industry index, which measures the supply of available space in large industrial buildings in the major geographic regions of the United States.

INDUSTRIAL SPACE OCCUPANCY RATES BY REGION

	DECEMBER 31,				
REGION	1992	1993	1994	1995	1996
Midwest	93.2%	92.8%	93.9%	95.1%	94.3%
East	90.7	91.6	91.7	92.1	91.6
South	90.8	91.4	91.7	90.9	90.5
West	90.7	91.0	92.5	93.0	93.3
United States	91.3	91.7	92.6	93.1	92.7

Source: CB Commercial Real Estate Group, Inc.

ITEM 2. THE PROPERTIES

GENERAL

At December 31, 1996, First Industrial owned 379 in-service properties containing approximately 32.7 million square feet of GLA in 14 states, with a diverse base of more than 990 tenants engaged in a wide variety of businesses, including manufacturing, retailing, wholesale trade, distribution and professional services. The properties are generally located in business parks which have convenient access to interstate highways and rail and air transportation. The median age of the properties as of December 31, 1996 was approximately 11 years.

The Company classifies its properties into two industrial categories: bulk warehouse and light industrial. The Company's bulk warehouse properties are generally used for bulk storage of materials and manufactured goods and its light industrial properties are generally used for the design, assembly, packaging and distribution of goods and, in some cases, the provision of services. Each of the properties is wholly owned by the Company. The following table summarizes certain information as of December 31, 1996 with respect to the Company's properties. Information in the table excludes properties under development at December 31, 1996.

PROPERTY SUMMARY

	BULK WAREHOUSE		LIGHT INDUSTRIAL		TOTAL			
METROPOLITAN AREA	GLA	NUMBER OF PROPERTIES	GLA	NUMBER OF PROPERTIES	GLA	NUMBER OF PROPERTIES	OCCUPANCY AT 12/31/96	GLA AS A % OF TOTAL PORTFOLIO
Minneapolis/St. Paul	1,864,987	16	2,911,474	41	4,776,461	57	97%	15%
Detroit	2,211,563	57	2,485,991	59	4,697,554	116	94%	14%
Atlanta	3,527,237	18	507,731	9	4,034,968	27	94%	12%
Chicago	2,914,002	19	1,071,210	13	3,985,212	32	98%	12%
Grand Rapids	2,769,591	22	40,400	3	2,809,991	25	92%	9%
Indianapolis	1,659,630	6	1,063,780	25	2,723,410	31	98%	8%
Central PA (1)	1,744,699	12	681,008	13	2,425,707	25	99%	7%
Nashville	1,299,040	7	227,267	3	1,526,307	10	100%	5%
St. Louis	873,095	15	385,713	3	1,258,808	18	100%	4%
Columbus	1,110,334	2	56,849	1	1,167,183	3	99%	4%
Cincinnati	951,080	3	111,375	5	1,062,455	8	97%	3%
Des Moines	878,992	5	---	---	878,992	5	100%	3%
Other (2)	301,355	4	378,603	6	679,958	10	100%	2%
Milwaukee	---	---	306,563	6	306,563	6	100%	1%
Dayton	---	---	264,000	5	264,000	5	98%	1%
Cleveland	---	---	102,500	1	102,500	1	100%	0%
Total or Average	22,105,605	186	10,594,464	193	32,700,069	379	97%	100%

(1) Includes the Harrisburg, Allentown and Reading markets.
(2) Includes Denton, TX; Wichita, KS; West Lebanon, NH; and Abilene, TX.

PROPERTY ACQUISITION ACTIVITY

During 1996, the Company completed 29 separate property acquisition transactions totaling approximately 10.4 million square feet of GLA at a total purchase price of approximately $253.0 million, or $24 per square foot. The 112 properties acquired have the following characteristics:

METROPOLITAN AREA	GLA	PROPERTY TYPE	OCCUPANCY AT 12/31/96	ACQUISITION DATE
Chicago, IL	364,000	Light Industrial	100%	January 11, 1996
Chicago, IL	109,086	Light Industrial	100%	February 5, 1996
Atlanta, GA	1,040,000	Bulk Warehouse	100%	February 15, 1996
Detroit, MI	386,520	Light Industrial	81%	February 29, 1996
Indianapolis, IN, Cincinnati, OH, and Columbus, OH	3,037,382	Bulk Warehouse/ Light Industrial	98%	March 20, 1996
Chicago, IL	151,469	Bulk Warehouse	100%	March 22, 1996
Minneapolis, MN	212,293	Light Industrial	100%	April 10, 1996
Indianapolis, IN	327,997	Bulk Warehouse	100%	June 19, 1996
Milwaukee, WI	78,000	Light Industrial	100%	June 25, 1996
Minneapolis, MN	78,029	Light Industrial	77%	June 26, 1996
Dayton, OH	180,000	Light Industrial	100%	June 28, 1996
Minneapolis, MN	125,950	Bulk Warehouse	97%	July 9, 1996
Indianapolis, IN	70,560	Light Industrial	100%	July 24, 1996
Detroit, MI	42,300	Light Industrial	100%	August 16, 1996
Dayton, OH	84,000	Light Industrial	95%	September 12, 1996
Minneapolis, MN	97,770	Light Industrial	95%	September 30, 1996
Minneapolis, MN	83,189	Light Industrial	95%	September 30, 1996
Columbus, OH	1,110,300	Bulk Warehouse	100%	September 30, 1996
Minneapolis, MN	187,777	Light Industrial	100%	October 4, 1996
Cleveland, OH	102,500	Light Industrial	100%	October 8, 1996
Nashville, TN	538,811	Bulk Warehouse	100%	October 28, 1996
Milwaukee, WI	51,960	Light Industrial	100%	October 28, 1996
Indianapolis, IN	295,400	Light Industrial	92%	October 30, 1996
Detroit, MI	654,095	Bulk Warehouse	96%	November 14, 1996
Atlanta, GA	150,536	Light Industrial	100%	December 2, 1996
St. Louis, MO	122,813	Light Industrial	100%	December 18, 1996
Cincinnati, OH and Minneapolis, MN	183,614	Light Industrial	93%	December 24, 1996
Atlanta, GA	408,819	Bulk Warehouse	100%	December 31, 1996
Minneapolis, MN	80,000	Light Industrial	100%	December 31, 1996
Total	10,355,170			

PROPERTY DEVELOPMENT ACTIVITY

During 1996, the Company completed two developments totaling approximately .2 million square feet of GLA at a total cost of approximately $9.0 million, or $45 per square foot. The developed properties have the following characteristics:

METROPOLITAN AREA	GLA	PROPERTY TYPE	OCCUPANCY AT 12/31/96	COMPLETION DATE
Minneapolis, MN	172,800	Bulk Warehouse	100%	October 1996
Detroit, MI	27,990	Light Industrial	100%	November 1996
Total	200,790			

At December 31, 1996, the Company had seven properties under development, with an estimated completion GLA of 1.0 million square feet and an estimated completion cost of approximately $27.4 million.

PROPERTY SALES

During 1996, the Company sold six properties totaling approximately .4 million square feet of GLA. Total sales proceeds approximated $15.0 million. The sold properties have the following characteristics:

METROPOLITAN AREA	GLA	PROPERTY TYPE	SALE DATE
Detroit, Michigan	14,324	Light Industrial	April 4, 1996
Huntsville, Alabama(a)	204,189	Bulk Warehouse	April 26, 1996
Grand Rapids, Michigan	50,000	Bulk Warehouse	May 31, 1996
Atlanta, Georgia	151,575	Bulk Warehouse	December 31, 1996
Total	420,088		

(a) comprised of three properties.

PROPERTY ACQUISITIONS SUBSEQUENT TO YEAR END

Subsequent to December 31, 1996, the Company completed three separate property transactions totaling approximately 3.9 million square feet of GLA for approximately $164.3 million, or $42 per square foot, with the following characteristics:

METROPOLITAN AREA	GLA	PROPERTY TYPE	OCCUPANCY AT ACQUISITION DATE	ACQUISITION DATE
Indianapolis, IN	482,400	Bulk Warehouse	71%	January 9, 1997
Long Island, NY and Northern NJ	2,733,414	Bulk Warehouse/ Light Industrial	97%	January 31, 1997
Dayton, OH	58,746	Light Industrial	100%	February 20, 1997
York, PA	312,500	Bulk Warehouse	100%	March 17, 1997
Taylor, MI	179,700	Bulk Warehouse	98%	March 21, 1997
Mechanicsburg, PA	162,500	Light Industrial	0%(a)	March 24, 1997
Total	3,929,260			

(a) As of March 27, 1997, there is currently an executed lease for the entire 162,500 square feet of GLA. The tenant is expected to occupy the property within 60 days of the acquisition date.

DETAIL PROPERTY LISTING

The following table lists all of the Company's properties as of December 31, 1996, by geographic market area.

PROPERTY LISTING

BUILDING ADDRESS	LOCATION (CITY/STATE)	ENCUMBRANCES	YEAR BUILT/ RENOVATED	BUILDING TYPE	LAND AREA (ACRES)	GLA	OCCUPANCY AT 12/31/96
ATLANTA							
4250 River Green Parkway	Duluth, GA	(b)	1988	Light Industrial	2.14	28,942	100%
3400 Corporate Parkway	Duluth, GA	(b)	1987	Light Industrial	3.73	59,959	86%
3450 Corporate Parkway	Duluth, GA	(b)	1988	Light Industrial	2.38	37,346	67%
3500 Corporate Parkway	Duluth, GA	(b)	1991	Light Industrial	2.80	44,242	100%
3425 Corporate Parkway	Duluth, GA	(b)	1990	Light Industrial	3.49	42,978	77%
1650 GA Highway 155	McDonough, GA	(a)	1991	Bulk Warehouse	12.80	228,400	100%
415 Industrial Park Road	Cartersville, GA	(a)	1986	Bulk Warehouse	9.27	119,657	100%
434 Industrial Park Road	Cartersville, GA	(a)	1988	Bulk Warehouse	8.07	57,493	100%
435 Industrial Park Road	Cartersville, GA	(a)	1986	Bulk Warehouse	8.03	71,000	100%
14101 Industrial Park Blvd.	N.E. Covington, GA	(a)	1984	Bulk Warehouse	9.25	67,500	100%
801-804 Blacklawn Road	Conyers, GA	(a)	1982	Bulk Warehouse	6.67	111,090	100%
1665 Dogwood Drive	Conyers, GA	(a)	1973	Bulk Warehouse	9.46	198,000	100%
1715 Dogwood Drive	Conyers, GA	(a)	1973	Bulk Warehouse	4.61	100,000	100%
11235 Harland Drive	Covington, GA	(a)	1988	Bulk Warehouse	5.39	32,361	100%
700 Westlake Parkway	Atlanta, GA		1990	Light Industrial	3.50	56,400	100%
800 Westlake Parkway	Atlanta, GA		1991	Bulk Warehouse	7.40	132,400	78%
4050 Southmeadow Parkway	Atlanta, GA		1991	Light Industrial	6.60	87,328	100%
4051 Southmeadow Parkway	Atlanta, GA		1989	Bulk Warehouse	11.20	171,671	12%
4071 Southmeadow Parkway	Atlanta, GA		1991	Bulk Warehouse	17.80	209,918	100%
4081 Southmeadow Parkway	Atlanta, GA		1989	Bulk Warehouse	12.83	254,172	100%
1875 Rockdale Industrial Blv	Conyers, GA		1966	Bulk Warehouse	5.70	121,600	100%
1605 Indian Brook Way	Norcross, GA		1995	Bulk Warehouse	12.85	202,880	100%
3312 N. Berkeley Lake Road	Duluth, GA		1969	Bulk Warehouse	52.11	1,040,276	100%
3495 Bankhead Highway (f)	Atlanta, GA		1986	Bulk Warehouse	20.50	408,819	100%
5570 Tulane Drive (f)	Atlanta, GA		1996	Light Industrial	8.06	150,536	91%
				SUBTOTAL OR AVERAGE		4,034,968	94%
CENTRAL PENNSYLVANIA							
1214-B Freedom Road	Cranberry Twnp, PA	(a)	1982	Bulk Warehouse	5.99	32,779	100%
401 Russell Drive	Middletown, PA	(a)	1990	Bulk Warehouse	5.20	52,800	100%
2700 Commerce Drive	Middletown, PA	(a)	1990	Bulk Warehouse	3.60	32,000	100%
2701 Commerce Drive	Middletown, PA	(a)	1989	Light Industrial	6.40	48,000	100%
2780 Commerce Drive	Middletown, PA	(a)	1989	Light Industrial	2.00	21,600	100%
5035 Ritter Road	Mechanicsburg, PA	(a)	1988	Light Industrial	5.50	55,950	97%
5070 Ritter Road	Mechanicsburg, PA	(a)	1989	Light Industrial	5.20	60,000	93%
6340 Flank Drive	Harrisburg, PA	(a)	1988	Light Industrial	6.70	68,200	80%
6345 Flank Drive	Harrisburg, PA	(a)	1989	Light Industrial	7.00	69,443	100%
6360 Flank Drive	Harrisburg, PA	(a)	1988	Light Industrial	5.30	46,500	90%
6380 Flank Drive	Harrisburg, PA	(a)	1991	Light Industrial	3.70	32,000	94%
6400 Flank Drive	Harrisburg, PA	(a)	1992	Light Industrial	5.30	52,790	100%
6405 Flank Drive	Harrisburg, PA	(a)	1991	Light Industrial	6.00	32,000	100%
100 Schantz Spring Road	Allentown, PA	(a)	1993	Bulk Warehouse	12.37	100,000	100%
794 Roble Road	Allentown, PA	(a)	1984	Light Industrial	16.68	101,750	100%
7355 Williams Avenue	Allentown, PA	(a)	1989	Light Industrial	3.94	43,425	100%
2600 Beltline Avenue	Reading, PA	(a)	1985	Bulk Warehouse	5.89	69,190	100%
7125 Grayson Road	Swatara, PA	(a)	1991	Bulk Warehouse	17.17	300,000	100%
7253 Grayson Road	Swatara, PA	(a)	1990	Bulk Warehouse	12.42	196,000	96%
5 Keystone Drive	Lebanon, PA		1995	Bulk Warehouse	14.00	88,400	100%
5020 Louise Drive	Mechanicsburg, PA		1995	Light Industrial	5.06	49,350	100%
7195 Grayson	Swatara, PA		1994	Bulk Warehouse	6.02	100,000	100%
400 First Street	Middletown, PA	(e)	1963-65/96	Bulk Warehouse	23.37	167,500	100%
401 First Street	Middletown, PA	(e)	1963-65/96	Bulk Warehouse	68.39	490,140	100%
500 Industrial Lane	Middletown, PA	(e)	1963-65/96	Bulk Warehouse	16.17	115,890	100%
				SUBTOTAL OR AVERAGE		2,425,707	99%

Building Address	Location (City/State)	Encumbrances	Year Built/ Renovated	Building Type	Land Area (Acres)	GLA	Occupancy at 12/31/96
Chicago							
1330 West 43rd Street	Chicago, IL	(a)	1977	Bulk Warehouse	4.25	109,735	100%
2300 Hammond Drive	Schaumburg, IL	(a)	1970	Bulk Warehouse	4.13	77,000	100%
6500 North Lincoln Avenue	Lincolnwood, IL	(a)	1965/88	Light Industrial	2.52	63,050	100%
3600 West Pratt Avenue	Lincolnwood, IL	(a)	1953/88	Bulk Warehouse	6.35	205,481	100%
917 North Shore Drive	Lake Bluff, IL	(a)	1974	Bulk Warehouse	4.27	84,575	100%
6750 South Sayre Avenue	Bedford Park, IL	(a)	1975	Bulk Warehouse	2.51	63,383	41%
7200 S. Leamington	Bedford Park, IL		1950	Bulk Warehouse	12.24	310,752	100%
585 Slawin Court	Mount Prospect, IL	(a)	1992	Light Industrial	3.71	38,150	100%
2300 Windsor Court	Addison, IL	(a)	1986	Bulk Warehouse	6.80	105,100	100%
3505 Thayer Court	Aurora, IL	(a)	1989	Bulk Warehouse	4.60	64,220	100%
3600 Thayer Court	Aurora, IL	(a)	1989	Light Industrial	6.80	67,058	100%
736-776 Industrial Drive	Elmhurst, IL	(a)	1975	Bulk Warehouse	3.79	80,520	93%
5310-5352 East Avenue	Countryside, IL	(a)	1975	Bulk Warehouse	4.77	88,042	96%
12330-12358 South Latrobe	Alsip, IL	(a)	1975	Bulk Warehouse	3.71	85,390	100%
305-311 Era Drive	Northbrook, IL		1978	Light Industrial	1.82	27,549	68%
700-714 Landwehr Road	Northbrook, IL		1978	Light Industrial	1.99	41,835	100%
720-730 Landwehr Road	Northbrook, IL	(b)	1978	Light Industrial	4.29	66,912	100%
3170-3190 MacArthur Boulevard	Northbrook, IL	(b)	1978	Light Industrial	2.14	41,820	58%
4330 South Racine Avenue	Chicago, IL		1978	Bulk Warehouse	5.57	168,000	100%
13040 S. Crawford Ave.	Alsip, IL		1976	Bulk Warehouse	15.12	400,076	100%
20W201 101st Street	Lemont, IL	(b)	1988	Light Industrial	8.72	160,200	100%
12241 Melrose Street	Franklin Park, IL		1969	Bulk Warehouse	2.47	77,031	100%
280-296 Palatine Road	Wheeling, IL	(b)	1978	Bulk Warehouse	4.67	90,250	100%
3150-3160 MacArthur Boulevard	Northbrook, IL		1978	Light Industrial	2.14	41,820	100%
2101-2125 Gardner Road	Broadview, IL		1950/69	Bulk Warehouse	9.98	323,425	93%
365 North Avenue	Carol Stream, IL		1969	Bulk Warehouse	28.65	225,000	100%
2942 MacArthur Boulevard	Northbrook, IL		1979	Light Industrial	3.12	49,730	100%
12301-12325 S. Laramie Avenue	Alsip, IL		1975	Bulk Warehouse	8.83	204,586	100%
6300 W. Howard Street	Niles, IL		1956/64	Light Industrial	19.50	364,000	100%
301 Hintz	Wheeling, IL		1960	Light Industrial	2.51	43,636	100%
301 Alice	Wheeling, IL		1965	Light Industrial	2.88	65,450	100%
410 W. 169th Street	South Holland, IL		1974	Bulk Warehouse	6.40	151,436	100%
				SUBTOTAL OR AVERAGE		3,985,212	98%
CINCINNATI							
9900-9970 Princeton-Glendale Rd.	Cincinnati, OH	(c)	1970	Bulk Warehouse	10.64	185,580	97%
2940 Highland Avenue	Cincinnati, OH	(c)	1969/74	Bulk Warehouse	17.08	500,500	100%
4700-4750 Creek Road	Cincinnati, OH	(c)	1960	Bulk Warehouse	15.32	265,000	96%
4860 Duff Drive	Cincinnati, OH		1979	Light Industrial	1.02	15,986	87%
4866 Duff Drive	Cincinnati, OH		1979	Light Industrial	1.02	16,000	100%
4884 Duff Drive	Cincinnati, OH		1979	Light Industrial	1.59	25,000	90%
4890 Duff Drive	Cincinnati, OH		1979	Light Industrial	1.59	25,018	80%
963609643 Interocean Drive	Cincinnati, OH		1983	Light Industrial	4.13	29,371	86%
				SUBTOTAL OR AVERAGE		1,062,455	97%
CLEVELAND							
6675 Parkland Boulevard	Cleveland, OH		1991	Light Industrial	10.41	102,500	100%
				SUBTOTAL OR AVERAGE		102,500	100%
COLUMBUS							
6911 Americana Parkway	Columbus, OH		1980	Light Industrial	4.05	56,849	71%
3800 Lockbourne Industrial Pkwy	Columbus, OH		1986	Bulk Warehouse	43.61	705,600	100%
3800 Groveport Road	Columbus, OH		1986	Bulk Warehouse	22.31	404,734	100%
				SUBTOTAL OR AVERAGE		1,167,183	99%
DAYTON							
6094-6104 Executive Boulevard	Dayton, OH		1975	Light Industrial	3.33	43,200	100%
6202-6220 Executive Boulevard	Dayton, OH		1976	Light Industrial	3.79	64,000	100%
6268-6294 Executive Boulevard	Dayton, OH		1989	Light Industrial	4.03	60,800	100%
5749-5753 Executive Boulevard	Dayton, OH		1975	Light Industrial	1.15	12,000	100%
6230-6266 Executive Boulevard	Dayton, OH		1979	Light Industrial	5.30	84,000	95%
				SUBTOTAL OR AVERAGE		264,000	98%

BUILDING ADDRESS	LOCATION (CITY/STATE)	ENCUMBRANCES	YEAR BUILT/ RENOVATED	BUILDING TYPE	LAND AREA (ACRES)	GLA	OCCUPANCY AT 12/31/96
DES MOINES							
1550 East Washington Avenue	Des Moines, IA	(a)	1987	Bulk Warehouse	13.25	192,466	100%
1600 East Washington Avenue	Des Moines, IA	(a)	1987	Bulk Warehouse	6.78	81,886	100%
4121 McDonald Avenue	Des Moines, IA	(a)	1977	Bulk Warehouse	11.02	177,431	100%
4141 McDonald Avenue	Des Moines, IA	(a)	1976	Bulk Warehouse	11.03	263,196	100%
4161 McDonald Avenue	Des Moines, IA	(a)	1979	Bulk Warehouse	11.02	164,033	100%
						878,992	100%
				SUBTOTAL OR AVERAGE			
DETROIT							
2654 Elliott	Troy, MI	(b)	1986	Light Industrial	0.75	9,700	100%
1731 Thorncroft	Troy, MI	(b)	1969	Light Industrial	2.26	38,000	100%
1653 E. Maple	Troy, MI	(b)	1990	Light Industrial	1.38	23,392	100%
47461 Clipper	Plymouth, MI	(b)	1992	Light Industrial	1.10	11,600	100%
47522 Galleon	Plymouth, MI	(b)	1990	Light Industrial	0.90	13,507	100%
4150 Varsity Drive	Ann Arbor, MI	(b)	1986	Light Industrial	4.32	26,400	100%
1330 Crooks Road	Clawson, MI	(b)	1960	Light Industrial	5.55	42,360	100%
12000 Merriman Road	Livonia, MI	(a)	1975	Bulk Warehouse	9.28	179,720	36%
238 Executive Drive	Troy, MI	(a)	1973	Bulk Warehouse	1.32	13,740	100%
256 Executive Drive	Troy, MI	(a)	1974	Bulk Warehouse	1.12	11,273	100%
301 Executive Drive	Troy, MI	(a)	1974	Bulk Warehouse	1.27	20,411	100%
449 Executive Drive	Troy, MI	(a)	1975	Bulk Warehouse	2.12	33,001	100%
501 Executive Drive	Troy, MI	(a)	1984	Light Industrial	1.57	18,061	100%
645 Executive Drive	Troy, MI	(a)	1972	Light Industrial	2.27	32,470	100%
451 Robbins Drive	Troy, MI	(a)	1975	Bulk Warehouse	1.88	28,401	100%
700 Stephenson Highway	Troy, MI	(a)	1978	Light Industrial	3.13	29,344	100%
800 Stephenson Highway	Troy, MI	(a)	1979	Light Industrial	4.39	48,200	100%
1150 Stephenson Highway	Troy, MI	(a)	1982	Light Industrial	1.70	18,107	100%
1200 Stephenson Highway	Troy, MI	(a)	1980	Light Industrial	2.65	25,025	100%
1035 Crooks Road	Troy, MI	(a)	1980	Light Industrial	1.74	23,320	100%
1095 Crooks Road	Troy, MI	(a)	1986	Light Industrial	2.83	35,042	100%
1151 Crooks Road	Troy, MI	(a)	1985	Light Industrial	5.93	54,675	0%
1416 Meijer Drive	Troy, MI	(a)	1980	Light Industrial	1.20	17,944	100%
1624 Meijer Drive	Troy, MI	(a)	1984	Light Industrial	3.42	44,040	100%
1972 Meijer Drive	Troy, MI	(a)	1985	Light Industrial	2.36	37,075	100%
2112 Meijer Drive	Troy, MI	(a)	1980	Bulk Warehouse	4.12	34,558	100%
1621 Northwood Drive	Troy, MI	(a)	1977	Bulk Warehouse	1.54	24,900	100%
1707 Northwood Drive	Troy, MI	(a)	1983	Light Industrial	1.69	28,750	100%
1749 Northwood Drive	Troy, MI	(a)	1977	Bulk Warehouse	1.69	26,125	100%
1788 Northwood Drive	Troy, MI	(a)	1977	Light Industrial	1.55	12,480	100%
1821 Northwood Drive	Troy, MI	(a)	1977	Light Industrial	2.07	35,050	100%
1826 Northwood Drive	Troy, MI	(a)	1977	Light Industrial	1.22	12,480	100%
1864 Northwood Drive	Troy, MI	(a)	1977	Light Industrial	1.55	12,480	100%
1902 Northwood Drive	Troy, MI	(a)	1977	Light Industrial	3.65	62,925	100%
1921 Northwood Drive	Troy, MI	(a)	1977	Bulk Warehouse	2.33	42,000	100%
2230 Elliott Avenue	Troy, MI	(a)	1974	Bulk Warehouse	0.90	12,612	100%
2237 Elliott Avenue	Troy, MI	(a)	1974	Light Industrial	0.96	12,612	100%
2277 Elliott Avenue	Troy, MI	(a)	1975	Light Industrial	0.96	12,612	100%
2291 Elliott Avenue	Troy, MI	(a)	1974	Bulk Warehouse	1.06	12,200	100%
2451 Elliott Avenue	Troy, MI	(a)	1974	Bulk Warehouse	1.68	24,331	100%
2730 Research Drive	Rochester Hills, MI	(a)	1988	Bulk Warehouse	3.52	57,850	100%
2791 Research Drive	Rochester Hills, MI	(a)	1991	Light Industrial	4.48	64,199	100%
2871 Research Drive	Rochester Hills, MI	(a)	1991	Bulk Warehouse	3.55	49,543	100%
2911 Research Drive	Rochester Hills, MI	(a)	1992	Bulk Warehouse	5.72	80,078	100%
3011 Research Drive	Rochester Hills, MI	(a)	1988	Light Industrial	2.55	32,637	100%
2870 Technology Drive	Rochester Hills, MI	(a)	1988	Bulk Warehouse	2.41	24,445	100%
2890 Technology Drive	Rochester Hills, MI	(a)	1991	Bulk Warehouse	1.76	24,410	100%
2900 Technology Drive	Rochester Hills, MI	(a)	1992	Light Industrial	2.15	31,047	100%
2920 Technology Drive	Rochester Hills, MI	(a)	1992	Bulk Warehouse	1.48	19,011	100%
2930 Technology Drive	Rochester Hills, MI	(a)	1991	Bulk Warehouse	1.41	17,994	100%
2950 Technology Drive	Rochester Hills, MI	(a)	1991	Light Industrial	1.48	19,996	100%
2960 Technology Drive	Rochester Hills, MI	(a)	1992	Bulk Warehouse	3.83	41,565	100%
23014 Commerce Drive	Farmington Hills, MI	(a)	1983	Light Industrial	0.65	7,200	100%
23028 Commerce Drive	Farmington Hills, MI	(a)	1983	Bulk Warehouse	1.26	20,265	100%

BUILDING ADDRESS	LOCATION (CITY/STATE)	ENCUMBRANCES	YEAR BUILT/ RENOVATED	BUILDING TYPE	LAND AREA (ACRES)	GLA	OCCUPANCY AT 12/31/96
23035 Commerce Drive	Farmington Hills, MI	(a)	1983	Light Industrial	1.23	15,200	100%
23042 Commerce Drive	Farmington Hills, MI	(a)	1983	Light Industrial	0.75	8,790	0%
23065 Commerce Drive	Farmington Hills, MI	(a)	1983	Light Industrial	0.91	12,705	100%
23070 Commerce Drive	Farmington Hills, MI	(a)	1983	Light Industrial	1.43	16,765	100%
23079 Commerce Drive	Farmington Hills, MI	(a)	1983	Light Industrial	0.85	10,830	100%
23093 Commerce Drive	Farmington Hills, MI	(a)	1983	Bulk Warehouse	3.87	49,040	100%
23135 Commerce Drive	Farmington Hills, MI	(a)	1986	Light Industrial	2.02	23,969	100%
23149 Commerce Drive	Farmington Hills, MI	(a)	1985	Bulk Warehouse	6.32	47,700	100%
23163 Commerce Drive	Farmington Hills, MI	(a)	1986	Bulk Warehouse	1.51	19,020	100%
23164 Commerce Drive	Farmington Hills, MI	(a)	1986	Bulk Warehouse	1.47	17,584	100%
23177 Commerce Drive	Farmington Hills, MI	(a)	1986	Bulk Warehouse	2.29	32,127	100%
23192 Commerce Drive	Farmington Hills, MI	(a)	1986	Light Industrial	0.69	7,306	100%
23206 Commerce Drive	Farmington Hills, MI	(a)	1985	Light Industrial	1.30	19,822	100%
23290 Commerce Drive	Farmington Hills, MI	(a)	1980	Bulk Warehouse	2.56	42,930	100%
23370 Commerce Drive	Farmington Hills, MI	(a)	1980	Light Industrial	0.67	8,741	100%
24492 Indoplex Circle	Farmington Hills, MI	(a)	1976	Bulk Warehouse	1.63	24,000	100%
24528 Indoplex Circle	Farmington Hills, MI	(a)	1976	Bulk Warehouse	2.26	34,650	100%
31800 Plymouth Road - Bldg 1	Livonia, MI	(a)	1968/89	Light Industrial	42.71	697,865	94%
31800 Plymouth Road - Bldg 2	Livonia, MI	(a)	1968/89	Bulk Warehouse	11.81	184,614	100%
31800 Plymouth Road - Bldg 3	Livonia, MI	(a)	1968/89	Bulk Warehouse	6.13	96,575	98%
31800 Plymouth Road - Bldg 6	Livonia, MI	(a)	1968/89	Bulk Warehouse	9.06	183,959	100%
31800 Plymouth Road - Bldg 7	Livonia, MI	(a)	1968/89	Bulk Warehouse	1.64	26,836	100%
21477 Bridge Street	Southfield, MI		1986	Light Industrial	3.10	41,500	100%
2965 Technology Drive	Rochester Hills, MI		1995	Light Industrial	4.92	66,395	100%
1451 Lincoln Avenue	Madison Heights, MI		1967	Light Industrial	3.92	75,000	100%
4400 Purks Drive	Auburn Hills, MI		1987	Light Industrial	13.04	87,100	100%
4177A Varsity Drive	Ann Arbor, MI		1993	Light Industrial	2.48	11,050	100%
6515 Cobb Drive	Sterling Heights, MI		1984	Light Industrial	2.91	47,597	100%
32450 N. Avis Drive	Madison Heights, MI		1974	Light Industrial	3.23	55,820	100%
32200 N. Avis Drive	Madison Heights, MI		1973	Light Industrial	6.15	88,700	100%
32440-32442 Industrial Drive	Madison Heights, MI		1979	Light Industrial	1.41	19,200	63%
32450 Industrial Drive	Madison Heights, MI		1979	Light Industrial	0.76	10,350	0%
11813 Hubbard	Livonia, MI		1979	Light Industrial	1.95	33,300	100%
11844 Hubbard	Livonia, MI		1979	Light Industrial	2.16	38,500	0%
11866 Hubbard	Livonia, MI		1979	Light Industrial	2.32	41,380	100%
12050-12300 Hubbard (f)	Livonia, MI		1981	Light Industrial	6.10	85,086	83%
12707 Eckles Road	Plymouth Township, MI		1990	Light Industrial	2.62	42,300	100%
9300-9328 Harrison Road	Romulus, MI		1978	Bulk Warehouse	2.53	29,280	100%
9330-9458 Harrison Road	Romulus, MI		1978	Bulk Warehouse	2.53	29,280	100%
28420-28448 Highland Road	Romulus, MI		1979	Bulk Warehouse	2.53	29,280	100%
28450-28478 Highland Road	Romulus, MI		1979	Bulk Warehouse	2.53	29,280	100%
28421-28449 Highland Road	Romulus, MI		1980	Bulk Warehouse	2.53	29,280	100%
28451-28479 Highland Road	Romulus, MI		1980	Bulk Warehouse	2.53	29,280	100%
28825-28909 Highland Road	Romulus, MI		1981	Bulk Warehouse	2.53	29,280	100%
28933-29017 Highland Road	Romulus, MI		1982	Bulk Warehouse	2.53	29,280	100%
28824-28908 Highland Road	Romulus, MI		1982	Bulk Warehouse	2.53	29,280	100%
28932-29016 Highland Road	Romulus, MI		1982	Bulk Warehouse	2.53	29,280	100%
9710-9734 Harrison Road	Romulus, MI		1987	Bulk Warehouse	2.22	25,620	0%
9740-9772 Harrison Road	Romulus, MI		1987	Bulk Warehouse	2.53	29,280	100%
9840-9868 Harrison Road	Romulus, MI		1987	Bulk Warehouse	2.53	29,280	100%
9800-9824 Harrison Road	Romulus, MI		1987	Bulk Warehouse	2.22	25,620	100%
29265-29285 Airport Drive	Romulus, MI		1983	Bulk Warehouse	2.05	23,707	100%
29185-29225 Airport Drive	Romulus, MI		1983	Bulk Warehouse	3.17	36,658	100%
29149-29165 Airport Drive	Romulus, MI		1984	Bulk Warehouse	2.89	33,440	100%
29101-29115 Airport Drive	Romulus, MI		1985	Bulk Warehouse	2.53	29,280	100%
29031-29045 Airport Drive	Romulus, MI		1985	Bulk Warehouse	2.53	29,280	100%
29050-29062 Airport Drive	Romulus, MI		1986	Bulk Warehouse	2.22	25,620	100%
29120-29134 Airport Drive	Romulus, MI		1986	Bulk Warehouse	2.53	29,280	100%
29200-29214 Airport Drive	Romulus, MI		1985	Bulk Warehouse	2.53	29,280	100%
9301-9339 Middlebelt Road	Romulus, MI		1983	Bulk Warehouse	1.29	14,950	100%
46750 Port Street	Plymouth, MI		1995	Light Industrial	3.23	27,990	100%
				SUBTOTAL OR AVERAGE		4,697,554	94%

BUILDING ADDRESS	LOCATION (CITY/STATE)	ENCUMBRANCES	YEAR BUILT/ RENOVATED	BUILDING TYPE	LAND AREA (ACRES)	GLA	OCCUPANCY AT 12/31/96
GRAND RAPIDS							
3232 Kraft Avenue	Grand Rapids, MI	(b)	1988	Bulk Warehouse	13.15	216,000	88%
8181 Logistics Drive	Grand Rapids, MI	(b)	1990	Bulk Warehouse	10.00	222,000	100%
5062 Kendrick Court SE	Grand Rapids, MI	(b)	1987	Bulk Warehouse	2.06	31,750	100%
2 84th Street SW	Grand Rapids, MI	(a)	1986	Bulk Warehouse	3.01	30,000	100%
100 84th Street SW	Grand Rapids, MI	(a)	1979	Bulk Warehouse	4.20	81,000	100%
150 84th Street SW	Grand Rapids, MI	(a)	1977	Light Industrial	1.95	16,000	100%
511 76th Street SW	Grand Rapids, MI	(a)	1986	Bulk Warehouse	14.44	202,500	95%
553 76th Street SW	Grand Rapids, MI	(a)	1985	Light Industrial	1.16	10,000	64%
555 76th Street SW	Grand Rapids, MI	(a)	1987	Bulk Warehouse	12.50	200,000	75%
2925 Remico Avenue SW	Grand Rapids, MI	(a)	1988	Bulk Warehouse	3.40	66,505	100%
2935 Walkent Court NW	Grand Rapids, MI	(a)	1991	Bulk Warehouse	6.13	64,961	0%
3300 Kraft Avenue SE	Grand Rapids, MI	(a)	1987	Bulk Warehouse	11.57	200,000	100%
3366 Kraft Avenue SE	Grand Rapids, MI	(a)	1987	Bulk Warehouse	12.35	200,000	97%
4939 Starr Avenue	Grand Rapids, MI	(a)	1985	Bulk Warehouse	3.87	30,000	100%
5001 Kendrick Court SE	Grand Rapids, MI	(a)	1983	Bulk Warehouse	4.00	61,500	51%
5050 Kendrick Court SE	Grand Rapids, MI	(a)	1988	Bulk Warehouse	26.94	413,500	100%
5015 52nd Street SE	Grand Rapids, MI	(a)	1987	Bulk Warehouse	4.11	61,250	100%
5025 28th Street	Grand Rapids, MI	(a)	1967	Light Industrial	3.97	14,400	100%
5079 33rd Street SE	Grand Rapids, MI	(a)	1990	Bulk Warehouse	6.74	109,875	100%
5333 33rd Street SE	Grand Rapids, MI	(a)	1991	Bulk Warehouse	8.09	101,250	100%
5130 Patterson Avenue SE	Grand Rapids, MI	(a)	1987	Bulk Warehouse	6.57	30,000	100%
425 Gordon Industrial Court	Grand Rapids, MI		1990	Bulk Warehouse	8.77	156,875	100%
2851 Prairie Street	Grand Rapids, MI		1989	Bulk Warehouse	5.45	117,251	100%
2945 Walkent Court	Grand Rapids, MI		1993	Bulk Warehouse	4.45	93,374	100%
537 76th Street	Grand Rapids, MI		1987	Bulk Warehouse	5.26	80,000	50%
						2,809,991	
				SUBTOTAL OR AVERAGE			92%
INDIANAPOLIS							
2900 N. Shadeland Avenue	Indianapolis, IN	(c)	1957/1992	Bulk Warehouse	60.00	976,273	98%
1445 Brookville Way	Indianapolis, IN	(c)	1989	Light Industrial	8.79	115,200	96%
1440 Brookville Way	Indianapolis, IN	(c)	1990	Bulk Warehouse	9.64	166,400	100%
1240 Brookville Way	Indianapolis, IN	(c)	1990	Bulk Warehouse	3.50	63,000	60%
1220 Brookville Way	Indianapolis, IN	(c)	1990	Light Industrial	2.10	10,000	100%
1345 Brookville Way	Indianapolis, IN	(d)	1992	Light Industrial	5.50	132,000	98%
1350 Brookville Way	Indianapolis, IN	(c)	1994	Bulk Warehouse	2.87	38,460	100%
1315 Sadlier Circle E. Drive	Indianapolis, IN	(d)	1970/1992	Light Industrial	1.33	14,000	100%
1341 Sadlier Circle E. Drive	Indianapolis, IN	(d)	1971/1992	Light Industrial	2.03	32,400	100%
1322-1438 Sadlier Circle E. Drive	Indianapolis, IN	(d)	1971/1992	Light Industrial	3.79	36,000	97%
1327-1441 Salider Dircle E. Drive	Indianapolis, IN	(d)	1992	Light Industrial	5.50	54,000	100%
1304 Sadlier Circle E. Drive	Indianapolis, IN	(d)	1971/1992	Light Industrial	2.42	17,600	100%
1402 Sadlier Circle E. Drive	Indianapolis, IN	(d)	1970/1992	Light Industrial	4.13	40,800	100%
1504 Sadlier Circle E. Drive	Indianapolis, IN	(d)	1971/1992	Light Industrial	4.14	54,000	100%
1311 Sadlier Circle E. Drive	Indianapolis, IN	(d)	1971/1992	Light Industrial	1.78	13,200	100%
1365 Sadlier Circle E. Drive	Indianapolis, IN	(d)	1971/1992	Light Industrial	2.16	30,000	100%
1352-1354 Sadlier Circle E. Drive	Indianapolis, IN	(d)	1970/1992	Light Industrial	3.50	44,000	100%
1338 Sadlier Circle E. Drive	Indianapolis, IN	(d)	1971/1992	Light Industrial	1.20	20,000	100%
1327 Sadlier Circle E. Drive	Indianapolis, IN	(d)	1971/1992	Light Industrial	1.20	12,800	100%
1428 Sadlier Circle E. Drive	Indianapolis, IN	(d)	1971/1992	Light Industrial	2.49	5,000	100%
1230 Brookville Way	Indianapolis, IN	(c)	1995	Light Industrial	1.96	15,000	100%
6951 E. 30th Street	Indianapolis, IN		1995	Light Industrial	3.81	44,000	100%
6701 E. 30th Street	Indianapolis, IN		1992	Light Industrial	3.00	7,820	100%
6737 E. 30th Street	Indianapolis, IN		1995	Bulk Warehouse	11.01	87,500	100%
6555 E. 30th Street	Indianapolis, IN		1969/1981	Bulk Warehouse	37.00	327,997	100%
2432-2436 Shadeland	Indianapolis, IN		1968	Light Industrial	4.57	70,560	100%
8402-8440 E. 33rd Street	Indianapolis, IN		1977	Light Industrial	4.70	55,200	97%
8520-8630 E. 33rd Street	Indianapolis, IN		1976	Light Industrial	5.30	81,000	100%
8710-8768 E. 33rd Street	Indianapolis, IN		1979	Light Industrial	4.70	43,200	100%
3316-3346 N. Pagosa Court	Indianapolis, IN		1977	Light Industrial	5.10	81,000	100%
3331 Raton Court	Indianapolis, IN		1979	Light Industrial	2.80	35,000	100%
						2,723,410	
				SUBTOTAL OR AVERAGE			98%

BUILDING ADDRESS	LOCATION (CITY/STATE)	ENCUMBRANCES	YEAR BUILT/ RENOVATED	BUILDING TYPE	LAND AREA (ACRES)	GLA	OCCUPANCY AT 12/31/96
MILWAUKEE							
N25 W23050 Paul Road	Pewaukee, WI	(a)	1989	Light Industrial	4.50	37,765	100%
N25 W23255 Paul Road	Pewaukee, WI	(a)	1987	Light Industrial	4.80	55,940	100%
N27 W23293 Roundy Drive	Pewaukee, WI	(a)	1989	Light Industrial	3.64	39,468	100%
6523 N. Sidney Place	Glendale, WI		1978	Light Industrial	4.00	43,440	100%
8800 W. Bradley	Milwaukee, WI		1982	Light Industrial	8.00	78,000	100%
1435 North 113th Street	Wauwatosa, WI		1993	Light Industrial	4.69	51,950	100%
						306,563	100%
				SUBTOTAL OR AVERAGE			
MINNEAPOLIS/ST. PAUL							
2700 Freeway Boulevard	Brooklyn Center, MN	(b)	1981	Light Industrial	7.76	78,741	85%
6503-6545 Cecilia Circle	Bloomington, MN	(a)	1980	Light Industrial	9.65	74,118	81%
6403-6437 Cecilia Drive	Bloomington, MN	(a)	1980	Light Industrial	9.65	87,322	100%
1275 Corporate Center Drive	Eagan, MN	(a)	1990	Bulk Warehouse	1.50	19,675	100%
1279 Corporate Center Drive	Eagan, MN	(a)	1990	Bulk Warehouse	1.50	19,792	100%
2815 Eagandale Boulevard	Eagan, MN	(a)	1990	Bulk Warehouse	2.20	29,106	100%
6201 West 111th Street	Bloomington, MN	(a)	1987	Bulk Warehouse	37.00	424,866	100%
6925-6943 Washington Avenue	Edina, MN	(a)	1972	Light Industrial	2.75	37,169	94%
6955-6973 Washington Avenue	Edina, MN	(a)	1972	Light Industrial	2.25	31,189	92%
7251-7267 Washington Avenue	Edina, MN	(a)	1972	Light Industrial	1.82	26,250	100%
7301-7325 Washington Avenue	Edina, MN	(a)	1972	Light Industrial	1.92	27,287	100%
7101 Winnetka Avenue North	Brooklyn Park, MN	(a)	1990	Light Industrial	14.18	252,978	100%
7600 Golden Triangle Drive	Eden Prairie, MN	(a)	1989	Light Industrial	6.79	73,855	88%
7830-7848 12th Avenue South	Bloomington, MN	(a)	1978	Light Industrial	8.11	82,837	100%
7850-7890 12th Avenue South	Bloomington, MN	(a)	1978	Light Industrial	8.11	67,271	100%
7900 Main Street Northeast	Fridley, MN	(a)	1973	Bulk Warehouse	6.09	97,020	100%
7901 Beech Street Northeast	Fridley, MN	(a)	1975	Bulk Warehouse	6.07	97,020	100%
9901 West 74th Street	Eden Prairie, MN	(a)	1983/88	Bulk Warehouse	8.86	150,000	100%
10120 W. 76th Street	Eden Prairie, MN		1987	Light Industrial	4.52	57,798	85%
7615 Golden Triangle	Eden Prairie, MN		1987	Light Industrial	4.61	52,820	92%
10175-10205 Crosstown Circle	Eden Prairie, MN	(a)	1980	Light Industrial	2.30	30,219	95%
11201 Hampshire Avenue South	Bloomington, MN	(a)	1986	Light Industrial	5.90	60,480	100%
12270-12274 Nicollet Avenue	Burnsville, MN	(a)	1989/90	Light Industrial	1.80	17,116	100%
12250-12268 Nicollet Avenue	Burnsville, MN	(a)	1989/90	Light Industrial	4.30	42,465	91%
12220-12230 Nicollet Avenue	Burnsville, MN	(a)	1989/90	Light Industrial	2.40	23,607	78%
305 2nd Street Northwest	Minneapolis, MN	(a)	1991	Light Industrial	5.43	62,293	99%
953 Westgate Drive	Minneapolis, MN	(a)	1991	Light Industrial	3.17	51,906	100%
980 Lone Oak Road	Minneapolis, MN	(a)	1992	Light Industrial	11.40	154,950	100%
990 Lone Oak Road	Minneapolis, MN	(a)	1989	Light Industrial	11.41	153,607	79%
1030 Lone Oak Road	Minneapolis, MN	(a)	1988	Bulk Warehouse	6.30	83,076	100%
1060 Lone Oak Road	Minneapolis, MN	(a)	1988	Light Industrial	6.50	82,728	100%
5400 Nathan Lane	Minneapolis, MN	(a)	1990	Light Industrial	5.70	72,089	100%
6464 Sycamore Court	Minneapolis, MN	(a)	1990	Light Industrial	6.40	79,702	80%
6701 Parkway Circle	Brooklyn Center, MN		1987	Light Industrial	4.44	75,000	100%
6601 Shingle Creek Parkway	Brooklyn Center, MN		1985	Light Industrial	4.59	68,899	99%
7625 Golden Triangle	Eden Prairie, MN		1987	Light Industrial	4.61	73,125	100%
2605 Fernbrook Lane North	Plymouth, MN		1987	Light Industrial	6.37	80,769	90%
12155 Nicollet Avenue	Burnsville, MN		1995	Bulk Warehouse	5.80	48,000	100%
6655 Wedgewood Road	Maple Grove, MN		1989	Light Industrial	17.88	131,288	100%
900 Apollo Road	Eagan, MN		1970	Bulk Warehouse	39.00	312,265	100%
7316 Aspen Lane North	Brooklyn Park, MN		1978	Bulk Warehouse	6.63	97,640	100%
6707 Shingle Creek Parkway	Brooklyn Center, MN		1986	Light Industrial	4.22	75,939	100%
73rd Avenue North	Brooklyn Park, MN		1995	Light Industrial	4.46	59,782	100%
1905 W. Country Road C	Roseville, MN		1993	Light Industrial	4.60	47,735	100%
2730 Arthur Street	Roseville, MN		1995	Light Industrial	6.06	74,337	100%
10205 51st Avenue North	Plymouth, MN		1990	Light Industrial	2.00	30,476	100%
4100 Peavey Road	Chaska, MN		1988	Light Industrial	8.27	78,029	77%
11300 Hampshire Avenue South	Bloomington, MN		1983	Bulk Warehouse	9.94	129,950	97%
375 Rivertown Drive	Woodbury, MN		1996	Bulk Warehouse	11.33	172,800	100%
5205 Highway 169	Plymouth, MN		1960	Light Industrial	7.92	97,770	95%
6451-6595 Citywest Parkway	Eden Prairie, MN		1984	Light Industrial	6.98	83,189	95%
7100-7198 Shady Oak Road (g)	Eden Prairie, MN		1982	Bulk Warehouse	14.44	187,777	100%

BUILDING ADDRESS	LOCATION (CITY/STATE)	ENCUMBRANCES	YEAR BUILT/ RENOVATED	BUILDING TYPE	LAND AREA (ACRES)	GLA	OCCUPANCY AT 12/31/96
7550-7588 Washington Square	Eden Prairie, MN		1975	Light Industrial		29,739	100%
7500-7546 Washington Square	Eden Prairie, MN		1975	Light Industrial		44,600	100%
5240-5300 Valley Industrial Blvd	Eden Prairie, MN		1973	Light Industrial		80,000	100%
				SUBTOTAL OR AVERAGE		4,776,461	97%
NASHVILLE							
1621 Heil Quaker Boulevard	Nashville, TN	(b)	1975	Bulk Warehouse	11.29	160,661	100%
220 Great Circle Drive	Nashville, TN	(a)	1979	Light Industrial	5.32	76,169	95%
230 Great Circle Drive	Nashville, TN	(a)	1981	Light Industrial	4.69	71,673	100%
240 Great Circle Drive	Nashville, TN	(a)	1982	Light Industrial	5.06	79,425	95%
417 Harding Industrial Drive	Nashville, TN	(a)	1972	Bulk Warehouse	13.70	207,440	100%
501 Harding Industrial Drive	Nashville, TN	(a)	1975	Bulk Warehouse	8.81	202,128	100%
521 Harding Industrial Drive	Nashville, TN	(a)	1977	Bulk Warehouse	7.73	190,000	100%
3099 Barry Drive	Portland, TN		1995	Bulk Warehouse	6.20	109,058	100%
3150 Barry Drive	Portland, TN		1993	Bulk Warehouse	26.32	268,253	100%
5599 Highway 31 West	Portland, TN		1995	Bulk Warehouse	20.00	161,500	100%
				SUBTOTAL OR AVERAGE		1,526,307	100%
ST. LOUIS							
8921-8957 Frost Avenue	Hazelwood, MO	(b)	1971	Bulk Warehouse	2.00	100,000	100%
9043-9083 Frost Avenue	Hazelwood, MO	(b)	1970	Bulk Warehouse	2.69	145,000	100%
2121 Chapin Industrial Drive	Vinita Park, MO	(a)	1969/87	Light Industrial	23.40	280,905	100%
1200 Andes Boulevard	Creve Couer, MO	(a)	1967	Bulk Warehouse	2.77	66,600	100%
1248 Andes Boulevard	Creve Couer, MO	(a)	1967	Light Industrial	3.15	60,708	100%
1208-1226 Ambassador Blvd.	Creve Couer, MO	(a)	1966	Bulk Warehouse	2.11	49,600	100%
1250 Ambassador Boulevard	Creve Couer, MO	(a)	1967	Bulk Warehouse	1.52	31,500	100%
1503-1525 Fairview Industrial	Overland, MO	(a)	1967	Bulk Warehouse	2.18	46,431	100%
2441-2445 Northline Industrial	Maryland Heights, MO	(a)	1967	Bulk Warehouse	2.02	42,090	100%
2462-2470 Schuetz Road	Maryland Heights, MO	(a)	1965	Bulk Warehouse	2.28	43,868	100%
10431-10449 Midwest Industrial	Overland, MO	(a)	1967	Bulk Warehouse	2.40	55,125	99%
10751 Midwest Industrial Blvd.	St. Louis, MO	(a)	1965	Light Industrial	1.70	44,100	100%
11632-11644 Fairgrove Industrial	Maryland Heights, MO	(a)	1967	Bulk Warehouse	1.52	31,484	100%
11652-11666 Fairgrove Industrial	Maryland Heights, MO	(a)	1966	Bulk Warehouse	1.92	31,484	100%
11674-11688 Fairgrove Industrial	Maryland Heights, MO	(a)	1967	Bulk Warehouse	1.53	31,500	100%
2337 Centerline Drive	Maryland Heights, MO		1967	Bulk Warehouse	3.46	75,600	100%
6951 N. Hanley (f)	Hazelwood, MO		1965	Bulk Warehouse	9.50	122,813	100%
				SUBTOTAL OR AVERAGE		1,258,808	100%
OTHER							
2800 Airport Road (h)	Denton, TX	(a)	1965	Light Industrial	29.99	222,403	100%
3501 Maple Street	Abilene, TX	(a)	1980	Bulk Warehouse	34.42	123,700	100%
4200 West Harry Street (g)	Wichita, KS	(a)	1968	Bulk Warehouse	21.45	177,655	100%
Industrial Park No. 2	West Lebanon, NH	(a)	1968	Light Industrial	10.27	156,200	100%
				SUBTOTAL OR AVERAGE		679,958	100%
				TOTAL		32,700,069	97%

(a) These properties collateralize the 1994 Mortgage Loan (hereinafter defined).
(b) These properties collateralize the 1995 Mortgage Loan (hereinafter defined).
(c) These properties collateralize the CIGNA Loan (hereinafter defined).
(d) These properties collateralize the Assumed Loans (hereinafter defined).
(e) These properties collateralize the Harrisburg Mortgage Loan (hereinafter defined).
(f) Comprised of two properties.
(g) Comprised of three properties.
(h) Comprised of five properties.

TENANT AND LEASE INFORMATION

The Company has a diverse base of more than 990 tenants engaged in a wide variety of businesses including manufacturing, retailing, wholesale trade, distribution and professional services. Most leases have an initial term of between three and five years and provide for periodic rental increases that are either fixed or based on changes in the Consumer Price Index. Industrial tenants typically have net or semi-net leases and pay as additional rent their percentage of the property's operating costs, including the costs of common area maintenance, property taxes and insurance. As of December 31, 1996, approximately 97% of the GLA of the properties was leased, and no single tenant or group of related tenants accounted for more than 2.1% of the Company's rent revenues, nor did any single tenant or group of related tenants occupy more than 2.4%, of the Company's total GLA as of December 31, 1996.

The following table shows scheduled lease expirations for all leases for the Company's properties as of December 31, 1996.

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
				(In Thousands)	
1997	274	5,526,896	17.5%	$ 20,868	17.0%
1998	253	5,903,934	18.7	23,866	19.4
1999	221	5,395,706	17.1	21,295	17.3
2000	136	4,492,598	14.2	18,453	15.0
2001	108	4,438,680	14.1	15,959	13.0
2002	28	1,021,689	3.3	4,575	3.8
2003	25	1,456,219	4.6	5,678	4.6
2004	10	1,081,594	3.4	3,185	2.6
2005	10	769,068	2.4	3,216	2.6
Thereafter	19	1,492,901	4.7	5,791	4.7
Total	1,084	31,579,285	100.0%	$ 122,886	100.0%

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(1) Lease expirations as of December 31, 1996, assuming tenants do not exercise existing renewal, termination, or purchase options.

(2) Does not include existing vacancies of 1,120,784 aggregate square feet.

MORTGAGE LOANS

Contemporaneously with the consummation of the Initial Offering, the Financing Partnership borrowed $300 million under a mortgage loan (the "1994 Mortgage Loan") from an institutional lender. The 1994 Mortgage Loan matures June 30, 1999 unless extended by the Financing Partnership, subject to certain conditions, for an additional two year period, thereby maturing on June 30, 2001. The 1994 Mortgage Loan provides for interest only payments which have been effectively fixed at a rate of 6.97% through June 30, 2001 by certain interest rate protection agreements. The 1994 Mortgage Loan is collateralized by first mortgage liens on 195 properties owned by the Financing Partnership. The 1994 Mortgage Loan may not be prepaid prior to January 1, 1998. Subsequent to December 31, 1997, the 1994 Mortgage Loan may be prepaid in whole or in part, with a 2% premium in 1998 and thereafter without premium.

On December 29, 1995, the Mortgage Partnership borrowed $40.2 million under a mortgage loan (the "1995 Mortgage Loan") from an institutional lender. In the first quarter of 1996, the Company made a one-time paydown of $.2 million on the 1995 Mortgage Loan decreasing the outstanding balance to $40 million. The 1995 Mortgage Loan matures on January 11, 2026. The 1995 Mortgage Loan provides for interest at a fixed interest rate of 7.22% per annum through January 11, 2003, and provides for interest only payments through January 11, 1998, with monthly principal and interest payments required subsequently based on a 28-year amortization schedule. After January 11, 2003, the interest rate adjusts based on a predetermined formula based on the applicable Treasury rate. The 1995 Mortgage Loan is collateralized by first mortgage liens on 23 properties owned by the Mortgage Partnership. The 1995 Mortgage Loan may be prepaid only after December 31, 1997, in whole or in part and in exchange for a yield maintenance premium.

On December 14, 1995, the Company, through the Harrisburg Partnership, entered into an approximately $6.6 million mortgage loan (the "Harrisburg Mortgage Loan") collateralized by three properties in Harrisburg, Pennsylvania. This loan bears interest at a rate of LIBOR plus 1.5% or the prime rate plus 2.25%, at the Company's option, provides for monthly principal and interest payments commencing after May 31, 1996, based on a 26.5-year amortization schedule, and matures on December 15, 2000. The Harrisburg Mortgage Loan may be repaid only after December 15, 1997 in exchange for a prepayment premium.

On March 20, 1996, the Company, through the Operating Partnership and the Indianapolis Partnership, entered into an approximately $36.7 million mortgage loan (the "CIGNA Loan") that is collateralized by seven properties in Indianapolis, Indiana and three properties in Cincinnati, Ohio. The CIGNA Loan bears interest at a fixed interest rate of 7.5% and provides for monthly principal and interest payments based on a 25-year amortization schedule. The CIGNA Loan will mature on April 1, 2003. The CIGNA Loan may be prepaid only after April 30, 1999 in exchange for the greater of a 1% premium or a yield maintenance premium.

On March 20, 1996, the Company, through the Operating Partnership, assumed an approximately $6.4 million mortgage loan and an approximately $3.0 million mortgage loan (together, the "Assumed Loans") that are collateralized by 13 properties in Indianapolis, Indiana and one property in Indianapolis, Indiana, respectively. The Assumed Loans bear interest at a fixed rate of 9.25% and provide for monthly principal and interest payments based on a 16.75-year amortization schedule. The Assumed Loans will mature on January 1, 2013. The Assumed Loans may be prepaid only after December 22, 1999 in exchange for the greater of a 1% premium or a yield maintenance premium.

PROPERTY MANAGEMENT

At December 31, 1996, Company employees managed 358 of the Company's 379 properties. Twenty-one properties were managed at the local level by parties other than the Company, with oversight by the Company's Senior Regional Directors. In each of these cases, the Company retains control over all leasing, capital investment decisions, rent collection, accounting and most operational decisions, allowing its local third-party managers limited operational authority.

ITEM 3. LEGAL PROCEEDINGS

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

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

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

MARKET INFORMATION

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

QUARTER ENDED	HIGH	LOW	DISTRIBUTION DECLARED
December 31, 1996	$30 7/8	$24 7/8	$.5050
September 30, 1996	26	22 1/2	.4875
June 30, 1996	24 5/8	21 3/4	.4875
March 31, 1996	25	21 3/8	.4875
December 31, 1995	22 1/2	19 3/8	.4875
September 30, 1995	20 1/2	19 1/2	.4725
June 30, 1995	20 1/2	17 3/8	.4725
March 31, 1995	19 5/8	17 3/4	.4725

The Company had 308 common stockholders of record as of March 20, 1997.

The Company has determined that, for federal income tax purposes, approximately 65.97% of the total $1.9675 in distributions per share paid with respect to 1996 represents ordinary dividend income to its stockholders, while the remaining 34.03% represents a return of capital. In order to maintain its status as a REIT, the Company is required to meet certain tests, including distributing at least 95% of its REIT taxable income, or approximately $1.39 per share for 1996.

ITEM 6. SELECTED FINANCIAL AND OPERATING DATA

The following sets forth selected financial and operating data for the Company on a pro forma and historical consolidated basis and the Contributing Businesses on a historical combined basis. The following data should be read in conjunction with the financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this Form 10-K. The pro forma statement of operations for the year ended December 31, 1994 includes the historical results of the Company's operations from July 1, 1994 to December 31, 1994, and for the period of January 1, 1994 to June 30, 1994 and were prepared as if the Initial Offering and the related transactions had occurred on January 1, 1994. The historical statements of operations for the years ended December 31, 1996 and 1995, and the six months ended December 31, 1994 include the results of operations of the Company as derived from the Company's audited financial statements. The historical balance sheet data and other data as of December 31, 1996, 1995 and 1994, and June 30, 1994 (unaudited) include the balances of the Company. The historical balance sheet data as of December 31, 1993 and 1992, and the six months ended June 30, 1994 and the combined statements of operations for the years ended December 31, 1993 and 1992, have been derived from the historical financial statements of the Contributing Businesses. In the opinion of management, financial data as of and for the periods ended June 30, 1994, December 31, 1993 and 1992 include all adjustments necessary to present fairly the information set forth therein.

	THE COMPANY				CONTRIBUTING BUSINESSES		
					HISTORICAL		
	HISTORICAL YEAR ENDED 12/31/96	HISTORICAL YEAR ENDED 12/31/95	PRO FORMA YEAR ENDED 12/31/94	HISTORICAL SIX MONTHS ENDED 12/31/94	SIX MONTHS ENDED 6/30/94	YEAR ENDED DECEMBER 31, 1993	1992
	(IN THOUSANDS, EXCEPT PER SHARE, RATIO AND PROPERTY DATA)						
STATEMENTS OF OPERATIONS DATA:							
Total Revenues	$ 140,055	$ 106,486	$ 87,923	$ 46,570	$ 22,816	$ 33,237	$ 31,145
Property Expenses	39,224	28,302	22,714	11,853	6,036	8,832	7,308
General & Administrative Expense	4,018	3,135	2,310	1,097	795	1,416	1,699
Interest Expense	28,954	28,591	19,528	10,588	11,773	18,187	18,350
Amortization of Interest Rate Protection Agreements and Deferred Financing Cost	3,286	4,438	6,113	2,904	858	997	1,644
Depreciation and Other Amortization	28,049	22,264	19,189	9,802	4,744	7,105	6,328
Loss from Disposition of Interest Rate Protection Agreement (a)	---	6,410	---	---	---	---	---
Management and Construction Income (Loss), Net	---	---	---	---	(81)	(99)	136
Gain on Sales of Properties	4,344	---	---	---	---	---	---
Minority Interest	2,931	997	1,405	778	---	---	---
Income (Loss) Before Extraordinary Items	37,937	12,349	16,664	9,548	(1,471)	(3,399)	(4,048)
Extraordinary Gain (Loss) (b)	(2,273)	---	---	---	(1,449)	---	2,340
Net Income (Loss)	$35,664	$ 12,349	$ 16,664	$ 9,548	$ (2,920)	$ (3,399)	$ (1,708)
Preferred Stock Dividends	(3,919)	(468)	---	---			
Net Income Available to Common Stockholders	$ 31,745	$ 11,881	$ 16,664	$ 9,548			
Net Income Available to Common Stockholders Per Share	$ 1.28	$ .63	$ .92	$ .51			
Net Income Available to Common Stockholders Before Extraordinary Loss Per Share	$ 1.37	$ .63	$ .92	$ .51			
Distributions Per Share	$ 1.9675	$ 1.905		$ .945			
Weighted Average Number of Common Shares Outstanding	24,756	18,889	18,182	18,881			
BALANCE SHEET DATA (END OF PERIOD):							
Real Estate, Before Accumulated Depreciation	$ 1,050,779	$ 757,516		$ 669,608	$ 597,504	$ 209,177	$ 192,053
Real Estate, After Accumulated Depreciation	959,322	688,767		620,294	556,902	171,162	160,735
Total Assets	1,022,600	753,904		691,081	616,767	189,789	175,693
Mortgage Loans, Acquisition Facilities Payable, Construction Loans and Promissory Notes Payable	406,401	399,958		348,700	305,000	179,568	168,659
Mortgage Loans (affiliated)	---	---		---	---	7,624	7,951
Total Liabilities	447,178	426,972		374,849	323,703	227,553	208,569
Stockholders' Equity/ (Net Deficit)	532,561	306,023		292,420	269,326	(37,764)	(32,876)
OTHER DATA:							
Cash Flows From Operating Activities	$ 62,621	$ 38,541		$ 18,033	$ 5,026	$ 8,700	$ 1,877
Cash Flows From Investing Activities	(240,571)	(84,159)		(73,840)	(374,757)	(17,124)	(2,317)
Cash Flows From Financing Activities	176,677	45,420		57,475	374,152	9,093	1,250
Funds From Operations ("FFO") (c)	60,546	41,428		20,128	3,273	3,706	2,280
Ratio of Earnings to Fixed Charges and Preferred Stock Dividends (d)	1.88x	1.56x		1.76x	--- (e)	--- (e)	--- (e)
Total Properties (f)	379	271		246	226	124	118
Total GLA in sq.ft (f)	32,700,069	22,562,755		19,169,321	17,393,813	6,376,349	5,883,730
Occupancy % (f)	97%	97%		97%	97%	94%	92%

(a) One-time loss from disposition of Interest Rate Protection Agreement.
(b) Upon consummation of the Initial Offering in June 1994, certain Contributing Businesses' loans were repaid and the related unamortized deferred financing fees totaling $1,449 were written off. In 1996, the Company terminated certain revolving credit facilities and construction loans before their contractual maturity date. The resulting write-off of unamortized deferred financing costs and prepayment fee incurred to retire the above mentioned credit facilities and loans was $2,273.
(c) Management considers funds from operations to be one financial measure of the operating performance of an equity REIT that provides a relevant basis for comparison among REITs and it is presented to assist investors in analyzing the performance of the Company. In accordance with the National Association of Real Estate Investment Trusts' definition of funds from operations, the Company calculates funds from operations to be equal to net income, excluding gains (or losses) from debt restructuring and sales of property, plus depreciation and amortization, excluding amortization of deferred financing costs and interest rate protection agreements, and after adjustments for unconsolidated partnerships and joint ventures. Funds from operations does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs, including the payment of dividends and distributions. Funds from operations should not be considered as a substitute for net income as a measure of results of operations or for cash flow from operating activities calculated in accordance with generally accepted accounting principles as a measure of liquidity. Funds from operations as calculated by the Company may not be comparable to similarly titled but differently calculated measures of other REITs. The following is a reconciliation of net income to funds from operations:

	The Company			Contributing Businesses		
	Year Ended 12/31/96	Year Ended 12/31/95	Six Months Ended 12/31/94	Six Months Ended 6/30/94	Year Ended 12/31/93	Year Ended 12/31/92
Net Income (Loss) Available to Common Stockholders.....	$31,745	$11,881	$ 9,548	$(2,920)	$(3,399)	$(1,708)
Adjustments:						
Depreciation and Other Amortization.....	27,941	22,140	9,802	4,744	7,105	6,328
Disposition of Interest Rate Protection Agreement.....	---	6,410	---	---	---	---
Gain on Sales of Properties.....	(4,344)	---	---	---	---	---
Extraordinary Items.....	2,273	---	---	1,449	---	(2,340)
Minority Interest.....	2,931	997	778	---	---	---
Funds From Operations.....	$60,546	$41,428	$20,128	$ 3,273	$ 3,706	$ 2,280

(d) For purposes of computing the ratios of earnings to fixed charges and preferred stock dividends, earnings have been calculated by adding fixed charges (excluding capitalized interest) to income (loss) before disposition of interest rate protection agreement, gain on sales of properties, minority interest and extraordinary items. Fixed charges consist of interest costs, whether expensed or capitalized, and amortization of interest rate protection agreement(s) and deferred financing costs.
(e) Earnings were inadequate to cover fixed charges by approximately $1.4 million, $3.4 million and $4.3 million for the six months ended June 30, 1994 and the years ended December 31, 1993 and 1992, respectively, which periods were prior to the Company's initial public offering.
(f) As of end of period and excludes properties under development.

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

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

RESULTS OF OPERATIONS

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

At December 31, 1996, the Company owned 379 in-service properties containing approximately 32.7 million square feet of GLA, compared to 271 in-service properties with approximately 22.6 million square feet of GLA at December 31, 1995. During 1996, the Company acquired 112 properties containing approximately 10.4 million square feet of GLA, completed development of two properties totaling .2 million square feet of GLA and sold six properties totaling .4 million square feet of GLA.

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

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

General and administrative expense increased in 1996 over 1995 by $.9 million due primarily to the additional expenses associated with managing the Company's growing operations (including additional professional fees relating to additional properties owned and personnel to manage and expand the Company's business).

Interest expense increased from $28.6 million in 1995 to $29.0 million in 1996. The average outstanding debt balance was approximately $18.6 million higher in 1996 due to an increase in acquisition activity during the year; however, the resulting impact on interest expense was partially offset by lower interest rates in 1996 on the 1994 Acquisition Facility.

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

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

The $4.3 million gain on sales of properties in 1996 resulted from the sale of three properties located in Huntsville, Alabama, one property located in Detroit, Michigan, one property located in Grand Rapids, Michigan and one property located in Atlanta, Georgia. Gross proceeds for these property sales totaled approximately $15.0 million.

The $2.3 million extraordinary loss in 1996 represents the write-off of unamortized deferred financing costs and a prepayment fee for loans that were paid off in full and retired in 1996.

COMPARISON OF YEAR ENDED DECEMBER 31, 1995 TO YEAR ENDED DECEMBER 31, 1994

The results of operations for the year ended December 31, 1994 include the operations of the Contributing Businesses from January 1, 1994 through June 30, 1994 and the operations of the Company from July 1, 1994 through December 31, 1994.

At December 31, 1995, the Company owned 271 in-service properties containing approximately 22.6 million square feet of GLA, compared to 246 in-service properties with approximately 19.2 million square feet of GLA at December 31, 1994. Acquisitions of 20 properties containing approximately 2.8 million square feet of GLA were made between December 31, 1994 and December 31, 1995. Also during 1995, the Company completed development of five properties and expansions of three properties already owned by the Company totaling approximately .6 million square feet of GLA.

Revenues increased in 1995 over 1994 by $37.1 million or 53.5% due primarily to the properties acquired after December 31, 1993. Revenues from properties owned prior to January 1, 1994 increased in 1995 over 1994 by $1.2 million or 3.2% due primarily to increased rental rates upon renewal or replacement of tenant leases and an increase in occupancy of certain properties located in the Detroit metropolitan area.

Property expenses, which include real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, increased in 1995 over 1994 by $10.4 million or 58.2% due primarily to properties acquired after December 31, 1993. For properties owned prior to January 1, 1994, property expenses increased in 1995 over 1994 by $.2 million or 1.6% due to general increases in operating expenses, partially offset by a decrease of real estate taxes for certain properties located in the Detroit metropolitan area.

General and administrative expense increased in 1995 over 1994 by $1.2 million due primarily to the additional expenses associated with being a public company (including directors' fees, director and officer liability insurance, additional professional fees relating to additional properties and personnel to manage and expand the Company's business).

Interest expense increased from $22.4 million in 1994 to $28.6 million in 1995. The increase reflects higher average debt levels in 1995 related to acquisition and development activity during the year, and higher average interest rates in 1995.

Depreciation and amortization increased in 1995 over 1994 by $7.7 million due primarily to the additional depreciation and amortization related to the properties acquired after December 31, 1993.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 1996, the Company's unrestricted cash and cash equivalents totaled $7.7 million and restricted cash totaled $11.8 million. Restricted cash includes $9.4 million of reserves required to be set aside for payments of tenant improvements, capital expenditures, interest, real estate taxes, insurance and potential environmental costs. The portion of the cash reserves relating to payments for potential environmental costs was established at the closing of the 1994 Mortgage Loan. Such amounts are distributed to the Company as expenditures are made and are not required to be replenished. The portion of cash reserves relating to payments for tenant improvements and capital expenditures was established at the closings of the 1994 Mortgage Loan and 1995 Mortgage Loan and such amounts are distributed to the Company as expenditures are made and are required to be replenished on a monthly basis. The portion of the cash reserves relating to payments for interest, real estate taxes and insurance for the 1994 Mortgage Loan and 1995 Mortgage Loan is established monthly, distributed to the Company as such expenditures are made and is replenished to a level adequate to make the next periodic payment of such expenditures. Of the $11.8 million reserve referred to above, $.5 million relates to potential environmental costs, which was an amount negotiated with the lender under the 1994 Mortgage Loan. In each of 1996 and 1995, the Company incurred environmental costs of $.1 million. The Company estimates 1997 costs of approximately $.4 million. The Company estimates that the aggregate cost which may need to be expended in 1997 and beyond with regard to currently identified environmental issues will not exceed approximately $1.2 million, a substantial amount of which will be the primary responsibility of the tenant, the seller to the Company or another responsible party. This estimate was determined by a third party evaluation.

Net cash provided by operating activities was $62.6 million for the year ended December 31, 1996 compared to $38.5 million for the year ended December 31, 1995 and $23.1 million for the year ended December 31, 1994. The increases are primarily due to increased net operating income as discussed in the "Results of Operations" above.

Net cash used in investing activities was $240.6 million for the year ended December 31, 1996 compared to $84.2 million and $448.6 million for the years ended December 31, 1995 and December 31, 1994, respectively. The majority of the cash used in investing activities was for acquisition of new properties.

Net cash provided by financing activities for the year ended December 31, 1996 increased to $176.7 million from $45.4 million for the year ended December 31, 1995, reflecting the issuance of 10.9 million shares of common stock offset in part by increased distributions to the common stockholders and Unit holders, dividends to the preferred stockholders and a net pay down on the 1994 Acquisition Facility. Net cash provided by financing activities for the year ended December 31, 1995 was $45.4 million, compared to $431.6 million for the year ended December 31, 1994, reflecting primarily debt and equity transactions relating to the Company's Initial Offering in June 1994 and an increase in indebtedness due to the properties acquired subsequent to the Initial Offering.

Funds from operations increased by $19.1 million or 46.1% in 1996 compared to 1995 and increased by $18.0 million or 77.0% in 1995 compared to 1994 as a result of the factors discussed in the analysis of operating results above. Management considers funds from operations to be one financial measure of the operating performance of an equity REIT that provides a relevant basis for comparison among REITs and it is presented to assist investors in analyzing the performance of the Company. In accordance with the National Association of Real Estate Investment Trusts' definition of funds from operations, the Company calculates funds from operations to be equal to net income, excluding gains (or losses) from debt restructuring and sales of property, plus depreciation and amortization, excluding amortization of deferred financing costs and interest rate protection agreements, and after adjustments for unconsolidated partnerships and joint ventures. Funds from operations does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs, including the payment of dividends and distributions. Funds from operations should not be considered as a substitute for net income as a measure of results of operations or for cash flow from operating activities calculated in accordance with generally accepted accounting principles as a measure of liquidity. Funds from operations as calculated by the Company may not be comparable to similarly titled but differently calculated measures of other REITs.

The ratio of earnings to fixed charges and preferred stock dividends was 1.88 for the year ended Dcember 31, 1996 compared to 1.56 for the year ended December 31, 1995 and 1.34 for the year ended December 31, 1994. The increases are primarily due to increased net operating income as discussed in the "Results of Operations" above.

In 1996, the Company acquired 112 industrial properties comprising approximately 10.4 million square feet of GLA for a total purchase price of approximately $253 million, completed the development of two build-to suit properties comprising approximately .2 million square feet of GLA at a cost of approximately $9.0 million and sold properties comprising approximately .4 million square feet of GLA for $15 million. The acquisitions and developments were financed in part by proceeds from the February 1996 Equity Offering and the October 1996 Equity Offering (as such terms are hereinafter defined), borrowings under the Company's acquisition facilities and by new mortgage debt.

The Company has committed to the construction of two light industrial and five bulk warehouse properties totaling approximately 1.0 million square feet. The estimated total construction costs are approximately $27.4 million. These developments are expected to be funded with cash flow from operations as well as borrowings under the 1996 Unsecured Acquisition Facility.

In 1996, the Company and Operating Partnership paid a quarterly distribution of $.4875 per share/Unit related to each of the first, second and third quarters. In addition, the Company and Operating Partnership paid a fourth quarter 1996 distribution of $.505 per share/Unit on January 20, 1997. The total distributions paid to the Company's stockholders and the Operating Partnership's limited partners related to 1996 totaled $54.3 million.

In 1996, the Company paid a quarterly preferred dividend of $.59375 per share to its preferred stockholders related to each of the first, second, third and fourth quarters. The total preferred dividends paid to the Company's preferred stockholders related to 1996 totaled $3.9 million.

On February 2, 1996, the Company completed an offering of 5.175 million shares (inclusive of the underwriters' over-allotment option) of common stock at a purchase price of $22 per share (the "February 1996 Equity Offering"). The net proceeds of $106.3 million were used to repay outstanding borrowings totaling $59.4 million and fund acquisitions closed subsequently in the first quarter of 1996.

On October 25, 1996, the Company completed an offering of 5.75 million shares (inclusive of the underwriters' over-allotment option) of common stock at a purchase price of $25.50 per share (the "October 1996 Equity Offering"). The net proceeds of $137.7 million were used to repay outstanding borrowings totaling $84.2 million and to fund acquisitions closed in the fourth quarter of 1996.

On July 1, 1995, the Company effectively fixed the interest rate on its $300 million 1994 Mortgage Loan at 6.97% for a term of six years beginning July 1, 1995 and ending June 30, 2001. The Company accomplished this by entering into interest rate protection agreements for a notional value of $300 million. The interest rate protection agreements require the Company to pay monthly to the counterparty a fixed interest rate which effectively fixes the interest rate on the 1994 Mortgage Loan at 6.97%. The Company will continue to use interest rate protection agreements to hedge interest rate risk where appropriate.

On March 20, 1996, the Company, through the Operating Partnership and the Indianapolis Partnership, entered into the $36.7 million CIGNA Loan that is collateralized by seven properties in Indianapolis, Indiana and three properties in Cincinnati, Ohio. The CIGNA Loan bears interest at a fixed interest rate of 7.5% and provides for monthly principal and interest payments based on a 25-year amortization schedule. The CIGNA Loan will mature on April 1, 2003. The CIGNA Loan may be prepaid only after April 30, 1999, in exchange for the greater of a 1% premium or a yield maintenance premium.

On March 20, 1996, the Company, through the Operating Partnership, assumed an approximately $6.4 million mortgage loan and an approximately $3.0 million mortgage loan (together, the "Assumed Loans") that are collateralized by 13 properties in Indianapolis, Indiana and one property in Indianapolis, Indiana, respectively. The Assumed Loans bear interest at a fixed rate of 9.25% and provide for monthly principal and interest payments based on a 16.75-year amortization schedule. The Assumed Loans will mature on January 1, 2013. The Assumed Loans may be prepaid only after December 22, 1999, in exchange for the greater of a 1% premium or a yield maintenance premium.

In 1997, the Company obtained investment grade ratings on its senior unsecured debt and its preferred stock from Moody's Investors Service, Standard & Poor's, Duff & Phelps Credit Rating Co. and Fitch Investors Service, Inc.

In December 1996, the Company terminated its $150 million 1994 Acquisition Facility and entered into a $200 million 1996 Unsecured Acquisition Facility. Borrowings under the 1996 Unsecured Acquisition Facility will be used to finance the acquisitions and development of additional properties and for other corporate purposes, including to obtain working capital. It is the Company's intent to, from time to time, replace borrowings under the 1996 Unsecured Acquisition Facility with long term sources of capital as the Company deems appropriate.

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

The Company expects to meet long-term (greater than one year) liquidity requirements such as property acquisitions, scheduled debt maturities, major renovations, expansions and other non-recurring capital improvements through long-term unsecured indebtedness and the issuance of additional equity securities. The Company may finance the acquisition or development of additional properties through borrowings under the 1996 Unsecured Acquisition Facility. At December 31, 1996, borrowings under the 1996 Unsecured Acquisition Facility bore interest at a weighted average interest rate of 8.25%. The borrowings under the 1996 Unsecured Acquisition Facility were converted to an interest rate of 6.6% on January 7, 1997. As of March 20, 1997, the Company had $68.1 million available in additional borrowings under the 1996 Unsecured Acquisition Facility. While the Company may sell properties if property or market conditions make it desirable, the Company does not expect to sell assets in the foreseeable future to satisfy its liquidity requirements.

OTHER

In February of 1997, the Financial Accounting Standards Board issued Statement of Financial Standards No. 128 (FAS 128), "Earnings per Share, "effective for financial statements issued after December 15, 1997. The Company intends to adopt FAS 128 in fiscal year 1997. The Company has not determined the financial impact of FAS 128.

INFLATION

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

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

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

None.

PART III

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

The information required by Item 10, Item 11, Item 12 and Item 13 will be contained in a definitive proxy statement which the Registrant anticipates will be filed no later than April 30, 1997, and thus are incorporated herein by reference in accordance with General Instruction G(3) to Form 10-K.

PART IV

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

(A) FINANCIAL STATEMENTS, FINANCIAL STATEMENT SCHEDULE AND EXHIBITS

(1 & 2) See Index to Financial Statements and Financial Statement Schedule on page F-1 of this Form 10-K

(3) Exhibits:

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.1 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-3, File No. 333-03999)
3.3	Articles of Amendment to the Company's Articles of Incorporation dated June 20, 1994 (incorporated by reference to Exhibit 3.2 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
3.4	Articles Supplementary relating to the Company's 9 1/2% Series A Cumulative Preferred Stock, $.01 par value (incorporated by reference to Exhibit 3.4 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
3.5	Articles of Amendment to the Company's Articles of Incorporation dated May 31, 1996 (incorporated by reference to Exhibit 3.3 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
4.1	Form of Amended and Restated Articles of Incorporation of First Industrial Securities Corporation (incorporated by reference to Exhibit 4.5 of the Company's Registration Statement on Form S-3, File No. 33-97014)
4.2	Form of Articles Supplementary of First Industrial Securities Corporation (incorporated by reference to Exhibit 4.6 of the Company's Registration Statement on Form S-3, File No. 33-97014)
4.3	Loan Agreement by and between Nomura Asset Capital Corporation and First Industrial Financing Partnership, L.P. (incorporated by reference to Exhibit 4.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
4.4	Amendment to Loan Agreement by and between Nomura Asset Capital Corporation and First Industrial Financing Partnership, L.P. (incorporated by reference to Exhibit 4.2 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)

Exhibit No.	Description
4.5	Second Amended and Restated Revolving Credit Agreement (the "Credit Agreement"), dated as of May 12, 1995, by and among First Industrial, L.P., First Industrial Pennsylvania, L.P., First Industrial Realty Trust, Inc., the First National Bank of Chicago and the other financial institutions party thereto (incorporated by reference as the sole exhibit to the Company's quarterly report on Form 10-Q for the period ended June 30, 1995, File No. 1-13102)
4.6	First Amendment to the Credit Agreement (incorporated by reference to Exhibit 10.1 of the Company's Registration Statement on Form S-3, File No. 33-80829)
4.7	Second Amendment to the Credit Agreement (incorporated by reference to Exhibit 10.2 of the Company's Registration Statement on Form S-3, File No. 33-80829)
4.8	Third Amendment to the Credit Agreement (incorporated by reference to Exhibit 10.3 of the Company's Registration Statement on Form S-3, File No. 33-80829)
4.9*	Unsecured Revolving Credit Agreement (the "Unsecured Revolving Credit Agreement"), dated as of December 16, 1996, by and among First Industrial, L.P., First Industrial Realty Trust, Inc., the First National Bank of Chicago NBD and Union Bank of Switzerland, New York Branch
4.10*	First Amendment to Unsecured Revolving Credit Agreement
4.11	Form of Guarantee and Payment Agreement between First Industrial Securities, L.P. and First Industrial Securities Corporation for the benefit of American National Bank and Trust Company of Chicago (incorporated by reference to Exhibit 4.8 of the Company's Registration Statement on Form S-3, File No. 33-97014)
4.12	Form of Agency and Advance Agreement among First Industrial Realty Trust, Inc., First Industrial Securities, L.P. and American National Bank and Trust Company of Chicago (incorporated by reference to Exhbit 4.9 of the Company's Registration Statement on Form S-3, File No. 33-97014)
4.13	Form of Guarantee Agency Agreement among First Industrial Realty Trust, Inc., First Industrial Securities, L.P. and American National Bank and Trust Company of Chicago (incorporated by reference to Exhibit 4.10 of the Company's Registration Statement on Form S-3, File No. 33-97014)
4.14	Form of Limited Partnership Agreement of First Industrial Securities, L.P. (incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-3, File No. 33-97014)
10.1	Second Amended and Restated Limited Partnership Agreement of First Industrial, L.P. (incorporated by reference to Exhibit 10.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.2	Contribution Agreement dated April 16, 1994, by and between Metro Chicago Investment Company and Realty Trust Funding Corporation (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.3	Amendment to Exhibit 10.2 (incorporated by reference to Exhibit 10.3 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
10.4	Contribution Agreement dated April 16, 1994, by and between National Warehouse Investment Company and Realty Trust Funding Corporation (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-11, File No. 33-77804)

Exhibit No.	Description
10.5	Amendment to Exhibit 10.4 (incorporated by reference to Exhibit 10.5 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
10.6	Contribution Agreement dated April 16, 1994, by and between Chicago Suburban Investment Company and Realty Trust Funding Corporation (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.7	Amendment to Exhibit 10.6 (incorporated by reference to Exhibit 10.7 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
10.8	Contribution Agreement dated April 16, 1994, by and between Great Circle Investments Limited Partnership and Realty Trust Funding Corporation (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.9	Amendment to Exhibit 10.8 (incorporated by reference to Exhibit 10.9 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
10.10	Contribution Agreement dated April 16, 1994, by and between Mid-County Trade Center Investment Company and Realty Trust Funding Corporation (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.11	Amendment to Exhibit 10.10 (incorporated by reference to Exhibit 10.11 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
10.12	Contribution Agreement dated April 16, 1994, by and between Multi-City Investment Company and Realty Trust Funding Corporation (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.13	Amendment to Exhibit 10.12 (incorporated by reference to Exhibit 10.13 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
10.14	Contribution Agreement dated April 16, 1994, by and among Tomasz/Shidler Investment Corporation, Brennan/Tomasz/Shidler Investment Corporation and ProVest, L.P. (incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.15	Contribution Agreement dated April 16, 1994, by and between Lambert/Shidler Investment Corporation and ProVest, L.P. (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.16	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)
10.17	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)
10.18	Non-Competition Agreement between Steven B. Hoyt and First Industrial Realty Trust, Inc. (incorporated by reference to Exhibit 10.15 to the Company's Registration Statement on Form S-11, File No. 33-77804)

Exhibit No.	Description
10.19	Agreement for the Purchase and Sale of Partnership Interests and Corporate Shares dated July 16, 1993, by and between various Sellers specified therein and Hamlin/Shidler Investment Corporation (incorporated by reference to Exhibit 10.16 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.20	First Amendment to Agreement for the Purchase and Sale of Partnership Interests and Corporate Shares dated November 9, 1993, by and between various Sellers specified therein and Hamlin/Shidler Investment Corporation (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.21	Agreement for the Sale of Partnership Interests dated November 10, 1993, between Anthony Muscatello and Hamlin/Shidler Investment Corporation (incorporated by reference to Exhibit 10.18 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.22	Agreement dated November 10, 1993, by and between Anthony Muscatello and Hamlin/Shidler Investment Corporation, Jay H. Shidler and Clay W. Hamlin, III (incorporated by reference to Exhibit 10.19 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.23	Restructure Agreement dated March 30, 1994, between Anthony Muscatello and Hamlin/Shidler Investment Corporation (incorporated by reference to Exhibit 10.20 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.24	Agreement of Purchase and Sale dated March 31, 1994, by and between Steven B. Hoyt and ProVest L.P. (incorporated by reference to Exhibit 10.21 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.25	Agreement of Purchase and Sale dated March 31, 1994, by and between Steven B. Hoyt and ProVest L.P. (incorporated by reference to Exhibit 10.22 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.26	Agreement of Purchase and Sale dated March 31, 1994, by and between Steven B. Hoyt and ProVest L.P. (incorporated by reference to Exhibit 10.23 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.27	Asset Purchase Agreement dated as of March 31, 1994, by and between ProVest, L.P. and Hoyt Properties Inc. (incorporated by reference to Exhibit 10.24 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.28	Share Contribution Agreement dated March 17, 1994, among Brennan/Tomasz/Shidler Capital Corporation, Michael G. Damone and Daniel R. Andrew (incorporated by reference to Exhibit 10.25 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.29	Acquisition Agreement dated March 29, 1994, by and among Kenmore Properties Joint Venture, C/O Investment Associates, Westwood Properties and Brennan/Tomasz/Shidler Capital Corporation (incorporated by reference to Exhibit 10.26 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.30	Acquisition Agreement dated March 29, 1994, by and among C/O Investment Associates and Brennan/Tomasz/Shidler Capital Corporation (incorporated by reference to Exhibit 10.27 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.31	Acquisition Agreement dated March 29, 1994, by and among Rochester Hills Executive Park, New England Mutual Life Insurance Company, RHEP Limited Partnership and Brennan/Tomasz/Shidler Capital Corporation (incorporated by reference to Exhibit 10.28 to the Company's Registration Statement on Form S-11, File No. 33-77804)

Exhibit No.		Description
10.32		Acquisition Agreement dated March 29, 1994, by and among Newbury 1972, New England Mutual Life Insurance Company, Glenhurst Properties and Brennan/Tomasz/Shidler Capital Corporation (incorporated by reference to Exhibit 10.29 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.33		Acquisition Agreement dated March 29, 1994, by and among Boylston Properties Joint Venture, C/O Investment Associates, Maple Properties and Brennan/Tomasz/Shidler Capital Corporation (incorporated by reference to Exhibit 10.30 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.34		Acquisition Agreement dated March 29, 1994, by and among Concord Properties Joint Venture, C/O Investment Associates, Fairway Development Company and Brennan/Tomasz/Shidler Capital Corporation (incorporated by reference to Exhibit 10.31 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.35		Acquisition Agreement dated March 29, 1994, by and among Newbury Properties Joint Venture, C/O Investment Associates, Glenhurst Properties and Brennan/Tomasz/Shidler Capital Corporation (incorporated by reference to Exhibit 10.32 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.36		Acquisition Agreement dated March 29, 1994, by and among Boylston 501 Joint Venture, New England Mutual Life Insurance Company, Maple Properties and Brennan/Tomasz/Shidler Capital Corporation (incorporated by reference to Exhibit 10.33 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.37	+	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)
10.38		Amendment to Exhibit A of Exhibit 10.22 (incorporated by reference to Exhibit 10.43 to the Company's Registration Statement on Form S-11, File No. 33-77804)
10.39		Reimbursement Agreement by and among First Industrial Realty Trust, Inc., First Industrial, L.P. and Jay H. Shidler (incorporated by reference to Exhibit 10.39 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)
10.40		Letter of Resignation from Paul T. Lambert to First Industrial, dated January 10, 1996 (incorporated by reference to Exhibit 10.40 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.41	+	Employee Stock Option Agreement Amendment for Paul T. Lambert, dated December 31, 1995 (incorporated by reference to Exhibit 10.41 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.42	+	Separation Agreement dated January 10, 1996 between First Industrial and Paul T. Lambert (incorporated by reference to Exhibit 10.42 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.43		Noncompetition Agreement between First Industrial and Paul T. Lambert, dated January 1, 1996 (incorporated by reference to Exhibit 10.43 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.44		Interest Rate Protection Agreement (incorporated by reference to Exhibit 10.40 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)

Exhibit No.		Description
10.45		Interest Rate Protection Termination Agreement between First Industrial Financing Partnership, L.P. and UBS Securities (Swaps) Inc. (incorporated by reference to Exhibit 10.45 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.46		Interest Rate Protection Agreement between First Industrial Financing Partnership, L.P. and UBS Securities (Swaps) Inc. (incorporated by reference to Exhibit 10.46 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.47		Interest Rate Swap Agreement between First Industrial, L.P. and UBS Securities (Swaps) Inc. (incorporated by reference to Exhibit 10.47 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-13102)
10.48		First Amendment to Second Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated November 17, 1995 (incorporated by referenced to Exhibit 10.1 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
10.49		Second Amendment to Second Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated March 20, 1996 (incorporated by referenced to Exhibit 10.2 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
10.50		Third Amendment to Second Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated June 28, 1996 (incorporated by referenced to Exhibit 10.3 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 1996, File No. 1-13102)
10.51		Fourth Amendment to Second Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated September 13, 1996 (incorporated by referenced to Exhibit 10.1 of the Form 10-Q of the Company for the fiscal quarter ended September 30, 1996, File No. 1-13102)
10.52		Fifth Amendment to Second Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated September 30, 1996 (incorporated by referenced to Exhibit 10.2 of the Form 10-Q of the Company for the fiscal quarter ended September 30, 1996, File No. 1-13102)
10.53	*	Sixth Amendment to Second Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated November 14, 1996
10.54	*	Seventh Amendment to Second Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated January 31, 1997
10.55	*	Eighth Amendment to Second Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated March 17, 1997
10.56		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)
10.57		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)
10.58	*	Contribution Agreement dated January 31, 1997 among FR Acquisitions, Inc. and the parties listed on the signature pages thereto
10.59	* +	Employment Agreement dated December 4, 1996 between the Company and Michael T. Tomasz
10.60	* +	Employment Agreement dated February 1, 1997 between the Company and Michael W. Brennan
10.61	* +	Employment Agreement dated January 31, 1997 between the Company and Jan Burman

Exhibit No.		Description
10.62	* +	1997 Stock Incentive Plan
21.1	*	Subsidiaries of the Registrant
23	*	Consent of Coopers & Lybrand L.L.P.
27	*	Financial Data Schedule

* Filed herewith.
\+ Indicates a compensatory plan or arrangement contemplated by Item 14 [a (3)] of Form 10-K.

(b) REPORTS ON FORM 8-K

Report on Form 8-K dated October 24, 1996, filing as an exhibit thereto, a definitive underwriting agreement relating to the Company's public offering of common stock.

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

First Industrial Realty Trust, Inc.
150 N. Wacker, Suite 150
Chicago, IL 60606
Attention: Investor Relations

SIGNATURES

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

FIRST INDUSTRIAL REALTY TRUST, INC.

Date: March 27, 1997 By: /s/ Michael T. Tomasz Michael T. Tomasz
---
President, Chief Executive Officer and Director
(Principal Executive Officer)

Date: March 27, 1997 By: /s/ Michael J. Havala .

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

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

Signature	Title	Date
/s/ Jay H. Shidler Jay H. Shidler	Chairman of the Board of Directors	March 27, 1997
/s/ Michael T. Tomasz Michael T. Tomasz	President, Chief Executive Officer and Director	March 27, 1997
/s/ Michael W. Brennan Michael W. Brennan	Chief Operating Officer and Director	March 27, 1997
/s/ Michael G. Damone Michael G. Damone	Senior Regional Director and Director	March 27, 1997
/s/ John L. Lesher John L. Lesher	Director	March 27, 1997
/s/ Kevin W. Lynch Kevin W. Lynch	Director	March 27, 1997
/s/ John E. Rau John E. Rau	Director	March 27, 1997
/s/ Robert J. Slater Robert J. Slater	Director	March 27, 1997
/s/ J. Steven Wilson J. Steven Wilson	Director	March 27, 1997

EXHIBIT INDEX

Exhibit No.	Description
4.9	Unsecured Revolving Credit Agreement (the "Unsecured Revolving Credit Agreement"), dated as of December 16, 1996, by and among First Industrial, L.P., First Industrial Realty Trust, Inc., the First National Bank of Chicago NBD and Union Bank of Switzerland, New York Branch
4.10	First Amendment to Unsecured Revolving Credit Agreement
10.53	Sixth Amendment to Second Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated November 14, 1996
10.54	Seventh Amendment to Second Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated January 31, 1997
10.55	Eighth Amendment to Second Amended and Restated Limited Partnership Agreement of First Industrial, L.P., dated March 17, 1997
10.58	Contribution Agreement dated January 31, 1997 among FR Acquisitions, Inc. and the parties listed on the signature pages thereto
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27	Financial Data Schedule

FIRST INDUSTRIAL REALTY TRUST, INC.

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE

REPORT OF INDEPENDENT ACCOUNTANTS

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of First Industrial Realty Trust, Inc. as of December 31, 1996 and 1995, and the consolidated results of their operations and their cash flows for the years ended December 31, 1996 and 1995 and for the period July 1, 1994 through December 31, 1994 and of the Contributing Businesses for the period January 1, 1994 through June 30, 1994, in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

COOPERS & LYBRAND L.L.P.

Chicago, Illinois
February 12, 1997

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

	December 31, 1996	December 31, 1995
ASSETS		
Assets:		
Investment in Real Estate:		
Land	$ 153,390	$109,227
Buildings and Improvements	880,924	645,872
Furniture, Fixtures and Equipment	1,662	2,024
Construction in Progress	14,803	393
Less: Accumulated Depreciation	(91,457)	(68,749)
Net Investment in Real Estate	959,322	688,767
Cash and Cash Equivalents	7,646	8,919
Restricted Cash	11,837	11,732
Tenant Accounts Receivable, Net	4,667	2,561
Deferred Rent Receivable	8,290	7,676
Interest Rate Protection Agreements, Net	8,376	8,529
Deferred Financing Costs, Net	7,442	9,422
Prepaid Expenses and Other Assets, Net	15,020	16,298
Total Assets	$1,022,600	$753,904
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage Loans Payable	$ 392,082	$346,850
Construction Loans Payable	---	4,873
Acquisition Facilities Payable	4,400	48,235
Promissory Notes Payable	9,919	---
Accounts Payable and Accrued Expenses	18,374	12,468
Rents Received in Advance and Security Deposits	6,122	4,124
Dividends/Distributions Payable	16,281	10,422
Total Liabilities	447,178	426,972
Minority Interest	42,861	20,909
Commitments and Contingencies	---	---
Stockholders' Equity:		
Preferred Stock ($.01 par value, 10,000,000 shares authorized, 1,650,000 shares issued and outstanding)	17	17
Common Stock ($.01 par value, 100,000,000 shares authorized, 29,939,417 and 18,950,216 shares issued and outstanding at December 31, 1996 and 1995, respectively)	299	190
Additional Paid-in-Capital	584,009	338,907
Distributions in Excess of Accumulated Earnings	(51,764)	(33,091)
Total Stockholders' Equity	532,561	306,023
Total Liabilities and Stockholders' Equity	$1,022,600	$ 753,904

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

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

	The Company		
	Year Ended December 31, 1996	Year Ended December 31, 1995	Six Months Ended December 31, 1994
Revenues:			
Rental Income	$ 109,113	$ 83,522	$ 36,883
Tenant Recoveries and Other Income	30,942	22,964	9,687
Total Revenues	140,055	106,486	46,570
Expenses:			
Real Estate Taxes	23,371	16,998	7,409
Repairs and Maintenance	5,408	3,872	1,582
Property Management	5,067	3,539	1,357
Utilities	3,582	2,060	822
Insurance	877	903	385
Other	919	930	298
General and Administrative	4,018	3,135	1,097
Interest Expense	28,954	28,591	10,588
Interest Expense (affiliated)	---	---	---
Amortization of Interest Rate Protection Agreements and Deferred Financing Costs	3,286	4,438	2,904
Depreciation and Other Amortization	28,049	22,264	9,802
Disposition of Interest Rate Protection Agreement	---	6,410	---
Total Expenses	103,531	93,140	36,244
Income (Loss) Before Gain on Sales of Properties, Management and Construction (Loss), Minority Interest and Extraordinary Item	36,524	13,346	10,326
Gain on Sales of Properties	4,344	---	---
Income (Loss) Before Management and Construction (Loss), Minority Interest and Extraordinary Item	40,868	13,346	10,326
Management and Construction (Loss)	---	---	
Income Allocated to Minority Interest	(2,931)	(997)	(778)
Income (Loss) Before Extraordinary Item	37,937	12,349	9,548
Extraordinary (Loss)	(2,273)	---	---
Net Income (Loss)	35,664	12,349	9,548
Preferred Stock Dividends	(3,919)	(468)	---
Net Income Available to Common Stockholders	$ 31,745	$ 11,881	$ 9,548
Net Income Available to Common Stockholders Before Extraordinary Loss Per Weighted Average Common Share Outstanding (24,755,953, 18,889,013 and 18,881,399 in 1996, 1995 and 1994, respectively)	$ 1.37	$ 0.63	$ 0.51
Extraordinary Loss Per Weighted Average Common Share Outstanding (24,755,953, 18,889,013 and 18,881,399 in 1996, 1995 and 1994, respectively)	$ (0.09)	$ ---	$ ---
Net Income Available to Common Stockholders Per Weighted Average Common Share Outstanding (24,755,953, 18,889,013 and 18,881,399 in 1996, 1995 and 1994, respectively)	$ 1.28	$ 0.63	$ 0.51

	Contributing Businesses
	Six Months Ended June 30, 1994
Revenues:	
Rental Income	$ 18,041
Tenant Recoveries and Other Income	4,775
Total Revenues	22,816
Expenses:	
Real Estate Taxes	3,273
Repairs and Maintenance	1,225
Property Management	677
Utilities	570
Insurance	184
Other	107
General and Administrative	795
Interest Expense	9,868
Interest Expense (affiliated)	1,905

Amortization of Interest Rate Protection Agreements and Deferred Financing Costs.....	858
Depreciation and Other Amortization.....	4,744
Disposition of Interest Rate Protection Agreement.....	---
Total Expenses.....	24,206
Income (Loss) Before Gain on Sales of Properties, Management and Construction (Loss), Minority Interest and Extraordinary Item.....	(1,390)
Gain on Sales of Properties.....	---

Income (Loss) Before Management and Construction (Loss), Minority Interest and Extraordinary Item.....	(1,390)
Management and Construction (Loss)	(81)
Income Allocated to Minority Interest.....	---
Income (Loss) Before Extraordinary Item.....	(1,471)
Extraordinary (Loss).....	(1,449)
Net Income (Loss).....	$ (2,920)

FIRST INDUSTRIAL REALTY TRUST, INC.
AND CONTRIBUTING BUSINESSES
CONSOLIDATED AND COMBINED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND NET DEFICIT
(DOLLARS IN THOUSANDS)

		Contributing Businesses	The Company				
	Total	Net Deficit	Preferred Stock	Common Stock	Add'l Paid In Capital	Retained Earnings	Dist In Excess Accum Earning
Balance at December 31, 1993	$(37,548)	$(37,764)	$ 0	$ 43	$ 173	$ 0	$ 0
Issuance of Common Stock	2	--	--	--	2	--	--
Common Stock Required	(102)	--	--	(20)	(82)	--	--
Contributions	18,796	18,796	--	--	--	--	--
Distributions	(29,011)	(29,011)	--	--	--	--	--
Net Loss	(2,920)	(2,920)	--	--	--	--	--
Acquisition and Contribution of Contributing Businesses' Interests	(2,970)	50,899	--	--	(53,869)	--	--
Net Proceeds from Issuance of Stock	324,805	--	--	152	324,653	--	--
Balance at June 30, 1994	271,052	0	0	175	270,877	0	0
Net Proceeds from Issuance of Common Stock	30,412	--	--	14	30,398	--	--
Distributions ($.945 per Share/Unit)	(19,296)	--	--	--	--	(10,326)	(8,970)
Net Income Before Minority Interest	10,326	--	--	--	--	10,326	--
Minority Interest	(74)	--	--	--	(74)	--	--
Balance at December 31, 1994	292,420	0	0	189	301,201	0	(8,970)
Net Proceeds from Issuance of Preferred Stock	36,719	--	17	--	36,702	--	--
Preferred Stock Dividends ($.2837 per Share)	(468)	--	--	--	--	(468)	--
Distributions ($1.905 per Share/Unit)	(38,898)	--	--	--	--	(12,878)	(26,020)
Net Income Before Minority Interest	13,346	--	--	--	--	13,346	--
Minority Interest:							
Allocation of Income	(997)	--	--	--	--	--	(997)
Distributions ($1.905 per Unit)	2,896	--	--	--	--	--	2,896
Conversion of Units to Common Stock	1,005	--	--	1	1,004	--	--
Balance at December 31, 1995	306,023	0	17	190	338,907	0	(33,091)
Net Proceeds from Issuance of Common Stock	244,040	--	--	109	243,931	--	--
Preferred Stock Dividends ($2.375 per Share)	(3,919)	--	--	--	--	(3,919)	--
Distributions ($1.9675 per Share/Unit)	(54,318)	--	--	--	--	(34,676)	(19,642)
Exercise of Stock Options	228	--	--	--	228	--	--
Net Income Before Minority Interest	38,595	--	--	--	--	38,595	--
Minority Interest:							
Allocation of Income	(2,931)	--	--	--	--	--	(2,931)
Distributions ($1.9675 per Unit)	3,900	--	--	--	--	--	3,900
Conversion of Units to Common Stock	943	--	--	--	943	--	--
Balance at December 31, 1996	$532,561	$ 0	$17	$299	$584,009	$ 0	$(51,764)

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

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

	The Company			The Company and Contributing Businesses
	Year Ended December 31, 1996	Year Ended December 31, 1995	Six Months Ended December 31, 1994	Six Months Ended June 30, 1994
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income (Loss)	$ 35,664	$ 12,349	$ 9,548	$ (2,920)
Income Allocated to Minority Interest	2,931	997	778	--
Income (Loss) Before Minority Interest	38,595	13,346	10,326	(2,920)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	24,542	19,440	8,713	4,661
Amortization of Interest Rate Protection Agreement and Deferred Financing Costs	3,286	4,438	2,904	858
Other Amortization	3,507	2,824	1,089	83
Provision for Bad Debts	100	352	148	--
Gain on Sales of Properties	(4,344)	--	--	--
Extraordinary Items	2,273	--	--	1,449
Loss from Disposition of Interest Rate Protection Agreement	--	6,410	--	--
(Increase) in Accounts Receivable and Other Assets	(4,448)	(5,207)	(6,436)	(4,544)
(Increase) in Deferred Rent Receivable	(1,189)	(1,584)	(1,122)	(92)
Increase in Accounts Payable, Accrued Expenses, Rents Received in Advance and Security Deposits	2,085	953	7,987	7,807
Increase in Organization Costs	(68)	(153)	(1,610)	(1,466)
(Increase) in Restricted Cash	(1,718)	(2,278)	(3,966)	(810)
Net Cash Provided by Operating Activities	62,621	38,541	18,033	5,026
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of and Additions to Investment in Real Estate	(257,156)	(87,908)	(72,913)	(367,257)
Proceeds from Sale of Investment in Real Estate	14,972	--	--	---
(Increase) Decrease in Restricted Cash	1,613	3,749	(927)	(7,500)
Net Cash Used in Investing Activities	(240,571)	(84,159)	(73,840)	(374,757)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from Sale of Common Stock	260,703	--	32,900	356,612
Common Stock Underwriting Discounts/ Offering Costs	(15,190)	--	(7,296)	(27,065)
Issuance of Common Stock	--	--	--	2
Redemption of Common Stock	--	--	--	(102)
Proceeds from Sale of Preferred Stock	--	41,250	--	--
Preferred Stock Underwriting Discounts/ Offering Costs	(408)	(4,123)	--	--
Contributions	--	--	--	18,796
Distributions	(47,991)	(38,592)	(9,648)	(29,011)
Preferred Stock Dividends	(4,387)	--	--	--
Proceeds from Mortgage Loans Payable	36,750	52,850	--	381,743
Repayments on Mortgage Loans Payable	(935)	(6,000)	--	(268,935)
Proceeds from Acquisition Facilities Payable	103,523	83,943	48,700	5,000
Repayments on Acquisition Facilities Payable	(147,357)	(84,408)	(5,000)	--
Proceeds from Construction Loans Payable	--	4,873	--	--
Repayment of Construction Loans Payable	(4,873)	--	--	--
Repayment of Notes Payable	--	--	--	(34,553)
Cost of Debt Issuance and Interest Rate Protection Agreement	(2,799)	(4,373)	(2,181)	(28,335)
Prepayment Fee	(359)	--	--	--
Net Cash Provided by Financing Activities	176,677	45,420	57,475	374,152
Net Increase (Decrease) in Cash and Cash Equivalents	(1,273)	(198)	1,668	4,421
Cash and Cash Equivalents, Beginning of Period	8,919	9,117	7,449	3,028
Cash and Cash Equivalents, End of Period	$ 7,646	$ 8,919	$ 9,117	$ 7,449

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

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

1. ORGANIZATION AND FORMATION OF COMPANY

First Industrial Realty Trust, Inc. (the "Company") was organized in the state of Maryland on August 10, 1993. The Company is a real estate investment trust ("REIT") as defined in the Internal Revenue Code. The Company is continuing and expanding the Midwestern industrial property business of The Shidler Group and the properties and businesses contributed by three other contributing businesses (the "Contributing Businesses"). The Company's operations are conducted primarily through First Industrial, L.P. (the "Operating Partnership") of which the Company is the sole general partner. As of December 31, 1996, the Company owned 379 in-service properties located in 14 states, containing an aggregate of approximately 32.7 million square feet (unaudited) of gross leasable area. Of the 379 properties owned by the Company, 195 are held by First Industrial Financing Partnership, L.P. (the "Financing Partnership"), 141 are held by the Operating Partnership or the Operating Partnership's Pennsylvania subsidiaries, 19 are held by First Industrial Securities, L.P. (the "Securities Partnership"), 23 are held by First Industrial Mortgage Partnership, L.P. (the "Mortgage Partnership") and 1 is held by First Industrial Indianapolis, L.P. (the "Indianapolis Partnership").

