



CELEBRATING **25 YEARS** ON THE NYSE



# 2020

LETTER TO STOCKHOLDERS  
NOTICE OF ANNUAL MEETING  
PROXY STATEMENT

# 2019

ANNUAL REPORT

*Table of Contents*

	Letter to Shareholders from the President and CEO
	Notice of Annual Meeting of Stockholders
1	Proxy Statement for the 2020 Annual Meeting of Stockholders
2	How to Attend the Virtual Annual Meeting
2	How to Vote Your Shares
3	Broker Non-Votes
4	Proposal 1 — Election of Directors
5	Information Regarding the Nominees
8	Information About Our Executive Officers
9	The Board of Directors and Corporate Governance
12	Board Committees
15	Director Compensation
15	2019 Director Compensation Table
16	Compensation Discussion and Analysis
32	Compensation Committee Report
33	Summary Compensation Table
34	CEO Pay Ratio
35	2019 Grants of Plan-Based Awards
36	Outstanding Equity Awards at Fiscal Year-End 2019
37	2019 Option Exercises and Stock Vested
37	Potential Payments Upon Termination or Change in Control
42	Compensation Committee Interlocks and Insider Participation
42	Transactions with Related Persons, Promoters and Certain Control Persons
42	Report of the Audit Committee
43	Security Ownership of Management and Certain Beneficial Owners
45	Proposal 2 — Amendment to 2014 Stock Incentive Plan
55	Proposal 3 — Advisory Vote on Executive Compensation
56	Proposal 4 — Ratification of Appointment of Independent Registered Public Accounting Firm
57	Other Matters
57	Solicitation of Proxies
57	Stockholder Proposals
57	Incorporation by Reference
57	Availability of Proxy Materials
57	Other Business
	Appendix A — First Amendment to the First Industrial Realty Trust, Inc. 2014 Stock Incentive Plan
	Appendix B — Reservation Request Form
	Appendix C — 2019 Annual Report

# A LETTER TO OUR SHAREHOLDERS

## FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

2019 was a special year in the history of First Industrial as we celebrated our 25th anniversary as a public company. Our silver anniversary is a testimony to the resiliency of our business and our team, as we have enjoyed many successes and have overcome many challenges during that time. Over that time period, the industrial real estate sector has grown and evolved into a mainstream investment class and today enjoys a heightened status as one of the best performing investment alternatives in the real estate sector. Strong fundamentals in the sector have been driven by not only growth in traditional sources of demand but also by the continuing evolution of the supply chain and the increasing proportion of retail sales from e-commerce.

2019 was also one of our best years on record operationally which resulted in a total return to shareholders of 47%. You will recall there was a stock market sell-off in December 2018 which resulted in poor overall returns for 2018, notwithstanding a very strong year from an operational standpoint. As you know, we are in the business of creating long-term cash flow growth and shareholder value. While we get measured on a quarterly and annual basis, we own, manage and develop long-lived assets. It's our job to create lasting shareholder value and our entire First Industrial team should be especially proud of our long-term track record. Taking a ten-year lookback, which covers the time period from when our company emerged from the great financial crisis through the end of 2019, we delivered an average compounded annual total return of more than 25%, ranking us the third best performer among all REITs. (Source: REITZone, January 2, 2020).

Strong portfolio operating results over the past year reflect the quality of our portfolio, the great work of our leasing and property management teams, and the strength of the industrial market and tenant demand for logistics space. Occupancy at year end was a very strong 97.6%. Full year cash rental rate growth was 13.9%, a company record. Full year 2019 cash same store growth before lease termination fees was 3.1%. Our overall efforts culminated in 8.8% growth in NAREIT FFO per share to \$1.74 in 2019 from \$1.60 in 2018 on a fully diluted basis.

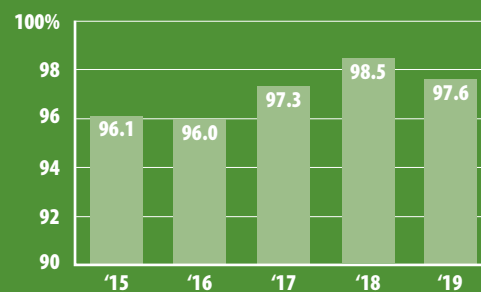


We continue to grow primarily through investments in new developments. Our seasoned professionals operating in the top markets across the U.S. provide the local knowledge and expertise to drive profitable new investments in our target markets. The power of our platform is further reflected in the breadth and strength of our relationships. Local market relationships support new opportunities to drive growth, complete state-of-the-art buildings, and provide unmatched service to our tenants as their supply chain needs evolve. In 2019, we were once again ranked number one by the independent Kingsley Associates for customer service for participating portfolios reporting 35 million square feet or more.