On June 30, 1994, the Company completed its initial public offering of 15,175,000 shares of $.01 par value common stock (the "Initial Offering") and, in July 1994, issued an additional 1,400,000 shares pursuant to an over-allotment option. The price per share in the Initial Offering and the over-allotment option was $23.50, resulting in gross offering proceeds of approximately $389,512. Net of underwriters' discount and total offering expenses, the Company received approximately $355,217 in proceeds from the Initial Offering and the over-allotment option. On June 30, 1994, the Company (through the Financing Partnership) borrowed $300,000 (the "1994 Mortgage Loan") from an institutional lender. The net proceeds from the Initial Offering and the 1994 Mortgage Loan were used primarily to acquire properties, repay indebtedness and pay certain fees and expenses. The Company began operations on July 1, 1994.

2. BASIS OF PRESENTATION

First Industrial Realty Trust, Inc. is the sole general partner of the Operating Partnership, with an approximate 92.4% ownership interest at December 31, 1996. First Industrial Realty Trust, Inc. is the sole stockholder of First Industrial Finance Corporation, First Industrial Securities Corporation, First Industrial Mortgage Corporation and First Industrial Indianapolis Corporation, which are the sole general partners of the Financing Partnership, the Securities Partnership, the Mortgage Partnership and the Indianapolis Partnership, respectively. The Operating Partnership is the sole limited partner of the Financing Partnership, the Securities Partnership, the Mortgage Partnership and the Indianapolis Partnership. The consolidated financial statements of the Company at December 31, 1996 and 1995 and for the years ended December 31, 1996 and 1995 and the six months ended December 31, 1994 include the accounts and operations of the Company and its subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

The Statement of Operations, Statement of Changes in Stockholders' Equity and Net Deficit and Statement of Cash Flows for the six months ended June 30, 1994 reflect the operations, equity and deficit, and cash flows of the properties and business contributed by The Shidler Group and the properties and businesses contributed by three other contributing businesses (the "Other Contributing Businesses" and, together with the foregoing entities, the "Contributing Businesses") at or prior to the consummation of the Initial Offering.

Purchase accounting has been applied when ownership interests in properties were acquired for cash. The historical cost basis of properties has been carried over when the Contributing Businesses' (defined below) ownership interests were exchanged for Operating Partnership units and purchase accounting has been used for all other properties that were acquired for Operating Partnership units.

Minority interest in the Company at December 31, 1996 represents the approximately 7.6% aggregate partnership interest in the Operating Partnership held by the limited partners thereof.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In order to conform with generally accepted accounting principles, management, in preparation of the Company's financial statements, is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of December 31, 1996 and 1995, and the reported amounts of revenues and expenses for the years ended December 31, 1996 and 1995 and the six months ended December 31, 1994 and June 30, 1994. Actual results could differ from those estimates.

Revenue Recognition:

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

The Company provides an allowance for doubtful accounts against the portion of tenant accounts receivable which is estimated to be uncollectible. Accounts receivable in the consolidated balance sheets are shown net of an allowance for doubtful accounts of $600 and $500 as of December 31, 1996 and December 31, 1995, respectively.

Investment in Real Estate and Depreciation:

Effective January 1, 1995, the Company adopted Financial Accounting Standards Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." Real estate assets are carried at the lower of depreciated cost or fair value as determined by the Company. The Company reviews its properties on a quarterly basis for impairment and provides a provision if impairments are determined. First, to determine if impairment may exist, the Company reviews its properties and identifies those which have had either an event of change or event of circumstances warranting further assessment of recoverability. Then, the Company estimates the fair value of those properties on an individual basis by capitalizing the expected net operating income and discounting the expected cash flows of the properties. Such amounts are then compared to the property's depreciated cost to determine whether an impairment exists.

(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

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

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

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

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

Cash and Cash Equivalents:

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

Income Taxes:

Prior to the consummation of the Initial Offering, the Contributing Businesses' operations were conducted through a number of partnerships. In accordance with partnership taxation, each of the partners are responsible for reporting their shares of taxable income or loss. Accordingly, no provision has been made in the accompanying combined financial statements for federal, state or local income taxes for periods prior to the consummation of the Initial Offering.

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

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

For federal income tax purposes, the cash distributions paid to stockholders may be characterized as ordinary income, return of capital (generally non-taxable) or capital gains. Distributions paid for the year ended December 31, 1996 totaling $50.4 million are characterized 65.97% ($1.30 per share) as ordinary income and 34.03% ($.67 per share) as return of capital. Distributions paid for the year ended December 31, 1995 totaling $36.0 million are characterized 40.17% ($.765 per share) as ordinary income and 59.83% ($1.140 per share) as return of capital. Distributions paid for the six months ended December 31, 1994 totaling $17.8 million are characterized 60.03% ($.567 per share) as ordinary income and 39.97% ($.378 per share) as return of capital.

Fair Value of Financial Instruments:

The Company's financial instruments include short-term investments, tenant accounts receivable, accounts payable, other accrued expenses, mortgage loans payable, acquisition facilities payable and promissory notes payable. The fair values of these financial instruments were not materially different from their carrying or contract values. The Company's financial instruments also include interest rate protection agreements (see Note 4).

Derivative Financial Instruments:

The Company's interest rate protection agreements (the "Agreements") are used to hedge the interest rate on the Company's $300 million mortgage loan. As such, receipts or payments resulting from the Agreements are recognized as adjustments to interest expense. The credit risks associated with the Agreements are controlled through the evaluation and monitoring of the creditworthiness of the counterparty. In the event that the counterparty fails to meet the terms of the Agreements, the Company's exposure is limited to the current value of the interest rate differential, not the notional amount, and the Company's carrying value of the Agreements on the balance sheet. The Agreements have been executed with a creditworthy financial institution. As such, the Company considers the risk of nonperformance to be remote. In the event that the Company terminates the Agreements, the Company would recognize a gain (loss) from the disposition of Agreements equal to the amount of cash received or paid at termination less the carrying value of the Agreements on the Company's balance sheet.

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 $4,549 and $3,593 at December 31, 1996 and 1995, respectively. Unamortized deferred financing fees are written-off when debt is retired before the maturity date (see Note 11).

Earnings Per Common Share:

Net income per share amounts are based on the weighted average of common and common stock equivalent (stock options) shares outstanding.

In February of 1997, the Financial Accounting Standards Board issued Statement of Financial Standards No. 128 (FAS 128), "Earnings per Share, "effective for financial statements issued after December 15, 1997. The Company intends to adopt FAS 128 in fiscal year 1997. The Company has not determined the financial impact of FAS 128.

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

4. MORTGAGE LOANS, ACQUISITION FACILITIES, CONSTRUCTION LOANS AND PROMISSORY NOTES PAYABLE

Mortgage Loans:

Concurrent with the Initial Offering, the Company (through the Financing Partnership) borrowed $300,000 under a mortgage loan (the "1994 Mortgage Loan"). The 1994 Mortgage Loan is cross-collateralized by, among other things, first mortgage liens on the 195 properties owned by the Financing Partnership. The 1994 Mortgage Loan will mature on June 30, 1999, unless extended by the Company, subject to certain conditions, for an additional two-year period, thereby maturing on June 30, 2001. The Operating Partnership has guaranteed certain obligations of the Financing Partnership under the 1994 Mortgage Loan. The 1994 Mortgage Loan provides for interest only payments which have been effectively fixed at a rate of 6.97% through June 30, 2001 by certain interest rate protection agreements. Interest payable related to the 1994 Mortgage Loan was $1,750 and $1,905 at December 31, 1996 and 1995, respectively. Payments to (from) the Company under the interest rate protection agreements during 1996, 1995 and 1994 totaled $(309), $584 and $51, respectively, which have been included as a component of interest expense.

In conjunction with obtaining the 1994 Mortgage Loan, the Company purchased an interest rate protection agreement which effectively limited the interest rate during the initial five-year term of the 1994 Mortgage Loan to 7.2% per annum. Prior to the subsequent replacement of this interest rate protection agreement, its cost of $18,450 had been capitalized and was being amortized over the five-year term of the agreement.

Effective July 1, 1995, the Company replaced such interest rate protection agreement with new interest rate protection agreements and entered into interest rate swap agreements with a notional value of $300 million, which together effectively fix the annual interest rate on the 1994 Mortgage Loan at 6.97% for six years through June 30, 2001. As a result of the replacement of the interest rate protection agreement, the Company incurred a one-time loss of $6.4 million, of which $6.3 million represents the difference between the unamortized cost of the replaced interest rate protection agreement and the cost of the new agreements. In the event that the Company does not exercise the two-year option to extend the 1994 Mortgage Loan, the risk associated with the interest rate protection agreements is that the Company would be obligated to perform its obligations under the terms or would either pay or receive cash to terminate the agreement. In either event, the impact of such transaction would be reflected in the Company's financial statements. The costs of the new interest rate protection agreements have been capitalized and are being amortized over the respective terms of the agreements. Under the terms of the new interest rate protection agreements, certain collateral may be required to be set aside for amounts that could become due under the agreements. At December 31, 1996 and 1995, cash collateral of $0 and $2,557, respectively, was included in restricted cash. Accumulated amortization on the interest rate protection agreements was $223 and $60 as of December 31, 1996 and 1995, respectively.

At December 31, 1996, the fair market value of the interest rate protection agreements was approximately $8.0 million, which was less than the $8.4 million net book value by approximately $.4 million. The fair market value of the interest rate protection agreements was $10.9 million (unaudited) on March 13, 1997, which exceeded the $8.4 million net book value on December 31, 1996 by approximately $2.5 million (unaudited). The fair market value was determined by a third party evaluation and is based on estimated discounted future cash flows.

Under the terms of the 1994 Mortgage Loan, certain cash reserves are required to be and have been set aside for payment of tenant improvements, capital expenditures, interest, real estate taxes, insurance and potential environmental costs. The amount of cash reserves for payment of potential environmental costs was determined by the lender and was established at the closing of the 1994 Mortgage Loan. The amounts included in the cash reserves relating to payments of tenant improvements, capital expenditures, interest, real estate taxes and insurance were determined by the lender and approximate the next periodic payment of such items. At December 31, 1996 and 1995, these reserves totaled $10,223 and $8,552, respectively, and are included in Restricted Cash. Such cash reserves were invested in a money market fund at December 31, 1996. The maturity of these investments is one day;accordingly, cost approximates fair market value.

On December 29, 1995, the Mortgage Partnership borrowed $40,200 under a mortgage loan (the "1995 Mortgage Loan"). In the first quarter of 1996, the Company made a one time paydown of $200 on the 1995 Mortgage Loan decreasing the outstanding balance to $40,000. The 1995 Mortgage Loan matures on January 11, 2026 and provides for interest only payments through January 11, 1998, after which monthly principal and interest payments are required based on a 28-year amortization schedule. The interest rate under the 1995 Mortgage Loan is fixed at 7.22% per annum through January 11, 2003. After January 11, 2003, the interest rate adjusts through a predetermined formula based on the applicable Treasury rate. Interest payable related to the 1995 Mortgage Loan was $168 and $24 at December 31, 1996 and 1995, respectively. The 1995 Mortgage Loan is collateralized by 23 properties held by the Mortgage Partnership.

Under the terms of the 1995 Mortgage Loan, certain cash reserves are required to be and have been set aside for payments of security deposits, capital expenditures, interest, real estate taxes and insurance. The amount of cash reserves segregated for security deposits is adjusted as tenants turn over. The amounts included in the cash reserves relating to payments of capital expenditures, interest, real estate taxes and insurance were determined by the lender and approximate the next periodic payment of such items. At December 31, 1996 and 1995, these reserves totaled $1,614 and $388, respectively, and are included in Restricted Cash. Such cash reserves were invested in a money market fund at December 31, 1996. The maturity of these investments is one day;accordingly, cost approximates fair market value.

On December 14, 1995, the Company, through First Industrial Harrisburg, L.P., entered into a $6,650 mortgage loan (the "Harrisburg Mortgage Loan") that is collateralized by three properties in Harrisburg, Pennsylvania. The Harrisburg Mortgage Loan bears interest at a rate based on LIBOR plus 1.5% or prime plus 2.25%, at the Company's option, and provides for interest only payments through May 31, 1996, with monthly principal and interest payments required subsequently based on a 26.5-year amortization schedule. At December 31, 1996, the interest rate was 6.875%. The Harrisburg Mortgage Loan will mature on December 15, 2000. The outstanding mortgage loan balance at December 31, 1996 and 1995 was approximately $6,504 and $6,650, respectively. Interest payable related to the Harrisburg Mortgage Loan was $39 and $0 at December 31, 1996 and 1995, respectively.

On March 20, 1996, the Company, through the Operating Partnership, and the Indianapolis Partnership, entered into a $36,750 mortgage loan (the "CIGNA Loan") that is collateralized by seven properties in Indianapolis, Indiana and three properties in Cincinnati, Ohio. The CIGNA Loan bears interest at a fixed interest rate of 7.5% and provides for monthly principal and interest payments based on a 25-year amortization schedule. The CIGNA Loan will mature on April 1, 2003. The outstanding mortgage loan balance at December 31, 1996 was approximately $36,363. Interest payable related to the CIGNA Loan was $0 at December 31, 1996.

On March 20, 1996, the Company, through the Operating Partnership assumed a $6,424 mortgage loan and a $2,993 mortgage loan (together, the "Assumed Loans") that are collateralized by 13 properties in Indianapolis, Indiana and one property in Indianapolis, Indiana, respectively. The Assumed Loans bear interest at a fixed rate of 9.25% and provide for monthly principal and interest payments based on a 16.75-year amortization schedule. The Assumed Loans will mature on January 1, 2013. At December 31, 1996, the outstanding mortgage loan balances under the $6,424 mortgage loan and $2,993 mortgage loan were approximately $6,286 and $2,929, respectively. Interest payable related to the Assumed Loans was $0 at December 31, 1996.

Acquisition Facilities:

In connection with the Initial Offering, the Operating Partnership entered into a three-year, $100,000 collateralized revolving credit facility (the "1994 Acquisition Facility"). During the quarter ended June 30, 1995, the capacity of the 1994 Acquisition Facility was increased to $150,000. The Operating Partnership could borrow under the facility to finance the acquisition of additional properties and for other corporate purposes, including to obtain additional working capital. The Company had guaranteed repayment of the 1994 Acquisition Facility. Borrowings under the 1994 Acquisition Facility bore interest at a floating rate equal to LIBOR plus 2.0% or a "Corporate Base Rate" plus .5%, at the Company's election. Effective July 12, 1996, the lenders reduced the interest rate to LIBOR plus 1.75%. Under the 1994 Acquisition Facility, LIBOR contracts were entered into by the Company as draws were made. Interest payable related to the 1994 Acquisition Facility was $488 at December 31, 1995. In December 1996, the Operating Partnership terminated the 1994 Acquisition Facility (see Note 11) and entered into a $200 million unsecured revolving credit facility (the "1996 Unsecured Acquisition Facility") which initially bears interest at LIBOR plus 1.10% or a "Corporate Base Rate" plus .5% and provides for interest only payments until the maturity date. At December 31, 1996, borrowings under the 1996 Acquisition Facility bore interest at a weighted average interest rate of 8.25%. The borrowings under the 1996 Unsecured Acquisition Facility were converted to an interest rate of 6.6% on January 7, 1997. The Operating Partnership may borrow under the facility to finance the acquisition of additional properties and for other corporate purposes, including to obtain additional working capital. The 1996 Unsecured Acquisition Facility matures in April 2000. Borrowings under the 1996 Unsecured Acquisition Facility at December 31, 1996 were $4,400. Interest payable related to the 1996 Unsecured Acquisition Facility was $3 at December 31, 1996. The 1996 Unsecured Acquisition Facility contains certain financial covenants relating to debt service coverage, market value net worth, dividend payout ratio and total funded indebtedness.

In December 1995, the Operating Partnership entered into a $24,219 collateralized revolving credit facility (the "1995 Acquisition Facility"). The 1995 Acquisition Facility was paid off in full and retired in February 1996 with a portion of the proceeds of the February 1996 Equity Offering. The 1995 Acquisition Facility was collateralized by six properties held by the Operating Partnership and bore interest at a floating rate of LIBOR plus 2.45%. As of December 31, 1995, borrowings under the 1995 Acquisition Facility were $11,294 and bore interest at a rate of 8.3%. Interest payable related to the 1995 Acquisition Facility was $27 at December 31, 1995. The Operating Partnership terminated the 1995 Acquisition Facility in February 1996 (See Note 11).

In May 1996, the Operating Partnership entered into a $10,000 collateralized revolving credit facility (the "1996 Credit Line"). The 1996 Credit Line was collateralized by three properties held by the Operating Partnership. The Company had guaranteed repayment of the 1996 Credit Line. Borrowings under the 1996 Credit Line bore interest at a floating rate from LIBOR plus 2.45% to LIBOR plus 2.75%, depending on the term of the interest rate option. The 1996 Credit Line would have matured on December 14, 1998. The Operating Partnership terminated the 1996 Credit Line in November 1996 (See Note 11).

(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

In September 1996, the Operating Partnership entered into a $40,000 revolving credit facility ("1996 Acquisition Facility"). The Operating Partnership could have borrowed under the facility to finance the acquisition of additional properties and for other corporate purposes, including to obtain additional working capital. The Company had guaranteed the repayment of the 1996 Acquisition Facility. The 1996 Acquisition Facility would have matured on March 31, 1997. Borrowings under the 1996 Acquisition Facility bore interest at a floating rate equal to LIBOR plus 2.0% or a "Corporate Base Rate" plus .5%, at the Company's election. The Operating Partnership terminated the 1996 Acquisition Facility in November 1996 (See Note 11).

Construction Loans:

In 1995, the Operating Partnership entered into two construction loans (together the "Construction Loans") with commercial banks providing total funding commitments of $5,860. Both construction loans were paid off in full and retired in February 1996 with a portion of the proceeds of the February 1996 Equity Offering (See Note 11). At December 31, 1995, the Operating Partnership had borrowed $4,873 under such construction loans which were collateralized by two properties held by the Operating Partnership. Such borrowings bore interest at LIBOR plus 2.0% and provided for interest only payments.

Promissory Notes Payable:

On September 30, 1996, the Company, through the Operating Partnership, entered into a $6,489 promissory note and a $3,430 promissory note (collectively referred to as "Promissory Notes") as partial consideration for the purchase of two properties in Columbus, Ohio. The $6,489 promissory note was collateralized by a letter of credit pledged by the Company in the amount of $2,715. The $3,430 promissory note was collateralized by a letter of credit pledged by the Company in the amount of $967. Both promissory notes bore interest at 8% and matured on January 6, 1997, at which time they were repaid and the letters of credit were released. Interest payable related to both promissory notes was $68 at December 31, 1996.

The following is a schedule of maturities of the mortgage loans, acquisition facilities, and promissory notes for the next five years ending December 31, and thereafter:

	Amount
1997	$ 10,914
1998	1,563
1999	301,710
2000	11,728
2001	1,683
Thereafter	78,803
Total	$406,401

The 1994 Mortgage Loan matures in 1999 but may be extended at the Company's option, subject to certain conditions, for an additional two years, thereby maturing on June 30, 2001.

5. STOCKHOLDERS' EQUITY

Common Stock:

On February 2, 1996, the Company issued 5,175,000 shares of $.01 par value common stock (the "February 1996 Equity Offering") inclusive of the underwriters' over-allotment option. The price per share in the February 1996 Equity Offering was $22, resulting in gross offering proceeds of $113,850. Net of underwriters' discount and total offering expenses, the Company received approximately $106,343. The net proceeds from the February 1996 Equity Offering were used to pay down the 1994 Acquisition Facility, the 1995 Acquisition Facility and the Construction Loans and fund properties subsequently acquired.

On October 25, 1996, the Company issued 5,750,000 shares of $.01 par value common stock (the "October 1996 Equity Offering") inclusive of the underwriters' over-allotment option. The price per share in the October 1996 Equity Offering was $25.50, resulting in gross offering proceeds of $146,625. Net of underwriters' discount and total offering expenses, the Company received approximately $137,697. The net proceeds from the October 1996 Equity Offering were used to pay down the 1994 Acquisition Facility and the 1996 Acquisition Facility and fund properties subsequently acquired.

Preferred Stock:

In 1995, the Company issued 1.65 million shares of 9.5% Series A Cumulative Preferred Stock (the "Series A Preferred Stock") at a purchase price of $25 per share, and used the $41,250 of gross proceeds to pay down debt outstanding under the 1994 Acquisition Facility. Dividends on the Series A Preferred Stock are cumulative from the date of initial issuance and are payable quarterly. The payment of dividends and amounts upon liquidation, dissolution or winding-up ranks senior to the payments on the Company's common stock. The Series A Preferred Stock is not redeemable prior to November 17, 2000. On or after November 17, 2000, the Series A Preferred Stock is redeemable for cash at the option of the Company, in whole or in part, at $25.00 per share, or $41,250 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series A Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

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

6. SALES OF REAL ESTATE

In 1996, the Operating Partnership sold a property located in suburban Detroit, Michigan, three properties located in Huntsville, Alabama, one property located in Grand Rapids, Michigan, and one property located in Atlanta, Georgia. Gross proceeds from these sales were approximately $15.0 million. The gain on sales was approximately $4.3 million.

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

7. RELATED PARTY TRANSACTIONS

The Company leases office space in Chicago, Illinois from an affiliate of The Shidler Group at an aggregate annual cost of approximately $131.

On December 5, 1994, the Company purchased for approximately $.9 million, five acres of land from a partnership in which an officer and director of the Company owns approximately a 2.5% general partner interest.

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

8. EMPLOYEE BENEFIT PLANS

The Company maintains a Stock Incentive Plan which is administered by the Compensation Committee of the Board of Directors. Only officers and other key employees of the Company and its affiliates generally are eligible to participate in the Stock Incentive Plan. However, independent Directors of the Company receive automatic annual grants of options to purchase 7,500 shares at a per share exercise price equal to the fair market value of a share on the date of grant.

The Stock Incentive Plan authorizes (i) the grant of stock options that qualify as incentive stock options under Section 422 of the Code, (ii) the grant of stock options that do not so qualify, (iii) restricted stock awards, (iv) performance share awards and (v) dividend equivalent rights. The exercise price of stock options will be determined by the Compensation Committee, but may not be less than 100% of the fair market value of the shares on the date of grant. Special provisions apply to awards granted under the Stock Incentive Plan in the event of a change in control in the Company. The Company has reserved 1,200,000 shares for issuance under the Stock Incentive Plan. Options covering 90,500 shares are available for future grants. The outstanding stock options generally vest over one to two year periods and have lives of ten years. Stock option transactions are summarized as follows:

	SHARES	WEIGHTED AVERAGE OPTION PRICE PER SHARE	EXERCISE PRICE PER SHARE
Granted at Initial Offering	637,500	$23.50	$23.50
Outstanding at December 31, 1994	637,500	$23.50	$23.50
Granted	274,500	$19.98	$18.25-$20.25
Expired or Terminated	(54,000)	$23.50	$23.50
Outstanding at December 31, 1995	858,000	$22.37	$18.25-$23.50
Granted	263,500	$22.94	$22.75-$25.63
Exercised	(16,000)	$23.03	$22.75-$23.50
Expired or Terminated	(12,000)	$23.50	$23.50
Outstanding at December 31, 1996	1,093,500	$22.49	$18.25-$25.63

The following table summarizes information currently outstanding and exercisable options:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICE	NUMBER OUTSTANDING	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE	WEIGHTED AVERAGE EXERCISE PRICE
$18.25-$25.63	1,093,500	8.22	$22.49	830,000	$22.35

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

	FOR THE YEAR ENDED	
	1996	1995
Net Income Available to Common Stockholders - as reported	31,745	11,881
Net Income Available to Common Stockholders - pro forma	31,239	11,881
Net Income Available to Common Stockholders per Share - - as reported	1.28	0.63
Net Income Available to Common Stockholders per Share - - pro forma	1.26	0.63
The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:		
Expected dividend yield	7.16%	7.16%
Expected stock price volatility	18.12%	18.12%
Risk-free interest rate	6.81%	6.05%
Expected life of options	7.37	5.51

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

(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

In September 1994, the Board of Directors approved and the Company adopted a 401(k)/Profit Sharing Plan. Under the Company's 401(k)/Profit Sharing Plan, all eligible employees may participate by making voluntary contributions. The Company may make, but is not required to make, matching contributions. For the years ended December 31, 1996 and 1995, the Company did not make any matching contributions. In March 1996, the Board of Directors approved and the Company adopted a Deferred Income Plan (the "Plan"). Under the Plan, 138,500 unit awards were granted, providing the recipients with deferred income benefits which vest in three equal annual installments. The expense related to these deferred income benefits is included in general and administrative expenses in the consolidated statements of operations. In the first quarter of 1997, approximately $141 was paid to the recipients under the Plan.

9. FUTURE RENTAL REVENUES

The Company's properties are leased to tenants under net and semi-net operating leases. Minimum lease payments receivable, excluding tenant reimbursements of expenses, under noncancelable operating leases in effect as of December 31, 1996 are approximately as follows:

1997	$ 116,502
1998	98,892
1999	78,776
2000	56,853
2001	37,913
Thereafter	97,931
Total	$ 486,867

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

10. SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS

Supplemental disclosure of cash flow information:

	The Company			The Company and Contributing Businesses
	Year Ended December 31, 1996	Year Ended December 31, 1995	Six Months Ended December 31, 1994	Six Months Ended June 30, 1994
Interest paid, net of capitalized interest	$ 29,309	$ 28,248	$ 8,598	$ 13,697
Interest capitalized	$ 501	$ 324	$ 50	$ --
Supplemental schedule of noncash investing and financing activities:				
Distribution payable on common stock/units	$ 16,281	$ 9,954	$ 9,648	$ --
Dividend payable on preferred stock	$ --	$ 468	$ --	$ --
Exchange of units for common shares:				
Minority interest	$ (943)	$ (1,005)	$ --	$ --
Common stock	--	1	--	--
Additional paid in capital	943	1,004	--	--
	$ --	$ --	$ --	$ --
Sale of interest rate protection agreement	$ --	$(12,852)	$ --	$ --
Purchase of interest rate protection and swap agreements	--	12,852	--	--
	$ --	$ --	$ --	$ --

In conjunction with the property acquisitions, the following assets and liabilities were assumed:

Purchase of real estate	$252,991	$ 63,855	$66,230	$372,642
Mortgage loans	(9,417)	--	--	--
Promissory notes	(9,919)	--	--	--
Operating partnership units	(23,863)	--	--	--
Accounts receivable	--	153	80	2,453
Accounts payable and accrued expenses	(2,626)	(1,115)	(991)	(4,642)
Acquisitions of interests in properties	--	--	--	4,281)
Acquisition of real estate	$207,166	$ 62,893	$65,319	$366,172

11. EXTRAORDINARY ITEMS

Upon consummation of the Initial Offering, certain Contributing Businesses' loans were paid off and the related unamortized deferred financing fees totaling $1,449 were written off. The write-off is shown as an extraordinary loss in the combined statement of operations of the Contributing Businesses for the six months ended June 30, 1994.

In 1996, the Company terminated the 1994 Acquisition Facility, the 1995 Acquisition Facility, the 1996 Acquisition Facility, the Construction Loans and the 1996 Credit Line before their contractual maturity date. The resulting write-off of $2,273 comprised of unamortized deferred financing costs and prepayment fee incurred to retire the above mentioned loans and is shown as an extraordinary loss in the consolidated statement of operations for the year ended December 31, 1996.

12. COMMITMENTS AND CONTINGENCIES

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

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

The Company has committed to the construction of two light industrial and five bulk warehouse properties totaling approximately 1.0 million square feet (unaudited). The estimated total construction costs are approximately $27.4 million (unaudited). The Company is not acting as the general contractor for these construction projects.

13. SUBSEQUENT EVENTS (UNAUDITED)

On January 9, 1997, the Company purchased a .5 million square foot bulk warehouse located in Indianapolis, Indiana for approximately $7.1 million.

On January 31, 1997, the Company purchased 10 bulk warehouses and 29 light industrial properties located in Long Island, New York and northern New Jersey totaling 2.7 million square feet for approximately $138.8 million.

On February 20, 1997, the Company purchased a 58,746 square foot light industrial property in Dayton, Ohio. The purchase price for the property was approximately $1.5 million.

On March 4, 1997, the Company declared a dividend of $.505 per share on its common stock payable on April 21, 1997 to common shareholders of record on March 31, 1997. It also declared a dividend of $.59375 per share on its Series A Preferred Shares payable on March 31, 1997 to shareholders of record on March 14, 1997.

On March 17, 1997, the Company purchased a 312,500 square foot bulk warehouse in York, Pennsylvania for approximately $8.4 million.

On March 21, 1997, the Company purchased a 179,400 square foot bulk warehouse in Taylor, Michigan for approximately $5.1 million.

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

On March 24, 1997, the Company purchased a 162,500 square foot light industrial warehouse in Mechanicsburg, Pennsylvania. The purchase price for the property was approximately $3.4 million.

14. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	YEAR ENDED DECEMBER 31, 1996			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Revenues	$30,645	$34,779	$36,175	$38,456
Income Before Gain on Sales of Properties, Minority Interest and Extraordinary Item	6,986	8,558	9,419	11,561
Gain on Sales of Properties	---	4,320	---	24
Income Before Minority Interest and Extraordinary Item.	6,986	12,878	9,419	11,585
Minority Interest	(404)	(1,001)	(759)	(767)
Income Before Extraordinary Item	6,582	11,877	8,660	10,818
Extraordinary Item	(821)	---	---	(1,452)
Net Income	5,761	11,877	8,660	9,366
Preferred Stock Dividends	(980)	(980)	(980)	(979)
Net Income Available to Common Stockholders	$ 4,781	$10,897	$ 7,680	$ 8,387
Earnings Per Share:				
Net Income Available to Common Stockholders Before Extraordinary Item per Weighted Average Common Shares Outstanding	$ 0.25	$ 0.45	$ 0.32	$ 0.35
Net Income Available to Common Stockholders per Weighted Average Common Share Outstanding	$ 0.21	$ 0.45	$ 0.32	$ 0.30

	YEAR ENDED DECEMBER 31, 1995			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Revenues	$25,347	$26,126	$27,063	$27,950
Income Before Minority Interest	4,517	4,353	(1,000)	5,476
Minority Interest	(340)	(328)	75	(404)
Net Income	4,177	4,025	(925)	5,072
Preferred Stock Dividends	---	---	---	(468)
Net Income Available to Common Stockholders	$ 4,177	$ 4,025	$ (925)	$ 4,604
Earnings Per Share:				
Net Income Available to Common Stockholders per Weighted Average Common Share Outstanding	$ 0.22	$ 0.21	$ (0.05)	$ 0.24

(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

15. PRO FORMA FINANCIAL INFORMATION (UNAUDITED)

The following Pro Forma Condensed Statements of Operations for the years ended December 31, 1996 and 1995 are presented as if the acquisition of 112 properties between January 1, 1995 and December 31, 1996 and the February 1996 Equity Offering and the October 1996 Equity Offering had occurred at January 1, 1995, and therefore include pro forma information. The pro forma information is based upon historical information and does not purport to present what actual results would have been had such transactions, in fact, occurred at January 1, 1995, or to project results for any future period.

PRO FORMA CONDENSED STATEMENTS OF OPERATIONS

	Year Ended	
	December 31, 1996	December 31, 1995
Total Revenues	$155,364	$141,660
Property Expenses	(43,398)	(39,214)
General and Administrative Expense	(4,018)	(3,135)
Interest Expense	(29,521)	(32,092)
Depreciation and Amortization	(33,598)	(32,064)
Disposition of Interest Rate Protection Agreement	---	(6,410)
Income Before Gain on Sales of Properties, Minority Interest and Extraordinary Loss	44,829	28,745
Gain on Sales of Properties	4,344	---
Income Before Minority Interest and Extraordinary Loss	49,173	28,745
Income Allocated to Minority Interest	(3,611)	(2,280)
Income Before Extraordinary Loss	45,562	26,465
Extraordinary Loss	(2,273)	---
Net Income	43,289	26,465
Preferred Stock Dividends	(3,919)	(468)
Net Income Available to Common Stockholders	$ 39,370	$ 25,997
Net Income Available to Common Stockholders Per Weighted Average Common Share Outstanding	$ 1.32	$ 0.87

FIRST INDUSTRIAL REALTY TRUST, INC.
SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As Of December 31, 1996
(Dollars in thousands)

Building Address	Location (City/State)	(i) Encumbra	Initial Cost		Costs Capitalized Subsequent to Acquisition or Completion	Land
			Land	Buildings		
ATLANTA						
4250 River Green Parkway	Duluth, GA	(b)	264	1,522	$ 21	$ 264
3400 Corporate Parkway	Duluth, GA	(b)	281	1,621	99	281
3450 Corporate Parkway	Duluth, GA	(b)	506	2,904	18	506
3500 Corporate Parkway	Duluth, GA	(b)	260	1,500	16	260
3425 Corporate Parkway	Duluth, GA	(b)	385	2,212	21	385
1650 GA Highway 155	Atlanta, GA	(a)	788	4,544	12	788
415 Industrial Park Road	Atlanta, GA	(a)	544	3,140	51	544
434 Industrial Park Road	Atlanta, GA	(a)	234	1,365	2	234
435 Industrial Park Road	Atlanta, GA	(a)	281	1,638	9	281
14101 Industrial Park Bou	Atlanta, GA	(a)	285	1,658	10	285
801-804 Blacklawn Road	Atlanta, GA	(a)	361	2,095	163	361
1665 Dogwood Drive	Atlanta, GA	(a)	635	3,662	11	635
1715 Dogwood Drive	Atlanta, GA	(a)	288	1,675	93	288
11235 Harland Drive	Atlanta, GA	(a)	125	739	12	125
700 Westlake Parkway	Atlanta, GA		213	1,551	509	223
800 Westlake Parkway	Atlanta, GA		450	2,645	350	479
900 Westlake Parkway	Atlanta, GA		266	0	1	267
4050 Southmeadow Parkway	Atlanta, GA		401	2,813	157	425
4051 Southmeadow Parkway	Atlanta, GA		697	3,486	686	726
4071 Southmeadow Parkway	Atlanta, GA		750	4,460	714	828
4081 Southmeadow Parkway	Atlanta, GA		1,012	5,450	611	1,157
1875 Rockdale Industrial	Atlanta, GA		386	2,264	30	386
1605 Indian Brook Way	Gwinnett, GA		1,008	3,800	1,180	1,012
3312 N. Berkeley Lake Roa	Duluth, GA		2,937	16,644	777	3,045
5015 Oakbrook Parkway	Atlanta, GA		1,183	0	3,271	1,247
5570 Tulane Drive (f)	Atlanta, GA		527	2,984	129	546
3495 Bankhead Highway (f)	Atlanta, GA		983	5,568	148	1,003
755 Selig Drive	Atlanta, GA		143	808	88	155
Central Pennsylvania						
1214-a Freedom Road	Cranberry Township, P	(a)	31	994	702	205
401 Russell Drive	Middletown, PA	(a)	262	857	1,496	287
2700 Commerce Drive	Harrisburg, PA	(a)	196	997	671	206
2701 Commerce Drive	Harrisburg, PA	(a)	141	859	1,171	164
2780 Commerce Drive	Harrisburg, PA	(a)	113	743	1,033	209
5035 Ritter Road	Harrisburg, PA	(a)	360	1,442	2,400	442
5070 Ritter Road	Harrisburg, PA	(a)	395	2,322	1,874	506
6340 Flank Drive	Harrisburg, PA	(a)	361	2,363	2,350	563
6345 Flank Drive	Harrisburg, PA	(a)	293	2,297	2,740	587
6360 Flank Drive	Harrisburg, PA	(a)	218	2,286	838	359
6380 Flank Drive	Harrisburg, PA	(a)	109	1,317	756	234
6400 Flank Drive	Harrisburg, PA	(a)	153	1,312	1,256	281
6405 Flank Drive	Harrisburg, PA	(a)	221	1,462	1,159	313
100 Schantz Spring Road	Allentown, PA	(a)	532	3,144	47	533
794 Roble Road	Allentown, PA	(a)	915	5,391	39	915
7355 Williams Avenue	Allentown, PA	(a)	291	1,725	203	291
2600 Beltline Avenue	Reading, PA	(a)	341	2,038	207	356

Building Address	Gross Amount Carried At Close of Period 12/31/96		Accumulated Depreciation 12/31/96	Year Built/ Renovated	Depreciable Lives (Years)
	Building and Improvements	Total			
Atlanta					
4250 River Green Parkway	1,543		87	1988	(k)
3400 Corporate Parkway	1,720	2,001	106	1987	(k)
3450 Corporate Parkway	2,922	3,428	165	1988	(k)
3500 Corporate Parkway	1,516	1,776	86	1991	(k)
3425 Corporate Parkway	2,233	2,618	128	1990	(k)
1650 GA Highway 155	4,556	5,344	286	1991	(k)
415 Industrial Park Road	3,191	3,735	199	1986	(k)
434 Industrial Park Road	1,367	1,601	86	1988	(k)
435 Industrial Park Road	1,647	1,928	106	1986	(k)
14101 Industrial Park Bou	1,668	1,953	107	1984	(k)
801-804 Blacklawn Road	2,258	2,619	168	1982	(k)
1665 Dogwood Drive	3,673	4,308	232	1973	(k)
1715 Dogwood Drive	1,768	2,056	138	1973	(k)
11235 Harland Drive	751	87	47	1988	(k)
700 Westlake Parkway	2,050	2,273	165	1990	(k)
800 Westlake Parkway	2,966	3,445	204	1991	(k)
900 Westlake Parkway	0	26	0		(k)
4050 Southmeadow Parkway	2,946	3,371	203	1991	(k)
4051 Southmeadow Parkway	4,143	4,869	295	1989	(k)
4071 Southmeadow Parkway	5,096	5,924	351	1991	(k)
4081 Southmeadow Parkway	5,916	7,073	394	1989	(k)
1875 Rockdale Industrial	2,294	2,680	142	1966	(k)
1605 Indian Brook Way	4,976	5,988	138	1995	(k)
3312 N. Berkeley Lake Road	17,313	20,358	395	1969	(k)
5015 Oakbrook Parkway	3,207	4,454	0	(m)	
5570 Tulane Drive (f)	3,094	3,640	6	1996	(k)

3495 Bankhead Highway (f)	5,696	6,699	12	1986	(k)
755 Selig Drive	884	1,039	2	(m)	
Central Pennsylvania					
1214-a Freedom Road	1,522		401	1982	(k)
401 Russell Drive	2,328	2,615	526	1990	(k)
2700 Commerce Drive	1,658	1,864	309	1990	(k)
2701 Commerce Drive	2,007	2,171	283	1989	(k)
2780 Commerce Drive	1,680	1,889	314	1989	(k)
5035 Ritter Road	3,760	4,202	738	1988	(k)
5070 Ritter Road	4,085	4,591	768	1989	(k)
6340 Flank Drive	4,511	5,074	859	1988	(k)
6345 Flank Drive	4,743	5,330	893	1989	(k)
6360 Flank Drive	2,983	3,342	568	1988	(k)
6380 Flank Drive	1,948	2,182	351	1991	(k)
6400 Flank Drive	2,440	2,721	422	1992	(k)
6405 Flank Drive	2,529	2,842	456	1991	(k)
100 Schantz Spring Road	3,190	3,723	197	1993	(k)
794 Roble Road	5,430	6,345	338	1984	(k)
7355 Williams Avenue	1,928	2,219	160	1989	(k)
2600 Beltline Avenue	2,230	2,586	279	1985	(k)

Building Address	Location (City/State)	(i) Encumbra	Initial Cost: Land	Initial Cost: Buildings	Costs Capitalized Subsequent to Acquisition or Completion	Land
7125 Grayson Road	Harrisburg, PA	(a)	$ 1,514	$ 8,779	$ 6	$ 1,514
7253 Grayson Road	Harrisburg, PA	(a)	894	5,168	11	894
5 Keystone Drive	Lebanon, PA		678	0	4,715	683
5020 Louise Drive	Mechanicsaurg, PA		707	0	2,773	716
7195 Grayson	Harrisburg, PA		478	2,771	73	479
400 First Street	Middletown, PA	(e)	280	1,839	576	192
401 First Street	Middletown, PA	(e)	819	5,381	1,665	563
500 Industrial Lane	Middletown, PA	(e)	194	1,272	263	133
600 Hunter Lane	Middletown, PA		191	0	3,689	191
300 Hunter Lane	Middletown, PA		216	0	4,553	216
Chicago						
720-730 Landwehr Road	Northbrook, IL	(b)	521	2,985	9	521
3170-3190 MacArthur Boule	Northbrook, IL	(b)	370	2,126	166	370
20W201 101st Street	Lemont, IL	(b)	967	5,554	414	968
280-296 Palatine Road	Wheeling, IL	(b)	305	1,735	139	310
1330 West 43rd Street	Chicago, IL	(a)	369	1,464	278	375
2300 Hammond Drive	Schaumburg, IL	(a)	442	1,241	572	444
6500 North Lincoln Avenue	Lincolnwood, IL	(a)	613	1,336	786	615
3600 West Pratt Avenue	Lincolnwood, IL	(a)	1,050	5,767	447	1,050
917 North Shore Drive	Lake Bluff, IL	(a)	556	3,212	48	556
6750 South Sayre Avenue	Bedford Park, IL	(a)	224	1,309	13	224
585 Slawin Court	Mount Prospect, IL	(a)	611	3,505	1	611
2300 Windsor Court	Addison, IL	(a)	688	3,943	178	688
3505 Thayer Court	Aurora, IL	(a)	430	2,472	16	430
3600 Thayer Court	Aurora, IL	(a)	636	3,645	35	636
736-776 Industrial Drive	Elmhurst, IL	(a)	349	1,994	195	349
5310-5352 East Avenue	Countryside, IL	(a)	382	2,036	451	382
12330-12358 South Latrobe	Alsip, IL	(a)	381	2,067	71	381
305-311 Era Drive	Northbrook, IL		200	1,154	133	205
700-714 Landwehr Road	Northbrook, IL		357	2,052	101	357
4330 South Racine Avenue	Chicago, IL		448	1,893	239	468
13040 S. Crawford Ave.	Alsip, IL		1,073	6,193	24	1,073
12241 Melrose Street	Franklin Park, IL		332	1,931	1,066	469
3150-3160 MacArthur Boule	Northbrook, IL		439	2,518	103	439
2101-2125 Gardner Road	Broadview, IL		1,177	6,818	103	1,228
365 North Avenue	Carol Stream, IL		1,208	6,961	81	1,208
2942 MacArthur Boulevard	Northbrook, IL		315	1,803	15	315
7200 S Leamington	Bedford Park, IL		798	4,595	159	818
12301-12325 S Laramie Ave	Alsip, IL		650	3,692	424	659
6300 W Howard Street	Niles, IL		743	4,208	343	782
301 Hintz	Wheeling, IL		160	905	71	167
301 Alice	Wheeling, IL		218	1,236	58	225
410 W 169th Street	South Holland, IL		462	2,618	124	476
Cincinnati						
9900-9970 Princeton	Cincinnati, OH	(c)	545	3,088	616	566
2940 Highland Avenue	Cincinnati, OH	(c)	1,717	9,730	415	1,770
4700-4750 Creek Road	Cincinnati, OH	(c)	1,080	6,118	267	1,109
4860 Duff Drive	Cincinnati, OH		67	378	8	68
4866 Duff Drive	Cincinnati, OH		67	379	7	68
4884 Duff Drive	Cincinnati, OH		104	591	13	106
4890 Duff Drive	Cincinnati, OH		104	592	12	106
9636-9643 Interocean Driv	Cincinnati, OH		123	695	14	125
Vacantland	Cincinnati, OH		426	0	31	436

Building Address	Gross Amount Carried At Close of Period 12/31/96: Building and Improvements	Gross Amount Carried At Close of Period 12/31/96: Total	Accumulated Depreciation 12/31/96	Year Built/ Renovated	Depreciable Lives (Years)
7125 Grayson Road	8,785	10,299	594	1991	(k)
7253 Grayson Road	5,179	6,073	350	1990	(k)
5 Keystone Drive	4,710	5,393	173	1995	(k)
5020 Louise Drive	2,764	3,480	173	1995	(k)
7195 Grayson	2,843	3,322	147	1994	(k)
400 First Street	2,503	2,695	78	1963-1965	(k)
401 First Street	7,302	7,865	222	1963-1965	(k)
500 Industrial Lane	1,596	1,729	48	1963-1965	(k)
600 Hunter Lane	3,689	3,880	0	(m)	
300 Hunter Lane	4,553	4,769	0	(m)	
Chicago					
720-730 Landwehr Road	2,994		187	1978	(k)
3170-3190 MacArthur Boule	2,292	2,662	138	1978	(k)
20W201 101st Street	5,967	6,935	394	1988	(k)
280-296 Palatine Road	1,869	2,179	85	1978	(k)
1330 West 43rd Street	1,736	2,111	994	1977	(k)
2300 Hammond Drive	1,811	2,255	931	1970	(k)
6500 North Lincoln Avenue	2,120	2,735	980	1965/88	(k)
3600 West Pratt Avenue	6,214	7,264	383	1953/88	(k)
917 North Shore Drive	3,260	3,816	212	1974	(k)

6750 South Sayre Avenue	1,322	1,546	82	1975	(k)
585 Slawin Court	3,506	4,117	219	1992	(k)
2300 Windsor Court	4,121	4,809	291	1986	(k)
3505 Thayer Court	2,488	2,918	155	1989	(k)
3600 Thayer Court	3,680	4,316	232	1989	(k)
736-776 Industrial Drive	2,189	2,538	156	1975	(k)
5310-5352 East Avenue	2,487	2,869	150	1975	(k)
12330-12358 South Latrobe	2,138	2,519	137	1975	(k)
305-311 Era Drive	1,282	1,487	83	1978	(k)
700-714 Landwehr Road	2,153	2,510	139	1978	(k)
4330 South Racine Avenue	2,112	2,580	1,135	1978	(k)
13040 S. Crawford Ave.	6,217	7,290	362	1976	(k)
12241 Melrose Street	2,860	3,329	175	1969	(k)
3150-3160 MacArthur Boule	2,621	3,060	159	1978	(k)
2101-2125 Gardner Road	6,870	8,098	399	1950/69	(k)
365 North Avenue	7,042	8,250	395	1969	(k)
2942 MacArthur Boulevard	1,818	2,133	113	1979	(k)
7200 S Leamington	4,734	5,552	128	1950	(k)
12301-12325 S Laramie Ave	4,107	4,766	105	1975	(k)
6300 W Howard Street	4,512	5,294	110	1956/1964	(k)
301 Hintz	969	1,136	24	1960	(k)
301 Alice	1,287	1,512	32	1965	(k)
410 W 169th Street	2,728	3,204	56	1974	(k)
Cincinnati					
9900-9970 Princeton	3,683	4,249	70	1970	(k)
2940 Highland Avenue	10,092	11,862	209	1969/1974	(k)
4700-4750 Creek Road	6,356	7,465	132	1960	(k)
4860 Duff Drive	385	45	1	1979	(k)
4866 Duff Drive	385	45	1	1979	(k)
4884 Duff Drive	602	70	1	1979	(k)
4890 Duff Drive	602	70	1	1979	(k)
9636-9643 Interocean Drive	707	83	1	1983	(k)
Vacantland	21	45	0	(m)	(e)

Building Address	Location (City/State)	(i) Encumbrances	(i) Initial Cost Land	(i) Initial Cost Buildings	Costs Capitalized Subsequent to Acquisition or Completion
Cleveland					
6675 Parkland Blvd	Cleveland, OH		$ 548	$ 3,103	$ 154
Columbus					
6911 Americana Parkway	Columbus, OH		314	1,777	74
3800 Lockbourne Industria	Columbus, OH		1,133	6,421	165
3800 Groveport Road	Columbus, OH		2,145	12,154	173
Dayton					
6094-6104 Executive Blvd	Dayton, OH		181	1,025	66
6202-6220 Executive Blvd	Dayton, OH		268	1,521	86
6268-6294 Executive Blvd	Dayton, OH		255	1,444	85
5749-5753 Executive Blvd	Dayton, OH		50	282	37
6230-6266 Executive Blvd	Dayton, OH		271	1,534	72
Des Moines					
1500 East Washington Aven	Des Moines, IA	(a)	610	4,251	695
1600 East Washington Aven	Des Moines, IA	(a)	209	1,557	161
4121 McDonald Avenue	Des Moines, IA	(a)	390	2,931	303
4141 McDonald Avenue	Des Moines, IA	(a)	706	5,518	606
4161 McDonald Avenue	Des Moines, IA	(a)	389	3,046	624
Detroit					
2654 Elliott	Troy, MI	(b)	57	334	4
1731 Thorncroft	Troy, MI	(b)	331	1,904	20
1653 E. Maple	Troy, MI	(b)	192	1,104	15
47461 Clipper	Plymouth, MI	(b)	122	723	79
47522 Galleon	Plymouth, MI	(b)	85	496	9
4150 Varsity Drive	Ann Arbor, MI	(b)	168	969	8
1330 Crooks Road	Clawson, MI	(b)	234	1,348	12
12000 Merriman Road	Livonia, MI	(a)	453	3,651	1,019
238 Executive Drive	Troy, MI	(a)	52	173	422
256 Executive Drive	Troy, MI	(a)	44	146	359
301 Executive Drive	Troy, MI	(a)	71	293	487
449 Executive Drive	Troy, MI	(a)	125	425	829
501 Executive Drive	Troy, MI	(a)	71	236	520
645 Executive Drive	Troy, MI	(a)	184	940	358
451 Robbins Drive	Troy, MI	(a)	96	448	885
700 Stephenson Highway	Troy, MI	(a)	250	854	1,361
800 Stephenson Highway	Troy, MI	(a)	558	2,341	1,249
1150 Stephenson Highway	Troy, MI	(a)	178	966	201
1200 Stephenson Highway	Troy, MI	(a)	246	1,115	443
1035 Crooks Road	Troy, MI	(a)	114	414	458
1095 Crooks Road	Troy, MI	(a)	331	1,017	947
1151 Crooks Road	Troy, MI	(a)	764	4,115	807
1416 Meijer Drive	Troy, MI	(a)	94	394	343
1624 Meijer Drive	Troy, MI	(a)	236	1,406	800
1972 Meijer Drive	Troy, MI	(a)	315	1,301	726
2112 Meijer Drive	Troy, MI	(a)	141	714	608
1621 Northwood Drive	Troy, MI	(a)	85	351	1,041
1707 Northwood Drive	Troy, MI	(a)	95	262	1,156
1749 Northwood Drive	Troy, MI	(a)	107	477	454
1788 Northwood Drive	Troy, MI	(a)	50	196	461
1821 Northwood Drive	Troy, MI	(a)	132	523	745
1826 Northwood Drive	Troy, MI	(a)	55	208	395
1864 Northwood Drive	Troy, MI	(a)	57	190	441
1902 Northwood Drive	Troy, MI	(a)	234	807	2,163

Building Address	Gross Amount Carried At Close of Period 12/31/96 Land	Building and Improvements	Total	Accumulated Depreciation 12/31/96	Year Built/ Renovated	Depreciable Lives (Years)
Cleveland						
6675 Parkland Blvd	$ 569	3,236		20	1991	(k)
Columbus						
6911 Americana Parkway	321	1,844		38	1980	(k)
3800 Lockbourne Industria	1,153	6,566	7,719	54	1986	(k)
3800 Groveport Road	2,163	12,309	14,472	102	1986	(k)
Dayton						
6094-6104 Executive Blvd	186	1,086		16	1975	(k)
6202-6220 Executive Blvd	275	1,600	1,875	23	1976	(k)
6268-6294 Executive Blvd	261	1,523	1,784	22	1989	(k)
5749-5753 Executive Blvd	53	316	36	4	1975	(k)
6230-6266 Executive Blvd	279	1,598	1,877	13	1979	(k)
Des Moines						

1500 East Washington Aven	623	4,933		371	1987	(k)
1600 East Washington Aven	221	1,706	1,927	117	1987	(k)
4121 McDonald Avenue	416	3,208	3,624	221	1977	(k)
4141 McDonald Avenue	787	6,043	6,830	417	1976	(k)
4161 McDonald Avenue	467	3,592	4,059	248	1979	(k)
Detroit						
2654 Elliott	57	338		20	1986	(k)
1731 Thorncroft	331	1,924	2,255	112	1969	(k)
1653 E. Maple	192	1,119	1,311	65	1990	(k)
47461 Clipper	122	802	92	69	1992	(k)
47522 Galleon	85	505	59	29	1990	(k)
4150 Varsity Drive	168	977	1,145	57	1986	(k)
1330 Crooks Road	234	1,360	1,594	79	1960	(k)
12000 Merriman Road	440	4,683	5,123	1,834	1975	(k)
238 Executive Drive	100	547	64	191	1973	(k)
256 Executive Drive	85	464	54	156	1974	(k)
301 Executive Drive	133	718	85	250	1974	(k)
449 Executive Drive	218	1,161	1,379	398	1975	(k)
501 Executive Drive	129	698	82	195	1984	(k)
645 Executive Drive	234	1,248	1,482	472	1972	(k)
451 Robbins Drive	192	1,237	1,429	356	1975	(k)
700 Stephenson Highway	386	2,079	2,465	666	1978	(k)
800 Stephenson Highway	654	3,494	4,148	1,114	1979	(k)
1150 Stephenson Highway	200	1,145	1,345	336	1982	(k)
1200 Stephenson Highway	284	1,520	1,804	467	1980	(k)
1035 Crooks Road	143	843	98	249	1980	(k)
1095 Crooks Road	360	1,935	2,295	572	1986	(k)
1151 Crooks Road	896	4,790	5,686	1,427	1985	(k)
1416 Meijer Drive	121	710	83	210	1980	(k)
1624 Meijer Drive	373	2,069	2,442	621	1984	(k)
1972 Meijer Drive	372	1,970	2,342	574	1985	(k)
2112 Meijer Drive	229	1,234	1,463	404	1980	(k)
1621 Northwood Drive	215	1,262	1,477	408	1977	(k)
1707 Northwood Drive	239	1,274	1,513	386	1983	(k)
1749 Northwood Drive	164	874	1,038	296	1977	(k)
1788 Northwood Drive	103	604	70	193	1977	(k)
1821 Northwood Drive	220	1,180	1,400	401	1977	(k)
1826 Northwood Drive	103	555	65	183	1977	(k)
1864 Northwood Drive	107	581	68	192	1977	(k)
1902 Northwood Drive	511	2,693	3,204	940	1977	(k)

Building Address	Location (City/State)	(i) Encumbra	Initial Cost Land	Initial Cost Buildings	Costs Capitalized Subsequent to Acquisition or Completion	Land
1921 Northwood Drive	Troy, MI	(a)	135	589	$ 1,164	$ 291
2230 Elliott Avenue	Troy, MI	(a)	46	174	400	95
2237 Elliott Avenue	Troy, MI	(a)	48	159	408	90
2277 Elliott Avenue	Troy, MI	(a)	48	188	434	104
2291 Elliott Avenue	Troy, MI	(a)	52	209	324	86
2451 Elliott Avenue	Troy, MI	(a)	78	319	670	164
2730 Research Drive	Rochester Hills, MI	(a)	915	4,215	545	903
2791 Research Drive	Rochester Hills, MI	(a)	557	2,731	290	560
2871 Research Drive	Rochester Hills, MI	(a)	324	1,487	264	326
2911 Research Drive	Rochester Hills, MI	(a)	505	2,136	376	505
3011 Research Drive	Rochester Hills, MI	(a)	457	2,104	321	457
2870 Technology Drive	Rochester Hills, MI	(a)	275	1,262	231	279
2890 Technology Drive	Rochester Hills, MI	(a)	199	902	206	206
2900 Technology Drive	Rochester Hills, MI	(a)	214	977	491	219
2920 Technology Drive	Rochester Hills, MI	(a)	149	671	155	153
2930 Technology Drive	Rochester Hills, MI	(a)	131	594	382	138
2950 Technology Drive	Rochester Hills, MI	(a)	178	819	178	185
2960 Technology Drive	Rochester Hills, MI	(a)	281	1,277	231	283
23014 Commerce Drive	Farmington Hills, MI	(a)	39	203	124	56
23028 Commerce Drive	Farmington Hills, MI	(a)	98	507	207	125
23035 Commerce Drive	Farmington Hills, MI	(a)	71	355	172	93
23042 Commerce Drive	Farmintgon Hills, MI	(a)	67	277	304	89
23065 Commerce Drive	Farmington Hills, MI	(a)	71	408	119	93
23070 Commerce Drive	Farmington Hills, MI	(a)	112	442	618	125
23079 Commerce Drive	Farmington Hills, MI	(a)	68	301	163	79
23093 Commerce Drive	Farmington Hills, MI	(a)	211	1,024	626	295
23135 Commerce Drive	Farmington Hills, MI	(a)	146	701	226	158
23149 Commerce Drive	Farmington Hills, MI	(a)	266	1,005	457	274
23163 Commerce Drive	Farmington Hills, MI	(a)	111	513	238	138
23164 Commerce Drive	Farmington Hills, MI	(a)	100	405	207	110
23177 Commerce Drive	Farmington Hills, MI	(a)	175	1,007	511	254
23192 Commerce Drive	Farmington Hills, MI	(a)	41	205	134	58
23206 Commerce Drive	Farmington Hills, MI	(a)	125	531	221	137
23290 Commerce Drive	Farmington Hills, MI	(a)	124	707	531	210
23370 Commerce Drive	Farmington Hills, MI	(a)	59	233	138	66
24492 Indoplex Circle	Farmington Hills, MI	(a)	67	370	724	175
24528 Indoplex Circle	Farmington Hills, MI	(a)	91	536	1,069	263
31800 Plymouth Road - Bui	Livonia, MI	(a)	3,415	19,481	364	3,417
31800 Plymouth Road - Bui	Livonia, MI	(a)	671	3,860	54	674
31800 Plymouth Road - Bui	Livonia, MI	(a)	322	1,869	131	324
31800 Plymouth Road - Bui	Livonia, MI	(a)	557	3,207	916	560
31800 Plymouth Road - Bui	Livonia, MI	(a)	139	832	7	141
21477 Bridge Street	Southfield, MI		244	1,386	214	253
2965 Technology Drive	Rochester Hills, MI		964	2,277	115	964
1451 Lincoln Avenue	Madison, MI		299	1,703	187	305
4400 Purks Drive	Auburn Hills, MI		602	3,410	112	612
4177A Varsity Drive	Ann Arbor, MI		90	536	59	90
6515 Cobb Drive	Sterling Heights, MI		305	1,753	29	305
46750 Port Street	Plymouth, MI		360	33	1,072	361
32450 N Avis Drive	Madison Heights, MI		281	1,590	50	286
32200 N Avis Drive	Madison Heights, MI		408	2,311	39	411
32440-32442 Industrial Dr	Madison Heights, MI		120	679	81	123
32450 Industrial Drive	Madison Heights, MI		65	369	18	66
11813 Hubbard	Livonia, MI		177	1,001	34	180
11844 Hubbard	Livonia, MI		189	1,069	61	191
11866 Hubbard	Livonia, MI		189	1,073	24	191
12050-12300 Hubbard (f)	Livonia, MI		425	2,410	42	428

Building Address	Gross Amount Carried At Close of Period 12/31/96 Building and Improvements	Gross Amount Carried At Close of Period 12/31/96 Total	Accumulated Depreciation 12/31/96	Year Built/ Renovated	Depreciable Lives (Years)
1921 Northwood Drive	1,597	1,888	559	1977	(k)
2230 Elliott Avenue	525	62	188	1974	(k)
2237 Elliott Avenue	525	61	167	1974	(k)
2277 Elliott Avenue	566	67	186	1975	(k)
2291 Elliott Avenue	499	58	172	1974	(k)
2451 Elliott Avenue	903	1,067	306	1974	(k)
2730 Research Drive	4,772	5,675	1,387	1988	(k)
2791 Research Drive	3,018	3,578	838	1991	(k)
2871 Research Drive	1,749	2,075	484	1991	(k)
2911 Research Drive	2,512	3,017	732	1992	(k)
3011 Research Drive	2,425	2,882	701	1988	(k)
2870 Technology Drive	1,489	1,768	425	1988	(k)
2890 Technology Drive	1,101	1,307	301	1991	(k)
2900 Technology Drive	1,463	1,682	392	1992	(k)
2920 Technology Drive	822	97	219	1992	(k)
2930 Technology Drive	969	1,107	231	1991	(k)
2950 Technology Drive	990	1,175	269	1991	(k)
2960 Technology Drive	1,506	1,789	414	1992	(k)

23014 Commerce Drive	310	36	83	1983	(k)
23028 Commerce Drive	687	81	206	1983	(k)
23035 Commerce Drive	505	59	144	1983	(k)
23042 Commerce Drive	559	64	148	1983	(k)
23065 Commerce Drive	505	59	144	1983	(k)
23070 Commerce Drive	1,047	1,172	242	1983	(k)
23079 Commerce Drive	453	53	131	1983	(k)
23093 Commerce Drive	1,566	1,861	478	1983	(k)
23135 Commerce Drive	915	1,073	255	1986	(k)
23149 Commerce Drive	1,454	1,728	430	1985	(k)
23163 Commerce Drive	724	86	204	1986	(k)
23164 Commerce Drive	602	71	167	1986	(k)
23177 Commerce Drive	1,439	1,693	435	1986	(k)
23192 Commerce Drive	322	38	83	1986	(k)
23206 Commerce Drive	740	87	212	1985	(k)
23290 Commerce Drive	1,152	1,362	388	1980	(k)
23370 Commerce Drive	364	43	106	1980	(k)
24492 Indoplex Circle	986	1,161	330	1976	(k)
24528 Indoplex Circle	1,433	1,696	501	1976	(k)
31800 Plymouth Road - Bui	19,843	23,260	1,381	1968/89	(k)
31800 Plymouth Road - Bui	3,911	4,585	267	1968/89	(k)
31800 Plymouth Road - Bui	1,998	2,322	137	1968/89	(k)
31800 Plymouth Road - Bui	4,120	4,680	253	1968/89	(k)
31800 Plymouth Road - Bui	837	97	56	1968/89	(k)
21477 Bridge Street	1,591	1,844	66	1986	(k)
2965 Technology Drive	2,392	3,356	112	1995	(k)
1451 Lincoln Avenue	1,884	2,189	79	1967	(k)
4400 Purks Drive	3,512	4,124	138	1987	(k)
4177A Varsity Drive	595	68	59	1993	(k)
6515 Cobb Drive	1,782	2,087	103	1984	(k)
46750 Port Street	1,104	1,465	1	1996	(k)
32450 N Avis Drive	1,635	1,921	37	1974	(k)
32200 N Avis Drive	2,347	2,758	53	1973	(k)
32440-32442 Industrial Dr	757	88	19	1979	(k)
32450 Industrial Drive	386	45	9	1979	(k)
11813 Hubbard	1,032	1,212	23	1979	(k)
11844 Hubbard	1,128	1,319	25	1979	(k)
11866 Hubbard	1,095	1,286	25	1979	(k)
12050-12300 Hubbard (f)	2,449	2,877	56	1981	(k)

Building Address	Location (City/State)	(i) Encumbra	Initial Cost Land	Initial Cost Buildings	Costs Capitalized Subsequent to Acquisition or Completion	Land
12707 Eckles Road	Plymouth Township, MI		255	1,445	$ 106	$ 267
9300-9328 Harrison Rd	Romulus, MI		147	834	50	154
9330-9358 Harrison Rd	Romulus, MI		81	456	29	84
28420-28448 Highland Rd	Romulus, MI		143	809	48	149
28450-28478 Highland Rd	Romulus, MI		81	461	28	85
28421-28449 Highland Rd	Romulus, MI		109	617	37	114
28451-28479 Highland Rd	Romulus, MI		107	608	36	112
28825-28909 Highland Rd	Romulus, MI		70	395	24	73
28933-29017 Highland Rd	Romulus, MI		112	634	38	117
28824-28908 Highland Rd	Romulus, MI		134	760	43	140
28932-29016 Highland Rd	Romulus, MI		123	694	40	128
9710-9734 Harrison Rd	Romulus, MI		125	706	41	130
9740-9772 Harrison Rd	Romulus, MI		132	749	43	138
9840-9868 Harrison Rd	Romulus, MI		144	815	46	150
9800-9824 Harrison Rd	Romulus, MI		117	664	40	123
29265-29285 Airport Dr	Romulus, MI		140	794	46	147
29185-29225 Airport Dr	Romulus, MI		140	792	46	146
29149-29165 Airport Dr	Romulus, MI		216	1,225	70	226
29101-29115 Airport Dr	Romulus, MI		130	738	43	136
29031-29045 Airport Dr	Romulus, MI		124	704	41	130
29050-29062 Airport Dr	Romulus, MI		127	718	42	133
29120-29134 Airport Dr	Romulus, MI		161	912	52	168
29200-29214 Airport Dr	Romulus, MI		170	963	55	178
9301-9339 Middlebelt Rd	Romulus, MI		124	703	41	130
38200 Plymouth	Livonia, MI		2,700	0	2,617	2,753
GRAND RAPIDS						
3232 Kraft Avenue	Grand Rapids, MI	(b)	810	4,792	1,036	874
8181 Logistics Drive	Grand Rapids, MI	(b)	803	5,263	591	864
5062 Kendrick Court SE	Grand Rapids, MI	(b)	142	815	13	142
2 84th Street SW	Grand Rapids, MI	(a)	117	685	284	117
100 84th Street SW	Grand Rapids, MI	(a)	255	1,477	86	255
150 84th Street SW	Grand Rapids, MI	(a)	47	286	27	47
511 76th Street SW	Grand Rapids, MI	(a)	758	4,355	21	758
553 76th Street SW	Grand Rapids, MI	(a)	32	191	12	32
555 76th Street SW	Grand Rapids, MI	(a)	776	4,458	32	776
2925 Remico Avenue SW	Grand Rapids, MI	(a)	281	1,617	7	281
2935 Walkent Court NW	Grand Rapids, MI	(a)	285	1,663	7	285
3300 Kraft Avenue SE	Grand Rapids, MI	(a)	838	4,810	123	638
3366 Kraft Avenue SE	Grand Rapids, MI	(a)	833	4,780	34	833
4939 Starr Avenue	Grand Rapids, MI	(a)	117	681	27	117
5001 Kendrick Court SE	Grand Rapids, MI	(a)	210	1,221	28	210
5050 Kendrick Court SE	Grand Rapids, MI	(a)	1,721	11,433	4,568	1,721
5015 52nd Street SE	Grand Rapids, MI	(a)	234	1,321	34	234
5025 28th Street	Grand Rapids, MI	(a)	77	488	17	77
5079 33rd Street SE	Grand Rapids, MI	(a)	525	3,018	4	525
5333 33rd Street SE	Grand Rapids, MI	(a)	480	2,761	47	480
5130 Patterson Avenue SE	Grand Rapids, MI	(a)	137	793	12	137
425 Gordon Industrial Cou	Grand Rapids, MI		611	3,747	692	644
2851 Prairie Street	Grand Rapids, MI		377	2,778	231	445
2945 Walkent Court	Grand Rapids, MI		310	2,074	294	352
537 76th Street	Grand Rapids, MI		255	1,456	113	258

Building Address	Gross Amount Carried At Close of Period 12/31/96: Building and Improvements	Gross Amount Carried At Close of Period 12/31/96: Total	Accumulated Depreciation 12/31/96	Year Built/ Renovated	Depreciable Lives (Years)
12707 Eckles Road	$1,539	1,806	$ 16	1990	(k)
9300-9328 Harrison Rd	877	1,031	4	1978	(k)
9330-9358 Harrison Rd	482	56	2	1978	(k)
28420-28448 Highland Rd	851	1,000	4	1979	(k)
28450-28478 Highland Rd	485	57	2	1979	(k)
28421-28449 Highland Rd	649	76	3	1980	(k)
28451-28479 Highland Rd	639	75	3	1980	(k)
28825-28909 Highland Rd	416	48	2	1981	(k)
28933-29017 Highland Rd	667	78	3	1982	(k)
28824-28908 Highland Rd	797	93	3	1982	(k)
28932-29016 Highland Rd	729	85	3	1982	(k)
9710-9734 Harrison Rd	742	87	3	1987	(k)
9740-9772 Harrison Rd	786	92	3	1987	(k)
9840-9868 Harrison Rd	855	1,005	4	1987	(k)
9800-9824 Harrison Rd	698	82	3	1987	(k)
29265-29285 Airport Dr	833	98	3	1983	(k)
29185-29225 Airport Dr	832	97	3	1983	(k)
29149-29165 Airport Dr	1,285	1,511	5	1984	(k)
29101-29115 Airport Dr	775	91	3	1985	(k)
29031-29045 Airport Dr	739	86	3	1985	(k)
29050-29062 Airport Dr	754	88	3	1986	(k)
29120-29134 Airport Dr	957	1,125	4	1986	(k)
29200-29214 Airport Dr	1,010	1,188	4	1985	(k)
9301-9339 Middlebelt Rd	738	86	3	1983	(k)
38200 Plymouth	2,564	5,317	0	(m)	
GRAND RAPIDS					

3232 Kraft Avenue	5,764	6,638	398	1988	(k)
8181 Logistics Drive	5,793	6,657	407	1990	(k)
5062 Kendrick Court SE	828	97	55	1987	(k)
2 84th Street SW	969	1,086	62	1986	(k)
100 84th Street SW	1,563	1,818	99	1979	(k)
150 84th Street SW	313	36	23	1977	(k)
511 76th Street SW	4,376	5,134	277	1986	(k)
553 76th Street SW	203	23	13	1985	(k)
555 76th Street SW	4,490	5,266	292	1987	(k)
2925 Remico Avenue SW	1,624	1,905	101	1988	(k)
2935 Walkent Court NW	1,670	1,955	104	1991	(k)
3300 Kraft Avenue SE	4,933	5,771	346	1987	(k)
3366 Kraft Avenue SE	4,814	5,647	308	1987	(k)
4939 Starr Avenue	708	82	49	1985	(k)
5001 Kendrick Court SE	1,249	1,459	80	1983	(k)
5050 Kendrick Court SE	16,001	17,722	911	1988	(k)
5015 52nd Street SE	1,355	1,589	84	1987	(k)
5025 28th Street	505	58	53	1967	(k)
5079 33rd Street SE	3,022	3,547	189	1990	(k)
5333 33rd Street SE	2,808	3,288	203	1991	(k)
5130 Patterson Avenue SE	805	94	52	1987	(k)
425 Gordon Industrial Cou	4,406	5,050	293	1990	(k)
2851 Prairie Street	2,941	3,386	203	1989	(k)
2945 Walkent Court	2,326	2,678	161	1993	(k)
537 76th Street	1,566	1,824	68	1987	(k)

Caption>

Building/Address	Location (City/State)	(i) Emcumbrances	(j) Initial Cost Land	Buildings	Cost Capitalized Subsequent to Acquisitions or Completion
Indianapolis					
2900 N Shadeland Avenue	Indianpolis, IN	(c)	2,394	13,565	$ 1,264
1445 Brookville Way	Indianpolis, IN	(c)	459	2,603	242
1440 Brookville Way	Indianpolis, IN	(c)	665	3,770	219
1240 Brookville Way	Indianpolis, IN	(c)	247	1,402	128
1220 Brookville Way	Indianpolis, IN	(c)	223	40	30
1345 Brookville Way	Indianpolis, IN	(d)	586	3,321	239
1350 Brookville Way	Indianpolis, IN	(c)	205	1,161	77
1315 Sadlier Circle E Dr	Indianpolis, IN	(d)	57	322	39
1341 Sadlier Circle E Dr	Indianpolis, IN	(d)	131	743	50
1322-1438 Sadlier Circle	Indianpolis, IN	(d)	145	822	75
1327-1441 Sadlier Circle	Indianpolis, IN	(d)	218	1,234	88
1304 Sadlier Circle E Dr	Indianpolis, IN	(d)	71	405	46
1402 Sadlier Circle E Dr	Indianpolis, IN	(d)	165	934	66
1504 Sadlier Circle E Dr	Indianpolis, IN	(d)	219	1,238	70
1311 Sadlier Circle E Dr	Indianpolis, IN	(d)	54	304	60
1365 Sadlier Circle E Dr	Indianpolis, IN	(d)	121	688	49
1352-1354 Sadlier Circle	Indianpolis, IN	(d)	178	1,008	90
1338 Sadlier Circle E Dr	Indianpolis, IN	(d)	81	460	48
1327 Sadlier Circle E Dr	Indianpolis, IN	(d)	52	295	31
1428 Sadlier Circle E Dr	Indianpolis, IN	(d)	21	117	23
1230 Brookville Way	Indianpolis, IN	(c)	103	586	40
6951 E 30th St	Indianpolis, IN		256	1,449	91
6701 E 30th St	Indianpolis, IN		78	443	40
6737 E 30th St	Indianpolis, IN		385	2,181	122
6555 E 30th St	Indianpolis, IN		840	4,760	129
2432-2436 Shadeland	Indianpolis, IN		212	1,199	167
8402-8440 E 33rd St	Indianpolis, IN		222	1,260	35
8520-8630 E 33rd St	Indianpolis, IN		326	1,848	50
8710-8768 E 33rd St	Indianpolis, IN		175	993	30
3316-3346 N. Pagosa Court	Indianpolis, IN		325	1,842	50
3331 Raton Court	Indianpolis, IN		138	802	22
Vacant Land	Indianpolis, IN		60	0	131
Milwaukee					
N25 W23050 Paul Road	Pewaukee, WI	(a)	474	2,723	12
N25 W23255 Paul Road	Waukesha County, WI	(a)	571	3,270	1
N27 W23293 Roundy Drive	Waukesha County, WI	(a)	412	2,837	1
6523 N. Sydney Place	Milwaukee, WI		172	976	140
8800 W Bradley	Milwaukee, WI		375	2,125	130
1435 North 113th St	Wauwatosa, WI		300	1,699	79
Minneapolis					
2700 Freeway Boulevard	Brooklyn Center, MN	(b)	392	2,318	397
6403-6545 Cecilia Circle	Brooklyn Center, MN	(b)	723	2,683	765
1275 Corporate Center Dri	Eagan, MN	(a)	80	357	38
1279 Corporate Center Dri	Eagan, MN	(a)	105	357	86
2815 Eagandale Boulevard	Eagan, MN	(a)	80	357	95
6201 West 111th Street	Bloomington, MN	(a)	1,358	8,622	3,732
6925-6943 Washington Aven	Edina, MN	(a)	117	504	534
6955-6973 Washington Aven	Edina, MN	(a)	117	486	382
7251-7279 Washington Aven	Edina, MN	(a)	129	382	406
7301-7329 Washington Aven	Edina, MN	(a)	174	391	466
7101 Winnetka Avenue Nort	Brooklyn Park, MN	(a)	2,195	6,084	2,135
7600 Golden Triangle Driv	Eden Prairie, MN	(a)	566	1,394	1,170
7830-7890 12th Avenue Sou	Eden Prairie, MN	(a)	723	2,588	321
7900 Main Street Northeas	Fridley, MN	(a)	480	1,604	278

Building/Address	Location (City/State)	Gross Annual Carried At Close of Period 12/31/96 Land	Buildings and Improvements	Total	Accumulated Depreciation 12/31/96	Year Built/ Renovated	Depreciable Lives (Years)
Indianapolis							
2900 N Shadeland Avenue	Indianpolis, IN	2,493	14,730	17,223	309	1957/1992	(k)
1445 Brookville Way	Indianpolis, IN	475	2,829	3,304	61	1989	(k)
1440 Brookville Way	Indianpolis, IN	684	3,970	4,654	81	1990	(k)
1240 Brookville Way	Indianpolis, IN	258	1,519	1,777	32	1990	(k)
1220 Brookville Way	Indianpolis, IN	226	67	29	1	1990	(k)
1345 Brookville Way	Indianpolis, IN	601	3,545	4,146	74	1992	(k)
1350 Brookville Way	Indianpolis, IN	211	1,232	1,443	25	1994	(k)
1315 Sadlier Circle E Dr	Indianpolis, IN	61	357	41	7	1970/1992	(k)
1341 Sadlier Circle E Dr	Indianpolis, IN	136	788	92	16	1971/1992	(k)
1322-1438 Sadlier Circle	Indianpolis, IN	152	890	1,042	18	1971/1992	(k)
1327-1441 Sadlier Circle	Indianpolis, IN	225	1,315	1,540	28	1992	(k)
1304 Sadlier Circle E Dr	Indianpolis, IN	75	447	52	9	1971/1992	(k)
1402 Sadlier Circle E Dr	Indianpolis, IN	170	995	1,165	20	1970/1992	(k)
1504 Sadlier Circle E Dr	Indianpolis, IN	225	1,302	1,527	27	1971/1992	(k)
1311 Sadlier Circle E Dr	Indianpolis, IN	57	361	41	8	1971/1992	(k)
1365 Sadlier Circle E Dr	Indianpolis, IN	126	732	85	15	1971/1992	(k)

1352-1354 Sadlier Circle	Indianpolis, IN	188	1,088	1,276	22	1970/1992	(k)
1338 Sadlier Circle E Dr	Indianpolis, IN	85	504	58	10	1971/1992	(k)
1327 Sadlier Circle E Dr	Indianpolis, IN	56	322	37	7	1971/1992	(k)
1428 Sadlier Circle E Dr	Indianpolis, IN	23	138	16	3	1971/1992	(k)
1230 Brookville Way	Indianpolis, IN	109	620	72	13	1995	(k)
6951 E 30th St	Indianpolis, IN	265	1,531	1,796	32	1995	(k)
6701 E 30th St	Indianpolis, IN	82	479	56	10	1992	(k)
6737 E 30th St	Indianpolis, IN	398	2,290	2,688	47	1995	(k)
6555 E 30th St	Indianpolis, IN	855	4,874	5,729	71	1969/1981	(k)
2432-2436 Shadeland	Indianpolis, IN	229	1,349	1,578	16	1968	(k)
8402-8440 E 33rd St	Indianpolis, IN	227	1,290	1,517	8	1977	(k)
8520-8630 E 33rd St	Indianpolis, IN	333	1,891	2,224	12	1976	(k)
8710-8768 E 33rd St	Indianpolis, IN	184	1,014	1,198	7	1979	(k)
3316-3346 N. Pagosa Court	Indianpolis, IN	332	1,885	2,217	12	1977	(k)
3331 Raton Court	Indianpolis, IN	141	821	96	5	1979	(k)
Vacant Land	Indianpolis, IN	62	129	19	0	(m)	
Milwaukee							
N25 W23050 Paul Road	Pewaukee, WI	474	2,735		171	1989	(k)
N25 W23255 Paul Road	Waukesha County, WI	571	3,271	3,842	204	1987	(k)
N27 W23293 Roundy Drive	Waukesha County, WI	412	2,838	3,250	176	1989	(k)
6523 N. Sydney Place	Milwaukee, WI	176	1,112	1,288	29	1978	(k)
8800 W Bradley	Milwaukee, WI	388	2,242	2,630	32	1982	(k)
1435 North 113th St	Wauwatosa, WI	309	1,769	2,078	11	1993	(k)
Minneapolis							
2700 Freeway Boulevard	Brooklyn Center, MN	415	2,692		213	1981	(k)
6403-6545 Cecilia Circle	Brooklyn Center, MN	781	3,390	4,171	1,198	1980	(k)
1275 Corporate Center Dri	Eagan, MN	93	382	47	117	1990	(k)
1279 Corporate Center Dri	Eagan, MN	109	439	54	138	1990	(k)
2815 Eagandale Boulevard	Eagan, MN	97	435	53	126	1990	(k)
6201 West 111th Street	Bloomington, MN	1,499	12,213	13,712	1,306	1987	(k)
6925-6943 Washington Aven	Edina, MN	237	918	1,155	419	1972	(k)
6955-6973 Washington Aven	Edina, MN	191	794	98	358	1972	(k)
7251-7279 Washington Aven	Edina, MN	182	735	91	336	1972	(k)
7301-7329 Washington Aven	Edina, MN	193	838	1,031	374	1972	(k)
7101 Winnetka Avenue Nort	Brooklyn Park, MN	2,228	8,186	10,414	2,875	1990	(k)
7600 Golden Triangle Driv	Eden Prairie, MN	615	2,515	3,130	845	1989	(k)
7830-7890 12th Avenue Sou	Eden Prairie, MN	739	2,893	3,632	1,158	1978	(k)
7900 Main Street Northeas	Fridley, MN	497	1,865	2,362	841	1973	(k)

Building Address	Location (City/State)	(i) Encumbra	Initial Cost Land	Initial Cost Buildings	Costs Capitalized Subsequent to Acquisition or Completion
7901 Beech Street Northeast	Fridley, MN	(a)	$ 405	$1,554	$ 275
9901 West 74th Street	Eden Prairie, MN	(a)	621	3,289	1,957
10175-10205 Crosstown Circle	Eden Prairie, MN	(a)	132	686	51
11201 Hampshire Avenue South	Bloomington, MN	(a)	495	1,035	848
12220-12274 Nicollet Avenue(g)	Burnsville, MN	(a)	555	2,249	219
305 2nd Street Northwest	Minneapolis, MN	(a)	460	2,744	41
953 Westgate Drive	Minneapolis, MN	(a)	193	1,178	0
980 Lone Oak Road	Minneapolis, MN	(a)	683	4,103	46
990 Lone Oak Road	Minneapolis, MN	(a)	883	5,575	50
1030 Lone Oak Road	Minneapolis, MN	(a)	456	2,703	44
1060 Lone Oak Road	Minneapolis, MN	(a)	624	3,700	135
5400 Nathan Lane	Minneapolis, MN	(a)	749	4,461	25
6464 Sycamore Court	Minneapolis, MN	(a)	457	2,730	0
6701 Parkway Circle	Brooklyn Center, MN		350	2,131	343
6601 Shingle Creek Parkway	Brooklyn Center, MN		411	2,813	484
10120 W 76th Street	Eden Prairie, MN		315	1,804	85
7615 Golden Triangle	Eden Prairie, MN		268	1,532	255
7625 Golden Triangle	Eden Prairie, MN		415	2,375	133
2605 Fernbrook Lane North	Plymouth, MN		443	2,533	263
12155 Nicollet Ave.	Burnsville, MN		286	0	1,673
6655 Wedgewood Road	Maple Grove, MN		1,775	8,410	79
900 Apollo Road	Eagan, MN		1,029	5,855	194
7316 Aspen Lane North	Brooklyn, MN		368	2,156	145
6707 Shingle Creek Parkway	Brooklyn Center, MN		376	2,101	360
73rd Avenue North	Brooklyn Park, MN		504	2,856	73
1905 W Country Road C	Roseville, MN		402	2,278	64
2730 Arthur Street	Roseville, MN		824	4,671	76
10205 51st Avenue North	Plymouth, MN		180	1,020	68
4100 Peavey Road	Chaska, MN		399	2,261	124
11300 Hamshire Ave South	Bloomington, MN		527	2,985	125
375 Rivertown Drive	Woodbury, MN		1,083	6,135	266
5205 Highway 169	Plymouth, MN		446	2,525	331
6451-6595 Citywest Parkway	Eden Prairie, MN		525	2,975	110
7100-7198 Shady Oak Rd (g)	Eden Prairie, MN		1,118	6,333	146
7500-7546 Washington Square	Eden Prairie, MN		229	1,300	28
7550-7588 Washington Square	Eden Prairie, MN		153	867	19
5240-5300 Valley Industrial Blvd S	Eden Prairie, MN		362	2,049	73
Nashville					
1621 Heil Quaker Boulevard	Nashville, TN	(b)	413	2,348	166
220-240 Great Circle Drive	Nashville, TN	(a)	978	6,350	1,599
417 Harding Industrial Drive	Nashville, TN	(a)	1,006	6,586	880
501-521 Harding Industrial Drive(f)	Nashville, TN	(a)	645	3,382	1,092
3099 Barry Drive	Portland, TN		418	2,368	49
3150 Barry Drive	Portland, TN		941	5,333	326
5599 Highway 31 West	Portland, TN		564	3,196	62
St. Louis					
8921-8957 Frost Avenue	Hazelwood, MO	(b)	431	2,479	10
9043-9083 Frost Avenue	Hazelwood, MO	(b)	319	1,838	27
2121 Chapin Industrial Drive	Vinita Park, MO	(a)	606	4,384	1,372
1200 Andes Boulevard	St. Louis, MO	(a)	246	1,412	82
1248 Andes Boulevard	St. Louis, MO	(a)	194	1,120	50
1208-1226 Ambassador Boulevard	St. Louis, MO	(a)	235	1,351	1
1250 Ambassador Boulevard	St. Louis, MO	(a)	119	694	2
1503-1525 Fairview Industrial	St. Louis, MO	(a)	112	658	29

Building Address	Gross Amount Carried At Close of Period 12/31/96 Land	Building and Improvements	Total	Accumulated Depreciation 12/31/96	Year Built/ Renovated	Depreciable Live (Years)
7901 Beech Street Northeast	$ 428	$1,806	$2,234	$ 684	1975	(k)
9901 West 74th Street	639	5,228	5,867	659	1983/88	(k)
10175-10205 Crosstown Circle	174	695	869	251	1980	(k)
11201 Hampshire Avenue South	501	1,877	2,378	672	1986	(k)
12220-12274 Nicollet Avenue(g)	605	2,418	3,023	803	1989/90	(k)
305 2nd Street Northwest	460	2,785	3,245	185	1991	(k)
953 Westgate Drive	193	1,178	1,371	75	1991	(k)
980 Lone Oak Road	683	4,103	4,832	290	1992	(k)
990 Lone Oak Road	883	5,575	6,508	504	1989	(k)
1030 Lone Oak Road	456	2,703	3,203	185	1988	(k)
1060 Lone Oak Road	624	3,835	4,459	274	1988	(k)
5400 Nathan Lane	749	4,486	5,235	285	1990	(k)
6464 Sycamore Court	457	2,730	3,187	171	1990	(k)
6701 Parkway Circle	377	2,447	2,824	178	1987	(k)
6601 Shingle Creek Parkway	502	3,206	3,708	243	1985	(k)
10120 W 76th Street	315	1,804	2,204	87	1987	(k)
7615 Golden Triangle	268	1,787	2,055	123	1987	(k)
7625 Golden Triangle	415	2,508	2,923	150	1987	(k)
2605 Fernbrook Lane North	445	2,794	3,239	168	1987	(k)

12155 Nicollet Ave.	287	1,672	1,959	48	1995	(k)
6655 Wedgewood Road	1,778	8,486	10,264	493	1989	(k)
900 Apollo Road	1,030	6,048	7,078	276	1970	(k)
7316 Aspen Lane North	377	2,292	2,669	100	1978	(k)
6707 Shingle Creek Parkway	379	2,458	2,837	200	1986	(k)
73rd Avenue North	512	2,921	3,433	54	1995	(k)
1905 W Country Road C	409	2,335	2,744	44	1993	(k)
2730 Arthur Street	832	4,739	5,571	89	1995	(k)
10205 51st Avenue North	187	1,081	1,268	20	1990	(k)
4100 Peavey Road	415	2,369	2,784	34	1988	(k)
11300 Hamshire Ave South	541	3,096	3,637	38	1983	(k)
375 Rivertown Drive	1,119	6,365	7,484	53	1996	(k)
5205 Highway 169	473	2,829	3,302	26	1960	(k)
6451-6595 Citywest Parkway	538	3,072	3,610	25	1984	(k)
7100-7198 Shady Oak Rd (g)	1,135	6,462	7,597	40	1982	(k)
7500-7546 Washington Square	233	1,324	1,557	3	1975	(k)
7550-7588 Washington Square	156	883	1,039	2	1973	(k)
5240-5300 Valley Industrial Blvd S	370	2,114	2,484	4	1975	(k)
Nashville						
- ---------						
1621 Heil Quaker Boulevard	429	2,498	2,927	116	1975	(k)
220-240 Great Circle Drive(g)	978	7,949	8,927	3,356	1979/1982	(k)
417 Harding Industrial Drive	1,116	7,356	8,472	630	1972	(k)
501-521 Harding Industrial Drive(f)	699	4,420	5,119	302	1975	(k)
3099 Barry Drive	424	2,411	2,835	15	1995	(k)
3150 Barry Drive	987	5,613	6,600	35	1993	(k)
5599 Highway 31 West	571	3,251	3,822	20	1995	(k)
St. Louis						
- ---------						
8921-8957 Frost Avenue	431	2,489	2,920	155	1971	(k)
9043-9083 Frost Avenue	319	1,865	2,184	116	1970	(k)
2121 Chapin Industrial Drive	614	5,748	6,362	2,854	1969/87	(k)
1200 Andes Boulevard	319	1,421	1,740	88	1967	(k)
1248 Andes Boulevard	194	1,170	1,364	82	1967	(k)
1208-1226 Ambassador Boulevard	235	1,352	1,587	84	1966	(k)
1250 Ambassador Boulevard	119	696	815	43	1967	(k)
1503-1525 Fairview Industrial	112	687	799	49	1967	(k)

Building Address	Location (City/State)	(i) Encumbra	Initial Cost Land	Initial Cost Buildings	Costs Capitalized Subsequent to Acquisition or Completion	Land
2441-2445 Northline Indus	St. Louis, MO	(a)	$ 72	$ 478	$ 2	$ 72
2462-2470 Schuetz Road	St. Louis, MO	(a)	174	1,004	0	174
10431-10449 Midwest Indus	St. Louis, MO	(a)	237	1,360	166	237
10751 Midwest Industrial	St. Louis, MO	(a)	193	1,119	12	193
11632-11644 Fairgrove Ind	St. Louis, MO	(a)	109	637	17	109
11652-11666 Fairgrove Ind	St. Louis, MO	(a)	103	599	89	103
11674-11688 Fairgrove Ind	St. Louis, MO	(a)	118	689	27	118
2337 Centerline Drive	St. Louis, MO	(d)	239	1,370	110	239
6951 N Hanley (f)	Hazelwood, MO		405	2,295	93	417
Other						
2800 Airport Road (h)	Denton, TX	(a)	369	1,935	1,773	490
3501 Maple Street	Aailene, TX	(a)	67	1,057	1,048	260
4200 West Harry Street (g	Wichita, KS	(a)	193	2,224	1,967	528
Industrial Park No. 2	West Lebanon, NH	(a)	723	5,208	491	776
		$396,482	$144,683	$763,000	$143,096	$153,390

Building Address	Gross Amount Carried At Close of Period 12/31/96 Building and Improvements	Total	Accumulated Depreciation 12/31/96	Year Built/ Renovated	Depreciable Lives (Years)
2441-2445 Northline Indus	480	55	61	1967	(k)
2462-2470 Schuetz Road	1,004	1,178	63	1965	(k)
10431-10449 Midwest Indus	1,526	1,763	94	1967	(k)
10751 Midwest Industrial	1,131	1,324	71	1965	(k)
11632-11644 Fairgrove Ind	654	76	44	1967	(k)
11652-11666 Fairgrove Ind	688	79	56	1966	(k)
11674-11688 Fairgrove Ind	716	83	50	1967	(k)
2337 Centerline Drive	1,480	1,719	88	1967	(k)
6951 N Hanley (f)	2,376	2,793	5	1965	(k)
Other					
2800 Airport Road (h)	3,587	4,077	955	1965	(k)
3501 Maple Street	1,912	2,172	507	1980	(k)
4200 West Harry Street (g	3,856	4,384	1,028	1968	(k)
Industrial Park No. 2	5,646	6,422	1,504	1968	(k)
	$897,389	$1,050,779	$91,457		

NOTES:

(a) Collateralizes the 1994 Mortgage Loans Payable.

(b) Collateralizes the 1995 Mortgage Loans Payable.

(c) Collateralizes the CIGNA Loan.

(d) Collateralizes the Aegon Loan.

(e) Collateralizes the Harrisburg Mortgage Loan.

(f) Comprised of 2 properties.

(g) Comprised of 3 properties.

(h) Comprised of 5 properties.

(i) See description of encumbrances in Note 4 to Notes to Consolidated and Combined Financial statements.

(j) Initial cost for each respective property is total acquisition costs associated with its purchase.

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

Buildings, Improvements	31.5 to 40 years
Tenant Improvements, Leasehold Improvements	Life of lease
Furniture, Fixtures and equipment	5 to 10 years

(l) At December 31, 1995, the aggregate cost of land and buildings and equipment for federal income tax purpose was approximately $ 1,020 million.

(m) These properties represent developments that haven't been placed in service.

FIRST INDUSTRIAL REALTY TRUST, INC.
SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION (CONTINUED)
AS OF DECEMBER 31, 1996
(DOLLARS IN THOUSANDS)

The changes in total real estate assets for the three years ended December 31, 1996 are as follows:

	1996	1995	1994
Balance, Beginning of Year	$ 757,516	$669,608	$209,177
Transfer of Assets Between Contributing Businesses	---	---	4,893
Acquisition, Construction Costs and Improvements	305,153	87,908	455,538
Disposition of Assets	(11,890)	---	---
Balance, End of Year	$1,050,779	$757,516	$669,608

The changes in accumulated depreciation for the three years ended December 31, 1996 are as follows:

	1996	1995	1994
Balance, Beginning of Year	$ 68,749	$ 49,314	$ 38,015
Transfer of Assets Between Contributing Businesses	---	---	(2,075)
Depreciation for Year	24,542	19,435	13,374
Disposition of Assets	(1,834)	---	---
Balance, End of Year	$ 91,457	$ 68,749	$ 49,314

EXHIBIT 4.9

UNSECURED REVOLVING CREDIT AGREEMENT

DATED AS OF DECEMBER 16, 1996

AMONG

FIRST INDUSTRIAL, L.P., AS BORROWER

FIRST INDUSTRIAL REALTY TRUST, INC., AS GENERAL PARTNER

AND

THE FIRST NATIONAL BANK OF CHICAGO

AND

UNION BANK OF SWITZERLAND, NEW YORK BRANCH,

AS LENDERS

AND

UNION BANK OF SWITZERLAND, NEW YORK BRANCH,

AS DOCUMENTATION AGENT

AND

THE FIRST NATIONAL BANK OF CHICAGO,

AS ADMINISTRATIVE AGENT

TABLE OF CONTENTS

TABLE OF CONTENTS
(CONTINUED)

TABLE OF CONTENTS
(CONTINUED)

TABLE OF CONTENTS
(CONTINUED)

TABLE OF CONTENTS
(CONTINUED)

TABLE OF CONTENTS
(CONTINUED)

TABLE OF CONTENTS
(CONTINUED)

PAGE

SCHEDULES

UNSECURED REVOLVING CREDIT AGREEMENT

THIS UNSECURED REVOLVING CREDIT AGREEMENT is entered into as of December 16, 1996, by and among the following:

FIRST INDUSTRIAL, L.P., a Delaware limited partnership having its principal place of business at 150 North Wacker Drive, Suite 150, Chicago, Illinois 60606 ("Borrower"), the sole general partner of which is First Industrial Realty Trust, Inc., a Maryland corporation;

FIRST INDUSTRIAL REALTY TRUST, INC., a Maryland corporation that is qualified as a real estate investment trust whose principal place of business is 150 North Wacker Drive, Suite 150, Chicago, Illinois 60606 ("General Partner");

THE FIRST NATIONAL BANK OF CHICAGO ("First Chicago"), a national bank organized under the laws of the United States of America having an office at One First National Plaza, Chicago, Illinois 60670;

UNION BANK OF SWITZERLAND, NEW YORK BRANCH ("UBS"), the New York Branch of a Swiss banking corporation, having an office at 299 Park Avenue, New York, New York 10171;

UBS, as Documentation Agent ("Documentation Agent");

First Chicago, as Administrative Agent ("Administrative Agent") for the Lenders (as defined below).

RECITALS

A. Borrower is primarily engaged in the business of acquiring, developing, owning and operating bulk warehouse and light industrial properties.

B. The Borrower has requested that the Lenders make loans available to the Borrower in the maximum aggregate principal amount of $200,000,000 outstanding from time to time pursuant to the terms of this Agreement (the "Facility"), and that the Administrative Agent act as administrative agent for the Lenders and that the Documentation Agent act as documentation agent for the Lenders. The Administrative Agent, the Documentation Agent and the Lenders have agreed to do so.

C. General Partner is fully liable for the obligations of Borrower hereunder by virtue of its status as the sole general partner of Borrower.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

1.1 Definitions. As used in this Agreement, the following terms have the meanings set forth below:

"Absolute Interest Period" means, with respect to a Competitive Bid Loan made at an Absolute Rate, a period of up to 180 days as requested by Borrower in a Competitive Bid Quote Request and confirmed by a Lender in a Competitive Bid Quote but in no event extending beyond the Maturity Date. If an Absolute Interest Period would end on a day which is not a Business Day, such Absolute Interest Period shall end on the next succeeding Business Day.

"Absolute Rate" means a fixed rate of interest (rounded to the nearest 1/100 of 1%) for an Absolute Interest Period with respect to a Competitive Bid Loan offered by a Lender and accepted by the Borrower at such rate under Section 2.17.

"Adjusted Corporate Base Rate" means a floating interest rate equal to the Corporate Base Rate plus CBR Applicable Margin changing when and as the Corporate Base Rate and CBR Applicable Margin changes.

"Adjusted Corporate Base Rate Advance" means an Advance that bears interest at the Adjusted Corporate Base Rate.

"Adjusted EBITDA" means the sum of EBITDA and reported corporate overhead for Borrower and its Subsidiaries; provided that "Adjusted EBITDA" shall not include overhead related to specific properties.

"Adjusted LIBOR Rate" means, with respect to a LIBOR Advance for the relevant LIBOR Interest Period, the sum of (i) the quotient of (a) the Base LIBOR Rate applicable to such LIBOR Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such LIBOR Interest Period, plus, in the case of ratable LIBOR Advances, the LIBOR Applicable Margin in effect from time to time during such LIBOR Interest Period, or in the case of LIBOR Advances made as Competitive Bid Loans, the Competitive LIBOR Margin established in the Competitive Bid Quote applicable to such Competitive Bid Loan.

"Administrative Agent" means First Chicago, acting as agent for the Lenders in connection with the transactions contemplated by this Agreement, and its successors in such capacity.

"Advance" means a Loan to the Borrower hereunder by one or more of the Lenders pursuant to Section 2.1(a) hereof (including Swingline Loans and Competitive Bid Loans), including the initial Advance and all subsequent Advances, whether such Advances are from time to time, Adjusted Corporate Base Rate Advances, LIBOR Advances, Swingline Loans or Competitive Bid Loans.

"Affiliate" means any Person directly or indirectly controlling, controlled by or under direct or indirect common control with any other Person. A Person shall be deemed to control another Person if the controlling Person owns ten percent (10%) or more of any class of voting securities of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise.

"Aggregate Commitment" means, as of any date, the sum of all of the Lenders' then-current Commitments, which initially shall be $200,000,000, subject to Borrower's right to reduce the Aggregate Commitment pursuant to Section 2.18 and which shall otherwise only be increased with the consent of all Lenders.

"Agreement" means this Unsecured Revolving Credit Agreement and all amendments, modifications and supplements hereto.

"Agreement Execution Date" shall mean December 16, 1996, the date on which all of the parties hereto have executed this Agreement.

"Allocated Facility Amount" means, at any time, the sum of all then outstanding Advances (including all Swingline Loans and Competitive Bid Loans), and the then Facility Letter of Credit Obligations.

"Applicable Margin" means the applicable margins set forth in the table in Section 2.6 used in calculating the interest rate applicable to the various types of Advances, which shall vary from time to time in accordance with the long term, senior unsecured debt ratings of Borrower and General Partner in the manner set forth in Section 2.6.

"Arranger" means First Chicago Capital Markets, Inc. and UBS, collectively.

"Base LIBOR Rate" means, with respect to a LIBOR Advance for the relevant LIBOR Interest Period, the rate determined by the Administrative Agent to be the rate at which deposits in immediately available funds in Dollars are offered by the Administrative Agent to first-class banks in the London interbank eurodollar market at approximately 11:00 a.m. London time two Business Days prior to the first day of such LIBOR Interest Period, in the approximate amount of the relevant LIBOR Advance and having a maturity approximately equal to such LIBOR Interest Period.

"Borrower" means First Industrial, L.P., along with its permitted successors and assigns.

"Borrowing Date" means a Business Day on which an Advance is made to the Borrower.

"Borrowing Notice" is defined in Section 2.11(a) hereof.

"Business Day" means a day, other than a Saturday, Sunday or holiday, on which banks are open for business in Chicago, Illinois and, where such term is used in reference to the selection or determination of the Adjusted LIBOR Rate, in London, England.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person which is not a corporation and any and all warrants or options to purchase any of the foregoing.

"Cash Equivalents" shall mean (i) short-term obligations of, or fully guaranteed by, the United States of America, (ii) commercial paper rated A-1 or better by Standard and Poor's Corporation or P-1 or better by Moody's Investors Service, Inc., or (iii) certificates of deposit issued by and time deposits with commercial banks (whether domestic or foreign) having capital and surplus in excess of $100,000,000.

"CBR Applicable Margin" means, as of any date with respect to any Adjusted Corporate Base Rate Advance, the Applicable Margin in effect for such Adjusted Corporate Base Rate Advance as determined in accordance with Section 2.6 hereof.

"Code" means the Internal Revenue Code of 1986 as amended from time to time, or any replacement or successor statute, and the regulations promulgated thereunder from time to time.

"Collateral Letter of Credit" means any irrevocable unconditional Letter of Credit issued in the name of the Administrative Agent for the benefit of the Lenders in form and substance satisfactory to the Administrative Agent and drawn on a bank having a rating of at least AA by S&P and otherwise satisfactory to the Administrative Agent.

"Commitment" means the obligation of each Lender, subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties herein, to make Advances not exceeding in the aggregate the amount set forth opposite its signature below, or the amount stated in any subsequent amendment hereto.

"Competitive Bid Borrowing Notice" is defined in Section 2.17(f).

"Competitive Bid Lender" means a Lender which has a Competitive Bid Loan outstanding.

"Competitive Bid Loan" is a Loan made pursuant to Section 2.17 hereof.

"Competitive Bid Note" means the promissory note payable to the order of each Lender in the form attached hereto as Exhibit B-2 to be used to evidence any Competitive Bid Loans which such Lender elects to make (collectively, the "Competitive Bid Notes").

"Competitive Bid Quote" means a response submitted by a Lender to the Administrative Agent with respect to a Competitive Bid Quote Request in the form attached as Exhibit C-3.

"Competitive Bid Quote Request" means a written request from Borrower to Administrative Agent in the form attached as Exhibit C-1.

"Competitive LIBOR Margin" means, with respect to any Competitive Bid Loan for a LIBOR Interest Period, the percentage established in the applicable Competitive Bid Quote which is to be used to determine the interest rate applicable to such Competitive Bid Loan.

"Consolidated Operating Partnership" means the Borrower, the General Partner and any other subsidiary partnerships or entities of either of them which are required under GAAP to be consolidated with the Borrower and the General Partner for financial reporting purposes.

"Consolidated Secured Debt" means as of any date of determination, the sum of (a) the aggregate principal amount of all Indebtedness of the Borrower and its Subsidiaries outstanding at such date which is secured by a Lien on any asset or Capital Stock of Borrower or any Subsidiary, including without limitation loans secured by mortgages, stock, or partnership interests, but excluding Defeased REMIC Debt, and (b) the amount by which the aggregate principal amount of all Indebtedness of the Subsidiaries outstanding at such date exceeds $5,000,000, without duplication of any Indebtedness included under clause (a).

"Consolidated Senior Unsecured Debt" means as of any date of determination, the aggregate principal amount of all Indebtedness of the Borrower and its Subsidiaries outstanding at such date other than (a) Indebtedness which is contractually subordinated to the Indebtedness of the Borrower and its Subsidiaries under the Loan Documents on terms acceptable to the Administrative Agent and (b) that portion of Consolidated Secured Debt described in clause (a) of that definition.

"Consolidated Total Indebtedness" means as of any date of determination, all Indebtedness of the Borrower and its Subsidiaries outstanding at such date, determined on a consolidated basis in accordance with GAAP, after eliminating intercompany items; provided that for purposes of defining "Consolidated Total Indebtedness" the term "Indebtedness" shall

not include the short term debt (e.g. accounts payable, short term expenses) of Borrower or General Partner or Defeased REMIC Debt.

"Controlled Group" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with all or any of the entities in the Consolidated Operating Partnership, are treated as a single employer under Sections 414(b) or 414(c) of the Code.

"Corporate Base Rate" means a rate per annum equal to the corporate base rate of interest announced by First Chicago from time to time, changing when and as such corporate base rate changes.

"Debt Service" means for any period, (a) Interest Expense for such period plus (b) the aggregate amount of regularly scheduled principal payments of Indebtedness (excluding optional prepayments and balloon principal payments due on maturity in respect of any Indebtedness) required to be made during such period by the Borrower, or any of its consolidated Subsidiaries plus (c) a percentage of all such regularly scheduled principal payments required to be made during such period by any Investment Affiliate on Indebtedness (excluding optional prepayments and balloon principal payments due on maturity in respect of any Indebtedness) taken into account in calculating Interest Expense, equal to the greater of (x) the percentage of the principal amount of such Indebtedness for which the Borrower or any consolidated Subsidiary is liable and (y) the percentage ownership interest in such Investment Affiliate held by the Borrower and any consolidated Subsidiaries, in the aggregate, without duplication plus (d) Senior Preferred Stock Expense for such period.

"Default" means an event which, with notice or lapse of time or both, would become an Event of Default.

"Default Rate" means with respect to any Advance, a rate equal to the interest rate applicable to such Advance plus three percent (3%) per annum.

"Defaulting Lender" means any Lender which fails or refuses to perform its obligations under this Agreement within the time period specified for performance of such obligation, or, if no time frame is specified, if such failure or refusal continues for a period of five Business Days after written notice from the Administrative Agent; provided that if such Lender cures such failure or refusal, such Lender shall cease to be a Defaulting Lender.

"Defeased REMIC Debt" means the REMIC Loan, if Borrower elects to fully defease the REMIC Loan and obtain the release of the Projects presently securing the REMIC Loan by delivering substitute collateral in the form of obligations supported by the credit of the United States government in such amounts as are required and permitted under the terms of the REMIC Loan.

"Dollars" and "$" mean United States Dollars.

"Duff & Phelps" means Duff & Phelps Credit Rating Company.

"EBITDA" means income before extraordinary items and after adjustment for any gains or losses from sales of assets (reduced to eliminate any income from Investment Affiliates and any income from the assets used for Defeased REMIC Debt), as reported by the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP, plus Interest Expense, depreciation, amortization and income tax (if any) expense plus a percentage of such income (adjusted as described above) of any Investment Affiliate equal to the allocable economic interest in such Investment Affiliate held by the Borrower and any Subsidiaries, in the aggregate (provided that no item of income or expense shall be included more than once in such calculation even if it falls within more than one of the foregoing categories).

"Effective Date" means each Borrowing Date and, if no Borrowing Date has occurred in the preceding calendar month, the first Business Day of each calendar month.

"Environmental Laws" means any and all Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority having jurisdiction over the Borrower, its Subsidiaries or Investment Affiliates, or their respective assets, and regulating or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect, in each case to the extent the foregoing are applicable to the operations of the Borrower, any Investment Affiliate, or any Subsidiary or any of their respective assets or Properties.

"Equity Value" is defined in Section 10.10 hereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and regulations promulgated thereunder from time to time.

"Event of Default" means any event set forth in Article X hereof.

"Extension Notice" is defined in Section 2.2 hereof.

"Facility" means the unsecured revolving credit facility described in Section 2.1.

"Facility Fee" and "Facility Fee Rate" are defined in Section 2.8(b).

"Facility Letter of Credit" means a Financial Letter of Credit or Performance Letter of Credit issued hereunder.

"Facility Letter of Credit Fee" is defined in Section 3.8.

"Facility Letter of Credit Obligations" means, as at the time of determination thereof, all liabilities, whether actual or contingent, of the Borrower with respect to Facility Letters of Credit, including the sum of (a) the Reimbursement Obligations and (b) the aggregate undrawn face amount of the then outstanding Facility Letters of Credit.

"Federal Funds Effective Rate" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10 a.m. (Chicago time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"FIMC" means First Industrial Mortgage Corporation, a Delaware corporation, and the sole general partner of the Mortgage Partnership. FIMC is a wholly-owned subsidiary of the General Partner.

"Financial Letter of Credit" means any standby Letter of Credit which represents an irrevocable obligation to the beneficiary on the part of the Issuing Bank (i) to repay money borrowed by or advanced to or for the account of the account party or (ii) to make any payment on account of any indebtedness undertaken by the account party, in the event the account party fails to fulfill its obligation to the beneficiary.

"Financing Partnership" means First Industrial Financing Partnership, L.P., a Delaware limited partnership. Borrower and General Partner, either directly or indirectly, collectively own 100% of the partnership interests of the Financing Partnership.

"First Chicago" means The First National Bank of Chicago.

"FISC" means First Industrial Securities Corporation, a Delaware corporation, and the sole general partner of the Guaranteeing Partnership. FISC is a wholly-owned subsidiary of the General Partner.

"Fitch" means Fitch Investors Service, L.P.

"Funded Percentage" means, with respect to any Lender at any time, a percentage equal to a fraction the numerator of which is the amount of the Aggregate Commitment actually disbursed and outstanding to Borrower by such Lender at such time, and the denominator of which is the total amount of the Aggregate Commitment disbursed and outstanding to Borrower by all of the Lenders at such time.

"Funding Lender" is defined in Section 2.3.

"Funds From Operations" shall mean GAAP net income of the Consolidated Operating Partnership, as adjusted by (i) excluding gains and losses from property sales, debt restructurings and property write-downs and adjusted for the non-cash effect of straight-lining of rents, (ii) straight-lining various ordinary operating expenses which are payable less frequently than monthly (e.g., real estate taxes) and (iii) adding back depreciation, amortization and all non-cash items. Annualized Funds From Operations for any Person will be calculated by annualizing actual Funds From Operations for the most recently ended fiscal quarter. In calculating Funds From Operations, no deduction shall be made from net income for closing costs and other one-time charges associated with the formation and capitalization of such Person.

"GAAP" means generally accepted accounting principles in the United States of America consistent with those utilized in preparing the audited financial statements of the Borrower required hereunder.

"General Partner" means First Industrial Realty Trust, Inc., a Maryland corporation that is listed on the New York Stock Exchange and is qualified as a real estate investment trust. General Partner is the sole general partner of Borrower.

"Gross Revenues" means total revenues, calculated in accordance with GAAP.

"Guarantee Obligation" means as to any Person (the "guaranteeing person"), any obligation (determined without duplication) of the guaranteeing person (or any other Person [including, without limitation, any bank under any letter of credit] if the guaranteeing person has issued a reimbursement, counter indemnity or similar obligation in favor of such other Person) guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the maximum stated amount of the primary obligation relating to such Guarantee Obligation (or, if less, the maximum stated liability set forth in the instrument embodying such Guarantee Obligation), provided, that in the absence of any such stated amount or stated liability, the amount of such Guarantee Obligation shall be such guaranteeing person's maximum

reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Guaranteeing Partnership" means First Industrial Securities L.P., a Delaware limited partnership. FISC is the sole general partner of the Guaranteeing Partnership and Borrower is the sole limited partner.

"Guaranty" means the Guaranty executed by the General Partner in the form attached hereto as Exhibit D.

"Implied Capitalization Value" means for any Person for any quarter, the sum of (i) the quotient of (x) the Adjusted EBITDA for such Person during such quarter (which Adjusted EBITDA shall be annualized as described in the definition of "Funds From Operations", but shall exclude any Adjusted EBITDA attributable to Preleased Assets Under Development), and (y) the then most recent "Average Residual Cap Rate for National Industrial Markets", as published in the Korpacz Real Estate Investor Survey, plus (ii) an amount equal to fifty percent (50%) of the value of all Preleased Assets Under Development, provided that in no event shall the aggregate amount added to Implied Capitalization Value pursuant to this clause (ii) exceed $50,000,000. For purposes of computing the Implied Capitalization Value, (A) Adjusted EBITDA may be increased from quarter to quarter by the amount of net cash flow from new leases of space at the Properties approved by Administrative Agent (where such net cash flow has not then been included in EBITDA) which have a minimum term of one year and (B) Properties which either (i) were acquired during the quarter and/or (ii) were previously assets under development under GAAP but which have been completed during the quarter and have at least some tenants in possession of the respective leased spaces and conducting business operations therein each will be included in the calculation of Implied Capitalization Value using Pro Forma EBITDA for the quarter, so long as a "new acquisition/opening summary" form is submitted to, and approved by, Administrative Agent for each new acquisition or newly-opened Property during such quarter. In no event shall the "Average Residual Cap Rate for Industrial Markets" used to calculate the Implied Capitalization Value be less than 9% or greater than 9.5%.

"Indebtedness" of any Person at any date means without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade liabilities and other accounts payable, and accrued expenses incurred in the ordinary course of business and payable in accordance with customary practices), to the extent such obligations constitute indebtedness for the purposes of GAAP, (c) any other indebtedness of such Person which is evidenced by a note, bond, debenture or similar instrument, (d) all obligations of such Person under financing leases and capital leases, (e) all obligations of such Person in respect of acceptances issued or created for the account of such Person, (f) all Guarantee Obligations of such Person (excluding in any calculation of consolidated indebtedness of the Borrower, Guarantee Obligations of the Borrower in respect of primary obligations of any Subsidiary), (g) all reimbursement obligations of such Person for letters of credit and other contingent

liabilities, (h) all liabilities secured by any Lien (other than Liens for taxes not yet due and payable) on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof, (i) any repurchase obligation or liability of such Person or any of its Subsidiaries with respect to accounts or notes receivable sold by such Person or any of its Subsidiaries, (j) Senior Preferred Stock, and (k) such Person's pro rata share of debt in Investment Affiliates and any loans where such Person is liable as a general partner. The liquidation preference of the Senior Preferred Stock will be considered as Indebtedness and Consolidated Total Indebtedness, provided, however, that the obligations of the General Partner created by the issuance of Senior Preferred Stock and the obligations of the Guaranteeing Partnership created by the execution and delivery of the PS Guaranty shall be deemed to constitute a single, combined liability on a consolidated basis.

"Insolvency" means insolvency as defined in the United States Bankruptcy Code, as amended. "Insolvent" when used with respect to a Person, shall refer to a Person who satisfies the definition of Insolvency.

"Interest Expense" means all interest expense of the Borrower and its Subsidiaries determined in accordance with GAAP plus (i) capitalized interest not covered by an interest reserve from a loan facility, plus (ii) the allocable portion (based on liability) of any accrued or paid interest incurred on any obligation for which the Borrower or any Subsidiary is wholly or partially liable under repayment, interest carry, or performance guarantees, or other relevant liabilities, plus (iii) the allocable percentage of any accrued or paid interest incurred on any Indebtedness of any Investment Affiliate, whether recourse or non-recourse, equal to the applicable economic interest in such Investment Affiliate held by the Borrower and any Subsidiaries, in the aggregate, provided that no expense shall be included more than once in such calculation even if it falls within more than one of the foregoing categories; provided, however, that "Interest Expense" shall not include (i) those costs and fees which have been capitalized and are payable by Borrower and/or the Financing Partnership by reason of the purchase of a $300,000,000 interest rate cap/swap from Union Bank of Switzerland in connection with the REMIC Loan or (ii) dividends paid on Senior Preferred Stock or payments made pursuant to the PS Guaranty or (iii) interest on the REMIC Loan after it becomes Defeased REMIC Debt.

"Interest Period" means either an Absolute Interest Period or a LIBOR Interest Period.

"Investment Affiliate" means any Person in which the Borrower, directly or indirectly, has an ownership interest, whose financial results are not consolidated under GAAP with the financial results of the Borrower on the consolidated financial statements of the Borrower.

"Invitation for Competitive Bid Quotes" means a written notice to the Lenders from the Administrative Agent with respect to a Competitive Bid Quote Request in the form attached as Exhibit C-2 hereto.

"Issuance Date" is defined in Section 3.4(a)(3).

"Issuance Notice" is defined in Section 3.4(c).

"Issuing Bank" means, with respect to each Facility Letter of Credit, the Lender which issues such Facility Letter of Credit. First Chicago shall be the sole Issuing Bank.

"Lenders" means, collectively, First Chicago, UBS and the other Persons executing this Agreement in such capacity, or any Person which subsequently executes and delivers any amendment hereto in such capacity and each of their respective permitted successors and assigns. Where reference is made to "the Lenders" in any Loan Document it shall be read to mean "all of the Lenders".

"Lending Installation" means any U.S. office of any Lender authorized to make loans similar to the Advances described herein.

"Letter of Credit" of a Person means a letter of credit or similar instrument which is issued upon the application of such Person or upon which such Person is an account party or for which such Person is in any way liable.

"Letter of Credit Collateral Account" is defined in Section 3.9.

"Letter of Credit Request" is defined in Section 3.4(a).

"LIBOR Advance" means an Advance that bears interest at the Adjusted LIBOR Rate, whether a ratable Advance based on the LIBOR Applicable Margin or a Competitive Bid Loan based on a Competitive LIBOR Margin.

"LIBOR Applicable Margin" means, as of any date with respect to any LIBOR Advance, the Applicable Margin in effect for such LIBOR Advance as determined in accordance with Section 2.6 hereof.

"LIBOR Interest Period" means, with respect to a LIBOR Advance, a period of one, two, three or six months (to the extent that periods in excess of three months are generally available from the Lenders), as selected in advance by the Borrower.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof, any filing or agreement to file a financing statement as debtor under the Uniform Commercial Code on any property leased to any Person under a lease which is not in the nature of a conditional sale or title retention agreement, or any subordination agreement in favor of another Person).

"Loan" means, with respect to a Lender, such Lender's portion of any Advance.

"Loan Documents" means this Agreement, the Notes, the Guaranty and any and all other agreements or instruments required and/or provided to Lenders hereunder or thereunder, as any of the foregoing may be amended from time to time.

"Majority Lenders" means Lenders in the aggregate having in excess of 50% of the Aggregate Commitment or, if the Aggregate Commitment has been terminated, Lenders in the aggregate holding in excess of 50% of the aggregate unpaid principal amount of the outstanding Advances.

"Margin Stock" has the meaning ascribed to it in Regulation U of the Board of Governors of the Federal Reserve System.

"Market Value Net Worth" means at any time, Implied Capitalization Value at such time minus the Indebtedness of Borrower and its Subsidiaries at such time.

"Material Adverse Effect" means, with respect to any matter, that such matter in the Supermajority Lenders' good faith judgment may (x) materially and adversely affect the business, properties, condition or results of operations of the Consolidated Operating Partnership taken as a whole, or (y) constitute a non-frivolous challenge to the validity or enforceability of any material provision of any Loan Document against any obligor party thereto.

"Material Adverse Financial Change" shall be deemed to have occurred if the Supermajority Lenders, in their good faith judgment, determine that a material adverse financial change has occurred which could prevent timely repayment of any Advance hereunder or materially impair Borrower's ability to perform its obligations under any of the Loan Documents.

"Materials of Environmental Concern" means any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including, without limitation, asbestos, radon, polychlorinated biphenyls and urea-formaldehyde insulation.

"Maturity Date" means April 30, 2000, subject to extension pursuant to the terms and conditions of Section 2.2 hereof or such earlier date on which the principal balance of the Facility and all other sums due in connection with the Facility shall be due as a result of the acceleration of the Facility.

"Monetary Default" means any Default involving Borrower's failure to pay any of the Obligations when due.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Mortgage Partnership" means First Industrial Mortgage L.P., a Delaware limited partnership. FIMC is the sole general partner of the Mortgage Partnership and Borrower is the sole limited partner.

"Note" means the promissory note payable to the order of each Lender in the amount of such Lender's maximum Commitment in the form attached hereto as Exhibit B-1 (collectively, the "Notes").

"Obligations" means the Advances, the Facility Letter of Credit Obligations and all accrued and unpaid fees and all other obligations of Borrower to the Administrative Agent or any or all of the Lenders arising under this Agreement or any of the other Loan Documents.

"Payment Date" means the last Business Day of each calendar quarter.

"Partial Advance" is defined in Section 2.3 hereof.

"Participants" is defined in Section 13.2.1 hereof.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Percentage" means, with respect to each Lender, the applicable percentage of the then-current Aggregate Commitment represented by such Lender's then-current Commitment.

"Performance Letter of Credit" means any standby Letter of Credit which represents an irrevocable obligation to the beneficiary on the part of the Issuing Bank to make payment on account of any default by the account party in the performance of a nonfinancial or commercial obligation.

"Permitted Liens" are defined in Section 9.6 hereof.

"Person" means an individual, a corporation, a limited or general partnership, an association, a joint venture or any other entity or organization, including a governmental or political subdivision or an agent or instrumentality thereof.

"Plan" means an employee benefit plan as defined in Section 3(3) of ERISA, whether or not terminated, as to which the Borrower or any member of the Controlled Group may have any liability.

"Preleased Assets Under Development" means as of any date of determination, any Project which (i) is under construction and then treated as an asset under development under GAAP, and (ii) has, as of such date, at least fifty percent (50%) of its projected total rentable area leased at market rates to third party tenants similar to those at Borrower's other properties, both such land and improvements under construction to be valued for purposes of

this Agreement at then-current book value, as determined in accordance with GAAP; provided, however, in no event shall Preleased Assets Under Development include any Project for more than 270 days from the date such Project is initially so designated under GAAP.

"Project" means any real estate asset owned by the Borrower or any wholly-owned Subsidiary and operated as a bulk warehouse or light industrial property.

"Property" means each parcel of real property owned or operated by the Borrower, any Subsidiary or Investment Affiliate.

"Property Operating Income" means, with respect to any Property, for any period, earnings from rental operations (computed in accordance with GAAP but without deduction for reserves) attributable to such Property plus depreciation, amortization and interest expense with respect to such Property for such period, and, if such period is less than a year, adjusted by straight lining various ordinary operating expenses which are payable less frequently than once during every such period (e.g. real estate taxes and insurance). At the request of either Borrower or the Administrative Agent, the earnings from rental operations reported for the immediately preceding fiscal quarter shall be adjusted to include pro forma earnings (as substantiated to the satisfaction of the Administrative Agent) for an entire quarter for any Property acquired or placed in service during the then-current fiscal quarter and to exclude earnings with respect to such immediately preceding fiscal quarter from any Property not owned as of the date of determination.

"PS Guaranty" means the existing guaranty of Senior Preferred Stock by the Guaranteeing Partnership.

"Purchasers" is defined in Section 13.3.1 hereof.

"Qualified Officer" means, with respect to any entity, the chief financial officer, chief accounting officer or controller of such entity if it is a corporation or of such entity's general partner if it is a partnership.

"Rate Option" means the Adjusted Corporate Base Rate, the Adjusted LIBOR Rate or the Absolute Rate (only as applicable to Competitive Bid Loans). The Rate Option in effect on any date shall always be the Adjusted Corporate Base Rate unless the Borrower has properly selected the Adjusted LIBOR Rate pursuant to Section 2.11 hereof or a Competitive Bid Loan pursuant to Section 2.17 hereof.

"Rating Pricing Period" means any period during the term of the Facility during which the Borrower's or General Partner's long-term, senior unsecured debt has been rated by at least two of S&P, Moody's, Fitch and Duff & Phelps and the lower of the highest two ratings (at least one of which is from S&P or Moody's) is at least BBB- (S&P) or Baa3 (Moody's) or an equivalent rating from Fitch or Duff & Phelps.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Reimbursement Obligations" means at any time, the aggregate of the Obligations of the Borrower to the Lenders, the Issuing Bank and the Administrative Agent in respect of all unreimbursed payments or disbursements made by the Lenders, the Issuing Bank and the Administrative Agent under or in respect of the Facility Letters of Credit.

"REMIC Loan" means the $300,000,000 mortgage loan made by Nomura Asset Capital Corporation ("REMIC Lender") to Financing Partnership pursuant to the terms of a Loan Agreement dated as of June 30, 1994 ("REMIC Loan Agreement").

"Reportable Event" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waivers in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"Reserve Requirement" means, with respect to a LIBOR Interest Period, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D on Eurocurrency liabilities.

"S&P" means Standard & Poor's Ratings Group and its successors.

"Second REMIC Loan" means the up to $42,600,000 mortgage loan made by REMIC Lender to Mortgage Partnership pursuant to the terms of a Loan Agreement dated as of December 29, 1995 (the "Second REMIC Loan Agreement") of which only $40,200,000 was actually funded.

"Senior Preferred Stock" means the stated value of any preferred stock issued by the General Partner which is not typical preferred stock but instead is both (i) redeemable by the holders thereof on any fixed date or upon the occurrence of any event and (ii) as to payment of dividends or amounts on liquidation, either guaranteed by any direct or indirect Subsidiary of the General Partner or secured by any property of the General Partner or any direct or indirect Subsidiary of the General Partner.

"Senior Preferred Stock Expense" means for any period for any Person, the aggregate dividend payments due to the holders of Senior Preferred Stock of such Person, whether payable in cash or in kind, and whether or not actually paid during such period.

"Supermajority Lenders" means, as of any date, those Lenders holding, in the aggregate, more than two-thirds (2/3) of the then-current Aggregate Commitment or, if the Aggregate Commitment has been terminated, Lenders holding, in the aggregate, more than two-thirds (2/3) of the aggregate unpaid principal amount of the outstanding Advances.

"Subsidiary" means as to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person, and provided such corporation, partnership or other entity is consolidated with such Person for financial reporting purposes under GAAP.

"Swingline Advances" means, as of any date, collectively, all Swingline Loans then outstanding under this Facility.

"Swingline Commitment" means the obligation of the Swingline Lender to make Swingline Loans not exceeding $15,000,000.

"Swingline Lender" shall mean First Chicago, in its capacity as a Lender.

"Swingline Loan" means a Loan made by the Swingline Lender under the special availability provisions described in Sections 2.16 hereof.

"Total Liabilities" means all Indebtedness plus all other GAAP liabilities of the Borrower and its Subsidiaries.

"Transferee" is defined in Section 13.4 hereof.

"Unencumbered Asset" means any Project which, as of any date of determination, (a) is not subject to any Liens other than Permitted Liens and Liens in favor of the Lenders securing this Facility, (b) is not subject to any agreement (including any agreement governing Indebtedness incurred in order to finance or refinance the acquisition of such asset) which prohibits or limits the ability of the Borrower, or its Subsidiaries, as the case may be, to create, incur, assume or suffer to exist any Lien upon any assets or Capital Stock of the Borrower or any of its Subsidiaries, (c) is not subject to any agreement (including any agreement governing Indebtedness incurred in order to finance or refinance the acquisition of such asset) which entitles any Person to the benefit of any Lien (but excluding Liens in favor of Lenders securing this Facility and other Permitted Liens) on any assets or Capital Stock of the Borrower or any of its Subsidiaries or would entitle any Person to the benefit of any Lien (but excluding liens in favor of Lenders securing this Facility and other Permitted Liens) on such assets or Capital Stock upon the occurrence of any contingency (including, without limitation, pursuant to an "equal and ratable" clause), (d) is not the subject of any material

architectural/engineering issue, as evidenced by a certification of Borrower, and (e) is materially compliant with the representations and warranties in Article VI below. Notwithstanding the foregoing, if any Project is a "Superfund" site under federal law or a site identified in writing by the jurisdiction in which such Project is located as having significant environmental contamination under applicable state law, Borrower shall so advise the Lenders in writing and the Majority Lenders shall have the right to request from Borrower a current detailed environmental assessment (or one which is not more than two years old for Unencumbered Assets owned as of the Agreement Execution Date), and, if applicable, a written estimate of any remediation costs from a recognized environmental contractor and to exclude any such Project from Unencumbered Assets at their election. No Project of a Subsidiary shall be deemed to be unencumbered unless both such Project and all Capital Stock of such Subsidiary is unencumbered and neither such Subsidiary nor any other intervening Subsidiary between the Borrower and such Subsidiary has any Indebtedness for borrowed money (other than Indebtedness due to the Borrower). The Borrower and General Partner acknowledge that Projects owned by the Guaranteeing Partnership will not constitute Unencumbered Assets until the PS Guaranty is released. For purposes of determining Unencumbered Assets, the mortgages on those Projects securing Borrower's existing facility with First Chicago as agent will be deemed released upon the termination of such existing facility and First Chicago's receipt of full repayment thereunder.

"Value of Unencumbered Assets" means, as of any date, the amount determined by dividing the Property Operating Income for a calculation period which shall be either the immediately preceding full fiscal quarter or, if so requested by Borrower or the Administrative Agent, the then-current partial fiscal quarter from each Project which is an Unencumbered Asset as of such date (as such Property Operating Income is annualized) by the then-current "Average Residual Cap Rate for National Industrial Markets" described in the definition of Implied Capitalization Value (including the cap and floor on such rate described therein). If a Project has been acquired during such a calculation period then Borrower shall be entitled to include pro forma Property Operating Income from such property for the entire calculation period in the foregoing calculation, except for purposes of the financial covenant contained in Section 9.10(d). If a Project is no longer owned as of the date of calculation, then no value shall be included based on capitalizing Property Operating Income from such Project, except for purposes of such financial covenant contained in Section 9.10(d).

The foregoing definitions shall be equally applicable to both the singular and the plural forms of the defined terms.

1.2 Financial Standards. All financial computations required of a Person under this Agreement shall be made, and all financial information required under this Agreement shall be prepared, in accordance with GAAP, except that if any Person's financial statements are not audited, such Person's financial statements shall be prepared in accordance with the same sound accounting principles utilized in connection with the financial information submitted

to Lenders with respect to the Borrower or the General Partner or the Properties in connection with this Agreement and shall be certified by an authorized representative of such Person.

ARTICLE II

THE FACILITY

2.1 The Facility.

(a) Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of Borrower and General Partner contained herein, Lenders agree to make Advances through the Administrative Agent to Borrower from time to time prior to the Maturity Date, provided that the making of any such Advance will not cause the then Allocated Facility Amount to exceed the then- current Aggregate Commitment. The Advances may be ratable Adjusted Corporate Base Rate Advances, ratable LIBOR Advances, non-pro rata Swingline Loans or non-pro rata Competitive Bid Loans. Except as provided in Sections 2.16, 2.17 and 12.16 hereof, each Lender shall fund its Percentage of each such Advance and no Lender will be required to fund any amounts which when aggregated with such Lender's Percentage of (i) all other Advances (other than Competitive Bid Loans) then outstanding, (ii) all Swingline Advances and (iii) all Facility Letter of Credit Obligations would exceed such Lender's then-current Commitment. This facility ("Facility") is a revolving credit facility and, subject to the provisions of this Agreement, Borrower may request Advances hereunder, repay such Advances and reborrow Advances at any time prior to the Maturity Date.

(b) The Facility created by this Agreement, and that Commitment of each Lender to lend hereunder, shall terminate on the Maturity Date, unless sooner terminated in accordance with the terms of this Agreement.

(c) In no event shall the Aggregate Commitment exceed Two Hundred Million Dollars ($200,000,000).

2.2 Principal Payments and Extension Option. Any outstanding Advances (other than Competitive Bid Loans) and all other unpaid Obligations shall be paid in full by the Borrower on the Maturity Date. Each Competitive Bid Loan shall be paid in full on the last day of the applicable Interest Period as described in Section 2.17 below. The Maturity Date can be extended for extension periods of one year each upon notice to the Administrative Agent not later than April 30, 1998 with respect to the first such extension of the Maturity Date and not later than each April 30 thereafter for each subsequent extension of the Maturity Date (each an "Extension Notice"), if (i) no Default has occurred and is continuing at the time of such notice and at the time of the then applicable Maturity Date, (ii) all of the Lenders agree to such extension, (iii) all prior extensions have been elected by the Borrower and accepted by the Lenders, and (iv) the Borrower pays an extension fee to the

Administrative Agent for the account of each Lender equal to a pro rata amount of the upfront fee paid to such Lender (expressed as a percentage of such Lender's initial Commitment applied to the then-current Commitment of such Lender). The Administrative Agent shall, at the Borrower's request, confirm the amount of the upfront fee paid to each Lender with respect to its initial Commitment. If the Borrower gives an Extension Notice to the Administrative Agent, the Administrative Agent shall notify the Lenders within 10 days of receipt of such request. The Lenders shall have 30 days after receipt of an Extension Notice to notify Administrative Agent as to whether they accept or reject such extension request and Administrative Agent shall notify Borrower and the Lenders promptly thereafter of the acceptance or rejection of the Lenders of Borrower's request to extend the Maturity Date. If the foregoing conditions are satisfied other than the condition requiring the consent of all Lenders, then Borrower shall have the right to replace any Lender that does not agree to the extension provided that Borrower notifies such Lender that it has elected to replace such Lender and notifies such Lender and the Administrative Agent of the identity of the proposed replacement Lender no later than the date six (6) months after the date of the applicable Extension Notice. The Lender being replaced shall assign its Percentage of the Aggregate Commitment and its rights and obligations under this Facility to the replacement Lender in accordance with the requirements of Section 13.3 hereof and the replacement Lender shall assume such Percentage of the Aggregate Commitment and the related obligations under this Facility prior to the Maturity Date to be extended, all pursuant to an assignment and assumption agreement substantially in the form of Exhibit J hereto. The purchase by the replacement Lender shall be at par (plus all accrued and unpaid interest and any other sums owed to such Lender being replaced hereunder) which shall be paid to the Lender being replaced upon the execution and delivery of the assignment.

2.3 Requests for Advances; Responsibility for Advances. Ratable Advances shall be made available to Borrower by Administrative Agent in accordance with Section 2.1(a) and Section 2.11(a) hereof. The obligation of each Lender to fund its Percentage of each ratable Advance shall be several and not joint.

2.4 Evidence of Credit Extensions. The Advances of each Lender outstanding at any time (other than Competitive Bid Loans) shall be evidenced by the Notes. Each Note executed by the Borrower shall be in a maximum principal amount equal to each Lender's Percentage of the current Aggregate Commitment of $200,000,000. Each Lender shall record Advances and principal payments thereof on the schedule attached to its Note or, at its option, in its records, and each Lender's record thereof shall be conclusive absent Borrower furnishing to such Lender conclusive and irrefutable evidence of an error made by such Lender with respect to that Lender's records. Notwithstanding the foregoing, the failure to make, or an error in making, a notation with respect to any Advance shall not limit or otherwise affect the obligations of Borrower hereunder or under the Notes to pay the amount actually owed by Borrower to Lenders.

2.5 Ratable and Non-Pro Rata Loans. Each Advance hereunder shall consist of Loans made from the several Lenders ratably in proportion to their Percentages, except for Swingline Loans which shall be made by the Swingline Lender in accordance with Section 2.16 and Competitive Bid Loans which may be made on a non-pro rata basis by one or more of the Lenders in accordance with Section 2.17. The ratable Advances may be Adjusted Corporate Base Rate Advances, LIBOR Advances or a combination thereof, selected by the Borrower in accordance with Sections 2.10 and 2.11.

2.6 Applicable Margins. The CBR Applicable Margin and the LIBOR Applicable Margin to be used in calculating the interest rate applicable to different types of Advances shall vary from time to time in accordance with the ratings for Borrower's or General Partner's long-term, senior unsecured debt as follows:

No Rating Pricing Period in Effect:

Consolidated Total Indebtedness as a Percentage of Implied Capitalization Value	LIBOR Applicable Margin	CBR Applicable Margin
less than 25%	0.95%*	0
25% or over, but less than 30%	1.10%*	0.125%
30% or over, but less than 40%	1.10%**	0.25%
40% or over, but not more than 50%	1.35%*	0.375%

* These levels of LIBOR Applicable Margin shall be increased by 0.10% on the earlier of (i) a date six (6) months after the Agreement Execution Date if the Rating Pricing Period has not commenced by such date or (ii) any date on which Borrower or General Partner has received ratings from both S&P and Moody's lower than BBB-/Baa3 or has been refused a rating by both S&P and Moody's or has other reason to know that the Rating Pricing Period will not commence within such six (6) month period.

** This level of LIBOR Applicable Margin shall be increased by 0.20% on the earlier of (i) a date six (6) months after the Agreement Execution Date if the Rating Pricing Period has not commenced by such date or (ii) any date on which Borrower or General Partner has received ratings from both S&P and Moody's lower than BBB-/Baa3 or has been refused a rating by both S&P and Moody's or has other reason to know that the Rating Pricing Period will not commence within such six (6) month period.

Rating Pricing Period in Effect:

Rating Level of Lower of Two Highest Ratings***	LIBOR Applicable Margin	CBR Applicable Margin	Facility Fee
A-/A3	0.80%	0	0.15%
BBB+/Baa1	0.90%	0	0.20%
BBB/Baa2	1.00%	0	0.225%
BBB-/Baa3	1.10%	0.10%	0.25%

*** Rating levels established by reference to S&P and Moody's ratings, respectively. At least one of S&P or Moody's ratings must always be included in the two ratings used.

Subject to the clauses shown as * and **, the Applicable Margins when no Rating Pricing Period is in effect will change only quarterly and upon delivery of a compliance certificate in the form of Exhibit H attached hereto, when the Borrower's Implied Capitalization Value is determined. When a Rating Pricing Period is in effect, all Applicable Margins and the Facility Fee shall change as and when the applicable rating level changes. In the event an agency issues different ratings for the Borrower and the General Partner, then the higher rating for the two entities shall be deemed to be the rating from such agency.

2.7 Commitment Fee. During those portions of the Facility term which are not Rating Pricing Periods, the Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee (the "Commitment Fee") from the Agreement Execution Date to and including the Maturity Date, calculated at the rate of 0.20% per annum on the daily unborrowed portion of such Lender's Commitment (which is equal to the difference between (a) such Lender's Commitment on such day and (b) the then outstanding Loans owed to such Lender plus the Lender's Percentage of any outstanding and undrawn Facility Letters of Credit) payable quarterly in arrears on the last day of each calendar quarter hereafter beginning December 31, 1996 and on the Maturity Date; provided, however, that the Commitment Fee shall be calculated at the reduced rate of 0.125% per annum on the daily unborrowed portion of such Lender's Commitment for any day on which the principal balance of all outstanding and unpaid Loans under the Facility (including Swingline Loans and Competitive Bid Loans) plus all outstanding and undrawn Facility Letters of Credit is greater than 50% of the Aggregate Commitment. Amounts outstanding under the Swingline Loans shall be considered part of the available unborrowed portion of the Facility for purposes of computing the Commitment Fee. Notwithstanding the foregoing, all accrued Commitment Fees shall be payable on the effective date of any termination of the obligations of the Lenders to make Loans hereunder.

2.8 Other Fees.

(a) The Borrower shall pay the fee due to the Administrative Agent in connection with Competitive Bid Loans as described in Section 2.17. The Borrower agrees to pay all other fees payable to the Administrative Agent and the Arranger pursuant to the Borrower's prior letter agreements with them.

(b) For each day during a Rating Pricing Period the Borrower shall pay a fee ("Facility Fee") to the Administrative Agent for the account of the Lenders equal to the applicable Facility Fee Rate in effect for such day, as shown in Section 2.6 hereof, times the then Aggregate Commitment, to be shared among the Lenders based on their respective Percentages. The Facility Fee shall be paid quarterly in arrears.

2.9 Minimum Amount of Each Advance. Each LIBOR Advance shall be in the minimum amount of $2,000,000 (and in multiples of $100,000 if in excess thereof), and each Adjusted Corporate Base Rate Advance shall be in the minimum amount of $1,000,000 (and in multiples of $100,000 if in excess thereof), provided, however, that any Adjusted Corporate Base Rate Advance may be in the amount of the unused Aggregate Commitment.

2.10 Interest.

(a) The outstanding principal balance under the Notes shall bear interest from time to time at a rate per annum equal to:

(i) the Adjusted Corporate Base Rate; or

(ii) at the election of Borrower with respect to all or portions of the Obligations, the Adjusted LIBOR Rate.

(b) All interest shall be calculated for actual days elapsed on the basis of a 360-day year. Interest accrued on each Advance shall be payable in arrears on (i) the first day of each calendar month, commencing with the first such date to occur after the date hereof, (ii) with respect to LIBOR Advances, the last day of the applicable LIBOR Interest Period, and (iii) the Maturity Date. Interest shall not be payable for the day of any payment on the amount paid if payment is received by Administrative Agent prior to noon (Chicago time). If any payment of principal or interest under the Notes shall become due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a payment of principal, such extension of time shall be included in computing interest due in connection with such payment; provided that for purposes of Section 10.1 hereof, any payments of principal described in this sentence shall be considered to be "due" on such next succeeding Business Day.

2.11 Selection of Rate Options and LIBOR Interest Periods.

(a) Borrower, from time to time, may select the Rate Option and, in the case of each LIBOR Advance, the commencement date (which shall be a Business Day) and the length of the LIBOR Interest Period applicable to each LIBOR Advance. Borrower shall give Administrative Agent irrevocable notice (a "Borrowing Notice" not later than 11:00 a.m. (Chicago time) (i) at least one Business Day prior to an Adjusted Corporate Base Rate Advance, (ii) at least three (3) Business Days prior to a ratable LIBOR Advance, and (iii) not later than 11:00 a.m. (Chicago time) on the Borrowing Date for each Swingline Loan, specifying:

(i) the Borrowing Date, which shall be a Business Day, of such Advance,

(ii) the aggregate amount of such Advance,

(iii) the type of Advance selected, and

(iv) in the case of each LIBOR Advance, the LIBOR Interest Period applicable thereto.

The Borrower shall also deliver together with each Borrowing Notice the compliance certificate required in Section 5.2 and otherwise comply with the conditions set forth in Section 5.2 for Advances. Administrative Agent shall provide each Lender by facsimile with a copy of each Borrowing Notice and compliance certificate on the same Business Day it is received.

Not later than noon (Chicago time) on each Borrowing Date, each Lender shall make available its Loan or Loans, in funds immediately available in Chicago to the Administrative Agent. The Lenders shall not be obligated to match fund their LIBOR Advances. Administrative Agent will promptly make the funds so received from the Lenders available to the Borrower.

(b) Administrative Agent shall, as soon as practicable after receipt of a Borrowing Notice, determine the Adjusted LIBOR Rate applicable to the requested ratable LIBOR Advance and inform Borrower and Lenders of the same. Each determination of the Adjusted LIBOR Rate by Administrative Agent shall be conclusive and binding upon Borrower in the absence of manifest error.

(c) If Borrower shall prepay a LIBOR Advance other than on the last day of the LIBOR Interest Period applicable thereto, Borrower shall be responsible to pay all amounts due to Lenders as required by Section 4.4 hereof.

(d) As of the end of each LIBOR Interest Period selected for a ratable LIBOR Advance, the interest rate on the LIBOR Advance will become the Adjusted Corporate Base Rate, unless Borrower has once again selected a LIBOR Interest Period in accordance with the timing and procedures set forth in Section 2.11(g).

(e) The right of Borrower to select the Adjusted LIBOR Rate for an Advance pursuant to this Agreement is subject to the availability to Lenders of a similar option. If Administrative Agent determines that (i) deposits of Dollars in an amount approximately equal to the LIBOR Advance for which the Borrower wishes to select the Adjusted LIBOR Rate are not generally available at such time in the London interbank eurodollar market, or (ii) the rate at which the deposits described in subsection (i) herein are being offered will not adequately and fairly reflect the costs to Lenders of maintaining an Adjusted LIBOR Rate on an Advance or of funding the same in such market for such LIBOR Interest Period, or (iii) reasonable means do not exist for determining an Adjusted LIBOR Rate, or (iv) the Adjusted LIBOR Rate would be in excess of the maximum interest rate which Borrower may by law pay, then in any of such events, Administrative Agent shall so notify Borrower and Lenders and such Advance shall bear interest at the Adjusted Corporate Base Rate.

(f) In no event may Borrower elect a LIBOR Interest Period which would extend beyond the Maturity Date. Unless Lenders agree thereto, in no event may Borrower have more than ten (10) different LIBOR Interest Periods for LIBOR Advances outstanding at any one time.

(g) Conversion and Continuation.

(i) Borrower may elect from time to time, subject to the other provisions of this Section 2.11, to convert all or any part of a ratable Advance into any other type of Advance; provided that any conversion of a ratable LIBOR Advance shall be made on, and only on, the last day of the LIBOR Interest Period applicable thereto.

(ii) Adjusted Corporate Base Rate Advances shall continue as Adjusted Corporate Rate Advances unless and until such Adjusted Corporate Base Rate Advances are converted into ratable LIBOR Advances pursuant to a Conversion/Continuation Notice from Borrower in accordance with Section 2.11(g)(iv). Ratable LIBOR Advances shall continue until the end of the then applicable LIBOR Interest Period therefor, at which time each such Advance shall be automatically converted into an Adjusted Corporate Base Rate Advance unless the Borrower shall have given the Administrative Agent a Conversion/Continuation Notice in accordance with Section 2.11(g)(iv) requesting that, at the end of such LIBOR Interest Period, such Advance either continue as an Advance of such type for the same or another LIBOR Interest Period.

(iii) Notwithstanding anything to the contrary contained in Sections 2.11(g)(i) or (g)(ii), no Advance may be converted into a LIBOR Advance or continued as a LIBOR Advance (except with the consent of the Majority Lenders) when any Monetary Default or Event of Default has occurred and is continuing.

(iv) The Borrower shall give the Administrative Agent irrevocable notice (a "Conversion/Continuation Notice") of each conversion of an Advance or continuation of a LIBOR Advance not later than 11:00 a.m. (Chicago time) on the Business Day immediately preceding the date of the requested conversion, in the case of a conversion into an Adjusted Corporate Base Rate Advance, or 11:00 a.m. (Chicago time) at least three (3) Business Days prior to the date of the requested conversion or continuation, in the case of a conversion into or continuation of a ratable LIBOR Advance, specifying: (1) the requested date (which shall be a Business Day) of such conversion or continuation; (2) the amount and type of the Advance to be converted or continued; and (3) the amounts and type(s) of Advance(s) into which such Advance is to be converted or continued and, in the case of a conversion into or continuation of a ratable LIBOR Advance, the duration of the LIBOR Interest Period applicable thereto.

2.12 Method of Payment. All payments of the Obligations hereunder shall be made, without set-off, deduction, or counterclaim, in immediately available funds to Administrative Agent at Administrative Agent's address specified herein, or at any other Lending Installation of Administrative Agent specified in writing by Administrative Agent to Borrower, by noon (local time) on the date when due and shall be applied ratably by Administrative Agent among Lenders. Each payment delivered to Administrative Agent for the account of any Lender shall be delivered promptly by Administrative Agent to such Lender in the same type of funds that Administrative Agent received at its address specified herein or at any Lending Installation specified in a notice received by Administrative Agent from such Lender. Administrative Agent is hereby authorized to charge the account of Borrower maintained with First Chicago for each payment of principal, interest and fees as it becomes due hereunder.

2.13 Default. Notwithstanding the foregoing, during the continuance of a Monetary Default or an Event of Default, Borrower shall not have the right to request a LIBOR Advance, request a Competitive Bid Loan, select a new LIBOR Interest Period for an existing ratable LIBOR Advance or convert any Adjusted Corporate Base Rate Advance to a ratable LIBOR Advance. During the continuance of a Monetary Default or an Event of Default, at the election of the Majority Lenders, by notice to Borrower, outstanding Advances shall bear interest at the applicable Default Rates until such Monetary Default or Event of Default ceases to exist or the Obligations are paid in full.

2.14 Lending Installations. Each Lender may book its Advances at any Lending Installation selected by such Lender and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and the Notes shall be deemed held by each Lender for the benefit of such Lending Installation. Each Lender may, by written or telex notice to the Administrative Agent and Borrower, designate a Lending Installation through which Advances will be made by it and for whose account payments are to be made.

2.15 Non-Receipt of Funds by Administrative Agent. Unless Borrower or a Lender, as the case may be, notifies Administrative Agent prior to the date on which it is scheduled to make payment to Administrative Agent of (i) in the case of a Lender, an Advance, or (ii) in the case of Borrower, a payment of principal, interest or fees to the Administrative Agent for the account of the Lenders, that it does not intend to make such payment, Administrative Agent may assume that such payment has been made. Administrative Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or Borrower, as the case may be, has not in fact made such payment to Administrative Agent, the recipient of such payment shall, on demand by Administrative Agent, repay to Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by Administrative Agent until the date Administrative Agent recovers such amount at a rate per annum equal to (i) in the case of payment by a Lender, the Federal Funds Effective Rate (as determined by Administrative Agent) for such day or (ii) in the case of payment by Borrower, the interest rate applicable to the relevant Advance.

2.16 Swingline Loans. In addition to the other options available to Borrower hereunder, up to $15,000,000 of the Swingline Commitment, shall be available for Swingline Loans subject to the following terms and conditions. Swingline Loans shall be made available for same day borrowings provided that notice is given in accordance with Section 2.11 hereof. All Swingline Loans shall bear interest at the Adjusted Corporate Base Rate and shall be deemed to be Adjusted Corporate Base Rate Advances. In no event shall the Swingline Lender be required to fund a Swingline Loan if it would increase the total aggregate outstanding Loans by Swingline Lender hereunder plus its Percentage of Facility Letter of Credit Obligations to an amount in excess of its Commitment. Upon request of the Swingline Lender made to all the Lenders, each Lender irrevocably agrees to purchase its Percentage of any Swingline Loan made by the Swingline Lender regardless of whether the conditions for disbursement are satisfied at the time of such purchase, including the existence of an Event of Default hereunder provided no Lender shall be required to have total outstanding Loans (other than Competitive Bid Loans) plus its Percentage of Facility Letters of Credit to be in an amount greater than its Commitment. Such purchase shall take place on the date of the request by Swingline Lender so long as such request is made by noon (Chicago time), otherwise on the Business Day following such request. All requests for purchase shall be in writing. From and after the date it is so purchased, each such Swingline Loan shall, to the extent purchased, (i) be treated as a Loan made by the purchasing Lenders

and not by the selling Lender for all purposes under this Agreement and the payment of the purchase price by a Lender shall be deemed to be the making of a Loan by such Lender and shall constitute outstanding principal under such Lender's Note, and (ii) shall no longer be considered a Swingline Loan except that all interest accruing on or attributable to such Swingline Loan for the period prior to the date of such purchase shall be paid when due by the Borrower to the Administrative Agent for the benefit of the Swingline Lender and all such amounts accruing on or attributable to such Loans for the period from and after the date of such purchase shall be paid when due by the Borrower to the Administrative Agent for the benefit of the purchasing Lenders. If prior to purchasing its Percentage of a Swingline Loan one of the events described in Section 10.10 shall have occurred and such event prevents the consummation of the purchase contemplated by preceding provisions, each Lender will purchase an undivided participating interest in the outstanding Swingline Loan in an amount equal to its Percentage of such Swingline Loan. From and after the date of each Lender's purchase of its participating interest in a Swingline Loan, if the Swingline Lender receives any payment on account thereof, the Swingline Lender will distribute to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded); provided, however, that in the event that such payment was received by the Swingline Lender and is required to be returned to the Borrower, each Lender will return to the Swingline Lender any portion thereof previously distributed by the Swingline Lender to it. If any Lender fails to so purchase its Percentage of any Swingline Loan, such Lender shall be deemed to be a Defaulting Lender hereunder. No Swingline Loan shall be outstanding for more than five (5) days at a time and Swingline Loans shall not be outstanding for more than a total of ten (10) days during any month.

2.17 Competitive Bid Loans.

(a) Competitive Bid Option. In addition to ratable Advances pursuant to Section 2.5, but subject to the terms and conditions of this Agreement (including, without limitation the limitation set forth in Section 2.1(a) as to the maximum Allocated Facility Amount), the Borrower may, as set forth in this Section 2.17, but only during a Rating Pricing Period, request the Lenders, prior to the Maturity Date, to make offers to make Competitive Bid Loans to the Borrower. Each Lender may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section 2.17. Competitive Bid Loans shall be evidenced by the Competitive Bid Notes.

(b) Competitive Bid Quote Request. When the Borrower wishes to request offers to make Competitive Bid Loans under this Section 2.17, it shall transmit to the Administrative Agent by telecopy a Competitive Bid Quote Request substantially in the form of Exhibit C-1 hereto so as to be received no later than (i) 10:00 a.m. (Chicago time) at least five Business Days prior to the Borrowing Date proposed therein, in the case of a request for a Competitive LIBOR Margin or (ii) 9:00 a.m. (Chicago time) at least one Business Day

prior to the Borrowing Date proposed therein, in the case of a request for an Absolute Rate specifying:

(i) the proposed Borrowing Date for the proposed Competitive Bid Loan,

(ii) the requested aggregate principal amount of such Competitive Bid Loan,

(iii) whether the Competitive Bid Quotes requested are to set forth a Competitive LIBOR Margin or an Absolute Rate, or both, and

(iv) the LIBOR Interest Period, if a Competitive LIBOR Margin is requested, or the Absolute Interest Period, if an Absolute Rate is requested.

The Borrower may request offers to make Competitive Bid Loans for more than one (but not more than five) Interest Period in a single Competitive Bid Quote Request. No Competitive Bid Quote Request shall be given within five Business Days (or such other number of days as the Borrower and the Administrative Agent may agree) of any other Competitive Bid Quote Request. A Competitive Bid Quote Request that does not conform substantially to the form of Exhibit C-1 hereto shall be rejected, and the Administrative Agent shall promptly notify the Borrower of such rejection by telecopy.

(c) Invitation for Competitive Bid Quotes. Promptly and in any event before the close of business on the same Business Day of receipt of a Competitive Bid Quote Request that is not rejected pursuant to Section 2.17(b), the Administrative Agent shall send to each of the Lenders by telecopy an Invitation for Competitive Bid Quotes substantially in the form of Exhibit C-2 hereto, which shall constitute an invitation by the Borrower to each Lender to submit Competitive Bid Quotes offering to make the Competitive Bid Loans to which such Competitive Bid Quote Request relates in accordance with this Section 2.17.

(d) Submission and Contents of Competitive Bid Quotes.

(i) Each Lender may, in its sole discretion, submit a Competitive Bid Quote containing an offer or offers to make Competitive Bid Loans in response to any Invitation for Competitive Bid Quotes. Each Competitive Bid Quote must comply with the requirements of this Section 2.17(d) and must be submitted to the Administrative Agent by telex or telecopy at its offices not later than (a) 2:00 p.m. (Chicago time) at least four Business Days prior to the proposed Borrowing Date, in the case of a request for a Competitive LIBOR Margin or (b) 9:00 a.m. (Chicago time) on the proposed Borrowing Date, in the case of a request for an Absolute Rate (or, in either case upon reasonable prior notice to the Lenders, such other time and

rate as the Borrower and the Administrative Agent may agree); provided that Competitive Bid Quotes submitted by First Chicago may only be submitted if the Administrative Agent or First Chicago notifies the Borrower of the terms of the Offer or Offers contained therein no later than 30 minutes prior to the latest time at which the relevant Competitive Bid Quotes must be submitted by the other Lenders. Subject to the Borrower's compliance with all other conditions to disbursement herein, any Competitive Bid Quote so made shall be irrevocable except with the written consent of the Administrative Agent given on the instructions of the Borrower.

(ii) Each Competitive Bid Quote shall be in substantially the form of Exhibit C-3 hereto and shall in any case specify:

(a) the proposed Borrowing Date, which shall be the same as that set forth in the applicable Invitation for Competitive Bid Quotes,

(b) the principal amount of the Competitive Bid Loan for which each such offer is being made, which principal amount (1) may be greater than, less than or equal to the Commitment of the quoting Lender, (2) must be at least $10,000,000 and an integral multiple of $1,000,000, and (3) may not exceed the principal amount of Competitive Bid Loans for which offers are requested,

(c) as applicable, the Competitive LIBOR Margin and Absolute Rate offered for each such Competitive Bid Loan,

(d) the minimum amount, if any, of the Competitive Bid Loan which may be accepted by the Borrower, and

(e) the identity of the quoting Lender.

(iii) The Administrative Agent shall reject any Competitive Bid Quote that:

(a) is not substantially in the form of Exhibit C-3 hereto or does not specify all of the information required by Section 2.17(d)(ii),

(b) contains qualifying, conditional or similar language, other than any such language contained in Exhibit C-3 hereto,

(c) proposes terms other than or in addition to those set forth in the applicable Invitation for Competitive Bid Quotes, or

(d) arrives after the time set forth in Section 2.17(d)(i).

If any Competitive Bid Quote shall be rejected pursuant to this Section 2.17(d)(iii), then the Administrative Agent shall notify the relevant Lender of such rejection as soon as practical.

(e) Notice to Borrower. The Administrative Agent shall promptly notify the Borrower of the terms (i) of any Competitive Bid Quote submitted by a Lender that is in accordance with Section 2.17(d) and (ii) of any Competitive Bid Quote that amends, modifies or is otherwise inconsistent with a previous Competitive Bid Quote submitted by such Lender with respect to the same Competitive Bid Quote Request. Any such subsequent Competitive Bid Quote shall be disregarded by the Administrative Agent unless such subsequent Competitive Bid Quote specifically states that it is submitted solely to correct a manifest error in such former Competitive Bid Quote. The Administrative Agent's notice to the Borrower shall specify the aggregate principal amount of Competitive Bid Loans for which offers have been received for each Interest Period specified in the related Competitive Bid Quote Request and the respective principal amounts and Competitive LIBOR Margins or Absolute Rate, as the case may be, so offered.

(f) Acceptance and Notice by Borrower. Not later than (i) 6:00 p.m. (Chicago time) at least four Business Days prior to the proposed Borrowing Date in the case of a request for a Competitive LIBOR Margin or (ii) 10:00 a.m. (Chicago time) on the proposed Borrowing Date, in the case of a request for an Absolute Rate (or, in either case upon reasonable prior notice to the Lenders, such other time and date as the Borrower and the Administrative Agent may agree), the Borrower shall notify the Administrative Agent of its acceptance or rejection of the offers so notified to it pursuant to Section 2.17(e); provided, however, that the failure by the Borrower to give such notice to the Administrative Agent shall be deemed to be a rejection of all such offers. In the case of acceptance, such notice (a "Competitive Bid Borrowing Notice") shall specify the aggregate principal amount of offers for each Interest Period that are accepted. The Borrower may accept any Competitive Bid Quote in whole or in part (subject to the terms of Section 2.17(d)(iii)); provided that:

(i) the aggregate principal amount of all Competitive Bid Loans to be disbursed on a given Borrowing Date may not exceed the applicable amount set forth in the related Competitive Bid Quote Request,

(ii) acceptance of offers may only be made on the basis of ascending Competitive LIBOR Margins or Absolute Rates, as the case may be, and

(iii) the Borrower may not accept any offer that is described in Section 2.17(d)(iii) or that otherwise fails to comply with the requirements of this Agreement.

(g) Allocation by Administrative Agent. If offers are made by two or more Lenders with the same Competitive LIBOR Margins or Absolute Rates, as the case may be, for a greater aggregate principal amount than the amount in respect of which offers are accepted for the related Interest Period, the principal amount of Competitive Bid Loans in respect of which such offers are accepted shall be allocated by the Administrative Agent among such Lenders as nearly as possible (in such multiples, not greater than $1,000,000, as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amount of such offers provided, however, that no Lender shall be allocated any Competitive Bid Loan which is less than the minimum amount which such Lender has indicated that it is willing to accept. Allocations by the Administrative Agent of the amounts of Competitive Bid Loans shall be conclusive in the absence of manifest error. The Administrative Agent shall promptly, but in any event on the same Business Day, notify each Lender of its receipt of a Competitive Bid Borrowing Notice and the principal amounts of the Competitive Bid Loans allocated to each participating Lender.

(h) Administration Fee. The Borrower hereby agrees to pay to the Administrative Agent an administration fee of $2,500 per each Competitive Bid Quote Request transmitted by the Borrower to the Administrative Agent pursuant to Section 2.17(b). Such administration fee shall be payable monthly in arrears on the first Business Day of each month and on the Maturity Date (or such earlier date on which the Aggregate Commitment shall terminate or be cancelled) for any period then ending for which such fee, if any, shall not have been theretofore paid.

(i) Other Terms. Any Competitive Bid Loan shall not reduce the Commitment of the Lender making such Competitive Bid Loan, and each such Lender shall continue to be obligated to fund its full percentage of all pro rata Advances under the Facility. In no event can the aggregate amount of all Competitive Bid Loans at any time exceed fifty percent (50%) of the then Aggregate Commitment. Competitive Bid Loans may not be continued and, if not repaid at the end of the Interest Period applicable thereto, shall (subject to the conditions set forth in this Agreement) be replaced by new Competitive Bid Loans made in accordance with this Section 2.17 or by ratable Advances in accordance with Section 2.11.

2.18 Voluntary Reduction of Aggregate Commitment Amount. Upon at least five (5) days prior irrevocable written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent, Borrower shall have the right, without premium or penalty, to terminate the Aggregate Commitment in whole or in part provided that (a) Borrower may not reduce the Aggregate Commitment below the Allocated Facility Amount at the time of such requested reduction, and (b) any such partial termination shall be in the minimum aggregate amount of Five Million Dollars (U.S. $5,000,000.00) or any integral multiple of Five

Million Dollars (U.S. $5,000,000.00) in excess thereof. Any partial termination of the Aggregate Commitment shall be applied pro rata to each Lender's Commitment.

2.19 Application of Moneys Received. All moneys collected or received by the Administrative Agent on account of the Facility directly or indirectly, shall be applied in the following order of priority:

(i) to the payment of all reasonable costs incurred in the collection of such moneys of which the Administrative Agent shall have given notice to the Borrower;

(ii) to the reimbursement of any yield protection due to any of the Lenders in accordance with Section 4.1;

(iii) to the payment of any fee due pursuant to Section 3.8(b) in connection with the issuance of a Facility Letter of Credit to the Issuing Bank, to the payment of the Commitment Fee, Facility Fee and Facility Letter of Credit Fee to the Lenders, if then due, and to the payment of all fees to the Administrative Agent;

(iv) to payment of the full amount of interest and principal on the Swingline Loans;

(v) first to interest until paid in full and then to principal for all Lenders (other than Defaulting Lenders) (i) as allocated by the Borrower (unless an Event of Default exists) between Competitive Bid Loans and ratable Advances (the amount allocated to ratable Advances to be distributed in accordance with the Percentages of the Lenders) or (ii) if an Event of Default exists, in accordance with the respective Funded Percentages of the Lenders;

(vi) any other sums due to the Administrative Agent or any Lender under any of the Loan Documents; and

(vii) to the payment of any sums due to each Defaulting Lender as their respective Percentages appear (provided that Administrative Agent shall have the right to set-off against such sums any amounts due from such Defaulting Lender).

ARTICLE III

THE LETTER OF CREDIT SUBFACILITY

3.1 Obligation to Issue. Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of the Borrower and the General Partner herein set forth, the Issuing Bank hereby agrees to issue for the account of Borrower, one or more Facility Letters of Credit in accordance with this Article III, from time to time during the period commencing on the Agreement Execution Date and ending on a date one Business Day prior to the Maturity Date. The Issuing Bank has, as of the Agreement Execution Date, issued three letters of credit under the Borrower's prior credit agreement with First Chicago as agent in the face amounts of $979,688.00, $2,732,943.18 and $973,492.93, which letters of credit shall be deemed Facility Letters of Credit hereunder.

3.2 Types and Amounts. The Issuing Bank shall not have any obligation to:

(i) issue any Facility Letter of Credit if the aggregate maximum amount then available for drawing under Letters of Credit issued by such Issuing Bank, after giving effect to the Facility Letter of Credit requested hereunder, shall exceed any limit imposed by law or regulation upon such Issuing Bank;

(ii) issue any Facility Letter of Credit if, after giving effect thereto, either (1) the then applicable Allocated Facility Amount would exceed the then current Aggregate Commitment, or (2) the Facility Letter of Credit Obligations would exceed $30,000,000;

(iii) issue any Facility Letter of Credit having an expiration date, or containing automatic extension provision to extend such date, to a date which is after the Business Day immediately preceding the Maturity Date; or

(iv) issue any Facility Letter of Credit having an expiration date, or containing automatic extension provisions to extend such date, to a date which is more than twelve (12) months after the date of its issuance.

3.3 Conditions. In addition to being subject to the satisfaction of the conditions contained in Article V hereof, the obligation of the Issuing Bank to issue any Facility Letter of Credit is subject to the satisfaction in full of the following conditions:

(i) the Borrower shall have delivered to the Issuing Bank at such times and in such manner as the Issuing Bank may reasonably prescribe such documents and materials as may be reasonably required pursuant to the terms of the proposed Facility Letter of Credit (it being understood that if any inconsistency exists between such documents and the Loan Documents, the terms of the Loan Documents shall control)

and the proposed Facility Letter of Credit shall be reasonably satisfactory to the Issuing Bank as to form and content;

(ii) as of the date of issuance, no order, judgment or decree of any court, arbitrator or governmental authority shall purport by its terms to enjoin or restrain the Issuing Bank from issuing the requested Facility Letter of Credit and no law, rule or regulation applicable to the Issuing Bank and no request or directive (whether or not having the force of law) from any governmental authority with jurisdiction over the Issuing Bank shall prohibit or request that the Issuing Bank refrain from the issuance of Letters of Credit generally or the issuance of the requested Facility Letter or Credit in particular; and

(iii) there shall not exist any Default or Event of Default.

3.4 Procedure for Issuance of Facility Letters of Credit.

(a) Borrower shall give the Issuing Bank and the Administrative Agent at least two (2) Business Days' prior written notice of any requested issuance of a Facility Letter of Credit under this Agreement (a "Letter of Credit Request"), a copy of which shall be sent immediately to all Lenders (except that, in lieu of such written notice, the Borrower may give the Issuing Bank and the Administrative Agent telephonic notice of such request if confirmed in writing by delivery to the Issuing Bank and the Administrative Agent (i) immediately (A) of a telecopy of the written notice required hereunder which has been signed by an authorized officer, or (B) of a telex containing all information required to be contained in such written notice and (ii) promptly (but in no event later than the requested date of issuance) of the written notice required hereunder containing the original signature of an authorized officer); such notice shall be irrevocable and shall specify:

(1) whether the requested Facility Letter of Credit is, in Borrower's belief, a Financial Letter of Credit or a Performance Letter of Credit;

(2) the stated amount of the Facility Letter of Credit requested (which stated amount shall not be less than $50,000);

(3) the effective date (which day shall be a Business Day) of issuance of such requested Facility Letter of Credit (the "Issuance Date");

(4) the date on which such requested Facility Letter of Credit is to expire;

(5) the purpose for which such Facility Letter of Credit is to be issued;

(6) the Person for whose benefit the requested Facility Letter of Credit is to be issued; and

(7) any special language required to be included in the Facility Letter of Credit.

At the time such request is made, the Borrower shall also provide the Administrative Agent and the Issuing Bank with a copy of the form of the Facility Letter of Credit that the Borrower is requesting be issued. Such notice, to be effective, must be received by such Issuing Bank and the Administrative Agent not later than 2:00 p.m. (Chicago time) on the last Business Day on which notice can be given under this Section 3.4(a).

(b) Subject to the terms and conditions of this Article III and provided that the applicable conditions set forth in Article V hereof have been satisfied, the Issuing Bank shall, on the Issuance Date, issue a Facility Letter of Credit on behalf of the Borrower in accordance with the Letter of Credit Request and the Issuing Bank's usual and customary business practices unless the Issuing Bank has actually received (i) written notice from the Borrower specifically revoking the Letter of Credit Request with respect to such Facility Letter of Credit, (ii) written notice from a Lender, which complies with the provisions of Section 3.6(a), or (iii) written or telephonic notice from the Administrative Agent stating that the issuance of such Facility Letter of Credit would violate Section 3.2.

(c) The Issuing Bank shall give the Administrative Agent (who shall promptly notify Lenders) and the Borrower written or telex notice, or telephonic notice confirmed promptly thereafter in writing, of the issuance of a Facility Letter of Credit (the "Issuance Notice"), which shall indicate the Issuing Bank's reasonable determination as to whether such Facility Letter of Credit is a Financial Letter of Credit or a Performance Letter of Credit, which determination shall be conclusive absent manifest error.

(d) The Issuing Bank shall not extend or amend any Facility Letter of Credit unless the requirements of this Section 3.4 are met as though a new Facility Letter of Credit was being requested and issued.

3.5 Reimbursement Obligations; Duties of Issuing Bank.

(a) The Issuing Bank shall promptly notify the Borrower and the Administrative Agent (who shall promptly notify Lenders) of any draw under a Facility Letter of Credit. Any such draw shall constitute an Advance of the Facility in the amount of the Reimbursement Obligation with respect to such Facility Letter of Credit and shall bear interest from the date of the relevant drawing(s) under the pertinent Facility Letter of Credit at a rate selected by Borrower in accordance with Section 2.11 hereof; provided that if a Monetary Default or an Event of Default exists at the time of any such drawing(s), then the Borrower shall reimburse the Issuing Bank for drawings under a Facility Letter of Credit issued by the Issuing Bank no later than the next succeeding Business Day after the payment by the Issuing Bank and until repaid such Reimbursement Obligation shall bear interest at the Default Rate.

(b) Any action taken or omitted to be taken by the Issuing Bank under or in connection with any Facility Letter of Credit, if taken or omitted in the absence of willful misconduct or gross negligence, shall not put the Issuing Bank under any resulting liability to any Lender or, provided that such Issuing Bank has complied with the procedures specified in Section 3.4 and such Lender has not given a notice contemplated by Section 3.6(a) that continues in full force and effect, relieve that Lender of its obligations hereunder to the Issuing Bank. In determining whether to pay under any Facility Letter of Credit, the Issuing Bank shall have no obligation relative to the Lenders other than to confirm that any documents required to be delivered under such Letter of Credit appear to have been delivered in compliance, and that they appear to comply on their face, with the requirements of such Letter of Credit.

3.6 Participation.

(a) Immediately upon issuance by the Issuing Bank of any Facility Letter of Credit in accordance with the procedures set forth in Section 3.4, each Lender shall be deemed to have irrevocably and unconditionally purchased and received from the Issuing Bank, without recourse, representation or warranty, an undivided interest and participation equal to such Lender's Percentage in such Facility Letter of Credit (including, without limitation, all obligations of the Borrower with respect thereto) and all related rights hereunder and under the Guaranty and other Loan Documents; provided that a Letter of Credit issued by the Issuing Bank shall not be deemed to be a Facility Letter of Credit for purposes of this Section 3.6 if the Issuing Bank shall have received written notice from any Lender on or before the Business Day prior to the date of its issuance of such Letter of Credit that one or more of the conditions contained in Section 5.2 is not then satisfied, and in the event the Issuing Bank receives such a notice it shall have no further obligation to issue any Facility Letter of Credit until such notice is withdrawn by that Lender or the Issuing Bank receives a notice from the Administrative Agent that such condition has been effectively waived in accordance with the provisions of this Agreement. Each Lender's obligation to make further Loans to Borrower (other than any payments such Lender is required to make under subparagraph (b) below) or to purchase an interest from the Issuing Bank in any subsequent letters of credit issued by the Issuing Bank on behalf of Borrower shall be reduced by such Lender's Percentage of the undrawn portion of each Facility Letter of Credit outstanding.

(b) In the event that the Issuing Bank makes any payment under any Facility Letter of Credit and the Borrower shall not have repaid such amount to the Issuing Bank pursuant to Section 3.7 hereof, the Issuing Bank shall promptly notify the Administrative Agent, which shall promptly notify each Lender of such failure, and each Lender shall promptly and unconditionally pay to the Administrative Agent for the account of the Issuing Bank the amount of such Lender's Percentage of the unreimbursed amount of such payment, and the Administrative Agent shall promptly pay such amount to the Issuing Bank. Lender's payments of its Percentage of such Reimbursement Obligation as aforesaid shall be deemed to be a Loan by such Lender and shall constitute outstanding principal under

such Lender's Note. The failure of any Lender to make available to the Administrative Agent for the account of the Issuing Bank its Percentage of the unreimbursed amount of any such payment shall not relieve any other Lender of its obligation hereunder to make available to the Administrative Agent for the account of such Issuing Bank its Percentage of the unreimbursed amount of any payment on the date such payment is to be made, but no Lender shall be responsible for the failure of any other Lender to make available to the Administrative Agent its Percentage of the unreimbursed amount of any payment on the date such payment is to be made. Any Lender which fails to make any payment required pursuant to this Section 3.6(b) shall be deemed to be a Defaulting Lender hereunder.

(c) Whenever the Issuing Bank receives a payment on account of a Reimbursement Obligation, including any interest thereon, the Issuing Bank shall promptly pay to the Administrative Agent and the Administrative Agent shall promptly pay to each Lender which has funded its participating interest therein, in immediately available funds, an amount equal to such Lender's Percentage thereof.

(d) Upon the request of the Administrative Agent or any Lender, the Issuing Bank shall furnish to such Administrative Agent or Lender copies of any Facility Letter of Credit to which the Issuing Bank is party and such other documentation as may reasonably be requested by the Administrative Agent or Lender.

(e) The obligations of a Lender to make payments to the Administrative Agent for the account of the Issuing Bank with respect to a Facility Letter of Credit shall be absolute, unconditional and irrevocable, not subject to any counterclaim, set-off, qualification or exception whatsoever other than a failure of any such Issuing Bank to comply with the terms of this Agreement relating to the issuance of such Facility Letter of Credit, and such payments shall be made in accordance with the terms and conditions of this Agreement under all circumstances.

3.7 Payment of Reimbursement Obligations.

(a) The Borrower agrees to pay to the Administrative Agent for the account of the Issuing Bank the amount of all Advances for Reimbursement Obligations, interest and other amounts payable to the Issuing Bank under or in connection with any Facility Letter of Credit when due, irrespective of any claim, set-off, defense or other right which the Borrower may have at any time against any Issuing Bank or any other Person, under all circumstances, including without limitation any of the following circumstances:

(i) any lack of validity or enforceability of this Agreement or any of the other Loan Documents;

(ii) the existence of any claim, setoff, defense or other right which the Borrower may have at any time against a beneficiary named in a Facility Letter of Credit or any transferee of any Facility Letter of Credit (or

any Person for whom any such transferee may be acting), the Administrative Agent, the Issuing Bank, any Lender, or any other Person, whether in connection with this Agreement, any Facility Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transactions between the Borrower and the beneficiary named in any Facility Letter of Credit);

(iii) any draft, certificate or any other document presented under the Facility Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect of any statement therein being untrue or inaccurate in any respect;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Loan Documents; or

(v) the occurrence of any Default or Event of Default.

(b) In the event any payment by the Borrower received by the Issuing Bank or the Administrative Agent with respect to a Facility Letter of Credit and distributed by the Administrative Agent to the Lenders on account of their participations is thereafter set aside, avoided or recovered from the Administrative Agent or Issuing Bank in connection with any receivership, liquidation, reorganization or bankruptcy proceeding, each Lender which received such distribution shall, upon demand by the Administrative Agent, contribute such Lender's Percentage of the amount set aside, avoided or recovered together with interest at the rate required to be paid by the Issuing Bank or the Administrative Agent upon the amount required to be repaid by the Issuing Bank or the Administrative Agent.

3.8 Compensation for Facility Letters of Credit.

(a) The Borrower shall pay to the Administrative Agent, for the ratable account of the Lenders, based upon the Lenders' respective Percentages, a per annum fee (the "Facility Letter of Credit Fee") with respect to each Facility Letter of Credit that is equal to (i) the LIBOR Applicable Margin in effect from time to time in the case of Financial Letters of Credit, and (ii) the LIBOR Applicable Margin from time to time minus 0.25% in the case of Performance Letters of Credit. The Facility Letter of Credit Fee relating to any Facility Letter of Credit shall be due and payable in arrears in equal installments on the first Business Day of each month following the issuance of any Facility Letter of Credit and, to the extent any such fees are then due and unpaid, on the Maturity Date. The Administrative Agent shall promptly remit such Facility Letter of Credit Fees, when paid, to the other Lenders in accordance with their Percentages thereof. The Borrower shall not have any liability to any Lender for the failure of the Administrative Agent to promptly deliver funds to any such Lender and shall be deemed to have made all such payments on the date the

respective payment is made by the Borrower to the Administrative Agent, provided such payment is received by the time specified in Section 2.12 hereof.

(b) The Issuing Bank also shall have the right to receive solely for its own account an issuance fee of 0.15% of the face amount of each Facility Letter of Credit, payable by the Borrower on the Issuance Date for each such Facility Letter of Credit. The Issuing Bank shall also be entitled to receive its reasonable out-of-pocket costs and the Issuing Bank's standard charges of issuing, amending and servicing Facility Letters of Credit and processing draws thereunder.

3.9 Letter of Credit Collateral Account. The Borrower hereby agrees that it will, until the Maturity Date, maintain a special collateral account (the "Letter of Credit Collateral Account") at the Administrative Agent's office at the address specified pursuant to Article XV, in the name of the Borrower but under the sole dominion and control of the Administrative Agent, for the benefit of the Lenders, and in which the Borrower shall have no interest other than as set forth in Section 11.1. In addition to the foregoing, the Borrower hereby grants to the Administrative Agent, for the benefit of the Lenders, a security interest in and to the Letter of Credit Collateral Account and any funds that may hereafter be on deposit in such account, including income earned thereon. The Lenders acknowledge and agree that the Borrower has no obligation to fund the Letter of Credit Collateral Account unless and until so required under Section 11.1 hereof.

ARTICLE IV

CHANGE IN CIRCUMSTANCES

4.1 Yield Protection. If the adoption of or change in any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any interpretation thereof, or the compliance of any Lender therewith,

(i) subjects any Lender or any applicable Lending Installation to any tax, duty, charge or withholding on or from payments due from Borrower (excluding federal and state taxation of the overall net income of any Lender or applicable Lending Installation), or changes the basis of such taxation of payments to any Lender in respect of its Advances, its interest in the Facility Letters of Credit or other amounts due it hereunder, or

(ii) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or any applicable Lending Installation (other than reserves and assessments taken into account in determining the interest rate applicable to LIBOR Advances), or

(iii) imposes any other condition, and the result is to increase the cost of any Lender or any applicable Lending Installation of making, funding or maintaining loans or reduces any amount receivable by any Lender or any applicable Lending Installation in connection with loans, or requires any Lender or any applicable Lending Installation to make any payment calculated by reference to the amount of loans held, Letters of Credit issued or participated in or interest received by it, by an amount deemed material by such Lender,

then, within fifteen (15) days of demand by such Lender, Borrower shall pay such Lender that portion of such increased expense incurred or reduction in an amount received which such Lender determines is attributable to making, funding and maintaining its Advances and its Commitment.

4.2 Changes in Capital Adequacy Regulations. If a Lender determines the amount of capital required or expected to be maintained by such Lender, any Lending Installation of such Lender or any corporate entity controlling such Lender is increased as a result of a Change (as defined below), then, within fifteen (15) days of demand by such Lender, Borrower shall pay such Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender determines is attributable to this Agreement, its Advances, its interest in the Facility Letters of Credit, or its obligation to make Advances hereunder or participate in or issue Facility Letters of Credit hereunder (after taking into account such Lender's policies as to capital adequacy). "Change" means (i) any change after the date of this Agreement in the Risk-Based Capital Guidelines (as defined below) or (ii) any adoption of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Lender or any Lending Installation or any corporation controlling any Lender. "Risk-Based Capital Guidelines" means (i) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basle Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards", including transition rules, and any amendments to such regulations adopted prior to the date of this Agreement. Without in any way affecting the Borrower's obligation to pay compensation actually claimed by a Lender under this Section 4.2, the Borrower shall have the right to replace any Lender which has demanded such compensation provided that Borrower notifies such Lender that it has elected to replace such Lender and notifies such Lender and the Administrative Agent of the identity of the proposed replacement Lender not more than six (6) months after the date of such Lender's most recent demand for compensation under this Section 4.2. The Lender being replaced shall assign its Percentage of the Aggregate Commitment and its rights and obligations under this Facility to the replacement Lender in accordance with the requirements of Section 13.3 hereof and the

replacement Lender shall assume such Percentage of the Aggregate Commitment and the related obligations under this Facility prior to the Maturity Date to be extended, all pursuant to an assignment agreement substantially in the form of Exhibit J hereto. The purchase by the replacement Lender shall be at par (plus all accrued and unpaid interest and any other sums owed to such Lender being replaced hereunder) which shall be paid to the Lender being replaced upon the execution and delivery of the assignment.

4.3 Availability of LIBOR Advances. If any Lender determines that maintenance of any of its LIBOR Loans at a suitable Lending Installation would violate any applicable law, rule, regulation or directive of any Governmental Authority having jurisdiction, the Administrative Agent shall suspend by written notice to Borrower the availability of LIBOR Advances and require any LIBOR Advances to be repaid; or if the Required Lenders determine that (i) deposits of a type or maturity appropriate to match fund LIBOR Advances are not available, the Administrative Agent shall suspend by written notice to Borrower the availability of LIBOR Advances with respect to any LIBOR Advances made after the date of any such determination, or (ii) an interest rate applicable to a LIBOR Advance does not accurately reflect the cost of making a LIBOR Advance, and, if for any reason whatsoever the provisions of Section 4.1 are inapplicable, the Administrative Agent shall suspend by written notice to Borrower the availability of LIBOR Advances with respect to any LIBOR Advances made after the date of any such determination.

4.4 Funding Indemnification. If any payment of a ratable LIBOR Advance or a Competitive Bid Loan occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment or otherwise, or a ratable LIBOR Advance or a Competitive Bid Loan is not made on the date specified by Borrower for any reason other than default by one or more of the Lenders, Borrower will indemnify each Lender for any loss or cost incurred by such Lender resulting therefrom, including, without limitation, any loss or cost in liquidating or employing deposits acquired to fund or maintain the ratable LIBOR Advance or Competitive Bid Loan, as the case may be.

4.5 Lender Statements; Survival of Indemnity. To the extent reasonably possible, each Lender shall designate an alternate Lending Installation with respect to its LIBOR Advances to reduce any liability of Borrower to such Lender under Sections 4.1 and 4.2 or to avoid the unavailability of a LIBOR Advance, so long as such designation is not disadvantageous to such Lender. Each Lender shall deliver a written statement of such Lender as to the amount due, if any, under Sections 4.1, 4.2 or 4.4 hereof. Such written statement shall set forth in reasonable detail the calculations upon which such Lender determined such amount and shall be final, conclusive and binding on Borrower in the absence of manifest error. Determination of amounts payable under such Sections in connection with a LIBOR Advance shall be calculated as though each Lender funded its LIBOR Advance through the purchase of a deposit of the type and maturity corresponding to the deposit used as a reference in determining the Adjusted LIBOR Rate applicable to such Advance, whether in fact that is the case or not. Unless otherwise provided herein, the amount specified in the written statement shall be payable on demand after receipt by

Borrower of the written statement. The obligations of Borrower under Sections 4.1, 4.2 and 4.4 hereof shall survive payment of the Obligations and termination of this Agreement.

ARTICLE V

CONDITIONS PRECEDENT

5.1 Conditions Precedent to Closing. The Lenders shall not be required to make the initial Advance hereunder, nor shall the Issuing Bank be required to issue the initial Facility Letter of Credit hereunder, unless (i) the Borrower shall have paid all fees then due and payable to the Lenders, the Documentation Agent, the Arrangers and the Administrative Agent hereunder, (ii) all of the conditions set forth in Section 5.2 are satisfied, and (iii) the Borrower shall have furnished to the Administrative Agent, in form and substance satisfactory to the Lenders and their counsel and with sufficient copies for the Lenders, the following:

(a) Certificates of Limited Partnership/Incorporation. A copy of the Certificate of Limited Partnership for the Borrower and a copy of the articles of incorporation of General Partner, each certified by the appropriate Secretary of State or equivalent state official.

(b) Agreements of Limited Partnership/Bylaws. A copy of the Agreement of Limited Partnership for the Borrower and a copy of the bylaws of the General Partner, including all amendments thereto, each certified by the Secretary or an Assistant Secretary of the General Partner as being in full force and effect on the Agreement Execution Date.

(c) Good Standing Certificates. A certified copy of a certificate from the Secretary of State or equivalent state official of the states where the Borrower and General Partner are organized, dated as of the most recent practicable date, showing the good standing or partnership qualification (if issued) of (i) Borrower, and (ii) General Partner.

(d) Foreign Qualification Certificates. A certified copy of a certificate from the Secretary of State or equivalent state official of the state where the Borrower and General Partner maintain their principal place of business, dated as of the most recent practicable date, showing the qualification to transact business in such state as a foreign limited partnership or foreign corporation, as the case may be, for (i) Borrower, and (ii) General Partner.

(e) Resolutions. A copy of a resolution or resolutions and adopted by the Board of Directors of the General Partner, certified by the Secretary or an Assistant Secretary of the General Partner as being in full force and effect on the Agreement Execution Date, authorizing the Advances provided for herein and the execution, delivery and

performance of the Loan Documents by the General Partner to be executed and delivered by it hereunder on behalf of itself and Borrower.

(f) Incumbency Certificate. A certificate, signed by the Secretary or an Assistant Secretary of the General Partner and dated the Agreement Execution Date, as to the incumbency, and containing the specimen signature or signatures, of the Persons authorized to execute and deliver the Loan Documents to be executed and delivered by it and Borrower hereunder.

(g) Loan Documents. Originals of the Loan Documents (in such quantities as the Lenders may reasonably request), duly executed by authorized officers of the appropriate entity.

(h) Opinion of Borrower's Counsel. A written opinion, dated the Agreement Execution Date, from outside counsel for the Borrower which counsel is reasonably satisfactory to Administrative Agent, substantially in the form attached hereto as Exhibit E.

(i) Opinion of General Partner's Counsel. A written opinion, dated the Agreement Execution Date, from outside counsel for the General Partner which counsel is reasonably satisfactory to Administrative Agent, substantially in the form attached hereto as Exhibit F.

(j) Insurance. Original or certified copies of insurance policies or binders therefor, with accompanying receipts showing current payment of all premiums, evidencing that Borrower carries insurance on the Unencumbered Assets which satisfies the Administrative Agent's insurance requirements, including, without limitation:

(i) Property and casualty insurance (including coverage for flood and other water damage for any Unencumbered Assets located within a 100-year flood plain) in the amount of the replacement cost of the improvements at the Unencumbered Assets;

(ii) Loss of rental income insurance in the amount not less than one year's Gross Revenues from the Unencumbered Assets; and

(iii) Comprehensive general liability insurance in the amount of $1,000,000 per occurrence.

All insurance must be carried by companies with a Best Insurance Reports (1992) Policyholder's and Financial Size Rating of "A-VII" or better.

(k) [Intentionally Omitted]

(l) Financial and Related Information. The following information:

(i) A certificate, signed by an officer of the Borrower, stating that on the Agreement Execution Date no Default or Event of Default has occurred and is continuing and that all representations and warranties of the Borrower contained herein are true and correct as of the Agreement Execution Date as and to the extent set forth herein;

(ii) The most recent financial statements of the Borrower and General Partner and a certificate from a Qualified Officer of the Borrower that no change in the Borrower's financial condition that would have a Material Adverse Effect has occurred since September 30, 1996;

(iii) Evidence of sufficient Unencumbered Assets (which evidence may include pay-off letters (together with evidence of payment or a direction of Borrower to use a portion of the proceeds of the Advances to repay such Indebtedness), mortgage releases and/or title policies) to assist the Administrative Agent in determining the Borrower's compliance with the covenants set forth in Article IX herein;

(iv) Written money transfer instructions, in substantially the form of Exhibit G hereto, addressed to the Administrative Agent and signed by a Qualified Officer, together with such other related money transfer authorizations as the Administrative Agent may have reasonably requested; and

(v) Operating statements for the Unencumbered Assets and other evidence of income and expenses to assist the Administrative Agent in determining Borrower's compliance with the covenants set forth in Article VIII herein.

(m) Other Evidence as any Lender May Require. Such other evidence as any Lender may reasonably request to establish the consummation of the transactions contemplated hereby, the taking of all necessary actions in any proceedings in connection herewith and compliance with the conditions set forth in this Agreement.

When all such conditions have been fulfilled (or, in the Lenders' sole discretion, waived by Lenders), the Lenders shall confirm in writing to Borrower that the initial Advance is then available to Borrower hereunder.

5.2 Conditions Precedent to Subsequent Advances. Advances after the initial Advance shall be made from time to time as requested by Borrower, and the obligation of each Lender to make any Advance (including Swingline Loans) is subject to the following terms and conditions:

(a) prior to each such Advance no Default or Event of Default shall have occurred and be continuing under this Agreement or any of the Loan Documents and, if required by Administrative Agent, Borrower shall deliver a certificate of Borrower to such effect; and

(b) The representations and warranties contained in Article VI and VII are true and correct as of such borrowing date, Issuance Date, or date of conversion and/or continuation as and to the extent set forth therein, except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall be true and correct on and as of such earlier date.

Subject to the last grammatical paragraphs of Article VI and VII hereof, each Borrowing Notice, Letter of Credit Request, and Conversion/Continuation Notice shall constitute a representation and warranty by the Borrower that the conditions contained in Sections 5.2(a) and (b) have been satisfied.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

Borrower hereby represents and warrants that:

6.1 Existence. Borrower is a limited partnership duly organized and existing under the laws of the State of Delaware, with its principal place of business in the State of Illinois, and is duly qualified as a foreign limited partnership, properly licensed (if required), in good standing and has all requisite authority to conduct its business in each jurisdiction in which it owns Properties and, except where the failure to be so qualified or to obtain such authority would not have a Material Adverse Effect, in each other jurisdiction in which its business is conducted. Each of its Subsidiaries is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has all requisite authority to conduct its business in each jurisdiction in which it owns Property, and except where the failure to be so qualified or to obtain such authority would not have a Material Adverse Effect, in each other jurisdiction in which it conducts business.

6.2 Corporate/Partnership Powers. The execution, delivery and performance of the Loan Documents required to be delivered by Borrower hereunder are within the partnership authority of such entity and the corporate powers of the general partners of such entity, have been duly authorized by all requisite action, and are not in conflict with the terms of any organizational instruments of such entity, or any instrument or agreement to which Borrower or General Partner is a party or by which Borrower, General Partner or any of their respective assets may be bound or affected.

6.3 Power of Officers. The officers of the general partner of Borrower executing the Loan Documents required to be delivered by such entities hereunder have been duly elected or appointed and were fully authorized to execute the same at the time each such agreement, certificate or instrument was executed.

6.4 Government and Other Approvals. No approval, consent, exemption or other action by, or notice to or filing with, any governmental authority is necessary in connection with the execution, delivery or performance of the Loan Documents required hereunder.

6.5 Solvency.

(i) Immediately after the Agreement Execution Date and immediately following the making of each Loan and after giving effect to the application of the proceeds of such Loans, (a) the fair value of the assets of the Borrower and its Subsidiaries on a consolidated basis, at a fair valuation, will exceed the debts and liabilities, subordinated, contingent or otherwise, of the Borrower and its Subsidiaries on a consolidated basis; (b) the present fair saleable value of the Properties of the Borrower and its Subsidiaries on a consolidated basis will be greater than the amount that will be required to pay the probable liability of the Borrower and its Subsidiaries on a consolidated basis on their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) the Borrower and its Subsidiaries on a consolidated basis will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) the Borrower and its Subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are now conducted and are proposed to be conducted after the date hereof.

(ii) Borrower does not intend to, or to permit any of its Subsidiaries to incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it or any such Subsidiary and the timing of the amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Subsidiary.

6.6 Compliance With Laws. There is no judgment, decree or order or any law, rule or regulation of any court or governmental authority binding on Borrower or any of its Subsidiaries which would be contravened by the execution, delivery or performance of the Loan Documents required hereunder.

6.7 Enforceability of Agreement. This Agreement is the legal, valid and binding agreement of the Borrower, and the Notes when executed and delivered will be the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in

accordance with their respective terms, and the Loan Documents required hereunder, when executed and delivered, will be similarly legal, valid, binding and enforceable except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the rights of creditors generally.

6.8 Title to Property. To the best of Borrower's knowledge after due inquiry, Borrower or its Subsidiaries has good and marketable title to the Properties and assets reflected in the financial statements as owned by it or any such Subsidiary free and clear of Liens except for the Permitted Liens. The execution, delivery or performance of the Loan Documents required to be delivered by the Borrower hereunder will not result in the creation of any Lien on the Properties. No consent to the transactions contemplated hereunder is required from any ground lessor or mortgagee or beneficiary under a deed of trust or any other party except as has been delivered to the Lenders.

6.9 Litigation. There are no suits, arbitrations, claims, disputes or other proceedings (including, without limitation, any civil, criminal, administrative or environmental proceedings), pending or, to the best of Borrower's knowledge, threatened against or affecting the Borrower or any of the Properties, the adverse determination of which individually or in the aggregate would have a Material Adverse Effect on the Borrower and/or any of the Properties and/or would cause a Material Adverse Financial Change of Borrower or materially impair the Borrower's ability to perform its obligations hereunder or under any instrument or agreement required hereunder, except as disclosed on Schedule 6.9 hereto, or otherwise disclosed to Lenders in accordance with the terms hereof.

6.10 Events of Default. No Default or Event of Default has occurred and is continuing or would result from the incurring of obligations by the Borrower under any of the Loan Documents or any other document to which Borrower is a party.

6.11 Investment Company Act of 1940. Borrower is not and will by such acts as may be necessary continue not to be, an investment company within the meaning of the Investment Company Act of 1940.

6.12 Public Utility Holding Company Act. The Borrower is not a "holding company" or a "subsidiary company" of a "holding company," or an "affiliate" of a "holding company," or of a "subsidiary company" of a "holding company," within the definitions of the Public Utility Holding Company Act of 1935, as amended.

6.13 Regulation U. The proceeds of the Advances will not be used, directly or indirectly, to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock.

6.14 No Material Adverse Financial Change. To the best knowledge of Borrower, there has been no Material Adverse Financial Change in the condition of Borrower since the date of the financial and/or operating statements most recently submitted to the Lenders.

6.15 Financial Information. All financial statements furnished to the Lenders by or at the direction of the Borrower and all other financial information and data furnished by the Borrower to the Lenders are complete and correct in all material respects as of the date thereof, and such financial statements have been prepared in accordance with GAAP and fairly present the consolidated financial condition and results of operations of the Borrower as of such date. The Borrower has no contingent obligations, liabilities for taxes or other outstanding financial obligations which are material in the aggregate, except as disclosed in such statements, information and data.

6.16 Factual Information. All factual information heretofore or contemporaneously furnished by or on behalf of the Borrower to the Lenders for purposes of or in connection with this Agreement and the other Loan Documents and the transactions contemplated therein is, and all other such factual information hereafter furnished by or on behalf of the Borrower to the Lenders will be, true and accurate (taken as a whole) in all material respects on the date as of which such information is dated or certified and not incomplete by omitting to state any material fact necessary to make such information (taken as a whole) not misleading at such time.

6.17 ERISA. (i) Borrower is not an entity deemed to hold "plan assets" within the meaning of ERISA or any regulations promulgated thereunder of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan within the meaning of Section 4975 of the Code, and (ii) the execution of this Agreement and the transactions contemplated hereunder do not give rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

6.18 Taxes. All required tax returns have been filed by Borrower with the appropriate authorities except to the extent that extensions of time to file have been requested, granted and have not expired or except to the extent such taxes are being contested in good faith and for which adequate reserves, in accordance with GAAP, are being maintained.

6.19 Environmental Matters. Except as disclosed in Schedule 6.19, each of the following representations and warranties is true and correct except to the extent that the facts and circumstances giving rise to any such failure to be so true and correct, in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(i) To the knowledge of the Borrower, the Properties of Borrower, its Subsidiaries, and Investment Affiliates do not contain any Materials of Environmental Concern in amounts or concentrations which

constitute a violation of, or could reasonably give rise to liability under, Environmental Laws.

(ii) Borrower has not received any written notice alleging that any or all of the Properties of Borrower and its Subsidiaries and Investment Affiliates and all operations at the Properties are not in compliance with all applicable Environmental Laws. Further, Borrower has not received any written notice alleging the existence of any contamination at or under such Properties in amounts or concentrations which constitute a violation of any Environmental Law, or any violation of any Environmental Law with respect to such Properties for which Borrower, its Subsidiaries or Investment Affiliates is or could be liable.

(iii) Neither Borrower nor any of its Subsidiaries or Investment Affiliates has received any written notice of non-compliance, liability or potential liability regarding Environmental Laws with regard to any of the Properties, nor does it have knowledge that any such notice will be received or is being threatened.

(iv) To the knowledge of Borrower during the ownership of the Properties by any or all of Borrower, its Subsidiaries and Investment Affiliates, Materials of Environmental Concern have not been transported or disposed of from the Properties of Borrower and its Subsidiaries and Investment Affiliates in violation of, or in a manner or to a location which could reasonably give rise to liability of Borrower, any Subsidiary, or any Investment Affiliate under, Environmental Laws, nor during the ownership of the Properties by any or all of Borrower, its Subsidiaries and Investment Affiliates have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of such Properties in violation of, or in a manner that could give rise to liability of Borrower, any Subsidiary or any Investment Affiliate under, any applicable Environmental Laws.

(v) No judicial proceedings or governmental or administrative action is pending, or, to the knowledge of Borrower, threatened, under any Environmental Law to which Borrower, any of its Subsidiaries, or any Investment Affiliate, is named as a party with respect to the Properties of such entity, nor are there any consent decrees or other decrees, consent orders, administrative order or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to such Properties for which Borrower, its Subsidiaries, or any Investment Affiliate is or could be liable.

(vi) To the knowledge of Borrower during the ownership of the Properties by any or all of Borrower, its Subsidiaries and Investment Affiliates, there has been no release or threat of release of Materials of Environmental Concern at or from the Properties of Borrower and its Subsidiaries and Investment Affiliates, or arising from or related to the operations of such entity in connection with the Properties in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws.

6.20 Insurance. Borrower has obtained the insurance which Borrower is required to furnish to Lenders under Section 5.1(j) hereof.

6.21 No Brokers. Borrower has dealt with no brokers in connection with this Facility, and no brokerage fees or commissions are payable by or to any Person in connection with this Agreement or the Advances. Lenders shall not be responsible for the payment of any fees or commissions to any broker and Borrower shall indemnify, defend and hold Lenders harmless from and against any claims, liabilities, obligations, damages, costs and expenses (including reasonable attorneys' fees and disbursements) made against or incurred by Lenders as a result of claims made or actions instituted by any broker or Person claiming by, through or under Borrower in connection with the Facility.

6.22 No Violation of Usury Laws. No aspect of any of the transactions contemplated herein violate or will violate any usury laws or laws regarding the validity of agreements to pay interest in effect on the date hereof.

6.23 Not a Foreign Person. Borrower is not a "foreign person" within the meaning of Section 1445 or 7701 of the Internal Revenue Code.

6.24 No Trade Name. Except for the name "First Industrial," and except as otherwise set forth on Schedule 6.24 attached hereto, Borrower does not use any trade name and has not and does not do business under any name other than their actual names set forth herein. The principal place of business of Borrower is as stated in the recitals hereto.

6.25 Subsidiaries. Schedule 6.25 hereto contains an accurate list of all of the presently existing Subsidiaries of Borrower, setting forth their respective jurisdictions of formation, the percentage of their respective Capital Stock owned by it or its Subsidiaries and the Properties owned by them. All of the issued and outstanding shares of Capital Stock of such Subsidiaries have been duly authorized and issued and are fully paid and non-assessable.

6.26 Unencumbered Assets. Schedule 6.26 hereto contains a complete and accurate description of Unencumbered Assets as of the Agreement Execution Date and as supplemented from time to time including the entity that owns each Unencumbered Asset. With respect to each Project identified from time to time as an Unencumbered Asset,

Borrower hereby represents and warrants as follows except to the extent disclosed in writing to the Lenders and approved by the Majority Lenders (which approval shall not be unreasonably withheld):

(a) No portion of any improvement on the Unencumbered Asset is located in an area identified by the Secretary of Housing and Urban Development or any successor thereto as an area having special flood hazards pursuant to the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as amended, or any successor law, or, if located within any such area, Borrower has obtained and will maintain the insurance prescribed in Section 5.1(j) hereof.

(b) To the Borrower's knowledge, the Unencumbered Asset and the present use and occupancy thereof are in material compliance with all applicable zoning ordinances (without reliance upon adjoining or other properties), building codes, land use and Environmental Laws, and other similar laws ("Applicable Laws").

(c) The Unencumbered Asset is served by all utilities required for the current or contemplated use thereof. All utility service is provided by public utilities and the Unencumbered Asset has accepted or is equipped to accept such utility service.

(d) All public roads and streets necessary for service of and access to the Unencumbered Asset for the current or contemplated use thereof have been completed, are serviceable and all-weather and are physically and legally open for use by the public.

(e) The Unencumbered Asset is served by public water and sewer systems or, if the Unencumbered Asset is not serviced by a public water and sewer system, such alternate systems are adequate and meet, in all material respects, all requirements and regulations of, and otherwise complies in all material respects with, all Applicable Laws with respect to such alternate systems.

(f) Borrower is not aware of any latent or patent structural or other significant deficiency of the Unencumbered Asset. The Unencumbered Asset is free of damage and waste that would materially and adversely affect the value of the Unencumbered Asset, is in good repair and there is no deferred maintenance other than ordinary wear and tear. The Unencumbered Asset is free from damage caused by fire or other casualty. There is no pending or, to the actual knowledge of Borrower threatened condemnation proceedings affecting the Unencumbered Asset, or any material part thereof.

(g) To Borrower's knowledge, all liquid and solid waste disposal, septic and sewer systems located on the Unencumbered Asset are in a good and safe condition and repair and to Borrower's knowledge, in material compliance with all Applicable Laws with respect to such systems.

(h) All improvements on the Unencumbered Asset lie within the boundaries and building restrictions of the legal description of record of the Unencumbered Asset, no such improvements encroach upon easements benefitting the Unencumbered Asset other than encroachments that do not materially adversely affect the use or occupancy of the Unencumbered Asset and no improvements on adjoining properties encroach upon the Unencumbered Asset or easements benefitting the Unencumbered Asset other than encroachments that do not materially adversely affect the use or occupancy of the Unencumbered Asset. All amenities, access routes or other items that materially benefit the Unencumbered Asset are under direct control of Borrower, constitute permanent easements that benefit all or part of the Unencumbered Asset or are public property, and the Unencumbered Asset, by virtue of such easements or otherwise, is contiguous to a physically open, dedicated all weather public street, and has the necessary permits for ingress and egress.

(i) There are no delinquent taxes, ground rents, water charges, sewer rents, assessments, insurance premiums, leasehold payments, or other outstanding charges affecting the Unencumbered Asset except to the extent such items are being contested in good faith and as to which adequate reserves have been provided.

A breach of any of the representations and warranties contained in this Section 6.26 with respect to a Project shall disqualify such Project from being an Unencumbered Asset for so long as such breach continues (unless otherwise approved by the Majority Lenders) but shall not constitute a Default (unless the elimination of such Property as an Unencumbered Asset results in a Default under one of the other provisions of this Agreement).

Borrower agrees that all of its representations and warranties set forth in Article VI of this Agreement and elsewhere in this Agreement are true on the Agreement Execution Date, and will be true on each Effective Date in all material respects (except with respect to matters which have been disclosed in writing to and approved by the Majority Lenders), and will be true in all material respects (except with respect to matters which have been disclosed in writing to and approved by the Majority Lenders) upon each request for disbursement of an Advance. Each request for disbursement hereunder shall constitute a reaffirmation of such representations and warranties as deemed modified in accordance with the disclosures made and approved, as aforesaid, as of the date of such request and disbursement.

ARTICLE VII

ADDITIONAL REPRESENTATIONS AND WARRANTIES

The General Partner hereby represents and warrants that:

7.1 Existence. The General Partner is a corporation duly organized and existing under the laws of the State of Maryland, with its principal place of business in the State of

Illinois, is duly qualified as a foreign corporation and properly licensed (if required) and in good standing in each jurisdiction where the failure to qualify or be licensed (if required) would constitute a Material Adverse Financial Change with respect to the General Partner or have a Material Adverse Effect on the business or properties of the General Partner.

7.2 Corporate Powers. The execution, delivery and performance of the Loan Documents required to be delivered by the General Partner hereunder are within the corporate powers of the General Partner, have been duly authorized by all requisite corporate action, and are not in conflict with the terms of any organizational instruments of the General Partner, or any instrument or agreement to which the General Partner is a party or by which General Partner or any of its assets is bound or affected.

7.3 Power of Officers. The officers of the General Partner executing the Loan Documents required to be delivered by the General Partner hereunder have been duly elected or appointed and were fully authorized to execute the same at the time each such agreement, certificate or instrument was executed.

7.4 Government and Other Approvals. No approval, consent, exemption or other action by, or notice to or filing with, any governmental authority is necessary in connection with the execution, delivery or performance of the Loan Documents required hereunder.

7.5 Compliance With Laws. There is no judgment, decree or order or any law, rule or regulation of any court or governmental authority binding on the General Partner which would be contravened by the execution, delivery or performance of the Loan Documents required hereunder.

7.6 Enforceability of Agreement. This Agreement is the legal, valid and binding agreement of the General Partner, as the general partner of Borrower, enforceable against the General Partner in accordance with its respective terms, and the Loan Documents required hereunder, when executed and delivered, will be similarly legal, valid, binding and enforceable except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the rights of creditors generally.

7.7 Liens; Consents. The execution, delivery or performance of the Loan Documents required to be delivered by the General Partner hereunder will not result in the creation of any Lien on the Properties other than in favor of the Lenders. No consent to the transactions hereunder is required from any ground lessor or mortgagee or beneficiary under a deed of trust or any other party except as has been delivered to the Lenders.

7.8 Litigation. There are no suits, arbitrations, claims, disputes or other proceedings (including, without limitation, any civil, criminal, administrative or environmental proceedings), pending or, to the best of General Partner's knowledge, threatened against or affecting the General Partner or any of the Properties, the adverse

determination of which individually or in the aggregate would have a Material Adverse Effect on the General Partner and/or any of the Collateral and/or would cause a Material Adverse Financial Change with respect to the General Partner or materially impair the General Partner's ability to perform its obligations hereunder or under any instrument or agreement required hereunder, except as disclosed on Schedule 7.8 hereto, or otherwise disclosed to Lenders in accordance with the terms hereof.

7.9 Events of Default. No Default or Event of Default has occurred and is continuing or would result from the incurring of obligations by the General Partner under any of the Loan Documents or any other document to which General Partner is a party.

7.10 Investment Company Act of 1940. The General Partner is not, and will by such acts as may be necessary continue not to be, an investment company within the meaning of the Investment Company Act of 1940.

7.11 Public Utility Holding Company Act. The General Partner is not a "holding company" or a "subsidiary company" of a "holding company," or an "affiliate" of a "holding company," or of a "subsidiary company" of a "holding company," within the definitions of the Public Utility Holding Company Act of 1935, as amended.

7.12 No Material Adverse Financial Change. There has been no Material Adverse Financial Change in the condition of the General Partner since the last date on which the financial and/or operating statements were submitted to the Lenders.

7.13 Financial Information. All financial statements furnished to the Lenders by or on behalf of the General Partner and all other financial information and data furnished by or on behalf of the General Partner to the Lenders are complete and correct in all material respects as of the date thereof, and such financial statements have been prepared in accordance with GAAP and fairly present the consolidated financial condition and results of operations of the General Partner as of such date. The General Partner has no contingent obligations, liabilities for taxes or other outstanding financial obligations which are material in the aggregate, except as disclosed in such statements, information and data.

7.14 Factual Information. All factual information heretofore or contemporaneously furnished by or on behalf of the General Partner to the Lenders for purposes of or in connection with this Agreement and the other Loan Documents and the transactions contemplated therein is, and all other such factual information hereafter furnished by or on behalf of the General Partner to the Lenders will be, true and accurate in all material respects (taken as a whole) on the date as of which such information is dated or certified and not incomplete by omitting to state any material fact necessary to make such information (taken as a whole) not misleading at such time.

7.15 ERISA. (i) General Partner is not an entity deemed to hold "plan assets" within the meaning of ERISA or any regulations promulgated thereunder of an employee

benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan within the meaning of Section 4975 of the Code, and (ii) the execution of this Agreement and the transactions contemplated hereunder do not give rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

7.16 Taxes. All required tax returns have been filed by the General Partner with the appropriate authorities except to the extent that extensions of time to file have been requested, granted and have not expired or except to the extent such taxes are being contested in good faith and for which adequate reserves, in accordance with GAAP, are being maintained.

7.17 No Brokers. General Partner has dealt with no brokers in connection with this Facility, and no brokerage fees or commissions are payable by or to any Person in connection with this Agreement or the Advances. Lender shall not be responsible for the payment of any fees or commissions to any broker and General Partner shall indemnify, defend and hold Lender harmless from and against any claims, liabilities, obligations, damages, costs and expenses (including reasonable attorneys' fees and disbursements) made against or incurred by Lender as a result of claims made or actions instituted by any broker or Person claiming by, through or under the General Partner in connection with the Facility.

7.18 Subsidiaries. Schedule 7.18 hereto contains an accurate list of all of the presently existing Subsidiaries of General Partner, setting forth their respective jurisdictions of formation, the percentage of their respective Capital Stock owned by it or its Subsidiaries and the Properties owned by them. All of the issued and outstanding shares of Capital Stock of such Subsidiaries have been duly authorized and issued and are fully paid and non-assessable.

7.19 Status. General Partner is a corporation listed and in good standing on the New York Stock Exchange ("NYSE").

General Partner agrees that all of its representations and warranties set forth in Article VII of this Agreement and elsewhere in this Agreement are true on the Agreement Execution Date, and will be true on each Effective Date in all material respects (except with respect to matters which have been disclosed in writing to and approved by the Majority Lenders), and will be true in all material respects (except with respect to matters which have been disclosed in writing to and approved by the Majority Lenders) upon each request for disbursement of an Advance. Each request for disbursement hereunder shall constitute a reaffirmation of such representations and warranties as deemed modified in accordance with the disclosures made and approved, as aforesaid, as of the date of such request and disbursement.

ARTICLE VIII

AFFIRMATIVE COVENANTS

The Borrower (and the General Partner, if expressly included in Sections contained in this Article) covenant and agree that so long as the Commitment of any Lender shall remain available and until the full and final payment of all Obligations incurred under the Loan Documents they will:

8.1 Notices. Promptly give written notice to Administrative Agent (who will promptly send such notice to Lenders) of:

(a) all litigation or arbitration proceedings affecting the Borrower, the General Partner or any Subsidiary where the amount claimed is $5,000,000 or more;

(b) any Default or Event of Default, specifying the nature and the period of existence thereof and what action has been taken or been proposed to be taken with respect thereto;

(c) all claims filed against any property owned by the Borrower or the General Partner which, if adversely determined, could have a Material Adverse Effect on the ability of the Borrower or the General Partner to meet any of their obligations under the Loan Documents;

(d) the occurrence of any other event which might have a Material Adverse Effect or cause a Material Adverse Financial Change on or with respect to the Borrower or the General Partner;

(e) any Reportable Event or any "prohibited transaction" (as such term is defined in Section 4975 of the Code) in connection with any Plan or any trust created thereunder, which may, singly or in the aggregate materially impair the ability of the Borrower or the General Partner to repay any of its obligations under the Loan Documents, describing the nature of each such event and the action, if any, the Borrower or the General Partner, as the case may be, proposes to take with respect thereto;

(f) any notice from any federal, state, local or foreign authority regarding any Hazardous Material, asbestos, or other environmental condition, proceeding, order, claim or violation affecting any of the Properties.

8.2 Financial Statements, Reports, Etc. The Borrower will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with GAAP, and furnish to the Lenders:

(i) as soon as available, but in any event not later than 45 days after the close of each fiscal quarter, for the Borrower an unaudited consolidated balance sheet as of the close of each such period and the related unaudited consolidated statements of income and retained earnings and of cash flows of the Borrower and its Subsidiaries for such period and the portion of the fiscal year through the end of such period, setting forth in each case in comparative form the figures for the previous year, all certified by the Borrower's chief financial officer or chief accounting officer;

(ii) As soon as available, but in any event not later than 45 days after the close of each fiscal quarter, for the Borrower and its Subsidiaries, related reports in form and substance satisfactory to the Lenders, all certified by Borrower's chief financial officer or chief accounting officer, including a statement of Funds From Operations, a description of Unencumbered Assets, a listing of capital expenditures (in the level of detail as currently disclosed in Borrower's "Supplemental Information"), a report listing and describing all newly acquired Properties, including their cash flow, cost and secured or unsecured Indebtedness assumed in connection with such acquisition, if any, summary Property information for all Properties, including, without limitation, their Property Operating Income, occupancy rates, square footage, property type and date acquired or built, and such other information as may be requested to evaluate the quarterly compliance certificate delivered as provided below;

(iii) As soon as publicly available but in no event later than the date such reports are to be filed with the Securities Exchange Commission, copies of all Form 10Ks, 10Qs, 8Ks, and any other annual, quarterly, monthly or other reports, copies of all registration statements and any other public information which the Borrower or any of its Subsidiaries files with the Securities Exchange Commission and to the extent any of such reports contains information required under the other subsections of this Section 8.2, the information need not be furnished separately under the other subsections;

(iv) As soon as available, but in any event not later than 90 days after the close of each fiscal year of the Borrower and its Subsidiaries, reports in form and substance satisfactory to the Lenders, certified by the Borrower's chief financial officer or chief accounting officer containing Property Operating Income for each individual Property included as Unencumbered Assets;

(v) Not later than forty-five (45) days after the end of each of the first three fiscal quarters, and not later than ninety (90) days after the end of the fiscal year, a compliance certificate in substantially the form of Exhibit H hereto signed by the Borrower's chief financial officer or chief

accounting officer confirming that Borrower is in compliance with all of the covenants of the Loan Documents, showing the calculations and computations necessary to determine compliance with the financial covenants contained in this Agreement (including such schedules and backup information as may be necessary to demonstrate such compliance) and stating that to such officer's best knowledge, there is no other Default or Event of Default exists, or if any Default or Event of Default exists, stating the nature and status thereof;

(vi) (a) As soon as possible and in any event within 10 Business Days after the Borrower knows that any Reportable Event has occurred with respect to any Plan, a statement, signed by the chief financial officer of Borrower, describing said Reportable Event and within 20 days after such Reportable Event, a statement signed by such chief financial officer describing the action which Borrower proposes to take with respect thereto; and (b) within 10 Business Days of receipt, any notice from the Internal Revenue Service, PBGC or Department of Labor with respect to a Plan regarding any excise tax, proposed termination of a Plan, prohibited transaction or fiduciary violation under ERISA or the Code which could result in any liability to Borrower or any member of the Controlled Group in excess of $100,000; and (c) within 10 Business Days of filing, any Form 5500 filed by Borrower with respect to a Plan, or any member of the Controlled Group which includes a qualified accountant's opinion.

(vii) As soon as possible and in any event within 30 days after receipt by the Borrower, a copy of (a) any notice or claim to the effect that the Borrower or any of its Subsidiaries is or may be liable to any Person as a result of the release by such entity, or any of its Subsidiaries, or any other Person of any toxic or hazardous waste or substance into the environment, and (b) any notice alleging any violation of any federal, state or local environmental, health orsafety law or regulation by the Borrower or any of its Subsidiaries or Investment Affiliates, which, in either case, could be reasonably likely to have a Material Adverse Effect;

(viii) Promptly upon the furnishing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements so furnished;

(ix) Promptly upon the distribution thereof to the press or the public, copies of all press releases;

(x) As soon as possible, and in any event within 10 days after the Borrower knows of any fire or other casualty or any pending or threatened condemnation or eminent domain proceeding with respect to all or any material portion of any Unencumbered Asset, a statement signed by the

Chief Financial Officer of Borrower, describing such fire, casualty or condemnation and the action Borrower intends to take with respect thereto; and

(xi) Such other information (including, without limitation, non-financial information) as the Administrative Agent or any Lender may from time to time reasonably request.

8.3 Existence and Conduct of Operations. Except as permitted herein, maintain and preserve its existence and all rights, privileges and franchises now enjoyed and necessary for the operation of its business, including remaining in good standing in each jurisdiction in which business is currently operated. The Borrower and the General Partner shall carry on and conduct their respective businesses in substantially the same manner and in substantially the same fields of enterprise as presently conducted. The Borrower will do, and will cause each of its Subsidiaries to do, all things necessary to remain duly incorporated and/or duly qualified, validly existing and in good standing as a real estate investment trust, corporation, general partnership, limited liability company or limited partnership, as the case may be, in its jurisdiction of incorporation/formation. The Borrower will maintain all requisite authority to conduct its business in each jurisdiction in which the Properties are located and, except where the failure to be so qualified would not have a Material Adverse Effect, in each jurisdiction required to carry on and conduct its businesses in substantially the same manner as it is presently conducted, and, specifically, neither the Borrower nor its Subsidiaries will undertake any business other than the acquisition, development, ownership, management, operation and leasing of warehouse/industrial properties and ancillary businesses specifically related thereto, except that the Borrower and its Subsidiaries and Investment Affiliates may invest in other assets subject to the certain limitations contained herein with respect to the following specified categories of assets: (i) unimproved land; (ii) other property holdings (excluding cash, Cash Equivalents, non-industrial Properties and Indebtedness of any Subsidiary to the Borrower); (iii) stock holdings other than in Subsidiaries; (iv) mortgages; and (v) joint ventures and partnerships. The total investment in any one of categories (i), (ii), (iii), (iv) or (v) shall not exceed 10% of Implied Capitalization Value and the total investment in all the foregoing investment categories in the aggregate shall be less than or equal to twenty percent (20%) of Market Value Net Worth. In addition to the foregoing restrictions, investments in unimproved land which is not adjacent to existing improvements and not under active planning for near term development as evidenced to the reasonable satisfaction of Administrative Agent shall not exceed in the aggregate 5% of Implied Capitalization Value, and no single industrial property shall exceed 5% of Implied Capitalization Value. For the purposes of this Section 8.3, all investments shall be valued in accordance with GAAP.

8.4 Maintenance of Properties. Maintain, preserve, protect and keep the Properties in good repair, working order and condition, and make all necessary and proper repairs, renewals and replacements, normal wear and tear excepted.

8.5 Insurance. Provide a certificate of insurance from all insurance carriers who maintain policies with respect to the Properties within thirty (30) days after the end of each fiscal year, evidencing that the insurance required to be furnished to Lenders pursuant to Section 5.1(j) hereof is in full force and effect. Borrower shall timely pay, or cause to be paid, all premiums on all insurance policies required under this Agreement from time to time. Borrower shall promptly notify its insurance carrier or agent therefor (with a copy of such notification being provided simultaneously to Administrative Agent) if there is any occurrence which, under the terms of any insurance policy then in effect with respect to the Properties, requires such notification.

8.6 Payment of Obligations. Pay all taxes, assessments, governmental charges and other obligations when due, except such as may be contested in good faith or as to which a bona fide dispute may exist, and for which adequate reserves have been provided in accordance with sound accounting principles used by Borrower on the date hereof.

8.7 Compliance with Laws. Comply in all material respects with all applicable laws, rules, regulations, orders and directions of any governmental authority having jurisdiction over Borrower, General Partner, or any of their respective businesses.

8.8 Adequate Books. Maintain adequate books, accounts and records in order to provide financial statements in accordance with GAAP and, if requested by any Lender, permit employees or representatives of such Lender at any reasonable time and upon reasonable notice to inspect and audit the properties of Borrower and of the Consolidated Operating Partnership, and to examine or audit the inventory, books, accounts and records of each of them and make copies and memoranda thereof.

8.9 ERISA. Comply in all material respects with all requirements of ERISA applicable to it with respect to each Plan.

8.10 Maintenance of Status. General Partner shall at all times (i) remain as a corporation listed and in good standing on the New York Stock Exchange (NYSE), and (ii) take all steps maintain General Partner's status as a real estate investment trust in compliance with all applicable provisions of the Code (unless otherwise consented to by the Supermajority Lenders).

8.11 Use of Proceeds. Use the proceeds of the Facility for the general business purposes of the Borrower, including without limitation working capital needs, closing costs, and interim funding for property acquisitions and construction of new industrial properties, and/or payment of other debts and obligations of Borrower.

8.12 Pre-Acquisition Environmental Investigations. Cause to be prepared prior to the acquisition of each project that it intends to acquire an environmental report pursuant to a standard scope of work attached as Exhibit I hereto and made a part hereof.

8.13 Distributions. Provided there is no Monetary Default then existing and provided there is not an Event of Default relating to a breach of the financial covenants contained in Section 9.10 below, the Borrower may make distributions to its partners provided that the aggregate amount of distributions in any period of four consecutive fiscal quarters is not in excess of 95% of its Funds From Operations for such period. Notwithstanding the foregoing, unless at the time of distribution there is a Monetary Default, the Borrower shall be permitted at all times to distribute whatever amount is necessary to maintain the General Partner's tax status as a real estate investment trust.

ARTICLE IX

NEGATIVE COVENANTS

The Borrower covenants and agrees that, so long as the Commitment shall remain available and until full and final payment of all obligations incurred under the Loan Documents, without the prior written consent of the Majority Lenders (or the Administrative Agent or a greater Percentage of the Lenders, if so expressly provided), it will not, and the General Partner will not and, in the case of Sections 9.5 and 9.11, Borrower's Subsidiaries will not:

9.1 Change in Business. Engage in any business activities or operations other than (i) the ownership and operation of the Properties, or (ii) other business functions and transactions related to the financing, ownership, acquisition, development and/or management of bulk warehouse and light industrial properties, or without obtaining the prior written consent of the Supermajority Lenders materially change the nature of the use of the Properties.

9.2 Change of Ownership of Properties. Change the ownership and management of the Properties, except that any Affiliate of Borrower or the General Partner shall be permitted to manage any of the Properties.

9.3 Change of Borrower Ownership or Financing Partnership Ownership. Allow (i) the General Partner to own less than fifty-one percent (51%) of the partnership interests in Borrower or 100% of the stock in FIMC and in FISC, (ii) the Borrower to be controlled by a Person other than the General Partner, (iii) any pledge of, other encumbrance on, or conversion to limited partnership interests of, any of the general partnership interests in the Borrower, or (iv) any pledge, hypothecation, encumbrance, transfer or other change in the ownership or the partnership interests in the Financing Partnership or Mortgage Partnership (except for the pledge of such partnership interests to the REMIC Lender).

9.4 Use of Proceeds. Apply or permit to be applied any proceeds of any Advance directly or indirectly, to the funding of any purchase of, or offer for, any share of capital stock of any publicly held corporation unless the board of directors of such corporation has

consented to such offer prior to any public announcements relating thereto and the Lenders have consented to such use of the proceeds of the Facility.

9.5 Transfers of Unencumbered Assets. Transfer or otherwise dispose of (other than the creation or incurrence of Liens permitted under Section 9.6) an Unencumbered Asset without the prior written consent of the Majority Lenders if the Value of such Unencumbered Asset, together with the Value of any other Unencumbered Assets which have been transferred or disposed of during the same period, exceeds the following maximum amounts:

(i) for the period from the Agreement Execution Date through the earlier of (A) the date that the REMIC Loan becomes Defeased REMIC Debt and (B) a date six (6) months after the Agreement Execution Date, a maximum of $90,000,000; and

(ii) for a period beginning at the end of the period described in clause (i) and ending on the last day of the fourth full fiscal quarter of the Borrower thereafter and for subsequent periods ending on the last day of each such fiscal quarter thereafter and consisting of the immediately preceding four (4) full fiscal quarters, a maximum of twenty percent (20%) of the sum of the Value of Unencumbered Assets at the beginning of such period plus the increase therein as a result of all Projects added to Unencumbered Assets during such period.

9.6 Liens. Create, incur, or suffer to exist (or permit any of its Subsidiaries to create, incur, or suffer to exist) any Lien in, of or on the Property of the Borrower or any of their Subsidiaries except:

(i) Liens for taxes, assessments or governmental charges or levies on their Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves shall have been set aside on their books;

(ii) Liens which arise by operation of law, such as carriers', warehousemen's, landlords', materialmen and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations not more than 30 days past due or which are being contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on its books;

(iii) Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation;

(iv) Utility easements, building restrictions, zoning restrictions, easements and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character and which do not in any material way affect the marketability of the same or interfere with the use thereof in the business of the Borrower or its Subsidiaries;

(v) Liens of any Subsidiary in favor of the Borrower; and

(vi) Liens arising in connection with any Indebtedness permitted hereunder to the extent such Liens will not result in a violation of any of the provisions of this Agreement.

Liens permitted pursuant to this Section 9.6 shall be deemed to be "Permitted Liens".

9.7 Regulation U. Use any of the proceeds of the Advances to purchase or carry any Margin Stock.

9.8 [Intentionally Omitted]

9.9 [Intentionally Omitted]

9.10 Indebtedness and Cash Flow Covenants. Permit or suffer:

(a) as of November 30, 1996 or the last day of any fiscal quarter ending thereafter, the ratio of EBITDA to the sum of (1) Interest Expense plus (2) Senior Preferred Stock Expense for such fiscal quarter to be less than 2.0 to 1.0, based on annualizing the results of such fiscal quarter;

(b) as of any day, Consolidated Total Indebtedness to exceed 50% of Implied Capitalization Value;

(c) as of any day, the ratio of Value of Unencumbered Assets to outstanding Consolidated Senior Unsecured Debt to be less than either (i) 1.65 to 1.0 for any fiscal quarter not ending during a Rating Pricing Period or (ii) 1.5 to 1.0 for any fiscal quarter ending during a Rating Pricing Period;

(d) as of November 30, 1996 or the last day of any fiscal quarter ending thereafter, the ratio obtained by dividing (a) Property Operating Income from Unencumbered Assets qualifying for inclusion in the calculation of Value of Unencumbered Assets for such quarter by (b) Debt Service on all Consolidated Senior Unsecured Debt for such quarter to be less than 1.75 to 1;

(e) as of any day, the sum of (1) Consolidated Secured Debt plus (2) Senior Preferred Stock to exceed 45% of Implied Capitalization Value of Borrower and its Subsidiaries. Senior Preferred Stock will be dropped from this ratio when the PS Guaranty is eliminated, as evidenced by the Administrative Agent's receipt of satisfactory evidence thereof;

(f) as of November 30, 1996 or the last day of any fiscal quarter ending thereafter, Market Value Net Worth of the Borrower to be less than the sum of (i) $450,000,000 plus (ii) seventy-five percent (75%) of the aggregate proceeds received (net of customary related fees and expenses) in connection with any equity offering (including any issuance of shares in the General Partner or units in the Borrower) after the Agreement Execution Date.

To the extent Borrower has Defeased REMIC Debt, both the underlying debt and interest payable thereon and the financial assets used to defease such debt and interest earned thereon shall be excluded from calculations of the foregoing financial covenants.

9.11 Mergers and Dispositions. Enter into any merger, consolidation, reorganization or liquidation or transfer or otherwise dispose of all or a substantial portion of its properties, except for: such transactions that occur between wholly-owned Subsidiaries; transactions where Borrower is the surviving entity and there is no change in business conducted or loss of an investment grade credit rating, and no Default or Event of Default under the Loan Documents results from such transaction; or as otherwise approved in advance by the Lenders. Borrower will notify the Administrative Agent (who will promptly notify Lenders) of any acquisitions, dispositions, mergers or asset purchases involving assets valued in excess of 5% of Borrower's then-current Market Value Net Worth and certify compliance with covenants after giving effect to such proposed acquisition, disposition, merger, or asset purchase regardless of whether any consent is required.

9.12 Negative Pledge. Borrower agrees that throughout the term of this Facility, no "negative pledge" on any Project then included in Unencumbered Assets restricting Borrower's right to sell or encumber such Project shall be given to any other lender or creditor or, if such a "negative pledge" is given, the Project affected shall be immediately excluded from Unencumbered Assets.

9.13 Maximum Revenue from Single Tenant. Permit the rent revenue (exclusive of tenant reimbursements) received from a single tenant during any quarter (as annualized), to exceed 7.5% of the Consolidated Operating Partnership's total rent revenue (as annualized) as of the last day of such quarter, except where Borrower's noncompliance arises from a merger of tenants or other causes outside of Borrower's control.

ARTICLE X

DEFAULTS

The occurrence of any one or more of the following events shall constitute an Event of Default:

10.1 Nonpayment of Principal. The Borrower fails to pay any principal portion of the Obligations when due, whether on the Maturity Date or otherwise.

10.2 Certain Covenants. The Borrower, General Partner and/or Consolidated Operating Partnership, as the case may be, is not in compliance with any one or more of Sections 8.10, 8.13, 9.3, 9.4, 9.5, 9.6, 9.10, 9.11, 9.12 or 9.13 hereof.

10.3 Nonpayment of Interest and Other Obligations. The Borrower fails to pay any interest or other portion of the Obligations, other than payments of principal, and such failure continues for a period of five (5) days after the date such payment is due.

10.4 Cross Default. Any monetary default occurs (after giving effect to any applicable cure period) under any other Indebtedness (which includes liability under Guaranties) of Borrower or the General Partner, singly or in the aggregate, in excess of Seven Million Five Hundred Thousand Dollars ($7,500,000), other than (i) Indebtedness arising from the purchase of personal property or the provision of services, the amount of which is being contested by Borrower or (ii) Indebtedness (other than the REMIC Loan which is the subject of Section 10.13 below) which is "non-recourse", i.e., which is not recoverable by the creditor thereof from the general assets of the Borrower, the General Partner or any of their Affiliates, but is limited to the proceeds of certain real estate, improvements and related personal property.

10.5 Loan Documents. Any Loan Document is not in full force and effect or a default has occurred and is continuing thereunder after giving effect to any cure or grace period in any such document.

10.6 Representation or Warranty. At any time or times hereafter any representation or warranty set forth in Articles VI or VII of this Agreement or in any other Loan Document or in any statement, report or certificate now or hereafter made by the Borrower or the General Partner to the Lenders or the Administrative Agent is not true and correct in any material respect.

10.7 Covenants, Agreements and Other Conditions. The Borrower or the General Partner fails to perform or observe any of the other covenants, agreements and conditions contained in Articles VIII and IX (except for Sections 8.10, 8.13, 9.3, 9.4, 9.5, 9.6, 9.10, 9.11, 9.12 or 9.13 hereof) and elsewhere in this Agreement or any of the other Loan Documents in accordance with the terms hereof or thereof, not specifically referred to

herein, and such Default continues unremedied for a period of thirty (30) days after written notice from Administrative Agent, provided, however, that if such Default is susceptible of cure but cannot by the use of reasonable efforts be cured within such thirty (30) day period, such Default shall not constitute an Event of Default under this Section 10.7 so long as (i) the Borrower or the General Partner, as the case may be, has commenced a cure within such thirty-day period and (ii) thereafter, Borrower or General Partner, as the case may be, is proceeding to cure such default continuously and diligently and in a manner reasonably satisfactory to Lenders and (iii) such default is cured not later than sixty (60) days after the expiration of such thirty (30) day period.

10.8 No Longer General Partner. The General Partner shall no longer be the sole general partner of Borrower.

10.9 Material Adverse Financial Change. The Borrower or General Partner has suffered a Material Adverse Financial Change or is Insolvent.

10.10 Bankruptcy.

(a) The General Partner, the Borrower or any Subsidiary having more than $10,000,000 of Equity Value (as defined below) shall (i) have an order for relief entered with respect to it under the Federal bankruptcy laws as now or hereafter in effect, (ii) make an assignment for the benefit of creditors, (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial portion of its Property, (iv) institute any proceeding seeking an order for relief under the Federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it as a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) take any corporate action to authorize or effect any of the foregoing actions set forth in this Section 10.10(a), (vi) fail to contest in good faith any appointment or proceeding described in Section 10.10(b) or (vii) not pay, or admit in writing its inability to pay, its debts generally as they become due. As used herein, the term "Equity Value" of a Subsidiary shall mean (1) Property Operating Income of such Subsidiary's Properties owned as of the Agreement Execution Date capitalized at a 10.5% rate, plus (2) the purchase price of any of such Subsidiary's Properties acquired after the Agreement Execution Date less (3) any Indebtedness of such Subsidiary;

(b) A receiver, trustee, examiner, liquidator or similar official shall be appointed for the General Partner, Borrower or any Subsidiary having more than $10,000,000 of Equity Value or any substantial portion of any of their Properties, or a proceeding described in Section 10.10(a)(iv) shall be instituted against the General Partner, the Borrower or any such Subsidiary and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) consecutive days.

10.11 Legal Proceedings. Borrower or General Partner is enjoined, restrained or in any way prevented by any court order or judgment or if a notice of lien, levy, or assessment is filed of record with respect to all or any part of the Properties by any governmental department, office or agency, which could materially adversely affect the performance of the obligations of such parties hereunder or under the Loan Documents, as the case may be, or if any proceeding is filed or commenced seeking to enjoin, restrain or in any way prevent the foregoing parties from conducting all or a substantial part of their respective business affairs and failure to vacate, stay, dismiss, set aside or remedy the same within ninety (90) days after the occurrence thereof.

10.12 ERISA. Borrower or General Partner is deemed to hold "plan assets" within the meaning of ERISA or any regulations promulgated thereunder of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code).

10.13 REMIC Loan. Any "Event of Default" (as such term is defined in the REMIC Loan Agreement) that occurs under the REMIC Loan Agreement with respect to the REMIC Loan.

10.14 Failure to Satisfy Judgments. The General Partner, the Borrower or any of its Subsidiaries shall fail within sixty (60) days to pay, bond or otherwise discharge any judgments or orders for the payment of money in an amount which, when added to all other judgments or orders outstanding against the General Partner, the Borrower or any Subsidiary would exceed $10,000,000 in the aggregate, which have not been stayed on appeal or otherwise appropriately contested in good faith, unless the liability is insured against and the insurer has not challenged coverage of such liability.

10.15 Environmental Remediation. Failure to remediate within the time period required by law or governmental order, (or within a reasonable time in light of the nature of the problem if no specific time period is so established), environmental problems in violation of applicable law related to Properties of Borrower and/or its Subsidiaries where the estimated cost of remediation is in the aggregate in excess of $20,000,000, in each case after all administrative hearings and appeals have been concluded.

ARTICLE XI

ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

11.1 Acceleration.

If any Event of Default described in Section 10.10 hereof occurs, the obligation of the Lenders to make Advances and of the Issuing Bank to issue Facility Letters of Credit hereunder shall automatically terminate and the Obligations shall immediately become due and payable. If any other Event of Default described in Article X hereof occurs, such obligation to make Advances and to issue Facility Letters of Credit shall be terminated and at the election of the Majority Lenders, the Obligations may be declared to be due and payable.

In addition to the foregoing, following the occurrence of an Event of Default and so long as any Facility Letter of Credit has not been fully drawn and has not been cancelled or expired by its terms, upon demand by the Majority Lenders the Borrower shall deposit in the Letter of Credit Collateral Account cash in an amount equal to the aggregate undrawn face amount of all outstanding Facility Letters of Credit and all fees and other amounts due or which may become due with respect thereto. The Borrower shall have no control over funds in the Letter of Credit Collateral Account, which funds shall be invested by the Administrative Agent from time to time in its discretion in certificates of deposit of First Chicago having a maturity not exceeding thirty (30) days. Such funds shall be promptly applied by the Administrative Agent to reimburse the Issuing Bank for drafts drawn from time to time under the Facility Letters of Credit. Such funds, if any, remaining in the Letter of Credit Collateral Account following the payment of all Obligations in full shall, unless the Administrative Agent is otherwise directed by a court of competent jurisdiction, be promptly paid over to the Borrower.

11.2 Preservation of Rights; Amendments. No delay or omission of the Lenders in exercising any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of an Advance notwithstanding the existence of a Default or the inability of the Borrower to satisfy the conditions precedent to such Advance shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Administrative Agent and the number of Lenders required hereunder and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Lenders until the Obligations have been paid in full.

ARTICLE XII

THE ADMINISTRATIVE AGENT

12.1 Appointment. First Chicago is hereby appointed Administrative Agent hereunder and under each other Loan Document, and each of the Lenders authorizes the Administrative Agent to act as the agent of such Lender. The Administrative Agent agrees to act as such upon the express conditions contained in this Article XII. The Administrative Agent shall not have a fiduciary relationship in respect of any Lender by reason of this Agreement, except to the extent the Administrative Agent acts as an agent with respect to the receipt or payment of funds hereunder.

12.2 Powers. The Administrative Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Administrative Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall have no implied duties to the Lenders, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Administrative Agent.

12.3 General Immunity. Neither the Administrative Agent (in its capacity as Administrative Agent) nor any of its directors, officers, agents or employees shall be liable to the Borrower, the Lenders or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith, except for its or their own gross negligence or willful misconduct.

12.4 No Responsibility for Loans, Recitals, etc. Neither the Administrative Agent (in its capacity as Administrative Agent) nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (i) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document; (iii) the satisfaction of any condition specified in Article V, except receipt of items required to be delivered to the Administrative Agent; or (iv) the validity, effectiveness or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith.

12.5 Action on Instructions of Lenders. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Majority Lenders, Supermajority Lenders or all Lenders, as the case may be, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders and on all holders of Notes. The Administrative Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

12.6 Employment of Administrative Agents and Counsel. The Administrative Agent may execute any of its duties as Administrative Agent hereunder and under any other Loan Document by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall be entitled to advice of counsel concerning all matters pertaining to the agency hereby created and its duties hereunder and under any other Loan Document.

12.7 Reliance on Documents; Counsel. The Administrative Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of outside counsel selected by the Administrative Agent.

12.8 Administrative Agent's Reimbursement and Indemnification. The Lenders agree to reimburse and indemnify the Administrative Agent ratably in accordance with their respective Percentages (i) for any amounts not reimbursed by the Borrower for which the Administrative Agent is entitled to reimbursement by the Borrower under the Loan Documents, (ii) for any other reasonable expenses incurred by the Administrative Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents, if not paid by Borrower, and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent (in its capacity as Administrative Agent and not as a Lender) in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents, provided that no Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Administrative Agent.

12.9 Rights as a Lender. With respect to the Commitment, Advances made by it and the Note issued to it, the Administrative Agent shall have the same rights and powers hereunder and under any other Loan Document as any Lender and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. The Administrative Agent, in its individual capacity, may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Borrower or any of its Subsidiaries in which the Borrower or such Subsidiary is not restricted hereby from engaging with any other Person.

12.10 Commitment as a Lender. First Chicago and UBS each agrees to maintain at all times a Commitment of at least 10% of the Aggregate Commitment so long as First

Chicago remains as Administrative Agent; provided, that the foregoing agreement of First Chicago and UBS shall not apply at any time following a Monetary Default or Event of Default (irrespective of whether such Monetary Default or Event of Default subsequently is waived).

12.11 Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

12.12 Successor Administrative Agent. Each Lender agrees that First Chicago shall serve as Administrative Agent at all times during the term of this Facility, except that First Chicago may resign as Administrative Agent in the event (x) First Chicago and Borrower shall mutually agree in writing or (y) an Event of Default shall occur under the Loan Documents (irrespective of whether such Event of Default subsequently is waived), or (z) First Chicago shall determine, in its sole reasonable discretion, that because of its other banking relationships with Borrower and/or Borrower's Affiliates at the time of such decision First Chicago's resignation as Administrative Agent would be necessary in order to avoid creating an appearance of impropriety on the part of First Chicago. First Chicago (or any successor Administrative Agent) may be removed as Administrative Agent by written notice received by Administrative Agent from all of the other Lenders (i) at any time with cause (i.e., a breach by First Chicago (or any successor Administrative Agent) of its duties as Administrative Agent hereunder), or (ii) without cause if First Chicago (or any successor Administrative Agent) assigns a portion of First Chicago's (or such successor Administrative Agent's) then applicable Commitment in an amount such that following such assignment First Chicago's (or such successor Administrative Agent's) then remaining Commitment is less than the then applicable Commitment of any other Lender hereunder. Upon any such resignation or removal, UBS shall be the successor Administrative Agent (unless objected to by the Majority Lenders) or, if UBS declines or is so objected to, the Majority Lenders shall have the right to appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Majority Lenders and shall have accepted such appointment within thirty days after the retiring Administrative Agent's giving notice of resignation, then the retiring Administrative Agent may appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. Such successor Administrative Agent shall be a commercial bank having capital and retained earnings of at least $100,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent (including the right to

receive any fees for performing such duties which accrue thereafter), and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article XII shall continue in effect for its benefit and that of the other Lenders in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder and under the other Loan Documents.

12.13 Notice of Defaults. If a Lender becomes aware of a Default or Event of Default, such Lender shall notify the Administrative Agent of such fact. Upon receipt of such notice that a Default or Event of Default has occurred, the Administrative Agent shall notify each of the Lenders of such fact.

12.14 Requests for Approval. If the Administrative Agent requests in writing the consent or approval of a Lender, such Lender shall respond and either approve or disapprove definitively in writing to the Administrative Agent within ten Business Days (or sooner if such notice specifies a shorter period, but in no event less than five Business Days for responses based on Administrative Agent's good faith determination that circumstances exist warranting its request for an earlier response) after such written request from the Administrative Agent. If the Lender does not so respond, that Lender shall be deemed to have approved the request. Upon request, the Administrative Agent shall notify the Lenders which Lenders, if any, failed to respond to a request for approval.

12.15 Copies of Documents. Administrative Agent shall promptly deliver to each of the Lenders copies of all notices of default and other formal notices sent or received and according to Section 15.1 of this Agreement. Administrative Agent shall deliver to Lenders within 15 Business Days following receipt, copies of all financial statements, certificates and notices received regarding the General Partner's ratings except to the extent such items are required to be furnished directly to the Lenders by Borrower hereunder. Within fifteen Business Days after a request by a Lender to the Administrative Agent for other documents furnished to the Administrative Agent by the Borrower, the Administrative Agent shall provide copies of such documents to such Lender except where this Agreement obligates Administrative Agent to provide copies in a shorter period of time.

12.16 Defaulting Lenders. At such time as a Lender becomes a Defaulting Lender, such Defaulting Lender's right to vote on matters which are subject to the consent or approval of the Majority or Supermajority Lenders, such Defaulting Lender or all Lenders shall be immediately suspended until such time as the Lender is no longer a Defaulting Lender. If a Defaulting Lender has failed to fund its Percentage of any Advance and until such time as such Defaulting Lender subsequently funds its Percentage of such Advance, all Obligations owing to such Defaulting Lender hereunder shall be subordinated in right of payment, as provided in the following sentence, to the prior payment in full of all principal of, interest on and fees relating to the Loans funded by the other Lenders in connection with any such Advance in which the Defaulting Lender has not funded its Percentage (such

principal, interest and fees being referred to as "Senior Loans" for the purposes of this section). All amounts paid by the Borrower and otherwise due to be applied to the Obligations owing to such Defaulting Lender pursuant to the terms hereof shall be distributed by the Administrative Agent to the other Lenders in accordance with their respective Percentages (recalculated for the purposes hereof to exclude the Defaulting Lender) until all Senior Loans have been paid in full. At that point, the "Defaulting Lender" shall no longer be deemed a Defaulting Lender. After the Senior Loans have been paid in full equitable adjustments will be made in connection with future payments by the Borrower to the extent a portion of the Senior Loans had been repaid with amounts that otherwise would have been distributed to a Defaulting Lender but for the operation of this Section 12.16. This provision governs only the relationship among the Administrative Agent, each Defaulting Lender and the other Lenders; nothing hereunder shall limit the obligation of the Borrower to repay all Loans in accordance with the terms of this Agreement. The provisions of this Section 12.16 shall apply and be effective regardless of whether a Default occurs and is continuing, and notwithstanding (i) any other provision of this Agreement to the contrary, (ii) any instruction of the Borrower as to its desired application of payments or (iii) the suspension of such Defaulting Lender's right to vote on matters as provided above.

ARTICLE XIII

BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

13.1 Successors and Assigns.

The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of Borrower and the Lenders and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights or obligations under the Loan Documents without the consent of all the Lenders and any assignment by any Lender must be made in compliance with Section 13.3. The Administrative Agent may treat the payee of any Note as the owner thereof for all purposes hereof unless and until such payee complies with Section 13.3 in the case of an assignment thereof or, in the case of any other transfer, a written notice of the transfer is filed with the Administrative Agent. Any assignee or transferee of a Note agrees by acceptance thereof to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person who at the time of making such request or giving such authority or consent is the holder of any Note, shall be conclusive and binding on any subsequent holder, transferee or assignee of such Note or of any Note or Notes issued in exchange therefor.

13.2 Participations.

13.2.1 Permitted Participants; Effect. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other entities (" Participants") participating interests in any Advance

owing to such Lender, any Note held by such Lender, any Commitment of such Lender or any other interest of such Lender under the Loan Documents. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the holder of any such Note for all purposes under the Loan Documents, all amounts payable by Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests, and Borrower and the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents.

13.2.2 Voting Rights. Each Lender shall retain the sole right to vote its Percentage of the Aggregate Commitment, without the consent of any Participant, for the approval or disapproval of any amendment, modification or waiver of any provision of the Loan Documents, provided that such Lender may grant such Participant the right to approve any amendment, modification or waiver which forgives principal, interest or fees or reduces the interest rate or fees payable hereunder, postpones any date fixed for any regularly-scheduled payment of principal of or interest on the Obligations, releases Collateral beyond any releases expressly provided for herein or extends the Maturity Date.

13.3 Assignments.

13.3.1 Permitted Assignments. Subject to the provisions of Section 12.10 above with respect to First Chicago and UBS, any Lender may, with the prior written consent of Administrative Agent (plus, during the initial syndication, UBS) and Borrower (which consents shall not be unreasonably withheld or delayed), in accordance with applicable law, at any time assign to one or more banks or other entities (collectively, "Purchasers") all or any part of its rights and obligations under the Loan Documents, except that no consent of Borrower shall be required if an Event of Default has occurred and is continuing and that no consent of Administrative Agent, UBS or Borrower shall ever be required for (i) any assignment to a Person directly or indirectly controlling, controlled by or under direct or indirect common control with the assigning Lender or (ii) the pledge or assignment by a Lender of such Lender's Note and other rights under the Loan Documents to any Federal Reserve Bank in accordance with applicable law. Such assignments and assumptions shall be substantially in the form of Exhibit J hereto. The Borrower shall execute any and all documents which are customarily required by such Lender (including, without limitation, a replacement promissory note or notes in the forms provided hereunder) in connection with any such assignment, but Borrower shall not be obligated to pay any fees and expenses incurred by any Lender in connection with any assignment pursuant to this Section. Any Lender selling all or any part of its rights and obligation hereunder in a transaction requiring the consent of the Administrative

Agent shall pay to the Administrative Agent a fee of $3,500.00 per assignee to reimburse Administrative Agent for its involvement in such assignment.

13.3.2 Effect; Effective Date of Assignment. Upon delivery to the Administrative Agent of a notice of assignment executed by the assigning Lender and the Purchaser, such assignment shall become effective on the effective date specified in such notice of assignment. The notice of assignment shall contain a representation by the Purchaser to the effect that none of the consideration used to make the purchase of the Commitment and the Loan under the applicable assignment agreement are "plan assets" as defined under ERISA and that the rights and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party hereto, and no further consent or action by Borrower, the Lenders or the Administrative Agent shall be required to release the transferor Lender with respect to the percentage of the Commitment and Advances assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this Section 13.3.2, the transferor Lender, the Administrative Agent and Borrower shall make appropriate arrangements so that replacement Notes are issued to such transferor Lender and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective Commitments, as adjusted pursuant to such assignment.

13.4 Dissemination of Information. Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "Transferee") and any prospective Transferee any and all information in such Lender's possession concerning the creditworthiness of Borrower and General Partner. Each Transferee shall agree in writing to keep confidential any such information which is not publicly available.

13.5 Tax Treatment. If any interest in any Loan Document is transferred to any Transferee which is organized under the laws of any jurisdiction other than the United States or any State thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to comply with all applicable provisions of the Code with respect to withholding and other tax matters.

ARTICLE XIV

GENERAL PROVISIONS

14.1 Survival of Representations. All representations and warranties contained in this Agreement shall survive delivery of the Notes and the making of the Advances herein contemplated.

14.2 Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

14.3 Taxes. Any recording and other taxes (excluding franchise, income or similar taxes) or other similar assessments or charges payable or ruled payable by any governmental authority incurred in connection with the consummation of the transactions contemplated by this Agreement shall be paid by the Borrower, together with interest and penalties, if any.

14.4 Headings. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

14.5 No Third Party Beneficiaries. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns.

14.6 Expenses; Indemnification. Subject to the provisions of this Agreement, Borrower will pay (a) all out-of-pocket costs and expenses incurred by the Administrative Agent and the Arrangers (including the reasonable fees, out-of-pocket expenses and other reasonable expenses of counsel, which counsel may be employees of Administrative Agent) in connection with the preparation, execution and delivery of this Agreement, the Notes, the Loan Documents and any other agreements or documents referred to herein or therein and any amendments thereto, (b) all out-of-pocket costs and expenses incurred by the Administrative Agent and the Lenders (including the reasonable fees, out-of-pocket expenses and other reasonable expenses of counsel to the Administrative Agent and the Lenders, which counsel may be employees of Administrative Agent or the Lenders) in connection with the enforcement and protection of the rights of the Lenders under this Agreement, the Notes, the Loan Documents or any other agreement or document referred to herein or therein, and (c) all reasonable and customary costs and expenses of periodic audits by the Administrative Agent's personnel of the Borrower's books and records provided that prior to an Event of Default, Borrower shall be required to pay for only one such audit during any year. The Borrower further agrees to indemnify the Lenders, their directors, officers and employees against all losses, claims, damages, penalties, judgments, liabilities and reasonable expenses (including, without limitation, all expenses of litigation or preparation therefor whether or not the Lenders is a party thereto) which any of them may pay or incur arising out of or

relating to this Agreement, the other Loan Documents, the transactions contemplated hereby or the direct or indirect application or proposed application of the proceeds of any Advance hereunder, except that the foregoing indemnity shall not apply to a Lender to the extent that any losses, claims, etc. are the result of such Lender's gross negligence or wilful misconduct. The obligations of the Borrower under this Section shall survive the termination of this Agreement.

14.7 Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

14.8 Nonliability of the Lenders. The relationship between the Borrower and the Lenders shall be solely that of borrower and lender. The Lenders shall not have any fiduciary responsibilities to the Borrower. The Lenders undertake no responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations.

14.9 Choice of Law. THE LOAN DOCUMENTS (OTHER THAN THOSE CONTAINING A CONTRARY EXPRESS CHOICE OF LAW PROVISION) SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF ILLINOIS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

14.10 Consent to Jurisdiction. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR ILLINOIS STATE COURT SITTING IN CHICAGO, ILLINOIS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE LENDERS TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY THE BORROWER AGAINST THE LENDERS OR ANY AFFILIATE OF THE LENDERS INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN CHICAGO, ILLINOIS.

14.11 Waiver of Jury Trial. THE BORROWER, THE GENERAL PARTNER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.

14.12 Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower and the Lenders and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights or obligations under the Loan Documents. Any assignee or transferee of the Notes agrees by acceptance thereof to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the holder of the Notes, shall be conclusive and binding on any subsequent holder, transferee or assignee of such Notes or of any note or notes issued in exchange therefor.

14.13 Entire Agreement; Modification of Agreement. The Loan Documents embody the entire agreement among the Borrower, General Partner, Administrative Agent, and Lenders and supersede all prior conversations, agreements, understandings, commitments and term sheets among any or all of such parties with respect to the subject matter hereof. Any provisions of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower, and Administrative Agent if the rights or duties of Administrative Agent are affected thereby, and

(a) each of the Lenders if such amendment or waiver

(i) reduces or forgives any payment of principal or interest on the Obligations or any fees payable by Borrower to such Lender hereunder; or

(ii) postpones the date fixed for any payment of principal of or interest on the Obligations or any fees payable by Borrower to such Lender hereunder; or

(iii) changes the amount of such Lender's Commitment (other than pursuant to an assignment permitted under Section 13.3) or the unpaid principal amount of such Lender's Note; or

(iv) extends the Maturity Date; or

(v) releases or limits the liability of the General Partner under the Loan Documents; or

(vi) changes the definition of Majority Lenders or Supermajority Lenders or modifies any requirement for consent by each of the Lenders; or

(vii) modifies or waives any covenant contained in Sections 8.13, 9.3, 9.5, 9.6, 9.10 or 9.12 hereof; or

(b) the Majority Lenders, to the extent expressly provided for herein; or

(c) the Supermajority Lenders, to the extent expressly provided for herein and in the case of all other waivers or amendments if no percentage of Lenders is specified herein.

14.14 Dealings with the Borrower. The Lenders and their affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with the Borrower or the General Partner or any of their Affiliates regardless of the capacity of the Lenders hereunder.

14.15 Set-Off.

(a) If an Event of Default shall have occurred, each Lender shall have the right, at any time and from time to time without notice to the Borrower, any such notice being hereby expressly waived, to set-off and to appropriate or apply any and all deposits of money or property or any other indebtedness at any time held or owing by such Lender to or for the credit or the account of the Borrower against and on account of all outstanding Obligations and all Obligations which from time to time may become due hereunder and all other obligations and liabilities of the Borrower under this Agreement, irrespective of whether or not such Lender shall have made any demand hereunder and whether or not said obligations and liabilities shall have matured.

(b) Each Lender agrees that if it shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of a proportion of the aggregate amount of principal, interest or fees due with respect to any Note held by it which is greater than the proportion received by any other Lender in respect of the aggregate amount of principal, interest or fees due with respect to any Note held by such other Lender, the Lender receiving such proportionately greater payment shall purchase such participations in the Notes held by the other Lenders and such other adjustments shall be made as may be required so that all such payments of principal, interest or Fees with respect to the Notes held by the Lenders shall be shared by the Lenders pro rata according to their respective Commitments.

14.16 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement

shall be effective when it has been executed by the Borrower and each of the Lenders shown on the signature pages hereof.

ARTICLE XV

NOTICES

15.1 Giving Notice. All notices and other communications provided to any party hereto under this Agreement or any other Loan Document shall be in writing or by telex or by facsimile and addressed or delivered to such party at its address set forth below or at such other address as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid, shall be deemed given when received; any notice, if transmitted by telex or facsimile, shall be deemed given when transmitted (answerback confirmed in the case of telexes). Notice may be given as follows:

To the Borrower:

First Industrial, L.P.
c/o First Industrial Realty Trust, Inc.
150 North Wacker Drive
Suite 150
Chicago, Illinois 60606
Attention: Mr. Scott Musil
Telecopy: (312) 704-6606

To General Partner:

First Industrial Realty Trust, Inc.
150 North Wacker Drive
Suite 150
Chicago, Illinois 60606
Attention: Mr. Michael Havala
Telecopy: (312) 704-6606

Each of the above with a copy to:

Barack Ferrazzano Kirschbaum & Perlman
333 W. Wacker Drive
Suite 2700
Chicago, Illinois 60606
Attention: Howard A. Nagelberg, Esq.
Telecopy: (312) 984-3150

To each Lender:

As shown below the Lenders' signatures.

To the Administrative Agent:

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670
Attention: Real Estate Finance Division
Telecopy: (312) 732-1117

With a copy to:

Sonnenschein Nath & Rosenthal
8000 Sears Tower
Chicago, Illinois 60606
Attention: Patrick G. Moran, Esq.
Telecopy: (312) 876-7934

To the Documentation Agent:

Union Bank of Switzerland,
New York Branch
299 Park Avenue
New York, New York 10171-0026
Attention: Kenneth A. McIntyre, Jr.
Telecopy: (212) 821-3969

15.2 Change of Address. Each party may change the address for service of notice upon it by a notice in writing to the other parties hereto.

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

BORROWER: FIRST INDUSTRIAL, L.P.

By: FIRST INDUSTRIAL REALTY TRUST, INC., its General Partner

By: Gary H. Heigl

Title: Senior V.P.

GENERAL PARTNER: FIRST INDUSTRIAL REALTY TRUST, INC.

By: Gary H. Heigl

Title: Senior V.P.

LENDERS: THE FIRST NATIONAL BANK OF CHICAGO

By: [SIG]

Title: Vice President

Commitment: $100,000,000 Percentage
of Aggregate Commitment: 50%

Address for Notices:
One First National Plaza
Chicago, Illinois 60670
Attention: Real Estate Finance Division
Telephone: 312/732-2107
Telecopy: 312/732-1117

UNION BANK OF SWITZERLAND, NEW YORK BRANCH

By: [SIG]

Title: Assistant Vice President

By: [SIG]

Title: Vice President

Commitment: $100,000,000 Percentage
of Aggregate Commitment: 50%

Address for Notices:
299 Park Avenue
New York, New York 10071
Attention: Joseph Mitaretondo

Telephone: 821-6589

Telecopy: 821-4138

ADMINISTRATIVE AGENT: THE FIRST NATIONAL BANK OF CHICAGO

By: [SIG]

Title: Vice President

Address for Notices:
One First National Plaza
Chicago, Illinois 60670
Attention: Real Estate Finance Division
Telephone: 312/732-2107
Telecopy: 312/732-1117

DOCUMENTATION AGENT: UNION BANK OF SWITZERLAND, NEW YORK BRANCH

By: [SIG]

Title: Assistant Vice President

By: [SIG]

Title: Vice President

EXHIBIT A

PERCENTAGES

First Chicago -- 50%

UBS -- 50%

EXHIBIT B-1

FORM OF NOTE

$_____ _____, 1996

On or before the Maturity Date, as defined in that certain Unsecured Revolving Credit Agreement dated as of December __, 1996 (the "Agreement") between FIRST INDUSTRIAL, L.P., a Delaware limited partnership ("Borrower"), First Industrial Realty Trust, Inc., a Maryland corporation, Union Bank of Switzerland, New York Branch, individually and as Documentation Agent, The First National Bank of Chicago, a national bank organized under the laws of the United States of America, individually and as Administrative Agent for the Lenders (as such terms are defined in the Agreement), and the other Lenders listed on the signature pages of the Agreement, Borrower promises to pay to the order of _____ (the "Lender"), or its successors and assigns, the principal sum of _____ AND NO/100 DOLLARS ($_____) or the aggregate unpaid principal amount of all Loans (other than Competitive Bid Loans) made by the Lender to the Borrower pursuant to Section 2.1 of the Agreement, in immediately available funds at the office of the Administrative Agent in Chicago, Illinois, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The Borrower shall pay this Promissory Note ("Note") in full on or before the Maturity Date in accordance with the terms of the Agreement.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date and amount of each Advance and the date and amount of each principal payment hereunder.

This Note is issued pursuant to, and is entitled to the security under and benefits of, the Agreement and the other Loan Documents, to which Agreement and Loan Documents, as they may be amended from time to time, reference is hereby made for, inter alia, a statement of the terms and conditions under which this Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

If there is an Event of Default or Default under the Agreement or any other Loan Document and Lender exercises its remedies provided under the Agreement and/or any of the Loan Documents, then in addition to all amounts recoverable by the Lender under such documents, Lender shall be entitled to receive reasonable attorneys fees and expenses incurred by Lender in exercising such remedies.

Borrower and all endorsers severally waive presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Note (except as otherwise expressly provided for in the Agreement), and any and all lack of diligence or delays in collection or enforcement of this Note, and expressly agree that this Note, or any payment hereunder, may be extended from time to time, and expressly consent to the release of any party liable for the obligation secured by this Note, the release of any of the security of this Note, the acceptance of any other security therefor, or any other indulgence or forbearance whatsoever, all without notice to any party and without affecting the liability of the Borrower and any endorsers hereof.

This Note shall be governed and construed under the internal laws of the State of Illinois.

BORROWER AND LENDER, BY ITS ACCEPTANCE HEREOF, EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT UNDER THIS PROMISSORY NOTE OR ANY OTHER LOAN DOCUMENT OR RELATING THERETO OR ARISING FROM THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS NOTE AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

FIRST INDUSTRIAL, L.P.

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

By:_____
Its:_____

PAYMENTS OF PRINCIPAL

Date	Unpaid Principal Balance	Notation Made by

EXHIBIT B-2

FORM OF COMPETITIVE BID NOTE

_____, 1996

On or before the last day of each "Interest Period" applicable to a "Competitive Bid Loan", as defined in that certain Unsecured Revolving Credit Agreement dated as of December __, 1996 (the "Agreement") between FIRST INDUSTRIAL, L.P., a Delaware limited partnership ("Borrower"), First Industrial Realty Trust, Inc., a Maryland corporation, Union Bank of Switzerland, New York Branch, The First National Bank of Chicago, a national bank organized under the laws of the United States of America, individually and as Administrative Agent for the Lenders (as such terms are defined in the Agreement), Borrower promises to pay to the order of _____ (the "Lender"), or its successors and assigns, the unpaid principal amount of such Competitive Bid Loan made by the Lender to the Borrower pursuant to Section 2.17 of the Agreement, in immediately available funds at the office of the Administrative Agent in Chicago, Illinois, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The Borrower shall pay any remaining unpaid principal amount of such Competitive Bid Loans under this Competitive Bid Note ("Note") in full on or before the Maturity Date in accordance with the terms of the Agreement.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date, amount and due date of each Competitive Bid Loan and the date and amount of each principal payment hereunder.

This Note is issued pursuant to, and is entitled to the security under and benefits of, the Agreement and the other Loan Documents, to which Agreement and Loan Documents, as they may be amended from time to time, reference is hereby made for, inter alia, a statement of the terms and conditions under which this Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

If there is an Event of Default or Default under the Agreement or any other Loan Document and Lender exercises its remedies provided under the Agreement and/or any of the Loan Documents, then in addition to all amounts recoverable by the Lender under such documents, Lender shall be entitled to receive reasonable attorneys fees and expenses incurred by Lender in exercising such remedies.

Borrower and all endorsers severally waive presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Note (except as otherwise expressly

provided for in the Agreement), and any and all lack of diligence or delays in collection or enforcement of this Note, and expressly agree that this Note, or any payment hereunder, may be extended from time to time, and expressly consent to the release of any party liable for the obligation secured by this Note, the release of any of the security of this Note, the acceptance of any other security therefor, or any other indulgence or forbearance whatsoever, all without notice to any party and without affecting the liability of the Borrower and any endorsers hereof.

This Note shall be governed and construed under the internal laws of the State of Illinois.

BORROWER AND LENDER, BY ITS ACCEPTANCE HEREOF, EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT UNDER THIS PROMISSORY NOTE OR ANY OTHER LOAN DOCUMENT OR RELATING THERETO OR ARISING FROM THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS NOTE AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

FIRST INDUSTRIAL, L.P.

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

By:_____
Its:_____

PAYMENTS OF PRINCIPAL

Date	Unpaid Principal Balance	Notation Made by

EXHIBIT C-1

FORM OF COMPETITIVE BID QUOTE REQUEST
(Section 2.17(b))

To: The First National Bank of Chicago,
as administrative agent (the "Agent")

From: First Industrial, L.P. (the "Borrower")

Re: Unsecured Revolving Credit Agreement dated as of December _____, 1996 among the Borrower, First Industrial Realty Trust, Inc., the lenders from time to time party thereto, Union Bank of Switzerland and The First National Bank of Chicago, as Agent for such lenders (as amended, supplemented or otherwise modified from time to time through the date hereof, the "Agreement")

1. Capitalized terms used herein have the meanings assigned to them in the Agreement.

2. We hereby give notice pursuant to Section 2.17(b) of the Agreement that we request Competitive Bid Quotes for the following proposed Competitive Bid Loan(s):

Borrowing Date: _____, 19___

Principal Amount(1) Interest Period(2)

3. Such Competitive Bid Quotes should offer [a Competitive LIBOR Margin] [an Absolute Rate].

_____

(1) Amount must be at least $10,000,000 and an integral multiple of $1,000,000.

(2) One, two, three or six months (Competitive LIBOR Margin) or up to 180 days (Absolute Rate), subject to the provisions of the definitions of LIBOR Interest Period and Absolute Interest Period.

4. Upon acceptance by the undersigned of any or all of the Competitive Bid Loans offered by Lenders in response to this request, the undersigned shall be deemed to affirm as of the Borrowing Date thereof the representations and warranties made in Article VI of the Agreement.

FIRST INDUSTRIAL, L.P.

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

By:_____
Its:_____

EXHIBIT C-2

INVITATION FOR COMPETITIVE BID QUOTES
(Section 2.17(c))

To: Each of the Lenders party to the Agreement referred to below

From: Invitation for Competitive Bid Quotes to First Industrial, L.P. (the "Borrower")

Pursuant to Section 2.17(c) of the Unsecured Revolving Credit Agreement dated as of December _____, 1996 among the Borrower, First Industrial Realty Trust, Inc., the lenders from time to time party thereto, Union Bank of Switzerland and The First National Bank of Chicago, as Administrative Agent for such lenders (as amended, supplemented or otherwise modified from time to time through the date hereof, the "Agreement"), we are pleased on behalf of the Borrower to invite you to submit Competitive Bid Quotes to the Borrower for the following proposed Competitive Bid Loan(s):

Borrowing Date: _____, 19___

Principal Amount	Interest Period

Such Competitive Bid Quotes should offer [a Competitive LIBOR Margin] [an Absolute Rate]. Your Competitive Bid Quote must comply with Section 2.17(d) of the Agreement and the foregoing. Capitalized terms used herein have the meanings assigned to them in the Agreement.

Please respond to this invitation by no later than 9:00 a.m. (Chicago time) on _____, 19___.

THE FIRST NATIONAL BANK OF CHICAGO, as Administrative Agent

By:_____
Its:_____

EXHIBIT C-3

COMPETITIVE BID QUOTE
(Section 2.17(d))

_____, 19___

To: The First National Bank of Chicago,
as Administrative Agent

Re: Competitive Bid Quote to First Industrial, L.P.
(the "Borrower")

In response to your invitation on behalf of the Borrower dated _____, 19___, we hereby make the following Competitive Bid Quote pursuant to Section 2.17(d) of the Agreement hereinafter referred to and on the following terms:

1. Quoting Lender:_____

2. Person to contact at Quoting Lender:_____

3. Borrowing Date:_____(1)

4. We hereby offer to make Competitive Bid Loan(s) in the following principal amounts, for the following Interest Periods and at the following rates:

_____

(1) As specified in the related Invitation For Competitive Bid Quotes.

Principal Amount(2)	Interest Period(3)	[Competitive LIBOR Margin(4)]	[Absolute Rate(5)]	Minimum Amount(6)

We understand and agree that the offer(s) set forth above, subject to the satisfaction of the applicable conditions set forth in the Unsecured Revolving Credit Agreement dated as of December _____, 1996, among the Borrower, First Industrial Realty Trust, Inc., the lenders from time to time party thereto, Union Bank of Switzerland and The First National Bank of Chicago, as Administrative Agent for such lenders (as amended, supplemented or otherwise modified from time to time through the date hereof, the "Agreement"), irrevocably obligates us to make the Competitive Bid Loan(s) for which any offer(s) are accepted, in whole or in part. Capitalized terms used herein and not otherwise defined herein shall have their meanings as defined in the Agreement.

Very truly yours,

[NAME OF LENDER]

By:_____
Title:_____

_____

2 Principal amount bid for each Interest Period may not exceed the principal amount requested. Buds must be made for at least $10,000,000 and integral multiples of $1,000,000.

3 One, two, three or six months or up to 180 days, as specified in the related Invitation For Competitive Bid Quotes.

4 Competitive LIBOR Margin for the applicable LIBOR Interest Period. Specify percentage (rounded to the nearest 1/100 of 1%) and specify whether "PLUS" or "MINUS".

5 Specify rate of interest per annum (rounded to the nearest 1/100 of 1%).

6 Specify minimum amount, if any, which the Borrower may accept (see Section 2.17(d)(ii)(d)).

EXHIBIT D

FORM OF GUARANTY

This Guaranty made as of December __, 1996, by First Industrial Realty Trust, Inc., a Maryland corporation ("Guarantor"), to and for the benefit of Union Bank of Switzerland, New York Branch, The First National Bank of Chicago, a national banking association, individually ("First Chicago"), and as administrative agent for itself and the lenders listed on the signature pages of the Revolving Credit Agreement (as defined below) and their respective successors and assigns (collectively, "Lender").

RECITALS

A. First Industrial, L.P., a Delaware limited partnership ("Borrower"), and Guarantor have requested that Lender make an unsecured revolving credit facility available to Borrower in the aggregate principal amount of up to $200,000,000 ("Facility").

B. Lender has agreed to make available the Facility to Borrower pursuant to the terms and conditions set forth in an Unsecured Revolving Credit Agreement bearing even date herewith between Borrower, the Lenders and Guarantor ("Revolving Credit Agreement"). All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Revolving Credit Agreement.

C. Borrower has executed and delivered to Lender one or more Promissory Notes each of even date in the aggregate principal amount of $200,000,000 as evidence of its indebtedness to Lender with respect to the Facility (the promissory notes described above, together with any amendments or allonges thereto, or restatements, replacements or renewals thereof, and/or new promissory notes to new Lenders under the Revolving Credit Agreement, are collectively referred to herein as the "Note"). Borrower has also executed and delivered to each Lender a note ("Competitive Loan Note") which evidences any Competitive Bid Loans which may be made by such Lender under the Revolving Credit Agreement.

D. Guarantor is the sole general partner of Borrower and, therefore, Guarantor will derive financial benefit from the Facility evidenced by the Note, Revolving Credit Agreement and the other Loan Documents. The execution and delivery of this Guaranty by Guarantor is a condition precedent to the performance by Lender of its obligations under the Revolving Credit Agreement.

AGREEMENTS

NOW, THEREFORE, Guarantor, in consideration of the matters described in the foregoing Recitals, which Recitals are incorporated herein and made a part hereof, and for other good and valuable consideration, hereby agrees as follows:

1. Guarantor absolutely, unconditionally, and irrevocably guarantees to Lender:

(a) the full and prompt payment of the principal of and interest on the Note and/or any Competitive Bid Loan Note when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, and the prompt payment of all sums which may now be or may hereafter become due and owing under the Note, any Competitive Bid Loan Note, the Revolving Credit Agreement, and the other Loan Documents;

(b) the payment of all Enforcement Costs (as hereinafter defined in Paragraph 7 hereof); and

(c) the full, complete, and punctual observance, performance, and satisfaction of all of the obligations, duties, covenants, and agreements of Borrower under the Revolving Credit Agreement and the Loan Documents.

All amounts due, debts, liabilities, and payment obligations described in subparagraphs (a) and (b) of this Paragraph 1 are referred to herein as the "Facility Indebtedness." All obligations described in subparagraph (c) of this Paragraph 1 are referred to herein as the "Obligations."

2. In the event of any default by Borrower in making payment of the Facility Indebtedness, or in performance of the Obligations, as aforesaid, in each case beyond the expiration of any applicable grace period, Guarantor agrees, on demand by Lender or the holder of the Note, to pay all the Facility Indebtedness and to perform all the Obligations as are or then or thereafter become due and owing or are to be performed under the terms of the Note, any Competitive Bid Loan Note, the Revolving Credit Agreement and the other Loan Documents, and to pay any reasonable expenses incurred by Lender in protecting, preserving, or defending its interest in the Property or in connection with the Facility or under any of the Loan Documents, including, without limitation, all reasonable attorneys' fees and costs. Lender shall have the right, at its option, either before, during or after pursuing any other right or remedy against Borrower or Guarantor, to perform any and all of the Obligations by or through any agent, contractor or subcontractor, or any of their agents, of its selection, all as Lender in its sole discretion deems proper, and Guarantor shall indemnify and hold Lender free and harmless from and against any and all loss, damage, cost, expense, injury, or liability Lender may suffer or incur in connection with the exercise of its rights under this Guaranty or the performance of the Obligations, except to the extent the same arises as a result of the gross negligence or wilful misconduct of Lender.

All of the remedies set forth herein and/or provided by any of the Loan Documents or law or equity shall be equally available to Lender, and the choice by Lender of one such alternative over another shall not be subject to question or challenge by Guarantor or any other person, nor shall any such choice be asserted as a defense, set-off, or failure to mitigate damages in any action, proceeding, or counteraction by Lender to recover or seeking any other remedy under this Guaranty, nor shall such choice preclude Lender from subsequently electing to exercise a different remedy. The parties have agreed to the alternative remedies hereinabove specified in part because they recognize that the choice of remedies in the event of a failure hereunder will necessarily be and should properly be a matter of business judgment, which the passage of time and events may or may not prove to have been the best choice to maximize recovery by Lender at the lowest cost to Borrower and/or Guarantor. It is the intention of the parties that such choice by Lender be given conclusive effect regardless of such subsequent developments.

3. Guarantor does hereby waive (i) notice of acceptance of this Guaranty by Lender and any and all notices and demands of every kind which may be required to be given by any statute, rule or law, (ii) any defense, right of set-off or other claim which Guarantor may have against the Borrower or which Guarantor or Borrower may have against Lender or the holder of the Note or the holder of any Competitive Bid Loan Note (other than defenses relating to payment of the Facility Indebtedness or the correctness of any allegation by Lender that Borrower was in default in the performance of the Obligations), (iii) presentment for payment, demand for payment (other than as provided for in Paragraph 2 above), notice of nonpayment (other than as provided for in Paragraph 2 above) or dishonor, protest and notice of protest, diligence in collection and any and all formalities which otherwise might be legally required to charge Guarantor with liability, (iv) any failure by Lender to inform Guarantor of any facts Lender may now or hereafter know about Borrower, the Facility, or the transactions contemplated by the Revolving Credit Agreement, it being understood and agreed that Lender has no duty so to inform and that the Guarantor is fully responsible for being and remaining informed by the Borrower of all circumstances bearing on the existence or creation, or the risk of nonpayment of the Facility Indebtedness or the risk of nonperformance of the Obligations, and (v) any and all right to cause a marshalling of assets of the Borrower or any other action by any court or governmental body with respect thereto, or to cause Lender to proceed against any other security given to Lender in connection with the Facility Indebtedness or the Obligations. Credit may be granted or continued from time to time by Lender to Borrower without notice to or authorization from Guarantor, regardless of the financial or other condition of the Borrower at the time of any such grant or continuation. Lender shall have no obligation to disclose or discuss with Guarantor its assessment of the financial condition of Borrower. Guarantor acknowledges that no representations of any kind whatsoever have been made by Lender to Guarantor. No modification or waiver of any of the provisions of this Guaranty shall be binding upon Lender except as expressly set forth in a writing duly signed and delivered on behalf of Lender. Guarantor further agrees that any exculpatory language contained in the Revolving Credit Agreement, the Note and any Competitive Bid Loan Note shall in no event

apply to this Guaranty, and will not prevent Lender from proceeding against Guarantor to enforce this Guaranty.

4. Guarantor further agrees that Guarantor's liability as guarantor shall in nowise be impaired by any renewals or extensions which may be made from time to time, with or without the knowledge or consent of Guarantor of the time for payment of interest or principal under the Note or any Competitive Bid Loan Note or by any forbearance or delay in collecting interest or principal under the Note or any Competitive Bid Loan Note, or by any waiver by Lender under the Revolving Credit Agreement or any other Loan Documents, or by Lender's failure or election not to pursue any other remedies it may have against Borrower, or by any change or modification in the Note, Revolving Credit Agreement, any Competitive Bid Loan Note or any other Loan Documents, or by the acceptance by Lender of any additional security or any increase, substitution or change therein, or by the release by Lender of any security or any withdrawal thereof or decrease therein, or by the application of payments received from any source to the payment of any obligation other than the Facility Indebtedness, even though Lender might lawfully have elected to apply such payments to any part or all of the Facility Indebtedness, it being the intent hereof that Guarantor shall remain liable as principal for payment of the Facility Indebtedness and performance of the Obligations until all indebtedness has been paid in full and the other terms, covenants and conditions of the Revolving Credit Agreement and other Loan Documents and this Guaranty have been performed, notwithstanding any act or thing which might otherwise operate as a legal or equitable discharge of a surety. Guarantor further understands and agrees that Lender may at any time enter into agreements with Borrower to amend and modify the Note, Revolving Credit Agreement, any Competitive Bid Loan Note or other Loan Documents, or any thereof, and may waive or release any provision or provisions of the Note, the Revolving Credit Agreement, any Competitive Bid Loan Note and other Loan Documents or any thereof, and, with reference to such instruments, may make and enter into any such agreement or agreements as Lender and Borrower may deem proper and desirable, without in any manner impairing this Guaranty or any of Lender's rights hereunder or any of the Guarantor's obligations hereunder.

5. This is an absolute, unconditional, complete, present and continuing guaranty of payment and performance and not of collection. Guarantor agrees that this Guaranty may be enforced by Lender without the necessity at any time of resorting to or exhausting any other security or collateral given in connection herewith or with the Note, any Competitive Bid Loan Note, the Revolving Credit Agreement, or any of the other Loan Documents, or resorting to any other guaranties, and Guarantor hereby waives the right to require Lender to join Borrower in any action brought hereunder or to commence any action against or obtain any judgment against Borrower or to pursue any other remedy or enforce any other right. Guarantor further agrees that nothing contained herein or otherwise shall prevent Lender from pursuing concurrently or successively all rights and remedies available to it at law and/or in equity or under the Note, Revolving Credit Agreement, any Competitive Bid Loan Note or any other Loan Documents, and the exercise of any of its rights or the completion of any of its remedies shall not constitute a discharge of any of Guarantor's obligations

hereunder, it being the purpose and intent of the Guarantor that the obligations of such Guarantor hereunder shall be primary, absolute, independent and unconditional under any and all circumstances whatsoever. Neither Guarantor's obligations under this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Borrower under the Note, Revolving Credit Agreement, any Competitive Bid Loan Note or other Loan Documents or by reason of Borrower's bankruptcy or by reason of any creditor or bankruptcy proceeding instituted by or against Borrower. This Guaranty shall continue to be effective and be deemed to have continued in existence or be reinstated (as the case may be) if at any time payment of all or any part of any sum payable pursuant to the Note, Revolving Credit Agreement, any Competitive Bid Loan Note or any other Loan Document is rescinded or otherwise required to be returned by the payee upon the insolvency, bankruptcy, or reorganization of the payor, all as though such payment to Lender had not been made, regardless of whether Lender contested the order requiring the return of such payment. The obligations of Guarantor pursuant to the preceding sentence shall survive any termination, cancellation, or release of this Guaranty.

6. This Guaranty shall be assignable by Lender to any assignee of all or a portion of Lender's rights under the Loan Documents.

7. If: (i) this Guaranty, the Note, any Competitive Bid Loan Note, or any other Loan Document is placed in the hands of an attorney for collection or is collected through any legal proceeding; (ii) an attorney is retained to represent Lender in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Guaranty, the Note, any Competitive Bid Loan Note, the Revolving Credit Agreement, or any Loan Document; (iii) an attorney is retained to provide advice or other representation with respect to the Loan Documents in connection with an enforcement action or potential enforcement action; or (iv) an attorney is retained to represent Lender in any other legal proceedings whatsoever in connection with this Guaranty, the Note, any Competitive Bid Loan Note, the Revolving Credit Agreement, any of the Loan Documents, or any property subject thereto (other than any action or proceeding brought by any Lender or participant against the Administrative Agent (as defined in the Revolving Credit Agreement) alleging a breach by the Administrative Agent of its duties under the Loan Documents), then Guarantor shall pay to Lender upon demand all reasonable attorney's fees, costs and expenses, including, without limitation, court costs, filing fees, recording costs, expenses of foreclosure, title insurance premiums, survey costs, minutes of foreclosure, and all other costs and expenses incurred in connection therewith (all of which are referred to herein as "Enforcement Costs"), in addition to all other amounts due hereunder.

8. The parties hereto intend that each provision in this Guaranty comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Guaranty is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare

such portion, provision or provisions of this Guaranty to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Guaranty shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Lender or the holder of the Note or any Competitive Bid Loan Note under the remainder of this Guaranty shall continue in full force and effect.

9. Any indebtedness of Borrower to Guarantor now or hereafter existing is hereby subordinated to the Facility Indebtedness. Guarantor agrees that until the entire Facility Indebtedness has been paid in full, (i) Guarantor will not seek, accept, or retain for Guarantor's own account, any payment from Borrower on account of such subordinated debt, and (ii) any such payments to Guarantor on account of such subordinated debt shall be collected and received by Guarantor in trust for Lender and shall be paid over to Lender on account of the Facility Indebtedness without impairing or releasing the obligations of Guarantor hereunder.

10. Guarantor waives and releases any claim (within the meaning of 11 U.S.C. Section 101) which Guarantor may have against Borrower arising from a payment made by Guarantor under this Guaranty and agrees not to assert or take advantage of any subrogation rights of Guarantor or Lender or any right of Guarantor or Lender to proceed against (i) Borrower for reimbursement, or (ii) any other guarantor or any collateral security or guaranty or right of offset held by Lender for the payment of the Facility Indebtedness and performance of the Obligations, nor shall Guarantor seek or be entitled to seek any contribution or reimbursement from Borrower or any other guarantor in respect of payments made by Guarantor hereunder. It is expressly understood that the waivers and agreements of Guarantor set forth above constitute additional and cumulative benefits given to Lender for its security and as an inducement for its extension of credit to Borrower. Nothing contained in this Paragraph 10 is intended to prohibit Guarantor from making all distributions to its constituent shareholders which are required by law from time to time in order for Guarantor to maintain its status as a real estate investment trust in compliance with all applicable provisions of the Code (as defined in the Revolving Credit Agreement).

11. Any amounts received by Lender from any source on account of any indebtedness may be applied by Lender toward the payment of such indebtedness, and in such order of application, as Lender may from time to time elect.

12. The Guarantor hereby submits to personal jurisdiction in the State of Illinois for the enforcement of this Guaranty and waives any and all personal rights to object to such jurisdiction for the purposes of litigation to enforce this Guaranty. Guarantor hereby consents to the jurisdiction of either the Circuit Court of Cook County, Illinois, or the United States District Court for the Northern District of Illinois, in any action, suit, or proceeding which Lender may at any time wish to file in connection with this Guaranty or any related

matter. Guarantor hereby agrees that an action, suit, or proceeding to enforce this Guaranty may be brought in any state or federal court in the State of Illinois and hereby waives any objection which Guarantor may have to the laying of the venue of any such action, suit, or proceeding in any such court; provided, however, that the provisions of this Paragraph shall not be deemed to preclude Lender from filing any such action, suit, or proceeding in any other appropriate forum.

13. All notices and other communications provided to any party hereto under this Agreement or any other Loan Document shall be in writing or by telex or by facsimile and addressed or delivered to such party at its address set forth below or at such other address as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid, shall be deemed given when received; any notice, if transmitted by telex or facsimile, shall be deemed given when transmitted (answerback confirmed in the case of telexes). Notice may be given as follows:

To the Guarantor:

First Industrial Realty Trust, Inc.
150 N. Wacker Drive
Chicago, Illinois 60611
Attention: Mr. Michael Havala
Telecopy: (312) 704-6606

With a copy to:

Barack Ferrazzano Kirschbaum & Perlman
333 W. Wacker Drive, Suite 2700
Chicago, Illinois 60606
Attention: Howard A. Nagelberg, Esq.
Telecopy: 312-984-3150

To the Lender:

c/o The First National Bank of Chicago, as agent
One First National Plaza
Chicago, Illinois 60670
Attention: Real Estate Finance Department
Telecopy: (312) 732-1117

With a copy to:

Sonnenschein Nath & Rosenthal
8000 Sears Tower
Chicago, Illinois 60606
Attention: Patrick G. Moran, Esq.
Telecopy: (312) 876-7934

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

14. This Guaranty shall be binding upon the heirs, executors, legal and personal representatives, successors and assigns of Guarantor and shall inure to the benefit of Lender's successors and assigns.

15. This Guaranty shall be construed and enforced under the internal laws of the State of Illinois.

16. GUARANTOR AND LENDER, BY ITS ACCEPTANCE HEREOF, EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT UNDER THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR RELATING THERETO OR ARISING FROM THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS GUARANTY AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

IN WITNESS WHEREOF, Guarantor has delivered this Guaranty in the State of Illinois as of the date first written above.

FIRST INDUSTRIAL REALTY TRUST, INC., a Maryland corporation

By:_____
Its_____

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that _____, _____ _____ of First Industrial Realty Trust, Inc., personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this _____ day of December, 1996.

_____
Notary Public

EXHIBIT E

OPINION OF BORROWER'S COUNSEL

BARACK, FERRAZZANO, KIRSCHBAUM & PERLMAN
333 WEST WACKER DRIVE, SUITE 2700
CHICAGO, ILLINOIS 60606
TELEPHONE: (312) 984-3100
FAX: (312) 984-3150

December 16, 1996

The First National Bank of Chicago,
One First National Plaza
Chicago, Illinois 60670

Union Bank of Switzerland
New York Branch
299 Park Avenue
New York, New York 10071

Re: $200,000,000 Unsecured Revolving Credit Agreement

Ladies and Gentlemen:

We have acted as special counsel to First Industrial, L.P., a Delaware limited partnership ("FILP"; also referred to as "Borrower"), and First Industrial Realty Trust, Inc., a Maryland corporation and the general partner of FILP ("General Partner"), in connection with that certain Unsecured Revolving Credit Agreement dated as of December 16, 1996 (the "Credit Agreement") among Borrower, General Partner, The First National Bank of Chicago ("First Chicago"), Union Bank of Switzerland, New York Branch, a New York Branch of a Swiss banking corporation ("UBS"), and certain other co-lenders to be added at a subsequent date (any such added co-lenders are collectively referred to herein as the "Co-Lenders"). For purposes of this opinion, First Chicago, in its individual capacity and as administrative agent for UBS, the Co-Lenders and itself; UBS, in its individual capacity and as documentation agent for First Chicago, the Co-Lenders and itself; and the Co-Lenders are referred to collectively in this legal opinion as "Lender." The Credit Agreement provides for a $200,000,000 unsecured revolving credit facility (the "Facility") in accordance with the terms and provisions of the Credit Agreement. The Facility is administered by First Chicago, in its individual capacity, and as administrative agent for UBS, the Co-Lenders, and itself. All initial capitalized terms used, but not defined, in this legal opinion shall have the meanings respectively ascribed to those terms in the Credit Agreement.

In connection with the Facility, we have examined executed copies of each of the following documents, all of which are dated as of December 16, 1996, except as otherwise indicated below:

(i) The Credit Agreement executed by Borrower, General Partner and Lender;

(ii) Promissory Note in the principal amount of $100,000,000.00 executed by Borrower in favor of First Chicago (the "First Chicago Promissory Note");

(iii) Promissory Note in the principal amount of $100,000,000.00 executed by Borrower in favor of UBS (the "UBS Promissory Note");

(iv) Guaranty executed by General Partner in favor of First Chicago and UBS (the "Guaranty");

(v) Competitive Bid Promissory Note, executed by Borrower in favor of First Chicago (the "First Chicago Competitive Bid Note"); and

(vi) Competitive Bid Promissory Note, executed by Borrower in favor of UBS (the "UBS Competitive Bid Note").

The Credit Agreement, the First Chicago Promissory Note, the UBS Promissory Note, the Guaranty, the First Chicago Competitive Bid Note and the UBS Competitive Bid Note are hereinafter collectively referred to as the "Loan Documents."

We have made such examination of the laws of the State of Illinois (the "State") as we have deemed relevant for the purpose of expressing the opinions set forth in this opinion letter. We are not licensed in any jurisdiction other than the State, and our opinion is, therefore, limited to the laws of the State and federal law. We have not made a review of the laws of any other jurisdiction, and we express no opinions concerning such laws or whether such laws may apply.

In rendering our opinions, we have made the following assumptions which we have not been requested to confirm, nor have we confirmed:

A. First Chicago is a national banking association validly formed and chartered, and in good standing, under the laws of the United States of America and such state laws as are applicable in the jurisdiction in which First Chicago has been formed and/or chartered.

B. UBS is a New York Branch of a Swiss banking corporation validly formed and chartered, and in good standing, under the laws of Switzerland and the United States, and any other laws applicable in the jurisdiction in which UBS has been formed and/or chartered.

C. All of the Credit Agreement, the First Chicago Promissory Note, the Guaranty and the First Chicago Competitive Bid Note have been duly authorized by all requisite action of First Chicago and the Credit Agreement constitutes a legal, valid and binding obligation of First Chicago.

D. All of the Credit Agreement, the UBS Promissory Note, the Guaranty and the UBS Competitive Bid Note have been duly authorized by all requisite action of UBS, and the Credit Agreement constitutes a legal, valid and binding obligation of UBS.

E. The Loan Documents will be enforced in circumstances and in a manner that are commercially reasonable.

F. If either or both of First Chicago and UBS is subject to any statute, rule or regulation or any impediment that requires it to obtain the consent of, or to make any declaration or filing with, any governmental authority in connection with the transactions contemplated by the Loan Documents, all such consents, declarations and filings have been obtained and made.

G. The performance by First Chicago and UBS of their respective obligations under the Loan Documents does not and will not contravene or conflict with any law, rule or regulation of, any jurisdiction, or any agreement, judgment, order or decree of any court or regulatory body applicable to the parties or by which either or both of First Chicago and UBS may be bound.

H. To the extent the Loan Documents, or any one of them, purport to be governed by the laws of a jurisdiction other than the State, the applicable Loan Documents are or would be valid and enforceable under the laws of that jurisdiction.

In our examination of the Loan Documents, we have assumed the genuineness of all signatures (with the exception of the signatures of individuals executing documents on behalf of FILP and General Partner); the authenticity of all documents submitted to us as originals; the conformance to original documents of all documents submitted to us as conformed or photostatic copies; the authenticity of the originals of such latter documents; and the correctness of all statements of fact and the truth of all representations and warranties contained therein.

Based upon the foregoing, but subject to the assumptions, qualifications and limitations set forth herein, we are of the opinion that the Loan Documents have been properly authorized, executed and delivered by, or on behalf of, FILP and General Partner, as the case may be, and constitute the legal, valid and binding obligations of FILP and General Partner, as applicable, and such documents are enforceable against FILP and General Partner, as applicable, in accordance with their respective terms. Based solely on those materials that we have received from the offices of the Secretaries of State of Delaware and Maryland, respectively, which materials are described on Exhibit "A" attached to this opinion, we are also of the opinion that (1) FILP is duly organized, validly existing and in good standing under the laws of the State of Delaware, and (2) General Partner is duly organized, validly existing and in good standing under the laws of the State of Maryland.

Our opinions are qualified as follows:

A. Whenever we indicate that our opinion with respect to the existence or absence of facts is based on our knowledge, our opinion is based solely on (i) the current actual knowledge of (1) the attorneys currently with the firm who have represented Borrower and General Partner in connection with the transactions contemplated by the Loan Documents and (2) any other attorneys presently in our firm whom we have determined are likely, in the course of representing any of Borrower and General Partner, to have actual knowledge of the matters covered by this opinion, and (ii) the representations and warranties of Borrower and General Partner contained in the Loan Documents. While we have made no independent investigation as to such factual matters, we do not know of any facts that lead us to believe such factual matters are untrue or inaccurate.

B. Our opinion is subject to the following:

(i) The Lender's ability to enforce any of the Loan Documents may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or transfer, equitable subordination and other similar laws and doctrines now or hereafter in effect relating to or affecting creditors' rights generally;

(ii) Enforcement of the Lender's rights and remedies may be limited by general principles of equity, regardless of whether such enforcement is sought or considered in a proceeding in equity or at law, and in this regard we have assumed that the Lender will exercise its rights and remedies under the Loan Documents in good faith and in circumstances and a manner that are commercially reasonable and in accordance with Illinois statutes and laws;

(iii) Certain provisions of the Loan Documents may be rendered unenforceable or limited by applicable laws and judicial decisions, but such laws and judicial decisions do not render the Loan Documents invalid as a whole, and, subject to qualifications and limitations elsewhere set forth herein, legally adequate remedies exist in the Loan Documents or pursuant to applicable law for the realization of the principal benefits and security intended to be provided by the Loan Documents;

(iv) We express no opinion on provisions in any Loan Documents that purport to (x) waive the statute of limitations or the manner of service of process; (y) appoint Lender or its agents or employees as attorney-in-fact; or (z) waive the requirements of good faith, notice and commercial reasonableness contained in the Uniform Commercial Code as enacted in any state, which requirements cannot be waived

by consent. We further advise that the award of the amount of attorneys' fees is subject to the discretion of the court before which any proceeding involving the Loan Documents may be brought;

(v) The provisions of any documents, agreements or instrument that (x) may require indemnification or contribution for liabilities under the provisions of any federal or state securities laws or with respect to the neglect or wrongful conduct of the indemnified party or its representatives or agents; (y) purport to confer, waive or consent to the jurisdiction of any court; or (z) waive any right granted by common or statutory law, may be unenforceable as against public policy;

(vi) Any provisions of the Loan Documents granting so-called "self help" or extra-judicial remedies may not be enforceable;

(vii) Requirements in the Loan Documents specifying that the provisions thereof may be waived only in writing may not be valid, binding or enforceable to the extent that an oral agreement or implied agreement by trade practice or course of conduct has been created to modify any provision of such document, or to the extent that the conduct of the parties is deemed to effectuate a modification in the absence of an agreement, written or otherwise;

C. Our opinion is limited to the laws of the United States (except as set forth below) and the laws and statutes of the State and political subdivisions thereof in effect on the date hereof, as they presently apply. We shall have no continuing obligations to inform you of changes in law or fact subsequent to the date hereof, or of facts about which we become aware after the date hereof.

D. We express no opinion as to the enforceability of any of the following provisions contained in the Loan Documents:

(i) Provisions for late charges or default rates of interest, or for additional interest or payments due only upon default. Such provisions may, based on facts and circumstances, create or constitute unenforceable penalties under general principles of contract law. Furthermore, provisions of the Loan Documents providing that unpaid interest shall be added to principal and thereafter itself bear interest, so as to result in the so-called payment of "interest on interest", may not be enforceable;

(ii) Any direct restraints on alienation of real property contained in Loan Documents, to the extent sought to be enforced as covenants (though a violation of any such covenant would constitute an Event of Default under Loan Documents and would entitle Lender to its remedies on default other than injunctive relief);

(iii) Cumulative remedies, the exercise of which would have the effect of compensating Lender in excess of its actual loss;

(iv) Provisions that require the payment of prepayment penalty, charge or fee upon an acceleration of the Loan balance by Lender after a default; and

(v) Grants of powers of attorney or other ex parte rights or remedies to Lender contained in the Loan Documents.

E. We have not reviewed and do not opine as to: (i) ERISA laws, rules and regulations; or (ii) Federal or state taxation, banking, securities or "blue sky" laws, rules or regulations.

This opinion is limited to the matters set forth herein. No opinion may be inferred or implied beyond the matters expressly contained herein. Without limitation of the foregoing, no opinion is hereby rendered on any document or instrument in connection with the Facility that was executed or delivered prior to the transactions evidenced by the Credit Agreement, whether or not the terms and provisions thereof are reaffirmed by, or incorporated in, the Loan Documents.

This opinion is rendered solely for the benefit of First Chicago, UBS and any Co-Lenders who become Lenders or participants pursuant to the terms of the Credit Agreement. This opinion should not, however, be disclosed, disseminated or quoted (in whole or in part), except to regulatory agencies, auditors, and potential participants in the Facility, and no other person or entity shall be entitled to rely on any matter set forth herein, without the express written consent of the undersigned.

BARACK, FERRAZZANO, KIRSCHBAUM
& PERLMAN

By:_____
A Partner

EXHIBIT A

1. Certificate of Good Standing of First Industrial, L.P. ("FILP"), dated December 6, 1996, certified and issued by the Secretary of State of the State of Delaware.

2. Certificate of Limited Partnership of PROVEST, L.P. ("PROVEST"), dated November 23, 1993, together with the Certificate of Amendment of Limited Partnership of PROVEST, dated May 4, 1994, changing its name to FILP, and the Certificate of Amendment of Limited Partnership of FILP, dated June 30, 1994, all certified and issued on December 9, 1996 by the Secretary of State of the State of Delaware.

3. Certificate of Good Standing of First Industrial Realty Trust, Inc. ("General Partner"), dated December 9, 1996, certified and issued by the Department of Assessments and Taxation of the State of Maryland.

4. Certified copy of the Articles of Incorporation for PROVEST INDUSTRIAL REALTY TRUST, INC. ("PIRT"), dated August 10, 1993, together with the certified copy of the Articles of Amendment of PIRT, dated April 18, 1994, changing its name to General Partner, the certified copy of the Articles of Amendment and Restatement of General Partner, dated June 13, 1994, the certified copy of the Articles of Amendment of General Partner, dated June 21, 1994, the certified copy of the Articles Supplementary of General Partner, dated November 14, 1995, and the certified copy of the Articles of Amendment of General Partner, dated June 6, 1996, all certified and issued on December 9, 1996 by the Department of Assessments and Taxation of the State of Maryland.

EXHIBIT F

OPINION OF GENERAL PARTNER'S COUNSEL

Included in Exhibit E

EXHIBIT G

WIRING INSTRUCTIONS

To: The First National Bank of Chicago,
as Administrative Agent (the "Agent")
under the Credit Agreement Described Below

Re: Unsecured Revolving Credit Agreement, dated as of December _____, 1996 (as amended, modified, renewed or extended from time to time, the "Agreement"), among First Industrial, L.P. (the "Borrower"), First Industrial Realty Trust, Inc. ("General Partner"), The First National Bank of Chicago, individually and as Administrative Agent, Union Bank of Switzerland, individually and as Documentation Agent, and the Lenders named therein. Terms used herein and not otherwise defined shall have the meanings assigned thereto in the Credit Agreement.

The Administrative Agent is specifically authorized and directed to act upon the following standing money transfer instructions with respect to the proceeds of Advances or other extensions of credit from time to time until receipt by the Administrative Agent of a specific written revocation of such instructions by the Borrower, provided, however, that the Administrative Agent may otherwise transfer funds as hereafter directed in writing by the Borrower in accordance with Section 15.1 of the Agreement or based on any telephonic notice made in accordance with the Agreement.

Facility Identification Number(s)_____

Customer/Account Name_____

Transfer Funds To_____

_____

_____

For Account No._____

Reference/Attention To_____

Authorized Officer (Customer Representative) Date _____

_____ _____
(Please Print) Signature

Bank Officer Name Date _____

_____ _____
(Please Print) Signature

(Deliver Completed Form to Credit Support Staff For Immediate Processing)

EXHIBIT H

FORM OF COMPLIANCE CERTIFICATE

To: The Administrative Agent and the Lenders
who are parties to the Agreement described below

This Compliance Certificate is furnished pursuant to that certain Unsecured Revolving Credit Agreement, dated as of December _____, 1996 (as amended, modified, renewed or extended from time to time, the "Agreement") among First Industrial, L.P. (the "Borrower"), First Industrial Realty Trust, Inc. (the "General Partner"), The First National Bank of Chicago, individually and as Administrative Agent, Union Bank of Switzerland, individually and as Documentation Agent, and the Lenders named therein. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected [Chief Financial Officer] [Chief Accounting Officer] [Controller] of the [Borrower] [General Partner].

2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the General Partner, the Borrower and their respective Subsidiaries and Investment Affiliates during the accounting period covered by the financial statements attached (or most recently delivered to the Administrative Agent if none are attached).

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Material Adverse Financial Change, Event of Default or Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate, except as set forth below.

4. Schedule I (if attached) attached hereto sets forth financial data and computations and other information evidencing the General Partner's and the Borrower's compliance with certain covenants of the Agreement, all of which data, computations and information (or if no Schedule I is attached, the data, computations and information contained in the most recent Schedule I attached to a prior Compliance Certificate) are true, complete and correct in all material respects.

5. The financial statements and reports referred to in Section 8.2(i), 8.2(ii), 8.2(iv), or 8.2(viii), as the case may be, of the Agreement which are delivered concurrently with the delivery of this Compliance Certificate, if any, fairly present in all material respects the consolidated financial condition and operations of the General Partner, the Borrower and their respective Subsidiaries at such date and the consolidated results of their operations for the period then-ended, in accordance with GAAP applied consistently throughout such period and with prior periods and correctly state the amounts of Consolidated Total Indebtedness, Consolidated Secured Debt, Consolidated Senior Unsecured Debt and the Values of all Unencumbered Assets as determined pursuant to the Agreement.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

_____

_____

_____

_____

The foregoing certifications, together with the computations and information set forth in Schedule I hereto and the financial statements delivered with this Compliance Certificate in support hereof, are made and delivered this _____ day of _____, 19___.

FIRST INDUSTRIAL, L.P.

By: FIRST INDUSTRIAL REALTY TRUST, INC.,
General Partner

By:_____
Print Name:_____
Title:_____

SCHEDULE I

CALCULATION OF COVENANTS

[QUARTER]

1. Permitted Investments (Section 8.3)

	Category	Investment (i.e. Book Value)	Percent of Implied Capitalization Value	Maximum Percent Percent of Implied Capitalization Value
(a)	unimproved land			10%
(b)	other property holdings (excluding cash, Cash Equivalents, non-industrial Properties and Indebtedness of any Subsidiary or to the Borrower)			10%
(c)	stock holdings other than in Subsidiaries			10%
(d)	mortgages			10%
(e)	joint ventures and partnerships			10%
(f)	total investments in (a)-(e)			20% of Market Value Net Worth
(g)	investments in unimproved land not adjacent to existing improvements and not under active planning for near term development as a percentage of Implied Capitalization Value			5%

(h) Identify any single industrial property in excess of 5% of Implied Capitalization Value (If none, insert "none"):_____

2. Dividends (Section 8.13)

(a)	Amount paid during most recent quarter	_____
(b)	Amount paid during preceding three quarters	_____
(c)	Funds From Operation during such four quarter period	
(i)	GAAP net income for such period	_____
(ii)	adjustments to GAAP net income per definition of Funds From Operation (See Schedule)	_____
(iii)	Funds From Operation	_____
TOTAL DIVIDEND PAY OUT RATIO [(A) PLUS (B), DIVIDED BY (C)(III)]		_____
Must be less than or equal to:		95%

3. EBITDA To Interest Expense and Senior Preferred Stock Expense (Section 9.10(a))

(a)	EBITDA for the quarter most recently ended	
(i)	Borrower and its Subsidiaries	_____
(ii)	less extraordinary items and gain or loss on sales	_____
(iii)	less GAAP income from Investment Affiliate	_____
(iv)	Allocable EBITDA of Investment Affiliates (See Schedule)	_____
(v)	EBITDA [(I) MINUS (II) MINUS (III) PLUS (IV)]	_____
(b)	Interest Expense for the quarter most recently ended	_____
(i)	GAAP interest expense (Borrower and Subsidiaries)	_____
(ii)	Capitalized interest not covered by interest reserve	_____
(iii)	Interest on Guaranteed Obligations	_____
(iv)	Allocable Interest (Investment Affiliates)	_____
(v)	Interest Expense [SUM OF (I)-(IV)]	_____
(c)	Senior Preferred Stock Expense for the quarter most recently ended	_____

RATIO

[(a)(v) DIVIDED BY THE SUM OF (b)(v) AND (c)]: _____

Must be greater than or equal to: 2.0

_____

4. Consolidated Total Indebtedness Ratio (Section 9.10(b))

(a) Consolidated Total Indebtedness (See Schedule) _____

(b) Implied Capitalization Value _____

(i) Adjusted EBITDA for the quarter most recently ended _____

(ii) less Adjusted EBITDA from Preleased Assets Under Development and from Projects acquired or completed during quarter _____

(iii) plus full quarter pro forma adjustment for Projects acquired or completed during quarter _____

(iv) annualized (x4) _____

(v) most recent Korpacz Cap Rate (not less than 9% or more than 9.5%) _____%

(vi) (item (iv) divided by item (v)) _____

(vii) GAAP value of Preleased Assets Under Development _____

(viii) GAAP value of those over 270 days in category _____

(ix) 50% of item (vii) less item (viii) _____

(x) sum of (vi) and (ix) is "Implied Capitalization Value" _____

CONSOLIDATED TOTAL INDEBTEDNESS RATIO
[(a) DIVIDED BY (b) EXPRESSED AS A PERCENTAGE]: _____

Must be less than or equal to: 50%

5. Value of Unencumbered Assets Ratio (Section 9.10(c))

(a) Value of Unencumbered Assets

(i) Property Operating Income attributable to

		Unencumbered Assets owned by Borrower and wholly-owned Subsidiaries as of end of quarter as appropriately annualized (including pro forma Property Operating Income for entire quarter for Unencumbered Assets acquired during the quarter) (attach schedule noting Property Operating Income for each Unencumbered Asset as appropriately annualized)	_____
	(ii)	most recent Korpacz Cap Rate (not less than 9% or more than 9.5%)	_____%
	(iii)	item (i) divided by item (ii) is "Value of Unencumbered Assets"	_____
(b)		Consolidated Senior Unsecured Debt (provide schedule of such Debt)	_____

VALUE OF UNENCUMBERED ASSETS RATIO [(a) DIVIDED BY (b)]:

Must be greater than or equal to: 1.65 (or 1.50 if quarter ended during a Rating Pricing Period)

6. Property Operating Income Ratio (Section 9.10(d))

(a)		Property Operating Income from all Unencumbered Assets owned for any part of the preceding quarter	_____
(b)		Debt Service on Consolidated Senior Unsecured Debt for the preceding quarter	_____
	(i)	Interest Expense (Borrower and Subsidiaries only)	_____
	(ii)	Regular principal payments (Borrower and Subsidiaries)	_____
	[(iii)	Senior Preferred Stock Expense] [only included after release of PS Guaranty]	_____
	(iv)	Debt Service [SUM OF (I), (II) AND (III)]	_____

PROPERTY OPERATING INCOME RATIO [(a) DIVIDED BY (b)] _____

must be greater than or equal to: 1.75

7. Consolidated Secured Debt and Senior Preferred Stock to Implied

Capitalization Value (Section 9.10(e))

(a) Consolidated Secured Debt

(i) secured Indebtedness of Borrower and Subsidiaries _____

(ii) unsecured Indebtedness of Subsidiaries in excess of $5,000,000 _____

(iii) Consolidated Secured Debt [SUM OF (i) PLUS (ii)] _____

(b) Senior Preferred Stock _____

(c) Implied Capitalization Value [LINE (x) IN ITEM 4(b) ABOVE] _____

(d) (a) plus (b) divided by (c) _____

Must be less than or equal to: 45%

8. Minimum Market Value Net Worth (Section 9.10(f))

(a) Market Value Net Worth

(i) Implied Capitalization Value [LINE (X) IN ITEM 4(B) ABOVE] _____

(ii) Indebtedness of Borrower and Subsidiaries _____

(iii) Market Value Net Worth [(I) MINUS (II)] _____

(b) $450,000,000

(c) product of .75 and net proceeds of stock and unit offerings since December 5, 1996 _____

(d) sum of (b) plus (c) _____

(a)(iii) must be greater than or equal to (d)

9. Maximum Revenue From a Single Tenant (Section 9.13)

(a) 7.5% of Consolidated Operating Partnership's total rent revenue as of last day of quarter, annualized _____

(b) Identify any tenant for which rent revenue

(exclusive of tenant reimbursements) as annualized exceeds amount shown in (a) _____

10. Transfers of Unencumbered Assets (Section 9.5)

(a) Aggregate Value of all Unencumbered Assets transferred during measuring period _____

(b) $90,000,000 for initial measuring period (ends May _____, 1997 at latest) _____

(c) Aggregate Value of Unencumbered Assets at start of current measuring period (trailing 4 quarters) _____

(d) Aggregate Value of Unencumbered Assets added during current measuring period _____

(e) 20% of sum of (c) and (d) _____

Item (a) must be less than or equal to Item (b) or Item (e), as applicable

NOTE: To the extent of any inconsistency between the form of this Compliance Certificate and the terms of the Agreement, the terms of the Agreement shall prevail.

EXHIBIT I

SCOPE OF WORK FOR ENVIRONMENTAL INVESTIGATIONS

[Schedule Omitted]

EXHIBIT J

FORM OF ASSIGNMENT AGREEMENT

This Assignment Agreement (this "Assignment Agreement") between _____ (the "Assignor") and _____ (the "Assignee") is dated as of _____, 19__. The parties hereto agree as follows:

1. PRELIMINARY STATEMENT. The Assignor is a party to an Unsecured Revolving Credit Agreement (which, as it may be amended, modified, renewed or extended from time to time is herein called the "Credit Agreement") described in Item 1 of Schedule 1 attached hereto ("Schedule 1"). Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement.

2. ASSIGNMENT AND ASSUMPTION. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement such that after giving effect to such assignment the Assignee shall have purchased pursuant to this Assignment Agreement the percentage interest specified in Item 3 of Schedule 1 of all outstanding rights and obligations under the Credit Agreement and the other Loan Documents. The aggregate Commitment (or Loans, if the applicable Commitment has been terminated) purchased by the Assignee hereunder is set forth in Item 4 of Schedule 1.

3. EFFECTIVE DATE. The effective date of this Assignment Agreement (the "Effective Date") shall be the later of the date specified in Item 5 of Schedule 1 or two (2) Business Days (or such shorter period agreed to by the Administrative Agent) after a Notice of Assignment substantially in the form of Exhibit "I" attached hereto has been delivered to the Agent. In no event will the Effective Date occur if the payments required to be made by the Assignee to the Assignor on the Effective Date under Sections 4 and 5 hereof are not made on the proposed Effective Date, unless otherwise agreed to in writing by Assignor and Assignee. The Assignor will notify the Assignee of the proposed Effective Date no later than the Business Day prior to the proposed Effective Date. As of the Effective Date, (i) the Assignee shall have the rights and obligations of a Lender under the Loan Documents with respect to the rights and obligations assigned to the Assignee hereunder and (ii) the Assignor shall relinquish its rights and be released from its corresponding obligations under the Loan Documents with respect to the rights and obligations assigned to the Assignee hereunder.

4. PAYMENTS OBLIGATIONS. On and after the Effective Date, the Assignee shall be entitled to receive from the Administrative Agent all payments of principal, interest and fees with respect to the interest assigned hereby. The Assignee shall advance funds directly to the Administrative Agent with respect to all Loans and reimbursement payments made on or after the Effective Date with respect to the interest assigned hereby. [In consideration for the sale and assignment of Loans hereunder, (i) the Assignee shall pay the

Assignor, on the Effective Date, an amount equal to the principal amount of the portion of all Adjusted Corporate Base Rate Loans assigned to the Assignee hereunder and (ii) with respect to each ratable LIBOR Advance and Competitive Bid Loan made by the Assignor and assigned to the Assignee hereunder which is outstanding on the Effective Date, (a) on the last day of the Interest Period therefor or (b) on such earlier date agreed to by the Assignor and the Assignee or (c) on the date on which any such Loan either becomes due (by acceleration or otherwise) or is prepaid (the date as described in the foregoing clauses (a), (b) or (c) being hereinafter referred to as the "Fixed Due Date"), the Assignee shall pay the Assignor an amount equal to the principal amount of the portion of such Loan assigned to the Assignee which is outstanding on the Fixed Due Date. If the Assignor and the Assignee agree that the applicable Fixed Due Date for such Loan shall be the Effective Date, they shall agree, solely for purposes of dividing interest paid by the Borrower on such Loan, to an alternate interest rate applicable to the portion of such Loan assigned hereunder for the period from the Effective Date to the end of the related Interest Period (the "Agreed Interest Rate") and any interest received by the Assignee in excess of the Agreed Interest Rate, with respect to such Loan for such period, shall be remitted to the Assignor. In the event a prepayment of any Loan which is existing on the Effective Date and assigned by the Assignor to the Assignee hereunder occurs after the Effective Date but before the applicable Fixed Due Date, the Assignee shall remit to the Assignor any excess of the funding indemnification amount paid by the Borrower under Section 4.4 of the Credit Agreement an account of such prepayment with respect to the portion of such Loan assigned to the Assignee hereunder over the amount which would have been paid if such prepayment amount were calculated based on the Agreed Interest Rate and only covered the portion of the Interest Period after the Effective Date. The Assignee will promptly remit to the Assignor (i) the portion of any principal payments assigned hereunder and received from the Administrative Agent with respect to any such Loan prior to its Fixed Due Date and (ii) any amounts of interest on Loans and fees received from the Administrative Agent which relate to the portion of the Loans assigned to the Assignee hereunder for periods prior to the Effective Date, in the case of ratable Adjusted Corporate Base Rate Loans or Fees, or the Fixed Due Date, in the case of LIBOR Loans and Competitive Bid Loans, and not previously paid by the Assignee to the Assignor.]* In the event that either party hereto receives any payment to which the other party hereto is entitled under this Assignment Agreement, then the party receiving such amount shall promptly remit it to the other party hereto.

5. FEES PAYABLE BY THE ASSIGNEE. The Assignee shall pay to the Assignor a fee on each day on which a payment of interest or Commitment Fees or Facility Fees is made under the Credit Agreement with respect to the amounts assigned to the Assignee hereunder (other than a payment of interest or Commitment Fees or Facility Fees attributable to the period prior to the Effective Date or, in the case of LIBOR Loans and Competitive Bid Loans, the Payment Date, which the Assignee is obligated to deliver to the Assignor pursuant to Section 4 hereof). The amount of such fee shall be the difference between (i) the interest or fee, as applicable, paid with respect to the amounts assigned to the Assignee hereunder and (ii) the interest or fee, as applicable, which would have been paid with respect to the amounts assigned to the Assignee hereunder if each interest rate was

calculated at the rate of ___% rather than the actual percentage used to calculate the interest rate paid by the Borrower or if the Commitment Fee or Facility Fee was calculated at the rate of ___% rather than the actual percentage used to calculate the Commitment Fee or Facility Fee paid by the Borrower, as applicable. In addition, the Assignee agrees to pay ___% of the fee required to be paid to the Agent in connection with this Assignment Agreement. [THIS SENTENCE CAN BE REVISED APPROPRIATELY BASED ON HOW THE FEE IS BEING PAID.]

*EACH ASSIGNOR MAY INSERT ITS STANDARD PROVISIONS IN LIEU OF THE PAYMENT TERMS INCLUDED IN SECTIONS 4 AND 5 OF THIS EXHIBIT.

6. REPRESENTATIONS OF THE ASSIGNOR; LIMITATIONS ON THE ASSIGNOR'S LIABILITY. The Assignor represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim created by the Assignor. It is understood and agreed that the assignment and assumption hereunder are made without recourse to the Assignor and that the Assignor makes no other representation or warranty of any kind to the Assignee. Neither the Assignor nor any of its officers, directors, employees, agents or attorneys shall be responsible for (i) the due execution, legality, validity, enforceability, genuineness, sufficiency or collectability of any Loan Document, including without limitation, documents granting the Assignor and the other Lenders a security interest in assets of the Borrower or any guarantor, (ii) any representation, warranty or statement made in or in connection with any of the Loan Documents, (iii) the financial condition or creditworthiness of the Borrower or any guarantor, (iv) the performance of or compliance with any of the terms or provisions of any of the Loan Documents, (v) inspecting any of the Property, books or records of the Borrower, its Subsidiaries or Investment Affiliates, (vi) the validity, enforceability, perfection, priority, condition, value or sufficiency of any collateral securing or purporting to secure the Loans or (vii) any mistake, error of judgment, or action taken or omitted to be taken in connection with the Loans or the Loan Documents.

7. REPRESENTATIONS OF THE ASSIGNEE. The Assignee (i) confirms that it has received a copy of the Credit Agreement and the other Loan Documents, together with copies of the financial statements requested by the Assignee and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment Agreement, (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Documentation Agent, the Assignor or any other Lender and based on such documents and information at it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, (iii) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto, (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender, (v) agrees that its payment instructions and notice instructions

are as set forth in the attachment to Schedule 1, (vi) confirms that none of the funds, monies, assets or other consideration being used to make the purchase and assumption hereunder are "plan assets" as defined under ERISA and that its rights, benefits and interests in and under the Loan Documents will not be "plan assets" under ERISA, [AND (VII) ATTACHES THE FORMS PRESCRIBED BY THE INTERNAL REVENUE SERVICE OF THE UNITED STATES CERTIFYING THAT THE ASSIGNEE IS ENTITLED TO RECEIVE PAYMENTS UNDER THE LOAN DOCUMENTS WITHOUT DEDUCTION OR WITHHOLDING OF ANY UNITED STATES FEDERAL INCOME TAXES].**

**TO BE INSERTED IF THE ASSIGNEE IS NOT INCORPORATED UNDER THE LAWS OF THE UNITED STATES, OR A STATE THEREOF.

8. INDEMNITY. The Assignee agrees to indemnify and hold the Assignor harmless against any and all losses, costs and expenses (including, without limitation, reasonable attorneys' fees) and liabilities incurred by the Assignor in connection with or arising in any manner from the Assignee's non-performance of the obligations assumed under this Assignment Agreement.

9. SUBSEQUENT ASSIGNMENTS. After the Effective Date, the Assignee shall have the right pursuant to Section 13.3.1 of the Credit Agreement to assign the rights which are assigned to the Assignee hereunder to any entity or person, provided that (i) any such subsequent assignment does not violate any of the terms and conditions of the Loan Documents or any law, rule, regulation, order, writ, judgment, injunction or decree and that any consent required under the terms of the Loan Documents has been obtained and (ii) unless the prior written consent of the Assignor is obtained, the Assignee is not thereby released from its obligations to the Assignor hereunder, if any remain unsatisfied, including, without limitation, its obligations under Sections 4, 5 and 8 hereof.

10. REDUCTIONS OF AGGREGATE COMMITMENT. If any reduction in the Aggregate Commitment occurs between the date of this Assignment Agreement and the Effective Date, the percentage interest specified in Item 3 of Schedule 1 shall remain the same, but the dollar amount purchased shall be recalculated based on the reduced Aggregate Commitment.

11. ENTIRE AGREEMENT. This Assignment Agreement and the attached Notice of Assignment embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

12. GOVERNING LAW. This Assignment Agreement shall be governed by the internal law, and not the law of conflicts, of the State of Illinois.

13. NOTICES. Notices shall be given under this Assignment Agreement in the manner set forth in the Credit Agreement. For the purpose hereof, the addresses of the parties hereto until notice of a change is delivered) shall be the address set forth in the attachment to Schedule 1.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement by their duly authorized officers as of the date first above written.

[NAME OF ASSIGNOR]

By: _____
Title:_____
_____
_____

[NAME OF ASSIGNEE]

By: _____
Title:_____
_____
_____

SCHEDULE 1 TO
ASSIGNMENT AGREEMENT

1. Description and Date of Credit Agreement:

2. Date of Assignment Agreement: , 19
---------- --

3. Amounts (As of Date of Item 2 above):

a. Aggregate Commitment (Loans)* under Credit Agreement $
---

b. Assignee's Percentage of the Aggregate Commitment purchased under this Assignment Agreement** %
---

4. Amount of Assignee's Commitment (Loan Amount)* Purchased under this Assignment Agreement: $
---

5. Amount of Assignor's Commitment (Loan Amount) After Purchase under this Assignment Agreement
---

6. Proposed Effective Date:

Accepted and Agreed:

[NAME OF ASSIGNOR] [NAME OF ASSIGNEE]

By: By:

Title: Title:
---

* If a Commitment has been terminated, insert outstanding Loans in place of Commitment

** Percentage taken to 10 decimal places

ATTACHMENT TO SCHEDULE 1 TO
ASSIGNMENT AGREEMENT

Attach Assignor's Administrative Information Sheet, which must include notice address and account information for the Assignor and the Assignee

EXHIBIT "I" TO
ASSIGNMENT AGREEMENT

NOTICE OF ASSIGNMENT

_____, 19__

To: [NAME OF ADMINISTRATIVE AGENT]
_____
_____

From: [NAME OF ASSIGNOR] (the "Assignor")

[NAME OF ASSIGNEE] (the "Assignee")

1. We refer to that Unsecured Revolving Credit Agreement (the "Credit Agreement") described in Item 1 of Schedule 1 attached hereto ("Schedule 1"). Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement.

2. This Notice of Assignment (this "Notice") is given and delivered to the Administrative Agent pursuant to Section 13.3.1 of the Credit Agreement.

3. The Assignor and the Assignee have entered into an Assignment Agreement, dated as of _____, 19__ (the "Assignment"), pursuant to which, among other things, the Assignor has sold, assigned, delegated and transferred to the Assignee, and the Assignee has purchased, accepted and assumed from the Assignor the percentage interest specified in Item 3 of Schedule 1 of all outstandings, rights and obligations under the Credit Agreement. From and after such purchase, the Assignee's Commitment shall be the amount specified in Item 4 of Schedule 1 and the Assignor's Commitment shall be the amount specified in Item 5 of Schedule 1. The Effective Date of the Assignment shall be the later of the date specified in Item 5 of Schedule 1 or two (2) Business Days (or such shorter period as agreed to by the Administrative Agent) after this Notice of Assignment and any fee required by Section 13.3.1 of the Credit Agreement have been delivered to the Administrative Agent, provided that the Effective Date shall not occur if any condition precedent agreed to by the Assignor and the Assignee or set forth in Section 13 of the Credit Agreement has not been satisfied.

4. The Assignor and the Assignee hereby give to the Administrative Agent notice of the assignment and delegation referred to herein. The Assignor will confer with the

Administrative Agent before the date specified in Item 6 of Schedule 1 to determine if the Assignment Agreement will become effective on such date pursuant to Section 3 hereof, and will confer with the Administrative Agent to determine the Effective Date pursuant to Section 3 hereof if it occurs thereafter. The Assignor shall notify the Administrative Agent if the Assignment Agreement does not become effective on any proposed Effective Date as a result of the failure to satisfy the conditions precedent agreed to by the Assignor and the Assignee. At the request of the Administrative Agent, the Assignor will give the Administrative Agent written confirmation of the satisfaction of the conditions precedent.

5. The Assignor or the Assignee shall pay to the Administrative Agent on or before the Effective Date the processing fee of $3,500 required by Section 13.3.1 of the Credit Agreement.

6. If Notes are outstanding on the Effective Date, the Assignor and the Assignee request and direct that the Administrative Agent prepare and cause the Borrower to execute and deliver new Notes or, as appropriate, replacements notes, to the Assignor and the Assignee. The Assignor and, if applicable, the Assignee each agree to deliver to the Administrative Agent the original Note received by it from the Borrower upon its receipt of a new Note in the appropriate amount.

7. The Assignee advises the Administrative Agent that notice and payment instructions are set forth in the attachment to Schedule 1.

8. The Assignee hereby represents and warrants that none of the funds, monies, assets or other consideration being used to make the purchase pursuant to the Assignment are "plan assets" as defined under ERISA and that its rights, benefits, and interests in and under the Loan Documents will not be "plan assets" under ERISA.

9. The Assignee authorizes the Administrative Agent to act as its agent under the Loan Documents in accordance with the terms thereof. The Assignee acknowledges that the Administrative Agent has no duty to supply information with respect to the Borrower or the Loan Documents to the Assignee until the Assignee becomes a party to the Credit Agreement.*

*May be eliminated if Assignee is a party to the Credit Agreement prior to the Effective Date.

NAME OF ASSIGNOR	NAME OF ASSIGNEE
By:_____	By:_____
Title:_____	Title:_____

ACKNOWLEDGED AND CONSENTED TO
BY THE FIRST NATIONAL BANK OF CHICAGO,
as Administrative Agent

By:_____
Title:_____

[ATTACH PHOTOCOPY OF SCHEDULE 1 TO ASSIGNMENT]

SCHEDULE 6.9

LITIGATION (BORROWER)

None

SCHEDULE 6.19

ENVIRONMENTAL COMPLIANCE

SCHEDULE 6.19
Environmental Reports and Agreements

PROP_NUM	REPORT TYPE	DATE	ISSUED/COMPLETED BY
	6300 W. HOWARD ST., NILES, IL		
992	Preliminary Remediation Action Plan Addition	6/16/96	Groundwater Technology
992	Phase I Environmental Site Assessment Report	11/29/95	Groundwater Technology
992	Phase I Environmental Site Assessment Report	8/15/95	Groundwater Technology
992	Preliminary Risk-Based Cleanup Objectives	8/15/95	Groundwater Technology
992	Letter re. Pullman Property	8/9/95	Groundwater Technology
992	Additional Investigation Report	6/16/95	Groundwater Technology
992	Phase II Subsurface Investigation Report	4/22/95	Groundwater Technology
992	Preliminary Remediation Plan	4/22/95	Groundwater Technology
	CAPITOL BUSINESS CENTER (FKA FRUEHAUF), MIDDLETOWN, PA		
962	Letter re: Effective Date of Covenant Not to Sue	9/14/95	United States Environmental Protection Agency
962	Letter re: Buyer-Seller Consent Order and Agreement	9/12/95	Commonwealth of Pennsylvania/Department of Environmental Resource
962	Agreement and Covenant Not to Sue	9/7/95	United States Environmental Protection Agency
962	Letter re. Notice of Waste Treatment	9/6/95	Groundwater Technology
962	Environmental Report/Supplemental Groundwater Sampling Result	7/1/95	Groundwater Technology
962	Consent Order and Agreement	6/26/95	Pennsylvania Department of Environmental Resources
962	Additional Investigation Report/Addendum	1/13/95	Groundwater Technology
962	Phase I Environmental Site Assessment Report	12/14/94	Groundwater Technology
963	Letter re: Effective Date of Covenant Not to Sue	9/14/95	United States Environmental Protection Agency
963	Letter re: Buyer-Seller Consent Order and Agreement	9/12/95	Commonwealth of Pennsylvania/Department of Environmental Resource
963	Agreement and Covenant Not to Sue	9/7/95	United States Environmental Protection Agency
963	Letter re. Notice of Waste Treatment	9/6/95	Groundwater Technology
963	Environmental Report/Supplemental Groundwater Sampling Result	7/1/95	Groundwater Technology
963	Consent Order and Agreement	6/26/95	Pennsylvania Department of Environmental Resources
963	Additional Investigation Report/Addendum	1/13/95	Groundwater Technology
963	Phase I Environmental Site Assessment Report	12/14/94	Groundwater Technology
964	Letter re: Effective Date of Covenant Not to Sue	9/14/95	United States Environmental Protection Agency
964	Letter re: Buyer-Seller Consent Order and Agreement	9/12/95	Commonwealth of Pennsylvania/Department of Environmental Resource
964	Agreement and Covenant Not to Sue	9/7/95	United States Environmental Protection Agency
964	Letter re. Notice of Waste Treatment	9/6/95	Groundwater Technology
964	Environmental Report/Supplemental Groundwater Sampling Result	7/1/95	Groundwater Technology
964	Consent Order and Agreement	6/26/95	Pennsylvania Department of Environmental Resources
964	Additional Investigation Report/Addendum	1/13/95	Groundwater Technology
964	Phase I Environmental Site Assessment Report	12/14/94	Groundwater Technology
	2900 N. SHADELAND, INDIANAPOLIS, IN		
332	Industrial Discharge Permit: Modification to FIIP as permitee	6/11/96	City of Indianapolis - Dept. of Public Works
332	Phase II Subsurface Investigation Report	2/21/96	Groundwater Technology
332	Addendum to Phase I Environmental Assessment: Chain of Title	2/5/96	GTI
332	Phase I Environmental Site Assessment Report	1/31/96	Groundwater Technology
332	Asbestos Survey	1/1/96	Smith Environmental Technologies Corporation
332	Voluntary Remediation Agreement	10/4/95	Indiana Department of Environmental Management

SCHEDULE 6.24

TRADE NAMES

First Industrial (Michigan), Limited Partnership

First Industrial (Minnesota), Limited Partnership

First Industrial (Tennessee), Limited Partnership

First Industrial Realty, Inc.

First Industrial Development Services

First Industrial (Alabama), Limited Partnership

First Industrial, Limited Partnership

First Industrial Realty, Inc.

First Industrial Financing Partnership (Alabama), Limited Partnership

First Industrial Financing Partnership, Limited Partnership

First Industrial Financing Partnership (Minnesota), Limited Partnership

First Industrial Financial Partnership (Wisconsin), Limited Partnership

First Industrial MP, L.P. dba First Industrial Mortgage Partnership, L.P.

SCHEDULE 6.25

SUBSIDIARIES (BORROWER)

First Industrial Financing Partnership, L.P., a Delaware limited partnership*

First Industrial Pennsylvania, L.P., a Delaware limited partnership*

First Industrial Harrisburg, L.P., a Delaware limited partnership*

First Industrial Securities, L.P., a Delaware limited partnership*

First Industrial Mortgage Partnership, L.P., a Delaware limited partnership*

First Industrial Indianapolis, L.P., a Delaware limited partnership*

First Industrial Development Services Group, L.P., a Delaware limited partnership*

First Industrial Enterprises of Michigan, Inc., a Michigan corporation ("FIEM") [formerly Damone/Andrew Enterprises, Inc., a Michigan corporation] (100% of non-voting stock; 8% of voting stock)

First Industrial (Atlanta) Management Corporation, a Maryland corporation (100% owned by FTP)

NOTE:

1. FIEM owns 100% of capital stock of First Industrial Group of Michigan, Inc., a Michigan corporation, which, in turn, owns 100% of capital stock of the following Michigan corporations:

   First Industrial of Michigan, Inc.
   First Industrial Associates of Michigan, Inc.
   First Industrial Construction Company of Michigan, Inc.

2. FTP owns 100% of capital stock of First Industrial (Atlanta) Management Corporation, a Maryland corporation

3. For property ownership information, see Exhibit 1 to this Schedule 6.25.

* Borrower owns 99% limited partnership interest in this entity.

SCHDULE 6.26

UNENCUMBERED ASSETS

[Schedule Omitted]

SCHEDULE 7.8

LITIGATION (GENERAL PARTNER)

None

SCHEDULE 7.18

SUBSIDIARIES (GENERAL PARTNER)

1. FI Development Services Corporation, a Maryland corporation
2. First Industrial Finance Corporation, a Maryland corporation
3. First Industrial Management Corporation, a Maryland corporation
4. FR Acquisitions, Inc., a Maryland corporation
5. First Industrial Pennsylvania Corporation, a Maryland corporation
6. First Industrial Harrisburg Corporation, a Maryland corporation
7. First Industrial Securities Corporation, a Maryland corporation
8. First Industrial Mortgage Corporation, a Maryland corporation
9. First Industrial Indianapolis Corporation, a Maryland corporation

NOTE:

1. Each of these entities is 100% wholly owned by the General Partner.
2. None of these entities owns any properties.

EXHIBIT 4.10

FIRST AMENDMENT TO UNSECURED REVOLVING CREDIT AGREEMENT

THIS FIRST AMENDMENT TO UNSECURED REVOLVING CREDIT AGREEMENT (the "Amendment") is made as of the 3rd day of March, 1997, by and among FIRST INDUSTRIAL, L.P., a Delaware limited partnership ("Borrower"), FIRST INDUSTRIAL REALTY TRUST, INC., a Maryland corporation ("General Partner"), THE FIRST NATIONAL BANK OF CHICAGO, a national banking association ("First Chicago"), in First Chicago's capacity as Administrative Agent and Lender under the Credit Agreement described below, UNION BANK OF SWITZERLAND, NEW YORK BRANCH, the New York branch of a Swiss banking corporation ("UBS"), in UBS' capacity as Documentation Agent and Lender under such Credit Agreement (First Chicago and UBS in their capacities as Lenders being referred to as the "Original Lenders") and the additional banks identified on the signature pages of this Amendment (the "New Lenders").

RECITALS

A. Borrower, General Partner and the Original Lenders entered into a certain Unsecured Revolving Credit Agreement dated as of December 16, 1996 (the "Credit Agreement"). All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

B. Pursuant to the terms of the Credit Agreement, the Original Lenders agreed to provide Borrower with a revolving credit facility in an aggregate principal amount of up to $200,000,000. The parties hereto desire to amend the Credit Agreement in order to, among other things, (i) admit each of the New Lenders as a "Lender" under the Credit Agreement without increasing the Aggregate Commitment; (ii) adjust the respective Percentages of the Lenders; and (iii) make certain other modifications to the Credit Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENTS

1. The foregoing Recitals to this Amendment hereby are incorporated into and made a part of this Amendment.

2. From and after the "Effective Date", as defined below, each of the Original Lenders and each New Lender shall be considered a "Lender" under the Credit Agreement and the Loan Documents. Borrower, General Partner and the Original Lenders hereby consent to the addition of each of the New Lenders as a Lender. From and after the Effective Date, each New Lender's Commitment and Percentage shall be as shown below such New Lender's signature block on this Amendment. The adjusted Commitments and

Percentages for the Original Lenders are also shown on the signature pages to this Amendment.

3. The "Effective Date" shall be the date on which all of the following conditions shall have been fulfilled (or waived by the Original Lenders and New Lenders):

(i) no Default or Event of Default then exists;

(ii) Borrower shall have executed and delivered to the Administrative Agent for delivery to each New Lender two Notes, one in the form attached hereto as Exhibit B-3 in the amount of such New Lender's Commitment (each a "Primary Note") and one in the form attached hereto as Exhibit B-5 with respect to Competitive Bid Loans;

(iii) Borrower shall have executed and delivered to the Administrative Agent for delivery to the Original Lenders two amended and restated Notes, one in the form attached hereto as Exhibit B-4 in the adjusted amount of such Original Lender's Commitment (each a "Primary Note") and one in the form attached hereto as Exhibit B-6 with respect to Competitive Bid Loans;

(iv) the only Advances outstanding on the Effective Date shall be Adjusted Corporate Base Rate Advances;

(v) Borrower shall have executed and delivered, or caused to be executed and delivered, to the Administrative Agent (and, upon receipt from Borrower, the Administrative Agent shall deliver to the other Lenders) (A) a certificate dated as of the Effective Date signed by Borrower and General Partner (i) confirming that no Default or Event of Default exists under the Loan Documents; and (ii) representing and warranting that the Loan Documents are then in full force and effect and that, to the best of their knowledge, Borrower and General Partner then have no defenses or offsets to, or claims or counterclaims relating to, their obligations under the Loan Documents, and (B) an opinion of counsel regarding the due authorization and enforceability of this Agreement, together with supporting resolutions and other evidence, all satisfactory to the Administrative Agent; and

(vi) the Original Lenders shall have paid in equal shares to each of the New Lenders the agreed upon upfront fee payable to each such New Lender.

If the Effective Date has not occurred by March 31, 1997, either Borrower or any New Lender may, by written notice to all other parties hereto, elect to terminate this Amendment which thereupon shall have no further force or effect and the Credit Agreement shall continue as if this Amendment had not been executed.

4. Each New Lender, on the Effective Date, agrees to purchase from each of the Original Lenders, in equal shares, and each of the Original Lenders hereby agree to sell to each New Lender, in equal shares, without recourse, a portion of the Obligations equal to such New Lender's Percentage of the then outstanding principal balance of each Adjusted Corporate Base Rate Advance then outstanding and held by the Original Lenders. Such purchases by each New Lender shall not change the aggregate principal amount of all Advances outstanding on the Effective Date. Each such purchase shall be effected by wire transfer of immediately available funds in the appropriate amounts to the Administrative Agent for remittance to each of the Original Lenders on the Effective Date. Borrower irrevocably and unconditionally agrees that from and after the Effective Date the portion of Obligations so funded by each of the New Lenders shall be evidenced by and shall be deemed to be an Advance by such New Lender under such New Lender's Primary Note as of the date of such purchase and shall be treated as such for purposes of calculating interest and fees accruing from and after the date of such purchase under the Credit Agreement (as amended by this Amendment). All interest and fees accruing on such portion of the Obligations prior to the date of such purchase shall be paid when due to the Administrative Agent for remittance to the Original Lenders, as described in the Credit Agreement.

5. Section 1.1 of the Credit Agreement is hereby amended by deleting the defined terms "Funding Lender" and "Partial Advance."

6. Section 2.2 of the Credit Agreement is hereby amended by deleting the fourth sentence thereof and by deleting clause (iv) of the third sentence thereof and replacing it with the following:

> "(iv) the Borrower pays an extension fee to the Administrative Agent equal to 0.063% of the then-current Aggregate Commitment, to be distributed to the Lenders in accordance with their respective Percentages."

Section 2.2 of the Credit Agreement is hereby further amended by adding the words "by each such Lender" after the words "after receipt" in the sixth sentence thereof.

7. Subsection 2.19(iii) of the Credit Agreement is hereby amended by deleting such subsection in its entirety and replacing it with the following:

> "(iii) first to the payment of any fee due pursuant to Section 3.8(b) in connection with the issuance of a Facility Letter of Credit to the Issuing Bank until such fee is paid in full, then next to the payment of the Commitment Fee, Facility Fee and Facility Letter of Credit Fee to the Lenders, if then due, in that order on a pro rata basis in accordance with the respective amounts of such fees due to the Lenders and then finally to the payment of all fees then due to the Administrative Agent;"

8. Section 4.3 of the Credit Agreement is hereby amended by deleting the word "Required" in the fifth line thereof and replacing it with the word "Majority".

9. Section 5.2 of the Credit Agreement is hereby amended by adding the words "and the obligation of the Issuing Bank to issue a Facility Letter of Credit," after the words "(including Swingline Loans)" in the third line thereof.

10. Section 8.2(iii) of the Credit Agreement is hereby amended by inserting the words "the General Partner," in the fifth line thereof before the words "the Borrower".

11. Section 9.2 of the Credit Agreement is hereby amended by (i) replacing the word "Ownership" in the title thereof with the word "Management" and (ii) deleting the words "ownership and" in the first line thereof.

12. Section 11.1 is hereby amended by adding the following phrase at the end of the next to last sentence thereof: "and to pay any fees or other amounts due with respect thereto."

13. Section 12.3 is hereby amended by adding the following sentence at the end thereof: "Subject to the express terms hereof, the Administrative Agent will, unless otherwise instructed as described in Section 12.5, endeavor to administer the Facility in substantially the same manner as it administers similar credit facilities held for its own account."

14. Except as specifically modified hereby, the Credit Agreement is and remains unmodified and in full force and effect and is hereby ratified and confirmed. All references in the Loan Documents to the "Agreement" or the "Revolving Credit Agreement" henceforth shall be deemed to refer to the Credit Agreement as amended by this Amendment. The General Partner, in its capacity as Guarantor under the Guaranty, hereby consents to this Amendment and specifically acknowledges and agrees that its obligations under the Guaranty continue in full force and effect with respect to all of the "Facility Indebtedness" and all "Obligations" (as defined in the Guaranty) which are now or hereafter due to the Lenders or the Administrative Agent under the Credit Agreement as amended by this Amendment.

15. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Amendment by signing any such counterpart. This Amendment shall be construed in accordance with the internal laws (and not the law of conflicts) of the State of Illinois, but giving effect to federal laws applicable to national banks. This Amendment shall be effective when it has been executed by Borrower, General Partner, the Documentation Agent, the Administrative Agent, the Original Lenders and all New Lenders and each party has notified the Administrative Agent by telecopy or telephone that it has taken such action.

IN WITNESS WHEREOF, the Borrower, General Partner, the Original Lenders, the New Lenders, the Documentation Agent and the Administrative Agent have executed this Amendment as of the date first above written.

FIRST INDUSTRIAL, L.P., a Delaware limited partnership

By: First Industrial Realty Trust, Inc., a Maryland corporation

By:_____
Title:_____

FIRST INDUSTRIAL REALTY TRUST, INC., as Guarantor and as General Partner

By:_____
Title:_____

THE FIRST NATIONAL BANK OF CHICAGO, as Administrative Agent

By:_____
Title:_____

UNION BANK OF SWITZERLAND, NEW YORK BRANCH, as Documentation Agent

By:_____
Title:_____

THE FIRST NATIONAL BANK OF
CHICAGO, as Original Lender

By:_____
Title:_____

Commitment: $25,000,000
Percentage: 12.5%

UNION BANK OF SWITZERLAND, NEW YORK
BRANCH, as Original Lender

By:_____
Title:_____

Commitment: $25,000,000
Percentage: 12.5%

BANK OF MONTREAL, as New Lender

By:_____
Title:_____

Commitment: $20,000,000
Percentage: 10%

COMERICA BANK, as New Lender

By:_____
Title:_____

Commitment: $20,000,000
Percentage: 10%

FIRST BANK NATIONAL ASSOCIATION,
as New Lender

By:_____
Title:_____

Commitment: $20,000,000
Percentage: 10%

AMSOUTH BANK OF ALABAMA, as New Lender

By:_____
Title:_____

Commitment: $15,000,000
Percentage: 7.5%

BHF-BANK AKTIENGESELLSCHAFT, as New
Lender

By:_____
Title:_____

And By:_____
Title:_____

Commitment: $15,000,000
Percentage: 7.5%

COMMERZBANK AKTIENGESELLSCHAFT, CHICAGO BRANCH, as New Lender

By:_____
Title:_____

Commitment: $15,000,000
Percentage: 7.5%

LASALLE NATIONAL BANK, as New Lender

By:_____
Title:_____

Commitment: $15,000,000
Percentage: 7.5%

THE NORTHERN TRUST COMPANY, as New Lender

By:_____
Title:_____

Commitment: $15,000,000
Percentage: 7.5%

SIGNET BANK, as New Lender

By:_____
Title:_____

Commitment: $15,000,000
Percentage: 7.5%

EXHIBIT B-3

FORM OF NOTE

$_____ March 3, 1997

On or before the Maturity Date, as defined in that certain Unsecured Revolving Credit Agreement dated as of December 16, 1996 as amended by a First Amendment thereto dated as of March 3, 1997 (as heretofore and hereafter amended, the "Agreement") between FIRST INDUSTRIAL, L.P., a Delaware limited partnership ("Borrower"), First Industrial Realty Trust, Inc., a Maryland corporation, Union Bank of Switzerland, New York Branch, individually and as Documentation Agent, The First National Bank of Chicago, a national bank organized under the laws of the United States of America, individually and as Administrative Agent for the Lenders (as such terms are defined in the Agreement), and the other Lenders listed on the signature pages of the Agreement, Borrower promises to pay to the order of _____ (the "Lender"), or its successors and assigns, the principal sum of _____ AND NO/100 DOLLARS ($_____) or the aggregate unpaid principal amount of all Loans (other than Competitive Bid Loans) made by the Lender to the Borrower pursuant to Section 2.1 of the Agreement, in immediately available funds at the office of the Administrative Agent in Chicago, Illinois, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The Borrower shall pay this Promissory Note ("Note") in full on or before the Maturity Date in accordance with the terms of the Agreement.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date and amount of each Advance and the date and amount of each principal payment hereunder.

This Note is issued pursuant to, and is entitled to the security under and benefits of, the Agreement and the other Loan Documents, to which Agreement and Loan Documents, as they may be amended from time to time, reference is hereby made for, inter alia, a statement of the terms and conditions under which this Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

If there is an Event of Default or Default under the Agreement or any other Loan Document and Lender exercises its remedies provided under the Agreement and/or any of the Loan Documents, then in addition to all amounts recoverable by the Lender under such documents, Lender shall be entitled to receive reasonable attorneys fees and expenses incurred by Lender in exercising such remedies.

Borrower and all endorsers severally waive presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Note (except as otherwise expressly provided for in the Agreement), and any and all lack of diligence or delays in collection or enforcement of this Note, and expressly agree that this Note, or any payment hereunder, may be extended from time to time, and expressly consent to the release of any party liable for the obligation secured by this Note, the release of any of the security of this Note, the acceptance of any other security therefor, or any other indulgence or forbearance whatsoever, all without notice to any party and without affecting the liability of the Borrower and any endorsers hereof.

This Note shall be governed and construed under the internal laws of the State of Illinois.

BORROWER AND LENDER, BY ITS ACCEPTANCE HEREOF, EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT UNDER THIS PROMISSORY NOTE OR ANY OTHER LOAN DOCUMENT OR RELATING THERETO OR ARISING FROM THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS NOTE AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

FIRST INDUSTRIAL, L.P.

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

By:_____
Its:_____

PAYMENTS OF PRINCIPAL

Date	Unpaid Principal Balance	Notation Made by

EXHIBIT B-4

FORM OF AMENDED AND RESTATED NOTE

$_____ March 3, 1997

On or before the Maturity Date, as defined in that certain Unsecured Revolving Credit Agreement dated as of December 16, 1996 as amended by a First Amendment thereto dated as of March 3, 1997 (as heretofore and hereafter amended, the "Agreement") between FIRST INDUSTRIAL, L.P., a Delaware limited partnership ("Borrower"), First Industrial Realty Trust, Inc., a Maryland corporation, Union Bank of Switzerland, New York Branch, individually and as Documentation Agent, The First National Bank of Chicago, a national bank organized under the laws of the United States of America, individually and as Administrative Agent for the Lenders (as such terms are defined in the Agreement), and the other Lenders listed on the signature pages of the Agreement, Borrower promises to pay to the order of _____ (the "Lender"), or its successors and assigns, the principal sum of _____ AND NO/100 DOLLARS ($_____) or the aggregate unpaid principal amount of all Loans (other than Competitive Bid Loans) made by the Lender to the Borrower pursuant to Section 2.1 of the Agreement, in immediately available funds at the office of the Administrative Agent in Chicago, Illinois, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The Borrower shall pay this Promissory Note ("Note") in full on or before the Maturity Date in accordance with the terms of the Agreement.

This Amended and Restated Note amends and restates in its entirety that certain Note dated December 16, 1996 in the amount of $100,000,000 made by Borrower in favor of Lender.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date and amount of each Advance and the date and amount of each principal payment hereunder.

This Note is issued pursuant to, and is entitled to the security under and benefits of, the Agreement and the other Loan Documents, to which Agreement and Loan Documents, as they may be amended from time to time, reference is hereby made for, inter alia, a statement of the terms and conditions under which this Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

If there is an Event of Default or Default under the Agreement or any other Loan Document and Lender exercises its remedies provided under the Agreement and/or any of the Loan Documents, then in addition to all amounts recoverable by the Lender under such

documents, Lender shall be entitled to receive reasonable attorneys fees and expenses incurred by Lender in exercising such remedies.

Borrower and all endorsers severally waive presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Note (except as otherwise expressly provided for in the Agreement), and any and all lack of diligence or delays in collection or enforcement of this Note, and expressly agree that this Note, or any payment hereunder, may be extended from time to time, and expressly consent to the release of any party liable for the obligation secured by this Note, the release of any of the security of this Note, the acceptance of any other security therefor, or any other indulgence or forbearance whatsoever, all without notice to any party and without affecting the liability of the Borrower and any endorsers hereof.

This Note shall be governed and construed under the internal laws of the State of Illinois.

BORROWER AND LENDER, BY ITS ACCEPTANCE HEREOF, EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT UNDER THIS PROMISSORY NOTE OR ANY OTHER LOAN DOCUMENT OR RELATING THERETO OR ARISING FROM THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS NOTE AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

FIRST INDUSTRIAL, L.P.

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

By:_____
Its:_____

PAYMENTS OF PRINCIPAL

Date	Unpaid Principal Balance	Notation Made by

EXHIBIT B-5

FORM OF COMPETITIVE BID NOTE

March 3, 1997

On or before the last day of each "Interest Period" applicable to a "Competitive Bid Loan", as defined in that certain Unsecured Revolving Credit Agreement dated as of December 16, 1996 as amended by a First Amendment thereto dated as of March 3, 1997 (as heretofore and hereafter amended, the "Agreement") between FIRST INDUSTRIAL, L.P., a Delaware limited partnership ("Borrower"), First Industrial Realty Trust, Inc., a Maryland corporation, Union Bank of Switzerland, New York Branch, The First National Bank of Chicago, a national bank organized under the laws of the United States of America, individually and as Administrative Agent for the Lenders (as such terms are defined in the Agreement), Borrower promises to pay to the order of _____ (the "Lender"), or its successors and assigns, the unpaid principal amount of such Competitive Bid Loan made by the Lender to the Borrower pursuant to Section 2.17 of the Agreement, in immediately available funds at the office of the Administrative Agent in Chicago, Illinois, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The Borrower shall pay any remaining unpaid principal amount of such Competitive Bid Loans under this Competitive Bid Note ("Note") in full on or before the Maturity Date in accordance with the terms of the Agreement.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date, amount and due date of each Competitive Bid Loan and the date and amount of each principal payment hereunder.

This Note is issued pursuant to, and is entitled to the security under and benefits of, the Agreement and the other Loan Documents, to which Agreement and Loan Documents, as they may be amended from time to time, reference is hereby made for, inter alia, a statement of the terms and conditions under which this Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

If there is an Event of Default or Default under the Agreement or any other Loan Document and Lender exercises its remedies provided under the Agreement and/or any of the Loan Documents, then in addition to all amounts recoverable by the Lender under such documents, Lender shall be entitled to receive reasonable attorneys fees and expenses incurred by Lender in exercising such remedies.

Borrower and all endorsers severally waive presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Note (except as otherwise expressly

provided for in the Agreement), and any and all lack of diligence or delays in collection or enforcement of this Note, and expressly agree that this Note, or any payment hereunder, may be extended from time to time, and expressly consent to the release of any party liable for the obligation secured by this Note, the release of any of the security of this Note, the acceptance of any other security therefor, or any other indulgence or forbearance whatsoever, all without notice to any party and without affecting the liability of the Borrower and any endorsers hereof.

This Note shall be governed and construed under the internal laws of the State of Illinois.

BORROWER AND LENDER, BY ITS ACCEPTANCE HEREOF, EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT UNDER THIS PROMISSORY NOTE OR ANY OTHER LOAN DOCUMENT OR RELATING THERETO OR ARISING FROM THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS NOTE AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

FIRST INDUSTRIAL, L.P.

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

By:_____
Its:_____

PAYMENTS OF PRINCIPAL

Date	Unpaid Principal Balance	Notation Made by

EXHIBIT B-6

FORM OF AMENDED AND RESTATED COMPETITIVE BID NOTE

March 3, 1997

On or before the last day of each "Interest Period" applicable to a "Competitive Bid Loan", as defined in that certain Unsecured Revolving Credit Agreement dated as of December 16, 1996 as amended by a First Amendment thereto dated as of March 3, 1997 (as heretofore and hereafter amended, the "Agreement") between FIRST INDUSTRIAL, L.P., a Delaware limited partnership ("Borrower"), First Industrial Realty Trust, Inc., a Maryland corporation, Union Bank of Switzerland, New York Branch, The First National Bank of Chicago, a national bank organized under the laws of the United States of America, individually and as Administrative Agent for the Lenders (as such terms are defined in the Agreement), Borrower promises to pay to the order of _____ (the "Lender"), or its successors and assigns, the unpaid principal amount of such Competitive Bid Loan made by the Lender to the Borrower pursuant to Section 2.17 of the Agreement, in immediately available funds at the office of the Administrative Agent in Chicago, Illinois, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The Borrower shall pay any remaining unpaid principal amount of such Competitive Bid Loans under this Competitive Bid Note ("Note") in full on or before the Maturity Date in accordance with the terms of the Agreement.

This Amended and Restated Competitive Bid Note amends and restates in its entirety that certain Competitive Bid Note dated December 16, 1996 made by Borrower in favor of Lender.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date, amount and due date of each Competitive Bid Loan and the date and amount of each principal payment hereunder.

This Note is issued pursuant to, and is entitled to the security under and benefits of, the Agreement and the other Loan Documents, to which Agreement and Loan Documents, as they may be amended from time to time, reference is hereby made for, inter alia, a statement of the terms and conditions under which this Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

If there is an Event of Default or Default under the Agreement or any other Loan Document and Lender exercises its remedies provided under the Agreement and/or any of the Loan Documents, then in addition to all amounts recoverable by the Lender under such

documents, Lender shall be entitled to receive reasonable attorneys fees and expenses incurred by Lender in exercising such remedies.

Borrower and all endorsers severally waive presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Note (except as otherwise expressly provided for in the Agreement), and any and all lack of diligence or delays in collection or enforcement of this Note, and expressly agree that this Note, or any payment hereunder, may be extended from time to time, and expressly consent to the release of any party liable for the obligation secured by this Note, the release of any of the security of this Note, the acceptance of any other security therefor, or any other indulgence or forbearance whatsoever, all without notice to any party and without affecting the liability of the Borrower and any endorsers hereof.

This Note shall be governed and construed under the internal laws of the State of Illinois.

BORROWER AND LENDER, BY ITS ACCEPTANCE HEREOF, EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT UNDER THIS PROMISSORY NOTE OR ANY OTHER LOAN DOCUMENT OR RELATING THERETO OR ARISING FROM THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS NOTE AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

FIRST INDUSTRIAL, L.P.

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

By:_____
Its:_____

PAYMENTS OF PRINCIPAL

Date	Unpaid Principal Balance	Notation Made by

EXHIBIT 10.53

SIXTH AMENDMENT TO
SECOND AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT OF
FIRST INDUSTRIAL, L.P.

The undersigned, being the sole general partner of First Industrial, L.P. (the "Partnership"), a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act and pursuant to the terms of that certain Second Amended and Restated Limited Partnership Agreement dated June 30, 1994 (as amended by amendments thereto dated November 17, 1995, March 20, 1996, June 28, 1996, September 13, 1996 and September 30, 1996, the "Partnership Agreement"), does hereby amend the Partnership Agreement as follows:

Capitalized terms used but not defined in this Sixth Amendment shall have the same meanings that are ascribed to them in the Partnership Agreement.

1. Additional Limited Partners. The Persons identified on Schedule 1 hereto are hereby admitted to the Partnership as Additional Limited Partners owning the number of Units and having made the Capital Contributions set forth on such Schedule 1. Such persons hereby adopt the Partnership Agreement. The General Partner hereby consents to the assignment of all Units of the Additional Limited Partners identified as transferors on Schedule 2 hereto to their equity owners identified as transferees and in the amounts set forth on such Schedule 2, and to the admission to the Partnership as Substituted Limited Partners of such transferees, and such transferees are hereby admitted to the Partnership as Substituted Limited Partners.

2. Schedule of Partners. Exhibit 1B to the Partnership Agreement is hereby deleted in its entirety and replaced by Exhibit 1B hereto which identifies the Partners following consummation of the transactions referred to in Section 1 hereof.

3. Ratification. Except as expressly modified by this Sixth Amendment, all of the provisions of the Partnership Agreement are affirmed and ratified and remain in full force and effect.

Dated: November 14, 1996

FIRST INDUSTRIAL REALTY TRUST, INC.,
as sole General Partner of the
Partnership

By: /s/ Michael W. Brennan

Name: Michael W. Brennan

Title: COO

EXHIBIT 1B

SCHEDULE OF PARTNERS

GENERAL PARTNER	NUMBER OF UNITS
First Industrial Realty Trust, Inc.	29,887,881
LIMITED PARTNERS	
Daniel R. Andrew, TR of the Daniel R. Andrew Trust UA Dec 29 92	137,489
Robert W. Bennett	36,476
BK Columbus Venture	24,789
John E. de B Blockey, TR of the John E. De B Blockey Trust	8,187
Michael W. Brennan	7,587
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94 FBO Benjamin Dure Bullock	770
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94 FBO Christine Laurel Bullock	770
Edward Burger	9,261
Henry D. Bullock & Terri D. Bullock TR of the Henry D. & Terri D. Bullock Trust UA Aug 28 92	12,611
Michael G Damone, TR of the Michael G. Damone Trust UA Nov 4 69	144,296
Robert L. Denton	6,286

LIMITED PARTNERS	NUMBER OF UNITS
Henry E. Dietz Trust UA Jan 16 81	36,476
W. Allen Doane TR of the W. Allen Doane Trust UA May 31, 91	4,416
Timothy Donohue	2,000
Farlow Road Associates Limited Partnership	2,751
Thelma C. Gretzinger Trust	450
Clay Hamlin & Lynn Hamlin JT TEN WROS	15,159
Highland Associates Limited Partnership	69,039
Robert W. Holman Jr.	150,134
Steven B. Hoyt	250,000
Frederick K. Ito	3,880
Michael W. Jenkins	8,831
Peter Kepic	9,261
Paul T. Lambert	39,737
Lambert Investment Corporation	13,606
LGR Investment Fund Ltd	22,556
Duane Lund	13,617
Eileen Millar	2,880
Linda Miller	2,000
Peter Murphy	56,184
Anthony Muscatello	81,654
North Star Associates Limited Partnership	19,333

LIMITED PARTNERS	NUMBER OF UNITS
Arden O'Connor	63,845
Peter O'Connor	118,281
Shidler Equities LP	254,541
Eduardo Paneque	2,000
Partridge Road Associates Limited Partnership	2,751
James C. Reynolds	38,697
Shadeland Associates Limited Partnership	42,976
Shadeland Corporation	4,442
Jay H. Shidler	65,118
Jay H. Shidler & Wallette A. Shidler TEN ENT	1,223
Michael B. Slade	2,829
Kevin Smith	13,571
Robert Stein	56,778
S. Larry Stein	56,778
Jonathan Stott	182,126
Michael T. Tomasz	23,868
Mark S. Whiting	25,206
Holman/Shidler Investment Corporation	22,079
Joseph Dresner	149,531
The Milton Dresner Revocable Trust dated October 22, 1976	149,531

The Jack Friedman Revocable Living Trust dated March 23, 1978	26,005

SCHEDULE 1

Additional Limited Partners	Number of Units	Capital Contribution
HIGHLAND INDUSTRIAL DEVELOPMENT COMPANY	325,067	$8,464,782.80

SCHEDULE 2

Transferor	Transferee	Number of Units
HIGHLAND INDUSTRIAL DEVELOPMENT COMPANY	JOSEPH DRESNER	149,531
HIGHLAND INDUSTRIAL DEVELOPMENT COMPANY	THE MILTON DRESNER REVOCABLE TRUST DATED OCTOBER 22, 1976	149,531
HIGHLAND INDUSTRIAL DEVELOPMENT COMPANY	THE JACK FRIEDMAN REVOCABLE LIVING TRUST DATED MARCH 23, 1978	26,005

EXHIBIT 10.54

SEVENTH AMENDMENT TO
SECOND AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT OF
FIRST INDUSTRIAL, L.P.

The undersigned, being the sole general partner of First Industrial, L.P. (the "Partnership"), a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act and pursuant to the terms of that certain Second Amended and Restated Limited Partnership Agreement dated June 30, 1994 (as amended by amendments thereto dated November 17, 1995, March 20, 1996, June 28, 1996, September 13, 1996, September 30, 1996 and November 14, 1996, the "Partnership Agreement"), does hereby amend the Partnership Agreement as follows:

Capitalized terms used but not defined in this Seventh Amendment shall have the same meanings that are ascribed to them in the Partnership Agreement.

1. Amendment of Partnership Agreement. The Partnership Agreement is hereby amended, effective immediately prior to the admissions referred to in Section 2 below, as follows:

(a) A new Exhibit 1C and a new Exhibit 1D, in the respective forms of Exhibit 1C and Exhibit 1D attached hereto, are hereby added to the Partnership Agreement.

(b) Section 1.1 is amended by adding each of the following definitions in the appropriate alphabetic location:

AGGREGATE PROTECTED AMOUNT: With respect to the Contributor Partners, as a group, the aggregate balances of the Protected Amounts, if any, of the Contributor Partners, as determined on the date in question.

CONTRIBUTOR PARTNER(S): That or those Limited Partner(s) listed as Contributor Partner(s) on Exhibit 1D attached hereto and made a part hereof, as such Exhibit may be amended from time to time by the General Partner, whether by express amendment to this Partnership Agreement or by execution of a written instrument by and between any additional Contributor Partner(s) being affected thereby and the General Partner, acting on behalf of the Partnership and without the prior consent of the Limited Partners (whether or not Contributor Partners other than the Contributor Partner(s) being affected thereby). For purposes hereof, any successor, assignee, or transferee of the Interest of a Contributor Partner (other than the Partnership in connection with a redemption pursuant to Article IX hereof) shall be considered a Contributor Partner for purposes hereof.

LB CLOSING DATE: January 31, 1997.

LB PARTNERS: The persons identified on Exhibit 1C hereto, following their admission to the Partnership as Additional Limited Partners.

LB UNITS: The Partnership Units issued to the LB Partners in connection with the acquisition by the Partnership of certain properties on the LB Closing Date.

PROTECTED AMOUNT: With respect to any Contributor Partner, the amount set forth opposite the name of such Contributor Partner on Exhibit 1D attached hereto and made a part hereof, as such Exhibit may be modified from time to time by an amendment to the Partnership Agreement or by execution of a written instrument by and between the Contributor Partner being affected thereby and the General Partner, acting on behalf of the Partnership and without the prior written consent of the Limited Partners (whether or not Contributor Partners other than the Contributor Partner being affected thereby).

RECOURSE LIABILITIES: The amount of liabilities owed by the Partnership (other than nonrecourse liabilities and liabilities to which Partner Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i)) owed by the Partnership."

THRESHOLD PERCENTAGE: A percentage equal to 85% on the LB Closing Date and thereafter adjusted upwards (but not downwards) immediately prior to each solicitation of any vote of, or the seeking of any consent, approval or waiver from, the Limited Partners generally, to the sum of (i) 85% and (ii) the number of percentage points equal to the positive difference, if any, between (a) the aggregate Percentage Interest represented by the LB Units immediately following the LB Closing Date and (b) the aggregate Percentage Interest represented by the LP Units immediately prior to any such solicitation. For example, if on the LB Closing Date the LB Units represent a 10% aggregate Percentage Interest, and if immediately prior to a solicitation the Threshold Percentage is 85% and the aggregate Percentage Interest represented by the LB Units is 8%, the Threshold Percentage would be increased to 87% (85% = (10% - 8%)).

VOTING TERMINATION DATE: The first date after the LB Closing Date on which either (i) the General Partner holds 90% or more of all Partnership Units or ii) the aggregate number of Partnership Units held by the General Partner and the LB Partners is less than the product of the Threshold Percentage and the total number of Partnership Units then outstanding.

(c) Section 5.2(A) of the Partnership Agreement is hereby amended to read as follows:

"(A) PROFITS. After giving effect to the special allocations, if any, provided in Section 5.2(C) and (D), Profits in each Fiscal Year shall be allocated in the following order:

(1) First to the General Partner until the cumulative Profits allocated to the General Partner under this Section 5.2(A)(1) equal the cumulative Losses allocated to such Partner under Section 5.2(B)(5);

(2) Second, to each Partner in proportion to the cumulative Losses allocated to such Partner under Section 5.2(B)(4), until the cumulative Losses allocated to such Partner under this Section 5.2(A)(2) equal the cumulative Losses allocated to such partner under Section 5.2(B)(4);

(3) Third, to the General Partner in proportion to the cumulative Losses allocated to the General Partner under this Section 5.2(A)(3) equal the cumulative Losses allocated to such Partner under Section 5.2(B)(3);

(4) Fourth, to each Partner in proportion to the cumulative Losses allocated to such Partner under Section 5.2(B)(2), until the cumulative Profits allocated to such Partner under this Section 5.2(A)(4) equal the cumulative Losses allocated to such Partner under Section 5.2(B)(2);

(5) Fifth, to each Partner in proportion to the cumulative Losses allocated to such Partner under Section 5.2(B)(1), until the cumulative Profits allocated to such Partner under this Section 5.2(A)(5) equal the cumulative Losses allocated to such partner under Section 5.2(B)(1); and

(6) then, the balance, if any, to the Partners in proportion to their respective Partnership Interests."

(d) Section 5.2(B) of the Partnership Agreement is hereby amended to read as follows:

"(B) LOSSES. After giving effect to the special allocations, if any, provided in Section 5.2(C) and (D), Losses in each Fiscal Year shall be allocated in the following order of priority:

(a) First, to the Partners, in proportion to their respective Partnership Interests, but not in excess of the positive Capital Account balance of any Partner prior to the allocation provided for in this Section 5.2(B)(1);

(b) Second, to the Partners with positive Capital Account balances prior to the allocation provided for in this Section 5.2(B)(2), in proportion to the amount of such balances;

(c) Third, to the General Partner in an amount equal to the excess of (i) the amount of Recourse Liabilities over (ii) the Aggregate Protected Amount;

(d) Fourth, to and among the Contributor Partners, in accordance with their respective Protected Amounts, until such time as the Contributor Partners have been allocated an aggregate amount of Loss pursuant to this Section 5.2(B)(4) equal to the Aggregate Protected Amount; and

(e) Thereafter, to the General Partner;

provided, however, (i) that, from and following the first date upon which a Contributor Partner is no longer a Partner of the Partnership, the provisions of this Section 5.2(B) shall be null, void and without further force and effect with respect to such Contributor Partner; (ii) that, this Section 5.2(B) shall control, notwithstanding any reallocation or adjustment of taxable income, loss or other items by the Internal Revenue Service or any other taxing authority; provided, however, that neither the Partnership nor the General Partner (nor any of their respective affiliates) is required to indemnify any Contributor Partner (or its affiliates) for the loss of any tax benefit resulting from any reallocation or adjustment of taxable income, loss or other items by the Internal Revenue Service or other taxing authority; and (iii) that, during such period as there are Contributor Partners in the Partnership, the provisions of Section 5.2(B)(4) shall not be amended in a manner which adversely affects the Contributor Partners (without the consent of each Contributor Partner."

(d) Section 10.3(A) of the Partnership Agreement is hereby amended to delete the sentence beginning "If any Partner has a deficit balance . . . ." and substitute the following language therefor:

"If any Contributor Partner has a deficit balance in its Capital Account (after giving effect to all contributions (without regard to this Section 10.3(A)), distributions and allocations), each such Contributor Partner shall contribute to the capital of the Partnership an amount equal to its respective deficit balance, such obligation to be satisfied within ninety (90) days following the liquidation and dissolution of the Partnership in accordance with the provisions of this Article X hereof. Conversely, if any Partner other than a Contributor Partner has a deficit balance in its Capital Account (after giving effect to all contributions (without regard to this Section 10.3(A)), distributions and allocations), such Partner shall have no obligation to make any contribution to the capital of the Partnership. Any deficit restoration obligation pursuant to the provisions hereof shall be for the benefit of creditors of the Partnership or any other Person to whom any debts, liabilities, or obligations are owed by (or who otherwise has any claim against) the Partnership or the general partner, in its capacity as General Partner of the Partnership."

(e) A new Section 11.3 is hereby added to the Partnership Agreement to read as follows:

"SECTION 11.3 VOTING OF LB UNITS. On any matter on which the Limited Partners shall be entitled to vote, consent or grant an approval or waiver, following the admissions of the LB Partners to the Partnership as Additional Limited Partners and through the Voting Termination Date, each holder of the LB Units shall be deemed (i) in connection with any matter submitted to a vote, to have cast all votes attributable to such holder's LB Units in the same manner as the votes attributable to the Units held by the General Partner are cast on such matter, and (ii) in connection with any consent, approval or waiver, to have taken the same action as the General Partner shall have taken with respect to its Units in connection therewith. If the General Partner shall not have the right to vote, consent or grant an approval or waiver on a matter, each holder of LB Units shall vote or act as directed by the General Partner."

(f) A new Section 12.3(D) is hereby added to the Partnership Agreement to read as follows:

"(D) Each LB Partner hereby irrevocably appoints and empowers the General Partner and the Liquidator, in the event of a liquidation, and each of their authorized officers and attorneys-in-fact with full power of substitution, as the true and lawful agent and attorney-in-fact of such LB Partner with full power and

authority in the name, place and stead of such LB Partner to take such actions (including waivers under the Partnership Agreement) or refrain from taking such action as the General Partner reasonably believes are necessary or desirable to achieve the purposes of Section 11.3 of the Partnership Agreement."

2. Additional Limited Partners. The Persons identified on Schedule 1 hereto are hereby admitted to the Partnership as Additional Limited Partners owning the number of Units and having made the Capital Contributions set forth on such Schedule 1. Such persons hereby adopt the Partnership Agreement. The General Partner hereby consents to the assignment of all Units of the Additional Limited Partners identified as transferors on Schedule 2 hereto to their equity owners identified as transferees and in the amounts set forth on such Schedule 2, and to the admission to the Partnership as Substituted Limited Partners of such transferees, and such transferees are hereby admitted to the Partnership as Substituted Limited Partners.

3. Schedule of Partners. Exhibit 1B to the Partnership Agreement is hereby deleted in its entirety and replaced by Exhibit 1B hereto, which identifies the Partners following consummation of the transactions referred to in Section 2 hereof.

4. Ratification. Except as expressly modified by this Seventh Amendment, all of the provisions of the Partnership Agreement are affirmed and ratified and remain in full force and effect.

Dated: January 31, 1997

FIRST INDUSTRIAL REALTY TRUST, INC., as
sole General Partner of the Partnership

By: /s/ Michael T. Tomasz

Name: Michael T. Tomasz
Title: Chief Executive Officer and
President

EXHIBIT 1B

SCHEDULE OF PARTNERS

GENERAL PARTNER	NUMBER OF UNITS
First Industrial Realty Trust, Inc.	30,043,617
LIMITED PARTNERS	
Daniel R. Andrew, TR of the Daniel R. Andrew Trust UA Dec 29 92	137,489
BK Columbus Venture	24,789
John E. de B Blockey, TR of the John E. De B Blockey Trust	8,187
Michael W. Brennan	7,587
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94 FBO Benjamin Dure Bullock	770

LIMITED PARTNERS	NUMBER OF UNITS
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94 FBO Christine Laurel Bullock	770
Edward Burger	9,261
Henry D. Bullock & Terri D. Bullock TR of the Henry D. & Terri D. Bullock Trust UA Aug 28 92	12,551
Michael G Damone, TR of the Michael G. Damone Trust UA Nov 4 69	144,296
Robert L. Denton	6,286
Henry E. Dietz Trust UA Jan 16 81	36,476
W. Allen Doane TR of the W. Allen Doane Trust UA May 31, 91	4,416
Timothy Donohue	2,000
Farlow Road Associates Limited Partnership	2,751
Thelma C. Gretzinger Trust	450
Clay Hamlin & Lynn Hamlin JT TEN WROS	15,159

LIMITED PARTNERS	NUMBER OF UNITS
Highland Associates Limited Partnership	69,039
Robert W. Holman Jr.	150,134
Steven B. Hoyt	250,000
Frederick K. Ito	3,880
Michael W. Jenkins	3,831
Peter Kepic	9,261
Paul T. Lambert	39,737
Lambert Investment Corporation	13,606
LGR Investment Fund Ltd	22,556
Duane Lund	13,617
Eileen Millar	2,880
Linda Miller	2,000
Peter Murphy	56,184

LIMITED PARTNERS	NUMBER OF UNITS
Anthony Muscatello	81,654
North Star Associates Limited Partnership	19,333
Arden O'Connor	63,845
Peter O'Connor	66,181
Shidler Equities LP	254,541
Eduardo Paneque	2,000
Partridge Road Associates Limited Partnership	2,751
James C. Reynolds	38,697
Shadeland Associates Limited Partnership	42,976
Shadeland Corporation	4,442
Jay H. Shidler	65,118
Jay H. Shidler & Wallette A. Shidler TEN ENT	1,223

LIMITED PARTNERS	NUMBER OF UNITS
Michael B. Slade	2,829
Kevin Smith	13,571
Robert Stein	56,778
S. Larry Stein	56,778
Jonathan Stott	130,026
Michael T. Tomasz	23,868
Mark S. Whiting	25,206
Holman/Shidler Investment Corporation	22,079
Joseph Dresner	149,531
The Milton Dresner Revocable Trust dated October 22, 1976	149,531
The Jack Friedman Revocable Living Trust dated March 23, 1978	26,005
Jernie Holdings Corp.	180,499

LIMITED PARTNERS	NUMBER OF UNITS
Fourbur Family Co., L.P.	50,478
Fourbur Co., L.L.C.	27,987
Jerome Lazarus	18,653
Constance Lazarus	417,961
Susan Burman	523,155
Judith Draizin	331,742
Jan Burman	18,653
Danielle Draizin	6,538
Heather Draizin	6,538
Jason Draizin	13,078

EXHIBIT 1C

LB PARTNERS

Jernie Holdings Corp., a New York corporation

Fourbur Family Co., L.P., a New York limited partnership

Fourbur Co., L.L.C., a New York limited liability company

Jerome Lazarus

Constance Lazarus

Susan Burman

Judith Draizin

Jan Burman

Judith Draizin as custodian
under the NYUGMA until
the age of 21 for Danielle Draizin

Judith Draizin as custodian
under the NYUGMA until
the age of 21 for Heather Draizin

Judith Draizin as custodian
under the NYUGMA until
the age of 21 for Jason Draizin

EXHIBIT 1D

	ADDITIONAL LIMITED PARTNERS	ADDITIONAL LIMITED PARTNERS PROTECTED AMOUNT	TRANSFEREE PARTNER	TRANSFEREE PARTNER PROTECTED AMOUNT
1	Lazarus Burman Associates	100,000	Jerome Lazarus	100,000
			Jan Burman	0
2	Jan Burman Management Company	200,000	Jerome Lazarus	100,000
			Jan Burman	100,000
3	Jerry Lazarus Management Co.	2,500,000	Jerome Lazarus	1,260,394
			Jan Burman	1,239,606
4	Connie Lazarus Management Company	600,000	Jerome Lazarus	305,792
			Jan Burman	294,208
5	Red Ground Co.	4,000,000	Jerome Lazarus	2,307,610
			Jan Burman	1,692,390
6	Surrey Company	6,700,000	Jerome Lazarus	3,350,000
			Jan Burman	3,350,000
7	Jernie Investors Co.	900,000	Constance Lazarus	720,000
			Susan Burman	180,000
			Judith Draizin	0
			Jernie Holdings Corp.	0
8	109 Industrial Co., LLC	4,300,000	Jerome Lazarus	4,228,630
			Jan Burman	71,370
9	LB Management Co.	5,600,000	Jerome Lazarus	5,507,053
			Jan Burman	92,947
10	JD-U Co.	1,200,000	Judith Draizin	1,200,000
11	Laz-Bur Co.	900,000	Constance Lazarus	449,990
			Susan Burman	450,010
	Total	27,000,000		27,000,000

EXHIBIT 1D

	TOTAL BY TRANSFEREE PARTNER	PROTECTED AMOUNT
1	Jan Burman	(6,300,000)
2	Jerome Lazarus	(17,000,000)
3	Constance Lazarus	(3,600,000)
4	Jernie Holdings Corp.	(100,000)
	Total	(27,000,000)

SCHEDULE 1

ADDITIONAL LIMITED PARTNERS	NUMBER OF UNITS	CAPITAL CONTRIBUTION
Lazarus Burman Associates		
Jan Burman Management Co.		
Jerry Lazarus Management Co.		
Connie Lazarus Management Co.		
Red Ground Co.		
Surrey Co.		
Jernie Investors Co.		
109 Industrial Co., LLC		
L.B. Management Co.		
Judith Draizin		
Susan Burman		
Laz-Bur Co.		
SJB Realty Co.		
C 4-6-7 Co.		
C 3-5 Co.		
290 Industrial Co., LLC		
185 Price Parkway, LLC		
116 Lehigh Industrial Co.	1,595,282	$47,858,460

SCHEDULE 2

TRANSFEROR+	TRANSFEREE	NUMBER OF UNITS	CAPITAL ACCOUNT
	Jerome Lazarus	18,653	$ 559,590
	Jan Burman	18,653	559,590
	Constance Lazarus	417,961	12,538,830
	Susan Burman	523,155	15,694,650
	Judith Draizin	331,742	9,952,260
	Jernie Holdings Corp.	180,499	4,414,970
	Fourbur Co., LLC	27,987	839,610
	Jason Draizin*	13,078	392,340
	Heather Draizin*	6,538	196,140
	Danielle Draizin*	6,538	196,140
	Fourbur Family Co., LLC	50,478	1,514,340
		1,595,282	$47,858,460

- - With respect to each transferee, one or more of the Additional Limited Partners reflected on Schedule 1.

* Under the New York Uniform Gift to Minors Act until the age of 21, Judith Draizin as custodian.

EXHIBIT 10.55

EIGHTH AMENDMENT TO SECOND AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF FIRST INDUSTRIAL, L.P.

The undersigned, being the sole general partner of First Industrial, L.P. (the "Partnership"), a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act and pursuant to the terms of that certain Second Amended and Restated Limited Partnership Agreement dated June 30, 1994 (as amended by amendments thereto dated November 17, 1995, March 20, 1996, June 28, 1996, September 13, 1996, September 30, 1996, November 14, 1996 and January 31, 1997, the "Partnership Agreement"), does hereby amend the Partnership Agreement as follows:

Capitalized terms used but not defined in this Eighth Amendment shall have the same meanings that are ascribed to them in the Partnership Agreement.

1. Additional Limited Partners. The Persons identified on Schedule 1 hereto are hereby admitted to the Partnership as Additional Limited Partners owning the number of Units and having made the Capital Contributions set forth on such Schedule 1. Such persons hereby adopt the Partnership Agreement. The General Partner hereby consents to the assignment of all Units of the Additional Limited Partners identified as transferors on Schedule 2 hereto to their equity owners identified as transferees and in the amounts set forth on such Schedule 2, and to the admission to the Partnership as Substituted Limited Partners of such transferees, and such transferees are hereby admitted to the Partnership as Substituted Limited Partners.

2. Schedule of Partners. Exhibit 1B to the Partnership Agreement is hereby deleted in its entirety and replaced by Exhibit 1B hereto which identifies the Partners following consummation of the transactions referred to in Section 1 hereof.

3. Ratification. Except as expressly modified by this Eighth Amendment, all of the provisions of the Partnership Agreement are affirmed and ratified and remain in full force and effect.

Dated: March 17, 1997

FIRST INDUSTRIAL REALTY TRUST, INC.,
as sole General Partner of the Partnership

By: /s/ Michael J. Havala

By: Michael J. Havala
Its: Chief Financial Officer

EXHIBIT 1B

SCHEDULE OF PARTNERS

GENERAL PARTNER	NUMBER OF UNITS
First Industrial Realty Trust, Inc.	30,043,617
LIMITED PARTNERS	
Daniel R. Andrew, TR of the Daniel R. Andrew Trust UA Dec 29 92	137,489
BK Columbus Venture	24,789
John E. de B Blockey, TR of the John E. De B Blockey Trust	8,187
Michael W. Brennan	7,587
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94 FBO Benjamin Dure Bullock	770
Henry D. Bullock & Terri D. Bullock & Shawn Stevenson TR of the Bullock Childrens Education Trust UA Dec 20 94 FBO Christine Laurel Bullock	770
Edward Burger	9,261

LIMITED PARTNERS	NUMBER OF UNITS
Henry D. Bullock & Terri D. Bullock TR of the Henry D. & Terri D. Bullock Trust UA Aug 28 92	12,551
Michael G Damone, TR of the Michael G. Damone Trust UA Nov 4 69	144,296
Robert L. Denton	6,286
Henry E. Dietz Trust UA Jan 16 81	36,476
W. Allen Doane TR of the W. Allen Doane Trust UA May 31, 91	4,416
Timothy Donohue	2,000
Farlow Road Associates Limited Partnership	2,751
Thelma C. Gretzinger Trust	450
Clay Hamlin & Lynn Hamlin JT TEN WROS	15,159
Highland Associates Limited Partnership	69,039
Robert W. Holman Jr.	150,134
Steven B. Hoyt	250,000

LIMITED PARTNERS	NUMBER OF UNITS
Frederick K. Ito	3,880
Michael W. Jenkins	3,831
Peter Kepic	9,261
Paul T. Lambert	39,737
Lambert Investment Corporation	13,606
LGR Investment Fund Ltd	22,556
Duane Lund	13,617
Eileen Millar	2,880
Linda Miller	2,000
Peter Murphy	56,184
Anthony Muscatello	81,654
North Star Associates Limited Partnership	19,333
Arden O'Connor	63,845

LIMITED PARTNERS	NUMBER OF UNITS
Peter O'Connor	66,181
Shidler Equities LP	254,541
Eduardo Paneque	2,000
Partridge Road Associates Limited Partnership	2,751
James C. Reynolds	38,697
Shadeland Associates Limited Partnership	42,976
Shadeland Corporation	4,442
Jay H. Shidler	65,118
Jay H. Shidler & Wallette A. Shidler TEN ENT	1,223
Michael B. Slade	2,829
Kevin Smith	13,571
Robert Stein	56,778
S. Larry Stein	56,778

LIMITED PARTNERS	NUMBER OF UNITS
Jonathan Stott	130,026
Michael T. Tomasz	23,868
Mark S. Whiting	25,206
Holman/Shidler Investment Corporation	22,079
Joseph Dresner	149,531
The Milton Dresner Revocable Trust dated October 22, 1976	149,531
The Jack Friedman Revocable Living Trust dated March 23, 1978	26,005
Jernie Holdings Corp.	180,499
Fourbur Family Co., L.P.	50,478
Fourbur Co., L.L.C.	27,987
Jerome Lazarus	18,653
Constance Lazarus	417,961
Susan Burman	523,155

LIMITED PARTNERS	NUMBER OF UNITS
Judith Draizin	331,742
Jan Burman	18,653
Danielle Draizin	6,538
Heather Draizin	6,538
Jason Draizin	13,078
Charles T. Andrews	754
Perry C. Caplan	1,388
Charles S. Cook and Shelby H. Cook, tenants in the entirety	634
George L. Cramer, Jr.	2,262
Darwin B. Dosch	1,388
Charles F. Downs	1,508
Fitz & Smith Partnership	3,410
Dennis G. Goodwin and Jeannie L. Goodwin, tenants in the entirety	6,166

LIMITED PARTNERS	NUMBER OF UNITS
Internal Investment Company	3,016
Thomas J. Johnson, Jr. and Sandra L. Johnson, tenants in the entirety	2,142
Nourhan Kailian	2,183
Craig R. Martin	754
Joseph Musti	1,508
Dean A. Nachtigall	10,076
Jack F. Ream	1,071
Glenn C. & Linda A. Rexroth	2,142
Andre G. Richard	1,508
Edward C. Roberts and Rebecca S. Roberts, tenants in the entirety	8,308
W.F.O. Rosenmiller	634
Edward Jon Sarama	634

LIMITED PARTNERS	NUMBER OF UNITS
David W. Smith, and Doris L. Smith, tenants in the entirety	754
Gary L. Smith and Joyce A. Smith, tenants in the entirety	1,508
SRS PARTNERSHIP	2,142
Barry L. Tracey	2,142

SCHEDULE 1

Additional Limited Partners	Number of Units	Capital Contribution
Emig Income Partners	39,625	$1,109,500
Farmbrook Partners I	18,407	$ 515,396
	58,032	$1,624,896

SCHEDULE 2

Transferror+	New Holder	Units	Capital Account
	Charles T. Andrews	754	$ 21,112
	Perry C. Caplan	1,388	38,864
	Charles S. Cook and Shelby H. Cook, tenants in the entirety	634	17,752
	George L. Cramer, Jr.	2,262	63,336
	Darwin B. Dosch	1,388	37,464
	Charles F. Downs	1,508	42,224
	Fitz & Smith Partnership	3,410	95,480
	Dennis G. Goodwin and Jeannie L. Goodwin, tenants in the entirety	6,166	172,648
	Internal Investment Company	3,016	84,448
	Thomas J. Johnson, Jr. and Sandra L. Johnson, tenants in the entirety	2,142	59,976
	Nourhan Kailian	2,183	61,124
	Craig R. Martin	754	21,112
	Joseph Musti	1,508	42,224
	Dean A. Nachtigall	10,076	282,128
	Jack F. Ream	1,071	29,988
	Glenn C. & Linda A. Rexroth	2,142	59,976
	Andre G. Richard	1,508	42,224
	Edward C. Roberts and Rebecca S. Roberts, tenants in the entirety	8,308	232,624
	W.F.O. Rosenmiller	634	17,752
	Edward Jon Sarama	634	17,752
	David W. Smith, and Doris L. Smith, tenants in the entirety	754	21,112

Transferror+	New Holder	Units	Capital Account
	Gary L. Smith and Joyce A. Smith, tenants in the entirety	1,508	42,224
	SRS PARTNERSHIP	2,142	59,976
	Barry L. Tracey	2,142	59,976
		58,032	$1,624,896

+ With respect to each transferee, one or more of the Additional Limited Partners reflected on Schedule 1.

EXHIBIT 10.58

CONTRIBUTION AGREEMENT

Between

FR ACQUISITIONS, INC.

And

THE OTHER PARTIES LISTED ON
THE SIGNATURE PAGES OF THIS AGREEMENT

(Lazarus Burman Associates)

Dated as of January 31, 1997

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SECURITIES REFERENCED HEREIN HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

TABLE OF CONTENTS

THIS CONTRIBUTION AGREEMENT is made and entered into as of this 31st day of January, 1997 (the "CONTRACT DATE"), by and between the parties reflected on the signature pages hereto as "Contributor and Other LP Unit Recipients," which parties include, but are not limited to, each of the ownership entities listed on Exhibit A attached hereto (such ownership entities, individually and collectively, as appropriate, "CONTRIBUTOR"), and FR ACQUISITIONS, INC., a Maryland corporation ("ACQUIROR").

1. CONTRIBUTION. It shall be a Contributor's Condition Precedent (as defined below) that, prior to Closing (as defined below), Acquiror shall have assigned its entire right, title and interest in, to and under this Agreement to First Industrial, L.P., a Delaware limited partnership (the "UPREIT"), and the UPREIT shall have assumed all of Acquiror's right, title, interest, obligations and liabilities under this Agreement (the "ASSIGNMENT"). Thereafter and at Closing, Contributor shall contribute and convey to the UPREIT, and the UPREIT shall accept and assume from Contributor, for the Contribution Consideration (as defined below), and pursuant to the terms and subject to the conditions set forth in this Agreement, all of Contributor's right, title and interest in the Projects (as defined below), which Projects are identified on Exhibit A attached hereto and include those certain buildings (the "BUILDINGS"), each containing that approximate number of net rentable square feet specified on Exhibit A. The conveyance of the Projects at Closing shall, however, be exclusive of the Option Projects, as defined in Paragraph 33, and Project No. 56 (as discussed in Paragraph 39). The contribution and conveyance of such Buildings and the Projects of which they are a part shall be made subject to the Assumed Indebtedness (as defined below), which shall be repaid by the UPREIT, in full, on the Closing Date. The Buildings are leased by Contributor to Tenants (as defined below) for industrial/warehouse/distribution purposes. Each of the Buildings is commonly known by the respective street address in the cities, counties and states described on Exhibit A. For purposes of this Agreement:

(a) The term "ASSUMED INDEBTEDNESS" shall be deemed to mean all of the indebtedness of Contributor described on Exhibit A-2 attached hereto;

(b) The term "PROJECTS" shall be deemed to mean, on a collective basis: (i) all of the parcels of land described in Exhibit A-1 attached hereto (collectively, the "LAND"), together with all rights, easements and interests appurtenant thereto, including, but not limited to, all right, title and interest of Contributor in any streets or other public ways adjacent to the Land and any water or mineral rights owned by, or leased to, Contributor; (ii) all improvements located on the Land, including, but not limited to, the Buildings, and all other structures, systems, and utilities associated with, and utilized by, Contributor in the ownership and operation of the Buildings (all such improvements being collectively referred to herein as the "IMPROVEMENTS"), but excluding improvements, if any, owned by Tenants and subtenants of the Buildings; (iii) all tangible personal property owned by Contributor and (x) located on or in the Land or Improvements, or (y) used in connection with the operation and maintenance of any or all of the Projects (collectively, the "PERSONAL PROPERTY"), including, without limitation, all (if any) tangible personal property listed (as being included within the subject transaction) on Exhibit B attached hereto, but expressly excluding therefrom those excluded items as expressly set forth on Exhibit B (the "EXCLUDED PERSONAL PROPERTY"); (iv) all building materials, supplies, hardware, carpeting and other inventory owned by Contributor and maintained exclusively in connection with Contributor's ownership and operation of the Land and/or Improvements (collectively, the "INVENTORY"); (v) Contributor's interest in all trademarks, tradenames, development rights and entitlements and other intangible property used in connection with the foregoing (collectively, the "INTANGIBLE PERSONAL PROPERTY"), but expressly excluding therefrom those excluded items as expressly set forth on Exhibit B (the "EXCLUDED INTANGIBLE PROPERTY"); and (vi) Contributor's interest in all leases and other agreements to occupy all or any portion of the Land and/or Improvements in effect on the Contract Date (the "EXISTING LEASES") or into which Contributor enters prior to Closing, but pursuant to the express terms of this Agreement (the "ADDITIONAL LEASES" and, collectively with the Existing Leases, the "LEASES"). As noted above, however, for purposes of (1) the Closing, (2) the representations and warranties contained herein and (3) the schedules to be attached hereto, the term, "Projects" shall exclude the Option Projects and Project No. 56; and if and to the extent that Acquiror acquires the Option Projects and Project No. 56, such acquisition shall occur pursuant to the terms of Paragraphs 33 or 39, as the case may be; and

(c) The term "PROJECT" shall mean a specific Building, together with the specific parcel of Land associated with such Building, or on which such Building is situated, in each case together with (i) all other Improvements located on such Land; (ii) all Personal Property and Inventory located on or used in connection with such Land and/or Building or other Improvements located on that Land; (iii) Contributor's interest in all Intangible Property used in connection with that Land; and (iv) Contributor's interest in all Leases of such Land and/or Building or other Improvements.

2. CONTRIBUTION; LP UNITS; TAX MATTERS.

(a) General. The UPREIT's sole general partner is First Industrial Realty Trust, Inc., a Maryland corporation (the "REIT"). The REIT is a publicly-traded real estate investment trust. Prior to the Assignment, Acquiror shall not constitute the agent of the UPREIT hereunder. As noted above, the consummation of the Assignment shall be a condition precedent to the Contributor's obligation to close, as set forth in this Agreement ("CONTRIBUTOR'S CONDITION PRECEDENT").

(b) Contribution Consideration. The consideration to be paid to Contributor by the UPREIT for all of the Projects (other than the Option Projects, for which the consideration shall be determined pursuant to Paragraph 33, and Project No. 56, for which the consideration shall be determined pursuant to Paragraph 39) [the "CONTRIBUTION CONSIDERATION"] shall consist of that number of LP Units (as defined below) having an aggregate value, calculated as provided in Subparagraph 2(c)(iii) below, equal to (the "TOTAL LP UNIT AMOUNT"): (A) the sum of the "ALLOCATED AMOUNTS" assigned to all of the Projects, as provided on Exhibit A-2 attached hereto, as Exhibit A-2 may be modified pursuant to this Subparagraph 2(b); minus (B) the sum of the Assumed Indebtedness with respect to all Projects, as such amount may be modified as reflected in the Final Exhibit A-2, as defined in and delivered pursuant to this Subparagraph 2(b); minus (C) Contributor's Closing Costs (as defined in Paragraph 14 below); minus (D) any prorations described in Paragraph 13 below ("PRORATIONS") and credited, as of the Closing Date (as defined below), to Acquiror; plus (E) any Prorations credited, as of the Closing Date, to Contributor; minus (F) any other adjustments described in this Agreement ("ADJUSTMENTS"), including, without limitation, those pursuant to Paragraphs 22 and 34 below, occurring on or prior to the Closing Date in favor of Acquiror; and plus (G) any Adjustments occurring on or prior to the Closing Date in favor of the Contributor, including, without limitation, those pursuant to Paragraphs 26 and 34 below. The parties acknowledge and agree that the form of Exhibit A-2 attached hereto as of the date of this Agreement (the "PRELIMINARY EXHIBIT A-2") is for illustration and planning purposes only. It shall be an Acquiror's Condition Precedent (as defined below) and a Contributor's Condition Precedent that the UPREIT and Contributor prepare and reasonably agree upon an updated Exhibit A-2 (the "FINAL EXHIBIT A-2") to be substituted for the Preliminary Exhibit A-2 as of and on the Closing Date. (The Final Exhibit A-2 may be incorporated into the closing statement required to be delivered at Closing.) If the above-described calculation of Contribution Consideration would result in a fractional number of LP Units to be delivered to Contributor, the UPREIT shall round that fraction up or down, as the case may be, to the nearest whole number of LP Units. The Projects are to be contributed to the UPREIT subject to the corresponding items of Assumed Indebtedness, which, subject to Paragraph 34 below, will be assumed by the UPREIT and paid off, in full, simultaneously with the occurrence of the Closing. No portion of the Contribution Consideration shall be paid directly to Contributor in cash. Provided that all conditions precedent to Acquiror's obligations to close as set forth in this Agreement (collectively, "ACQUIROR'S CONDITIONS PRECEDENT") have been satisfied and fulfilled, or waived in writing by Acquiror, the Contribution Consideration shall be paid to Contributor at Closing pursuant to Subparagraph 2(c) below.

(c) LP Units.

(i) The Total LP Unit Amount shall be paid by the UPREIT's delivery of Partnership Units (as that term is defined in the Partnership Agreement, as defined below) in the UPREIT (the "LP UNITS"). The Total LP Unit Amount and the allocation thereof shall be set forth in the LP Unit Schedule (as defined below). The LP Units shall be redeemable for shares of common stock of the REIT ("STOCK")

or cash (or a combination thereof) in accordance with the redemption procedures described in the Partnership Agreement. Contributor acknowledges that the LP Units are not certificated and that, therefore, the issuance of the LP Units shall be evidenced by the execution and delivery of an amendment to the Partnership Agreement, which amendment shall be executed and delivered by the REIT at Closing (the "AMENDMENT").

(ii) Contributor hereby directs the UPREIT to deliver to Contributor, at Closing, LP Units issued in the names of, and for distribution to, those LP Unit Recipients set forth on Exhibit A-3 attached hereto (the "LP UNIT RECIPIENTS"). Each LP Unit Recipient shall receive, with respect to the respective Project(s) in which it has an interest as reflected on Exhibit A-3, that number of LP Units (subject to appropriate rounding to eliminate fractional LP Units) as shall be set forth on the updated Exhibit A-3 to be prepared by Acquiror and to be mutually and reasonably approved by Contributor and the UPREIT at Closing (the "UPDATED EXHIBIT A-3" or the "LP UNIT SCHEDULE"). (The Updated Exhibit A-3/LP Unit Schedule may be incorporated into the closing statement required to be delivered at Closing.) With respect to each Project, such number shall be calculated by multiplying (A) the Total LP Unit Amount, times (B) the percentage of the Total LP Unit Amount allocated to such Project at Closing, times (C) the "Ownership Percentage in Subject Project" of each LP Unit Recipient as reflected on Exhibit A-3.

(iii) For purposes of determining the number of LP Units to be delivered in satisfaction of payment of the Total LP Unit Amount, the Total LP Unit Amount shall be divided by a "UNIT PRICE," which shall be equal to the weighted average (by daily trading volume) of the closing price of shares of Stock for the forty-five (45) trading days preceding, but excluding, the five (5) business days prior to the Closing Date (the "CALCULATED PRICE"). The LP Unit Schedule shall reflect the Unit Price. Notwithstanding anything to the contrary in this Subparagraph 2(c)(iii): (A) in the event the Calculated Price is calculated to be in excess of $30.00, the Unit Price shall be deemed to be $30.00; and (B) in the event the Calculated Price is calculated to be less than $22.00, the Unit Price shall be deemed to be $22.00. In the event that, on the Closing Date, Contributor and Acquiror fail to agree upon the LP Unit Schedule and Acquiror's corresponding calculation (as contemplated above) of the weighted average of the closing price of shares of Stock, then the Closing shall be postponed until such calculation and determination of the number of LP Units to be delivered at the rescheduled Closing (the "INDEPENDENT DETERMINATION") shall be made by KPMG Peat Marwick LLP (the "INDEPENDENT FIRM"); provided, however, that if KPMG Peat Marwick LLP, as of the date on which such calculation is required to be made, represents any or all of Contributor, Acquiror or any or all of their respective affiliates, then the Independent Firm shall be another so-called "Big Six" accounting firm mutually and reasonably agreed to by Coopers & Lybrand LLP, on behalf of Acquiror, and Ernst & Young LLP, on behalf of Contributor. The Independent Determination shall be conclusive and binding on Contributor and Acquiror, and each of Contributor and Acquiror shall pay one-half of the fees imposed by the Independent Firm in connection with the Independent Determination.

(iv) Contributor has delivered to Acquiror, and has caused its partners, shareholders, members (including, without limitation, those partners, shareholders and members that are LP Unit Recipients) and any other LP Unit Recipient to deliver to Acquiror, or to any other party designated by Acquiror, a completed questionnaire and representation letter (in substantially the form set forth in Exhibit T attached hereto, the "INVESTOR MATERIALS") [signed by a custodian under the New York Uniform Gift to Minors Act ("NYUGMA") where appropriate, for those LP Unit Recipients who are minors under New York law] providing, among other things, information concerning Contributor's and each of its partners' and shareholders' status as an accredited investor ("ACCREDITED INVESTOR"), as such term is defined in Regulation D promulgated under the Securities Act of 1933, as amended (the "SECURITIES ACT"), and shall provide or cause to be provided to Acquiror, or to any other party designated by Acquiror, such other information and documentation as may reasonably be requested by Acquiror in furtherance of the

issuance of the LP Units as contemplated hereby. Notwithstanding anything contained in this Agreement to the contrary, in the event that, in the written opinion of securities or tax counsel for Acquiror, as the case may be, any such person or entity is not considered an Accredited Investor, the proposed issuance of LP Units hereunder might not qualify for the exemption from registration provided by Section 4(2) of the Securities Act, or the proposed issuance of LP Units hereunder would violate any applicable federal or state securities laws, rules or regulations, or agreements to which the REIT or the UPREIT is privy, or any tax related or other rules, agreements or constraints applicable to Acquiror, the REIT or the UPREIT, Acquiror shall so advise Contributor, in writing (the "REGULATORY VIOLATION NOTICE") within five (5) business days after such determination is made. The interest of each and every person or other entity with respect to which Acquiror delivers a Regulatory Violation Notice shall be redeemed by the appropriate Contributor prior to the Closing Date. In the event of any such redemption, the Updated Exhibit A-3 shall reflect the updated list of LP Unit Recipients and the revised ownership percentages in the appropriate Projects resulting from such redemption.

(v) Contributor hereby covenants and agrees that it shall deliver or shall cause each of its partners, shareholders, members and any other LP Unit Recipient to deliver to Acquiror, or to any other party designated by Acquiror, any documentation that may be required under the Partnership Agreement or any charter document of the REIT, and such other information and documentation as may reasonably be requested by Acquiror, at such time as any LP Units are redeemed for shares of Stock ("CONVERSION SHARES"). The preceding covenant shall survive the Closing and shall not merge into any of the conveyancing documentation delivered at Closing.

(vi) The UPREIT, the REIT and the Contributor intend to and shall treat the transfer of the Projects in exchange for LP Units (the "EXCHANGE") as a partnership contribution pursuant to Section 721 of the Internal Revenue Code of 1986, as amended (the "CODE"). The UPREIT and the REIT shall cooperate in all reasonable respects with Contributor to effectuate such Exchange; provided, however, that:

(A) The Closing shall not be extended or delayed by reason of such Exchange, unless Acquiror has breached its obligations to Contributor under this Agreement;

(B) None of Acquiror, the UPREIT nor the REIT shall be required to incur any additional extraordinary (as opposed to a normal, customary and recurring) cost or expense primarily as a result of such Exchange, other than the cost of Acquiror's counsel in connection with the preparation of this Agreement. Notwithstanding anything to the contrary in the foregoing sentence, the UPREIT and the REIT shall be responsible for costs associated with any IRS audit made directly of either or both of the UPREIT and the REIT (as opposed to an audit that is ancillary to an audit made of any or all of the entities comprising the Contributor). Contributor hereby covenants and agrees that it shall, forthwith on demand, reimburse the UPREIT or the REIT for any additional extraordinary cost or expense (as opposed to a normal, customary and recurring cost or expense, such as the analysis or computation related to the manner in which depreciation and built-in gain are allocated amongst the LP Unit Recipients), including, but not limited to, reasonable attorneys' fees, incurred by either or both of the UPREIT and the REIT as a result of the characterization of the contribution of the Projects pursuant to this Agreement as a partnership contribution pursuant to Section 721 of the Code, or which additional extraordinary cost or expense is or may be otherwise directly attributable to the Exchange;

(C) Subject to the UPREIT's and the REIT's performance and fulfillment in all material respects of the express covenants and conditions contained in this Agreement, none of Acquiror, the UPREIT or the REIT

warrant, nor shall any of them be responsible for, the federal, state or local tax consequences to any or all of Contributor, any or all of Contributor's partners and any or all of the LP Unit Recipients of the transactions contemplated by this Agreement (including, without limitation, the allocation of losses and liabilities under the Code); and

(D) Except as otherwise expressly set forth in this Agreement and in the documents executed and delivered by Acquiror at the Closing, none of Acquiror, the UPREIT nor the REIT shall incur any liability under any document or agreement required to be executed or delivered in connection with such Exchange.

The provisions of this Subparagraph 2(c)(vi) shall survive the Closing and shall not merge into any conveyancing documents delivered at Closing.

(d) Partnership Agreement and Other Materials. For purposes hereof, the term "PARTNERSHIP AGREEMENT" shall mean the UPREIT's Second Amended and Restated Limited Partnership Agreement dated as of June 30, 1994, as amended, a true and complete copy of which Partnership Agreement has been furnished by Acquiror to Contributor prior to the Contract Date. Contributor hereby acknowledges and agrees that the ownership of LP Units by Contributor and its partners and their respective rights and obligations as limited partners of the UPREIT (including, without limitation, their right to transfer, encumber, pledge and exchange LP Units) shall be subject to all of the express limitations, terms, provisions and restrictions set forth herein and in the Partnership Agreement. In that regard, Contributor hereby covenants and agrees that, at Closing, it shall execute any and all documentation reasonably required by the UPREIT and the REIT to formally memorialize the foregoing (collectively, the "PARTNERSHIP AGREEMENT ADOPTION MATERIALS"). Contributor further acknowledges that it and its partners have received and reviewed, prior to the Contract Date, the REIT's Prospectus Supplement, dated October 21, 1996, and the Prospectus supplemented thereby dated October 4, 1996 (collectively, the "PROSPECTUS"), which Prospectus describes the risk factors associated with an investment in the REIT. Contributor acknowledges that it and its partners have received and reviewed, prior to the Contract Date, the REIT's Annual Report on Form 10-K for the year ended December 31, 1995, the REIT's Proxy Statement soliciting proxy materials in connection with the REIT's 1996 annual meeting of stockholders and the REIT's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1996, June 30, 1996, and September 30, 1996, and have otherwise had an opportunity to conduct a due diligence review of the affairs of the UPREIT and the REIT.

(e) Transfer and Voting Restrictions. Each LP Unit Recipient agrees that it may only sell, transfer, assign, pledge or encumber, or otherwise convey any or all of the LP Units delivered to it in connection with this transaction and, if applicable, any Conversion Shares (any of the foregoing by any LP Unit Recipient, a "TRANSFER") in strict compliance with this Agreement, the Partnership Agreement, the charter documents of the REIT, the registration and other provisions of the Securities Act (and the rules promulgated thereunder), any state securities laws, the rules of the New York Stock Exchange and the Registration Rights Agreement, in each case as may be applicable. In the event that the number of Conversion Shares held by the LP Unit Recipients or their respective successors and assigns, at any time, or from time to time, exceeds, in the aggregate, 1,252,640 shares of Stock (as adjusted, from time to time, by any dividend payable in Stock, any stock split, or any reclassification affecting the Stock) [the "THRESHOLD AMOUNT"] the parties agree that those Conversion Shares in excess of the Threshold Amount shall be subject to a voting trust agreement (the "VOTING TRUST AGREEMENT"), the terms and provisions of which Voting Trust Agreement shall be negotiated in good faith by the parties promptly upon the parties' determination that the Contributor shall hold, in the aggregate, Conversion Shares in excess of the Threshold Amount. It shall be a condition to the redemption of LP Units that would result in the issuance of Conversion Shares in excess of the Threshold Amount that the Voting Trust Agreement be executed by the LP Unit Recipients (or their respective successors and assigns, as the case may be). The Voting Trust Agreement shall provide, among other terms negotiated (reasonably and in good faith) by the REIT and the LP Unit Recipients (or their respective successors and assigns, as the case may be), that: (i) the chief executive officer of the REIT shall be the

trustee of the voting trust established pursuant to the Voting Trust Agreement (the "VOTING TRUST"), and shall have complete discretion to vote those Conversion Shares (subject to the Voting Trust) that exceed the Threshold Amount; (ii) the Voting Trust shall be governed by, and have the maximum duration permitted under, Maryland law; and (iii) the Conversion Shares of each LP Unit Recipient with Conversion Shares shall be subject to the Voting Trust on a pro rata basis (based on the number of Conversion Shares held by LP Unit Recipients at any time a Voting Trust is created) unless the applicable parties otherwise agree to an alternative mechanism for the determination of which Conversion Shares held by which LP Unit Recipients shall be subject to the Voting Trust. In addition to the possible Voting Trust, the total amount of LP Units held, from time to time, by the LP Unit Recipients or any successors or assigns ("LAZARUS BURMAN UNITS") shall be subject to a voting agreement, which will be incorporated into the Amendment and shall be in the form of Exhibit U attached hereto (the "UNIT VOTING AGREEMENT"). The REIT shall not consent to any amendment to any portion of the Partnership Agreement that sets forth any provisions of the Unit Voting Agreement without the prior written consent of the holders of a majority of the then-outstanding Lazarus Burman Units, which consent shall not be unreasonably withheld or delayed. The provisions of this Subparagraph 2(e) shall survive the Closing and shall not merge into any conveyancing documents delivered at Closing.

(f) Lock-Up Period. The LP Unit Recipients agree that for a period of one year following the Closing (the "LOCK-UP PERIOD") and except as otherwise expressly provided in this Subparagraph (f), they may not Transfer any or all of the LP Units delivered to the LP Unit Recipients in connection with this transaction. Notwithstanding the foregoing limitations, prior to the expiration of the Lock-Up Period, the LP Unit Recipients may (in each case, in accordance with the Partnership Agreement) each (i) pledge or encumber (to or for the benefit of an institutional lender, which, in addition to banks, shall include, without limitation, securities firms, broker/dealers and other entities engaged in the business of commercial lending) a maximum of fifty percent (50.0%) of those LP Units issued on the Closing Date to the LP Unit Recipient in question (and that are not otherwise pledged by such LP Unit Recipient to the UPREIT or the REIT under the Holbrook Pledge Agreement and the JCP Pledge Agreement, as those terms are defined below); provided, however, that any such pledge or encumbrance shall be expressly subject to the terms and provisions of Subparagraph 2(e) above; and provided, further, that none of the LP Units pledged to the UPREIT or the REIT under the Holbrook Pledge Agreement and the JCP Pledge Agreement may be pledged by any LP Unit Recipient pursuant to this clause (i); (ii) redeem any or all of their respective LP Units; provided, however, that (x) notwithstanding such redemption, no LP Unit Recipient may Transfer any of its Conversion Shares during the Lock-Up Period, and if and to the extent that, under the terms of this Agreement or any document delivered at Closing, an LP Unit Recipient pledges any or all of its LP Units to the UPREIT or the REIT, then as a condition precedent to the redemption of such pledged LP Units, the LP Unit Recipient shall instead pledge to the UPREIT or the REIT, as the case may be, those Conversion Shares issued to such LP Unit Recipient upon the redemption of its pledged LP Units (which pledge of Conversion Shares shall be substantially comparable to the pledge of the LP Units); and (iii) Transfer any or all of their LP Units in any transaction described in Schedule 2(g); provided, however, that if and to the extent that any transferring LP Unit Recipient has, pursuant to the terms of this Agreement or any other document delivered at Closing, pledged any or all of its LP Units to the UPREIT or the REIT, as the case may be, then as a condition precedent to the Transfer of any of such pledged LP Units, the transferee LP Unit Recipient shall instead pledge to the UPREIT or the REIT, as the case may be, those LP Units that are the subject of such Transfer. The provisions of this Subparagraph 2(f) shall survive the Closing and shall not merge into any conveyancing documents delivered at Closing.

(g) Volume Restriction. Subject to the Lock-Up Period, the LP Unit Recipients agree that, collectively, they shall not (i) during the first calendar year after the Closing Date, effect a Transfer or series of Transfers involving an aggregate number of Conversion Shares that exceeds one-third (1/3) of the number of shares of Stock for which the Lazarus Burman Units outstanding immediately following the Closing could be redeemed; (ii) during the second calendar year after the Closing Date, effect a Transfer or series of Transfers involving an aggregate number of Conversion Shares that exceeds

two-thirds (2/3) of the number of shares of Stock for which the Lazarus Burman Units outstanding immediately following the Closing could be redeemed; and (iii) during any 10-trading day period, effect a Transfer or series of Transfers involving an aggregate number of Conversion Shares that exceeds 30% of the average daily trading volume of the Stock during the 30 trading days prior to the first day of any such 10-trading day period. The volume restrictions set forth in this Subparagraph 2(g) shall be inapplicable to any Conversion Shares sold in (A) an underwritten offering or (B) those transactions described in Schedule 2(g) attached hereto. The provisions of this Subparagraph 2(g) shall survive the Closing and shall not be merged into any of the conveyancing documents delivered at Closing.

(h) Registration Rights. At Closing, the REIT shall enter into a "REGISTRATION RIGHTS AGREEMENT" (which for all purposes hereunder shall include the supplement thereto) substantially in the form of Exhibit S attached hereto, pursuant to which the REIT shall agree to register the sale of Conversion Shares.

(i) Partnership Liabilities; Non-Taxable Transactions.

(i) Subject to the last sentence of this Subparagraph 2(i)(i) and the provisions of Subparagraph 2(i)(ii) hereof, for a period of ten years following the Closing Date (the "NON-TAXABLE DISPOSITION PERIOD"), the REIT and the UPREIT shall use their good faith, reasonable and diligent efforts:

(A) to cause any sale or other voluntary disposition (other than through a deed in lieu of foreclosure, a foreclosure action, or an act of eminent domain) of a Project to qualify for non-recognition of gain under the Code, whether by means of exchanges contemplated under Code Sections 351, 354, 355, 368, 721, 1031, 1033, or otherwise; provided, however, that the foregoing shall not require the REIT and UPREIT, in their sole and absolute discretion, to sell, or otherwise dispose of, or prevent the REIT and UPREIT, in their sole and absolute discretion, from selling or otherwise disposing of, a Project in transactions which would result in a loss for federal income tax purposes;

(B) to maintain, on a continuous basis, an amount of indebtedness for which the Contributor (including, for this purpose, its partners or transferees, collectively) bears the "economic risk of loss" within the meaning of Treasury Regulation Section 1.752-2(a), in an amount equal to $27,000,000 (the "MAXIMUM AMOUNT");

(C) to avoid a distribution of property that would cause Contributor to recognize income or gain pursuant to the provisions of either or both of Code Sections 704(c)(1)(B) and 737;

(D) to avoid a termination of the UPREIT pursuant to the provisions of Code Section 708(b)(1)(B); and

(E) as long as Contributor (including, for this purpose, its partners or transferees, collectively) remains as a partner of the UPREIT, the REIT and/or UPREIT agree to utilize the "traditional method," without curative allocations (as provided for in the Partnership Agreement), of allocating gain and depreciation under Code Section 704(c) for the Projects.

In all events, the Non-Taxable Disposition Period shall terminate, and the provisions of this Subparagraph 2(i)(i) shall be of no further force or effect, as of the earlier to occur of (a) the failure, for any reason, of any or all of Jan Burman, Jerome Lazarus, members of their respective immediate families (spouse and children) [collectively referred to as the "PROTECTED PARTIES"], or entities in which the Protected Parties own a 10% or greater beneficial interest (whether by vote or value, including without limitation, through a trust), to own, in the aggregate, 10% or more of the Lazarus Burman Units issued on the Closing Date, or (b) with respect to the requirements of Subparagraph 2(i)(i)(A) only, an amendment or other

material revision to Code Section 1031 or the Treasury Regulations promulgated thereunder, which amendment or revision materially and adversely alters the mechanics for implementing a "like-kind" exchange of real estate pursuant to such provisions.

(ii) Notwithstanding the above provisions of this Subparagraph 2(i), the obligation of either or both of the REIT and the UPREIT to undertake those activities set forth in Subparagraphs 2(i)(i)(A)-(E) hereof shall, in all events, be subject to, and otherwise interpreted consistent with, the REIT's fiduciary and statutory obligations to all partners (both present and future) in the UPREIT, and to its stockholders, both present and future. Notwithstanding the preceding sentence, however, the UPREIT and/or REIT shall use every reasonable effort (but shall not be required) to engage in a non-taxable disposition of a Project. Further, for purposes of this Subparagraph 2(i), and except as otherwise provided in Subparagraph 2(k), the LP Unit Recipients agree that neither the REIT nor the UPREIT shall be required to obtain any approval, consent or waiver from, or take direction from, or otherwise communicate with, any person or representative or entity concerning a particular Project, other than those certain persons designated on Schedule 2(i)(ii) attached hereto (and at the addresses set forth therein) with respect to such Project (the "PROJECT CONTACTS"). Notification of the Project Contacts for a Project shall constitute sufficient and effective notification to all LP Unit Recipients associated with that Project, and written communications from the Project Contacts for a Project shall bind all LP Unit Recipients associated with, related to, or having an interest in, that Project.

The provisions of this Subparagraph 2(i) shall survive the Closing and shall not merge into any conveyancing documents delivered at Closing.

(j) Amendments to Partnership Agreement. It shall be a Contributor's Condition Precedent that the Amendment be duly authorized and validly executed on the Closing Date, and provide for the matters set forth in Exhibit P hereto.

(k) Notice of Certain Transactions.

(i) In the event, on or before the tenth anniversary of the Closing Date, of (each, a "TAX-RELATED EVENT"): (A) a post-Closing sale of any Project; (B) a reduction in the amount of indebtedness to be maintained pursuant to Subparagraph 2(i)(i)(B) to an amount that is less than the Maximum Amount (other than by regularly or other scheduled principal payments); or (C) an attempt by the UPREIT to effect a Project transfer as permitted by Subparagraph 2(i)(i)(A) above occurs, but the terms of Section 1031 of the Code or the regulations promulgated thereunder have changed such that the mechanics for implementing a tax-deferred exchange of real estate are materially and adversely altered (whether with respect to the timing required to identify and close upon an exchange property or otherwise) from those mechanics in place as of the Contract Date, and, in any case, provided that the obligations of the REIT and the UPREIT under Subparagraph 2(i) shall not have otherwise terminated by the terms of such Subparagraph, the UPREIT shall give written notice of such Tax-Related Event (a "TAX-RELATED NOTICE") to the relevant Project Contacts for the subject Project as soon as practicable after the occurrence of such event becomes reasonably likely, or, if later, on the date on which the UPREIT is, in the reasonable judgment of its securities counsel, legally permitted, under applicable federal and state securities laws and regulations, and the rules and regulations of the New York Stock Exchange, to disseminate such Tax-Related Notice to the Project Contacts.

(ii) Upon their receipt of a Tax-Related Notice, the Project Contacts shall designate a single spokesperson from among them to represent the LP Unit Recipients in connection with the Tax-Related Event that triggered the delivery of the such Tax-Related Notice (the "SPOKESPERSON"). The LP Unit Recipients hereby irrevocably appoint any Spokesperson so designated as its attorney-in-fact, with full power to grant in the name of and on behalf of such LP Unit Recipient, any and all consents, waivers, approvals, and to execute any and all documents required or

appropriate to be executed, whether with respect to this Agreement, the Partnership Agreement or otherwise; provided, however, that such attorney-in-fact may only act within the scope necessitated by the event giving rise to the appointment of such Spokesperson. The UPREIT and the REIT shall be entitled to rely on the first written notice either of them receives that designates a Spokesperson with respect to a given Tax-Related Event, and shall be under no obligation to deal with any person other than the Spokesperson so designated in connection with the subject Tax-Related Event as it relates to the LP Unit Recipients. The UPREIT and the REIT shall have no obligation to deal with any person or entity whatsoever in connection with a Tax-Related Event unless and until a Spokesperson is properly designated. The UPREIT and the REIT, and their respective independent accountants, attorneys and other representatives and advisors, shall cooperate with the Spokesperson in order to consider strategies proposed by or through the Spokesperson (it being understood that neither the REIT nor the UPREIT shall have any obligation whatsoever to propose any such strategies), on behalf of affected LP Unit Recipients, which strategies are designed or intended to defer or mitigate any recognition of gain under the Code by any LP Unit Recipient or any shareholder or partner in any LP Unit Recipient (any such gain recognition being referred to herein as an "ADVERSE TAX CONSEQUENCE") that may result from a Tax-Related Event, whether such strategies involve any or all of the LP Unit Recipients (including Contributor) on a basis independent of the REIT and UPREIT, or in conjunction with the REIT or the UPREIT. Each party shall pay its own fees and expenses incurred in connection with the procedure delineated in this Subparagraph 2(k). Under this Subparagraph 2(k), the UPREIT and the REIT are only obligated to cooperate with the Spokesperson on behalf of any LP Unit Recipient (or any partner, shareholder or member of any LP Unit Recipient) who may be facing an Adverse Tax Consequence, in connection with such LP Unit Recipient's determination of the efficacy of tax-deferral or tax-mitigation alternatives proposed by or through the Spokesperson that may involve the REIT or the UPREIT. In no event shall either the REIT or the UPREIT be required to incur any expense [other than the cost of professional fees and expenses and administrative expenses incurred in complying with this Subparagraph 2(k)] in connection its cooperation under this Subparagraph 2(k), nor shall any transaction duly approved by the Board of Directors of the REIT that results in a Tax-Related Event be required to be suspended, postponed, impeded or otherwise adversely affected by virtue of any potential Adverse Tax Consequence. The provisions of this Subparagraph 2(k)(ii) shall survive to the Closing and shall not merge into any conveyancing documents delivered at Closing.

3. CLOSING AND EARNEST MONEY.

(a) Closing. The contribution and delivery of LP Units contemplated herein shall be consummated at a closing ("CLOSING") to take place at the offices of Contributor's counsel, Rogers & Wells, 200 Park Avenue, New York, New York 10166, on the basis of a "New York style" closing with a representative of the Title Company (as defined below) in attendance. The Closing shall occur on January 30, 1997, at 9:30 a.m. New York time or at such other time and at such other place as the parties may agree upon in writing (the "CLOSING DATE"). The Closing shall be effective as of 12:01 a.m. New York time on the Closing Date. Notwithstanding the foregoing, the risk of loss of all or any portion of any or all of the Projects shall be borne by Contributor up to and including the actual time of the Closing, and thereafter by Acquiror, subject to the terms and conditions of Paragraph 15 below.

(b) Earnest Money.

(i) Escrowee. Unless the Closing shall have already occurred, within three (3) business days after the Contract Date, the parties shall enter into escrow instructions in substantially the form attached hereto as Exhibit C (the "ESCROW AGREEMENT," the escrow created thereby being referred to herein as the "ESCROW"), designating Commonwealth Land Title Insurance Company as the escrowee thereunder (the "ESCROWEE"). The parties hereby authorize their respective attorneys to execute the Escrow Agreement and to make such amendments thereto as they

shall deem necessary or convenient to close the transaction contemplated by this Agreement.

(ii) Earnest Money Deposit. Unless the Closing shall have already occurred, not later than three (3) business days following the Contract Date, Acquiror shall deposit into the Escrow, in accordance with the terms of the Escrow Agreement, and as its earnest money deposit (the "EARNEST MONEY"), the sum of One Million and No/100 Dollars ($1,000,000). The Earnest Money may be in the form of cash or the Letter of Credit (as defined below).

(iii) Application at Closing. At Closing, the Earnest Money, and any and all interest earned thereon, shall be paid to Acquiror.

(iv) Letter of Credit. The Earnest Money may be in the form of an irrevocable standby letter of credit ("LETTER OF CREDIT") issued by an FDIC-insured, national bank having gross assets in excess of $10,000,000,000 (an "APPROVED DEPOSITORY" and, for purposes of the Letter of Credit, the "ISSUER"). Escrowee shall be the beneficiary under the Letter of Credit, and the Letter of Credit shall expire no earlier than March 31, 1997. The Letter of Credit shall be non-transferable, and shall permit Escrowee to present it to the Issuer for payment only if accompanied by a sworn certificate, executed by or on behalf of Contributor or one or more duly authorized partner(s) of Contributor (it being understood that for such purpose Jan Burman and Jerome Lazarus shall each constitute such an authorized partner), certifying that Contributor has declared Acquiror to be in default under this Agreement and that Contributor is, therefore, entitled to the proceeds of the Letter of Credit (the "DEFAULT CERTIFICATE"); provided, however, that such Default Certificate shall not be required in the event that Escrowee presents the Letter of Credit to the Issuer pursuant to the penultimate sentence of this Subparagraph (b)(iv). Upon its receipt from Contributor of the Default Certificate, the Escrowee is hereby instructed to (A) notify Acquiror as provided in Paragraph 19 of this Agreement; and (B) subject to the terms and notice requirements of the Escrow Agreement, contemporaneously present the Letter of Credit to the Issuer and deliver the proceeds thereof to Contributor. In the event that Contributor delivers a Default Certificate to Escrowee, Escrowee shall have no right or obligation to review the underlying facts and circumstances to determine whether or not such Default Certificate is correct. Notwithstanding anything contained herein or in the Escrow Agreement to the contrary and irrespective of any contrary instruction from Acquiror, in the event that the Closing Date is delayed to a date on or after March 1, 1997, whether by mutual agreement of the parties or due to the pendency of a dispute between the parties concerning this Agreement, and any Letter of Credit on deposit with Escrowee is not renewed or replaced by Acquiror at least thirty (30) days prior to its expiration date, then such Letter of Credit shall be presented by Escrowee to the Issuer for payment prior to its expiration date, and the proceeds thereof shall be held in the Escrow in accordance with the terms of the Escrow Agreement. Upon Closing, Escrowee is hereby instructed to return the Letter of Credit to Acquiror.

4. CONTRIBUTOR'S PRE-CLOSING DELIVERIES. To the extent in Contributor's possession or control, Contributor shall continue to make available to Acquiror, from and after the Contract Date, at reasonable times and upon reasonable notice, copies of all documents, contracts, information, Records (as defined below) and exhibits relevant to the transaction that is the subject of this Agreement, including, but not limited to, the documents listed as "CONTRIBUTOR'S DELIVERIES" on Exhibit D attached hereto. In the event that Acquiror exercises its unilateral right to terminate this Agreement pursuant to Paragraph 5 below, all originals of items, if any, so delivered by Contributor pursuant to this Paragraph 4 shall be returned to Contributor, and all copies of items so delivered by Contributor pursuant to this Paragraph 4 shall be destroyed by Acquiror. In the event this Agreement is terminated for any reason and the transactions contemplated herein do not close, Acquiror shall promptly deliver to Contributor copies of all diligence reports prepared for Acquiror by third parties with respect to the physical, structural and/or environmental condition of the Projects (the "DUE DILIGENCE REPORTS"); provided, however, that this requirement shall only be applicable in the event that Contributor has reimbursed Acquiror, prior to the date of such delivery by Acquiror, for due diligence costs

to the extent required to be paid by Contributor pursuant to those certain letter agreements dated October 11, 1996 and January 17, 1997 between Jan Burman (on behalf of Contributor) and Acquiror (and pursuant to any other letter agreement into which such parties may enter into subsequent to the Contract Date with respect to the sharing of due diligence costs). The obligations of the parties under this Paragraph 4 shall survive the Closing or the termination of this Agreement indefinitely.

5. INSPECTION PERIOD.

(a) Basic Project Inspection. At all times prior to Closing and during normal business hours, including times following the "INSPECTION PERIOD" [which Inspection Period is defined to be the period from and after the Contract Date, through and including: (x) January 30, 1997 with respect to all matters described in this Paragraph 5 other than that described in Subparagraph 5(b); and (y) January 30, 1997 with respect to all matters described in Subparagraph 5(b)], Acquiror, its agents and representatives shall be entitled to conduct a "BASIC PROJECT INSPECTION," which will include the rights to: (i) enter upon the Land and Improvements, on reasonable notice to Contributor, to perform inspections and tests of any and all of the Projects, including, but not limited to, inspection, evaluation and testing of the heating, ventilation and air-conditioning systems and all components thereof (collectively, the "HVAC SYSTEM"), all structural and mechanical systems within the Improvements, including, but not limited to, sprinkler systems, power lines and panels, air lines and compressors, automatic doors, tanks, pumps, plumbing and all equipment, vehicles, and Personal Property; (ii) examine and copy any and all books, records, tax returns, correspondence, financial data, leases, and all other documents and matters, public or private, maintained by Contributor or its agents, relating to receipts and expenditures pertaining to all of the Projects for the three (3) most recent full calendar years and all or any portion of the current calendar year and all contracts, rental agreements and all other documents and matters, public or private, maintained by Contributor or its agents, relating to operations of the Projects (collectively, the "RECORDS"); (iii) make investigations with regard to zoning, environmental (including an environmental "ASSESSMENT" or "ADDITIONAL ASSESSMENT" as specified in Subparagraph 5(b) below, in, under or upon the Projects, or any Containers (as defined below) on, or under, the Land), building, code, regulatory and other legal or governmental requirements; (iv) make or obtain market studies and real estate tax analyses; and (v) upon reasonable notice to Contributor, interview Tenants (in which event a representative of Contributor may be present during each and every such interview, if Contributor so elects) with respect to their current and prospective occupancies. Acquiror agrees to give no less than 48 hours' prior notice to Jan Burman or Jeffrey Cohen of any component of the Basic Project Inspection requiring access to any Project. Contributor may elect to have a representative(s) accompany Acquiror or its consultants on any part of the Basic Project Inspection requiring access to any Project. Prior to, and throughout the performance of, the Basic Project Inspection, Acquiror shall cause its environmental consultant(s) to maintain workers' compensation insurance, as required by law, general liability (single limit) insurance with coverage of no less than $1,000,000 per occurrence, umbrella liability insurance with coverage of no less than $10,000,000, professional errors and omissions liability insurance of no less than $3,000,000, and contractor's pollution liability insurance with coverage of no less than $1,000,000 per occurrence. Contributor and the other LP Unit Recipients and the partners therein (including their officers, directors and employees) shall be named as additional insureds on each policy described in the immediately preceding two sentences (provided Contributor advises Acquiror, in writing, on or before the Contract Date, of the specific names of all desired additional insureds), and certificates of insurance evidencing such fact shall be delivered to Contributor prior to the commencement of the Basic Project Inspection. Acquiror agrees that its environmental consultant shall conduct no soil or groundwater sampling or other intrusive testing, whether as part of a Phase I or Phase II test, unless and until the location, scope and methodology of such sampling or testing, as the case may be, as well as the identity of the environmental consultant, have all been approved by Contributor, such approval to not be unreasonably withheld or delayed. In addition, prior to conducting any such environmental sampling, Acquiror shall have a "utility markout" performed for the applicable Project and delivered to Acquiror's environmental consultant and Contributor.

In addition, Contributor shall provide, and cooperate in all reasonable respects in providing, Acquiror with copies of, or access to, such factual information (not previously provided) as may be reasonably requested by Acquiror, and in the possession or control of Contributor, to enable the REIT to issue (subsequent to Closing) one or more press releases concerning the transaction that is the subject of this Agreement (provided that any press release to be issued by Contributor or Acquiror shall be subject to the prior approval, not to be unreasonably withheld or delayed, of the other party), to file a Current Report on Form 8-K (as specified on Exhibit Q attached hereto), if, as and when such filing may be required by the Securities and Exchange Commission ("SEC") and to make any other filings that may be required by any Governmental Authority (as defined below). The obligation of Contributor to cooperate in providing Acquiror with such information for Acquiror to file its Current Report on Form 8-K shall survive the Closing for a period of two (2) years, and shall not merge into any conveyancing documents delivered at Closing. Without limitation of the foregoing, Acquiror or its designated independent or other accountants may, at Acquiror's expense, audit the Operating Statements (as defined in Exhibit D attached hereto), and Contributor shall supply such existing documentation as Acquiror or its accountants may reasonably request in order to complete such audit. If Acquiror, in its sole and absolute discretion, determines that the results of any inspection, test or examination do not meet Acquiror's criteria for the purchase, financing or operation of any or all of the Projects in the manner contemplated by Acquiror, including, but not limited to, if any inspection, test or examination reveals the presence of a Hazardous Condition (as defined below), any Hazardous Material, or toxic substance (including, but not limited to, asbestos, chlordane or formaldehyde) in or upon any of the Projects, or the existence of any Containers on, or under, the Land, or any deficiency or code violation with respect to any aspect of any Project, or if the information disclosed does not otherwise meet Acquiror's investment criteria for any reason whatsoever, or if Acquiror, in its sole and absolute discretion, otherwise determines that any or all of the Project(s) is/are unsatisfactory to it, then subject to Subparagraph 5(e) below, Acquiror may terminate this Agreement by written notice to Contributor (the "TERMINATION NOTICE"), with a copy to Escrowee, given not later than the last day of the Inspection Period (the "APPROVAL DATE"), subject to the potential extension of the Approval Date as is contemplated under Subparagraph 5(b). Upon such termination, the Earnest Money, together with all interest thereon, shall be returned immediately to Acquiror and neither party shall have any further liability to the other under this Agreement, except as otherwise provided herein. If Acquiror fails to deliver the Termination Notice to Contributor prior to the Approval Date, Acquiror's right to unilaterally terminate this Agreement, pursuant to this Subparagraph 5(a) only, shall automatically be deemed to have been deleted from this Agreement.

In the event of termination of this Agreement pursuant to the terms of this Subparagraph 5(a), and in consideration of Contributor's performance of its obligations under this Paragraph 5, Acquiror shall pay to Contributor the sum of One Hundred and No/100 Dollars ($100.00) simultaneously with the delivery of the Termination Notice. The parties hereto acknowledge that Acquiror may expend material sums of money in reliance on Contributor's obligations under this Agreement, in connection with negotiating and executing this Agreement, furnishing the Earnest Money, conducting the inspections contemplated by this Paragraph 5 and preparing for Closing, and that Acquiror would not have entered into this Agreement without the availability of an Inspection Period. The parties therefore agree that adequate consideration exists to support Contributor's obligations hereunder, even before expiration of the Inspection Period. Except to the extent otherwise specifically and expressly provided in this Agreement (including, but not limited to, the last grammatical paragraph of Paragraph 7.1 and the introductory clauses of Subparagraph 9(b) below), the effect of any representations, warranties or undertakings made by Contributor in this Agreement shall not be diminished, abrogated, or compromised by the Basic Project Inspection, any Assessment or Additional Assessment (each as defined below), or other inspections, tests or investigations made by Acquiror.

(b) Environmental Assessment. During the Inspection Period, Acquiror or Acquiror's agent(s) shall have the right to employ one or more environmental consultants or other professional(s), such parties to be approved by Contributor, which approval shall not be unreasonably withheld or delayed, to perform or complete a "Phase I" environmental inspection and assessment (the "ASSESSMENT") of the Projects, to evaluate

the present and past uses of the Projects, and the presence on, in, at, about, near or under the Land (including land sufficiently proximate to any or all of the Projects as to pose the risk of migration, or other adverse effect on any of the Projects) of any Hazardous Materials. The scope of the Assessment shall be in Acquiror's sole discretion; provided that it shall not exceed the full extent contemplated under ASTM Document E 1527, which describes the "Phase I Environmental Site Assessment Process." Contributor acknowledges and consents to such Assessment. Acquiror and its consultants shall also have the right to undertake or complete a technical review of final copies of all documentation, reports, plans, studies and information in the possession of Contributor and its environmental counsel concerning the environmental condition of the Projects. In order to facilitate the Assessment and technical review, Contributor shall extend its reasonable cooperation (but without out-of-pocket expense to Contributor, unless reimbursed by Acquiror) to Acquiror and its environmental consultants, including, without limitation, providing complete access to (and copies requested by Acquiror of) all files, documents, reports, maps, plans, photographs, surveys, sampling and test results, analyses and studies concerning the Projects maintained by either or both of Contributor and its environmental counsel. In the event that (i) the results of the Assessment or technical review are inconclusive as to a particular Project or Projects, or (ii) the results of the Assessment or technical review reveal Recognized Environmental Conditions, as defined in ASTM E 1527, then, at Acquiror's sole option (to be exercised by written notice given to Contributor prior to the expiration of the initial Inspection Period), the initial Inspection Period shall be extended for an "ADDITIONAL PERIOD" of thirty (30) days, with respect to that particular Project or Projects, to allow Acquiror to conduct additional inspections and tests (the "ADDITIONAL ASSESSMENT"). Following the initial Inspection Period and during any Additional Period, Acquiror's Basic Project Inspection shall be deemed completed, and Acquiror shall be deemed satisfied, with respect to all Projects other than those at which an Additional Assessment is being conducted (the "AA PROJECTS"); and with respect to those AA Projects, the Basic Project Inspection shall be deemed completed and Acquiror shall be deemed satisfied with respect to all due diligence matters other than those that are the subject of the Additional Assessment; therefore, from and after the expiration of the initial Inspection Period, Acquiror may not deliver a Termination Notice except as a result of matters considered in connection with, or information derived from or as a result of, the Additional Assessments at any or all of the AA Projects. A Termination Notice delivered in connection with the Additional Assessment must be delivered, if at all, no later than the last day of the Additional Period. Such Additional Period, if applicable, shall automatically and concomitantly extend the original Inspection Period (but only insofar as described above), Approval Date and Closing Date, on a day-to-day basis, for all relevant purposes hereunder, but specifically subject to the limitations set forth in the preceding sentence (it being understood, however, that in all events there shall be one Closing with respect to all Projects that Acquiror elects to acquire pursuant to this Agreement, excluding the Option Projects and Project No. 56). Any information concerning the Projects expressly set forth in any writing delivered to Acquiror by its environmental consultant(s), in connection with any Assessment or Additional Assessment, shall be deemed to be incorporated by reference in Schedule 9(b) hereto.

(c) Acquiror's Undertaking. Acquiror hereby covenants and agrees that it shall cause all studies, investigations and inspections (including, but not limited to, the Assessment and Additional Assessment, if any), performed at the Projects pursuant to this Paragraph 5 to be performed in a manner that does not unreasonably disturb or disrupt the tenancies or business operations of any of the Projects. In the event that, as a result of Acquiror's exercise of its rights under Subparagraphs 5(a) and 5(b), physical damage occurs to any or all of the Projects, then Acquiror shall promptly notify Contributor and repair such damage, at Acquiror's sole cost and expense, so as to return the damaged Project(s) to the same condition as exists on the Contract Date. Acquiror hereby indemnifies, protects, defends and holds harmless Contributor and the other LP Unit Recipients and the partners therein (including their officers, directors and employees and agents) from and against any and all liabilities, losses, damages, claims, causes of action, judgments, damages, penalties, fines, obligations, costs and expenses (including, without limitation, the reasonable fees of attorneys or environmental consultants) that Contributor actually suffers or incurs as a result of any negligent, willful or intentional act or omission of Acquiror or its agents or representatives or consultants that occurs during the course of, or as a result of, any or all of the studies, investigations and inspections (including,

but not limited to, the Assessment and Additional Assessment, if any), that Acquiror elects to perform (or causes to be performed) pursuant to this Paragraph 5. The provisions of this Subparagraph 5(c) shall survive the Closing or any sooner termination of this Agreement and shall not be merged into any conveyance documents delivered at Closing.

(d) Confidentiality. Contributor, Acquiror, the REIT and the UPREIT each agree to maintain in confidence the information contained in this Agreement or pertaining to the transaction contemplated hereby and intend that no claim of privilege or protection from disclosure be waived by reason of the disclosure or transfer of information among the parties pursuant to the terms of this Agreement; provided, however, that each party, its agents and representatives may disclose such information and data (i) to such party's accountants, attorneys, existing or prospective lenders, investment bankers, underwriters, ratings agencies, partners, consultants and other advisors in connection with the transactions contemplated by this Agreement (collectively, "REPRESENTATIVES") to the extent that such Representatives reasonably need to know (in the disclosing party's reasonable discretion) such information and data in order to assist, and perform services on behalf of, the disclosing party; (ii) to the extent required by any applicable statute, law, regulation or Governmental Authority (including, but not limited to, Form 8-K and other reports and filings required by the SEC and other regulatory entities, including the Internal Revenue Service, as described in Exhibit Q attached hereto), or by the New York Stock Exchange in connection with the listing of the Conversion Shares; (iii) in connection with any litigation that may arise between the parties in connection with the transactions contemplated by this Agreement; (iv) to the extent such disclosure is required or appropriate in connection with any securities offering or other capital markets or financing transaction undertaken by the REIT; (v) to the extent such information and data become generally available to the public other than as a result of disclosure by such party or its agents or Representatives; (vi) to the extent such information and data become available to such party or its agents or Representatives from a third party who, insofar as is known to such party, is not subject to a confidentiality obligation to the other party hereunder; and (vii) to the extent necessary in order to comply with each party's respective covenants, agreements and obligations under this Agreement; provided, however, that with respect to environmental matters only, disclosure may be made pursuant to Subparagraphs 5(d)(ii), (iii), (iv) or (vii) only if the party seeking to disclose any information receives a demand or order from a federal or state court or governmental agency or authority, or if disclosure of information is otherwise required by law (the "DISCLOSURE STANDARD"), and the party believes in good faith that such information must be disclosed; provided, further, that prior to such disclosure, the party seeking to disclose the information shall promptly confer in good faith with the other party about the necessity, form and content of such disclosure; provided, further that the party seeking to disclose the information, after conferring with the other party, shall have the final discretion (subject to the Disclosure Standard), as to whether or not such disclosure shall be made, and if so, what the form and content of the disclosure shall be. Each party shall take all necessary and appropriate measures to ensure that any person who is granted access to any confidential information pursuant to the terms of this Subparagraph 5(d) is familiar with the terms hereof and complies with such terms as they relate to the duties of such person. In the event the transactions contemplated by this Agreement shall not be consummated, such confidentiality shall be maintained indefinitely and both parties shall promptly return all documents or other confidential written information, together with all copies thereof, to the party that generated such information. The obligations of the parties (and the REIT and UPREIT) under this Subparagraph 5(d) shall survive the Closing or any sooner termination of this Agreement and shall not be merged into any conveyance documents delivered at Closing. Furthermore, Contributor and Acquiror acknowledge that, notwithstanding any contrary term of this Subparagraph 5(d), Acquiror shall have the right to conduct Tenant interviews during the Inspection Period in accordance with Subparagraph 5(a) and the disclosure of the existence of this Agreement (but none of the material terms hereof) to the Tenants shall not constitute a breach of the above restriction. Acquiror and Contributor shall also have the right to issue, or cause to be issued, a press release upon the consummation of the transactions described in this Agreement so long as such press release is approved by the other party prior to its issuance, which approval shall not be unreasonably withheld or delayed, and, with respect to any press release issued by Acquiror, does not mention the LP Unit Recipients by name. The parties acknowledge that the terms and provisions

of this Subparagraph 5(d) supersede and replace that certain Confidentiality Agreement, dated October 25, 1996, between Acquiror and Lazarus Burman Associates.

(e) Deletion of Projects. If Acquiror does not exercise its unilateral right to deliver a Termination Notice pursuant to Subparagraph 5(a), Acquiror may nevertheless elect to proceed with the acquisition of less than all of the Projects, and to delete and eliminate from this Agreement those certain Projects that Acquiror, in its sole discretion, elects not to acquire (the "INITIAL DELETED PROJECTS"), pursuant to the delivery to Contributor, not later than January 30, 1997 for any AA Project and not later than January 30, 1997 for any other Project, of an "INITIAL PROJECT DELETION NOTICE," under which Acquiror may exercise the foregoing partial termination option and designate those specific Projects that shall constitute Initial Deleted Projects under this Agreement. Upon the delivery by Purchaser of an Initial Project Deletion Notice, this Agreement shall, without further action of the parties, be deemed to have been automatically and ipso facto amended, as so to eliminate the Initial Deleted Projects herefrom, subject to a reduction in the Contribution Consideration in an amount equal to the aggregate amount of (x) the Allocated Amounts minus (y) the Assumed Indebtedness of all of the Initial Deleted Projects, in each case as adjusted by eliminating any and all appropriate Prorations and Adjustments. Upon such amendment of this Agreement, all references to the Projects shall automatically exclude the Initial Deleted Projects, and, except with respect to (i) the deposit of Earnest Money, (ii) any indemnity or other surviving obligations with respect to any Initial Deleted Projects, and (iii) the return of documents, records and studies relating to any Initial Deleted Projects, no Closing or pre-Closing obligations of Contributor (or Acquiror's Conditions Precedent) shall apply to the Initial Deleted Projects. In all events, however, Acquiror's rights under this Subparagraph 5(e) are expressly subject to the specific limitations imposed under Paragraph 32 below, and except with respect to the Option Projects and Project No. 56, there shall be one (1) Closing with respect to all Projects that Acquiror elects to acquire pursuant to the express provisions of this Agreement.

(f) Scope of Representations and Warranties. All Projects being acquired by Acquiror pursuant to this Agreement shall be transferred and conveyed on an "AS-IS" and "WHERE-IS" basis, and WITH ALL FAULTS, except as otherwise expressly set forth in this Agreement or in any document delivered by Contributor at Closing. Except as expressly set forth in this Agreement or in any document delivered by Contributor at Closing, Contributor has not made any representation or warranty as to the present or future physical condition, value, presence/absence of hazardous or toxic materials, financing status, leasing, operations, use, tax status, income and expense or any other matter pertaining to those of the Projects that Acquiror acquires under the terms of this Agreement.

6. TITLE AND SURVEY MATTERS.

(a) Conveyance of Title. At Closing, Contributor agrees to deliver to the UPREIT bargain and sale deeds with covenants against grantor's acts ("BARGAIN AND SALE DEEDS"), in recordable form, conveying the Projects to the UPREIT, free and clear of all liens, claims and encumbrances except for the following items (the "PERMITTED EXCEPTIONS"): (i) those matters listed on Exhibit E attached hereto; (ii) those additional matters that may become Permitted Exceptions pursuant to Subparagraph 6(e); (iii) the rights of Tenants as tenants under the Leases, and (iv) matters arising as a direct result of any acts or omissions of Acquiror and its Representatives. At Closing, Contributor shall also deliver to the UPREIT each of the documents listed in Paragraph 12.1 below.

(b) Title Commitments. Within twenty (20) days after the Contract Date, Acquiror shall obtain, at Contributor's sole cost and expense, commitments, dated after the Contract Date, issued by Commonwealth Land Title Insurance Company (as to 60%, on a co-insured basis), Chicago Title Insurance Company (as to 25%, on a co-insured basis) and Old Republic Title Insurance (as to 15%, on a co-insured basis) [collectively, the "TITLE COMPANY"], for owner's title insurance policies (the "TITLE POLICIES") as follows: ALTA Owner's Policy (4-6-90) with a Standard New York Endorsement, and an endorsement deleting the arbitration provision of the policy, issued in the State of New York with regard to the Projects located in the State of New York; and an ALTA Owner's

Policy (10-21-87), with an endorsement deleting the arbitration provision of the policy, issued in the State of New Jersey with regard to the Project located in the State of New Jersey. Each such title commitment shall be delivered to Contributor and shall reflect the full amount of the Allocated Amount for each Project, show fee simple title to the Projects in the Contributor, together with legible and complete copies of all recorded documents evidencing title exceptions raised in Schedule B of the title commitment. It shall be an Acquiror's Condition Precedent that the Title Policies (or "marked-up" title commitments) shall have all standard and general printed exceptions deleted so as to afford full "extended form coverage," and, to the extent available in New York and New Jersey, as the case may be, shall further include an owner's comprehensive endorsement, or the equivalent by way of affirmative insurance; an endorsement certifying that the bills for the real estate taxes pertaining to the Land and Improvements do not include taxes pertaining to any other real estate, or the equivalent by way of affirmative insurance; an access endorsement, or the equivalent by way of affirmative insurance; a contiguity endorsement, or the equivalent by way of affirmative insurance, if applicable; a survey "land same as" endorsement; and a zoning 3.1 endorsement for the New Jersey Project. As an Acquiror's Condition Precedent, each commitment shall be marked for later-dating to cover the Closing and the recording of the Bargain and Sale Deeds, and the Title Company shall deliver the Title Policies (or "marked-up" title commitments) to the UPREIT concurrently with the Closing. The cost of all title insurance charges, premiums and endorsements, including all search, continuation and later-date fees shall be paid by Contributor, except that Acquiror shall pay the premium imposed for any comprehensive survey endorsement required by Acquiror. Should any commitment indicate matters that do adversely affect the value or marketability of title to any Project, or other matters which do adversely affect Acquiror's use, operation or financing of any Project, such matters shall be considered Defects (as defined below), and the cure provisions set forth in Subparagraph 6(e) below shall apply, provided that a Defects Notice (defined below) is timely delivered with respect to such Defects.

(c) Surveys. No later than January 30, 1997, Contributor shall deliver to Acquiror, at Contributor's sole cost and expense (except that Acquiror shall pay one-half of the cost if this Agreement is terminated), an as-built, spotted survey of each Project (the "SURVEYS"), prepared by a surveyor(s) duly registered in the States of New York or New Jersey (as corresponds to the location of the surveyed Project), and certified by said surveyor(s) as having been prepared in accordance with the minimum detail and classification requirements of the land survey standards of the American Land Title Association, and specifically incorporating all of the standards and protocols contemplated by the minimum standard detail requirements and classifications for ALTA/ASCM land title surveys, as adopted in 1992 by ALTA/ASCM, including Table A Items 1 (excluding the placement of monuments), 3, 4, 6 (showing setback lines only), 7(a), 8, 9, 10, 11 and 13, and shall include the certification attached hereto as Exhibit G. The Surveys shall be dated no earlier than sixty (60) days prior to the Closing Date. The Surveys shall show any encroachments of the Improvements onto adjoining properties, easements, set-back lines or rights-of-way, and any encroachments of adjacent improvements onto any Project, and shall comply with any requirements imposed by the Title Company as a condition to the removal of the survey exception from the standard printed exceptions in Schedule B of the title commitments. Without limitation of the foregoing, the Surveys shall state the legal description of the Land, the square footage of the Land and each Building, the number and location of all legal parking spaces on each parcel of Land, and shall further state whether any parcel of Land is located in an area designated by an agency of the United States as being subject to flood hazards or flood risks. Should any Survey indicate the presence of any encroachments by or upon any Project, or other matters that do adversely affect the value or marketability of title to any Project, or other matters which do adversely affect Acquiror's use, operation or financing of any Project, such matters shall be considered Defects (provided the Defects Notice therefor is timely delivered), and the cure provisions set forth in Subparagraph 6(e) below shall apply.

(d) UCC Searches. Contributor, at its sole cost and expense, shall deliver to Acquiror, or cause the Title Company to deliver to Acquiror, on or before December 10, 1996, current searches of all Uniform Commercial Code financing statements naming Contributor as debtor and filed with either or both of the Secretaries of State of the States pursuant to the laws of which Contributor was organized and the Secretaries of State of

the States in which the Projects are located. Should the UCC Searches indicate matters that do or could adversely affect the value or marketability of title to any Project, including, but not limited to, claims or liens against any of such parties encumbering all or any portion of any Project, or other matters which do materially adversely affect Acquiror's use, operation or financing of any Project, such matters shall be considered Defects (provided the Defects Notice therefor is timely delivered), and the cure provisions set forth in Subparagraph 6(e) below shall apply.

(e) Defects and Cure. The items described in this Paragraph 6 are collectively referred to as "TITLE EVIDENCE." If the Title Evidence obtained during the Inspection Period discloses claims, liens, exceptions, or conditions that do adversely affect the use and/or marketability of title to any Project ("DEFECTS"), Acquiror may, prior to the Approval Date, give written notice (the "DEFECTS NOTICE") of such Defects to Contributor. If and to the extent that the Title Evidence discloses any claims, liens, exceptions or conditions to which Acquiror does not object in its Defects Notice, then such items shall thereafter constitute Permitted Exceptions. If Contributor fails or refuses, within a period of twenty (20) days after its receipt of a Defects Notice ("RESPONSE PERIOD"), to either (i) cure all Defects; or (ii) cause all Defects to be insured over by the Title Company (in form and substance reasonably acceptable to Acquiror); or (iii) provide Contributor's written assurance and affirmative undertaking to Acquiror that Contributor will, in fact, undertake (with diligence and good faith) to use all reasonable efforts to promptly cure or cause the Title Company to insure over (in form and substance reasonably acceptable to Acquiror) the Defects at Closing (a "TITLE UNDERTAKING"), then Acquiror may either (A) subject to the restrictions of Paragraph 32, delete the affected Project in accordance with the procedures (but not the time limits) described in Subparagraph 5(e) by written notice to the Contributor delivered within ten (10) days after the expiration of the Response Period; or (B) if the deletion of Projects [pursuant to clause (A)] encumbered by Defects shall violate the restrictions imposed under Paragraph 32, then Acquiror may terminate this Agreement by written notice to Contributor, delivered within ten (10) days after the expiration of the Response Period, whereupon the Earnest Money, together with all (if any) interest earned thereon, shall be returned to Acquiror and neither party shall have any further liability to the other hereunder, except as otherwise specifically provided in this Agreement. If Acquiror fails to make an affirmative election of (A) or (B) above prior to Closing, then Acquiror shall be conclusively deemed to have accepted title to the Project(s) in question, subject to the Defects in question.

Notwithstanding anything contained above or elsewhere in this Agreement to the contrary, Contributor covenants and agrees that it shall cure (or procure title insurance over, in form and substance reasonably satisfactory to Acquiror), prior to Closing, any and all of the following Defects (the "MANDATORY CURE DEFECTS"), whether described in the Title Commitment, or first arising or first disclosed by the Title Company or otherwise to Contributor and Acquiror after the date of the Title Commitment: (1) mortgage liens created by Contributor and not to be paid off or assumed at the Closing pursuant to this Agreement; (2) any lien, encumbrance, covenant, easement or restriction arising as a result of, due to, or because of, any willful or intentional act or omission of Contributor in violation of this Agreement, which act or omission occurs after the earlier of (w) the effective date of the applicable Title Commitment or (x) the Contract Date; (3) judgment liens, tax liens or broker's liens against Contributor; (4) any mechanics liens (up to a maximum aggregate amount per Project of $100,000) that are based upon a written agreement between either (y) the claimant (a "CONTRACT CLAIMANT") and Contributor or (z) the Contract Claimant and any other contractor, supplier or materialman with which any contractor of Contributor has a written agreement, and (5) any Defects as to which Contributor shall have undertaken the obligation of cure pursuant to a Title Undertaking. In the event that, as of Closing, any Mandatory Cure Defect remains uncured then, notwithstanding anything to the contrary contained in this Agreement, Acquiror shall have the unilateral right to reduce the Total LP Unit Amount in order to effectuate a cure or obtain a title endorsement over such Mandatory Cure Defect(s), and such reduction shall be in the amount of the ascertainable monetary amount required to cure or insure over such Mandatory Cure Defect(s). Once the Mandatory Cure Defect(s) in question has been cured, any remaining escrowed or retained funds shall be paid over to Contributor.

7. REPRESENTATIONS AND WARRANTIES.

7.1 Contributor and LP Unit Recipients. Each Contributor represents and warrants to Acquiror, but only with respect to its respective Project(s), that the following matters are true as of the Contract Date; and each LP Unit Recipient represents and warrants (but only as to itself) to Acquiror that the matters set forth in Subparagraph 7.1(x) are true as of the Contract Date:

(a) [Intentionally Omitted];

(b) Title. Contributor is, as of the Closing Date, the legal fee simple titleholder of the Projects.

(c) Contributor's Deliveries. To the actual knowledge of Contributor, all of Contributor's Deliveries listed on Exhibit D attached hereto and all other items delivered by Contributor pursuant to this Agreement, including, without limitation, those required pursuant to Paragraphs 4 and 5 above, are true, accurate, correct and complete in all material respects, and fairly present, in all material respects and as of the dates specified therein, the information set forth in a manner that is not materially misleading. Contributor has delivered to Acquiror, however, copies of all Leases and other agreements to which Contributor is presently a party and that relate to or affect the ownership and operation of the Projects, and that would or will bind Acquiror upon Closing.

(d) Defaults. Contributor has not received any written notice alleging that it is in default (which default remains uncured), in any material respect, under any of the documents, recorded or unrecorded, referred to in the title commitment (other than the Existing Mortgages). Except as set forth in Schedule 7.1(d), Contributor has not received any written notice alleging that it is in default (which default remains uncured), in any material respect, under any of the Major Repair Contracts, or Governmental Approvals (as such terms are defined in Exhibit D attached hereto).

(e) Contracts. Contributor is not a party to any existing contracts of any kind relating to the management, leasing, operation, maintenance or repair of any Project, except those Contracts listed on Exhibit H attached hereto, all of which will be terminated by Contributor prior to Closing unless Acquiror otherwise directs Contributor pursuant to written notice provided to Contributor at least five (5) business days prior to Closing. Contributor has not given, nor has Contributor received, any written notice of a material default under any of the Contracts that remains uncured, except as set forth in Schedule 7.1(e). Copies of all the Contracts have been or will be delivered or made readily available to Acquiror within ten (10) days after the Contract Date.

(f) Physical Condition. To the actual knowledge of Contributor, other than as expressly or specifically discussed or described in any written environmental and engineering reports prepared during the Basic Project Inspection for the benefit of Acquiror, by Acquiror's third party consultants (collectively, the "REPORTS"), and except for the matters described in Paragraphs 30, 31 and 37 below, there is no existing latent structural defect in any Project that will materially impair, or require the expenditure of more than $25,000 (on an aggregate, but per Project, basis) to permit the continuing (as of the Closing Date) use, occupancy or operation of such Project in a manner substantially consistent with the use, occupancy and operation of such Project as of the Contract Date (collectively, "PROJECT DEFECTS"), nor to Contributor's actual knowledge, has Contributor received any written notice from any Tenant or any other party alleging the existence of any such defect. Furthermore, Contributor represents and warrants to Acquiror that Contributor has no written reports in its possession that advise of, or allege the existence of, any Project Defects that have not been completely remedied and cured.

(g) Utilities. To the best of Contributor's knowledge, all water, sewer (except as set forth in Schedule 7.1(g) hereto), gas, electric, telephone, drainage and other utility equipment, facilities and services that are necessary for the operation of the Projects as they are now being operated are installed and connected and are operational. Contributor has not received any written notice (which remains outstanding) providing for or threatening the termination (on a permanent basis) of the furnishing of service to the

Projects of water, sewer, gas, electric, telephone, drainage or other such utility services. Contributor has paid all amounts owing for utility services as of the most recent billing period, except to the extent that the charges for any such utility services are directly billed to any of the Tenants.

(h) Improvements. To the actual knowledge of Contributor, Contributor has not received any written notice (that remains outstanding) from any Governmental Authority alleging that any or all of the Improvements were not completed and installed substantially in accordance with the Plans (as defined in Exhibit D attached hereto) therefor approved by all Governmental Authorities having jurisdiction thereover.

(i) Employees. Contributor does not have any employees. Contributor is not a party to any collective bargaining or other agreement relating to the Projects with any labor union, and Contributor is not currently involved in any labor or union controversy relating to the operation of the Projects.

(j) Compliance with Laws and Codes. Except as set forth in Schedule 7.1(j), Contributor has not received any written notice from any Governmental Authority (that remains uncured or otherwise outstanding) claiming or alleging that: (i) any Project, or the use and operation of any component, portion or area of any Project, is in material non-compliance with any applicable municipal or other governmental law, ordinance, regulation, code, license, permit or authorization; or (ii) there is not presently and validly in effect any material license, permit or other authorization necessary for the use, occupancy or operation of any Project as it is presently being operated by Contributor. Contributor has not received any written notice from any Governmental Authority (that remains uncured or otherwise outstanding) alleging that any or all of the Projects fails to comply with any or all applicable requirements of the Americans With Disabilities Act of 1990, as amended (42 U.S.C.A. Sections 12101 et seq., the "ADA"). Project No. 1 is not currently in violation of any fire code provision, and any previously cited fire code violations have been remedied. The foregoing representation in this Subparagraph 7.1(j) shall not apply to Environmental Laws or Environmental Permits (each as defined below) or any other matters specifically described in Paragraph 9 below.

(k) Litigation. Except as set forth in Schedule 7.1(k) or Schedule 9(b), there are no pending or, to Contributor's actual knowledge, threatened (in writing), judicial or administrative proceedings affecting Contributor's interest in any Project or in which Contributor is a party by reason of Contributor's ownership or operation of any Project or any portion thereof, including, without limitation, proceedings for or involving collections (in excess of $25,000 on an aggregate, but per Project, basis), condemnation, eminent domain, alleged building code or zoning violations, or personal injuries (not covered by insurance and the subject of a claim accepted by the relevant insurer) or property damage alleged to have occurred on any Project or by reason of the condition, use of, or operations on, such Project. Except as set forth in Schedule 7.1(k), no attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to Contributor's actual knowledge, threatened, against Contributor, nor are any of such proceedings about to be commenced by Contributor.

(l) Insurance. Contributor now has in force customary and commercially reasonable casualty, liability and business interruption insurance coverages relating to the Projects. Contributor has received no written notice (that remains outstanding) from any insurance carrier now providing coverages for the Projects of any defects or inadequacies in the Projects that, if not corrected, would result in termination of insurance coverage or material increase in the present cost thereof.

(m) Financial Information. All Operating Statements (as defined in Exhibit D attached hereto) delivered by Contributor are complete, accurate, true and correct, in all material respects; and accurately set forth, in all material respects, the results of the operation of the Projects for the periods covered. The tax basis of the Projects indicated in the schedules to Contributor's federal, state and local tax returns for the period ending December 31, 1995, as delivered by Contributor to Acquiror, are complete, accurate, true and correct in all material respects. There has been no material adverse change in the

financial condition or operation of the Projects since the latest period covered by the Operating Statements.

(n) Re-Zoning. To the actual knowledge of Contributor, there is not now pending or threatened any proceeding for the rezoning of any Project or any portion thereof that would have a material adverse impact on the use of any Project.

(o) Personal Property. The Personal Property listed in Exhibit B attached hereto (other than Excluded Personal Property) is all of the personal property owned by Contributor and used in (or necessary for) the operation of the Projects.

(p) Authority. The execution and delivery of this Agreement and the other documents delivered by Contributor pursuant to this Agreement, and the performance of all obligations of Contributor under this Agreement and such other documents by Contributor, have been duly authorized by all requisite partnership, corporate or limited liability company action, as the case may be. This Agreement and the other documents delivered by Contributor pursuant to this Agreement are binding on Contributor and enforceable against Contributor in accordance with their respective terms, subject to bankruptcy and similar laws affecting the remedies or recourse of creditors generally and general principles of equity. Except for consent required under any partnership agreement of Contributor (or other similar governing document), which consent shall be obtained prior to Closing, and except as set forth in Schedule 7.1(p), to the actual knowledge of Contributor, no consent is required of any creditor, investor, shareholder, tenant-in-common of Contributor or judicial or administrative body, Governmental Authority, or other governmental body or agency having jurisdiction over the Projects, to such execution, delivery and performance of this Agreement by Contributor. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby by Contributor will (i) result in a breach of, default under, or acceleration of, any material agreement to which Contributor is a party or by which Contributor is bound; or (ii) to Contributor's actual knowledge violate any material restriction, agreement or other legal obligation, or any court order, to which Contributor is subject. Notwithstanding anything to the contrary contained in this Subparagraph 7.1(p), this Subparagraph 7.1(p) excludes any reference to (A) consent by any mortgagee of any Project and (B) the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

(q) Real Estate Taxes. The most recent real estate "TAX BILL(S)" for (and, to Contributor's knowledge, the only real estate tax bills applicable to) the Projects have been delivered to Acquiror. Except as set forth on Exhibit J attached hereto, Contributor has not received written notice of any proposed increase in the assessed valuation or rate of taxation of any or all of the Projects from that reflected in the most recent Tax Bills. There are now pending proceedings or applications for reductions in the real estate tax assessments for most, if not all, of the Projects. In the event that any of the pending tax proceedings results in any rebate of taxes paid after the Closing Date in respect of any period ending prior to the Closing Date, the amount of such rebate, net of the fees and expenses owing to certiorari counsel, and all other fees and expenses (including without limitation, other attorneys' fees and expenses) payable by Contributor in connection with any such tax proceeding, shall be the property of and remitted to Contributor (except if and to the extent that all or any portion of such rebated sums are due to Tenants), which obligation shall survive the Closing and not be merged into any conveyancing document delivered at Closing. Except as set forth in Schedule 7.1(q), there are no outstanding agreements with attorneys or consultants with respect to the Tax Bills that will be binding on Acquiror or any of the Projects after the Closing. To the actual knowledge of Contributor, other than as disclosed by the Tax Bills, no other real estate taxes have been, or will be, assessed against the Projects, or any portion thereof, in respect of the year 1996 or any prior year (that have not been paid), and no special assessments of any kind (special, bond or otherwise) have been levied against the Projects, or any portion thereof, that are outstanding or unpaid. Contributor has paid all real estate taxes and assessments presently due and owing (before the imposition of a penalty) with respect to the Projects, with the exception of Project Nos. 19, 20 and 21 all of which have past-due taxes and assessments (and penalties relating thereto) outstanding as of the Contract Date. Such delinquent taxes, assessments and penalties shall be paid, in full, prior to or at Closing by Contributor.

(r) Easements and Other Agreements. Contributor has not received any written notice (that remains outstanding) alleging that it is in default in complying with the terms and provisions of any of the material covenants, conditions, restrictions, rights-of-way or easements constituting one or more of the Permitted Exceptions.

(s) Lease Controversies. Except as described in Exhibit K or Schedule 11(a)(iv) attached hereto, neither any material controversy, complaint, negotiation or renegotiation, nor any proceeding, suit or litigation relating to all or any of the Existing Leases is pending or has been threatened, in writing. Contributor is and shall remain responsible after the Closing Date for defending (or continuing) any such suit, proceeding or other matter relating to periods prior to the Closing Date ("PENDING CONTROVERSIES"), and all damages, loss, expenses and costs related to such Pending Controversies; and Contributor shall be entitled to all (if any) recoveries arising directly from and as a result of such Pending Controversies. If and to the extent that, prior to Closing, any controversy, complaint, negotiation, renegotiation, proceeding, suit or litigation is pending or threatened with respect to, or involving, any Additional Lease(s) ("ADDITIONAL LEASE CONTROVERSIES"), Contributor shall so advise Acquiror, in writing and with reasonably detailed information, as soon as is reasonably possible after Contributor is advised of, or learns of the existence or potential threat of, any Additional Lease Controversies.

(t) Soil Condition. Contributor has no written reports in its possession advising or alleging that the soil condition of the Land at any Project upon which Contributor constructed (or caused to be constructed) the Improvements is such that it will not support all of the Improvements for the foreseeable life of the Improvements without unusual or new sub-surface excavations, fill, footings, caissons or other installations.

(u) United States Person. Contributor is a "United States Person" within the meaning of Section 1445(f)(3) of the Code, as amended, and shall execute and deliver an "Entity Transferor" certification at Closing.

(v) Broadvet Lease and Purchase Option. Broadvet Consumers' Warehouse is a Tenant at Project No. 9 under a Lease that includes two (2) purchase options for the benefit of such Tenant, each of which is still outstanding.

(w) Existing Mortgage(s). Exhibit L attached hereto sets forth a true, correct and complete schedule of those mortgage(s) or trust deed(s) ("EXISTING MORTGAGES") presently encumbering the Projects or any portion thereof. Except as set forth in Schedule 7.1(w), all of the loans secured by the Existing Mortgages may be prepaid, in full, on the Closing Date without imposition of any penalty or premium.

(x) Investment Representation. Each of Contributor and each LP Unit Recipient represents that its LP Units are being acquired by it with the present intention of holding such LP Units for purposes of investment and not with a view towards sale or any other distribution. Each LP Unit Recipient recognizes that it may be required to bear the economic risk of an investment in the LP Units for an indefinite period of time. Each of Contributor and each LP Unit Recipient is an Accredited Investor. Contributor and each LP Unit Recipient has (indirectly through a custodian under the New York Uniform Gift to Minors Act, in the case of LP Unit Recipients who are minors under New York law) such knowledge and experience in financial and business matters so as to be fully capable of evaluating the merits and risks of an investment in the LP Units. No LP Units will be issued, delivered or distributed to any person or entity who either (i) is a resident of the State of California or (ii) is other than an Accredited Investor with respect to whom there has been delivered to Acquiror a satisfactory accredited investor questionnaire confirming the status of such person or entity as an Accredited Investor. Each LP Unit Recipient has been furnished with the informational materials described in Subparagraph 2(d) above (collectively, the "INFORMATIONAL MATERIALS"), and has read and reviewed the Informational Materials and understands the contents thereof. The LP Unit Recipients have been afforded the opportunity to ask questions of those persons they consider appropriate and to obtain any additional information they desire in respect of the LP Units and the business, operations, conditions (financial and otherwise) and current prospects of the UPREIT and the REIT. The LP Unit Recipients have consulted their own financial, legal and tax advisors with respect to the economic, legal and tax consequences of delivery

of the LP Units and have not relied on the Informational Materials, Acquiror, the UPREIT, the REIT or any of their officers, directors, affiliates or professional advisors for such advice as to such consequences. Nothing contained in this Agreement shall prevent Contributor or any LP Unit Recipient from (A) converting any of the LP Units into Conversion Shares subject to the limitations set forth in, and in accordance with the terms of, all of this Agreement, the Registration Rights Agreement and the Partnership Agreement, and (B) selling, transferring or otherwise disposing of any LP Units (or any Conversion Shares for which any of the LP Units are redeemed) in any transaction that does not violate the terms of this Agreement, the Partnership Agreement, the Registration Rights Agreement, federal securities laws or the securities laws of any state.

(y) Project No. 16. Project No. 16 is owned by LBA Melville Associates, a general partnership. LBA Melville Associates is 50% owned by MP/Melville Realty Associates, a New York limited partnership that is unaffiliated with Contributor, and 50% owned by LBR Melville Associates, L.P., a New York limited partnership ("LBRMA"). The ownership of LBRMA is as follows: 49.5% by Constance Lazarus; 24.75% by each of Scott Burman and David Burman (Susan Burman as custodian for each under the NYUGMA); and 1% by LBR Commack, Inc., a Delaware corporation ("LBRCI"). Jan Burman and Jerome Lazarus each own 50% of the outstanding stock of LBRCI.

(z) Project No. 52. Project No. 52 is owned by Stewart & Clinton Co., LLC, a New York limited liability company ("S&CLLC"). The only members of S&CLLC that are affiliated with Contributor are Four-Bur Family Co., L.P. and five individuals who are LP Unit Recipients.

(aa) Patomi Realty Co. Mortgage. Project No. 43 is encumbered by a $3,800,000 mortgage in favor of Patomi Realty Co. (the "PATOMI MORTGAGE") that will not be paid off at Closing. The unpaid principal balance of the note evidencing amounts due pursuant to the Patomi Mortgage (the "PATOMI NOTE") is $3,800,000. All sums due and payable under the Patomi Mortgage and Patomi Note, including, without limitation, interest, on or prior to January 31, 1997 have been paid. To the best knowledge of Contributor, no default has occurred and is continuing under the Patomi Note and the Patomi Mortgage. The Patomi Note and the Patomi Mortgage have not been modified or amended up to and including the date hereof. To the best knowledge of Contributor, no offsets or defenses exist with respect to the debt secured by the Patomi Mortgage.

The representations and warranties made in this Agreement by Contributor and the LP Unit Recipients, as the case may be, shall be deemed remade by Contributor and the LP Unit Recipients, as the case may be, as of the Closing Date with the same force and effect as if, in fact, specifically remade at that time. In the event matters occurring after the Contract Date render Contributor (or the LP Unit Recipients) unable to remake a representation or warranty as of the Closing Date, and Contributor specifically so advises Acquiror, in writing and prior to Closing, of the particular circumstances rendering any representation or warranty untrue, the failure to remake such representation and warranty shall not constitute a default hereunder by Contributor (or any LP Unit Recipient), except in the event or to the extent that the untruth of such representation or warranty is the result of any willful or intentional act or omission on the part of Contributor and in breach of this Agreement; in all events, however, the continuing truth and accuracy of all representations and warranties made by Contributor in this Agreement shall be an Acquiror's Condition Precedent. Except as provided in the next sentence, all representations and warranties made in this Agreement by Contributor or an LP Unit Recipient shall survive the Closing for a period of one (1) year and shall not merge into any instrument of conveyance delivered at the Closing; provided, however, that (i) Acquiror shall be required to advise Contributor or, if appropriate, the LP Unit Recipients, in writing, prior to the first anniversary of the Closing of any claims that Acquiror believes it has with respect to an alleged breach by Contributor or, if appropriate, the LP Unit Recipients, of any of such representations and warranties and (ii) if Acquiror determines to file suit for breach of representation or warranty against Contributor or, if appropriate, the LP Unit Recipients, such suit must be filed within six (6) months after giving the written notice of claims described in clause (i) above. In the event that Acquiror receives an Estoppel Certificate (as hereinafter defined) from a Tenant that addresses and confirms, with respect to that Tenant's Lease, those particular matters set forth in Subparagraph 11(a) hereof, Acquiror shall rely on such Estoppel Certificate in lieu of those representations and warranties of Contributor set forth in Subparagraph 11(a), but only if

and to the extent that Contributor's representations and warranties set forth in Subparagraph 11(a) are actually and specifically addressed and confirmed by the Estoppel Certificate. In that event and to that extent, the representations and warranties of Contributor set forth in Subparagraph 11(a) shall expire as of the Closing Date, but only with respect to those Tenants (and their respective Leases) from which Acquiror receives an Estoppel Certificate that actually and specifically addresses and confirms those matters that are the subject of Subparagraph 11(a). If, prior to Closing, Acquiror acquires actual knowledge (through the provision of any written documentation delivered to Acquiror by Contributor, or received by Acquiror from Contributor, or through the delivery to Acquiror of a written report from any third party engaged by Acquiror in order to perform any of the tests, studies, investigations and inspections contemplated under Paragraph 5) of the breach of any or all of the Contributor's representations and warranties made in this Agreement, and Acquiror nevertheless elects to close under this Agreement, then Acquiror shall be deemed to have waived the breach(es) in question, and shall have no right, at any time after Closing, to assert a claim, of any nature whatsoever, against Contributor with respect to that breach. As used in this Agreement with respect to any representation or warranty, the "knowledge" of Contributor refers to the actual knowledge of each and all of Jan Burman, Jeffrey Cohen, Harry Szenicer and Dominic Vissichelli (the "EXECUTIVES").

7.2 Acquiror. Acquiror represents and warrants to Contributor that the following matters are true as of the Contract Date:

(a) Existence and Power. Acquiror is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland.

(b) Legal Compliance. To Acquiror's knowledge, it is not (i) in violation of any of its organizational documents, (ii) in default in any material respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a material default, in the due performance or observance of any material term, covenant or condition contained in any material indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or by which it, or any of them, may be materially affected, or (iii) in violation, in any material respect, of any material law, ordinance, governmental rule, regulation or court decree to which it or its properties or assets may be subject.

(c) Notice of Violations. Acquiror has not received written notice of any existing violation of any federal, state, county or municipal law, ordinance, order, code, regulation or requirement affecting Acquiror or any of its assets that would have a material adverse effect on the financial condition, business or operations of Acquiror or any of its assets.

(d) Authorization. Acquiror has all requisite corporate power and authority to enter into this Agreement, the Assignment and all other Acquiror Documents (as defined below) and perform its obligations hereunder and thereunder. The execution and delivery to Contributor of all agreements and other documents Acquiror executes and delivers in connection with the transactions described in this Agreement, including, without limitation, this Agreement and the Assignment ("ACQUIROR DOCUMENTS"), and the performance by Acquiror of its obligations under the Acquiror Documents and of its other obligations arising out of this Agreement, if any, have been (or, prior to execution, shall be) duly authorized by all requisite corporate action. The Acquiror Documents are (or, upon execution, shall be) binding on Acquiror and enforceable against Acquiror in accordance with their terms, subject to bankruptcy and similar laws affecting the remedies or recourse of creditors generally and general principles of equity. Neither the execution and delivery of the Acquiror Documents, nor compliance with the terms and provisions thereof on the part of Acquiror and consummation of the transactions contemplated thereby, will violate any statute, license, decree, order or regulation of any Governmental Authority, judicial or administrative body, or other governmental body or agency having jurisdiction over Acquiror, or will, at the Closing Date, breach, conflict with, or result in a breach of, any of the terms, conditions or provisions of any material agreement or instrument to which Acquiror is a party, or by which it is or may be bound, or constitute a default thereunder, or, to Acquiror's actual knowledge, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon, or give to others any interest or rights in, the LP Units to be issued to Contributor. No consent, waiver, approval or

authorization of, or filing, registration or qualification with, or notice to, any Governmental Authority, judicial or administrative body, or other governmental body or agency having jurisdiction over Acquiror, is required to be made (including, but not limited to, any governmental bodies, agencies, tenants, partners or lenders) obtained, or given by Acquiror in connection with the execution, delivery and performance of the Acquiror Documents.

(e) Pending Actions. There is no existing or, to Acquiror's knowledge, threatened, legal action or governmental proceedings of any kind involving Acquiror, any of its assets or the operation of any of the foregoing, which, if determined adversely to Acquiror or its assets, would have a material adverse effect on the financial condition, business or operations of Acquiror or its assets or which would interfere with Acquiror's ability to perform Acquiror's obligations under this Agreement and the other Acquiror Documents or prevent the consummation of the transactions contemplated by this Agreement. Acquiror has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by its creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of its assets, (iv) suffered the attachment, or other judicial seizure of all, or substantially all, of its assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or compromise to its creditors generally.

7.3 The UPREIT. It shall be a Contributor's Condition Precedent that the UPREIT make the following representations and warranties, in writing, as of the Closing Date, to Contributor:

(a) Existence and Power. The UPREIT is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Delaware, and is duly qualified to do business in all jurisdictions where such qualification is necessary to carry on its business, except where the failure to so qualify would not materially and adversely affect the financial condition, business or operations of the UPREIT. The UPREIT is treated as a partnership for federal income tax purposes and not as an association taxable as a corporation or a "publicly-traded partnership." The UPREIT has all partnership power and authority under the Partnership Agreement and its certificate of limited partnership to enter into the Assignment and all other documents and agreements executed by it in connection with the transaction that is the subject of this Agreement (the Assignment and all such other documents and agreements, the "UPREIT TRANSACTION DOCUMENTS") and to perform its obligations under this Agreement following the Assignment and the other UPREIT Transaction Documents.

(b) Legal Compliance. To the UPREIT's knowledge, it is not (i) in violation of any of its organizational documents, (ii) in default in any material respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a material default, in the due performance or observance of any material term, covenant or condition contained in any material indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or by which it, or any of them, may be materially affected, or (iii) in violation, in any material respect, of any material law, ordinance, governmental rule, regulation or court decree to which it or its properties or assets may be subject.

(c) Notice of Violations. The UPREIT has not received written notice of any existing violation of any federal, state, county or municipal law, ordinance, order, code, regulation or requirement affecting the UPREIT or any of its assets that would have a material adverse effect on the financial condition, business or operations of the UPREIT or any of its assets.

(d) Partnership Agreement. Contributor has received a true and correct copy of the Partnership Agreement, as amended through the Contract Date and the Closing Date, as applicable. The Partnership Agreement is in full force and effect. The LP Units to be issued to Contributor hereunder have been duly authorized for issuance to Contributor and, upon such issuance, will be validly issued, fully paid and non-assessable and will not be

subject to preemptive rights upon their issuance. Upon admission of the LP Unit Recipients to the UPREIT, pursuant to the Partnership Agreement, every LP Unit Recipient will acquire legal and equitable title to its LP Units, free and clear of all liens, encumbrances, claims and rights of others, except to the extent any lien, encumbrance, claim or right of others is created or conferred by an LP Unit Recipient or by the express terms of the Partnership Agreement.

(e) Authorization. The execution and delivery to Contributor of the UPREIT Transaction Documents, and the performance of all obligations of Acquiror under this Agreement, all of which will become obligations of the UPREIT upon its execution of and on the date of the Assignment, and all other obligations under the other UPREIT Transaction Documents, are permitted under the Partnership Agreement and have been duly authorized by all requisite partnership action. The Assignment and all other UPREIT Transaction Documents are (or, upon execution, shall be) binding on the UPREIT and enforceable against the UPREIT in accordance with their terms, subject to bankruptcy and similar laws affecting the remedies or recourse of creditors generally and general principles of equity. Neither the execution and delivery of the UPREIT Transaction Documents, nor compliance with the terms and provisions thereof on the part of the UPREIT, and consummation of the transactions contemplated thereby, will violate any statute, license, decree, order or regulation of any Governmental Authority, judicial or administrative body, or other governmental body or agency having jurisdiction over the UPREIT, or will, at the Closing Date, breach, conflict with or result in a breach of any of the terms, conditions or provisions of any material agreement or instrument to which the UPREIT is a party, or by which it is or may be bound, or constitute a default thereunder, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon, or give to others any interest or rights in, the LP Units to be issued to Contributor. No consent, waiver, approval or authorization of, or filing, registration or qualification with, or notice to, any Governmental Authority, judicial or administrative body, or other governmental body or agency having jurisdiction over the UPREIT, is required to be made, obtained or given by the UPREIT prior to the Closing Date in connection with the execution, delivery and performance of the UPREIT Transaction Documents.

(f) Pending Actions. There is no existing or, to the UPREIT's knowledge, threatened, legal action or governmental proceedings of any kind involving the UPREIT, any of its assets or the operation of any of the foregoing, which, if determined adversely to the UPREIT or its assets, would have a material adverse effect on the financial condition, business or operations of the UPREIT or its assets or which would interfere with the UPREIT's ability to perform Acquiror's obligations under this Agreement following the Assignment or any of its other obligations under the other UPREIT Transaction Documents or prevent the consummation of the transactions contemplated by this Agreement. The UPREIT has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by its creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of its assets, (iv) suffered the attachment, or other judicial seizure of all, or substantially all, of its assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or compromise to its creditors generally.

(g) Written Information. The Prospectus, as of its date, including those documents incorporated by reference in the Prospectus as of the date of the Prospectus, did not contain an untrue statement of a material fact and did not omit to state a material fact necessary in order to make the statements therein (in light of the circumstances under which they were made), not misleading.

(h) Partnership Classification. The UPREIT (i) has been at all times, and presently intends to continue to be, classified as a partnership or a publicly traded partnership taxable as a partnership for federal income tax purposes and not an association taxable as a corporation or a publicly traded partnership taxable as a corporation, and (ii) will not be rendered unable to be classified as a partnership or a publicly traded partnership taxable as a partnership for federal income tax purposes as a consequence of the transaction contemplated hereby.

7.4 The REIT. It shall be a Contributor's Condition Precedent that the REIT make the following representations and warranties, in writing, as of the Closing Date, to Contributor:

(a) Existence and Power. The REIT is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland, and is duly qualified to do business in all jurisdictions where such qualification is necessary to carry on its business, except where the failure to so qualify would not materially and adversely affect the financial condition, business or operations of the REIT. The REIT is the sole general partner in the UPREIT.

(b) Legal Compliance. To the REIT's knowledge, it is not (i) in violation of its charter or by-laws, (ii) in default in any material respect, and no event has occurred which, with notice or lapse of time or both, would constitute such a material default, in the due performance or observance of any material term, covenant or condition contained in any material indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or by which it, or any of them, may be materially affected, or (iii) in violation, in any material respect, of any material law, ordinance, governmental rule, regulation or court decree to which it or its properties or assets may be subject.

(c) Capitalization. The Conversion Shares will be duly authorized and, to the extent delivered upon redemption of the LP Units, will have been validly issued, fully paid, nonassessable and free of any preemptive or similar rights.

(d) Notice of Violations. The REIT has not received written notice of any existing violation of any federal, state, county or municipal law, ordinance, order, code, regulation or requirement affecting the REIT or any of its assets that would have a material adverse effect on the financial condition, business or operations of the REIT or any of its assets.

(e) REIT Qualification. The REIT (i) has, in its federal income tax return for its tax year ended December 31, 1994, elected to be taxed as a "real estate investment trust" within the meaning of Section 856 of the Code, which election remains in effect and is currently intended to continue to remain in effect for each of the REIT's taxable years, (ii) has complied (or will comply) with all applicable provisions of the Code relating to real estate investment trusts for each of its taxable years, (iii) has operated, and intends to continue to operate, in such manner as to qualify as a real estate investment trust for each of its taxable years, (iv) has not taken or omitted to take any action which could result in a challenge to its status as a real estate investment trust, and no such challenge is pending or has been threatened (in writing), and (v) will not be rendered unable to qualify as a real estate investment trust for federal income tax purposes as a consequence of the transaction contemplated hereby.

(f) Authorization. The REIT has all requisite corporate power and authority to perform its obligations as described in this Agreement. The execution and delivery to Contributor of all agreements and other documents the REIT executes and delivers in connection with the transactions described in this Agreement, including, without limitation, the Assignment and the Amendment (the "REIT DOCUMENTS"), and performance by the REIT under the REIT Documents and of its other obligations arising out of this Agreement, if any, have been (or, prior to execution, shall be) duly authorized by all requisite corporate action. The REIT Documents are (or, upon execution, shall be) binding on the REIT and enforceable against the REIT in accordance with their terms, subject to bankruptcy and similar laws affecting the remedies or recourse of creditors generally and general principles of equity. Neither the execution and delivery of the REIT Documents, nor the compliance with the terms and provisions thereof on the part of the REIT, and consummation of the transactions contemplated thereby, will violate any statute, license, decree, order or regulation of any Governmental Authority, judicial or administrative body, or other governmental body or agency having jurisdiction over the REIT, or will, at the Closing Date, breach, conflict with, or result in a breach of, any of the terms, conditions or provisions of any material agreement or instrument to which

REIT is a party, or by which it is or may be bound, or constitute a default thereunder, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon, or give to others any interest or rights in, the LP Units to be issued to Contributor. No consent, waiver, approval or authorization of, or filing, registration or qualification with, or notice to, any Governmental Authority, judicial or administrative body, or other governmental body or agency having jurisdiction over the REIT, is required to be made, obtained or given by the REIT prior to the Closing Date, in connection with the execution, delivery and performance of the REIT Documents.

(g) Pending Actions. There is no existing, or, to the REIT's knowledge, threatened legal action or governmental proceedings of any kind involving the REIT, any of its assets or the operation of any of the foregoing, which, if determined adversely to the REIT or its assets, would have a material adverse effect on the financial condition, business or operations of the REIT or its assets and which would interfere with the REIT's ability to perform its obligations under the REIT Documents, or prevent the consummation of the transactions contemplated in this Agreement. The REIT has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by its creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of its assets, (iv) suffered the attachment, or other judicial seizure of all, or substantially all, of its assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or compromise to its creditors generally.

(h) Written Information. The Prospectus, as of its date, including those documents incorporated by reference in the Prospectus as of the date of the Prospectus, did not contain an untrue statement of a material fact and did not omit to state a material fact necessary in order to make the statements therein (in light of the circumstances under which they were made), not misleading.

All representations and warranties made (and to be made) in this Paragraph 7 by Acquiror, the UPREIT or the REIT shall survive the Closing for a period of one (1) year and shall not merge into any instrument of conveyance delivered at the Closing; provided, however, that (i) Contributor shall be required to advise Acquiror, the UPREIT and/or the REIT, as the case may be, in writing, prior to the first anniversary of the Closing of any claims that Contributor believes it has with respect to an alleged breach by Acquiror, the UPREIT and/or the REIT, as the case may be, of any such representations and warranties and (ii) if Contributor determines to file suit for breach of representation or warranty against Acquiror, the UPREIT or the REIT, as the case may be, such suit must be filed within six (6) months after giving the written notice of claims described in clause (i) above. As used in this Agreement with respect to any representation or warranty, the "knowledge" of Acquiror, the UPREIT and the REIT refers to the actual knowledge of each and all of Michael Tomasz, Michael Havala, Michael Brennan and Johannson Yap. From and after the date of the Assignment, the UPREIT shall be liable for any breach or default by the Acquiror under this Agreement.

8. ADDITIONAL COVENANTS.

8.1 Contributor's. Effective as of the execution of this Agreement, Contributor hereby covenants with Acquiror, with respect to the period ending at Closing for all but clauses 8.1(f) and (h), as follows:

(a) New Leases. Subject to the terms of Paragraph 26 below, Contributor shall neither amend any Lease in any economic or other material respect nor execute any new lease, license, or other occupancy agreement affecting the ownership or operation of all or any portion of the Projects or for personal property, equipment, or vehicles (unless in replacement of any existing personal property lease on substantially similar or better terms), without Acquiror's prior written approval (which approval shall not be unreasonably withheld or delayed and shall automatically be deemed given if Acquiror fails to respond within five (5) business days following Contributor's written request for approval).

(b) New Contracts. Contributor shall not enter into any contract with respect to the management or operation of all or any portion of any or all of the Projects that will

survive the Closing, or that would otherwise materially affect the use, operation or enjoyment of any or all of the Projects, without Acquiror's prior written approval (which approval shall not be unreasonably withheld or delayed and shall automatically be deemed given if Acquiror fails to respond within five (5) business days following Contributor's written request for approval), except for service contracts entered into in the ordinary course of business that are terminable, without penalty, on not more than sixty (60) days' notice, for which no consent shall be required.

(c) Insurance. The insurance coverage described in Subparagraph 7.1(l) shall remain continuously in force through and including the Closing Date.

(d) Operation of Projects. Contributor shall operate and manage the Projects in the same manner as in effect on the Contract Date, maintaining present services (including, but not limited to, pest control), and shall maintain the Projects in the condition required under the Leases and in substantially the same condition as exists on the Contract Date (casualty and reasonable wear and tear excepted), shall keep on hand sufficient materials, supplies, equipment and other Personal Property for the operation and management of the Projects in substantially the same manner as in effect on the Contract Date; and shall perform, when required by the terms of the underlying document or by law, all of Contributor's material obligations under the Leases, Contracts, Governmental Approvals and other agreements binding on Contributor and relating to the Projects; provided that nothing contained in this Subparagraph 8.1(d) shall require Contributor to make any unscheduled capital improvements or repairs or bring any of the Projects up to current code requirements. Except as otherwise specifically provided herein (including, without limitation, Paragraph 15), Contributor shall deliver the Projects at Closing in substantially the same condition as each of them is in on the Contract Date (subject to the performance of tenant improvements and improvements provided for, and contemplated, in Contributor's current budget for that particular Project), reasonable wear and tear excepted, and shall terminate, as of the Closing Date, the Contracts, unless otherwise advised to the contrary by Acquiror, in writing, no later than the Approval Date. None of the Personal Property, fixtures or Inventory (except as such Inventory may be consumed in the ordinary course of business) shall be removed from the Projects, unless replaced by personal property, fixtures or inventory of substantially equal or greater utility and value.

(e) Pre-Closing Expenses. Subject to the provisions of Paragraphs 13 and 26 below, Contributor will pay in full, prior to Closing (or the same shall be subject to reproration after the Closing if the bill or invoice is not issued by Closing), all bills and invoices for labor, goods, material and services of any kind rendered to or at the request of Contributor relating to the Projects and utility charges, relating to the period prior to Closing, but excluding therefrom all utility and other charges billed directly to Tenants or subtenants of the Projects. Except as the parties may otherwise agree herein, any alterations, installations, decorations and other work required to be performed by Contributor prior to the Closing under any and all agreements affecting the Projects to which Contributor is a party and by which Acquiror will be bound will, by the Closing, be completed and paid for, in full or subject to proration.

(f) Good Faith. All actions required pursuant to this Agreement that are necessary to effectuate the transaction contemplated herein will be taken promptly and in good faith by Contributor and Acquiror, as the case may be, and each party shall furnish the other party with such documents or further assurances as such other party may reasonably require.

(g) No Assignment. After the Contract Date and prior to Closing, Contributor shall not assign, alienate, lien, encumber or otherwise transfer all or any part of any or all of the Projects except as permitted herein.

(h) Availability of Records. Upon Acquiror's request, for a period of two (2) years after Closing, Contributor shall (i) make the Records available to Acquiror for inspection, copying and audit (at Acquiror's expense) by Acquiror's designated accountants; and (ii) reasonably cooperate with Acquiror (without any third party expense to Contributor) in obtaining any and all permits, licenses, authorizations, and other

Governmental Approvals necessary for the operation of any or all of the Projects. Without limitation of the foregoing in this Subparagraph 8.1(h), Contributor agrees to abide by the terms of Exhibit Q attached hereto, but without any third-party expense to Contributor. The provisions of this Subparagraph 8.1(h) shall survive the Closing for a period of two (2) years.

(i) Change in Conditions. Prior to Closing, Contributor shall promptly notify Acquiror of any material adverse change (about or of which Contributor has actual knowledge) of any condition with respect to any or all of the Projects or of the occurrence of any event or circumstance that makes any representation or warranty of Contributor to Acquiror under this Agreement untrue or misleading in any material respect, or any covenant of Acquiror under this Agreement incapable of being performed in any material respect, it being understood that Contributor's obligation to provide notice to Acquiror under this Subparagraph 8.1(i) shall in no way relieve Contributor of any liability for a breach by Contributor of any of its representations, warranties or covenants under this Agreement or otherwise impair any cure period of Contributor set forth herein, except to the extent Contributor elects to exercise the Contributor's Mitigation Option pursuant to (and as defined in) Subparagraph 9(d)(ii).

(j) Ownership Structure. From the Contract Date through and including the Closing Date, Contributor shall maintain the same composition of its partners, shareholders and members as exists on the Contract Date, subject to redemption of certain partners and intra-family transfers, unless otherwise required pursuant to Subparagraph 2(c)(iv) above.

(k) Initial Public Offering. From and after the Contract Date to the Closing Date, Contributor shall not file, and shall not permit any partner, shareholder, member, affiliate or Representative of Contributor to file, any registration statement (on Form S-11 or otherwise) with the SEC that in any way relates to any Project or the business of Lazarus Burman Associates.

(l) Existing Mortgages. Contributor shall, prior to Closing, comply in all material respects with the requirements of the Existing Mortgages.

(m) Remediation of Code Violations. Notwithstanding anything to the contrary contained herein, Contributor agrees to remediate, or otherwise respond to, at Contributor's sole expense and in a prompt and commercially reasonable fashion, in a manner reasonably satisfactory to Acquiror, any existing violation of any municipal or other governmental law, ordinance, regulation, code, license, permit or authorization cited by a municipality with respect to any Project. Contributor shall have no obligation pursuant to this Subparagraph 8.1(m) unless, within 45 days of the Closing Date, Acquiror delivers to Contributor a written notice concerning such a violation issued by a municipal agency.

(n) Sewer Hookups. The parties acknowledge that certain of the Projects are not currently hooked up to and into the applicable municipality's sewer system; however, given the availability of municipal sewer lines at and near those Projects, Contributor has advised Acquiror that these Projects are eligible for connection to and into the applicable municipality's sewer system. As a result, Contributor hereby covenants and agrees that, as soon as is reasonably possible, but in all events within one year after the Closing Date, Contributor shall cause Projects Nos. 22, 45, 46, 47, 48 and 49 to be hooked up to the appropriate municipal sewer system in accordance with all applicable laws, regulations and ordinances (the "HOOKUPS").

(o) Patomi Mortgage. JB shall use his good faith, diligent and reasonable efforts to obtain and deliver to Acquiror promptly following the Closing a mortgagee estoppel with respect to the Patomi Mortgage in form and substance reasonably acceptable to Acquiror from Patomi Realty Co. Such mortgagee's estoppel shall include, among other things, an unqualified consent from the mortgagee to the transfer of Project 43 to the UPREIT. Post-Closing Contributor hereby agrees to immediately reimburse Acquiror for (i) any penalty or premium assessed against it under the Patomi Mortgage or Patomi Note in connection with the contribution of Project No. 43 hereunder and (ii) any prepayment

of the Patomi Note. Post-Closing Contributor further agrees to provide to Acquiror and its counsel (Barack Ferrazzano Kirschbaum Perlman & Nagelberg), promptly following the Closing, copies of all documents in its possession relating to the Patomi Mortgage and the Patomi Note.

(p) Certain Estoppels. Post-Closing Contributor hereby agrees to protect, defend, indemnify and hold Acquiror, the UPREIT, the REIT and any of their partners, officers, directors, shareholders, successors and assigns harmless from and against any and all losses that any or all of the indemnified parties suffers or incurs as a result of any matter raised in the estoppel certificates delivered in connection with the Closing hereunder by the following Tenants that is not contemplated by the form estoppel certificate attached as Exhibit O: Langer Biomechanics Group, Inc.; Metro Area Sales Inc.; and Dictaphone Corporation (which Dictaphone estoppel certificate shall include the matters referenced by hand in that certain letter dated December 13, 1996 from Harry Szenicer to Dictaphone Corporation).

In all events, however, the satisfaction of, and compliance with (in all material respects), all of the covenants made by Contributor in this Agreement shall be an Acquiror's Condition Precedent. All covenants made in this Agreement by Contributor shall survive the Closing for a period of one (1) year, unless otherwise expressly provided herein, and shall not be merged into any instrument of conveyance delivered at Closing. If, prior to Closing, Acquiror acquires actual knowledge (through the provision of any written documentation delivered to Acquiror by Contributor, or received by Acquiror from Contributor, or through the delivery to Acquiror of a written report from any third party engaged by Acquiror in order to perform any of the tests, studies, investigations and inspections contemplated under Paragraph 5) of the Contributor's failure to satisfy and comply with any or all of the covenants made by Contributor in this Agreement, and Acquiror nevertheless elects to close under this Agreement, then Acquiror shall be deemed to have waived the failure(s) in question, and shall have no right, at any time after Closing, to assert a claim, of any nature whatsoever, against Contributor, with respect to that failure to so satisfy or comply with any or all of such covenants of Contributor.

8.2 Acquiror's, REIT's and UPREIT's. Effective as of the execution of this Agreement, Acquiror and, effective as of the Closing Date, the REIT and the UPREIT hereby covenant with Contributor, with respect to the period ending at Closing for all but clauses 8.2(c) and (d), as follows:

(a) Change in Conditions. Any or all of Acquiror, the REIT and the UPREIT shall promptly notify Contributor of any material change in any condition with respect to the business of any or all of Acquiror, the REIT and the UPREIT, or of the occurrence of any event or circumstance that makes any representation or warranty of any or all of Acquiror, the REIT and the UPREIT to Contributor under this Agreement untrue or misleading, in any material respect, or any covenant of any or all of Acquiror, the UPREIT and the REIT under this Agreement incapable of being performed in any material respect, it being understood that Acquiror's, the REIT's and the UPREIT's obligation to provide notice to Contributor under this Subparagraph 8.2(a) shall in no way relieve Acquiror, the REIT and the UPREIT of any liability for a breach by them of their respective representations, warranties or covenants under this Agreement.

(b) Ownership Structure. From the Contract Date through and including the Closing Date, Acquiror, the REIT and the UPREIT shall each maintain (unless prevented by death or incapacity) substantially the same composition of their respective executive officers, boards of directors or general partner, as the case may be, as exists on the Contract Date.

(c) Good Faith. All actions required pursuant to this Agreement that are necessary to effectuate the transaction contemplated herein will be taken promptly and in good faith by Acquiror, the UPREIT and the REIT, as applicable, and the appropriate representatives, officers or partners of such parties shall furnish Contributor with such documents or further assurances as Contributor may reasonably require.

(d) Consent Decree. With respect to Projects 8 and 9, Acquiror acknowledges that Contributor has advised it of the existence of that certain "Consent Decree"

concerning these two Projects signed by the Regional Administrator of the United States Environmental Protection Agency, Region II, on or about September 30, 1996; and if Acquiror acquires these Projects, Acquiror shall fully comply with the obligations imposed on the owner of these two Projects under the following paragraphs of the Consent Decree: Paragraph 9 (Notice of Obligations to Successors-in-Title), Paragraph 22(a) and (b) (Site Access) and Paragraph 23 (Institutional Controls). Acquiror shall not be bound or required to comply with any other provisions of the Consent Decree. The provisions of this Subparagraph shall survive the Closing so long as the requirements imposed under the relevant Consent Decree(s) remain in effect.

In all events, however, the satisfaction of, and compliance with, in all material respects, all of the covenants made by Acquiror, the REIT and the UPREIT in this Agreement shall be a Contributor's Condition Precedent. All covenants made in this Agreement by Acquiror, the REIT and the UPREIT, shall survive the Closing for a period of one (1) year, unless otherwise expressly provided herein, and shall not be merged into any instrument of conveyance delivered at Closing.

9. ENVIRONMENTAL WARRANTIES AND AGREEMENTS.

(a) Definitions.

Unless the context otherwise requires:

(i) "ENVIRONMENTAL LAW" or "ENVIRONMENTAL LAWS" shall mean all applicable state and local statutes, regulations, directives, ordinances, rules, court orders, judicial or administrative decrees, binding arbitration awards and the common law, which pertain to the environment, soil, water, air, flora and fauna, or health and safety matters, as such have been amended, modified or supplemented from time to time, and are in effect on the Closing Date (including all present amendments thereto and re-authorizations thereof). Environmental Laws include, without limitation, those relating to: (i) the manufacture, processing, use, distribution, treatment, storage, disposal, generation or transportation of Hazardous Materials; (ii) air, soil, surface, subsurface, groundwater or noise pollution; (iii) Releases; (iv) protection of endangered species, wetlands or natural resources; (v) the operation and closure of Containers; (vi) health and safety of employees and other persons; and (vii) notification and reporting requirements relating to the foregoing. Without limiting the above, Environmental Law also includes the following: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Sections 9601 et seq.), as amended ("CERCLA"); (ii) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. Sections 6901 et seq.), as amended ("RCRA"); (iii) the Emergency Planning and Community Right to Know Act of 1986 (42 U.S.C. Sections 11001 et seq.), as amended; (iv) the Clean Air Act (42 U.S.C. Sections 7401 et seq.), as amended; (v) the Clean Water Act (33 U.S.C. Sections 1251 et seq.), as amended; (vi) the Toxic Substances Control Act (15 U.S.C. Sections 2601 et seq.), as amended; (vii) the Hazardous Materials Transportation Act (49 U.S.C. Sections 1801 et seq.), as amended; (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Sections 136 et seq.), as amended; (ix) the Federal Safe Drinking Water Act (42 U.S.C. Sections 300f et seq.), as amended; (x) the Federal Radon and Indoor Air Quality Research Act (42 U.S.C. Sections 7401, et seq.); (xi) the Occupational Safety and Health Act (29 U.S.C. Sections 651 et seq.), as amended; (xii) any state, county, municipal or local statutes, laws or ordinances similar or analogous to (including counterparts of) any of the statutes listed above; and (xiii) any rules, regulations, directives, orders or the like adopted by a Governmental Authority pursuant to or implementing any of the above.

(ii) "ENVIRONMENTAL PERMIT" or "ENVIRONMENTAL PERMITS" shall mean licenses, certificates, permits, directives, requirements, registrations, government approvals, agreements, authorizations, and consents which are required under or are issued pursuant to an Environmental Law or are otherwise required by Governmental Authorities.

(iii) "GOVERNMENTAL AUTHORITY" shall mean any agency, commission, department or body of any municipal, township, county, local, state or Federal governmental or quasi-governmental regulatory unit, entity or authority having jurisdiction or authority over all or any portion of the Projects or the management, operation, use or improvement of any of them.

(iv) "HAZARDOUS CONDITION" or "HAZARDOUS CONDITIONS" refers to the existence or presence of any Hazardous Materials on, in, under or at, the Projects (including air, soil and groundwater) or any portion of any of them.

(v) "HAZARDOUS MATERIAL" or "HAZARDOUS MATERIALS" shall mean any chemical, pollutant, contaminant, pesticide, petroleum or petroleum product or by-product, radioactive substance, hazardous or extremely hazardous solid waste, special or toxic waste, substance, chemical or material regulated, listed, limited or prohibited under any Environmental Law, including without limitation: (i) friable or damaged asbestos, asbestos-containing material, polychlorinated biphenyls ("PCBS"), solvents and waste oil; (ii) any "hazardous substance" as defined under CERCLA; and (iii) any "hazardous waste" as defined under RCRA or comparable state or local law.

(vi) "RELEASE" means any spill, discharge, leak, migration, emission, escape, injection, dumping or other release or threatened release of any Hazardous Material into the environment, whether or not notification or reporting to any governmental agency was or is required. Release includes, without limitation, historical releases and the meaning of Release as defined under CERCLA.

(vii) "QUALIFIED CONSULTING FIRM" shall mean a first-class nationally or regionally recognized environmental engineering and/or consulting firm (the parties hereby specifically recognize C.A. Rich Consultants, Inc., ERM, Warzyn Engineering, Ground Water Technologies, Inc., ICF Kaiser, Roux Associates, Inc. and Dames and Moore as such firms).

(viii) "REMEDIAL ACTION" shall mean any and all corrective or remedial action, preventative measures, response, removal, transport, disposal, clean-up, abatement, treatment and monitoring of Hazardous Materials or Hazardous Conditions, whether voluntary or mandatory, and includes all studies, assessments, reports or investigations performed in connection therewith to determine if such actions are necessary or appropriate (including investigations performed to determine the progress or status of any such actions), all occurring on or after the Contract Date.

(ix) "CONTAINER" or "CONTAINERS" means above-ground and underground storage tanks and related equipment containing or previously containing any Hazardous Material or fraction thereof.

(x) "REMEDIAL COSTS" shall include all costs, liabilities expenses and fees incurred on or after the date of this Agreement in connection with Remedial Action, including but not limited to: (i) the reasonable fees of environmental consultants and contractors; (ii) reasonable attorneys' fees (including compensation for in-house and corporate counsel provided such compensation does not exceed customary rates for comparable services); (iii) the costs associated with the preparation of reports, and laboratory analysis (including charges for expedited results if reasonably necessary); (iv) regulatory, permitting and review fees; (v) costs of soil and/or water treatment (including groundwater monitoring) and/or transport and disposal; and (iv) the cost of supplies, equipment, material and utilities used in connection with Remedial Action.

(b) Warranties. Contributor represents and warrants to Acquiror that: (i) it has provided complete access, to all of Acquiror, Acquiror's counsel and Acquiror's environmental consultants, to all documents concerning the Projects that are (x) within any and all of the files in the possession of each of Contributor and its environmental counsel and (y) relevant to the representations and warranties set forth in this Subparagraph 9(b);

(ii) to Contributor's actual knowledge, no other documents concerning the Projects and the environmental condition thereof are in the possession of any parties other than (x) Contributor, (y) Contributor's environmental counsel, and (z) those environmental consultants whose names have been provided to Acquiror, in writing, to whom Contributor has sent letters advising such consultants that they may disclose to Acquiror information in their possession concerning any of the Projects; and (iii) except as (x) revealed in those particular documents to which Acquiror has had complete access (pursuant to clause (i) above) or (y) set forth on Schedule 9(b) attached hereto (which Schedule shall also be deemed to incorporate any information developed or acquired by Acquiror's environmental consultants during or as a result of any environmental Assessments or Additional Assessments performed pursuant to Subparagraph 5(b) and expressly set forth in Reports delivered to Acquiror by its environmental consultants), to Contributor's actual knowledge, the following matters are true and correct as of the Contract Date and shall be true and correct as of the Closing Date:

(i) The Projects have been and continue to be owned and operated in material compliance with all Environmental Laws and Environmental Permits.

(ii) There have been no past and there are no pending or threatened: (i) claims, complaints, notices, correspondence or requests for information received by Contributor with respect to any violation or alleged violation of any Environmental Law or Environmental Permit or with respect to any corrective or remedial action for or cleanup of the Projects or any portion of any of them; and (ii) written correspondence, claims, complaints, notices, or requests for information from or to Contributor regarding any actual, potential or alleged liability or obligation under or violation of any Environmental Law or Environmental Permit with respect to the Projects or any portion of any of them.

(iii) There have been no Releases, and there has not been a threatened Release of a Hazardous Material at, on, under or in any of the Projects or any portion of any of them which could give rise to any material claim, liability or obligation.

(iv) No conditions exist at, on, in, or under the Land or the Projects that would give rise to any material claim, liability or obligation arising out of a Hazardous Condition under any Environmental Law or Environmental Permit.

(v) Contributor has been issued and is in material compliance with all Environmental Permits required for the operation of the Projects.

(vi) The Projects are not listed, proposed or nominated for listing on the National Priorities List pursuant to CERCLA (the "NPL"), or the New York State Registry of Inactive Hazardous Waste Disposal Sites.

(vii) Contributor has not transported, disposed of or treated, or arranged for the transportation, disposal or treatment of, any Hazardous Material from any or all of the Projects to any location that is: (i) listed, proposed or nominated for listing on the NPL, or the New York State Registry of Inactive Hazardous Waste Disposal Sites; and (ii) the subject of any pending Federal, state or local enforcement action or other investigation that includes any claim or liability against Contributor as a result of any Remedial Action, damage to natural resources or personal injury, including, but not limited to, any claim under CERCLA.

(viii) There are no Containers at, in, on or under the Projects which could give rise to any material claims, obligations, or liabilities under Environmental Laws; Contributor has not removed, closed or abandoned any Containers at any or all of the Projects in a manner which could give rise to any material claims, obligations, or liabilities under Environmental Laws; and Contributor has no knowledge of the existence, abandonment, closure or removal of Containers at any or all of the Projects in a manner which could give rise to any material claims, obligations, or liabilities under Environmental Laws. Any and all Containers which

have heretofore been removed from, or closed at, any or all of the Projects have been removed or closed in accordance with all Environmental Laws.

(ix) There are no PCBs or friable or damaged asbestos at any or all of the Projects which could give rise to any material claims, obligations, or liabilities under Environmental Laws.

(x) There has been no storage, treatment, disposal, generation, transportation or Release of any Hazardous Materials by Contributor or by its predecessors in interest, or by any other person or entity for which Contributor is or may be held responsible, at, on, under or in any or all of the Projects (or any portion of any of them) in violation of, or which could give rise to, any material claim, obligation or liability under Environmental Laws.

(xi) No drums containing or previously containing any Hazardous Material or fraction thereof are buried or otherwise stored under the surface of any soil at any of the Projects.

(c) Environmental Indemnities.

(i) Indemnification Concerning Projects 8, 9, 10, 11 and 33-37. The LP Unit Recipients (jointly and severally, "POST-CLOSING CONTRIBUTOR") hereby indemnify, defend, and hold harmless Acquiror, its partners, shareholders and the respective agents, contractors, employees, shareholders, trustees and representatives of each of Acquiror, its partners and shareholders, and each of their successors and assigns, from and against any and all liabilities, claims, demands, suits, administrative proceedings, causes of action, penalties, fines, liens, reasonable fees, costs (including reasonable attorneys' fees and costs and environmental consultants' fees, as limited by Subparagraph 9(c)(ii)), damages (including reasonable attorneys' fees and costs and environmental consultants' fees and expenses incurred by Acquiror with respect to enforcing its rights hereunder), personal injuries and property damages, losses and expenses, both known and unknown, present and future, at law or in equity, but not including consequential damages (collectively, "LOSS" or "LOSSES") as a result of or arising from:

(A) the presence at Projects 8 and 9 (the "GOLDISC SITE") of (i) any Hazardous Materials in the groundwater, and (ii) the presence at the Goldisc Site of any petroleum products or petroleum degradation products in the soil or groundwater at Areas of Environmental Concern ("AEC") 5 and 13 as depicted in Figure 2-2 of Phase II Remedial Investigation Report: Former Goldisc Recordings Facility, Holbrook, New York, prepared by ERM-Northeast, April 1995; provided, however, that the activities, events, conditions or occurrences that resulted in Losses concerning the Goldisc Site occurred prior to the Closing Date (and such conditions or occurrences shall be deemed to include the continued spread of contamination that may occur after the Closing Date); provided further, however, that all indemnities concerning groundwater contamination at the Goldisc Site shall immediately terminate only after the remedial action for groundwater selected by the USEPA is completed, including, but not limited to, any monitoring and/or operations and maintenance required by a Governmental Authority, and all indemnities concerning AEC 5 and 13 of the Goldisc Site shall terminate only after the remedial actions for AEC 5 and 13 have been completed (as "completed" is defined in Subparagraph 9(d)(ii)(E) herein), including, but not limited to, any monitoring and/or operations and maintenance required by a Governmental Authority; and

(B) any Hazardous Conditions at Projects 10 and 11 (the "ALSY SITE"); provided, however, that the activities, events, conditions or occurrences which resulted in Losses concerning the Alsy Site occurred prior to the Closing Date; provided further, however, that all indemnities concerning the Alsy Site shall terminate upon the removal of the Alsy Site from the New York State Registry of Inactive Hazardous Waste Disposal Sites or the reclassification of

the Alsy Site to a class "5" site. Post-Closing Contributor shall have an affirmative obligation to petition the New York State Department of Environmental Conservation for such removal or reclassification of the Alsy Site and shall take all reasonable steps to pursue diligently such petition until such removal or reclassification is obtained, including any appeals or challenges to denials of such petition as may be appropriate. It shall be in Post-Closing Contributor's sole discretion as to when to initiate any such petition; provided, however, that Post-Closing Contributor shall initiate such petition within six months of completion of the Remedial Work at the Alsy Site required by any Governmental Authority (including any monitoring and/or operation and maintenance).

(C) the presence of volatile organic compounds in the groundwater (and any associated source area in the soil) at Projects 33, 34, 35 and 37; provided, however, that the activities, events, conditions or occurrences that resulted in such Losses occurred prior to the Closing Date (such occurrence shall include the continued spread and/or migration of contamination that may occur after the Closing Date); provided, further, that any such Losses relate to a demand, claim, suit, administrative proceeding or other action brought by, or on behalf of, a Governmental Authority or other third party. This indemnity shall terminate five (5) years after the Closing Date.

(ii) Indemnification Procedure. Within a reasonable period of time after receipt by Acquiror of its first notice of any Loss in respect of which Acquiror will seek indemnification under Subparagraph 9(c)(i) above, but in no event later than ten (10) business days prior to the expiration of any required response period, or, if the required response period is less than ten (10) business days, immediately upon receipt by Acquiror of its first notice of the Loss in respect of which indemnification is sought: (1) Acquiror shall notify Post-Closing Contributor thereof in writing, and, subject to the other provisions of this Subparagraph 9(c)(ii), any failure to so notify Post-Closing Contributor shall relieve Post-Closing Contributor from any liability for indemnification that it may have to Acquiror (but such relief shall apply only to the alleged Loss about which Acquiror fails to timely notify Post-Closing Contributor); provided, however, that as long as JB is employed pursuant to the Employment Agreement (or pursuant to any other written agreement between JB and Acquiror or any of its Affiliates), receipt of notice of a Loss in Acquiror's New York office (in which JB is employed by Acquiror [or any of its Affiliates] in a management position) shall constitute notice to Post-Closing Contributor of that Loss; and (2) Acquiror shall consult and cooperate with Post-Closing Contributor as to the proper course of action to be taken and shall not take any action that may result in the acknowledgement of any liability of Acquiror or may result in settlement or compromise of any claim against Acquiror, unless Acquiror obtains Post-Closing Contributor's prior written consent, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, any failure by Acquiror to notify Post-Closing Contributor within such 10 business day period (or less, as the case may be) shall not, to the extent that Acquiror can establish that Post-Closing Contributor has not been materially prejudiced by such delay, relieve Post-Closing Contributor of any or all of its indemnification obligations under this Paragraph 9; and any reasonable additional costs or expenses actually incurred by Post-Closing Contributor as a result of such delay shall be borne by Acquiror and shall be paid by Acquiror within thirty (30) days after Acquiror's receipt of an invoice describing, in reasonable detail, such costs or expenses. Post-Closing Contributor shall have final approval over any settlement or material decisions concerning any Losses. Post-Closing Contributor shall be entitled to select counsel in the defense of any action, suit, or administrative proceeding, and in any other actions that may result in Losses for which a claim for indemnity may be made under Subparagraph 9(c)(i) above (collectively, "ACTION") and to assume control of the defense of such Action. Acquiror shall have the right to approve of the selection of counsel and if it chooses to exercise this right, such approval shall not be unreasonably withheld. After written notice by Post-Closing Contributor to Acquiror of its election to assume control of the defense of such Action, and provided that Post-Closing Contributor does, in fact, defend such Action, Post-Closing Contributor shall not be liable to

Acquiror hereunder for any legal expenses subsequently incurred by Acquiror in connection with the defense of that particular Action, including any appeals. Post-Closing Contributor shall regularly apprise Acquiror, in reasonable detail, of the status of any Action for which Post-Closing Contributor assumes the defense. If Post-Closing Contributor assumes control of the defense and selects counsel, and if counsel chosen by Post-Closing Contributor has or develops a conflict of interest and is unable to continue its representation, the reasonable fees and expenses of Acquiror's counsel thereafter incurred shall, to the extent that Acquiror can show that it has, or reasonably could have, been materially prejudiced by such delay, be at the expense of Post-Closing Contributor, provided that no substitute for Post-Closing Contributor's original counsel is engaged by Post-Closing Contributor within a reasonable period of time (subject to the right of Acquiror to approve selection of counsel, which consent shall not be unreasonably withheld). If Post-Closing Contributor does not assume control of the defense of such Action within the longer of (A) ten (10) business days after the first notice of such Losses to Post-Closing Contributor or (B) the time to respond to such action or proceeding (inclusive of extensions of time to respond), but in no event more than 45 days from the date of receipt of such first notice, Acquiror (within 30 days after Acquiror's delivery of a written demand therefore) shall control the defense in such manner as it deems appropriate and Post-Closing Contributor shall reimburse Acquiror for all reasonable costs and expenses in connection with such defense.

(iii) Limitation of Indemnities and Reservation of Rights. Except for the indemnities provided in Subparagraph 9(c)(i) above concerning Projects 8, 9, 10, 11, 33, 34, 35, and 37, Post-Closing Contributor provides no environmental indemnities for any of the Projects to be acquired by Acquiror pursuant to this Agreement. Post-Closing Contributor also retains all of its rights to (x) assert claims, causes of action, demands, and suits against any third party ("THIRD-PARTY ACTIONS") concerning Losses which Post-Closing Contributor has incurred or may incur in the future relating to any of the Projects subject to this Agreement, including without limitation Projects 8, 9, 10, 11, 33, 34, 35 and 37; (y) retain control of any such Third-Party Actions; and (z) retain in full any and all amounts recovered thereby.

(iv) Indemnification for Offsite Disposal. Post-Closing Contributor hereby indemnifies, defends, and holds harmless Acquiror, its partners, shareholders and the respective agents, contractors, employees, shareholders, trustees and representatives of each of Acquiror, its partners and shareholders, and each of their successors and assigns, from and against any and all Losses as a result of or arising from the disposal of any Hazardous Material by Contributor from any Project at any offsite location ("OFFSITE LOSS OR LOSSES"); provided, however, that this indemnity does not extend to any such disposal by any current or former tenant or occupant at any Project, but does extend to disposal by Contributor (or any agents directly engaged by Contributor for disposal) of such tenants' wastes. Within a reasonable period of time after receipt by Acquiror of its first notice of any Offsite Loss in respect of which Acquiror will seek indemnification under this paragraph, but in no event later than ten (10) business days prior to the expiration of any required response period, or, if the required response period is less than ten (10) business days, immediately upon receipt by Acquiror of its first notice of the Offsite Loss, Acquiror shall notify Post-Closing Contributor thereof in writing, and any failure to so notify Post-Closing Contributor shall relieve Post-Closing Contributor from any liability for indemnification that it may have to Acquiror for that particular Offsite Loss about which Acquiror fails to timely notify Post-Closing Contributor; provided, however, that as long as JB is employed pursuant to the Employment Agreement (or pursuant to any other written agreement between JB and Acquiror or any of its Affiliates), receipt of notice of a Loss in Acquiror's New York office (in which JB is employed by Acquiror in a management position) shall constitute notice to Post-Closing Contributor of that Loss; and provided, further, that any failure by Acquiror to notify Post-Closing Contributor within such 10 business day period (or less, as the case may be) shall not, to the extent that Acquiror can show that Post-Closing Contributor has not been materially prejudiced by any such delay, relieve Post-Closing Contributor of any or all of its indemnification obligations

under this Paragraph 9, and any reasonable additional costs or expenses actually incurred by Post-Closing Contributor as a result of such delay by Acquiror shall be borne by Acquiror and shall be paid by Acquiror within thirty (30) days after Acquiror's receipt of an invoice describing, in reasonable detail, such costs or expenses. Post-Closing Contributor shall at all times retain complete control of the defense of any such Offsite Loss, including the selection of counsel to conduct the defense of any such Offsite Loss, and shall regularly apprise Acquiror of the status of its defense concerning any such Offsite Loss.

All of the provisions of this Subparagraph 9(c) shall survive the Closing and shall not merge into any of the conveyancing documents delivered at Closing. Furthermore, with respect to any of the indemnities set forth in this Subparagraph 9(c), Contributor and Post-Closing Contributor acknowledge and agree that if Acquiror makes any claim for or otherwise seeks indemnification pursuant to the requirements of Subparagraph 9(c)(ii) and the matter about which Acquiror makes such claim for, or otherwise seeks, indemnification (the "INDEMNIFICATION CLAIM") remains pending and unresolved (whether in whole or in part) as of the date on which the applicable indemnity expires pursuant to the specific limitations expressly set forth above in this Subparagraph 9(c) (the "OUTSTANDING INDEMNIFICATION MATTER") then the indemnity in question shall nevertheless remain in full force and effect, but only with respect to such Outstanding Indemnification Matter, and shall not expire until the date on which the Outstanding Indemnification Matter is resolved and satisfied, in its entirety.

(d) Remediation. Post-Closing Contributor agrees and acknowledges that it shall cause the following to be completed:

(i) Contributor's Remediation Requirement. Post-Closing Contributor shall cause the Hazardous Conditions and all other conditions and matters set forth on Schedule 9(d) attached hereto to be corrected and remediated in accordance with applicable Environmental Law and at Contributor's sole cost and expense ("CONTRIBUTOR'S REMEDIATION REQUIREMENT"). For the purposes of this Paragraph 9(d) only, the term "HAZARDOUS CONDITION" or "HAZARDOUS CONDITIONS" shall be deemed to be all matters and conditions described on Schedule 9(d). There shall be no Contributor's Remediation Requirement for those Projects not listed on Schedule 9(d). Notwithstanding the foregoing, Post-Closing Contributor shall be and remain liable hereunder, as and to the extent elsewhere provided in the Agreement, for any breach of warranty or representation relating to the existence of any Hazardous Conditions existing as of the Closing Date, and not detected in the Assessment or otherwise not described on Schedule 9(d).

(ii) Procedure for Post-Closing Contributor's Remediation Requirement. Post-Closing Contributor shall undertake the following steps:

(A) Within sixty (60) days after the Closing Date, Post-Closing Contributor shall select a Qualified Consulting Firm to provide a work plan ("SCOPE OF WORK") setting forth (in reasonable detail) the Remedial Action planned to correct or remediate the Hazardous Conditions set forth on Schedule 9(d) (the "REMEDIAL WORK") for the approval of Acquiror, which approval shall not be unreasonably withheld. Within five (5) business days after receipt from Post-Closing Contributor of the Scope of Work, Acquiror shall advise Post-Closing Contributor in writing of its approval thereof or objections thereto. If Acquiror fails to respond, in writing, within such five (5) business day period, then Acquiror shall automatically be deemed to have approved the Scope of Work. If Acquiror objects to the Scope of Work for any such Hazardous Conditions, or any additional work related thereto, and the parties are unable to resolve such objection, either Post-Closing Contributor or Acquiror shall have the unilateral right, but not the obligation, to provide written notice to, and/or consult with ("NOTIFY"), the applicable Government Authority regarding the appropriate Scope of Work for the Project or Project(s) for which Acquiror and Post-Closing Contributor fail to agree upon a Scope of Work; provided, however, that the party that desires to notify and/or consult with such Governmental Authority shall first give the

other party five (5) business days' prior written notice thereof (the "SCOPE OF WORK NOTICE") in accordance with the following procedure:

(1) within five (5) days after Acquiror or Post-Closing Contributor (as the case may be) receives the Scope of Work Notice, Post-Closing Contributor shall Notify the applicable Governmental Authority, in writing, regarding the appropriate Scope of Work for the Project or Projects for which Acquiror and Post-Closing Contributor disagree upon a Scope of Work; and

(2) in the event that Post-Closing Contributor fails to Notify the Governmental Authority within such 5 day period, Acquiror shall have the right, but not the obligation, to Notify the Governmental Authority, in writing, in order to determine the appropriate Scope of Work.

(B) After the Scope of Work is determined pursuant to subparagraph (A) above, then, prior to undertaking the Remedial Work, Post-Closing Contributor shall, at any time, consult with Acquiror regarding whether any notice to, or consultation with, any Governmental Authority is required under applicable Environmental Laws. If Post-Closing Contributor reasonably determines that any such notice or consultation is required under applicable Environmental Laws (which determination shall be resolved in favor of such notice to, or consultation with, the responsible Governmental Authority where there is any doubt), Post-Closing Contributor shall undertake such notice or consultation and, if required by the Governmental Authority with jurisdiction over the Remedial Work, shall seek approval of the Remedial Work from that Governmental Authority. Post-Closing Contributor agrees that, from time to time, the Scope of Work for the Remedial Work may be revised and shall be deemed to include any and all Remedial Action required by such Governmental Authority; provided, however, that Post-Closing Contributor shall have the right to conduct negotiations with, and undertake appeals to, such Governmental Authority. Nothing contained herein shall be deemed to prevent Post-Closing Contributor from complying with applicable reporting requirements under Environmental Laws. Post-Closing Contributor shall have the right to delay commencement or continuation of Remedial Work as long as it properly obtains any necessary stays pending appeals from the Governmental Authority, if needed.

(C) Promptly following approval of the Scope of Work by Acquiror and any Governmental Authorities consulted or notified, Post-Closing Contributor shall diligently cause and continue to cause the Remedial Work and all Additional Work to be diligently performed by its Qualified Consulting Firm until such work is completed (as that term is defined under Subparagraph 9(d)(ii)(E) herein). From and after Acquiror's approval of any Scope of Work, Post-Closing Contributor may not materially modify, amend, restrict, expand, alter or eliminate any provision or component of the Scope of Work without Acquiror's prior consent, which consent shall not be unreasonably withheld.

(D) In the event that the Governmental Authority with jurisdiction over the Remedial Work agrees that the level of remediation required at a Project at which Remedial Work is being performed may be reduced by the imposition of institutional controls at the Project, including but not limited to restrictions limiting the use and occupancy of the Project to non-residential uses or limiting the construction, renovation or maintenance activities that may be performed at the Project, and such institutional controls will not materially impair the use of the Project (as it exists as of the Closing Date), Acquiror shall not unreasonably withhold its consent to the imposition of such institutional controls and shall not seek any compensation therefor from Post-Closing Contributor, provided that Post-Closing Contributor shall make reasonable and good-faith efforts to limit the areal extent of any such institutional controls.

(E) Upon the completion of the Remedial Work at any Project, Post-Closing Contributor shall so advise Acquiror and shall provide such documentation as Acquiror may reasonably require to satisfy Acquiror that the Remedial Work (and Additional Work, as the case may be) has been completed. For the purposes of this Paragraph 9, "completed" or "completion" shall mean: (i) in the event that Post-Closing Contributor has provided notice to or consulted with a Governmental Authority with respect to the Remedial Work (and Additional Work, as the case may be), Post-Closing Contributor shall have: (x) obtained a written statement by the Governmental Authority with jurisdiction over the Remedial Work (and Additional Work, as the case may be) in question that no further action is required with respect to such Project, and (y) if applicable, formally requested and obtained, in writing, the closure, de-listing and/or removal of the relevant Project(s) from any list maintained by such Governmental Authority; or (ii) in the event that a Governmental Authority has not been consulted, completion of the Remedial Work (and Additional Work, as the case may be) in accordance with the Scope of Work approved by Acquiror, which completion shall be evidenced by a written certification to Acquiror from Post-Closing Contributor's Qualified Consulting Firm, in a form reasonably acceptable to Acquiror, stating that all such work has been completed.

(F) Prior to, and throughout the performance of the Remedial Work by Post-Closing Contributor, Post-Closing Contributor shall cause its Qualified Consulting Firm to maintain workers' compensation insurance, as required by law, professional errors and omissions liability insurance of not less than $3,000,000, contractor's pollution liability insurance with coverage of not less than $1,000,000 per occurrence, general liability insurance with coverage of not less than $1,000,000 per occurrence and umbrella liability insurance with coverage of not less than $10,000,000. Acquiror shall be named as an additional insured on each policy described in this Subparagraph.

(G) Post-Closing Contributor shall cause the Remedial Work to be performed in a manner that does not unreasonably disturb or disrupt the tenancies or business operations located on any of the applicable Projects. In the event that physical damage occurs to any of the Projects as a result of the Remedial Work or any Additional Work, then Post-Closing Contributor shall promptly notify Acquiror and repair any such damage, at Post-Closing Contributor's sole cost and expense, so as to return the damaged Project(s) to the same condition as exists on the Contract Date. Post-Closing Contributor hereby indemnifies, protects, defends and holds harmless Acquiror (including its partners, shareholders, and the respective partners, shareholders, officers, directors, employees and agents of each of Acquiror, its partners and shareholders and all of the respective successors and assigns of such above-described indemnitees) from and against any and all Losses that Acquiror actually suffers or incurs as a result of any negligent, willful or intentional act or omission of any or all of Post-Closing Contributor or its agents, contractors, subcontractors or representatives or consultants that occur during the course, or as a result of, the performance of the Remedial Work.

(H) On the Closing Date, Contributor shall execute a written assignment (the "ASSIGNMENT"), to Acquiror, of that certain Indemnity Agreement (the "INDEMNITY"), dated August, 1995, by and between SmithKline Beecham Corporation and SmithKline Clinical Laboratories, Inc. (individually and collectively, "INDEMNITOR") and 290 Industrial Co., LLC, which Assignment shall be in the form of Exhibit AA attached hereto. Post-Closing Contributor shall have discretion to negotiate with Indemnitor concerning the imposition of a deed restriction upon Project 50; provided, however, that:

(1) in accordance with Subparagraph 9(d)(ii)(D) herein, Post-Closing Contributor shall make reasonable efforts to limit the areal extent of any such deed restriction to the smallest area possible, which

may include any portion of or all of "Area 3", as defined by the Letter Report, dated August 7, 1996, Re: Supplemental Area 3 Investigation Report, Magnusonic Devices, Inc., Hicksville, New York, prepared by Roux Associates for Indemnitor. Acquiror shall not unreasonably withhold its consent to the imposition of such a deed restriction placed upon Project 50;

(2) Post-Closing Contributor shall regularly apprise Acquiror of the status of its negotiations, and/or contacts with, Indemnitor; and

(3) promptly upon Post-Closing Contributor's receipt of any compensation or any other amount(s) or benefits (including, but not limited to, a release of all or any portion of a mortgage or other lien interest encumbering all or any portion of Project 50) ["COMPENSATION"] from Indemnitor, Post-Closing Contributor shall give Acquiror fifty (50) percent of such Compensation, net the reasonable costs incurred by Post-Closing Contributor after the Closing Date and in connection with reaching an agreement with Indemnitor regarding such deed restriction, which costs shall include, but shall not be limited to, reasonable attorneys' or consultants' fees or other reasonable costs associated with negotiating and implementing such deed restriction.

(I) All of the provisions of this Subparagraph 9(d)(ii) shall survive the Closing and shall not merge into any conveyance documents delivered at Closing.

(iii) Completion of Remedial Work. The following shall apply to the aggregate of all Remedial Work and any and all additional work ("ADDITIONAL WORK") relating to the investigation, correction and/or remediation (including, but not limited to, any monitoring, operation and/or maintenance) of the Hazardous Conditions described in Schedule 9(d), which Additional Work is required by any Governmental Authority or otherwise determined to be necessary by Post-Closing Contributor's Qualified Consulting Firm:

(A) In the event that Post-Closing Contributor does not, at any time or for any reason whatsoever, cause any Remedial Work or Additional Work to diligently commence, continue and/or be completed with respect to any one or more Project(s) (the "REMEDIATION DEFAULT"), Acquiror shall give Post-Closing Contributor written notice thereof (the "FIRST REMEDIATION DEFAULT NOTICE") specifying, in reasonable detail, the nature of the Remediation Default. From and after the date that the First Remediation Default Notice is deemed to have been delivered to Post-Closing Contributor, Post-Closing Contributor shall have thirty (30) days (the "REMEDIATION DEFAULT CURE PERIOD") in which to cure the Remediation Default. If Post-Closing Contributor fails to cure any Remediation Default within the applicable Remediation Default Cure Period, Acquiror shall give Post-Closing Contributor written notice thereof (the "FINAL REMEDIATION DEFAULT NOTICE"), and thereafter, without further notice or action by Acquiror, Acquiror shall have the right, but not the obligation, to cause the Remedial Work and/or Additional Work described in the applicable Remediation Default Notice to be completed by a Qualified Consulting Firm pursuant to the applicable Scope of Work for that Project(s); and Acquiror shall have the right, but not the obligation, to enforce any or all of its rights and/or remedies under the Environmental Pledge Agreement (as defined below) and under this Agreement, from time-to-time, in order to pay for and cause the performance of such work. Notwithstanding the foregoing, Post-Closing Contributor shall immediately become obligated to pay Acquiror (in accordance with the payment structure described in Paragraph 9(d)(iii)(D) herein) any and all reasonable costs and expenses incurred by Acquiror in connection with a Remediation Default and/or Acquiror's causing the cure of same (including, but not limited to, reasonable attorney's and consultant's fees and any

amounts that, as a result of a Remediation Default, cause the cost of performing Remedial Work and/or Additional Work to exceed the total estimated cost to complete the Scope of Work for that particular Project or Projects).

(B) As an Acquiror's Condition Precedent to Closing, Acquiror and Post-Closing Contributor shall enter into an Environmental Pledge and Security Agreement (the "ENVIRONMENTAL PLEDGE AGREEMENT") in form reasonably satisfactory to Acquiror.

(C) Post-Closing Contributor shall pay, in full, the cost of all Remedial Work and Additional Work. For purposes of this Subparagraph 9(d)(iii)(C), "PAYMENT IN FULL" shall be deemed to be made by Post-Closing Contributor only after Post-Closing Contributor delivers to Acquiror a complete release and waiver of any and all liens, in a form reasonably satisfactory to Acquiror, or other evidence of payment reasonably satisfactory to Acquiror, covering all claims (including but not limited to claims and/or liens of, by and/or from contractors or subcontractors) arising out of any Remedial Work or Additional Work at the applicable Project.

(D) In the event Acquiror receives any bills from Post-Closing Contributor's Qualified Consulting Firm for Remedial Work or Additional Work, Acquiror shall forward those bills to Post-Closing Contributor, and Post-Closing Contributor shall pay directly such bills within thirty (30) days after receipt. If any such bills remain unpaid by Post-Closing Contributor for a period of thirty (30) days after receipt and Post-Closing Contributor's Qualified Consulting Firm seeks payment from Acquiror, Acquiror has the right, but not the obligation, to pay such bills on Post-Closing Contributor's behalf, upon five (5) days prior notice to Post-Closing Contributor (which notice shall include a copy of the bill to be paid) [the "PAYMENT"]. If Acquiror makes a Payment, Post-Closing Contributor shall immediately become obligated to re-pay all such sums to Acquiror. Any such Payment made by Acquiror shall be due and payable by Post-Closing Contributor to Acquiror within ten (10) days of Post-Closing Contributor's receipt of written notice from Acquiror that Acquiror has made such a Payment. Any amounts not paid by Post-Closing Contributor to Acquiror as and when due shall accrue interest at a rate of interest per annum equal to the lesser of the "prime rate" as then published in The Wall Street Journal (or a comparable business/financial publication if The Wall Street Journal ceases publication) plus four (4) percentage points or the highest rate allowable by law. In addition to accruing interest as provided above, in the event that any amount or Payment is collected by, through or with the use of any attorney at law, Post-Closing Contributor shall also be liable and responsible for reasonable attorney's fees incurred by Acquiror in connection therewith. In addition, Post-Closing Contributor hereby indemnifies, defends and holds harmless Acquiror for all Losses incurred in connection with removing liens which may be filed against any Project as a result of Post-Closing Contributor's failure to timely pay in full for any work performed by Post-Closing Contributor's Qualified Consulting Firm, consultants and/or contractors in connection with Remedial Work or Additional Work.

(E) Notwithstanding anything to the contrary in the Management Agreement, in no event shall the REIT, the UPREIT or any affiliate of the REIT receive any fees or commissions in connection with the performance of any or all of the Remaining Remedial Work or Additional Work.

(F) Until completion of the Remedial Work and Additional Work, JB shall have primary responsibility and the authority to coordinate and contract for all components of services, materials and work to perform all of the Remedial Work and Additional Work and JB shall also have primary responsibility for all contacts with Governmental Authorities and for arranging for such contact to occur if required; provided, however, that Acquiror has

not assumed responsibility for such Remedial Work and/or Additional Work pursuant to Subparagraph 9(d)(iii)(A).

(G) All of the provisions of this Subparagraph 9(d)(iii) (including, but not limited to, any and all indemnities) shall survive the Closing and shall not merge into any conveyancing documents delivered at the Closing.

Any and all notices required under any provision of this Paragraph 9 shall be sent pursuant to Paragraph 19 of this Agreement, and any notice sent to, and/or received by, Post-Closing Contributor, JB or Lazarus Burman Associates shall be deemed to have been sent to, and/or received by, Post-Closing Contributor, as the case may be.

10. ADDITIONAL CONDITIONS PRECEDENT TO CLOSING. In addition to the other conditions enumerated in this Agreement, the following shall be additional Acquiror's Conditions Precedent:

(a) Zoning and Subdivision. On the Closing Date, no proceedings shall be pending or threatened (in writing) that would involve the material adverse change, redesignation, redefinition or other modification of the zoning classifications of any or all of the Projects, or any portion thereof, or any property adjacent to any Project. On or before the Closing Date, Contributor shall have obtained and delivered to Acquiror a certification(s) with respect to each Project located in the State of New York, in the form of Exhibit V attached hereto (collectively, the "ZONING CERTIFICATIONS"), issued by Robert M. Nerzig, an architect licensed and certified in the State of New York.

(b) Flood Insurance. As of the Closing Date, if any material Improvement at a Project is located in a flood plain, Acquiror shall have obtained flood plain insurance in form and substance reasonably acceptable to Acquiror.

(c) Utilities. On the Closing Date, no moratorium or legal proceeding shall be pending or threatened (in writing) affecting the continuing availability of sewer, water, electric, gas, telephone or other services or utilities servicing the Projects.

(d) Assumed Indebtedness. Contributor shall provide to Acquiror a pay-off letter (the "PAY-OFF LETTER") issued by each mortgagee holding an Existing Mortgage securing any Assumed Indebtedness, setting forth the amount of principal and interest outstanding on the Closing Date. Contributor shall also provide a statement of account from each other creditor holding any Assumed Indebtedness, setting forth the amount necessary to retire such Assumed Indebtedness, which statements of account shall also constitute Pay-Off Letters for purposes of this Agreement.

(e) Bankruptcy. As of the Closing Date, no Contributor and no Project is the subject of any bankruptcy proceeding for which approval of this transaction has not been given and issued by the applicable bankruptcy court.

(f) Representations and Warranties True. The representations and warranties of Contributor contained herein are true and correct as of the Closing Date.

(g) Covenants Performed. All covenants of Contributor required to be performed prior to the Closing Date have been performed, in all material respects.

(h) Leases. There shall have been no event or occurrence, nor shall any circumstance have arisen, that causes or results in the untruth, as of the Closing Date, of any of the representations and warranties set forth in Subparagraph 11(a).

(i) Occupancy Rate. The Occupancy Rate of those Projects being acquired on the Closing Date shall be no less than 95% (based on the aggregate gross annual Base Rental income from all Leases in full force and effect on the Closing Date with respect to all of such Projects).

In the event an Acquiror's Condition Precedent is not satisfied at Closing and the failure of such condition relates to certain of, but not all of the Projects ("FAILED CONDITION PROJECTS"),

Acquiror shall not be entitled to terminate this Agreement, but instead may eliminate from this Agreement those Failed Condition Projects affected by the failure of the subject Condition Precedent (the Project elimination mechanics of Subparagraph 5(e) shall apply to any such deletion of Failed Condition Projects). Notwithstanding anything to the contrary in Paragraph 32 or the immediately preceding sentence, (i) Contributor shall have the right to terminate this Agreement in the event the limitations set forth in Subparagraph 32(a) are exceeded due to the inclusion of any or all of the Failed Condition Projects within the Deleted Projects; and (ii) Acquiror shall have the right to terminate this Agreement in the event that (x) the limitations set forth in Subparagraph 32(b) are exceeded due to the inclusion of any or all of the Failed Condition Projects within the Deleted Projects and (y) Contributor does not exercise its right, under Subparagraph 32(a), to terminate this Agreement.

In addition to the other conditions enumerated in this Agreement, the following shall be additional Contributor's Conditions Precedent:

(j) Representations and Warranties True. The representations and warranties of Acquiror contained herein, and the representations and warranties of the UPREIT and the REIT required to be delivered at Closing, are true and correct as of the Closing Date.

(k) Covenants Performed. All covenants of Acquiror, the UPREIT and the REIT required to be performed prior to the Closing Date have been performed, in all material respects.

(l) Assumed Indebtedness. The UPREIT shall assume responsibility for the payment of all Assumed Indebtedness.

In the event that one or more of the Contributor's Conditions Precedent is not satisfied at Closing, then Contributor shall have the rights set forth under Subparagraph 16(e).

11. LEASES-CONDITIONS PRECEDENT AND REPRESENTATIONS WITH RESPECT THERETO.

(a) Representations as to Leases. With respect to each of the Tenants listed on the Rent Roll (as defined in Exhibit D) provided to Acquiror by Contributor, Contributor represents and warrants to Acquiror as follows, as of the Contract Date:

(i) Except as otherwise specifically disclosed in a writing delivered by Contributor, each of the Leases is in full force and effect according to the terms set forth therein and in the Rent Roll, and has not been modified, amended, or altered, in any material respect, in writing or otherwise. Except as otherwise specifically disclosed on the Rent Roll, Contributor has not granted any concessions, abatements or offsets under the Leases that will remain in effect after the Closing;

(ii) Except as set forth on Schedule 11(a)(ii) attached hereto, all material obligations of the lessor under the Leases that have accrued to the date of this Agreement have been performed, including, but not limited to, all required tenant improvements, cash or other inducements, rent abatements or moratoria, installations and construction (for which payment in full has been made or will be made prior to Closing, or subject to proration hereunder, in all cases), and, to Contributor's actual knowledge, each Tenant has unconditionally accepted lessor's performance of such obligations. Except as set forth on Schedule 11(a)(ii) attached hereto, no Tenant has asserted, in a writing delivered to Contributor, any offsets, defenses or claims available against rent payable by it or other performance or obligations otherwise due from it under any Lease, which assertion remains outstanding;

(iii) Except as otherwise specifically disclosed in a writing delivered by Contributor, no Tenant is currently in default in the payment of any rent required of it under its Lease (the foregoing does not apply to any delinquencies in the payment of monthly rent that (x) have existed for less than thirty (30) days or (y) represent Leases that constitute, on an aggregate basis, less than 2% of the aggregate gross monthly rental income from the Projects);

(iv) Except as set forth on Schedule 11(a)(iv) attached hereto, with respect to the Existing Leases, during the 12-month period immediately preceding the Contract Date: (A) no Tenant has, on two (2) or more occasions (including currently), been more than thirty (30) days delinquent in its respective payment of its regular monthly rent; (B) no Tenant has requested, in writing, that Contributor provide that Tenant with any material reduction in the Tenant's monetary obligations under its Lease; (C) no Tenant has expressed to Contributor, in writing, any material decline in that Tenant's financial condition that would prevent it from complying with its obligations under its Lease, nor has any Tenant requested that Contributor, in its capacity as landlord, permit the Tenant to sublease its leased premises, or assign its Lease, or terminate its Lease on an accelerated basis; (D) Contributor has not "written off" any delinquent sums in excess of $20,000 (on a per Tenant basis) owed by any Tenant, and in excess of $200,000, on an aggregate basis with respect to all Tenants, to satisfy its obligation to contribute to the payment of real estate taxes, common area maintenance charges, and insurance premiums; and (E) Contributor has not been engaged in any legal proceeding with any Tenant concerning that Tenant's failure to make payments under the terms of its Lease toward real estate taxes, insurance premiums and common area maintenance charges or other charges imposed under its Lease;

(v) Except as set forth on Schedule 11(a)(iv) attached hereto, Contributor has not received any written notice (which remains outstanding) from any Tenant stating that a petition in bankruptcy has been filed by or against it;

(vi) Except as set forth on the schedules to the Closing Statement, and except with respect to security deposits, neither base rent ("BASE RENT"), nor regularly payable estimated Tenant contributions or operating expenses, insurance premiums, real estate taxes, common area charges, and similar or other "pass through" or non-base rent items including, without limitation, cost-of-living or so-called "C.P.I." or other such adjustments (collectively, "ADDITIONAL RENT"), nor any other material item payable by any Tenant under any Lease has been prepaid for more than one (1) month;

(vii) Except as specifically disclosed in a writing delivered by Contributor, to Contributor's actual knowledge, no guarantor(s) of any Lease has been released or discharged, partially or fully, voluntarily or involuntarily, or by operation of law, from any obligation under any Lease;

(viii) Except as otherwise specifically disclosed on Schedule 11(a)(viii) attached hereto, there are no brokers' commissions, finders' fees, or other charges presently payable to any third party on behalf of Contributor in connection with any Lease including, but not limited to, any exercised option(s) to expand or renew;

(ix) Each security deposit set forth on the Rent Roll shall be assigned to Acquiror at the Closing (or Acquiror shall receive a credit therefor). Except as set forth on Schedule 11(a)(ix), no Tenant or any other party has asserted any written claim (other than for customary refund at the expiration of a Lease) to all or any part of any security deposit (which claim remains outstanding);

(x) Contributor shall pay (or Acquiror shall receive a credit therefor), and retains sole and exclusive responsibility for, all expenses due on or before the Closing Date connected with or arising out of the negotiation, execution and delivery of the Existing Leases, including, without limitation, brokers' commissions (but excluding those applicable, if any, to future expansions or renewals by a Tenant), leasing fees and recording fees (as well as the cost of all tenant improvements not required to be paid for by Tenants);

(xi) Except as set forth in Schedule 36(a) or 36(e) and as otherwise described in Paragraph 36 below, no Tenant has, by virtue of its Existing Lease or any other written agreement or understanding with Contributor, any purchase option with respect to any Project, or any portion thereof, or any right of first refusal to purchase any Project, or a portion thereof, whether triggered by the transactions

contemplated by this Agreement or by a subsequent sale of such Project or a portion thereof. Except as otherwise specifically disclosed on Schedule 36(a) or 36(e) attached hereto, and except as otherwise described in Paragraph 36 below, no Tenant has, by virtue of its Lease or any other agreement or understanding binding upon Contributor any of the following: (A) the right or option to terminate its Lease prior to the expiration of the current term (not including termination rights arising from casualty, condemnation or default); and (B) the right or option to reduce the rentable space at any Project that such Tenant is currently occupying (not including reduction by reason of condemnation);

(xii) Except as otherwise expressly disclosed in a writing delivered by Contributor, to Contributor's knowledge: (A) no Tenant under an Existing Lease has sublet its leased premises; (B) no assignment of the lessee's interest in a Lease has been made by any Tenant; and (C) there are no outstanding written requests from any Tenants to Contributor, requesting any consent to an assignment of the Tenant's Lease or to a sublease of all or some portion of a Tenant's leased premises; and

(b) Estoppel Certificates from Tenants. Contributor shall use its reasonable, good faith and diligent efforts (but without any obligation to make any payment or to institute any action or proceeding) to obtain and deliver to Acquiror, on or prior to the Closing Date, a tenant's estoppel certificate (the "ESTOPPEL CERTIFICATE") dated no earlier than December 6, 1996; provided, however, that in the event that, for any reason whatsoever, the Closing Date occurs after January 31, 1997, then as an Acquiror's Condition Precedent, Contributor shall use its good faith, diligent and reasonable efforts to procure Estoppel Certificates from all Tenants that are dated no earlier than forty-five (45) days prior to the Closing Date. Each such Estoppel Certificate shall be substantially in the form attached hereto as Exhibit O; except that with respect to those Required Estoppel Tenants (as defined below) designated with an asterisk, Paragraph 10 of such Estoppel Certificate shall be revised pursuant to (or other written evidence satisfactory to Acquiror with respect to such Tenants shall be provided to Acquiror in accordance with) that certain memorandum dated December 4, 1996 from Elliot Molk to Harry Szenicer and Jeffrey Cohen. It shall be an Acquiror's Condition Precedent that Contributor shall obtain and deliver to Acquiror, at Closing, Estoppel Certificates for (i) 85% of the total aggregate gross rental income for all of the Projects (as shown on the Rent Roll delivered at Closing); (ii) any single-Tenant Project; and (iii) those particular Tenants reflected in Schedule 11(b) ("REQUIRED ESTOPPEL TENANTS"). If Contributor satisfies clauses (ii) and (iii) above and obtains estoppels representing 75% of the total aggregate gross rental income for all of the Projects, but (despite its good faith and diligent efforts) is unable to obtain all of the remaining Estoppel Certificate(s) it is required to obtain, then, at Closing, Contributor shall deliver to Acquiror its own Estoppel Certificate with respect to such Tenant(s) as is necessary to satisfy the percentage requirement in clause (i) above; provided, however, that in the event that Contributor ultimately procures (within sixty (60) days after Closing) an Estoppel Certificate from any Tenant with respect to which Contributor issues its own Estoppel Certificate and such Tenant's Estoppel Certificate complies with the requirements of this Paragraph 11(b), then Contributor shall be released from its own Estoppel Certificate with respect to that Tenant.

(c) Tenants. For all purposes under this Agreement, the term, "Tenants," shall mean each of the tenants listed on the Rent Roll delivered to Acquiror by Contributor and any other tenants leasing space in any or all of the Projects pursuant to Additional Leases; provided, however, that all representations and warranties made by Contributor as of the Contract Date with respect to any Leases shall apply only to the Existing Leases and the Tenants thereunder.

12. CLOSING DELIVERIES.

12.1 Contributor. It shall be an Acquiror's Condition Precedent that at Closing (or such other times as may be specified below), Contributor shall deliver or cause to be delivered to Acquiror the following, each in form and substance reasonably acceptable to Acquiror and its counsel:

(a) Deeds. Bargain and Sale Deeds, duly executed by Contributor, in recordable form conveying the Projects to Acquiror free and clear of all liens and encumbrances except for the Permitted Exceptions, and, for those Projects located in New York, corresponding New York State Transfer Tax Declaration Forms TP-584;

(b) Bill of Sale. A warranty assignment and Bill of Sale, duly executed by Contributor, assigning, conveying and warranting to Acquiror title to the Personal Property and Inventory, free and clear of all encumbrances, other than the Permitted Exceptions, and assignments of title to all vehicles, if any, included in the Personal Property, together with the original certificates of title thereto;

(c) General Assignment. An assignment, duly executed by Contributor, to Acquiror of all right, title and interest of Contributor and its agents in and to the Intangible Personal Property (including, but not limited to, the Governmental Approvals);

(d) Assignment of Contracts. An assignment, duly executed by Contributor, to Acquiror of Contributor's right, title and interest in and to those of the Contracts that will remain in effect after Closing (the "ASSIGNED CONTRACTS"), with (i) the agreement of Contributor to indemnify, protect, defend and hold Acquiror harmless from and against any and all claims, damages, losses, suits, proceedings, costs and expenses (including, but not limited to, reasonable attorneys' fees) resulting from a default by Contributor under the Assigned Contracts and relating to the period of time prior to Closing and (ii) the corresponding agreement of Acquiror to indemnify, protect, defend and hold Contributor harmless for claims arising in connection with the Assigned Contracts and relating to the period of time from and after the Closing. To the extent assignable, Contributor shall also assign all existing guarantees and warranties given to Contributor in connection with the operation, construction, improvement, alteration or repair of any or all of the Projects;

(e) Assignment of Leases and Estoppel Certificates. An assignment of Contributor's (and, if different than Contributor, the respective landlord's) right, title and interest in and to the Leases (including all security deposits and/or other deposits thereunder, except to the extent an appropriate credit is given to Acquiror at Closing), with the reciprocal indemnity provisions described in Subparagraph 12.1(d) above, together with the Estoppel Certificates of the Tenants in conformity with Subparagraph 11(b) above (where landlord is assigning its right in Leases, evidence reasonably satisfactory to Acquiror of the authority of the party signing the assignment of leases on behalf of such landlord shall also be delivered);

(f) Keys. Keys to all locks located at each Project, to the extent in Contributor's possession;

(g) Affidavit of Title and ALTA Statement. As to each Project, an Affidavit of Title and an ALTA Statement (or comparable forms required by the Title Company in New York and New Jersey and required by the Title Company as a condition to the issuance of the Title Policies), each executed by Contributor and in form and substance reasonably acceptable to the Title Company;

(h) Letters to Tenants. Letters executed by Contributor and, if applicable, its management agent, addressed to all Tenants, in form approved by Contributor and Acquiror (the "TENANT LETTERS"), notifying all Tenants of the transfer of ownership and directing payment of all rents accruing after the Closing Date to be made to Acquiror or at its direction;

(i) Title Policies. The Title Policies (or "marked-up" title commitments) issued by the Title Company, dated as of the Closing Date in the amount of the Allocated Amounts for each Project, with such endorsements and otherwise in accordance with the requirements of Paragraph 6 above (it being understood that Contributor will provide any certificates or undertakings reasonably required in order to induce the Title Company to insure over any "gap" period resulting from any delay in recording of documents or later-dating the title insurance file);

(j) Original Documents. To the extent not previously delivered to Acquiror, originals of the Leases, Assigned Contracts and Governmental Approvals in Contributor's possession or subject to its control;

(k) Closing Statement. A closing statement conforming to the proration and other relevant provisions of this Agreement (the "CLOSING STATEMENT"), duly executed by Contributor;

(l) Plans and Specifications. To the extent not previously delivered to Acquiror, all plans and specifications in Contributor's possession and control or otherwise available to Contributor;

(m) Tax Bills. To the extent not previously delivered to Acquiror, copies of the most currently available Tax Bills;

(n) Entity Transfer Certificate. Entity transfer certification confirming that Contributor is a "United States Person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended;

(o) Rent Roll. A Rent Roll, prepared as of the Closing Date, certified by Contributor to be true, complete and correct through the Closing Date;

(p) Ownership Table. A chart or table reflecting the direct and indirect ownership interest (including percentages) of each LP Unit Recipient with respect to each Project, and any assumed or fictitious names utilized by any entity reflected on such chart or table, certified by Jan Burman;

(q) Partnership Agreement. The documents that are referred to in Section 8.7 of the Partnership Agreement (or any similar provision in any amendment to the Partnership Agreement) in connection with the admission of an additional limited partner (including, but not limited to, an appropriate amendment to the Partnership Agreement), each of such documents to be duly executed by Contributor and each LP Units Recipient;

(r) Pay-Off Letters. Contributor shall procure and deliver the Pay-Off Letters with respect to each and every Existing Mortgage except as reflected on Schedule 12.1(r), which Existing Mortgages are to be paid off by Acquiror substantially simultaneously with the Closing, as reflected on Schedule 12.1(r);

(s) Partnership Agreement Adoption Materials. The Partnership Agreement Adoption Materials, duly executed by the LP Unit Recipients;

(t) LP Unit Schedule. The LP Unit Schedule, duly executed by Contributor;

(u) Registration Rights Agreement. The Registration Rights Agreement, or the appropriate supplement thereto, as the case may be, executed by the LP Unit Recipients;

(v) County of Suffolk Lease. Contributor shall deliver written evidence that the County of Suffolk has failed to timely exercise its right to terminate its Lease (pursuant to Paragraph 22 of such lease) as a result of the transfer of the Project in which the County is a Tenant (such evidence may be included in the Estoppel Certificate delivered by Contributor at Closing in respect of such tenant);

(w) JC Penney Lease/Project No. 57. An agreement, duly executed by those LP Unit Recipients to whom LP Units are issued in respect of the contribution of Project No. 57 (the "PROJECT 57 UNIT RECIPIENTS"), in form reasonably satisfactory to Acquiror and the Project 57 Unit Recipients, pursuant to which the Project 57 Unit Recipients shall pledge all those LP Units received in respect of the contribution of Project No. 57 as security for the performance of certain obligations of Contributor with respect to JC Penney's Lease at Project No. 57 (the "JCP PLEDGE AGREEMENT");

(x) Closing Certificate. A certificate, signed by Contributor, certifying to the UPREIT that the representations and warranties of Contributor contained in this Agreement are true and correct as of the Closing Date;

(y) Zoning Certifications. The Zoning Certifications, which may be delivered prior to Closing;

(z) Satisfaction of Certain Obligations. Contributor shall deliver the documents cited as missing or not having been properly issued on, and cure (to Acquiror's reasonable satisfaction) the violations described on, Schedule 12.1(z), which Schedule reflects matters raised with Contributor by Acquiror as a result of municipal searches conducted by Acquiror as part of its Basic Project Inspection (notwithstanding the foregoing, however, Contributor shall have no obligation with respect to (i) matters dating prior to 1980, or (ii) subject to Paragraph 33, matters relating to Option Projects, or (iii) matters relating to work performed by Tenants); and

(aa) Other. Such other documents and instruments as may reasonably be required by Acquiror, its counsel or the Title Company and that may be necessary to consummate the transaction that is the subject of this Agreement and to otherwise effect the agreements of the parties hereto.

12.2 Acquiror. It shall be a Contributor's Condition Precedent that at Closing (or such other times as may be specified below) Acquiror shall deliver or cause to be delivered to Contributor the following, each in form and substance reasonably acceptable to Contributor and its counsel:

(a) Registration Certificate. A certificate from the REIT's transfer agent (KeyCorp Shareholder Services, Inc.) attesting to the registration of the LP Units in the books and records of the UPREIT;

(b) Partnership Agreement. A copy of the Partnership Agreement, duly certified by the secretary of the REIT as true, complete and correct;

(c) Amendment. The Amendment, duly executed by the REIT;

(d) Organizational Documents. (i) A copy certified by the Secretary of State of the State of Maryland of the Articles of Incorporation of Acquiror and the REIT and a good standing certificate for Acquiror and the REIT; (ii) a copy certified by the Secretary of State of the State of Delaware, dated not more than ten (10) days before the Closing Date, of the certificate of limited partnership of the UPREIT; (iii) a copy, certified by the secretary of the REIT, of the resolution of the REIT's board of directors, authorizing the transaction described herein; and (iv) an incumbency certificate from the secretary of Acquiror and the REIT with respect to those documents executed by Acquiror and the REIT (in its own capacity and as sole general partner of the UPREIT), respectively, in connection with the subject transaction, certifying the names and signatures of the officers of the REIT authorized to execute those documents (and who have in fact signed such documents) required to be delivered by the REIT and the UPREIT under the terms of this Agreement;

(e) Assignment of Contracts. An Assignment of Contracts, duly executed by the UPREIT;

(f) Assignment of Leases. An Assignment of Leases, duly executed by the UPREIT;

(g) Contract Notices. Notices to parties to Contracts which are being assigned pursuant to the Assignment of Contracts, duly executed by the UPREIT;

(h) Closing Statement. A Closing Statement, duly executed by the UPREIT;

(i) Registration Rights Agreement. The Registration Rights Agreement, duly executed by the REIT;

(j) LP Unit Schedule. The LP Unit Schedule, duly executed by the UPREIT;

(k) Assignment. The Assignment, duly executed by Acquiror and the UPREIT;

(l) Certain Acknowledgements. The written acknowledgements of (i) the REIT and the UPREIT with respect to their respective obligations under Subparagraphs 2(h), 2(i) and 2(j), (ii) of the REIT with respect to its obligations under Subparagraph 2(e) and Paragraph 28 and (iii) of the UPREIT with respect to its obligations under Paragraphs 30 and 31;

(m) Consent to Pledge. Evidence reasonably satisfactory to Contributor that the REIT shall consent to the pledge, if any, of LP Units by the LP Unit Recipients in order to secure financing from institutional lenders (subject, however, to the limitations imposed under Subparagraph 2(f) above);

(n) Tenant Letters. The Tenant Letters, duly executed by the UPREIT;

(o) Certificate of Acquiror, UPREIT and REIT. A certificate from Acquiror, the UPREIT and the REIT, respectively, certifying to Contributor that the representations and warranties of Acquiror, the UPREIT and the REIT, respectively, contained in this Agreement are true and correct as of the Closing Date;

(p) Opinion. An opinion of counsel of Acquiror, the UPREIT and the REIT, in form and substance reasonably satisfactory to Contributor and Contributor's counsel, providing or with respect to: (i) the legal existence and good standing of each of Acquiror, the UPREIT and the REIT, respectively, in their various jurisdictions of organization and qualification; (ii) the due authorization, execution and delivery of this Agreement, the Amendment and the other documents required (under the terms of this Agreement) to be delivered by each of Acquiror, the UPREIT and the REIT, as applicable; (iii) that this Agreement, the Amendment and the other documents required (under the terms of this Agreement) to be delivered by each of Acquiror, the UPREIT and the REIT, as applicable, constitute the legal, valid and binding obligations of Acquiror, the UPREIT and the REIT, as the case may be, enforceable against them in accordance with their respective terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws of general applicability relating to or affecting the enforcement of creditors' rights and by the effect of general principles of equity (regardless of whether enforceability is considered in a proceeding of equity or at law); (iv) the LP Units being validly issued and fully paid and, except as otherwise provided in accordance with applicable law, non-assessable; (v) the number of (x) authorized and (y) issued and outstanding shares of Stock; (vi) that the UPREIT qualifies as a partnership for federal income tax purposes; and (vii) that the REIT is organized in conformity with the requirements for qualification as a real estate investment trust for federal income tax purposes; it being understood, however, that those opinions described in items (vi) and (vii) shall be based upon certifications made to the counsel issuing the opinion from a senior officer of the REIT, on behalf of itself and in its capacity as sole general partner of the UPREIT;

(q) Assumption. An assumption of the Assumed Indebtedness, duly executed by the UPREIT (it being understood and agreed that in the event that the UPREIT does not pay all Assumed Indebtedness, in full and together with all interest accrued thereon, on the Closing Date and pursuant to the Pay-Off Letters, then the UPREIT shall not only formally assume the Assumed Indebtedness, but shall also protect, defend, indemnify, and hold Contributor harmless from and against those liabilities and obligations arising from any failure of the UPREIT to pay such Assumed Indebtedness);

(r) Employment Agreement. The REIT shall execute and deliver the Employment Agreement;

(s) Pledge Agreements. The JCP Pledge Agreement and the Holbrook Pledge Agreement, both duly executed by Acquiror.

(t) Certificate of UPREIT. A certificate of the UPREIT certifying to Contributor that the Closing Date Percentage is true and correct as of the Closing Date; and

(u) Other. Such other documents and instruments as may reasonably be required by Contributor, an LP Unit Recipient or its or their respective counsel or the Title Company, and that are necessary to consummate the transaction which is the subject of this Agreement and to otherwise effect the agreements of the parties hereto.

After Closing, each of Acquiror and Contributor shall execute and deliver to the other such further documents and instruments as the other reasonably requests to effect this transaction and otherwise effect the agreements of the parties hereto.

13. PRORATIONS AND ADJUSTMENTS. The following shall be prorated and adjusted between Contributor and Acquiror as of the Closing Date, except as otherwise specified:

(a) The amount of all security and other Tenant deposits, and interest due thereon, if any, shall be credited to Acquiror;

(b) Acquiror and Contributor shall divide the cost of the earnest money, closing, capital improvements and cosmetic improvements escrows established pursuant to this Agreement equally between them;

(c) To the extent such charges are not billed directly to Tenants, water, electricity, sewer, gas, telephone and other utility charges shall be prorated based, to the extent practicable, on final meter readings and final invoices, or, in the event final readings and invoices are not available, based on the most currently available billing information, and reprorated upon issuance of final utility bills;

(d) Amounts paid or payable under any Assigned Contracts shall be prorated based, to the extent practicable, on final invoices, or, in the event final invoices are not available, based on the most currently available billing information, and reprorated upon issuance of final invoices;

(e) Except for Project No. 3 (where the sole Tenant pays the Tax Bills directly to the appropriate taxing authority), all real estate, personal property and ad valorem taxes applicable to the Projects and levied with respect to calendar year 1996 and 1997 shall be prorated on an accrual basis, as of the Closing Date, utilizing the actual final Tax Bills for those Projects. Prior to or at Closing, Contributor shall pay or have paid all Tax Bills that are due and payable prior to or on the Closing Date and shall furnish evidence of such payment to Acquiror and the Title Company. Each party's respective obligations to reprorate real estate taxes shall survive the Closing and shall not merge into any instrument of conveyance delivered at Closing. The taxes to be prorated (i.e., county, school, village, town) for each Project and the billing and accrual schedule for each such tax are set forth in Schedule 13(e);

(f) All assessments, general or special, shall be prorated as of the Closing Date on a "due date" basis such that Contributor shall be responsible for any installments of assessments which are first due or payable prior to the Closing Date and Acquiror shall be responsible for any installments of assessments which are first due or payable on or after the Closing Date;

(g) Subject to the provisions of Paragraph 26, commissions of leasing and rental agents for any Lease entered into as of or prior to the Closing Date that are due and payable at or prior to the Closing Date, whether with respect to the current lease term, future expansions, renewals, or otherwise, shall be paid in full at or prior to Closing by Contributor, without contribution or proration from Acquiror;

(h) Except for non-recurring charges incurred prior to Closing (e.g., snow plowing), which Contributor shall pay and have the right to bill and collect from Tenants following the Closing, all Base Rents and other Tenant charges, including, without limitation, all Additional Rent, shall be prorated at Closing. At the time(s) of final

calculation and collection from Tenants of Additional Rent for 1996 and 1997, there shall be a reproration between Acquiror and Contributor as to Additional Rent adjustments, which reproration shall be paid upon Acquiror's presentation of its final accounting to Contributor, certified as to accuracy by Acquiror. In the event that Contributor fails to agree on the accounting of final reproration of 1996 and 1997 Additional Rent adjustments prepared by Acquiror, Contributor shall so notify Acquiror in writing, in which event such accounting shall be made by the Independent Firm. The accounting by the Independent Firm shall be conclusive and binding on Contributor and Acquiror, and each of Contributor and Acquiror shall pay one-half of the fees imposed by the Independent Firm in connection with such accounting. The party's respective obligations to reprorate Additional Rent shall survive the Closing and shall not merge into any instrument of conveyance delivered at Closing. At the Closing, no "DELINQUENT RENTS" (rents or other charges which are due and owing as of the Closing) shall be prorated in favor of Contributor (such Delinquent Rents shall remain the property of Contributor, subject to the Rent collection provisions below). Notwithstanding the foregoing, Acquiror shall use reasonable efforts after the Closing Date to collect any Delinquent Rents due to Contributor from Tenants. Further, after the Closing Date, Contributor shall continue to have the right, enforceable at its sole expense, to pursue legal action against any Tenant (and any guarantors) who have defaulted, prior to the Closing Date, under a Lease; provided, however, that Contributor gives Acquiror advance written notice of its intent to pursue such action and further provided that Contributor shall have no right to terminate any Lease (or any right to dispossess any Tenant thereunder). Subject to the requirement of the second sentence of this Subparagraph 13(h), all rents and other charges received from any Tenant after the Closing shall be applied, first, against current and past due rental obligations owed to, or for the benefit of, Acquiror [with respect to those rental obligations accruing subsequent to the Closing Date (including, but not limited to, obligations to replenish any security deposit withdrawal by Contributor or Acquiror), or any obligations accruing prior to the Closing Date that Contributor does not pay or for which Acquiror does not receive a credit at Closing], and, second, any excess shall be delivered to Contributor, but only to the extent of Delinquent Rents owed to, and for the benefit of, Contributor for the period prior to the Closing Date (in no event, however, shall any sums be paid to Contributor to the extent Contributor has been previously reimbursed for such default out of any security deposit);

(i) Dividends in respect of the LP Units acquired by Contributor or its partners shall begin to accrue from and after the Closing Date (notwithstanding the fact that such date may not be the record date for acquisition of such LP Units), and the amount of dividends paid or to be paid to Contributor or its partners for any quarter shall be prorated accordingly; and

(j) Such other items that are customarily prorated in transactions of this nature shall be ratably prorated.

For purposes of calculating prorations, Acquiror shall be deemed to be in title to the Projects, and therefore entitled to the income therefrom and responsible for the expenses thereof, for the entire Closing Date. All such prorations shall be made on the basis of the actual number of days of the year and month that shall have elapsed as of the Closing Date.

14. CLOSING EXPENSES. Contributor will pay the entire cost of the Title Policies (except for the cost of comprehensive survey endorsements), the Surveys (inclusive of any updates thereof required under this Agreement, but subject to reimbursement by Acquiror in the event this Agreement is terminated as provided herein) and the UCC searches (including any and all "date downs" thereto), all documentary and state, county and municipal transfer taxes relating to the instruments of conveyance contemplated herein, all release fees, prepayment fees and any other fees in connection with the payoff, release and satisfaction of the Existing Mortgages (subject to Paragraph 34 below), one-half of any escrows hereunder, and all fees and expenses imposed by its accountants and attorneys in connection with this Agreement and the transaction contemplated hereunder. The aggregate amount of such costs to Contributor is referred to herein as "CONTRIBUTOR'S CLOSING COSTS." The payment obligation of Contributor with respect to Contributor's Closing Costs shall be satisfied by reducing the Total LP Unit Amount otherwise due at Closing by the amount of such Contributor's Closing Costs. Without limiting any other term of this Agreement, Acquiror will pay the cost of recording the Bargain and Sale Deeds (but

not any related transfer tax), one-half of any escrows hereunder and all fees and expenses imposed by Acquiror's accountants and attorneys, and the costs of Acquiror's due diligence pursuant to Paragraph 5, subject, however, to the terms and provisions of those certain letter agreements, dated October 11, 1996 and January 17, 1997, by and between Jan Burman (on behalf of Contributor) and Acquiror (and subject to the terms and provisions of any other letter agreement into which such parties may enter into subsequent to the Contract Date with respect to the sharing of due diligence costs).

15. DESTRUCTION, LOSS OR DIMINUTION OF PROJECTS. If, prior to Closing, all or any portion of any Project is damaged by fire or other natural casualty (collectively "DAMAGE"), or is taken or made subject to condemnation, eminent domain or other governmental acquisition proceedings (a "TAKING"), then the following procedures shall apply:

(a) As used herein, a "MATERIAL EVENT" shall mean any of the following:

(i) Damage to all or any portion of a Project, and the cost of repair or replacement of such Damage exceeds 20% of the Allocated Amount of such Project; or

(ii) Taking of all or any portion of a Project, and the value of such Taking exceeds 20% of the Allocated Amount of such Project; or

(iii) any Taking or Damage that results in the cancellation or termination of any Lease of a Required Estoppel Tenant, or that provides to a Required Estoppel Tenant the right to cancel or terminate its Lease upon the giving of subsequent notice (unless such termination right is waived, in writing, by such Tenant), or that otherwise results in the permanent loss of a Required Estoppel Tenant.

(b) In the event of Damage or a Taking that does not constitute a Material Event, Acquiror shall close and take the Projects as diminished by such Damage or Taking, subject to a reduction in the Total LP Unit Amount in an amount equal to the deductible, if any, under Contributor's casualty insurance policy applicable to such Project.

(c) If the Damage or Taking is a Material Event, then subject to the terms and provisions of Paragraph 32 below, Acquiror, at its sole option, shall elect, within fifteen (15) days after its acquisition of actual knowledge of such Damage or Taking, to either: (i) delete and eliminate from this Agreement any Project that has sustained Damage or is taken or made subject to a Taking by giving written notice to Contributor, in which event (x) this Agreement shall be deemed to have been automatically and ipso facto amended so as to eliminate the deleted Projects herefrom, and (y) Acquiror and Contributor shall proceed to close on the remaining Projects (i.e., the non-deleted Projects) subject to a reduction in the Contribution Consideration equal to the aggregate amount of (x) the Allocated Amounts minus (y) the Assumed Indebtedness of the Project(s) so deleted, in each case as adjusted by eliminating any and all appropriate Prorations and Adjustments; or (ii) proceed to close on all of the Projects, subject to a reduction in the Contribution Consideration in an amount equal to the aggregate of all deductible(s) imposed under any of Contributor's casualty insurance policies applicable to the Project(s) that is the subject of Damage, and an assignment of Contributor's interest in any unpaid insurance proceeds or condemnation awards (as provided in Subparagraph 15(d) below).

(d) In the event that Acquiror elects to close on any Project that is subject to any Damage or Taking, each party shall fully cooperate with the other party in the adjustment and settlement of the insurance claim (or governmental acquisition proceeding) and if, as of Closing, all or any portion of the insurance proceeds assignable, or condemnation awards payable, to Acquiror shall not have been collected from the insurer or Governmental Authority, then Contributor shall irrevocably and unconditionally assign to Acquiror its entire right, title and interest in and to the outstanding proceeds or award. The proceeds and benefits under any rent loss or business interruption policies attributable to the period following the Closing shall likewise be transferred, assigned and paid over to Acquiror.

(e) In the event of a dispute between Contributor and Acquiror with respect to the cost of repair, restoration or replacement as to any Damage or the value of a Taking, an engineer designated by Contributor and an engineer designated by Acquiror shall select an independent third engineer licensed to practice in the jurisdiction where the Project is located who shall resolve such dispute. The determination of such third engineer shall be final and binding on the parties and judgment may be rendered thereon in any appropriate court of record. All fees, costs and expenses of such third engineer so selected shall be shared equally by Acquiror and Contributor.

16. DEFAULT.

(a) Willful Failure to Close by Contributor. In the event that Contributor willfully and wrongfully fails or refuses to close, or willfully and wrongfully fails or refuses to take such actions (as herein provided) as are required of it to close, Acquiror may elect either to (i) terminate this Agreement by written notice (the "DEFAULT TERMINATION NOTICE") to Contributor, with a copy to Escrowee, in which event the Earnest Money, together with all (if any) interest earned thereon, shall be returned immediately to Acquiror and Acquiror shall be entitled to recover Acquiror's damages, which shall be limited to those actual out-of-pocket costs and expenses that Acquiror incurs prior to and on the Closing Date in order to negotiate this Agreement, perform its due diligence efforts with respect to the Projects, and prepare to finance and consummate the subject acquisition (including, but not limited to, the fees and costs imposed by lenders, attorneys, accountants, appraisers, environmental engineers, and other consultants engaged by Acquiror), up to a maximum aggregate amount of $1,000,000; provided, however, that such right of termination shall be subject to the limitation set forth below in this Subparagraph 16(a); or (ii) close, in which event Acquiror may file an action for specific performance of this Agreement to compel Contributor to close or otherwise perform its obligations hereunder, whereupon Acquiror shall be entitled to deduct from the Contribution Consideration all reasonable, third-party expenses actually incurred by Acquiror in connection with such action and cure. Notwithstanding anything to the contrary in this Subparagraph 16(a), in the event that Acquiror delivers a Default Termination Notice, Acquiror shall also describe, with reasonable specificity in the Default Termination Notice, the nature and scope of the default that allegedly has occurred, and in the event that such default may be cured by the payment of a liquidated sum of money (a "LIQUIDATED DEFAULT"), then Contributor shall have five (5) business days from the date on which Acquiror delivers the Default Termination Notice to advise Acquiror that Contributor shall cure the Liquidated Default and pay, in cash, the entire liquidated sum required to do so ("CONTRIBUTOR'S CURE NOTICE"). In the event that Contributor timely delivers Contributor's Cure Notice, then Contributor shall be required to proceed to so cure the Liquidated Default within five (5) business days after its delivery of Contributor's Cure Notice. Upon the completion of such cure, Acquiror's Default Termination Notice shall automatically be rendered null and void, and this Agreement shall remain in full force and effect. In the event, however that Contributor timely delivers a Contributor's Cure Notice, but fails to timely cure the Liquidated Default, the Acquiror shall once again have the right to deliver a Default Termination Notice, but Contributor shall have no further right to deliver a Contributor's Cure Notice, but rather, this Agreement shall automatically terminate as provided above. If, however, the default(s) that is the subject of a Default Termination Notice is not a Liquidated Default(s), then Contributor shall have no right, of any nature whatsoever, to deliver a Contributor's Cure Notice.

(b) Other Defaults by Contributor. If any of Contributor's representations and warranties contained herein shall not be true and correct on the date made, or if Contributor shall have failed to perform, in any material respect, any of the covenants and agreements contained herein to be performed by Contributor within the time for performance as specified herein, and the occurrence of such event or failure is not due to, or the result of, Contributor's willful and wrongful failure or refusal to close, or to take such actions as are required of it to close, and such untruth or failure is not cured (to Acquiror's reasonable satisfaction) within ten (10) business days after the date on which Acquiror delivers its written notice thereof to Contributor, then subject to the requirements of Subparagraph 16(d), Acquiror may elect either (i) to terminate Acquiror's obligations under this Agreement by written notice to Contributor, with a copy to Escrowee, in which

event the Earnest Money, together with all (if any) interest earned thereon, shall be returned immediately to Acquiror; or (ii) to close, in which event Acquiror may file an action for specific performance of this Agreement to compel Contributor to cure all or any of such default(s), in whole or in part (to the extent same are capable of being cured), whereupon Acquiror shall be entitled to deduct from the Contribution Consideration the actual out-of-pocket cost of such action and cure, and all reasonable expenses incurred by Acquiror in connection therewith, including, but not limited to, reasonable fees of Acquiror's counsel, up to a maximum aggregate amount of $1,000,000. Notwithstanding anything to the contrary contained above in this Subparagraph 16(b), if any of Acquiror's Conditions Precedent shall not have been satisfied (except with respect to the truth and correctness of Contributor's representations and warranties on the date made, which situation is addressed in the first sentence of this Subparagraph 16(b)), and the failure to so satisfy all of such Acquiror's Conditions Precedent is not due to, or the result of, Contributor's willful and wrongful failure or refusal to close or to take such actions as are required of it to close, and such non-satisfaction is not cured (to Acquiror's reasonable satisfaction) within ten (10) business days after the date on which Acquiror delivers its written notice thereof to Contributor, then Acquiror may elect to terminate Acquiror's obligations under this Agreement by written notice to Contributor, with a copy to Escrowee, in which event the Earnest Money, together with all (if any) interest earned thereon, shall be returned immediately to Acquiror.

(c) Contributor's Breach of Representations Discovered After Closing. In the event that, at any time during the one (1) year period after Closing, Acquiror first acquires actual knowledge that any representation or warranty of the Contributor contained in this Agreement was untrue (taking into account any applicable knowledge qualification), as of the date made, Acquiror's sole and exclusive remedy shall be to file an action within six (6) month's after such knowledge is acquired to recover the actual damages sustained by Acquiror by reason of Contributor's breach of the representations and warranties contained herein.

(d) Intervening Events. Subparagraphs 16(a), (b) and (c) above notwithstanding, in the event that as a direct and proximate result of any Intervening Events (as hereinafter defined), the warranties and representations of the Contributor hereunder become untrue after the Contract Date, or any or all of Contributor's covenants hereunder become incapable of being performed in any material respect, Acquiror shall have the right, at its sole election, exercisable at any time prior to the Closing Date, to either (i) waive the requirement that the warranties and representations in question be true or that the covenants in question be performed in any material respect, and proceed to close; or (ii) delay the Closing for a period not to exceed thirty (30) days (the "INTERVENING EVENTS PERIOD") and permit Contributor to attempt to (A) cause the Intervening Events to no longer exist or, if they continue to exist, to no longer prevent Contributor's warranties and representations from being true, or Contributor's covenants from being performed, or (B) mitigate the consequences of the Intervening Events [it being understood that if Contributor is unable to effect a cure or Acquiror is not reasonably satisfied with the results of (B), as the case may be, then Acquiror may, on or before the expiration of the Intervening Events Period, elect either of the remedies described in clause (i) or (iii) of this Subparagraph 16(d)]; or (iii) terminate this Agreement by sending written notice (the "INTERVENING EVENTS TERMINATION NOTICE") to Contributor, in which event the Earnest Money, together with all (if any) interest thereon, shall be returned immediately to Acquiror and neither party shall have any further liability to the other except as otherwise specifically provided in this Agreement; provided, however, that such right of termination shall be subject to the limitations set forth below in this Subparagraph 16(d). For purposes of this Paragraph 16(d), "INTERVENING EVENTS" shall be defined as events, circumstances or conditions that (w) first arise after (and did not exist as of) the Contract Date; and (x) arise on the basis of acts of a Governmental Authority or other such independent, disinterested third party, unrelated to the subject matter of this Agreement (including, but not limited to, Tenants), or acts otherwise beyond the control of Contributor; and (y) would not reasonably have been known by Contributor as of the Contract Date; and (z) are disclosed by Contributor to Acquiror no later than the time of Contributor's delivery of its Closing Certificate pursuant to Paragraph 12 hereof. Without limiting the generality of the foregoing, Intervening Events shall include, as to any warranty or representation of Contributor in this Agreement that is limited to the

"Contributor's knowledge" or words of similar import, the initial acquisition of actual knowledge by Contributor after the Contract Date that renders such warranty or representation no longer true as of the Closing Date; provided, however, that this limitation shall not apply with respect to any representation or warranty that is rendered untrue as a result of, or due to, or because of, any voluntary or willful or intentional act or omission of Contributor that occurs after the Contract Date. Notwithstanding anything to the contrary in this Subparagraph 16(d), in the event that Acquiror delivers an Intervening Events Termination Notice, Acquiror shall also describe, with reasonable specificity in the Intervening Events Termination Notice, the nature and scope of the Intervening Event(s) that has occurred, whereupon Contributor shall have the right (at its option) to advise Acquiror, in writing and within five (5) business days after Acquiror's delivery of the Intervening Events Termination Notice, that Contributor shall remedy and cure the Intervening Events, at Contributor's sole cost and expense ("CONTRIBUTOR'S INTERVENING EVENTS CURE NOTICE"). In the event that Contributor timely delivers a Contributor's Intervening Events Cure Notice, then Contributor shall be required to proceed to so cure the Intervening Events within fifteen (15) days after its delivery of Contributor's Intervening Events Cure Notice, whereupon Acquiror's Intervening Events Termination Notice shall automatically be rendered null and void, and this Agreement shall remain in full force and effect. In the event, however, that Contributor timely delivers Contributor's Intervening Events Cure Notice, but fails to timely remedy and cure the Intervening Events, then Acquiror shall once again have the right to deliver an Intervening Events Termination Notice, but Contributor shall have no further right to deliver a Contributor's Intervening Events Cure Notice, but rather, this Agreement shall automatically terminate as provided in (iii) above.

(e) Default by Acquiror and Failure of Contributor's Condition Precedent. If any of Acquiror's representations and warranties contained herein shall not be true and correct on the Contract Date and on the Closing Date, or if Acquiror fails to perform (in any material respect) any of the covenants and agreements contained herein to be performed by such party within the time for performance as specified herein (including, without limitation, Acquiror's obligation to close), then Contributor shall have, as its sole and exclusive remedy, the right to terminate this Agreement by written notice to Acquiror, in which event, the Earnest Money shall be paid to (or drawn upon by) Contributor and, except as otherwise expressly provided in this Agreement, neither Contributor nor Acquiror shall have any further rights or obligations under this Agreement. Except as otherwise specifically provided in the conclusory grammatical paragraph of Paragraph 7, Contributor shall have no remedy other than as provided in this Subparagraph 16(e) for any default by Acquiror discovered prior to Closing.

(f) Breach of Representations by Acquiror, the REIT or the UPREIT Discovered After Closing. In the event that, at any time during the one (1) year period after Closing, Contributor first acquires actual knowledge that any representation or warranty of the Acquiror, the REIT or the UPREIT contained in this Agreement was untrue (taking into account any applicable knowledge qualification), as of the date made, Contributor's sole and exclusive remedy shall be to file an action within six (6) month's after such knowledge is acquired to recover the actual damages sustained by Contributor by reason of the breach of the representations and warranties of Acquiror, the REIT or the UPREIT contained herein.

17. SUCCESSORS AND ASSIGNS. The terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective permitted nominees, successors, beneficiaries and assigns; provided, however, subject to the terms of Subparagraph 2(a), no direct or indirect conveyance, assignment or transfer of any interest whatsoever of, in or to any of this Agreement shall be made by Contributor or Acquiror during the term of this Agreement.

18. DISPUTE RESOLUTION.

(a) Preliminary Dispute Resolution Through Mediation.

(i) Notice of Dispute. If a claim or controversy arises out of, or relating to, this Agreement either (1) on a post-Closing basis or (2) on a pre-Closing basis,

but the claim or controversy in question gives rise to a right, by either Contributor or Acquiror, to terminate this Agreement, then the party raising the claim or controversy must give notice (a "DISPUTE NOTICE") to the other party specifying the details of the dispute, including the claim being made or the matter in controversy, the factual basis for the claim or controversy, any purported damages, and any requested relief. The Dispute Notice must be given prior to initiating any arbitration concerning the dispute, as provided in Subparagraph 18(b) below. If either party commences any arbitration concerning a matter covered by this Subparagraph 18(a) prior to sending the required Dispute Notice and mediating in good faith, such failure constitutes grounds for both dismissal of the arbitration, and the levy of attorneys' fees, costs, and expenses against the defaulting party.

(ii) Good Faith Negotiations. Within 15 days after delivery of the Dispute Notice, the contesting parties shall make reasonable efforts to settle the dispute through communication and negotiations through a designated representative of each party to the dispute, each of whom shall have the authority to settle the dispute. If the dispute is not settled within the 15-day period, then the dispute must be submitted to a mutually acceptable mediator. Neither party may unreasonably withhold acceptance of a proposed mediator. If the parties fail to agree upon a mediator, each party shall select a mediator and the two mediators selected by the parties shall promptly select a third mediator to preside over the mediation. If either party does not select a mediator, the mediator selected by the other party shall preside over the mediation. Mutual approval of a mediator or selection of mediators by the parties must occur within 25 days after the date of the delivery of the Dispute Notice. The cost of the mediation, and any other subsequent alternative dispute resolution procedures agreed to by the parties, shall be shared equally, except as otherwise expressly provided in Subparagraph 18(b)(iv). The parties shall appear before the selected mediator and engage in mediation in good faith. The mediation must be completed within 60 days after the date of the delivery of the Dispute Notice.

(b) Arbitration As Optional Means Of Resolution.

(i) Arbitration. In the event that the contesting parties fail to agree upon the resolution of any claim or controversy, notwithstanding preliminary mediation under Subparagraph 18(a) above, then either of them may then institute arbitration proceedings administered by the American Arbitration Association (the "ASSOCIATION") under its Commercial Arbitration Rules (the "RULES"), to resolve the matter in dispute. Any such arbitration proceeding shall commence by the delivery by one party of a written notice of demand for arbitration (the "DEMAND NOTICE") to the other party. A copy of the Demand Notice shall be simultaneously delivered to the New York City chapter of the Association as provided by the Rules. Arbitration proceedings shall commence no later than thirty (30) days after delivery of the Demand Notice, pursuant to procedure set forth below.

(ii) The arbitration proceeding shall be conducted in New York, New York by a single arbitrator (the "ARBITRATOR"), who shall be selected pursuant to the provisions of this Subparagraph 18(b)(ii). The Demand Notice shall direct the Association to assemble a list of eleven (11) proposed independent arbitrators, each of whom shall be a member of the Association and none of whom may be related to, or affiliated with, any of Acquiror or Contributor or any affiliates of any of them. Within ten (10) days of the delivery of the Demand Notice, the Association shall deliver its list of the names of those eleven (11) proposed independent arbitrators to each party. No later than ten (10) days after delivery of said list of proposed independent arbitrators by the Association to the parties, the parties shall cause a meeting to occur between their respective spokespersons (or their authorized representatives), which meeting shall occur at a mutually convenient location in New York, New York. At that meeting, the two (2) spokespersons shall examine the list of eleven (11) names submitted to the parties by the Association, and they shall each eliminate five (5) of those names, and the sole remaining proposed arbitrator shall be the Arbitrator. In order to eliminate ten (10) of the proposed arbitrators whose names were submitted by the Association, first, the spokesperson for the party who

issued the Demand Notice shall eliminate a proposed arbitrator of his choice and then the other spokesperson shall eliminate a proposed arbitrator of his choice. The two (2) spokespersons shall continue to eliminate names from the Association's list in this manner until each of them has eliminated five (5) names, and they have thereby selected the Arbitrator through mutual elimination. The two (2) spokespersons shall immediately notify the Association, in writing and by telephone, of the name of the Arbitrator, and they shall direct the Association to contact the Arbitrator in order to schedule the commencement of the arbitration proceedings within the required time period described above. In the event that the chosen Arbitrator is not available to commence the Arbitration proceedings within a thirty (30) day limit, the parties shall direct the Association to engage the last eliminated Arbitrator whose schedule permits commencement of the proceedings within such thirty (30) day period. In the event any party fails to participate in the elimination process, the other party may unilaterally choose the Arbitrator.

(iii) In connection with the arbitration proceedings, each party shall submit, in writing, a description of the dispute(s) giving rise to the arbitration proceedings, together with the specific requested resolution that the submitting party seeks with respect to each component of the dispute(s) or each matter(s) in dispute. The Arbitrator shall be obligated to choose one (1) party's specific requested resolution with respect to each component of, or each matter comprising, the dispute(s), without being permitted to effectuate any compromise position as to any component of such matters or disputes. Except as otherwise stated in this Subparagraph 18(b), and as the parties otherwise expressly agree in writing, the arbitration proceeding shall be conducted in accordance with the Rules then in effect. The decision or award rendered by the Arbitrator shall be final and non-appealable, and judgment may be entered upon it in accordance with applicable law in the State of New York or any other court of competent jurisdiction.

(iv) The party whose requested resolution is not selected by the Arbitrator shall bear the cost of all counsel, experts or other representatives which are retained by the parties in the arbitration proceeding, together with all other costs of the arbitration proceeding, including, without limitation, the fees, costs and expenses imposed or incurred by the Arbitrator (collectively, "Arbitration Expenses"). If the dispute resolved by the Arbitrator involves more than one matter, issue or component, then the burden to pay the Arbitration Expenses shall be allocated between each of Acquiror and Contributor, in the manner reasonably deemed appropriate by the Arbitrator in light of the value to each of Acquiror and Contributor, respectively, of those matters or components for which their respective requested resolution was not selected.

(v) Unless otherwise agreed in writing, during the period of time that any arbitration proceeding is pending under this Agreement, the parties shall continue to comply with all those terms and provisions of this Agreement which are not the subject of their dispute and the pending arbitration proceeding.

(vi) Subject to Subparagraph 38(k), nothing herein contained shall deny any party the right to seek injunctive or other equitable relief from a court of competent jurisdiction in the context of a bona fide emergency or prospective irreparable harm, and such an action may be filed and maintained notwithstanding or auxiliary to any previously commenced arbitration proceeding.

Notwithstanding any provision of this Agreement to the contrary, the obligations of the parties under this Paragraph 18 shall survive termination of this Agreement and the Closing, and shall not merge into any conveyancing documents delivered at Closing.

19. NOTICES. Any notice, demand or request which may be permitted, required or desired to be given in connection therewith shall be given in writing and directed to Contributor and Acquiror as follows:

Contributor: Lazarus Burman Associates
575 Underhill Boulevard, Suite 125
P.O. Box 830
Syosset, New York 11791
Attn: Jan Burman, President
Fax: (516) 364-5019

With a copy to its attorneys: Rogers & Wells
200 Park Avenue
New York, New York 10166
Attn: Alan L. Gosule, Esq. and
Jeffrey H. Weitzman, Esq.
Fax: (212) 878-8375

Acquiror: FR Acquisitions, Inc.
150 North Wacker Drive, Suite 150
Chicago, Illinois 60606
Attn: Johannson Yap, Senior Vice President
Fax: (312) 704-6606

With a copy to its attorneys: Barack Ferrazzano Kirschbaum Perlman & Nagelberg
333 West Wacker Drive, Suite 2700
Chicago, Illinois 60606
Attn: Suzanne Bessette-Smith, Esq. and
Elliot I. Molk, Esq.
Fax: (312) 984-3150

Notices shall be deemed properly delivered and received when and if either (i) personally delivered; or (ii) on the first business day after deposit with Federal Express or other commercial overnight courier for delivery on the next business day.

20. BENEFIT. This Agreement is for the benefit only of the parties hereto and their nominees, successors, beneficiaries and assignees as permitted in Paragraph 17 above, and no other person or entity shall be entitled to rely hereon, receive any benefit herefrom or enforce against any party hereto any provision hereof.

21. LIMITATION OF LIABILITY. Upon the Closing, none of the UPREIT, the REIT and Acquiror shall assume or undertake to pay, satisfy or discharge any liabilities, obligations or commitments of Contributor other than those specifically agreed to between the parties and set forth in this Agreement. In the event that the UPREIT, in its sole and absolute discretion, elects to assume any of the obligations under any one or more of the Contracts delivered pursuant to Exhibit D attached hereto, Acquiror shall so notify Contributor, in writing, no later than the Approval Date. Except with respect to the foregoing obligations, and subject to Subparagraph 5(f) above, none of the UPREIT, the REIT and Acquiror shall assume or discharge any debts, obligations, liabilities or commitments of Contributor, whether accrued now or hereafter, fixed or contingent, known or unknown. Subject to all applicable limitations expressly imposed under this Agreement, the LP Unit Recipients shall be liable, on a joint and several basis, with respect to any and all claims made by Acquiror against Contributor pursuant to the terms of this Agreement; provided, however, that the liability of the LP Unit Recipients shall be limited as follows: (i) with respect to claims made prior to the first anniversary of the Closing Date (the "FIRST ANNIVERSARY"), to the market value of those LP Units delivered at Closing and still held by any or all of Contributor and any or all of the LP Unit Recipients (and any or all of their transferees and assigns), determined as of the date on which Acquiror first delivers notice to Contributor of Acquiror's claim; provided, however, that if and to the extent that any LP Unit Recipient redeems any or all of its LP Units (pursuant to Subparagraph 2(f) above) prior to the date on which Acquiror first delivers notice to Contributor of Acquiror's claim, then the maximum liability of such redeeming LP Unit Recipient shall also include the market value of such LP Unit Recipient's Conversion Shares, determined as of the date on which Acquiror first delivers notice to Contributor of Acquiror's claim; and (ii) with respect to claims made on or after the First Anniversary, to the product of (x) the market value of a share of

Stock on the date on which Acquiror first delivers notice to Contributor of Acquiror's claim and (y) the number of LP Units delivered at Closing and still held by any or all of Contributor and any or all of the LP Unit Recipients (and any or all of their transferees and assigns) on the First Anniversary; provided, however, that if and to the extent that any LP Unit Recipient redeems any or all of its LP Units (pursuant to Subparagraph 2(f) above), on or before the First Anniversary, then the maximum liability of such redeeming LP Unit Recipient shall also include the market value of such LP Unit Recipient's Conversion Shares, determined as of the First Anniversary. Notwithstanding anything to the contrary in this Agreement, Acquiror agrees that prior to and following Closing, it will not bring any claim against Contributor pursuant to the terms of this Agreement except and unless the actual damages allegedly incurred by Acquiror as a result of all alleged claims, on an aggregate basis, exceed $200,000.

22. BROKERAGE. Each party hereto represents and warrants to the other that it has dealt with no brokers or finders in connection with this transaction except Merrill Lynch & Co. ("MERRILL LYNCH"), and that no broker, finder or other party (except Merrill Lynch) is entitled to a commission, finder's fee or other similar compensation as a result hereof. Contributor hereby indemnifies, protects and defends and holds Acquiror harmless from and against all losses, claims, costs, expenses, damages (including, but not limited to, reasonable attorneys' fees of counsel selected by Acquiror) resulting or arising from the claims of any other broker, finder or other such party, claiming by, through or under the acts or agreements of Contributor. Acquiror hereby indemnifies, defends and holds Contributor harmless from and against all losses, claims, costs, expenses, damages (including, but not limited to, reasonable attorneys' fees of counsel selected by Contributor) resulting or arising from the claims of any other broker, finder or other such party claiming by, through or under acts or agreements of Acquiror. At Closing, Acquiror shall pay the commission due and owing to Merrill Lynch (in an amount determined pursuant to a separate agreement but in no event greater than one percent (1.0%) of the aggregated Allocated Value of all Projects acquired by Acquiror on the Closing Date), and such payment shall constitute an Adjustment against the Total LP Unit Amount in favor of Acquiror. The obligations of this Paragraph 22 shall survive any termination of this Agreement.

23. REASONABLE EFFORTS. Contributor and Acquiror shall use their reasonable, diligent and good faith efforts, and shall cooperate with and assist each other in their efforts, to obtain such consents and approvals of third parties (including, but not limited to, governmental authorities), to the transaction contemplated hereby, and to otherwise perform as may be necessary to effectuate the transfer of the Projects to Acquiror in accordance with this Agreement.

24. TENANTS IN DEFAULT.

(a) Applicability of Provision. If, subsequent to the Approval Date, and prior to the Closing, any Project shall be leased to (or subject to Leases with) one or more "TENANTS IN DEFAULT" (as hereinafter defined), and the total monthly rent payable with respect to such Project by its Tenants in Default shall, in the aggregate, represent fifteen percent (15.0%) or more of the total rentals then being realized from that Project (whether one or more, the "DEFAULTED BUILDING"), then, at the Closing, the provisions of this Paragraph 24 shall be applicable. Upon Contributor's discovery, subsequent to the Approval Date, of the existence of a Tenant in Default in any Project, Contributor shall promptly notify Acquiror, in writing, of the specific facts and circumstances giving rise to such conditions (such written notice being a "TID NOTICE"). For purposes hereof, a "TENANT IN DEFAULT" shall be any Tenant who (i) commits a material default under its Lease, monetary or otherwise, which default has (without regard to applicable notice and cure provisions of its Lease) continued more than fifty-eight (58) days; or (ii) vacates or abandons its respective leased premises without timely paying rent therefor (i.e., within fifty-eight (58) days after the applicable due date); or (iii) files, or has filed against it, any petition for bankruptcy or reorganization or other debtor or creditor relief procedure under any state or federal law; or (iv) who repudiates in writing all of its obligations under its Lease; or (v) who admits or asserts, in writing, its inability or unwillingness either to pay its debts as they become due or otherwise to comply with the terms of its respective Lease.

(b) Acquiror's Rights. For and during a period of fifteen (15) days after its receipt of a TID Notice (the "TID STUDY PERIOD"), Acquiror shall have the right to re-

examine all of the records relating to the Tenant In Default and its respective Lease; to inspect the Defaulted Building and leased premises of the Tenant(s) In Default; to interview representatives of the Tenant(s) In Default in order to ascertain the cause and likely effects and ramifications of the particular default(s) in question; and to otherwise evaluate the impact of that particular default on Acquiror's acquisition of the Defaulted Building as a component of the Projects. Within seven (7) days after the conclusion of the applicable TID Study Period, and subject to Paragraph 32 hereof, Acquiror shall have the unilateral right to delete and eliminate those Projects that include Defaulted Buildings from this Agreement (the "DELETED BUILDINGS") by giving written notice to Contributor ("DELETION NOTICE"). Upon any such identification by Purchaser of Deleted Buildings and delivery of the Deletion Notice to Contributor, this Agreement shall, without further action of the parties, be deemed to have been amended, ipso facto, so as to eliminate herefrom all Projects in which such Deleted Buildings are located, subject to a reduction in the Contribution Consideration equal to the aggregate of the (x) Allocated Amounts minus (y) the Assumed Indebtedness of the Projects so deleted, in each case as adjusted by eliminating any and all appropriate Prorations and Adjustments. Upon such amendment, all references to the Projects shall automatically exclude the Projects so deleted and, except as otherwise provided in Subparagraph 5(e) above, no Closing or pre-Closing obligations of Contributor (or Acquiror's Conditions Precedent) shall apply to the Projects so deleted. Notwithstanding anything set forth above, Acquiror may, in the event of the existence of multiple Deleted Buildings, exercise its rights to delete any or all of the Projects in which those Deleted Buildings are located, it being agreed hereby that, subject to Paragraph 32 hereof, Acquiror may selectively exercise its rights to delete on a Project-by-Project basis, as opposed to an all-or-none or otherwise consistent basis.

25. NON-COMPETE AND NON-SOLICITATION. In consideration of Acquiror's agreement to purchase the Projects, JB (as defined below) hereby covenants and agrees that, subject to the third-to-last sentence of this Paragraph 25, during and throughout the period commencing on the Closing Date and ending on (the "NON-COMPETE EXPIRATION DATE") the earlier of (x) the fifth (5th) anniversary of the Closing Date, (y) the date on which the Employment Agreement (as defined below) is terminated by the REIT in accordance with its terms, other than for cause and (z) the date on which the Employment Agreement is terminated by JB in accordance with its terms, neither JB, nor any entity controlled by, or under common control with JB (control requiring the ownership of more than fifty percent (50%) of the ownership interest of the entity in question) [collectively, "JB AFFILIATES"], shall, directly or indirectly, solicit, initiate contact with, or approach, on behalf of any entity other than the UPREIT, any Tenant leasing space (or otherwise having any possessory interests in any space), as of the Closing Date, in any Project that Acquiror actually acquires pursuant to this Agreement (a "CLOSING DATE TENANT") or any other third party with whom Acquiror enters into any lease after the Closing ("NEW TENANT"), for the purpose of leasing, selling, contracting for, constructing or otherwise directly or indirectly providing any or all of warehouse or industrial space, or office space in an industrial building that is ancillary to the use of warehouse or industrial space in the same building ("ANCILLARY OFFICE SPACE"), within Long Island, New York and Essex County, New Jersey. In the event that any Closing Date Tenant or New Tenant shall independently initiate contact with any or all of JB and the JB Affiliates to lease, purchase or otherwise occupy warehouse or industrial space or Ancillary Office Space within either or both of Long Island, New York or Essex County, New Jersey, JB or JB Affiliates shall forthwith (and prior to entering into any lease, commitment letter of intent, contract or other agreement with such Closing Date Tenant or New Tenant) notify the UPREIT, in writing, of the particulars of such Closing Date Tenant's or New Tenant's request for warehouse or industrial space or Ancillary Office Space (a "COMPETITION NOTICE"). Upon receipt of a Competition Notice, the UPREIT shall have five (5) business days (excluding the day of receipt) to determine whether or not it wishes to compete for any such Closing Date Tenant or New Tenant. If the UPREIT notifies JB, in writing and prior to the expiration of the applicable five (5) business day period, that it is interested in so competing, the UPREIT shall have the right to compete (within the ninety (90) day period following the date on which Contributor delivers the Competition Notice, the "COMPETITION PERIOD"), with JB and the applicable JB Affiliates, in good faith and on "equal footing," to attempt to provide such desired space to such Closing Date Tenant or New Tenant. If the UPREIT fails to respond, in writing, within the applicable five (5) business day period, then the UPREIT shall automatically be deemed to have waived its right to compete with respect to the then-applicable Closing Date Tenant or New Tenant. Provided that JB and JB Affiliates comply with their obligations set forth in this Paragraph 25, then from and after the expiration

of the applicable Competition Period, they shall not be prohibited from entering into any such lease, construction or sales transaction with any Closing Date Tenant or New Tenant. In further consideration of Acquiror's agreement to purchase the Projects, JB hereby covenants and agrees that, subject to the penultimate sentence of this Paragraph 25, during and throughout the period commencing on the Closing Date and ending on the Non-Compete Expiration Date, neither JB nor any entity in which JB has any ownership interest, of any nature whatsoever, whether directly or indirectly, shall solicit, initiate contact with, approach, negotiate with, or hold discussions with, or on behalf of, any entity (other than the REIT, the UPREIT, or any entity affiliated with either or both of the REIT and the UPREIT) in connection with any matter relating to the purchase, sale, ground lease, development or acquisition of any other interests, of any nature whatsoever, of any warehouse or industrial property in either or both of the States of New York and New Jersey; provided, however, that the foregoing limitation shall not apply with respect to the Retained Properties (as defined below). In further consideration of Acquiror's agreement to purchase the Projects, JB further covenants and agrees, during and throughout the period commencing on the Closing Date and ending on the Non-Compete Expiration Date, that neither he nor any entity in which he has any interest whatsoever shall, within either or both of the States of New York and New Jersey, in any manner own, manage, control, participate in, consult with, render services for or otherwise deal with in any manner any entity involved in the development, management, leasing or operation of other projects or properties used for industrial, warehouse or distribution purposes (the foregoing covenant shall not apply to the Retained Properties, with respect to which JB's rights are governed by Paragraph 27). JB further agrees that, in the event of breach of any or all of the covenants contained in this Paragraph 25, and notwithstanding the provisions of Paragraph 18, the UPREIT shall be entitled to all available remedies against any or all of JB and the JB Affiliates, at law or in equity, including without limitation, injunctive relief, all of which remedies shall be cumulative and not exclusive. Nothing contained herein shall be deemed to limit or restrict JB's and the JB Affiliates' right to continue to lease space to, or otherwise deal with (1) existing (as of the Contract Date and the Closing Date) tenants of any Project that is a Retained Property, and (2) any Closing Date Tenant or New Tenant with respect to which a Competition Notice is delivered to Acquiror, but Acquiror either fails to timely respond thereto, or Acquiror timely responds to the Competition Notice, but then fails to enter into a lease with the applicable Closing Date Tenant or New Tenant during the Competition Period; provided, however, that in the case of (2), Contributor's right to deal directly with such Closing Date Tenant or New Tenant shall be limited to the specific opportunity and circumstances described in the relevant Competition Notice and any subsequent renewal of the lease or expansion of the same space demised to such Closing Date Tenant or New Tenant as a result of the transaction described in the relevant Competition Notice. If the conditions of the foregoing clause (2) are met at any time with respect to a given Tenant or New Tenant and the respective lease, Contributor shall have no obligation to deliver a Completion Notice with respect to the same Tenant or New Tenant, and respective lease, in connection with any renewal or expansion of such lease. The terms and provisions of this Paragraph 25 shall survive the Closing and shall not merge into any conveyancing documents delivered at Closing.

26. PRE-CLOSING LEASING. Contributor and Acquiror acknowledge that various of the Projects may contain certain vacancies (i) as of October 21, 1996 and all such vacancies are reflected on the Rent Roll; and (ii) as a result of space that was occupied on October 21, 1996 but becomes vacant prior to the Closing Date and after October 21, 1996 (collectively, the "VACANCIES"). Given the parties' mutual desire and expectation that various of the Vacancies may be leased prior to Closing, Contributor and Acquiror have determined that, from and after October 21, 1996, and continuing to the Closing Date (subject to any earlier termination of this Agreement), Contributor has the right to seek tenants for the Vacancies (and Acquiror shall have the right to submit to Contributor proposed tenants for the Vacancies). The following parameters have applied (since October 21, 1996) and shall continue to apply with respect to such pre-Closing leasing:

(a) Acquiror's Consent. Attached to this Agreement as Exhibit "F" is Contributor's current form lease utilized at the Projects (the "FORM LEASE"). Contributor agrees to use its reasonable, good faith and diligent efforts to ensure that any tenant leasing all or any portion of any Vacancy shall enter into a lease substantially in the form of the Form Lease. Prior to entering into such new lease with a prospective new Tenant under an Additional Lease, Contributor shall deliver to Acquiror a copy of the proposed lease and a term sheet summarizing all of the economic and material terms of the proposed

Additional Lease ("TERM SHEET") so as to enable Acquiror to decide whether or not to consent to such proposed Additional Lease. In the event that Acquiror does not specifically reject a proposed Additional Lease, in writing delivered to Contributor within three (3) business days after Acquiror's receipt from Contributor of a request for consent (which notice from Acquiror shall specify the reasons for rejection, if applicable), Acquiror shall be deemed conclusively to have consented to such lease transaction. Contributor shall not enter into any Additional Leases for Vacancies if Acquiror timely rejects such proposed Additional Lease in accordance with this Subparagraph 26(a).

(b) Payment of Tenant Improvement Costs and Brokerage Commission. If an Additional Lease is executed prior to Closing and in accordance with Subparagraph 26(a), then, at Closing, Acquiror shall pay to Contributor, in cash and in addition to the Contribution Consideration, those portions (if any) of the tenant improvement costs and brokerage commissions attributable to the initial term of the Lease ("INITIAL ADDITIONAL LEASE COSTS") and actually paid by Contributor prior to Closing; provided, however, that the maximum amount that Acquiror shall be required to pay for such Initial Additional Lease Costs shall be those amounts set forth in the applicable Term Sheet (with respect to tenant improvement costs and leasing commissions) prepared by Contributor for that particular Additional Lease. In the event that, prior to Closing, Contributor does not advance all Initial Additional Lease Costs with respect to all Additional Leases approved (or deemed approved) by Acquiror, then after Closing, Contributor shall remain liable for the payment of all Initial Additional Lease Costs that are due and payable after the Closing, but only if and to the extent that the Initial Additional Lease Costs for a given Additional Lease exceed those corresponding amounts set forth by Contributor in the Term Sheet for that particular Additional Lease; and Acquiror shall remain liable for the payment of those Initial Additional Lease Costs for a given Additional Lease approved (or deemed approved by Acquiror) that are equal to, or less than, those corresponding amounts set forth on the Term Sheet for the particular Additional Lease. Notwithstanding the preceding terms of this Subparagraph 26(b), in the event that this Agreement is terminated prior to Closing, then Acquiror shall have no liability or obligation with respect to any Additional Lease or any Initial Additional Lease Costs; and in the event that a Project for which an Additional Lease is executed becomes a Deleted Project, then Acquiror shall have no liability for that Additional Lease or the Initial Additional Lease Costs associated therewith.

(c) Defaults by Existing Tenants. Notwithstanding anything to the contrary contained in this Paragraph 26, in the event that, prior to Closing, Contributor enters into an Additional Lease with respect to premises that are the subject of a Vacancy arising or occurring after October 21, 1996 as a result of a default by an Existing Tenant (a "DEFAULTING EXISTING TENANT"), Acquiror shall retain the approval rights set forth in Subparagraph 26(a), and, if Acquiror does not timely reject such Additional Lease, Contributor shall be solely responsible for the payment of that percentage (the "SHARED PERCENTAGE") of the Initial Additional Lease Costs equal to (x) the number of months of the term of the Defaulting Existing Tenant's Existing Lease remaining unexpired as of the first date on which such Defaulting Existing Tenant defaulted under the requirements of its respective Existing Lease; divided by (y) the number of months in the initial term of the proposed Additional Lease that shall replace the Existing Lease of the Defaulting Existing Tenant; provided, however, that the Shared Percentage shall be deemed to be zero if the occupancy rate of the Projects (based on aggregate gross rental income of the Projects) exceeds 95% both immediately prior to and after the first date on which possession of the leased premises vacated by the applicable Defaulting Existing Tenant is unconditionally delivered to Contributor.

(d) Survival. The terms and provisions of this Paragraph 26 shall survive the Closing and shall not merge into any conveyancing documents delivered at Closing.

27. SENIOR REGIONAL DIRECTOR POSITION AND EMPLOYMENT CONTRACT. At the Closing, Jan Burman ("JB"), a principal of Contributor, and the REIT shall enter into an employment agreement pursuant to which the REIT engages JB as a "SENIOR REGIONAL DIRECTOR," and agrees to compensate JB on terms, and pursuant to financial arrangements, that are commensurate with those pursuant to which the REIT engages its other Senior Regional Directors (i.e., base and incentive compensation, health insurance and other benefits, and stock

options). JB's employment agreement (the "EMPLOYMENT AGREEMENT"), shall be in the form of Exhibit X attached hereto. In his capacity as a Senior Regional Director ("SRD"), JB shall also be elected (effective upon Closing), as a "signing officer" of the REIT, thereby authorizing JB (to the same extent as the REIT's other SRDs are authorized) to execute various acquisition-, leasing-, operational-, disposition- and development-related documentation for and on behalf of both the UPREIT and the REIT.

Notwithstanding the foregoing, however, Acquiror acknowledges that from and after the Closing Date, JB, in his capacity as a principal of Contributor, shall continue to retain a significant interest in (i) the Deleted Projects (as defined below); (ii) subject to Acquiror's rights to acquire the Option Projects and Project No. 56 pursuant to Paragraphs 33 and 39, respectively, the Option Projects and Project No. 56; and (iii) certain other commercial real properties (primarily of a non-industrial nature), that Contributor, or an affiliate thereof, current owns and which are not included within the scope of this Agreement (collectively with the Deleted Projects, the Option Projects and Project No. 56, the "RETAINED PROPERTIES"). At Closing, Acquiror and Contributor shall prepare and agree upon a schedule of all of the Retained Properties. (Pursuant to Paragraph 29 of this Agreement, at Closing, the owner(s) of the Retained Properties and First Industrial Management Corporation ("FIMC") shall enter into a property management and leasing agreement pursuant to the terms of which FIMC shall manage and lease certain of the Retained Properties.) During the term of the Employment Agreement, JB shall have the right to participate in strategic and significant business decisions (e.g., sale and refinance) concerning the Retained Properties, but JB, acting in his individual capacity, shall not participate in the day-to-day management and leasing decisions concerning any or all of the Retained Properties.

The Employment Agreement, among other things, shall have a five-year term and shall include the REIT's covenant to cause JB to be elected to the Board of Directors of FI Development Services Corporation, a Maryland corporation ("FIDS") and the sole general partner of First Industrial Development Services Group, L.P., a Delaware limited partnership, as soon as is reasonably possible, in the good faith determination of the REIT, after the Closing.

28. CONTRIBUTOR'S ORGANIZATION AND STAFF. Acquiror acknowledges that Contributor engages various individuals to lease, manage, and operate the Projects on a day-to-day basis (collectively, the "MANAGER EMPLOYEES"). Given the familiarity of the Manager Employees with the Projects and the Long Island market, Acquiror has advised Contributor that the REIT may desire to engage certain of the Manager Employees (or to cause FIMC to engage some or all of such Manager Employees) after the Closing. Acquiror acknowledges that, given JB's role as an SRD of the REIT, with the post-Closing responsibility to operate and manage the Projects, JB is likely to require that either or both of the REIT and FIMC engage employees to work under his direction. In light of the foregoing, Contributor agrees that Acquiror (with JB's consent, which consent shall not be unreasonably withheld or delayed) may directly contact, interview and extend offers of employment to any or all of the Manager Employees at any time and from time to time after the Approval Date and prior to the Closing Date. Acquiror hereby covenants and agrees that, if and to the extent that either or both of the REIT and FIMC determine that it is appropriate to engage Long Island-based employees (in connection with the acquisition, ownership, leasing and management of any or all of the Retained Properties and the Projects), then Acquiror shall cause either or both of the REIT and FIMC, as the case may be, to consider, in good faith, the possibility of engaging some or all of the Manager Employees; provided, however, that neither the REIT nor FIMC shall be obligated to extend offers of employment to any or all of the Manager Employees. Notwithstanding the foregoing, JB, in his capacity as an SRD, shall be authorized to extend offers of employment to those Manager Employees listed on Schedule 28 attached hereto, and on terms set forth in Schedule 28. JB acknowledges that any Manager Employee hired by the REIT will be expected to devote his or her full-time, diligent and good faith efforts to the operation of the business of the REIT, UPREIT or FIMC, as the case may be.

29. MANAGEMENT OF RETAINED PROPERTIES. At the Closing, Contributor shall cause the owner(s) of the Retained Properties (collectively, the "RP OWNER") to enter into property management and leasing agreements with FIMC, pursuant to which the RP Owner shall engage FIMC to manage, operate and lease certain of the Retained Properties (collectively, the "MANAGEMENT AGREEMENT"). The Retained Properties to be made subject to the Management Agreement are listed on Schedule 29 attached hereto. The Management Agreement for those

Retained Properties that are designated with an asterisk on Schedule 29 (being properties owned in whole or in substantial part by Judith Draizin or entities she or members of her immediate family controls) [the "DRAIZIN PROPERTIES"] shall have a 2-year term; provided, however, that upon the expiration of such 2-year term, the term will automatically renew for a 2-year period; subject, however, to the right of the RP Owner of a Draizin Property to terminate the Management Agreement with respect to that Draizin Property upon not less than six months' written notice to FIMC, which notice may not, however, be delivered prior to the second anniversary of the Closing. The term of the Management Agreement for all other Retained Properties shall be equal to the lesser of (x) five years and (y) the duration of JB's tenure as Senior Regional Director (or as an equivalent or senior officer) of the REIT (if such tenure is terminated in accordance with terms of the Employment Agreement, either by the REIT other than for cause or by JB). Contributor and Acquiror shall each act reasonably and in good faith to agree upon the terms and conditions of the Management Agreement prior to the Approval Date; provided, however, that the Management Agreement shall include, but not be limited to, an annual management fee equal to 4% of aggregate annual gross rental income (which fee shall be payable, however, on a monthly basis), but without any allocation to Contributor of any responsibility to contribute to the payment of FIMC's overhead expenses, and the terms and provisions set forth on Exhibit "W" attached hereto and incorporated herein by this reference (including, but not limited to, the right to terminate, without a penalty, a Management Agreement with respect to a given Retained Property in the event of a sale and transfer of that Retained Property to a third party or, in the case of Option Project, to the UPREIT, whereupon such termination shall be effective on the date on which such sale is consummated).

30. COSMETIC IMPROVEMENTS AND DEFERRED MAINTENANCE ESCROW. Contributor and Acquiror have agreed that certain cosmetic improvements and deferred maintenance shall be required at certain of the Projects, and shall be completed as soon as is reasonably possible after Closing, but in all events and under all circumstances, substantially completed by December 31, 1997. Such cosmetic improvement items and deferred maintenance are described in separate sections of Exhibit Y (collectively, "COSMETIC IMPROVEMENTS"). At Closing, Acquiror shall deposit the amounts set forth in the separate sections of Exhibit Y, on an aggregated basis (the "COSMETIC IMPROVEMENTS FUND"), into an escrow with the Chicago Title and Trust Company, Nassau County, New York office ("CT&T"), and the amount of the Cosmetic Improvements Fund shall be deducted from the Total LP Unit Amount, as an Adjustment. The escrow into which the Cosmetic Improvements Fund is deposited shall be governed by escrow instructions into which Contributor, Acquiror and the Title Company enter at Closing. Acquiror hereby covenants and agrees that it shall expend the proceeds of the Cosmetic Improvements Fund for the performance only of the Cosmetic Improvements, which covenant (together with those additional covenants made by Contributor in this Paragraph 30) shall survive the Closing and shall not merge into any conveyancing documents delivered at Closing. In the event that Acquiror completes the performance of all Cosmetic Improvements, but Acquiror does not expend the entire Cosmetic Improvements Fund for such purposes, the balance of such unexpended Cosmetic Improvements Fund, including all interest earned thereon (the "COSMETIC IMPROVEMENTS FUND BALANCE"), shall be paid to the UPREIT; and, subject to compliance with Subparagraph 2(c)(iv) in connection with such issuance, the UPREIT shall promptly thereafter issue an aggregate amount (rounded to the nearest whole number of LP Units) of LP Units, equal to the quotient of (x) the Cosmetic Improvements Fund Balance divided by (y) the Unit Price, to the those LP Unit Recipients as are, and in the amounts, designated in writing by JB. In such event, neither Acquiror, the UPREIT nor the REIT shall have any liability or responsibility with respect to such distribution. In the event the entire Cosmetic Improvements Fund is properly applied towards the completion of the Cosmetic Improvements, but the Cosmetic Improvements are not completed, Contributor shall be responsible for the payment (or reimbursement of Acquiror) of the additional amounts necessary to complete the Cosmetic Improvements in accordance with Exhibit Y. Notwithstanding anything to the contrary in the Management Agreement, in no event shall the REIT, the UPREIT or any affiliate of the REIT receive any fees or commissions in connection with the performance and installation of any or all of the Cosmetic Improvements. Acquiror acknowledges that certain Leases require the Tenants thereunder to reimburse the landlord if and to the extent that the landlord expends monies for certain Cosmetic Improvement items, located at and on the Project in which such Tenants' respective leased premises are located (the "TENANT-FUNDED COSMETIC IMPROVEMENTS"); therefore, if and to the extent that Acquiror performs any Tenant-Funded Cosmetic Improvements as part of the Cosmetic Improvements, Acquiror shall use reasonable, good faith efforts to bill to, and collect from, the relevant Tenants the costs incurred to perform

such Tenant-Funded Cosmetic Improvements (the "TF COSMETIC COSTS"). If and to the extent that Acquiror collects all or any portion of the TF Cosmetic Costs from Tenants, and Acquiror has already been reimbursed, from the Cosmetic Improvements Fund, for such TF Cosmetic Costs, then Acquiror shall deliver to JB those monies that Acquiror receives from Tenants as reimbursement for TF Cosmetic Costs, and JB shall be solely and entirely responsible for the distribution of such TF Cosmetic Costs monies to Contributor. For as long as JB is employed pursuant to the Employment Agreement, JB shall have primary responsibility and the authority to coordinate and contract for all components of services, materials and work to perform all of the Cosmetic Improvements; therefore, JB acknowledges and agrees that, in his capacity as SRD, he shall be required to complete the Cosmetic Improvements as soon as is reasonably possible after Closing, but in all events such improvements shall be substantially completed by December 31, 1997. The provisions of this Paragraph 30 shall survive the Closing and shall not merge into any conveyancing documents delivered at Closing.

31. CAPITAL IMPROVEMENTS ESCROW. Contributor and Acquiror have agreed that certain capital improvements and items of deferred maintenance shall be required at certain of the Projects (collectively, "CAPITAL IMPROVEMENTS"), which Capital Improvements shall be substantially completed on or before the 5th anniversary of the Closing Date. Such Capital Improvements are described in Exhibit Z. At Closing, Acquiror shall deposit the aggregate sum reflected in Exhibit Z (the "CAPITAL IMPROVEMENTS FUND") into an escrow with the Title Company, and the amount of the Capital Improvements Fund shall be deducted from the Total LP Unit Amount, as an Adjustment. The escrow into which the Capital Improvements Fund is deposited shall be governed by escrow instructions into which Contributor, Acquiror and the CT&T enter at Closing. Acquiror hereby covenants and agrees that it shall expend the proceeds of the Capital Improvements Fund for the repair, maintenance and replacement of Capital Improvements only, which covenant (together with those additional covenants made by Contributor in this Paragraph 31) shall survive the Closing and shall not merge into any conveyancing documents delivered at Closing. In the event that Acquiror completes the performance of all Capital Improvements, but Acquiror does not expend the entire Capital Improvements Fund for such purposes, the balance of such unexpended Capital Improvements Fund, including all interest earned thereon (the "CAPITAL IMPROVEMENTS FUND BALANCE"), shall be paid to the UPREIT; and, subject to compliance with Subparagraph 2(c)(iv) in connection with such issuance, the UPREIT shall promptly thereafter issue an aggregate amount (rounded to the nearest whole number of LP Units) of LP Units, equal to the quotient of (x) the Capital Improvements Fund Balance divided by (y) the Unit Price, to the those LP Unit Recipients as are, and in the amounts, designated in writing by JB. In such event, neither Acquiror, the UPREIT nor the REIT shall have any liability or responsibility with respect to such distribution. In the event the entire Capital Improvements Fund is properly applied towards the completion of the Capital Improvements, but the Capital Improvements are not completed, Contributor shall be responsible for the payment (or reimbursement of Acquiror) of the additional amounts necessary to complete the Capital Improvements in accordance with Exhibit Z. Notwithstanding anything to the contrary in the Management Agreement, in no event shall the REIT, the UPREIT or any affiliate of the REIT receive any fees or commissions in connection with the performance and installation of any or all of the Capital Improvements. Acquiror acknowledges that certain Leases require the Tenants thereunder to reimburse the landlord if and to the extent that the landlord expends monies for certain Capital Improvement items, located at and on the Project in which such Tenants' respective leased premises are located (the "TENANT-FUNDED IMPROVEMENTS"); therefore, if and to the extent that Acquiror performs any Tenant-Funded Improvements as part of the Capital Improvements, Acquiror shall use reasonable, good faith efforts to bill to, and collect from, the relevant Tenants the costs incurred to perform such Tenant-Funded Improvements (the "TF COSTS"). If and to the extent that Acquiror collects all or any portion of the TF Costs from Tenants, and Acquiror has already been reimbursed, from the Capital Improvements Fund, for such TF Costs, then Acquiror shall deliver to JB those monies that Acquiror receives from Tenants as reimbursement for TF Costs, and JB shall be solely and entirely responsible for the distribution of such TF Costs monies to Contributor. For as long as JB is employed pursuant to the Employment Agreement, JB shall have primary responsibility and the authority to coordinate and contract for all components of services, materials and work to perform all of the Capital Improvements; therefore, JB acknowledges and agrees that, in his capacity as SRD, he shall be required to complete the Capital Improvements as soon as is reasonably practicable after Closing, but in all events, such improvements shall be substantially completed on or before the fifth (5th) anniversary of the Closing Date. The

provisions of this Paragraph 31 shall survive the Closing and shall not merge into any conveyancing documents delivered at Closing.

32. MAXIMUM DELETION.

(a) Contributor's Right of Termination. If Acquiror shall elect, under any or all of Subparagraphs 5(e), 6(e), 9(d), 10, 15(c) and 24(b) hereof, to delete and eliminate from this Agreement two (2) or more Projects (each such deleted Project, a "DELETED PROJECT") which, in the aggregate, represent more than fifteen percent (15%) of the total aggregate gross rental income of all of the Projects originally contemplated to be conveyed and acquired (on the Closing Date) under this Agreement (determined as of the Contract Date), then Contributor shall have the right, exercisable by written notice to Acquiror ("CONTRIBUTOR'S TERMINATION NOTICE"), within five (5) business days after the date on which Acquiror delivers its notice of deletion, to terminate this Agreement in its entirety, whereupon the Earnest Money, together with all (if any) interest thereon, shall be immediately refunded to Acquiror and the parties shall have no further obligations hereunder, except as specifically provided in this Agreement to the contrary. Upon its receipt of a Contributor's Termination Notice, Acquiror shall have the right, exercisable by written notice to Contributor ("REINSTATEMENT NOTICE"), given within five (5) business days after its receipt of such Contributor's Termination Notice, to reinstate this Agreement by withdrawing its prior deletion of one or more Projects sufficient in size to reduce the aggregate square footage of Deleted Projects to a number which results in an aggregate deletion of fifteen percent (15%) or less of the total aggregate gross rental income of all of the Projects originally contemplated by this Agreement. Upon the delivery of such Reinstatement Notice, Contributor's Termination Notice shall be rendered null and void, and the parties shall proceed to close on all non-deleted Projects as herein provided, subject to an extension of the Closing Date, on a day-for-day basis, equal to the number of days that elapse between the delivery of Contributor's Termination Notice and the delivery of Acquiror's Reinstatement Notice.

(b) Acquiror's Right of Termination. If Acquiror shall elect, under any or all of Subparagraphs 5(e), 6(e), 9(d), 10, 15(c) and 24(b) hereof, to delete and eliminate from this Agreement two or more Deleted Projects which, in the aggregate, represent more than thirty percent (30%) of the total aggregate gross rental income of all of the Projects originally contemplated to be conveyed and acquired (on the Closing Date) under this Agreement (determined as of the Contract Date), and Contributor fails to timely deliver a Contributor's Termination Notice, then Acquiror shall have the right, exercisable by written notice to Contributor, delivered within five (5) business days after the last date on which Contributor may deliver (pursuant to Subparagraph 32(a) above) the Contributor's Termination Notice, to terminate this Agreement in its entirety, whereupon the Earnest Money, together with all (if any) interest thereon, shall be immediately refunded to Acquiror and the parties shall have no further obligations hereunder, except as specifically provided in this Agreement to the contrary.

33. OPTION PROJECTS. Acquiror desires to acquire an option (the "PURCHASE OPTION") to purchase (on a date after the Closing Date) Projects Nos. 16, 26, 28, 29 and 52 (collectively, the "OPTION PROJECTS"), on the following terms and conditions, which terms and conditions shall survive the Closing hereunder:

(a) Trigger Date, and Trigger Notice. From and after the Closing Date and continuing to the second anniversary thereof, JB shall use his reasonable, good faith and diligent efforts to cause (without being required to pay any consideration or commence litigation) the requisite number of partners in Project No. 16, and the requisite number of members of the limited liability company that owns Project No. 52, to unconditionally agree to the transfer, sale and conveyance of fee simple interest in each such respective Project to Acquiror for the prices determined in accordance with Subparagraph 33(d) (each, the "PARTNER CONSENT"). Upon the occurrence, and provided such occurrence happens prior to, or on, the second anniversary of the Closing Date, of either or both of: (x) the receipt of the Partner Consent with respect to, Project No. 16; and (y) the receipt of the Partner Consent with respect to, Project No. 52; (the dates on which either or both of (x) and (y) occur is hereinafter referred to as a "TRIGGER DATE"), JB shall, if and only if such Trigger Date occurs within the period from and after the Closing Date through,

but excluding, the second anniversary of the Closing Date, promptly send written notice to Acquiror (the "TRIGGER NOTICE"), advising Acquiror that the requirements described in either or both of (i) and (ii) above have been satisfied with respect to the applicable Option Project(s).

(b) Option Exercise. Acquiror shall have thirty (30) days from the date on which a Trigger Notice is delivered (the "OPTION RESPONSE PERIOD") to conduct, at and with respect to the applicable Option Project, subject to the terms and requirements of Paragraph 5, all of the deliveries, tests, inquiries and inspections described in Paragraph 5 with respect to the then-applicable Option Project(s) and to advise JB, on behalf of the owner of such Option Project, in writing (the "OPTION RESPONSE NOTICE"), as to whether or not Acquiror exercises its Purchase Option with respect to that particular Option Project. The Option Response Period shall be subject to extension on the terms and conditions provided in Subparagraph 5(b) with respect to the performance of an Additional Assessment concerning and with respect to the then-applicable Option Project(s) if Acquiror reasonably determines that an Additional Assessment is warranted in connection with that Option Project(s). If Acquiror fails to timely deliver an Option Response Notice or otherwise declines to exercise its Purchase Option on an Option Project, Acquiror shall be deemed to have automatically and irrevocably waived its Purchase Option with respect to that particular Option Project, and Acquiror shall execute and deliver to Contributor (upon Contributor's written request) any documents (in recordable form) reasonably requested by Contributor to reflect the termination of the Purchase Option with respect to that Option Project. JB hereby covenants and agrees that, during any Option Response Period, JB shall use his reasonable, diligent and good faith efforts to cause the owner of the applicable Option Project(s) to provide Acquiror, its agents, employees and representatives with access to, and the ability to perform the inspections contemplated under Paragraph 5 at, the applicable Option Project, but subject to all of the requirements and restriction imposed under Paragraph 5. In the event Acquiror exercises its option with respect to Project No. 52, JB agrees to use his reasonable, diligent and good faith efforts to cause the owner of the applicable Option Project(s) to complete the legal subdivision (the "SUBDIVISION") of Project No. 52 such that the municipality in which such Project is located permits the conveyance of such Project as a separate and distinct parcel. Notwithstanding anything to the contrary contained herein, Acquiror shall have no obligation to consummate the closing of Project No. 52 unless and until the Subdivision of Project No. 52 occurs.

(c) Project Numbers 26, 28 and 29. From and after the Closing Date and continuing to the second anniversary thereof, Acquiror shall have the opportunity to advise Contributor that it may wish to exercise its option to purchase any or all of Projects Nos. 26, 28 and 29 by so advising Contributor, in writing, on or before the second anniversary of the Closing Date (each, a "CARLE PLACE PROJECT TRIGGER NOTICE"). The thirty (30) day period of time after the date on which the Carle Place Project Trigger Notice is delivered to Contributor shall constitute the Option Response Period for whichever of Projects Nos. 26, 28 and 29 is the subject of a Carle Place Project Trigger Notice; therefore, during that Option Response Period, Acquiror shall have the rights described under Paragraph 33(b) above. If Acquiror exercises its option with respect to either or both of Projects Nos. 26 and 28, the Closing thereof shall be conditioned on the recording of easements reasonably acceptable to Acquiror governing access-related matters between such properties and those properties contiguous thereto, as appropriate and as the case may be. Acquiror shall have no obligation to acquire any of such Option Projects if no such easement is agreed upon and recorded. Contributor shall negotiate reasonably and in good faith to reach agreement on any such easements. Notwithstanding anything to the contrary contained herein, Acquiror shall have no obligation to consummate the closing of Project No. 26 and/or Project No. 28, as the case may be, unless and until the Subdivision of such Project(s) occurs.

(d) Closing. If Acquiror timely delivers an Option Response Notice in accordance with the terms of this Paragraph 33, then such purchase and sale shall occur in accordance with, and pursuant to, the provisions of this Agreement (to the extent applicable and having due regard for the purchase price of the Option Project in question), except as follows:

(i) Closing. The consummation of the purchase and sale of the Option Project shall occur on the thirtieth (30th) day after the expiration of the applicable Option Response Period (the "OPTION PROJECT CLOSING DATE");

(ii) Calculation of Contribution Consideration. The purchase price for each Option Project (the "OP PURCHASE PRICE") shall be as follows: Acquiror and Contributor shall calculate the OP Purchase Price as of the expiration of the applicable Option Response Period (the "DETERMINATION DATE") and such calculation shall be the quotient of (1) the net operating income ("NOI") of that Option Project as of the applicable Determination Date, divided by (2) .107. Acquiror and Contributor acknowledge and agree that, on a semi-annual basis from and after the Closing Date and continuing to the second anniversary of the Closing Date, they shall determine the OP Purchase Price applicable to each Option Project with respect to which a Purchase Option remains outstanding, which calculation shall be made on an informational basis so as to facilitate the procurement of any Partner Consents that may be required as a condition to the sale of any Option Project. For all purposes herein, "NOI" shall mean, with respect to any Project and at the time of calculation, Project revenues (i.e., base rent, plus recoveries from tenants) generated by leases at the Project during the preceding 12 full calendar months less Project operating expenses during the same period. The revenue component of the NOI calculation shall be reduced by 1% as a credit loss factor.

(iii) Payment of OP Purchase Price. Acquiror shall pay the applicable OP Purchase Price at each and every Option Project closing in cash or LP Units, as directed by Contributor and any partner or member that delivers a Partner Consent; provided, however, that LP Units may only be issued to LP Unit Recipients having a direct or indirect interest in such Option Project. Additionally, if and to the extent that all or any portion of an OP Purchase Price is paid in LP Units, the pricing of such LP Units shall be calculated pursuant to the formula described in Subparagraph 2(c)(iii), but without the limitations of the third sentence of that subparagraph. Prorations and adjustments required (under the terms of this Agreement) in connection with the consummation of the purchase and sale of each Option Project shall be in accordance with the terms of this Agreement;

(iv) Partnership Agreements and Subdivision. The parties agree to negotiate in good faith to enter into and/or deliver on the appropriate Option Project Closing Date any additional covenants, conditions or representations or warranties with respect to the partnership agreement and operating agreement affecting Projects Nos. 16 and 52, respectively, and the Subdivision of Project No. 52 that may be reasonably requested by either party.

(v) Exclusivity. Contributor shall have no right, of any nature whatsoever, to market an Option Project for sale, or solicit any offer, of any nature, to purchase all or any part of Contributor's interest in an Option Project, or participate in any negotiations to sell (whether by fee simple interest, ground lease, installment sale or otherwise), or agree to sell, all or any portion of, or any interest in, an Option Project unless and until Contributor complies with the obligations of this Paragraph 33 with respect to that Option Project.

(vi) Schedule 12.1(z). It shall be an Acquiror's Condition Precedent with respect to the Closing of any Option Project that any matters reflected on Schedule 12.1(z) dating from and after 1980 with respect to any such Option Project be resolved to the reasonable satisfaction of Acquiror.

At Closing, Contributor and Acquiror shall execute, and record against Projects No. 26, 28 and 29, a memorandum of Acquiror's Purchase Option, provided that such recordation does not result in a default under any existing mortgage thereon. Each such memorandum shall expire on the date that is thirty (30) days after the second anniversary of the Closing Date. The terms and provisions of this Paragraph 33 shall survive the Closing and shall not merge into the conveyancing documents delivered at Closing.

34. PREPAYMENT OF ASSUMED INDEBTEDNESS; REFINANCING. Contributor shall have the right (but not the obligation) to negotiate with the lenders of the loans secured by the Existing Mortgages regarding the prepayment of any such loans, in full and at Closing, at a discount from the principal amount (after application of accrued interest) that would be otherwise outstanding and due and owing as of the Closing Date (such discount, net of any prepayment penalty that may nevertheless be required by the applicable lender, a "PREPAYMENT DISCOUNT"). To the extent that a Prepayment Discount has been negotiated with respect to any or all of the Existing Mortgages (as reflected on the Pay-Off Letter delivered with respect to such Existing Loan), one-half (50%) of any such Prepayment Discount shall be credited to Contributor by an increase in the Total LP Unit Amount. At Closing, the UPREIT shall satisfy and pay, in full, all of the Assumed Indebtedness, including, but not limited to, the Existing Mortgages. The Total LP Unit Amount shall be reduced by an amount equal to one-half percent (1/2%) of the principal amount, as such principal amount is discounted, of all loans secured by Existing Mortgages that are the beneficiary of a Prepayment Discount.

35. REIMBURSEMENT FOR CERTAIN TAX INCREASES BASED ON HOLBROOK REMEDIATION. Contributor and Acquiror acknowledge that the Allocated Values of Projects Nos. 8 and 9 (the "HOLBROOK PROPERTIES") were determined, in part, based on the most currently known real property taxes levied against the Holbrook Properties, which amounts are reflected on Schedule 35 hereto ("CURRENT TAXES"). The Holbrook Properties may be encumbered, at the request of the United States Environmental Protection Agency ("USEPA"), by deed restrictions as a result of currently pending environmental remediation that is ongoing at the Holbrook Properties and more fully described in Schedule 9(b) hereto (the "HOLBROOK REMEDIATION"). The Holbrook Remediation consists of two components, namely (i) the remediation of contaminated soil (the "SOIL REMEDIATION") and (ii) the monitoring and, depending on the maximum contaminant levels for nickel to be promulgated by the USEPA, the remediation of contaminated ground water (the "GROUNDWATER REMEDIATION"). If, at any time within the Selected Assessment Period (hereinafter defined), the real property taxes levied against either or both of the Holbrook Properties increase to an amount in excess of the Current Taxes (a "TAX INCREASE"), the UPREIT shall promptly advise Contributor, in writing, of such Tax Increase, together with a copy of the billing statement evidencing the Tax Increase (the "TAX INCREASE NOTICE"). The Holbrook Recipients (as hereinafter defined) shall be required, within thirty (30) days after the UPREIT's delivery of the Tax Increase Notice, to promptly reimburse the UPREIT (in cash) for the amount (the "TAX REIMBURSEMENT AMOUNT") equal to the quotient of: (a) the difference between (1) the newly effective real property taxes levied against the affected Holbrook Properties, as reflected on the Tax Increase Notice (the "NEWLY APPLICABLE TAXES") and (2) the most currently known and most recently paid real estate taxes levied against such Holbrook Project pursuant to the tax bill issued immediately prior to the tax increase reflected in the Tax Increase Notice; divided by (b) .107. For purposes of this paragraph, (i) the term "Selected Assessment Period" shall mean the two (2) fiscal years (for real property tax purposes) following the fiscal year in which the Soil Remediation and the Groundwater Remediation are completed (if and to the extent that Groundwater Remediation is required), (ii) completion of the Soil Remediation will be evidenced by a written notification thereof issued by the USEPA and (iii) completion of the Groundwater Remediation will be evidenced by a written approval thereof issued by the USEPA; provided, however, that if, by the fifth (5th) anniversary of the Closing Date, the USEPA has failed to issue a written approval of the Groundwater Remediation due to the lack of ground water remediation standards, completion of the Groundwater Remediation shall be deemed, for purposes of this Agreement, to have occurred on such fifth (5th) anniversary. Notwithstanding the foregoing, the computation of the Tax Reimbursement Amount shall not include (x) any portion of the real property taxes payable by tenants of the Holbrook Projects and (y) any portion of the increase in real property taxes unrelated to either or both of the Soil Remediation and Groundwater Remediation. In determining what portion, if any, of the increase in real property taxes is related to either or both of Soil Remediation and Groundwater Remediation, the parties may rely upon a written allocation from the applicable taxing authority. If such allocation is not available, and the Holbrook Recipients and the UPREIT fail to agree upon such allocation, the Holbrook Recipients may submit this issue to mediation/arbitration in accordance with Paragraph 18. The obligation of the Holbrook Recipients with respect to the payment of the Tax Reimbursement Amount pursuant to this Paragraph 35 shall be secured by a first priority pledge in favor of the UPREIT of those LP Units issued in respect of the contribution of the Holbrook Properties (the "HOLBROOK UNITS"), which pledge shall expire on the expiration date of the Selected Assessment Period (the "HOLBROOK EXPIRATION DATE"). At Closing, the LP Unit Recipients to whom the

Holbrook Units are issued in consideration of the contribution of the Holbrook Properties (collectively, the "HOLBROOK RECIPIENTS") shall execute and deliver to the UPREIT (on a joint and several basis) a pledge agreement (and ancillary UCC Financing Statements) in form and substance mutually and reasonably satisfactory to the Holbrook Recipients and the UPREIT, with respect only to the Holbrook Units (the "HOLBROOK PLEDGE AGREEMENT"). The Holbrook Pledge Agreement shall provide, among other things, that (A) the pledge of the Holbrook Units shall terminate upon a sale of the Holbrook Properties, (B) if any one of the Holbrook Properties is sold, that portion of the Holbrook Units relating thereto shall be released from such pledge, (C) the Holbrook Units, or portions thereof, may be sold by the Holbrook Recipients only to satisfy their obligations with respect to the payment of the Tax Reimbursement Amount under this Paragraph 35, and (D) when and as the Holbrook Remediation is completed for any of the Holbrook Properties and the Holbrook Recipients perform their obligations under this Paragraph 35 with respect to the payment of the Tax Reimbursement Amount, that portion of the Holbrook Units relating thereto shall be released from the pledge. In the event that any or all of the Holbrook Recipients elect to redeem any or all of their pledged Holbrook Units prior to the Holbrook Expiration Date, then the UPREIT shall release its security interest in those particular Holbrook Units provided that, as a condition to such release and simultaneously with the issuance of the applicable Conversion Shares, the applicable Holbrook Recipients pledge (on a joint and several basis) those Conversion Shares to the UPREIT, and grant the UPREIT a first priority security interest in such Conversion Shares, which pledge shall be memorialized by the execution and delivery of a pledge agreement in form and substance reasonably and mutually satisfactory to the UPREIT and the applicable Holbrook Recipients (such pledge to include the release and termination provisions contained in the original pledge), and such pledge (and corresponding security interest) shall not be released until the Holbrook Expiration Date. The obligations of the Holbrook Recipients under this Paragraph 35 to pay the Tax Reimbursement Amount shall survive the Closing for a period of seven (7) years, and shall not merge into the conveyancing documents delivered at Closing.

36. ADDITIONAL TENANT MATTERS.

(a) Exercise of Termination Options. Contributor has advised Acquiror that the Leases of those Tenants listed on Schedule 36(a) attached hereto provide such Tenants with the right to terminate their respective Leases on an accelerated basis, prior to the expiration of the now-current terms of each such Lease. In the event that, at any time and from time to time from and after the Closing Date, if any or all of the tenants designated with an asterisk on such Schedule 36(a) (the "TERMINATING TENANTS") exercise their respective termination rights, then, from and after the effective date of each such accelerated termination, Post-Closing Contributor shall be obligated to pay to the UPREIT, on the first day of each month and continuing through the date on which the relevant Lease would have expired, but for the Terminating Tenant's exercise of its termination option (the "CONTRACT EXPIRATION DATE"), all Base Rent, Additional Rent and other amounts that would have been due for each calendar month in question under that particular terminated Lease (had such Lease not been terminated on an accelerated basis); provided, however, that (i) Post-Closing Contributor's obligation to make such monthly payments with respect to a given terminated Lease shall cease on the first date on which (x) the entire leased premises that were the subject of that terminated Lease are re-leased to a New Tenant on lease terms reasonably acceptable to the UPREIT, and (y) Post-Closing Contributor pays, or reimburses the UPREIT for, Post-Closing Contributor's proportionate share of all costs and expenses incurred to perform those tenant improvements required under the New Tenant's lease and the leasing commission due in connection with that New Tenant's lease (collectively, "RE-LETTING COSTS") and (z) such New Tenant accepts occupancy of its leased premises and pays to the UPREIT the first month's Base Rent and Additional Rent (if any) due under its respective lease; and (ii) if and to the extent that any Terminating Tenant actually pays to Acquiror any termination fee, penalty or premium in consideration of the accelerated termination of its respective Lease (each, a "TERMINATION FEE"), then Acquiror shall apply that Termination Fee to the payment of those installments of Base Rent and Additional Rent that would have been due under the terminated Lease (but for its accelerated termination) from and after its effective date of termination; therefore, Post-Closing Contributor shall not be required to pay any monthly installments of Base Rent and Additional Rent with respect to a given Terminating Tenant's terminated Lease until such time as Acquiror has exhausted any Termination Fee paid by the Terminating Tenant in question by so applying that Termination Fee in the

manner required above. With respect to component (y) above, Post-Closing Contributor's proportionate share of Re-Letting Costs attributable to a given New Lease shall be the product of (A) the Re-Letting Costs in question and (B) a fraction, in which the numerator is the number of months from the commencement date of the New Lease in question through the Contract Expiration Date of the terminated Lease now being replaced by that New Lease, and the denominator of which is the number of months comprising the initial term of the New Lease then in question (without regard to renewal or extension options or rights). Notwithstanding anything herein to the contrary (1) if portions, but not the entire, leased premises subject to a terminated Lease are re-let to a New Tenant as provided above, then all rents received from the New Tenant shall be applied to Post-Closing Contributor's obligations hereunder with respect to that particular terminated Lease, and (2) Post-Closing Contributor shall have no obligations under this Subparagraph 36(a) with respect to Capital Management, a Tenant in Project No. 10, if such Tenant fails to timely exercise its right to terminate its Lease on or prior to the second anniversary of the Closing Date.

(b) Purchase Options. Post-Closing Contributor hereby agrees to pay to Acquiror (in cash and simultaneously with the closing of the sale of Project No. 8 to Broadvet Consumer's Warehouse, a Tenant at Project No. 8 ("BROADVET"), any deficiency between the Allocated Amount for Project No. 8 and the net purchase price payable by Broadvet (pursuant to the applicable provisions of its Lease and exclusive of benefits provided voluntarily by the UPREIT to Broadvet) if and when Broadvet exercises any purchase option it has under its Lease.

(c) Financially Questionable Tenants. In the event that, at any time and from time to time after the Closing, any or all of Aid-Auto, a Tenant in Project No. 36; Speed & Chrome, a Tenant at Project No. 33; and Prime Time Sports, a Tenant in Project No. 24, defaults on any payment obligation (of any nature) under its respective Lease, and such default is not cured within 30 days of the due date of any such payment, then the UPREIT shall so advise Post-Closing Contributor, in writing, and Post-Closing Contributor shall pay such delinquent payment directly to the UPREIT, in cash, less any security deposit for such Tenant held by the UPREIT and not otherwise applied by the UPREIT to restore the relevant Tenant's leased premises to the condition required under the applicable Lease. The UPREIT agrees that, in such an event, it will use its reasonable, good faith and diligent efforts to pursue any legal remedies it may have against the applicable delinquent Tenant in the event of a breach of its respective Lease, and to reimburse Post-Closing Contributor for any such payment of delinquent sums that Post-Closing Contributor makes to the UPREIT, if and to the extent that the UPREIT actually collects such delinquencies from the applicable Tenant (after subtracting the UPREIT's reasonable costs, including attorneys' fees, associated with pursuing any such remedy). The foregoing provisions apply only to the current terms of (which terms may not be expressly provided in) the Leases described above, and not to any post-Closing renewal or extension of those terms.

(d) Tenants' Rights of First Refusal. Those Tenants listed on Schedule 36(e) have (pursuant to the terms of their respective Leases) rights of first refusal or purchase options to acquire the Projects in which their respective leased premises are located; therefore, it shall be an Acquiror's Condition Precedent that Contributor procure from each of such Tenants a written confirmation that each such Tenant irrevocably and unconditionally waives its respective right of first refusal or purchase option, as the case may be, with respect to the transaction contemplated by this Agreement.

The provisions of Subparagraphs 36(a), (b), and (c) shall survive the Closing and shall not be merged into any of the conveyancing documents delivered at Closing.

37. ONGOING ROOF REPAIR. Contributor has provided to Acquiror a true and complete copy of a certain agreement, including specifications, with respect to the currently pending repair of the roof of Project No. 25 (the "ROOFING AGREEMENT"). Post-Closing Contributor hereby covenants and agrees to assign the Roofing Agreement and any warranty relating thereto to the UPREIT at Closing. Nevertheless, Post-Closing Contributor agrees that he shall timely pay (or promptly reimburse the UPREIT for the payment of) all amounts owing (by the owner of Project No. 25) under the Roofing Agreement, from time to time, but not

including amounts arising from any change orders requested by the UPREIT. Post-Closing Contributor further agrees that, if the UPREIT so desires, he shall reasonably assist and cooperate with the UPREIT in the enforcement of the Roofing Agreement and the pursuit of any remedies available with respect thereto in the event of a breach thereof. In the event the work required to be performed under the Roofing Agreement has been completed as of the Closing, it shall be an Acquiror's Condition Precedent that final lien waivers with respect to such work, in form and substance satisfactory to the Title Company, be delivered at Closing. Post-Closing Contributor's obligations under this Paragraph 37 shall survive the Closing.

38. MISCELLANEOUS.

(a) Entire Agreement. This Agreement constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior or contemporaneous oral agreements, understandings, representations and statements, and all prior written agreements, understandings, letters of intent and proposals are merged into this Agreement. Neither this Agreement nor any provisions hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

(b) Time of the Essence. Time is of the essence of this Agreement. If any date herein set forth for the performance of any obligations by Contributor or Acquiror or for the delivery of any instrument or notice as herein provided should be on a Saturday, Sunday or legal holiday, the compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or legal holiday. As used herein, the term "legal holiday" means any state or federal holiday for which financial institutions or post offices are generally closed in the State of New York for observance thereof.

(c) Conditions Precedent. Each of Acquiror and Contributor shall have the right, at any time and from time to time, to waive any or all of Acquiror's or Contributor's, as the case may be, respective Conditions Precedent, each of which is for the sole benefit of Acquiror or Contributor, as the case may be, and may be waived at any time by written notice thereof from Acquiror to Contributor, or from Contributor to Acquiror, as the case may be. The waiver of any particular Acquiror's or Contributor's Condition Precedent shall not constitute the waiver of any other.

(d) Construction. This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both Contributor and Acquiror have contributed substantially and materially to the preparation of this Agreement. The headings of various Paragraphs in this Agreement are for convenience only, and are not to be utilized in construing the content or meaning of the substantive provisions hereof.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of law.

(f) Partial Invalidity. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any one provision shall not affect the validity of enforceability of any other provision hereof.

(g) Expenses. Except as and to the extent otherwise expressly provided to the contrary herein and in those certain letter agreements, dated October 11, 1996 and January 17, 1997, by and between JB (on behalf of Contributor) and Acquiror (and in any other letter agreement into which such parties may enter subsequent to the Contract Date with respect to the sharing of due diligence costs), Acquiror and Contributor shall each bear its own respective costs and expenses relating to the transactions contemplated hereby, including, without limitation, fees and expenses of legal counsel or other representatives for the services used, hired or connected with the proposed transactions mentioned above.

(h) Certain Securities Matters. No sale of LP Units is intended by the parties by virtue of their execution of this Agreement. Any sale of LP Units referred to in this Agreement will occur, if at all, upon the Closing.

(i) Counterparts. This Agreement may be executed in any number of identical counterparts, any of which may contain the signatures of less than all parties, and all of which together shall constitute a single agreement.

(j) Calculation of Time Periods. Notwithstanding anything to the contrary contained in this Agreement, any period of time (other than any cure periods and any time period set forth in Paragraph 13) provided for in this Agreement that is intended to expire on or prior to the Closing Date, but that would extend beyond the Closing Date if permitted to run its full term, shall be deemed to expire upon Closing.

(k) Exclusive Jurisdiction. SUBJECT TO PARAGRAPH 18, THE PARTIES AGREE THAT ALL DISPUTES BETWEEN ANY OF THEM ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT, AND WHETHER ARISING IN LAW OR EQUITY OR OTHERWISE, SHALL BE RESOLVED BY STATE OR FEDERAL COURTS LOCATED IN NEW YORK COUNTY, NEW YORK, BUT THE PARTIES ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT OUTSIDE OF SUCH COUNTY.

39. PROJECT NUMBER 56. From and after the Closing Date and continuing to the second anniversary thereof, Acquiror shall have a continuing right of first refusal to purchase Contributor's interest in Project No. 56, to be exercised as provided in this Paragraph 39. In the event that Contributor enters into any agreement to sell, convey, transfer or assign all, or any portion of, its interest in such Project (whether by transfer of fee simple interest, a ground lease, sale of an interest in the Contributor entity owning this Project, an installment sale, or otherwise), Contributor shall immediately notify the UPREIT and provide the UPREIT with a copy of such agreement (collectively, the "SALE NOTICE"). The date on which such Sale Notice is deemed (pursuant to Paragraph 19) delivered to the UPREIT shall hereinafter be referred to as the "OFFER NOTICE DATE" and the transaction described in the Sale Notice shall hereinafter be referred to as the "PROPOSED TRANSACTION." Contributor shall be prohibited from consummating a Proposed Transaction unless and until the UPREIT declines to exercise its right of first refusal with respect to the Proposed Transaction and declines to close on Project No. 56 in accordance with this Paragraph 39. For a period of fifteen (15) days following the Offer Notice Date (the "DELIBERATION PERIOD"), the UPREIT shall have the right to review the Sale Notice and determine whether or not it shall exercise its right of first refusal with respect to Project No. 56. If the UPREIT advises Contributor, in writing, prior to the expiration of the Deliberation Period that the UPREIT wishes to exercise its right of first refusal in accordance with the terms of the Sale Notice (a "RIGHT OF FIRST REFUSAL ACCEPTANCE"), Contributor shall be required to sell Project No. 56 to the UPREIT on the same terms and conditions as described in the Sale Notice; provided, however, that the purchase price for Project No. 56 shall equal the price set forth in the Sale Notice. In addition, upon delivery of a Right of First Refusal Acceptance, the mechanics of a closing for an Option Project (as set forth in Subparagraphs 33(b) and (d)) will apply to the UPREIT's acquisition of Project No. 56. The UPREIT shall forego whatever rights it may have under this Paragraph 39 in the event the UPREIT, having delivered a Right of First Refusal Acceptance, willfully and wrongfully fails to take such action as is required to close the acquisition of Project No. 56. In the event the UPREIT fails to timely deliver a Right of Refusal Acceptance, Contributor shall have 120 days (the "SALES PERIOD") to consummate the sale of Project No. 56 on the express terms set forth in the Sale Notice. If (a) Contributor fails to close the Proposed Transaction (pursuant to the terms set forth in the Sale Notice) by the expiration of the subject Sales Period or (b) the terms of the Proposed Transaction (as described in the Sale Notice) change in any material respect, Contributor shall immediately notify the UPREIT of such fact, which notice shall be treated, for all purposes, as another Sale Notice, with the date on which such notice is deemed (pursuant to Paragraph 19) to have been delivered as another Offer Notice Date for purposes of this Paragraph 39. The provisions of this Paragraph 39 shall not apply to a Transfer pursuant to Subparagraph 2(f)(iii).

At Closing, Contributor and Acquiror shall execute, and record against Project No. 56, a memorandum of Acquiror's Right of First Refusal, provided that such recordation does not result in a default under any existing mortgage thereon. Such memorandum shall expire on the date that is thirty (30) days after the second anniversary of the Closing Date. The terms and provisions of this Paragraph 39 shall survive the Closing and shall not merge into the conveyancing documents delivered at Closing.

40. CODE COMPLIANCE/ADA. In the event that, at any time or from time to time from and after the Closing Date and continuing through the First Anniversary, the UPREIT receives any written notice from any Governmental Authority, claiming or alleging that (any such written notice, a "VIOLATIONS NOTICE"): (i) a Project listed under the appropriate heading on Schedule 40 attached hereto, or the use or operation of all or any portion of any such Project, is in material non-compliance with any applicable municipal or other governmental law (other than the ADA and Environmental Laws), ordinance, regulation, code, license, permit or authorization; or (ii) a Project listed under the appropriate heading on Schedule 40 attached hereto is in material non-compliance with the ADA, then the provisions of this Paragraph 40 shall apply. Promptly upon receipt of a Violations Notice, the UPREIT shall deliver a copy thereof to JB. The UPREIT agrees to consult with JB with respect to the UPREIT's response to a particular Violations Notice, although the final decision on how to respond to any to such Violations Notice shall be the UPREIT's alone. Post-Closing Contributor shall (pursuant to this and the succeeding sentence) pay any and all costs and expenses reasonably incurred by the UPREIT in its response to a Violations Notice (including, without limitation, those of attorneys, engineers and architects), whether incurred in connection with any or all of analysis, research, strategy, protest, and compliance with respect to any or all of the matters set forth in any Violations Notice (collectively, "VIOLATION CURE COSTS"); provided, however, that Post-Closing Contributor's maximum aggregate liability under this Paragraph 40 (x) with respect to the matters in clause (i) above shall not exceed $40,250 and (y) with respect to the matters in clause (ii) above shall not exceed $64,000. In such regard, Post-Closing Contributor shall promptly reimburse the UPREIT for any Violation Cure Costs upon Post-Closing Contributor's receipt of written evidence as to the amount of Violation Cure Costs, or directly pay any third-party invoices delivered by the UPREIT and evidencing any Violation Cure Costs, as the case may be. The foregoing obligation in this Paragraph 40 shall not apply to any Violations Notices relating to Environmental Laws or Environmental Permits. The provisions of this Paragraph 40 shall survive the Closing and shall not merge into any conveyancing documents delivered at Closing.

41. CERTAIN ADDITIONAL CLOSING PAYMENTS AND ESCROWS.

(a) At Closing, Contributor shall pay to the UPREIT (as a Closing Cost) the Asset Management fees described below. Such fees shall be allocated pro rata (based on Allocated Value) to all Projects that are affected by such fees and that shall be contributed to Acquiror on the Closing Date (the "CLOSING PROJECTS"). The fees shall be set forth, under an appropriate heading, on the Closing Statement to be agreed to by the parties at Closing. In consideration of the UPREIT's provision to Contributor, on a pre-closing basis, of various asset management services, including, but not limited to, services and consultations involving or relating to matters of ownership structure, financing, leasing, and sale, Contributor shall pay to Acquiror a fee comprised of two components: (x) a "set-up" fee, equal to 0.25% of the aggregate Allocated Value of the Closing Projects; and (y) a "management" fee, equal to an annualized rate of 0.75% of the aggregate Allocated Value of the Closing Projects, which latter fee component shall be applicable for the period of time commencing on July 1, 1996 and continuing through the Closing Date. No portion of the fees paid to Acquiror at Closing pursuant to the requirements of this Paragraph 41(a) shall be refundable.

(b) At Closing, Acquiror shall deposit into escrow with CT&T the sum set forth under the appropriate caption on the Closing Statement (the "DEFERRED FEE ESCROW"), which Deferred Fee Escrow shall constitute a Closing Cost, and therefore, the Contribution Consideration shall be reduced by the amount of the Deferred Fee Escrow. The Deferred Fee Escrow shall be comprised of the following three components:

(i) Financing Facilitation Fee. In consideration of the UPREIT's pre-Closing assistance in negotiations with Contributor's existing lenders to procure

relief from prepayment restrictions and other financial accommodations relating to the pay-off of certain Existing Mortgages, the Deferred Fee Escrow shall include a "Financing Facilitation Fee" in an aggregate amount equal to one-half (50%) of each discount or other financial accommodation provided or granted to Contributor by any or all of the holders of any of the Existing Mortgages that shall be paid, in full, as of the Closing Date (the "ADJUSTED DISCOUNT"). The amount in the Referred Fee Escrow corresponding to each Adjusted Discount may (but shall not necessarily) be withdrawn from the Deferred Fee Escrow by Acquiror in equal monthly installments, prorated over that number of months remaining in the term of the Existing Mortgage corresponding to such Adjusted Discount, but not to exceed 24 months for any Adjusted Discount, as of the Closing Date.

(ii) Land Planning Fee. In consideration of the UPREIT's provision of pre-Closing consultation services to Contributor concerning land planning issues in connection with Project 56, on which parcel the UPREIT has a right of first refusal pursuant to Paragraph 39, the Deferred Fee Escrow shall also include the sum of $200,000, which amount may (but shall not necessarily) be withdrawn from the Deferred Fee Escrow in equal monthly installments over the 24-month term of the right of first refusal.

(iii) Strategic Planning. In consideration of the UPREIT's provision of pre-Closing consultation services with Contributor concerning strategic planning issues involving the Option Projects, the Deferred Fee Escrow shall also include a sum equal to 2% of the aggregate projected fair market value of all of the Option Projects, calculated as of the expiration date of the two-year option term (the "Strategic Planning Fee"). At or prior to Closing, Acquiror and Contributor shall mutually and reasonably agree upon such projected fair market values. The Strategic Planning Fee may (but shall not necessarily) be withdrawn from the Deferred Fee Escrow in equal monthly installments over the 24-month option period.

The establishment and administration of, and disbursements from, the Deferred Fee Escrow shall be governed exclusively by written instructions between (A) the UPREIT or the REIT and (B) CT&T. Contributor shall have no right, title or interest, of any nature whatsoever, in any or all of the monies in the Deferred Fee Escrow. Provided that the Closing shall have occurred, all of the fees described in this Paragraph 41 shall be deemed to have been fully earned as of the Closing Date; therefore, from and after the Closing Date, neither the UPREIT nor the REIT shall have any obligation to provide to Contributor any of the services described in this Paragraph 41.

42. ENGINEERING MATTERS AT PROJECT NO. 24. Acquiror has been advised by its consultants that there is a void or hole in the soil beneath the surface relating to an improperly closed leaching pool at Project No. 24 (the "Soil Condition"). In order to determine whether and the extent to which the Soil Condition is adverse or potentially adverse to the normal use and operation of Project No. 24 (as in effect on the Closing Date), JB and Acquiror agree that, following closing, they shall mutually agree on the selection of an appropriate licensed and third-party engineer (the "Engineer") to investigate and analyze the Soil Condition, and advise Acquiror and JB of the Engineer's recommendations with respect to the Soil Condition (collectively, the "ENGINEERING ANALYSIS"). Post-Closing Contributor shall be responsible for all fees and expenses incurred to engage the Engineer and procure the Engineering Analysis. The Engineer shall commence the Engineering Analysis no later than 30 days following the Closing Date. In the event the Engineer concludes (in the Engineering Analysis) that it is appropriate to remedy the Soil Condition, Acquiror shall, following reasonable consultation with JB, arrange for the remediation of the Soil Condition in accordance with the Engineering Analysis and corresponding recommendations. Post-Closing Contributor shall be responsible for the entire cost of any such remediation, and shall reimburse Acquiror for such costs within ten (10) business days after Acquiror delivers written demand to Contributor, together with written evidence of the costs for which Acquiror requires reimbursement. The provisions of this Paragraph 42 shall survive the Closing and shall not merge into any conveyancing document delivered at Closing.

43. INDEMNITY WITH RESPECT TO CERTAIN ESTOPPEL CERTIFICATES. The Estoppel Certificates delivered in connection with the Closing by J.C. Penney Company, Inc. with respect to its premises at Project No. 55 and dated December 30, 1996 (the "JCP ESTOPPEL") and SmithKline Beecham Chemical Laboratories, Inc. with respect to its premises at Project No. 18 and dated January 21, 1992 (the "SBCL ESTOPPEL") describe certain problems that the parties wish to address following the Closing pursuant to the terms of this Paragraph 43. In light of such problems, JB hereby agrees to cooperate fully with Acquiror to attempt to obtain a new Estoppel Certificate from such Tenants in form reasonably satisfactory to Acquiror (the "NEW ESTOPPEL DELIVERY CONDITION"). Post-Closing Contributor hereby agrees to protect, defend, indemnify and hold Acquiror, the UPREIT, the REIT and any of their partners, officers, directors, shareholders, successors and assigns harmless from and against any and all Losses that any or all of the indemnified parties suffers or incurs as a result of any matter raised in the JCP Estoppel or SBCL Estoppel that is not contemplated by the form estoppel certificate attached as Exhibit O. The indemnity provided by the foregoing sentence shall expire with respect to each of the JCP Estoppel and the SBCL Estoppel, respectively, immediately upon the satisfaction of the New Estoppel Delivery Condition for that particular estoppel and the issues raised therein. The provisions of this Paragraph 43 shall survive the Closing and shall not merge into any conveyancing documents delivered at closing.

44. SECURITY DEPOSIT DISPUTES. Schedule 44 attached hereto reflects certain leases ("SECURITY DEPOSIT LEASES") with respect to which Acquiror and Contributor have a disagreement as to the appropriate amount of the security deposits required by each of such leases, respectively. The disputed amounts (the "DISPUTED AMOUNTS") are also reflected on Schedule 44. If, following the Closing, any tenant under a Security Deposit Lease delivers an estoppel letter or other written evidence in a form reasonably acceptable to Acquiror (a "SECURITY DEPOSIT DOCUMENT") that confirms the amount of a security deposit (the "STATED AMOUNT"), Post-Closing Contributor shall promptly pay to Acquiror the positive difference, if any, between the Stated Amount and the amount reflected in Schedule 44 as "Security Deposit Per Contributor." Post-Closing Contributor's obligation under this Paragraph 44 with respect to any Tenant that delivers a Security Deposit Document shall terminate upon delivery of the corresponding payment required pursuant to the preceding sentence. With respect to those Tenants reflected on Schedule 44 that do not deliver a Security Deposit Document ("VACATING TENANTS"), Post-Closing Contributor's obligations under this Paragraph 44 shall be as set forth below. Post-Closing Contributor hereby agrees to promptly pay to Acquiror, upon Acquiror's request, an amount equal to the Security Deposit Correction Amount [(as defined below), which amount, if it exceeds the Disputed Amount, shall be deemed to equal the Disputed Amount] with respect to each Vacating Tenant if the following conditions are met: (i) the Vacating Tenant has vacated the premises and requested a refund of its security deposit; and (ii) (x) the amount requested to be refunded by such Tenant (the "REFUND AMOUNT") exceeds (y) the amount reflected in Schedule 44 as the "Security Deposit Per Contributor" [the "CONTRIBUTOR'S AMOUNT"] (the difference between (x) and (y) is the "SECURITY DEPOSIT CORRECTION AMOUNT"). The provisions of this Paragraph 44 shall survive the Closing and shall not merge into any conveyancing documents delivered at Closing.

[Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Contribution Agreement on the date first above written.

ACQUIROR:

FR ACQUISITIONS, INC.,
a Maryland corporation

By: Johannson L. Yap

Name: Johannson L. Yap
Title: Senior Vice President-Acquisitions

CONTRIBUTOR AND OTHER LP UNIT RECIPIENTS:

LAZARUS BURMAN ASSOCIATES, a New York general partnership

JAN BURMAN MANAGEMENT CO., a New York general partnership

JERRY LAZARUS MANAGEMENT CO., a New York general partnership

CONNIE LAZARUS MANAGEMENT CO., a New York general partnership

RED GROUND CO., a New York general partnership

SURREY CO., a New York general partnership

L.B. MANAGEMENT CO., a New York general partnership

SJB REALTY CO., a New York general partnership

By: Jan Burman

Name: Jan Burman
Title: Partner of each of the above general partnerships

JERNIE INVESTORS CO., a New York general partnership

C 4-6-7 CO., a New York general partnership

C 3-5 CO., a New York general partnership

LAZ-BUR CO., a New York general partnership

By: Constance Lazarus, partner of each of the above general partnerships

By: Jan Burman

Name: Jan Burman
Title: Attorney-in-fact

109 INDUSTRIAL CO., L.L.C., a New York limited liability company

FOURBUR CO., L.L.C., a New York limited liability company

By: Jan Burman

Name: Jan Burman
Title: Member of each of the above limited liability companies

116 LEHIGH INDUSTRIAL CO., L.L.C., a New Jersey limited liability company

By: Fourbur Family Co., L.P., a New York limited partnership and its manager

By: Jan Burman

Name: Jan Burman
Title: General Partner

185 PRICE PARKWAY, L.L.C., a New York limited liability company

290 INDUSTRIAL CO., L.L.C., a New York limited liability company

By: Four Bur Co., L.L.C., a New York limited liability company and manager of each of the above limited liability companies

By: Susan Burman, member

By: Jan Burman

Name: Jan Burman
Title: Attorney-in-fact

JUDITH DRAIZIN (d/b/a JDHJ CO.)

By: Judith Draizin

By: Jan Burman

Name: Jan Burman
Title: Attorney-in-fact

SUSAN BURMAN (d/b/a SUSIECO CO.)

By: Susan Burman

By: Jan Burman

Name: Jan Burman
Title: Attorney-in-fact

JERNIE HOLDINGS CORP., a New York corporation

By: Jan Burman

Name: Jan Burman
Title: President

FOURBUR FAMILY CO., L.P., a New York limited partnership

By: Jan Burman

Name: Jan Burman
Title: General Partner

JEROME LAZARUS, individually

CONSTANCE LAZARUS, individually

SUSAN BURMAN, individually

JUDITH DRAIZIN, individually

Jan Burman

JAN BURMAN, individually and as attorney-in-fact for the above named individuals

HEATHER DRAIZIN, individually

DANIELLE DRAIZIN, individually

JASON DRAIZIN, individually

By: Judith Draizin, custodian for Heather Draizin, Danielle Draizin and Jason Draizin

By: Jan Burman

Name: Jan Burman
Title: Attorney-in-fact

JOINDER

The undersigned, being duly authorized, hereby agree to be bound by their obligations set forth in Subparagraph 5(d) of this Contribution Agreement.

FIRST INDUSTRIAL, L.P., a
Delaware limited partnership

By: First Industrial Realty Trust, Inc.,
a Maryland corporation and its sole
general partner

By: Johannson L. Yap

Name: Johannson L. Yap
Title: Senior Vice President - Acquisitions

FIRST INDUSTRIAL REALTY TRUST, INC., a
Maryland corporation

By: Johannson L. Yap

Name: Johannson L. Yap
Title: Senior Vice President - Acquisitions

The undersigned hereby agrees to be bound by its obligations set forth in Paragraphs 25, 30, 31, 33(a), 33(b), 36(a), (b), and (c), 37 and 40 of this Contribution Agreement.

Jan Burman

Jan Burman

[EXHIBITS TO THIS CONTRIBUTION AGREEMENT HAVE BEEN OMITTED]

EXHIBIT 10.59

MICHAEL T. TOMASZ

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), is made and entered into as of the 4th day of December, 1996 (the "Effective Date"), by and between First Industrial Realty Trust, Inc., a Maryland corporation (the "Employer"), and Michael T. Tomasz (the "Executive").

RECITALS

A. The Employer desires to employ the Executive as an officer of the Employer for a specified term, and the Executive is willing to accept such employment upon the terms and conditions hereinafter set forth.

B. The Employer recognizes that circumstances may arise in which a change of control of the Employer, through acquisition or otherwise, may occur, thereby causing uncertainty of employment without regard to the competence or past contributions of the Executive, and that such uncertainty may result in the loss of valuable services of the Executive. Accordingly, the Employer and the Executive wish to provide reasonable security to the Executive against changes in the employment relationship in the event of any such change of control.

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

AGREEMENTS

1. POSITION AND DUTIES. The Employer hereby employs the Executive as the President and Chief Executive Officer of the Employer, or in such other capacity as shall be mutually agreed between the Employer and the Executive. During the period of the Executive's employment hereunder, the Executive shall devote his best efforts and full business time, energy, skills and attention to the business and affairs of the Employer. The Executive's duties and authority shall consist of and include all duties and authority customarily performed and held by persons holding equivalent positions with business organizations similar in nature and size to the Employer, as such duties and authority are reasonably defined, modified and delegated from time to time by the Board of Directors of the Employer (the "Board"). The Executive shall have the powers necessary to perform the duties assigned to him, and shall be provided such supporting services, staff, secretarial and other assistance, office space and accouterments as shall be reasonably necessary and appropriate in the light of such assigned duties.

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

(a) BASE SALARY. The Executive shall receive an aggregate annual minimum "Base Salary" at the rate of Two Hundred Fifty Thousand dollars ($250,000) per annum, payable in periodic installments in accordance with the regular payroll practices of the Employer. Such Base Salary shall be subject to review annually by the Compensation Committee of the Board during the term hereof, in accordance with the Employer's established compensation policies.

(b) PERFORMANCE BONUS. The Executive shall receive an annual cash "Performance Bonus," payable within forty-five (45) days after the end of the fiscal year of the Employer, which shall be based upon company-wide and individual performance criteria mutually agreed upon from time to time by the Executive and the Board, and which shall be determined by the Board based upon the recommendation of the Compensation Committee thereof.

(c) BENEFITS. The Executive shall be entitled to all perquisites extended to similarly situated executives, as such are stated in the Employer's Executive Perquisite Policy (the "Perquisite Policy") promulgated for the Board by the Compensation Committee of the Board, and which Perquisite Policy is hereby incorporated by reference, as amended from time to time. In addition, the Executive shall be entitled to participate in all plans and benefits generally, from time to time, accorded to employees of the Employer ("Benefit Plans"), all as determined by the Board from time to time based upon the input of its Compensation Committee. In addition to the foregoing perquisites, plans and benefits, the Executive shall receive the following "Cash Allowances":

(i) a one thousand dollar ($1,000) per month automobile allowance; and

(ii) four thousand dollars ($4,000) per year for personal financial planning and personal income tax preparation.

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

3. TERM AND TERMINATION.

(e) BASIC TERM. The Executive's employment hereunder shall be for a continuous and self-renewing three (3) year term, commencing as of the Effective Date, unless terminated by either party, with or without cause, effective as of the first (1st) business day after written notice to that effect is delivered to the other party. Notwithstanding the foregoing, the term of this Agreement shall, if not previously terminated, expire of its own accord, and without notice to or from either party, on the seventieth (70th) birthday of Executive ("Retirement Date").

(b) PREMATURE TERMINATION.

(i) In the event of the termination of the employment of the Executive under this Agreement by the Employer for any reason other than a "for-cause" termination in accordance with the provisions of paragraph (d) of this Section 3, then notwithstanding any actual or allegedly available alternative employment or other mitigation of damages by or available to the Executive, the Executive shall, subject to the "Age-Based Adjustments" provided and defined in Section 3(h) below, be entitled to a "Lump Sum Payment" equal to the sum of: (w) his monthly Base Salary then payable, multiplied by the lesser of the number of full months the Executive has theretofore been employed by the Employer or thirty-six (36); plus (x) three (3) times the average of the three (3) most recent annual Performance Bonuses that the Executive received; provided, however, that if the Executive has been employed by the Employer for fewer than three (3) years at the date of termination, then the amount set forth in (x) above shall be equal to three (3) times the average of the annual Performance Bonus the Executive has theretofore received from the Employer. For purposes of calculating the Lump Sum Payment amounts due under (w) and (x) above, the Executive's employment with the Employer shall be agreed to have commenced on July 1, 1994. In the event of a termination governed by this subparagraph (b)(i) of Section 3, the Employer shall also: (y) notwithstanding the vesting schedule otherwise applicable, fully vest all of Executive's options outstanding under the First Industrial Realty Trust, Inc. 1994 Stock Incentive Plan ("SIP Options"), and awards outstanding under the First Industrial Realty Trust, Inc. Deferred Income Plan ("DIP Awards"), and allow a period of eighteen (18) months following the termination of employment for the Executive to exercise any such SIP Options; and (z) continue for the Executive (provided that such items are not available to him by virtue of other employment secured after termination) the perquisites, plans and benefits provided under the Employer's Perquisite Policy and Benefit Plans as of and after the date of termination, together with the Cash Allowances, as well as non-exclusive secretarial assistance, office space and accouterments [all items in (z) being collectively referred to as "Post-Termination Perquisites and Benefits"], for the lesser of the number of full months the Executive has theretofore been employed by the Employer or thirty six (36) months following such termination, subject to the proviso that all of the Post-Termination Perquisites and Benefits set forth above shall in all events terminate as of the Retirement Date. The payments and benefits provided under (w), (x), (y) and (z) above by the Employer shall not be offset against or diminish any other compensation or benefits accrued as of the date of termination.

(ii) Payment to the Executive under this Section 3(b) will be made in a lump sum.

(c) CONSTRUCTIVE TERMINATION. If at any time during the term of this Agreement, except in connection with a "for-cause" termination pursuant to paragraph (d) of this Section 3, the Executive is Constructively Discharged (as hereinafter defined), then the Executive shall have the right, by written notice to the Employer given within one hundred and

twenty (120) days of such Constructive Discharge, to terminate his services hereunder, effective as of thirty (30) days after such notice, and the Executive shall have no rights or obligations under this Agreement other than as provided in Section 5 hereof. The Executive shall in such event be entitled to a Lump Sum Payment of Base Salary and Performance Bonus compensation [subject to the Age-Based Adjustments set forth in Section 3(h) below], as well as, up to (and terminating as of) the Retirement Date, all of the Post-Termination Prerequisites and Benefits, as if such termination of his employment had been effectuated pursuant to paragraph (b) of this Section 3.

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

(i) The Executive is not re-elected to, or is removed from, both of the positions with the Employer set forth in Section 1 hereof, other than as a result of the Executive's election or appointment to positions of equal or superior scope and responsibility; or

(ii) The Executive shall fail to be vested by the Employer with the powers, authority and support services normally attendant to any of said offices; or

(iii) The Employer shall notify the Executive that the employment of the Executive will be terminated or materially modified in the future or that the Executive will be Constructively Discharged in the future; or

(iv) The Employer changes the primary employment location of the Executive to a place that is more than fifty (50) miles from the primary employment location as of the Effective Date of this Agreement; or

(v) The Employer otherwise commits a material breach of its obligations under this Agreement.

(d) TERMINATION FOR CAUSE. The employment of the Executive and this Agreement may be terminated "for-cause" as hereinafter defined. Termination "for-cause" shall mean the termination of employment on the basis or as a result of: (i) the Executive's death or his permanent disability, which latter term shall mean the Executive's inability, as a result of physical or mental incapacity, substantially to perform his duties hereunder for a period of either six (6) consecutive months, or one hundred and twenty (120) business days within a consecutive twelve (12) month period; (ii) a material violation by the Executive of any applicable material law or regulation respecting the business of the Employer; (iii) the Executive being found guilty of, or being publicly associated with, to the Employer's detriment, a felony or an act of dishonesty in connection with the performance of his duties as an officer of the Employer, or the Executive's commission of an act which disqualifies the Executive from serving as an officer or director of the Employer; or (iv) the willful or negligent failure of the Executive to perform his duties hereunder in any material respect. The Executive shall be entitled to at least thirty (30) days' prior written notice of the Employer's intention to terminate his employment for any cause (except the Executive's death), specifying

the grounds for such termination, affording the Executive a reasonable opportunity to cure any conduct or act (if curable) alleged as grounds for such termination, and a reasonable opportunity to present to the Board his position regarding any dispute relating to the existence of such cause.

(e) TERMINATION UPON DEATH. In the event payments are due and owing under this Agreement at the death of the Executive, such payments shall be made to such beneficiary, designee or fiduciary as Executive may have designated in writing, or failing such designation, to the executor or administrator of his estate, in full settlement and satisfaction of all claims and demands on behalf of the Executive. Such payments shall be in addition to any other death benefits of the Employer made available for the benefit of the Executive, and in full settlement and satisfaction of all payments provided for in this Agreement.

(f) TERMINATION UPON DISABILITY. The Employer may terminate the Executive's employment after the Executive is determined to be disabled under the current Employer program or by a physician engaged by the Employer. In the event of a dispute regarding the Executive's "disability," such dispute shall be resolved through arbitration as provided in paragraph (d) of Section 9 hereof, except that the arbitrator appointed by the American Arbitration Association shall be a duly licensed medical doctor. The Executive shall be entitled to the compensation and benefits provided for under this Agreement during any period of incapacitation occurring during the term of this Agreement, and occurring prior to the establishment of the Executive's "disability" during which the Executive is unable to work due to a physical or mental infirmity. Notwithstanding anything contained in this Agreement to the contrary, until the date specified in a notice of termination relating to the Executive's disability, the Executive shall be entitled to return to his positions with the Employer as set forth in this Agreement, in which event no disability of the Executive will be deemed to have occurred.

(g) TERMINATION UPON CHANGE OF CONTROL.

(i) In the event of a Change in Control (as defined below) of the Employer and the termination of the Executive's employment by Executive or by the Employer under either 1 or 2 below, the Executive shall, subject to the Age-Based Adjustments described in Section 3(h) below, be entitled to a Lump Sum Payment equal to the sum of: (w) his monthly Base Salary then payable, multiplied by the lesser of the number of full months the Executive has theretofore been employed by the Employer or thirty-six (36); plus (x) three (3) times the average of the three (3) most recent annual Performance Bonuses that the Executive received; provided, however, that if the Executive has been employed by the Employer for fewer than three (3) years, then the amount set forth in (x) above shall be equal to three (3) times the average of the annual Performance Bonuses that the Executive has theretofore received from the Employer. The Employer shall also: (y) notwithstanding the vesting schedule otherwise applicable, fully vest all of Executive's options outstanding under the "SIP Options," as well as any awards outstanding under the "DIP Awards," and allow a period of eighteen (18) months following the termination of employment of the

Executive for the Executive's exercise of the SIP Options; and (z) continue for the Executive (provided that such items are not available to him by virtue of other employment secured after termination) all of the perquisites, plans and benefits provided under paragraph (c) of Section 2, as well as non-exclusive secretarial assistance, office space and accouterments, for the lesser of the number of full months the Executive has been employed by the Employer or thirty six (36) months following such termination. The payments and benefits provided under (w), (x), (y) and (z) above by the Employer shall not be offset against or diminish any other compensation or benefits accrued as of the date of termination. The following shall constitute termination under this paragraph:

1. The Executive terminates his employment under this Agreement pursuant to a written notice to that effect delivered to the Board within six (6) months after the occurrence of the Change in Control.

2. Executive's employment is terminated, including Constructively Discharged, by the Employer or its successor either in contemplation of or within two (2) years after the Change in Control, other than on a for-cause basis.

(ii) For purposes of this paragraph, the term "Change in Control" shall mean the following:

1. The consummation of the acquisition by any person (as such term is defined in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of forty percent (40%) or more of the combined voting power embodied in the then-outstanding voting securities of the Employer; or

2. Approval by the stockholders of the Employer of: (1) a merger or consolidation of the Employer, if the stockholders of the Employer immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of the entity resulting from such merger or consolidation in substantially the same proportion as was represented by their ownership of the combined voting power of the voting securities of the Employer outstanding immediately before such merger or consolidation; or (2) a complete or substantial liquidation or dissolution, or an agreement for the sale or other disposition, of all or substantially all of the assets of the Employer.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because forty percent (40%) or more of the combined voting power of the

then-outstanding securities is acquired by: (1) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained for employees of the entity; or (2) any corporation or other entity which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Employer in the same proportion as their ownership of stock in the Employer immediately prior to such acquisition.

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

(h) AGE-BASED ADJUSTMENTS. It is recognized and acknowledged that Executive intends and wishes to retire by the Retirement Date, on which date he shall have attained the age of 70, which shall be the mandatory retirement age for senior management of the Employer. This Agreement shall accordingly terminate, on an automatic basis, as provided in Section 3(a) above, as of said Retirement Date. In addition, it is mutually acknowledged and agreed that the Lump Sum Payments owed to the Executive in the event of a termination of this Agreement pursuant to Section 3(b), 3 (c) or 3(g) hereof (respectively dealing with Premature Termination, Constructive Termination and Termination Upon Change of Control) shall be gradually reduced during the three (3) year pre-retirement transition period preceding the Retirement Date, by being made subject to "Age-Based Adjustments," based on the following schedule:

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

The foregoing Age-Based Adjustments shall apply against the Lump Sum Payments of Base Salary and Performance Bonus provided in Sections 3(b), 3(c) and 3(g) hereof, and shall not apply to the Post-Termination Perquisites and Benefits, which shall remain intact until the Retirement Date, whereupon they shall be completely terminated.

4. CONFIDENTIALITY AND LOYALTY. The Executive acknowledges that heretofore or hereafter during the course of his employment he has produced and received, and may hereafter produce, receive and otherwise have access to various materials, records, data, trade secrets and information not generally available to the public (collectively, "Confidential Information") regarding the Employer and its subsidiaries and affiliates. Accordingly, during and subsequent to termination of this Agreement, the Executive shall hold in confidence and not directly or indirectly disclose, use, copy or make lists of any such Confidential Information, except to the extent that such information is or thereafter becomes lawfully available from public sources, or such disclosure is authorized in writing by the Employer, required by law or by any competent administrative agency or judicial authority, or otherwise as reasonably necessary or appropriate in connection with the performance by the Executive of his duties hereunder. All records, files, documents, computer diskettes, computer programs and other computer-generated material, as well as all other materials or copies thereof relating to the Employer's business, which the Executive shall prepare or use, shall be and remain the sole property of the Employer, shall not be removed from the Employer's premises without its written consent, and shall be promptly returned to the Employer upon termination of the Executive's employment hereunder. The Executive agrees to abide by the Employer's reasonable policies, as in effect from time to time, respecting confidentiality and the avoidance of interests conflicting with those of the Employer.

5. NON-COMPETITION COVENANT.

(a) RESTRICTIVE COVENANT. The Employer and the Executive have jointly reviewed the tenant lists, property submittals, logs, broker lists, and operations of the Employer, and have agreed that as an essential ingredient of and in consideration of this Agreement and the payment of the amounts described in Sections 2 and 3 hereof, the Executive

hereby agrees that, except with the express prior written consent of the Employer, for a period equal to the lesser of the number of full months the Executive has at any time been employed by the Employer or thirty-six (36) months after the termination of the Executive's employment with the Employer (the "Restrictive Period"), he will not directly or indirectly compete with the business of the Employer, including, but not by way of limitation, by directly or indirectly owning, managing, operating, controlling, financing, or by directly or indirectly serving as an employee, officer or director of or consultant to, or by soliciting or inducing, or attempting to solicit or induce, any employee or agent of Employer to terminate employment with Employer and become employed by any person, firm, partnership, corporation, trust or other entity which owns or operates a business similar to that of the Employer (the "Restrictive Covenant"). For purposes of this subparagraph (a), a business shall be considered "similar" to that of the Employer if it is engaged in the acquisition, development, ownership, operation, management or leasing of warehouse, distribution or light industrial property (i) in any geographic market or territory in which the Employer owns properties either as of the date hereof or as of the date of termination of the Executive's employment; or (ii) in any "Target Market" publicly identified by the Employer; or (iii) in any market in which an acquisition is pending at the time of the termination of the Executive's employment. If the Executive violates the Restrictive Covenant and the Employer brings legal action for injunctive or other relief, the Employer shall not, as a result of the time involved in obtaining such relief, be deprived of the benefit of the full period of the Restrictive Covenant. Accordingly, the Restrictive Covenant shall be deemed to have the duration specified in this paragraph (a) computed from the date the relief is granted but reduced by the time between the period when the Restrictive Period began to run and the date of the first violation of the Restrictive Covenant by the Executive. In the event that a successor of the Employer assumes and agrees to perform this Agreement or otherwise acquires the Employer, this Restrictive Covenant shall continue to apply only to the primary service area of the Employer as it existed immediately before such assumption or acquisition and shall not apply to any of the successor's other offices or markets. The foregoing Restrictive Covenant shall not prohibit the Executive from owning, directly or indirectly, capital stock or similar securities which are listed on a securities exchange or quoted on the National Association of Securities Dealers Automated Quotation System which do not represent more than five percent (5%) of the outstanding capital stock of any corporation.

(b) REMEDIES FOR BREACH OF RESTRICTIVE COVENANT. The Executive acknowledges that the restrictions contained in Sections 4 and 5 of this Agreement are reasonable and necessary for the protection of the legitimate proprietary business interests of the Employer; that any violation of these restrictions would cause substantial injury to the Employer and such interests; that the Employer would not have entered into this Agreement with the Executive without receiving the additional consideration offered by the Executive in binding himself to these restrictions; and that such restrictions were a material inducement to the Employer to enter into this Agreement. In the event of any violation or threatened violation of these restrictions, the Employer shall be relieved of any further obligations under this Agreement, shall be entitled to any rights, remedies or damages available at law, in equity or otherwise under this Agreement, and shall be entitled to preliminary and temporary injunctive relief granted by a court of competent jurisdiction to prevent or restrain any such

violation by the Executive and any and all persons directly or indirectly acting for or with him, as the case may be, while awaiting the decision of the arbitrator selected in accordance with paragraph (d) of Section 9 of this Agreement, which decision, if rendered adverse to the Executive, may include permanent injunctive relief to be granted by the court.

6. INTERCORPORATE TRANSFERS. If the Executive shall be voluntarily transferred to an affiliate of the Employer, such transfer shall not be deemed to terminate or modify this Agreement, and the employing corporation to which the Executive shall have been transferred shall, for all purposes of this Agreement, be construed as standing in the same place and stead as the Employer as of the date of such transfer. For purposes hereof, an affiliate of the Employer shall mean any corporation or other entity directly or indirectly controlling, controlled by, or under common control with the Employer. The Employer shall be secondarily liable to the Executive for the obligations hereunder in the event the affiliate of the Employer cannot or refuses to honor such obligations. For all relevant purposes hereof, the tenure of the Executive shall be deemed to include the aggregate term of his employment by the Employer or its affiliate.

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

8. INDEMNIFICATION.

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

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

(c) In the event the Executive becomes a party, or is threatened to be made a party, to any action, suit or proceeding for which the Employer has agreed to provide insurance coverage or indemnification under this Section 8, the Employer shall, to the full

extent permitted under applicable law, advance all expenses (including the reasonable attorneys' fees of the attorneys selected by Employer and approved by Executive for the representation of the Executive), judgments, fines and amounts paid in settlement (collectively "Expenses") incurred by the Executive in connection with the investigation, defense, settlement, or appeal of any threatened, pending or completed action, suit or proceeding, subject to receipt by the Employer of a written undertaking from the Executive covenanting: (i) to reimburse the Employer for all Expenses actually paid by the Employer to or on behalf of the Executive in the event it shall be ultimately determined that the Executive is not entitled to indemnification by the Employer for such Expenses; and (ii) to assign to the Employer all rights of the Executive to insurance proceeds, under any policy of directors' and officers' liability insurance or otherwise, to the extent of the amount of Expenses actually paid by the Employer to or on behalf of the Executive.

9. GENERAL PROVISIONS.

(a) SUCCESSORS; ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the Executive, the Employer and his and its respective personal representatives, successors and assigns, and any successor or assign of the Employer shall be deemed the "Employer" hereunder. The Employer shall require any successor to all or substantially all of the business and/or assets of the Employer, whether directly or indirectly, by purchase, merger, consolidation, acquisition of stock, or otherwise, by an agreement in form and substance satisfactory to the Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent as the Employer would be required to perform if no such succession had taken place.

(b) ENTIRE AGREEMENT; MODIFICATIONS. This Agreement constitutes the entire agreement between the parties respecting the subject matter hereof, and supersedes all prior negotiations, undertakings, agreements and arrangements with respect thereto, whether written or oral. Except as otherwise explicitly provided herein, this Agreement may not be amended or modified except by written agreement signed by the Executive and the Employer.

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

(d) ARBITRATION. Except as provided in paragraph (b) of Section 5, any dispute or controversy arising under or in connection with this Agreement or the Executive's employment by the Employer shall be settled exclusively by arbitration, conducted by a single arbitrator sitting in Chicago, Illinois, in accordance with the rules of the American Arbitration Association (the "AAA") then in effect. The arbitrator shall be selected by the parties from a list of eleven (11) arbitrators provided by the AAA, provided that no arbitrator shall be related

to or affiliated with either of the parties. No later than ten (10) days after the list of proposed arbitrators is received by the parties, the parties, or their respective representatives, shall meet at a mutually convenient location in Chicago, Illinois, or telephonically. At that meeting, the party who sought arbitration shall eliminate one (1) proposed arbitrator and then the other party shall eliminate one (1) proposed arbitrator. The parties shall continue to alternatively eliminate names from the list of proposed arbitrators in this manner until each party has eliminated five (5) proposed arbitrators. The remaining arbitrator shall arbitrate the dispute. Each party shall submit, in writing, the specific requested action or decision it wishes to take, or make, with respect to the matter in dispute, and the arbitrator shall be obligated to choose one (1) party's specific requested action or decision, without being permitted to effectuate any compromise or "new" position; provided, however, that the arbitrator is authorized to award amounts not in dispute during the pendency of any dispute or controversy arising under or in connection with this Agreement. The Employer shall bear the cost of all counsel, experts or other representatives that are retained by both parties, together with all costs of the arbitration proceeding, including, without limitation, the fees, costs and expenses imposed or incurred by the arbitrator. Judgment may be entered on the arbitrator's award in any court having jurisdiction; including, if applicable, entry of a permanent injunction under paragraph (b) of Section 5.

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

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

(g) NOTICES. Notices given pursuant to this Agreement shall be in writing, and shall be deemed given when received, and, if mailed, shall be mailed by United States registered or certified mail, return receipt requested, postage prepaid. Notices to the Employer shall be addressed to the principal headquarters of the Employer, Attention: Chairman. Notices to the Executive shall be sent to the address set forth below the Executive's signature on this Agreement, or to such other address as the party to be notified shall have given to the other.

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

FIRST INDUSTRIAL REALTY TRUST, INC.,
a Maryland corporation

By: /s/ Jay H. Shidler

Jay H. Shidler
Chairman of the Board of Directors

MICHAEL T. TOMASZ

/s/ Michael T. Tomasz

Address of Executive:

2236 North Burling
Chicago, Illinois 60614

EXHIBIT 10.60

MICHAEL W. BRENNAN

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), is made and entered into as of the 1st day of February, 1997 (the "Effective Date"), by and between First Industrial Realty Trust, Inc., a Maryland corporation (the "Employer"), and Michael W. Brennan (the "Executive").

RECITALS

A. The Employer desires to employ the Executive as an officer of the Employer for a specified term, and the Executive is willing to accept such employment upon the terms and conditions hereinafter set forth.

B. The Employer recognizes that circumstances may arise in which a change of control of the Employer, through acquisition or otherwise, may occur, thereby causing uncertainty of employment without regard to the competence or past contributions of the Executive, and that such uncertainty may result in the loss of valuable services of the Executive. Accordingly, the Employer and the Executive wish to provide reasonable security to the Executive against changes in the employment relationship in the event of any such change of control.

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

AGREEMENTS

1. POSITION AND DUTIES. The Employer hereby employs the Executive as the Chief Operating Officer of the Employer, or in such other capacity as shall be mutually agreed between the Employer and the Executive. During the period of the Executive's employment hereunder, the Executive shall devote his best efforts and full business time, energy, skills and attention to the business and affairs of the Employer. The Executive's duties and authority shall consist of and include all duties and authority customarily performed and held by persons holding equivalent positions with business organizations similar in nature and size to the Employer, as such duties and authority are reasonably defined, modified and delegated from time to time by the Board of Directors of the Employer (the "Board"). The Executive shall have the powers necessary to perform the duties assigned to him, and shall be provided such supporting services, staff, secretarial and other assistance, office space and accouterments as shall be reasonably necessary and appropriate in the light of such assigned duties.

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

(a) BASE SALARY. The Executive shall receive an aggregate annual minimum "Base Salary" at the rate of One Hundred and Ninety-Five Thousand dollars ($195,000) per annum, payable in periodic installments in accordance with the regular payroll practices of the Employer. Such Base Salary shall be subject to review annually by the Compensation Committee of the Board during the term hereof, in accordance with the Employer's established compensation policies.

(b) PERFORMANCE BONUS. The Executive shall receive an annual cash "Performance Bonus," payable within forty-five (45) days after the end of the fiscal year of the Employer, which shall be based upon company-wide and individual performance criteria mutually agreed upon from time to time by the Executive and the Board, and which shall be determined by the Board based upon the recommendation of the Compensation Committee thereof.

(c) BENEFITS. The Executive shall be entitled to all perquisites extended to similarly situated executives, as such are stated in the Employer's Executive Perquisite Policy (the "Perquisite Policy") promulgated for the Board by the Compensation Committee of the Board, and which Perquisite Policy is hereby incorporated by reference, as amended from time to time. In addition, the Executive shall be entitled to participate in all plans and benefits generally, from time to time, accorded to employees of the Employer ("Benefit Plans"), all as determined by the Board from time to time based upon the input of its Compensation Committee. In addition to the foregoing perquisites, plans and benefits, the Executive shall receive the following "Cash Allowances":

(i) an eight hundred dollar ($800) per month automobile allowance; and

(ii) three thousand dollars ($3,000) per year for personal financial planning and personal income tax preparation.

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

3. TERM AND TERMINATION.

(a) BASIC TERM. The Executive's employment hereunder shall be for a continuous and self-renewing two (2) year term, commencing as of the Effective Date, unless terminated by either party, with or without cause, effective as of the first (1st) business day after written notice to that effect is delivered to the other party. Notwithstanding the foregoing, the term of this Agreement shall, if not previously terminated, expire of its own accord, and without notice to or from either party, on the seventieth (70th) birthday of the Executive ("Retirement Date").

(b) PREMATURE TERMINATION.

(i) In the event of the termination of the employment of the Executive under this Agreement by the Employer for any reason other than a "for-cause" termination in accordance with the provisions of paragraph (d) of this Section 3, then notwithstanding any actual or allegedly available alternative employment or other mitigation of damages by or available to the Executive, the Executive shall, subject to the "Age-Based Adjustments" provided and defined in Section 3(h) below, be entitled to a "Lump Sum Payment" equal to the sum of: (w) his monthly Base Salary then payable, multiplied by twenty-four (24); plus (x) two (2) times the average of the two (2) most recent annual Performance Bonuses that the Executive received from the Employer. In the event of a termination governed by this subparagraph (b)(i) of Section 3, the Employer shall also: (y) notwithstanding the vesting schedule otherwise applicable, fully vest all of Executive's options outstanding under the First Industrial Realty Trust, Inc. 1994 Stock Incentive Plan ("SIP Options"), and awards outstanding under the First Industrial Realty Trust, Inc. Deferred Income Plan ("DIP Awards"), and allow a period of eighteen (18) months following the termination of employment for the Executive to exercise any such SIP Options; and (z) continue for the Executive (provided that such items are not available to him by virtue of other employment secured after termination) the perquisites, plans and benefits provided under the Employer's Perquisite Policy and Benefit Plans as of and after the date of termination, together with the Cash Allowances, [all items in (z) being collectively referred to as "Post-Termination Perquisites and Benefits"], for twenty-four (24) months following such termination, subject to the proviso that all of the Post-Termination Perquisites and Benefits set forth above shall in all events terminate as of the Retirement Date. The payments and benefits provided under (w), (x), (y) and (z) above by the Employer shall not be offset against or diminish any other compensation or benefits accrued as of the date of termination.

(ii) Payment to the Executive under this Section 3(b) will be made in a lump sum.

(c) CONSTRUCTIVE TERMINATION. If at any time during the term of this Agreement, except in connection with a "for-cause" termination pursuant to paragraph (d) of this Section 3, the Executive is Constructively Discharged (as hereinafter defined), then the Executive shall have the right, by written notice to the Employer given within one hundred and twenty (120) days of such Constructive Discharge, to terminate his services hereunder, effective as of thirty (30) days after such notice, and the Executive shall have no rights or obligations under this Agreement other than as provided in Section 5 hereof. The Executive shall in such event be entitled to a Lump Sum Payment of Base Salary and Performance Bonus compensation [subject to the Age-Based Adjustments set forth in Section 3(h) below], as well as, up to (and terminating as of) the Retirement Date, all of the Post-Termination Perquisites and Benefits, as if such termination of his employment had been effectuated pursuant to paragraph (b) of this Section 3.

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

(i) The Executive is not re-elected to, or is removed from, both of the positions with the Employer set forth in Section 1 hereof, other than as a result of the Executive's election or appointment to positions of equal or superior scope and responsibility; or

(ii) The Executive shall fail to be vested by the Employer with the powers, authority and support services normally attendant to any of said offices; or

(iii) The Employer shall notify the Executive that the employment of the Executive will be terminated or materially modified in the future or that the Executive will be Constructively Discharged in the future; or

(iv) The Employer changes the primary employment location of the Executive to a place that is more than fifty (50) miles from the primary employment location as of the Effective Date of this Agreement; or

(v) The Employer otherwise commits a material breach of its obligations under this Agreement.

(d) TERMINATION FOR CAUSE. The employment of the Executive and this Agreement may be terminated "for-cause" as hereinafter defined. Termination "for-cause" shall mean the termination of employment on the basis or as a result of: (i) the Executive's death or his permanent disability, which latter term shall mean the Executive's inability, as a result of physical or mental incapacity, substantially to perform his duties hereunder for a period of either six (6) consecutive months, or one hundred and twenty (120) business days within a consecutive twelve (12) month period; (ii) a material violation by the Executive of any applicable material law or regulation respecting the business of the Employer; (iii) the Executive being found guilty of, or being publicly associated with, to the Employer's detriment, a felony or an act of dishonesty in connection with the performance of his duties as an officer of the Employer, or the Executive's commission of an act which disqualifies the Executive from serving as an officer or director of the Employer; or (iv) the willful or negligent failure of the Executive to perform his duties hereunder in any material respect. The Executive shall be entitled to at least thirty (30) days' prior written notice of the Employer's intention to terminate his employment for any cause (except the Executive's death), specifying the grounds for such termination, affording the Executive a reasonable opportunity to cure any conduct or act (if curable) alleged as grounds for such termination, and a reasonable opportunity to present to the Board his position regarding any dispute relating to the existence of such cause.

(e) TERMINATION UPON DEATH. In the event payments are due and owing under this Agreement at the death of the Executive, such payments shall be made to such beneficiary, designee or fiduciary as Executive may have designated in writing, or failing such designation, to the executor or administrator of his estate, in full settlement and satisfaction of

all claims and demands on behalf of the Executive. Such payments shall be in addition to any other death benefits of the Employer made available for the benefit of the Executive, and in full settlement and satisfaction of all payments provided for in this Agreement.

(f) TERMINATION UPON DISABILITY. The Employer may terminate the Executive's employment after the Executive is determined to be disabled under the current Employer program or by a physician engaged by the Employer. In the event of a dispute regarding the Executive's "disability," such dispute shall be resolved through arbitration as provided in paragraph (d) of Section 9 hereof, except that the arbitrator appointed by the American Arbitration Association shall be a duly licensed medical doctor. The Executive shall be entitled to the compensation and benefits provided for under this Agreement during any period of incapacitation occurring during the term of this Agreement, and occurring prior to the establishment of the Executive's "disability" during which the Executive is unable to work due to a physical or mental infirmity. Notwithstanding anything contained in this Agreement to the contrary, until the date specified in a notice of termination relating to the Executive's disability, the Executive shall be entitled to return to his positions with the Employer as set forth in this Agreement, in which event no disability of the Executive will be deemed to have occurred.

(g) TERMINATION UPON CHANGE OF CONTROL.

(i) In the event of a Change in Control (as defined below) of the Employer and the termination of the Executive's employment by Executive or by the Employer under either 1 or 2 below, the Executive shall, subject to the Age-Based Adjustments described in Section 3(h) below, be entitled to a Lump Sum Payment equal to the sum of: (w) his monthly Base Salary then payable, multiplied by twenty-four (24); plus (x) two (2) times the average of the two (2) most recent annual Performance Bonuses that the Executive received from the Employer. The Employer shall also: (y) notwithstanding the vesting schedule otherwise applicable, fully vest all of Executive's options outstanding under the "SIP Options," as well as any awards outstanding under the "DIP Awards," and allow a period of eighteen (18) months following the termination of employment of the Executive for the Executive's exercise of the SIP Options; and (z) continue for the Executive (provided that such items are not available to him by virtue of other employment secured after termination) all of the perquisites, plans and benefits provided under paragraph (c) of Section 2, as well as non-exclusive secretarial assistance, office space and accoutrements for twenty-four (24) months following such termination. The payments and benefits provided under (w), (x), (y) and (z) above by the Employer shall not be offset against or diminish any other compensation or benefits accrued as of the date of termination. The following shall constitute termination under this paragraph:

1. The Executive terminates his employment under this Agreement pursuant to a written notice to that effect delivered to the Board within six (6) months after the occurrence of the Change in Control.

2. Executive's employment is terminated, including Constructively Discharged, by the Employer or its successor either in contemplation of or within two (2) years after the Change in Control, other than on a for-cause basis.

(ii) For purposes of this paragraph, the term "Change in Control" shall mean the following:

1. The consummation of the acquisition by any person (as such term is defined in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of forty percent (40%) or more of the combined voting power embodied in the then-outstanding voting securities of the Employer; or

2. Approval by the stockholders of the Employer of: (1) a merger or consolidation of the Employer, if the stockholders of the Employer immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of the entity resulting from such merger or consolidation in substantially the same proportion as was represented by their ownership of the combined voting power of the voting securities of the Employer outstanding immediately before such merger or consolidation; or (2) a complete or substantial liquidation or dissolution, or an agreement for the sale or other disposition, of all or substantially all of the assets of the Employer.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because forty percent (40%) or more of the combined voting power of the then-outstanding securities is acquired by: (1) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained for employees of the entity; or (2) any corporation or other entity which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Employer in the same proportion as their ownership of stock in the Employer immediately prior to such acquisition.

(iii) If it is determined, in the opinion of the Employer's independent accountants, in consultation with the Employer's independent counsel, that any amount payable to the Executive by the Employer under this Agreement, or any other plan or agreement under which the Executive participates or is a party, would constitute an "Excess Parachute Payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), the Employer shall pay to the Executive a

"grossing-up" amount equal to the amount of such Excise Tax and all federal and state income or other taxes with respect payment of the amount of such Excise Tax, including all such taxes with respect to any such grossing-up amount. If at a later date, the Internal Revenue Service assesses a deficiency against the Executive for the Excise Tax which is greater than that which was determined at the time such amounts were paid, the Employer shall pay to the Executive the amount of such unreimbursed Excise Tax plus any interest, penalties and professional fees or expenses, incurred by the Executive as a result of such assessment, including all such taxes with respect to any such additional amount. The highest marginal tax rate applicable to individuals at the time of payment of such amounts will be used for purposes of determining the federal and state income and other taxes with respect thereto. The Employer shall withhold from any amounts paid under this Agreement the amount of any Excise Tax or other federal, state or local taxes then required to be withheld. Computations of the amount of any grossing-up supplemental compensation paid under this subparagraph shall be made by the Employer's independent accountants, in consultation with the Employer's independent legal counsel. The Employer shall pay all accountant and legal counsel fees and expenses.

(h) AGE-BASED ADJUSTMENTS. It is recognized and acknowledged that Executive intends and wishes to retire by the Retirement Date, on which date he shall have attained the age of seventy (70), which shall be the mandatory retirement age for senior management of the Employer. This Agreement shall accordingly terminate, on an automatic basis, as provided in Section 3(a) above, as of said Retirement Date. In addition, it is mutually acknowledged and agreed that the Lump Sum Payments owed to the Executive in the event of a termination of this Agreement pursuant to Section 3(b), 3 (c) or 3(g) hereof (respectively dealing with Premature Termination, Constructive Termination and Termination Upon Change of Control) shall be gradually reduced during the three (3) year pre-retirement transition period preceding the Retirement Date, by being made subject to "Age-Based Adjustments," based on the following schedule:

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

The foregoing Age-Based Adjustments shall apply against the Lump Sum Payments of Base Salary and Performance Bonus provided in Sections 3(b), 3(c) and 3(g) hereof, and shall not

apply to the Post-Termination Perquisites and Benefits, which shall remain intact until the Retirement Date, whereupon they shall be completely terminated.

4. CONFIDENTIALITY AND LOYALTY. The Executive acknowledges that heretofore or hereafter during the course of his employment he has produced and received, and may hereafter produce, receive and otherwise have access to various materials, records, data, trade secrets and information not generally available to the public (collectively, "Confidential Information") regarding the Employer and its subsidiaries and affiliates. Accordingly, during and subsequent to termination of this Agreement, the Executive shall hold in confidence and not directly or indirectly disclose, use, copy or make lists of any such Confidential Information, except to the extent that such information is or thereafter becomes lawfully available from public sources, or such disclosure is authorized in writing by the Employer, required by law or by any competent administrative agency or judicial authority, or otherwise as reasonably necessary or appropriate in connection with the performance by the Executive of his duties hereunder. All records, files, documents, computer diskettes, computer programs and other computer-generated material, as well as all other materials or copies thereof relating to the Employer's business, which the Executive shall prepare or use, shall be and remain the sole property of the Employer, shall not be removed from the Employer's premises without its written consent, and shall be promptly returned to the Employer upon termination of the Executive's employment hereunder. The Executive agrees to abide by the Employer's reasonable policies, as in effect from time to time, respecting confidentiality and the avoidance of interests conflicting with those of the Employer.

5. NON-COMPETITION COVENANT.

(a) RESTRICTIVE COVENANT. The Employer and the Executive have jointly reviewed the tenant lists, property submittals, logs, broker lists, and operations of the Employer, and have agreed that as an essential ingredient of and in consideration of this Agreement and the payment of the amounts described in Sections 2 and 3 hereof, the Executive hereby agrees that, except with the express prior written consent of the Employer, for a period equal to the lesser of the number of full months the Executive has at any time been employed by the Employer or twenty-four (24) months after the termination of the Executive's employment with the Employer (the "Restrictive Period"), he will not directly or indirectly compete with the business of the Employer, including, but not by way of limitation, by directly or indirectly owning, managing, operating, controlling, financing, or by directly or indirectly serving as an employee, officer or director of or consultant to, or by soliciting or inducing, or attempting to solicit or induce, any employee or agent of Employer to terminate employment with Employer and become employed by any person, firm, partnership, corporation, trust or other entity which owns or operates a business similar to that of the Employer (the "Restrictive Covenant"). For purposes of this subparagraph (a), a business shall be considered "similar" to that of the Employer if it is engaged in the acquisition, development, ownership, operation, management or leasing of warehouse, distribution or light industrial property (i) in any geographic market or territory in which the Employer owns properties either as of the date hereof or as of the date of termination of the Executive's employment; or (ii) in any "Target Market" publicly identified by the Employer; or (iii) in any market in which an acquisition is

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

(b) REMEDIES FOR BREACH OF RESTRICTIVE COVENANT. The Executive acknowledges that the restrictions contained in Sections 4 and 5 of this Agreement are reasonable and necessary for the protection of the legitimate proprietary business interests of the Employer; that any violation of these restrictions would cause substantial injury to the Employer and such interests; that the Employer would not have entered into this Agreement with the Executive without receiving the additional consideration offered by the Executive in binding himself to these restrictions; and that such restrictions were a material inducement to the Employer to enter into this Agreement. In the event of any violation or threatened violation of these restrictions, the Employer shall be relieved of any further obligations under this Agreement, shall be entitled to any rights, remedies or damages available at law, in equity or otherwise under this Agreement, and shall be entitled to preliminary and temporary injunctive relief granted by a court of competent jurisdiction to prevent or restrain any such violation by the Executive and any and all persons directly or indirectly acting for or with him, as the case may be, while awaiting the decision of the arbitrator selected in accordance with paragraph (d) of Section 9 of this Agreement, which decision, if rendered adverse to the Executive, may include permanent injunctive relief to be granted by the court.

6. INTERCORPORATE TRANSFERS. If the Executive shall be voluntarily transferred to an affiliate of the Employer, such transfer shall not be deemed to terminate or modify this Agreement, and the employing corporation to which the Executive shall have been transferred shall, for all purposes of this Agreement, be construed as standing in the same place and stead as the Employer as of the date of such transfer. For purposes hereof, an affiliate of the Employer shall mean any corporation or other entity directly or indirectly controlling, controlled by, or under common control with the Employer. The Employer shall be secondarily liable to the Executive for the obligations hereunder in the event the affiliate of the Employer cannot or refuses to honor such obligations. For all relevant purposes hereof, the tenure of the Executive shall be deemed to include the aggregate term of his employment by the Employer or its affiliate.

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

8. INDEMNIFICATION.

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

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

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

9. GENERAL PROVISIONS.

(a) SUCCESSORS; ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the Executive, the Employer and his and its respective personal

representatives, successors and assigns, and any successor or assign of the Employer shall be deemed the "Employer" hereunder. The Employer shall require any successor to all or substantially all of the business and/or assets of the Employer, whether directly or indirectly, by purchase, merger, consolidation, acquisition of stock, or otherwise, by an agreement in form and substance satisfactory to the Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent as the Employer would be required to perform if no such succession had taken place.

(b) ENTIRE AGREEMENT; MODIFICATIONS. This Agreement constitutes the entire agreement between the parties respecting the subject matter hereof, and supersedes all prior negotiations, undertakings, agreements and arrangements with respect thereto, whether written or oral. Except as otherwise explicitly provided herein, this Agreement may not be amended or modified except by written agreement signed by the Executive and the Employer.

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

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

jurisdiction; including, if applicable, entry of a permanent injunction under paragraph (b) of Section 5.

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

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

(g) NOTICES. Notices given pursuant to this Agreement shall be in writing, and shall be deemed given when received, and, if mailed, shall be mailed by United States registered or certified mail, return receipt requested, postage prepaid. Notices to the Employer shall be addressed to the principal headquarters of the Employer, Attention: Chairman. Notices to the Executive shall be sent to the address set forth below the Executive's signature on this Agreement, or to such other address as the party to be notified shall have given to the other.

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

FIRST INDUSTRIAL REALTY TRUST, INC., a Maryland corporation	MICHAEL W. BRENNAN
By: /s/ Michael T. Tomasz	/s/ Michael W. Brennan
Michael T. Tomasz	Address of Executive:
President and Chief Executive Officer	215 North Lincoln
	Hinsdale, Illinois 60521

EXHIBIT 10.61

EMPLOYMENT AGREEMENT

This Agreement ("Agreement") is made as of this 31st day of January, 1997 by and between JAN BURMAN (hereinafter "Burman") and FIRST INDUSTRIAL REALTY TRUST, INC., a Maryland corporation (hereinafter "Employer"). Capitalized terms contained herein and otherwise undefined shall have the respective meanings given to each of them in that certain Contribution Agreement, dated as of January 31, 1997, by and among FR Acquisitions, Inc. and the other parties thereto (the "Contribution Agreement").

The parties hereto agree as follows:

ARTICLE I - TERM OF EMPLOYMENT

1.01 Employer hereby employs Burman and Burman hereby accepts employment by Employer commencing on the date hereof and pursuant to the terms hereof.

1.02 The term of this Agreement (the "Term") shall end at 12:01 a.m. New York time on the fifth anniversary of the date hereof (the "Expiration Date"), except as otherwise provided herein.

ARTICLE II - DUTIES AND POWERS OF BURMAN

2.01 Except as may be otherwise approved by the Board of Directors of Employer (the "Board") or as otherwise expressly provided herein, Burman shall devote his full-time, diligent and good faith efforts to the operation of the business of Employer, as more fully detailed below, at all times in accordance with any and all written rules and policies of Employer, if and to the extent that such rules and policies are uniformly enforced with respect to all Senior Regional Directors of Employer (the "SRDs"). Additionally during the Term, except as may otherwise be approved by the Board, Employer shall be entitled to the exclusive benefits of Burman's knowledge, experience, business contacts and opportunities relating to the business of Employer. Notwithstanding anything to the contrary contained in this Agreement, however, Burman shall have the right to participate in strategic and significant business decisions (e.g., sale and refinance) concerning the Retained Properties, but Burman, acting in his individual capacity, shall not have the right to participate in the day-to-day management and leasing decisions concerning any or all of the Retained Properties. The "business of Employer" shall consist of the acquisition, development, ownership, management, leasing and sale of warehouse and industrial real property.

Burman shall be responsible to Employer to perform and/or oversee the following:

1. The day-to-day management and operation of real property assets located (collectively, the "Territory"), owned by Employer or by entities in which Employer holds an ownership interest ("Property Management");

2. The marketing for lease or sale of real property assets located in the Territory and owned or managed by Employer or entities in which Employer holds an ownership interest (together with Employer, the "Employer Entities") and the negotiation, documentation and consummation of lease and sale transactions involving real property assets located in the Territory and owned or managed by Employer Entities (the "Real Property Assets") [collectively, "Marketing"];

3. The acquisition of Real Property Assets, if and to the extent such acquisitions are approved by the Board (or the Board's Investment Committee, as the case may be) or the appropriate partners, officers or directors of any other applicable affiliate of Employer ("Acquisition").

2.02 Burman will hold the title of SRD of the Territory, and shall have primary responsibility for the conducting of Employer's business in the Territory. The Territory's Regional Headquarters will be located initially in Syosset, New York, but may be relocated elsewhere in Nassau County, New York by Employer.

2.03 If (a) a proposed Acquisition is presented to Employer by Burman; (b) Employer approves such Acquisition in accordance with its policies and procedures then in effect; and (c) the property to be acquired (the "New Property") is located outside the then-applicable geographic boundaries of the Territory, then, upon the closing of such Acquisition, the Territory shall automatically be expanded to include the city (or township, village or municipality, as the case may be) in which the New Property is located unless (i) the New Property is located in the existing territory of another SRD (it being understood and agreed that, except as is otherwise expressly provided in this Section 2.03 with respect to the Territory, the senior officers of Employer shall have the sole discretion to establish the geographic boundaries of each SRD's respective territory); or (ii) the Board (or the Investment Committee, as the case may be), in the process of approving the acquisition of the New Property, specifically determines that the Territory shall not so expand. In the event that either (i) or (ii) above is applicable, then none of Burman and the employees engaged by Employer in the Territory shall be responsible for the day-to-day management and operation of that particular New Property. Except as otherwise expressly provided above in this Section 2.03, any other expansion or contraction of the Territory shall be made by amendment to this Agreement and shall be subject to Burman's prior approval.

2.04 Subject to: (a) with respect to those matters that may require Board approval, the specific approval of the Board; (b) policies or guidelines implemented by Employer out of its Chicago headquarters or by the Board, and uniformly applied with respect to all SRDs; and (c) any budget adopted by Employer, from time to time during the Term, with respect to all or some portion of the Territory (a "Budget"), Burman shall have the right and obligation within the Territory to: (i) hire and fire employees (pursuant to Employer's personnel policies, as such

policies may be modified or amended from time to time); (ii) establish, review, and revise the compensation of employees engaged to perform services in the Territory (excepting only himself); (iii) negotiate, document, and enter into contracts for Property Management and Marketing; (iv) negotiate, document, and enter into contracts with such suppliers of products and services as Burman deems appropriate for the rendering of Property Management and Marketing services to Employer; (v) purchase or lease equipment for Employer for the performance and rendering of Property Management, Marketing and Acquisition services, and tend to all matters relating thereto; (vi) lease building space for occupancy by Employer for Employer's offices and for such other reasonable functions as Burman deems appropriate for the business of Employer in the Territory; and (vii) negotiate, document, execute and perform under leases on behalf of any Employer Entities, whether as landlord or management/leasing agent, as the case may be ("Leases"). Notwithstanding anything to the contrary contained in this Section 2.04, and, with respect to leasing commissions and tenant improvements, Section 2.06, if any expenditure proposed to be made by Burman pursuant to his duties to Employer (1) is not contemplated or provided for in the relevant Budget and (2) exceeds $25,000, per item or occasion, Burman shall refrain from making such expenditure until Burman receives the approval for such expenditure from any Vice President or more senior officer based in the Chicago headquarters of Employer.

2.05 Without the prior approval of the Board or the Investment Committee, as the case may be (which, as in all cases requiring the approval or consent of the Board or Investment Committee under this Agreement, may be given or withheld in the Board's or the Investment Committee's sole discretion), Burman shall not do any or all of the following:

1. Increase his compensation or extend the Term;

2. Purchase, or contract to purchase, any real property on behalf of Employer or any Employer Entities; or

3. Sell or refinance, or contract to sell or refinance, any Real Property Assets on behalf of Employer or any Employer Entities.

Burman agrees that he shall promptly advise the Employer's chief investment officer or its Senior Vice President-Acquisitions (individually or collectively, "Head of Acquisitions") of the pendency of any acquisition or disposition of any real property on behalf of Employer or any Employer Entities, and shall follow the directions of the Head of Acquisitions with respect to the further pursuit of any such potential acquisition or disposition. If, at any time during the Term, however, Burman seeks approval or direction from the Head of Acquisitions with respect to a particular acquisition or disposition, and the Head of Acquisitions is not available, then Burman may seek approval or direction from Employer's Chief Operating Officer (the "COO"). If Burman receives the approval of the Head of Acquisitions or the COO, as applicable, to pursue an acquisition or disposition, and Burman desires that a formal purchase and sale contract be executed in connection therewith, then any one of the President, Chief Operating Officer, Chief Financial Officer or Senior Vice President - Acquisitions of Employer shall be the signatory to any such contract for an acquisition or disposition. Burman acknowledges that, as of the date of this Agreement, no acquisition or disposition may be consummated on behalf

of the Employer without the approval of the Investment Committee or, in certain instances, the Board. As of the date of this Agreement, acquisitions or dispositions of real property on behalf of Employer require only the approval of the Investment Committee if the aggregate consideration required to be paid for such acquisition or disposition does not exceed $15,000,000. Currently, then, the Board must approve acquisitions or dispositions involving consideration in excess of $15,000,000. Notwithstanding anything to the contrary contained in this Section 2.05, if the Board modifies its policies with respect to the matters provided in this Section 2.05, and such modifications are applicable to all SRDs, or to Burman, as an SRD, specifically, then Burman shall abide by such modified policies to the extent such policies differ from what is provided above in this Section 2.05.

2.06 Notwithstanding anything to the contrary contained above, without the prior approval of the COO, or such other officer designated by the COO for such purpose, Burman shall not enter into any Lease (i) with respect to premises exceeding 100,000 rentable square feet, or (ii) with annual fixed net base rent exceeding $500,000 for any year of the lease term, assuming the exercise of all options in the Lease, or (iii) with an initial term exceeding five (5) years, or with a full term, assuming the exercise of all options in the Lease, exceeding ten (10) years, or (iv) that requires the expenditure of $100,000 or more, in the aggregate, by Employer to both satisfy the obligations imposed on the landlord under that Lease to perform tenant improvements and pay any leasing commissions owed by Employer in connection with such Lease.

2.07 As an SRD, Burman shall also have the authority to negotiate the terms and provisions of, and enter into, any third-party management contracts for the day-to-day leasing, operation and management of New Properties if and to the extent that, in the process of approving an Acquisition, the Investment Committee or the Board (if the Board's approval of the Acquisition is required) approve the engagement of a third-party manager for the applicable New Property. In such an event, Burman must engage the third-party manager in accordance with any additional terms, with respect to such third-party management arrangement, required by the Investment Committee and the Board (if the Board's approval of the Acquisition is required).

ARTICLE III - COMPENSATION

3.01 Burman shall receive a guaranteed minimum annual salary ("Annual Salary"), based on the duration of his employment during any year, equal to the Annual Salary payable to all other SRDs engaged by Employer, from time to time; and such Annual Salary shall be payable in twenty-four (24) equal installments on the fifteenth day and last day of each month during the Term (a "Payment Date"). The Annual Salary shall be $125,000 for each of 1996 and 1997. If any Payment Date falls on other than a normal business day, the salary payment due on such Payment Date shall instead be payable on the last normal business day preceding such Payment Date.

3.02 In addition to the Annual Salary, Burman shall also be entitled to participate in all incentive, bonus and stock option programs offered by Employer from time to time to the SRDs, as such may be approved or implemented from time to time by the Compensation

Committee of the Board. Burman's right to participate in, and to receive compensation under, such programs shall in no event be on lesser terms or in lesser amounts than those offered to the SRDs; provided, however, that incentive or bonus arrangements (a) for which Burman and the SRDs are eligible; (b) that are based upon the achievement or surpassing of performance goals established by Employer, and (c) that are based upon specified commercial criteria made known to Burman and the SRDs in advance, may vary among the different regions of Employer based upon relative regional performance.

3.03 Employer shall be entitled to withhold from those amounts payable to Burman from time to time under this Agreement any and all federal, state or local withholding or other taxes or charges which Employer is, from time to time, required (by applicable law, statute, ordinance or regulation) to withhold. Employer shall be entitled to rely upon the opinion of its legal counsel with regard to any question concerning the amount or requirement of any such withholding.

ARTICLE IV - BURMAN'S BENEFITS AND BONUSES

4.01 Employer will provide Burman with medical/hospitalization/major medical insurance coverage, including dental benefits, in the same amounts, pursuant to the same terms, and subject to the same deductible, as is provided pursuant to the insurance coverage made available, from time to time, to the SRDs.

4.02 Employer will provide Burman with, and keep in effect during the Term, a term life insurance policy which Employer will purchase from an insurer satisfactory to Burman and providing coverage in an amount equal to the amount of such term life insurance provided to the SRDs. Burman shall have the right to designate such individual or other entity as he wishes as the owner of such life insurance policy, and shall have the power to designate and change, from time-to-time, the beneficiary under such insurance policy.

4.03 Employer will provide Burman with a disability income insurance policy that will (i) provide Burman with income per year equal to that amount of annual income provided to the SRDs under their respective disability insurance policies, (ii) have a waiting period of not greater than three (3) months from the date of sickness, injury or other disability prior to any disability payment, (iii) provide for lifetime benefits, and (iv) contain a waiver of premium clause. At Burman's option, he may elect to pay the annual premiums for such disability insurance himself, in which case his Annual Salary will be increased by the amount equal to such annual premium. The foregoing disability income insurance policy will define disability in terms of the functions which Burman is required to perform pursuant to this Agreement, and should Burman not be able to perform such functions, he shall be deemed disabled under such policy.

4.04 Burman shall be entitled to vacation leave of three (3) weeks during each calendar year, beginning January 1, 1997, with full pay (determined on a pro rata basis, based on the then-applicable Annual Salary). The time for vacation shall be chosen by Burman and must be taken within fifteen (15) months after the start of the calendar year with respect to which such vacation leave is made available. Burman's right to be paid in lieu of any vacation leave not

timely taken shall be determined by the Compensation Committee of the Board and shall be consistent with the policy established for the SRDs.

4.05 Burman shall be entitled to the following paid holidays per year (if falling on a day other than a Saturday or Sunday): New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

4.06 Burman shall be entitled to fifteen (15) days per calendar year, beginning January 1, 1997, as sick or personal leave days with full pay (determined on a pro rata basis, based on the then-applicable Annual Salary). Sick or personal leave may be accumulated up to a total of twenty (20) days.

4.07 If Burman becomes disabled during the Term for any reason that prevents him from fully performing his duties under this Agreement and, as a result, he would be entitled, but for any waiting period, to disability payments under the disability insurance policy described above, Employer agrees to continue his salary (determined on a pro rata basis, based on the then-applicable Annual Salary) during the period of his disability until such time as benefits due under the disability income insurance policy (provided pursuant to Section 4.03 above), begin to accrue, but in no event beyond the end of the Term.

4.08 So long as this Agreement is in full force and effect, Burman shall have the right to provide reasonable office space accommodations at the Territory's Regional Headquarters for use by Jerome Lazarus (the allocation of such space will be applied against the Budget in effect from time to time).

4.09 As soon as practicable (i) after the commencement of the Term, Employer shall cause Burman to be elected as a member of the board of directors of FI Development Services Corporation, a wholly-owned subsidiary of Employer, and (ii) after the commencement of the Term and after such entity has been incorporated, Employer shall cause Burman to be elected as a member of the board of directors of First Industrial Development Services Group, Inc.

4.10 Upon the commencement of the Term of this Agreement, Burman shall be elected as a "Signing Officer" of Employer, with authority as designated by the Board (to the same extent as the SRDs in their respective territories) to execute various acquisition-, leasing-, operational-, disposition-, and development-related documents for and on behalf of Employer (either directly or as general partner of First Industrial, L.P., a Delaware limited partnership). In addition, during such period of time as Burman is SRD of the Territory and Jeffrey Cohen is employed in the Territory by Employer, Jeffrey Cohen shall have the authority to execute Leases so long as (i) Burman has approved the Lease in question, (ii) Burman is unavailable and will not be available to execute an original of that Lease within the prescribed timeframe to execute such Lease and (iii) the Lease is for premises not exceeding 10,000 rentable square feet in size, and has an initial term not exceeding five (5) years and a full term (assuming the exercise of all options in the Lease) not exceeding ten (10) years.

ARTICLE V - REIMBURSEMENT OF BURMAN'S EXPENSES

5.01 Burman is authorized to incur reasonable business expenses for promoting the business of Employer, including expenditures for entertainment, gifts, and travel. Employer will reimburse Burman in accordance with its normal expense-reimbursement procedure for all business expenses reasonably incurred, provided that Burman presents to Employer both of the following:

(a) A monthly expenses report in which Burman records:

(i) the amount of each expenditure;

(ii) the date, place, and designation of the type of entertainment, travel, or other expenses or the date and description of any gift given by Burman for a business purpose;

(iii) the business purpose for each expenditure; and

(iv) the name, occupation, address, and other relevant information of each person who is entertained or given a gift sufficient to establish the business relationship to Employer.

(b) Documentary evidence (such as receipts or paid bills) providing sufficient information to establish the amount, date, place, and essential character of each business expenditure of $75.00 or more.

5.02 In addition to the foregoing, it is understood and agreed that, in order to properly perform his duties, Burman must have the use of a mobile telephone. Employer agrees to pay directly, or to reimburse Burman for, any and all costs associated with the purchase, installation, activation, and business use of such mobile telephone (in the ordinary course of Burman's performance of his duties under this Agreement).

ARTICLE VI - TERMINATION

6.01 Employer may terminate this Agreement for any reason whatsoever, including, without limitation, under the following circumstances:

(a) The occurrence of a breach of this Agreement by Burman (including, but not limited to, excessive absence) that Burman does not cure within ten (10) days after Employer delivers to Burman written notice of the alleged breach ("Default Notice"). Notwithstanding the foregoing, if such breach is not capable of being cured within such ten-day period, but Burman commences to cure such breach within five (5) days of Employer's delivery of the Default Notice, then Burman may have such additional time as may be reasonably necessary, up to a maximum of 30 days, to complete such cure, acting diligently and in good faith. A termination pursuant to this paragraph shall take

effect upon the expiration of the relevant cure period, if the subject breach has not been cured.

(b) For "cause," which, for purposes of this Agreement, shall include, without limitation, (i) the fraudulent or criminal conduct of Burman adversely affecting Employer, (ii) alcoholism of, or illegal substance abuse by, Burman, (iii) any willful, reckless, or grossly negligent act, or failure to act, of Burman, or any breach of the fiduciary duty owed by Burman to Employer, which breach has a material adverse effect on either or both of (x) the reputation of either or both of Burman and Employer and (y) Employer's products, trademarks or goodwill (including, without limitation, the reputation thereof), or (iv) any dishonesty, disclosure of Confidential Information (as hereinafter defined) or aiding a competitor of Employer. A termination "for cause" shall take effect immediately upon written notice to Burman from Employer;

(c) Burman suffering a long-term disability. A long-term disability shall be defined as Burman's inability (based on the standard for honoring a claim established under the disability insurance policy procured for Burman pursuant to this Agreement), due to illness or injury (including alcoholism or illegal substance abuse), to perform his duties as established in Article II above, for a period of three (3) consecutive months. A termination pursuant to this paragraph shall take effect immediately upon written notice to Burman from Employer after the expiration of such three-month period;

(d) Burman's death, in which case the Agreement shall terminate immediately; and

(e) The occurrence of a breach of this Agreement on three or more occasions during any 12-month period of the Term (regardless of whether or not such breaches are cured in a timely fashion), in which case this Agreement shall terminate immediately upon written notice to Burman from Employer.

In the event Employer exercises its right of termination for reasons other than any of those specified for in paragraphs (a) through (e) above ("Unstated Reasons"), such termination shall be effective thirty (30) days after Employer's delivery of its written notice of such termination; provided, however, from and after the effective date of a termination for any Unstated Reason, and continuing for a period of six (6) months (or such longer severance period as may be applicable to all of the other SRDs, based on Employer's then-applicable policy at the time of Burman's termination), or through the Expiration Date, whichever occurs first, Employer shall continue to pay to Burman, the Annual Salary and benefits to which he would have been entitled (under the express terms of this Agreement), but for the accelerated termination hereof.

6.02 Burman shall have no right to terminate this Agreement, except (a) as provided in Sections 6.06 and 6.07 below, and (b) in the event of the occurrence of a breach of this Agreement by Employer, which Employer does not cure within ten days after delivery of Burman's written notice of such alleged breach. Notwithstanding the foregoing, if such breach is not capable of being cured within such ten-day period, but Employer commences to cure such breach within five (5) days of Burman's delivery of written notice of such alleged breach, it

may have such additional time as may be reasonably necessary to complete such cure, provided Employer acts diligently and in good faith.

6.03 Subject to Article 8, termination of this Agreement by Employer or by Burman pursuant to any of the provisions of this Article VI shall not prejudice any other remedy to which the terminating party may be entitled as a result of a breach of this Agreement by the non-terminating party, whether at law, in equity, or under this Agreement.

6.04 In the event this Agreement is terminated for any reason, Burman shall be entitled to receive a prorated portion of his Annual Salary through the effective date of such termination. In addition, in the event this Agreement is terminated for any reason, Burman shall be entitled to reimbursement of all business expenses incurred by him (pursuant to Section 5.01) prior to the effective date of termination that would otherwise be reimbursable hereunder. Further, Burman shall also be entitled to the remuneration provided in Sections 6.01, 6.06 and 6.07.

6.05 Upon the termination of this Agreement for any reason, Burman shall forthwith return and deliver to Employer, and shall not retain any originals or copies of, any books, papers, price lists or customer contracts, written proposals of Employer or prospective customers or tenants, customer/tenant lists, rent rolls, leases, files, books of account, notebooks and other documents and data relating to the performance of services rendered by Burman hereunder, except for those materials relating to the Retained Properties or in Burman's possession immediately prior to the commencement of the Term (collectively, "Employer's Materials"), all of which Employer Materials are hereby deemed to constitute the property of Employer.

6.06 Constructive Termination. If, at any time during the Term, except in connection with a termination pursuant to Section 6.01(a), (b) or (e) above, Burman is Constructively Discharged (as hereinafter defined), then Burman shall have the right, by written notice to the Employer, given within one hundred and twenty (120) days of the effective date of such Constructive Discharge, to terminate his services hereunder (the "Termination Notice"), effective as of the date that is thirty (30) days after the date on which such Termination Notice is delivered, and Burman shall have no further rights or obligations under this Agreement other than as provided in this Section 6.06 and in Article VII. For purposes of this Agreement, Burman shall be deemed to have been "Constructively Discharged" upon the occurrence of any of the following events:

(i) Burman is not re-elected to, or is otherwise removed from, his position as the SRD in the Territory with the Employer other than as a result of (x) Burman's election or appointment to positions of equal or superior scope and responsibility or (y) Burman's breach of, or default under, the terms of this Agreement; or

(ii) Employer fails to vest Burman with the powers, authority and support services normally attendant, from time to time, to the other SRDs; or

(iii) The Employer notifies Burman, in writing, that Burman's employment will be terminated (other than pursuant to Section 6.01(a), (b) or (e) above) or materially modified in the future, or that Burman will be Constructively Discharged in the future.

If Burman is Constructively Discharged and timely delivers a Termination Notice, then from and after the effective date of a termination pursuant to a Termination Notice, and continuing for a period of six months or through the Expiration Date, whichever occurs first, Employer shall continue to pay to Burman the Annual Salary and benefits to which he would have been entitled (under the express terms of this Agreement), but for the accelerated termination hereof.

6.07 Termination Upon Change of Control.

(a) In the event of a Change in Control (as defined below) of the Employer and the termination of Burman's employment by Burman or by the Employer under either (i) or (ii) below, Burman shall be entitled to the "Severance Payment" described below. The Severance Payment shall not be offset against or diminish any other compensation or benefits accrued as of the effective date of termination. The following shall constitute termination under this Section 6.07:

(i) Burman terminates his employment under this Agreement pursuant to a written notice to that effect delivered to the Board within six (6) months after the occurrence of the Change in Control; or

(ii) Burman's employment is terminated, including Constructively Discharged, by the Employer or its successor either in contemplation of or within two (2) years after the Change in Control, other than pursuant to Section 6.01(a), (b) or (e) above.

(b) For purposes of this paragraph, the term "Change in Control" shall mean the following:

(i) The consummation of the acquisition by any person [as such term is defined in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")] of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of forty percent (40%) or more of the combined voting power embodied in the then-outstanding voting securities of the Employer; or

(ii) Approval by the stockholders of the Employer of: (1) a merger or consolidation of the Employer, if the stockholders of the Employer immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then-outstanding voting securities of the entity resulting from such merger or consolidation in substantially the same proportion as was represented by their ownership of the combined voting power of the voting securities of the Employer outstanding immediately before such merger or consolidation; or (2) a complete or substantial

liquidation or dissolution, or an agreement for the sale or other disposition, of all or substantially all of the assets of the Employer.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because forty percent (40%) or more of the combined voting power of the then-outstanding securities is acquired by: (x) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained for employees of the entity; or (y) any corporation or other entity which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Employer in the same proportion as their ownership of stock in the Employer immediately prior to such acquisition. For purposes of this Section 6.07, the "Severance Payment" shall be deemed to be mean the Annual Salary and benefits to which Burman would have been entitled (under the express terms of this Agreement), but for the accelerated termination hereof, and such Severance Payment shall be due and payable with respect to and during the period of time commencing on the effective date of the termination of Burman's employment under this Section 6.07, and continuing for a period of six (6) months or through the Expiration Date, whichever occurs first.

ARTICLE VII - NONCOMPETITION AND CONFIDENTIALITY

7.01 Burman hereby reaffirms his obligations under, and all of the terms set forth in, Paragraph 25 of the Contribution Agreement.

7.02 Employer acknowledges that heretofore or hereafter during the course of Burman's employment, Employer has produced, and Burman may hereafter produce or have accees to, records, data, trade secrets and information not generally available to the public, including, but not limited to, the Employer's Materials ("Confidential Information"), regarding Employer, its subsidiaries and affiliates, the business of Employer, and its real properties and tenants in the Territory and elsewhere in the United States. Accordingly, during and subsequent to the Term, Burman shall hold in confidence and not directly or indirectly disclose, copy or make lists of any or all of such Confidential Information, except to the extent that (i) such information is or hereafter becomes lawfully available from public sources; (ii) such disclosure is authorized in writing by Employer; (iii) such disclosure is required by a law or any competent administrative agency or judicial authority; or (iv) otherwise as is reasonably necessary or appropriate in connection with the performance by Burman of his duties hereunder. All records, files, documents and other materials or copies thereof relating to Employer's business that Burman prepares, has access to, or utilizes (including, but not limited to, the Employer Materials), shall be and remain the sole property of Employer; and shall be promptly returned to Employer upon termination of Burman's employment hereunder. Subject to Section 7.01, during the term of this Agreement, Burman agrees to abide by Employer's reasonable policies, as in effect from time to time and applicable to the SRDs, respecting avoidance of interests conflicting with those of Employer.

ARTICLE VIII - ARBITRATION

8.01 Preliminary Dispute Resolution Through Mediation.

(a) Notice of Dispute. If a claim or controversy arises out of, or relating to, this Agreement, then the party raising or alleging the existence of the claim or controversy shall give notice to the other party specifying (in reasonable detail) the nature of the dispute, including the claim being made or the matter in controversy; the factual basis for the claim or controversy; any purported damages; and any requested relief (a "Dispute Notice"). The Dispute Notice must be given prior to initiating any arbitration concerning the dispute, as provided in Section 8.02 below. If either party commences any arbitration concerning a matter covered by this Section 8.01 prior to sending the required Dispute Notice and mediating in good faith (the "Non-Complying Party"), such failure constitutes grounds for both dismissal of the arbitration, and the levy of attorneys' fees, costs, and expenses against the Non-Complying Party.

(b) Good Faith Negotiations and Mediation. Within 15 days after delivery of the Dispute Notice, the contesting parties shall make reasonable and good faith efforts to settle the dispute through communication and negotiations through a designated representative of each party to the dispute, each of whom shall have the authority to settle the dispute. If the dispute is not settled within the 15-day period (the "Settlement Period"), then the dispute shall be submitted to a mutually acceptable mediator. Neither party may unreasonably withhold acceptance of a proposed mediator. If the parties fail to agree upon a mediator with ten (10) business days after the expiration of the Settlement Period, each party shall select a mediator and the two mediators selected by the parties shall promptly select a third mediator to preside over the mediation. If either party does not select a mediator within ten (10) business days after the expiration of the Settlement Period, the mediator selected by the other party shall preside over the mediation. The cost of the mediation, and any other subsequent alternative dispute resolution procedures agreed to by the parties, shall be shared equally, except as otherwise expressly provided in Section 8.02(d). The parties shall appear before the selected mediator and engage in mediation in good faith. The mediation must be completed within 60 days after the date of the delivery of the Dispute Notice.

8.02 Arbitration As Optional Means Of Resolution.

(a) Arbitration. In the event that the parties fail to agree upon the resolution of any claim or controversy, notwithstanding preliminary mediation under Section 8.01 above, then either of them may then institute arbitration proceedings administered by the American Arbitration Association (the "Association") under its Commercial Arbitration Rules (the "Rules"), to resolve the matter in dispute. Any such arbitration proceeding shall commence by the delivery by one party of a written notice of demand for arbitration (the "Arbitration Demand Notice") to the other party. A copy of the Arbitration Demand Notice shall be simultaneously delivered to the New York City chapter of the Association, as provided by the Rules. Arbitration proceedings shall

commence no later than thirty (30) days after delivery of the Arbitration Demand Notice, pursuant to procedure set forth below.

(b) The arbitration proceeding shall be conducted in New York City by a single arbitrator (the "Arbitrator"), who shall be selected pursuant to the provisions of this Section 8.02(b). The Arbitration Demand Notice shall direct the Association to assemble a list of five (5) proposed independent arbitrators, each of whom shall be a member of the Association and none of whom may be related to, or affiliated with, any of Employer or Burman or any affiliates of any of them. Within ten (10) days of the delivery of the Arbitration Demand Notice, the Association shall deliver its list of the names of those five (5) proposed independent arbitrators to each party. No later than ten (10) days after delivery of said list of proposed independent arbitrators by the Association to the parties, the parties shall cause a meeting to occur between their respective spokespersons (or their authorized representatives), which meeting shall occur at a mutually convenient location in New York City. At that meeting, the two (2) spokespersons shall examine the list of five (5) names submitted to the parties by the Association, and they shall each eliminate two (2) of those names, and the sole remaining proposed arbitrator shall be the Arbitrator. In order to eliminate four (4) of the proposed arbitrators whose names were submitted by the Association, first, the spokesperson for the party who issued the Arbitration Demand Notice shall eliminate a proposed arbitrator of his choice and then the other spokesperson shall eliminate a proposed arbitrator of his choice. The two (2) spokespersons shall continue to eliminate names from the Association's list in this manner until each of them has eliminated two (2) names, and they have thereby selected the Arbitrator through mutual elimination. The two (2) spokespersons shall immediately notify the Association, in writing and by telephone, of the name of the Arbitrator, and they shall direct the Association to contact the Arbitrator in order to schedule the commencement of the arbitration proceedings within the required time period described above. In the event that the chosen Arbitrator is not available to commence the Arbitration proceedings within a thirty (30) day limit, the parties shall direct the Association to engage the last eliminated Arbitrator whose schedule permits commencement of the proceedings within such thirty (30) day period. In the event any party fails to participate in the elimination process, the other party may unilaterally choose the Arbitrator.

(c) In connection with the arbitration proceedings, each party shall submit, in writing, a description of the dispute(s) giving rise to the arbitration proceedings, together with the specific requested resolution that the submitting party seeks with respect to each component of the dispute or each matter in dispute. The Arbitrator shall be obligated to choose one (1) party's specific requested resolution with respect to each component of, or each matter comprising, the dispute, without being permitted to effectuate any compromise position as to any such matters or disputes. Except as otherwise stated in this Section 8.02 and as the parties otherwise expressly agree in writing, the arbitration proceeding shall be conducted in accordance with the Rules then in effect. The decision or award rendered by the Arbitrator shall be final and non-appealable, and judgment may be entered upon it in accordance with applicable law in the State of New York, or any other court of competent jurisdiction.

(d) The party whose requested resolution is not selected by the Arbitrator shall bear the cost of all counsel, experts or other representatives which are retained by the parties in the arbitration proceeding, together with all other costs of the arbitration proceeding, including, without limitation, the fees, costs and expenses imposed or incurred by the Arbitrator (collectively, "Arbitration Expenses"). If the dispute resolved by the Arbitrator involves more than one matter, issue or component, then the burden to pay the Arbitration Expenses shall be allocated between each of Acquiror and Contributor, in the manner reasonably deemed appropriate by the Arbitrator in light of the value to each of Acquiror and Contributor, respectively, of those matters or components for which their respective requested resolution was not selected.

(e) Unless otherwise agreed in writing, during the period of time that any arbitration proceeding is pending under this Agreement, the parties shall continue to comply with all those terms and provisions of this Agreement which are not the subject of their dispute and the pending arbitration proceeding.

(f) Subject to Section 9.05, nothing herein contained shall deny any party the right to seek injunctive or other equitable relief from a court of competent jurisdiction in the context of a bona fide emergency or prospective irreparable harm, and such an action may be filed and maintained notwithstanding or auxiliary to any previously commenced arbitration proceeding.

Notwithstanding any provision of this Agreement to the contrary, the obligations of the parties under this Article VIII shall survive termination or expiration of this Agreement.

ARTICLE IX - GENERAL PROVISIONS

9.01 Any notices to be given under this Agreement by either party to the other must be in writing and may be effected either by personal delivery or by a reputable next-day overnight delivery service which obtains a signed receipt for its deliveries. Notices delivered personally shall be deemed communicated as of the actual receipt by the addressee. Notices sent by next-day overnight delivery service shall be deemed communicated on the next business day after being sent. Notices shall be addressed as follows:

If intended for Burman:

Jan Burman
575 Underhill Boulevard, Suite 125
P.O. Box 830
Syosset, New York 11791

If intended for Employer:

First Industrial Realty Trust, Inc.
150 North Wacker Drive, Suite 150
Chicago, Illinois 60606
Attn: Michael Brennan,
Chief Operating Officer

9.02 This Agreement shall be governed by and construed in accordance with the laws of New York.

9.03 This Agreement is a contract for personal services of Burman, and as such, is not assignable by Burman.

9.04 This Agreement shall not be assignable by Employer except with the prior written approval of an assignment and of the proposed assignee by Burman. Notwithstanding the foregoing, Employer may assign its rights under this Agreement to any entity which acquires title to all of Employer's Real Property Assets in the Territory, without Burman's prior approval, subject to the following two (2) conditions:

1. Employer shall stand as surety for the performance of the assignee under this Agreement; and

2. If, after being informed of the assignment and of the identity of the assignee, Burman is not willing to be employed by the assignee, upon three (3) months' prior written notice to Employer and to the assignee, Burman may terminate this Agreement.

9.05 SUBJECT TO SECTION 8.02, THE PARTIES AGREE THAT ALL DISPUTES BETWEEN ANY OF THEM ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT, AND WHETHER ARISING IN LAW OR EQUITY OR OTHERWISE, SHALL BE RESOLVED BY STATE OR FEDERAL COURTS LOCATED IN NEW YORK COUNTY, NEW YORK, BUT THE PARTIES ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT OUTSIDE OF SUCH COUNTY.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Employment Agreement to be duly signed the day and year first above written.

FIRST INDUSTRIAL REALTY TRUST, INC.

By: Johannson L. Yap

Name: Johannson L. Yap
Title: Senior Vice President -- Acquisitions

Jan Burman

Jan Burman

EXHIBIT 10.62

FIRST INDUSTRIAL REALTY TRUST, INC.

1997 STOCK INCENTIVE PLAN

TABLE OF CONTENTS

FIRST INDUSTRIAL REALTY TRUST, INC.
1997 STOCK INCENTIVE PLAN

SECTION 1.GENERAL PURPOSE OF THE PLAN; DEFINITIONS.

The name of the plan is the First Industrial Realty Trust, Inc. 1997 Stock Incentive Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees and Directors of First Industrial Realty Trust, Inc. (the "Company") and its Affiliates upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company's welfare will assure a closer identification of their interests with those of the Company, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

"Act" means the Securities Exchange Act of 1934, as amended.

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

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

"Board" means the Board of Directors of the Company.

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

"Change of Control" is defined in Section 14.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"Committee" means any Committee of the Board referred to in Section 2. "Director" means a member of the Board.

"Disability" means disability as set forth in Section 22(e)(3) of the Code.

"Dividend Equivalent" means a right, granted under Section 9, to receive cash, Stock, or other property equal in value to dividends paid with respect to a specified number of shares of Stock or the excess of dividends paid over a specified rate of return. Dividend Equivalents may be awarded on a free-standing basis or in connection with another Award, and may be paid currently or on a deferred basis.

"Effective Date" means the date on which the Plan is approved by the Board as set forth in Section 16.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the related rules, regulations and interpretations.

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

"Incentive Stock Option" means any Stock Optiondesignated and qualified as an "incentive stock option" as defined in Section 422 of the Code.

"Non-Employee Director" means a member of the Board who: (i) is not currently an officer of the Company or any Affiliate; (ii) does not receive compensation for services rendered to the Company or any Affiliate in any capacity other than as a Director; (iii) does not possess an interest in any transaction with the Company for which disclosure would be required under the securities laws; or (iv) is not engaged in a business relationship with the Company for which disclosure would be required under the securities laws.

"Non-Qualified Stock Option" means any Stock Option that is not an Incentive Stock Option.

"Option" or "Stock Option" means any option to purchase shares of Stock granted pursuant to Section 5.

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

"Performance Share Award" means Awards granted pursuant to Section 7.

"Restricted Stock Award" means Awards granted pursuant to Section 6.

"Stock" means the Common Stock, $.01 par value per share, of the Company, subject to adjustment pursuant to Section 3.

"Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations, beginning with the Company if each of the corporations (other than the last corporation in the unbroken chain) owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in the chain.

SECTION 2. ADMINISTRATION OF PLAN; COMMITTEE AUTHORITY TO SELECT PARTICIPANTS AND DETERMINE AWARDS.

(a) Committee. The Plan shall be administered by a committee of not less than two Non-Employee Directors, as appointed by the Board from time to time (the "Committee").

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

(i) to select the officers, employees and Directors of the Company and Affiliates to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock, Performance Shares and Dividend Equivalents, or any combination of the foregoing, granted to any officer, employee or Director;

(iii) to determine the number of shares to be covered by any Award granted to an officer, employee or Director;

(iv) to determine and modify the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award granted to an officer, employee or Director, which terms and conditions may differ among individual Awards and participants, and to approve the form of written instruments evidencing the Awards;

(v) to accelerate the exercisability or vesting of all or any portion of any Award granted to a participant;

(vi) subject to the provisions of Section 5(ii), to extend the period in which Stock Options granted may be exercised;

(vii) to determine whether, to what extent and under what circumstances Stock and other amounts payable with respect to an Award granted to a participant shall be deferred either automatically or at the election of the participant and whether and to what extent the Company shall pay or credit amounts equal to interest (at rates determined by the Committee) or dividends or deemed dividends on such deferrals; and

(viii) to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments) granted to a participant; and to decide all disputes arising in connection with and make all determinations it deems advisable for the administration of the Plan.

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

SECTION 3. SHARES ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION.

(a) Shares Issuable. The maximum number of shares of Stock reserved and available for issuance under the Plan shall be 1,500,000. For purposes of this limitation, the shares of Stock underlying any Awards which are forfeited, canceled, reacquired by the Company, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan so long as the participants to whom such Awards had been previously granted received no benefits of ownership of the underlying shares of Stock to which the Award related. Shares issued under the Plan may be authorized but unissued shares or shares reacquired by the Company.

(b) Stock Dividends, Mergers, etc. In the event of any recapitalization, reclassification, split-up or consolidation of shares of Stock, separation (including a spin-off), dividend on shares of Stock payable in capital stock, or other similar change in capitalization of the Company or a merger or consolidation of the Company or sale by the Company of all or a portion of its assets or other similar event, the Committee shall make such appropriate adjustments in the exercise prices of Awards, including Awards then outstanding, in the number and kind of securities, cash or other property which may be issued pursuant to Awards under the Plan, including Awards then outstanding, and in the number of shares of Stock with respect to which Awards may be granted (in the aggregate and to individual participants) as the Committee deems equitable with a view toward maintaining the proportionate interest of the participant and preserving the value of the Awards.

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

SECTION 4. ELIGIBILITY.

Participants in the Plan will be Directors and such full or part-time officers and other employees of the Company and its Affiliates who are responsible for or contribute to the management, growth or profitability of the Company and its Affiliates and who are selected from time to time by the Committee, in its sole discretion.

SECTION 5. STOCK OPTIONS.

Any Stock Option granted under the Plan shall be in such form as the Committee may from time to time approve.

Stock Options granted under the Plan may be either Incentive Stock Options, subject to required stockholder approval, or Non-Qualified Stock Options. To the extent that any option does not qualify as an Incentive Stock Option, it shall constitute a Non-Qualified Stock Option.

No Incentive Stock Option may be granted under the Plan after the tenth anniversary of the Effective Date.

The Committee in its discretion may grant Stock Options to employees of the Company or any Affiliate. Stock Options granted to Directors and employees pursuant to this Section 5 shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable:

(i) Exercise Price. The per share exercise price of a Stock Option granted pursuant to this Section 5 shall be determined by the Committee at the time of grant. The per share exercise price of an Incentive Stock Option shall not be less than 100% of Fair Market Value on the date of grant. If an employee owns or is deemed to own (by reason of the attribution rules applicable under Section 424(d) of the Code) more than 10% of the combined voting power of all classes of stock of the Company or any Subsidiary or Parent corporation and an Incentive Stock Option is granted to such employee, the option price shall be not less than 110% of Fair Market Value on the grant date.

(ii) Option Term. The term of each Stock Option shall be fixed by the Committee, but no Incentive Stock Option shall be exercisable more than ten years after the date the option is granted. If an employee owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10% of the combined voting power of all classes of stock of the Company or any Subsidiary or Parent corporation and an Incentive Stock Option is granted to such employee, the term of such option shall be no more than five years from the date of grant.

(iii) Exercisability; Rights of a Shareholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Committee at or after the grant date. The Committee may at any time accelerate the exercisability of all or any portion of any Stock Option. An optionee shall have the rights of a shareholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

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

(A) In cash, by certified or bank check or other instrument acceptable to the Committee;

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

(C) By the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such

agreements of indemnity and other agreements as the Committee shall prescribe as a condition of such payment procedure. Payment instruments will be received subject to collection.

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

(v) Non-transferability of Options. No Stock Option shall be transferable by the optionee otherwise than by will or by the laws of descent and distribution, except that a Non-Qualified Stock Option may be transferred by gifting for the benefit of a participant's descendants for estate planning purposes or pursuant to a certified domestic relations order, and all Stock Options shall be exercisable, during the optionee's lifetime, only by the optionee.

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

(vii) Termination by Reason of Disability.

(A) Any Stock Option held by an optionee whose service with the Company and its Affiliates has terminated by reason of Disability may thereafter be exercised, to the extent it was exercisable at the time of such termination, for

a period of twelve months (or such longer period as the Committee shall specify at_any time) from the date of such termination of service, or until the expiration of the stated term of the Option, if earlier.

(B) The Committee shall have sole authority and discretion to determine whether a participant's service has been terminated by reason of Disability.

(C) Except as otherwise provided by the Committee at the time of grant or otherwise, the death of an optionee during a period provided in this Section 5(vii) for the exercise of a Non-Qualified Stock Option, shall extend such period for six months from the date of death, subject to termination on the expiration of the stated term of the Option, if earlier.

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

(ix) Other Termination. Unless otherwise determined by the Committee, if an optionee's service with the Company and its Affiliates terminates for any reason other than death, Disability, or for Cause, any Stock Option held by such optionee may thereafter be exercised, to the extent it was exercisable on the date of termination of service, for three months (or such longer period as the Committee shall specify at any

time) from the date of termination of service or until the expiration of the stated term of the Option, if earlier.

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

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

SECTION 6. RESTRICTED STOCK AWARDS.

(a) Nature of Restricted Stock Award. The Committee may grant Restricted Stock Awards to Directors and employees of the Company or any Affiliate. A Restricted Stock Award is an Award entitling the recipient to acquire, at no cost or for a purchase price determined by the Committee, shares of stock subject to such restrictions and conditions as the Committee may determine at the time of grant ("Restricted Stock"). Conditions may be based on continuing service and/or achievement of pre-established performance goals and objectives. In addition, a Restricted Stock Award may be granted to a Director or employee by the Committee in lieu of any compensation due to such Director or employee.

(b) Acceptance of Award. A participant who is granted a Restricted Stock Award shall have no rights with respect to such Award unless the participant shall have accepted the Award within 60 days (or such shorter date as the Committee may specify) following the

award date by making payment to the Company, if required, by certified or bank check or other instrument or form of payment acceptable to the Committee in an amount equal to the specified purchase price, if any, of the shares covered by the Award and by executing and delivering to the Company a written instrument that sets forth the terms and conditions of the Restricted Stock in such form as the Committee shall determine.

(c) Rights as a Shareholder. Upon complying with Section 6(b) above, a participant shall have all the rights of a shareholder with respect to the Restricted Stock including voting and dividend rights, subject to transferability restrictions and Company repurchase or forfeiture rights described in this Section 6 and subject to such other conditions contained in the written instrument evidencing the Restricted Stock Award. Unless the Committee shall otherwise determine, certificates evidencing shares of Restricted Stock shall remain in the possession of the Company until such shares are vested as provided in Section 6(e) below.

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

(e) Vesting of Restricted Stock. The Committee at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Stock and the Company's right of repurchase or forfeiture shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Stock and shall be deemed "vested."

(f) Waiver, Deferral and Reinvestment of Dividends. The written instrument evidencing the Restricted Stock Award may require or permit the immediate payment, waiver, deferral or investment of dividends paid on the Restricted Stock.

SECTION 7. PERFORMANCE SHARE AWARDS.

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

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

(c) Rights as a Shareholder. A participant receiving a Performance Share Award shall have the rights of a shareholder only as to shares actually received by the participant under the Plan and not with respect to shares subject to the Award but not actually received by the participant. A participant shall be entitled to receive a stock certificate evidencing the acquisition of shares of Stock under a Performance Share Award only upon satisfaction of all

conditions specified in the written instrument evidencing the Performance Share Award (or in a performance plan adopted by the Committee).

(d) Termination. Except as may otherwise be provided by the Committee at any time prior to termination of service, a participant's rights in all Performance Share Awards shall automatically terminate upon the participant's termination of service with the Company and its Affiliates for any reason (including, without limitation, death, Disability and for Cause).

(e) Acceleration, Waiver, Etc. At any time prior to the participant's termination of service with the Company and its Affiliates, the Committee may in its sole discretion accelerate, waive or, subject to Section 12, amend any or all of the goals, restrictions or conditions imposed under any Performance Share Award; provided, however, that in no event shall any provision of the Plan be construed as granting to the Committee any discretion to increase the amount of compensation payable under any Performance Share Award to the extent such an increase would cause the amounts payable pursuant to the Performance Share Award to be nondeductible in whole or in part pursuant to Section 162(m) of the Code and the regulations thereunder, and the Committee shall have no such discretion notwithstanding any provision of the Plan to the contrary.

SECTION 8. STOCK APPRECIATION RIGHTS.

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

grant of such rights, from the date of grant of the related Option to the date of exercise. SARs may be granted to Directors and employees of the Company or any Affiliate.

(b) Terms of Awards. SARs may be granted in tandem with or with reference to a related Option, in which event the participant may elect to exercise either the Option or the SAR, but not both, as to the same share subject to the Option and the SAR, or the SAR may be granted independently. In the event of an Award with a related Option, the SAR shall be subject to the terms and conditions of the related Option. In the event of an independent Award, the SAR shall be subject to the terms and conditions determined by the Committee.

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

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

SECTION 9. DIVIDEND EQUIVALENTS.

The Committee is authorized to grant Dividend Equivalents to Directors and employees of the Company or any Affiliate. The Committee may provide, at the date of grant or thereafter, that Dividend Equivalents shall be paid or distributed when accrued or shall be

deemed to have been reinvested in additional Shares, or other investment vehicles as the Committee may specify, provided that Dividend Equivalents (other than freestanding Dividend Equivalents) shall be subject to all conditions and restrictions of the underlying Awards to which they relate.

SECTION 10. TAX WITHHOLDING.

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

(b) Payment in Shares. A participant may elect to have such tax withholding obligation satisfied, in whole or in part, by (i) authorizing the Company to withhold from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due, or (ii) transferring to the Company shares of Stock owned by the participant with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due with respect to any participant who is subject to Section 16 of the Act, the following additional restrictions shall apply:

(A) the election to satisfy tax withholding obligations relating to an Award in the manner permitted by this Section 10(b) and the actual tax withholding shall be made during the period beginning on the third business day

following the date of release of quarterly or annual summary statements of revenues and earnings of the Company and ending on the twelfth business day following such date. Alternatively, such election may be made at least six months prior to the date as of which the receipt of such an Award first becomes a taxable event for Federal income tax purposes;

(B) such election shall be irrevocable;

(C) such election shall be subject to the consent or disapproval of the Committee; and

(D) the Stock withheld to satisfy tax withholding, if granted at the discretion of the Committee, must pertain to an Award which has been held by the participant for at least six months from the date of grant of the Award.

SECTION 11. TRANSFER, LEAVE OF ABSENCE, ETC.

For purposes of the Plan, the following events shall not be deemed a termination of service:

(a) a transfer to the employment of the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another; and

(b) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing.

SECTION 12. AMENDMENTS AND TERMINATION.

The Board may at any time amend or discontinue the Plan and the Committee may at any time amend or cancel any outstanding Award (or provide substitute Awards at the same or

reduced exercise or purchase price or with no exercise or purchase price, but such price, if any, must satisfy the requirements which would apply to the substitute or amended Award if it were then initially granted under this Plan) for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the holder's consent.

SECTION 13. STATUS OF PLAN.

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

SECTION 14. CHANGE OF CONTROL PROVISIONS.

Upon the occurrence of a Change of Control as defined in this Section 14:

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

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

(c) Unless otherwise expressly provided at the time of grant, participants who hold Options shall have the right, in lieu of exercising the Option, to elect to surrender all or part of such Option to the Company and to receive cash in an amount equal to the excess of (i) the higher of (x) the Fair Market Value of a share of Stock on the date such right is exercised and (y) the highest price paid for Stock or, in the case of securities convertible into Stock or carrying a right to acquire Stock, the highest effective price (based on the prices paid for such securities) at which such securities are convertible into Stock or at which Stock may be acquired, by any person or group whose acquisition of voting securities has resulted in a Change of Control of the Company over (ii) the exercise price per share under the Option, multiplied by the number of shares of Stock with respect to which such right is exercised.

(d) "Change of Control" shall mean the occurrence of any one of the following events:

(i) any "person", as such term is used in Sections 13(d) and 14(d) of the Act (other than the Company, any of its Subsidiaries, any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Company or any of its Subsidiaries), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Act) of such person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 40% or more of either (A) the combined voting power of the Company's then outstanding securities having the right to vote in an election of the Company's Board of Directors ("Voting Securities") or (B) the then outstanding shares of Common Stock of the Company (in either such case other than as a result of acquisition of securities directly from the Company); or

(ii) persons who, as of the date of the closing of the Company's initial public offering, constitute the Company's Board of Directors (the "Incumbent Directors") cease for any reason, including without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board, provided that any person becoming a director of the Company subsequent to the Closing of the Company's initial public offering whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors shall, for purposes of this Plan, be considered an Incumbent Director; or

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

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to have occurred for purposes of the foregoing clause (i) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of Common Stock or other Voting Securities outstanding, increases (x) the proportionate number of shares of Common Stock beneficially owned by any person to 40% or more of the shares of Common Stock then

outstanding or (y) the proportionate voting power represented by the Voting Securities beneficially owned by any person to 40% or more of the combined voting power of all then outstanding Voting Securities; provided, however, that if any person referred to in clause (x) or (y) of this sentence shall thereafter become the beneficial owner of any additional shares of Common Stock or other Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction), then a "Change of Control" shall be deemed to have occurred for purposes of the foregoing clause (i).

SECTION 15. GENERAL PROVISIONS.

(a) No Distribution; Compliance with Legal Requirements. The Committee may require each person acquiring shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

No shares of Stock shall be issued pursuant to an Award until all applicable securities laws and other legal and stock exchange requirements have been satisfied. The Committee may require the placing of such stop-orders and restrictive legends on certificates for Stock and Awards as it deems appropriate.

(b) Delivery of Stock Certificates. Delivery of stock certificates to participants under this Plan shall be deemed effected for all purposes when the Company or a stock transfer agent of the Company shall have delivered such certificates in the United States mail, addressed to the participant, at the participant's last known address on file with the Company.

(c) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, subject to stockholder approval if such approval is required;

and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of the Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

SECTION 16. EFFECTIVE DATE OF PLAN.

The Plan shall become effective upon approval by the Board, or any committee thereof with such authority. The ability to grant Incentive Stock Option Awards requires approval by the stockholders, and no such Awards may be issued hereunder prior to such approval.

SECTION 17. GOVERNING LAW.

THIS PLAN SHALL BE GOVERNED BY NEW YORK LAW EXCEPT TO THE EXTENT SUCH LAW IS PREEMPTED BY FEDERAL LAW.

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 (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 (Minnesota), Limited Partnership First Industrial Financing Partnership (Wisconsin), Limited Partnership
First Industrial Management Corporation	Maryland	N/A
First Industrial Enterprises of Michigan, Inc. (Formerly Damone/Andrew Enterprises, Inc.)	Michigan	N/A
First Industrial Group of Michigan, Inc. (Formerly Damone/Andrew Enterprises, Inc.)	Michigan	N/A
First Industrial of Michigan, Inc. (Formerly Damone/Andrew Incorporated)	Michigan	N/A
First Industrial Associates of Michigan, Inc. (Formerly Damone/Andrew Associates, Inc.)	Michigan	N/A
First Industrial Construction Company of Michigan, Inc. (Formerly Damone/Andrew Construction Company)	Michigan	N/A
FR Acquisitions, Inc.	Maryland	FIR Acquisitions, Inc.
First Industrial Pennsylvania Corporation	Maryland	N/A
First Industrial Pennsylvania, L.P.	Delaware	N/A
First Industrial Harrisburg Corporation	Maryland	N/A
First Industrial Harrisburg, L.P.	Delaware	N/A
First Industrial Securities Corporation	Maryland	N/A
First Industrial Securities, L.P.	Delaware	First Industrial Securities, Limited Partnership
First Industrial Mortgage Corporation	Maryland	N/A
First Industrial Mortgage Partnership, L.P.	Delaware	First Industrial Mortgage Partnership, Limited Partnership
First Industrial Indianapolis Corporation	Maryland	N/A
First Industrial Indianapolis, L.P.	Delaware	N/A
FI Development Services Corporation (Formerly First Industrial Development Services, Inc.)	Maryland	N/A
First Industrial Development Services Group L.P.	Delaware	N/A

EXHIBIT 23

FIRST INDUSTRIAL REALTY TRUST, INC.

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the inclusion in this Form 10-K and the incorporation by reference into the Registrant's five previously filed Registration Statements on Form S-3 (File Nos. 33-95190, 333-03999, 333-13225, 333-21873 and 333-21887) and the Registrant's previously filed Registration Statement on Form S-8 (File No. 33-95188) of our report dated February 12, 1997, on our audit of the consolidated financial statements and the financial statement schedule of First Industrial Realty Trust, Inc. and the combined financial statements of the Contributing Businesses.

COOPERS & LYBRAND L.L.P.

Chicago, Illinois
February 12, 1997

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM (A) THE FINANCIAL STATEMENTS OF FIRST INDUSTRIAL REALTY TRUST, INC. FOR THE YEAR ENDED DECEMBER 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH (B) FINANCIAL STATEMENTS.

1,000
U.S. DOLLARS

YEAR	
	DEC-31-1996
	JAN-01-1996
	DEC-31-1996
	1
	7,646
	0
	5,267
	(600)
	0
	12,313
	1,050,779
	(91,457)
	1,022,600
	18,374
	0
	0
	17
	299
	532,245
	1,022,600
	0
	140,055
	0
	(39,224)
	(35,353)
	0
	(28,954)
	37,937
	0
	37,937
	0
	(2,373)
	0
	35,664
	1.28
	0