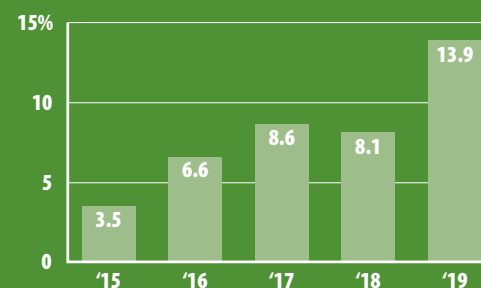
We continue to replenish our pipeline to drive future growth by investing in quality sites, focused primarily in high barrier markets that we believe will generate above average rent growth over the long term. Consistent throughout the past several years, we primarily acquire near-term developable sites to serve unmet tenant demand. Our land acquisition and development strategy has served our shareholders well. However, we live in uncertain times and we are well prepared for tougher operating environments. We maintain an outstanding portfolio, a strong and tenured team of professionals, a conservative balance sheet, significant liquidity, access to many sources of capital, and have limited our development risk through our self-imposed speculative leasing cap that stands today at \$475 million. As a reminder, the investment dollars from any new speculative development or acquisition with significant vacancy are captured in the cap. As we achieve partial or full lease-up of these assets, the proportionate investment dollars come out of the cap, freeing up capacity for new opportunities. The cap creates a strong link between new speculative investment and the incentive to lease. There is no substitute for remaining disciplined in all market environments.

Portfolio management is an ongoing and vital component of the First Industrial value proposition. In 2019, we continued to actively manage our portfolio through the disposition of over \$260 million of assets that offered lower projected cash flow growth in the coming years than we are achieving in the rest of our portfolio and in our new investment opportunities. With these sales, we effectively exited the Indianapolis and St. Louis markets. With an additional sale in the first quarter of 2020, we have also largely exited the Tampa market. These dispositions served to both upgrade our existing portfolio and provide a source of funds for future investment into higher cash flow growth opportunities. We have already redeployed some of this capital into higher growth submarkets in South Florida, Northern California, Seattle and New Jersey.

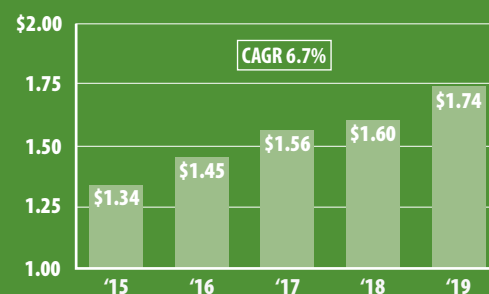
## OCCUPANCY % (year end)



## CASH RENTAL RATES % (period average)



## FFO PER SHARE



FFO per share excludes one-time items per disclosures in full year results calls.

As strong as the business climate has been for the past several years, I would be remiss if I didn't comment on the global struggle to contain and eliminate COVID-19. With the passage of time, more and more data is being made available on the virility and potential future path of this virus. None of that data creates a clear picture, as it is simply too early in the lifecycle of this new health threat. As I write this letter, the rate of reported infections outside the source country of China is increasing. The response has been swift. Schools have been closed, employees have been told to work from home, all public gatherings have been cancelled and several Governors have issued "stay-at-home" orders. The very necessary response to this risk event will undoubtedly have a meaningful negative impact on the global and U.S. economy despite the financial stimulus plans being formulated and implemented around the globe. The magnitude of the impact is far from known so I won't speculate. With oil prices also plummeting, we are experiencing somewhat of a perfect storm. We expect the fallout from this to last through 2020 and possibly into 2021. We will remain vigilant, do our best to protect and support our employees, and do our part to support the communities in which we live and work.

Notwithstanding the extreme volatility in the markets and the precipitous fall in share prices, your company remains strong and liquid. We've prepared for times like this and we are confident we will come through this well positioned to capitalize on any opportunities that may arise. We have the strongest balance sheet in our history with leverage at 4.6 times EBITDA, our portfolio is the best it's ever been and is nearly fully leased, we have great relationships within the financial community and have access to many sources of capital, and we have one of the best and most responsive teams in the business. We may also see a leap in online sales and a large number of new adopters as people continue to practice social distancing. We are built to weather the cycle.

## INDUSTRIAL FUNDAMENTAL BACKDROP

Our sector continues to enjoy strong fundamentals. As demonstrated in our metrics, low vacancy rates across the country limit tenants' choices and drive growth in rental rates. New supply is coming on line to meet demand and in certain submarkets, there is excess supply with much of it in larger format buildings in markets where it is easier to build.

According to CBRE-Econometric Advisors, new supply for 2019 was 224 million square feet and net absorption was 183 million square feet. This was the first time since 2009 that new supply exceeded net absorption. This net addition to supply pushed the national vacancy rate from 4.3% to a still very low 4.6%. The vacancy rates in our target investment markets are even lower. We will remain disciplined with underwriting criteria, capital allocation and risk tolerance.



Notwithstanding net additions to new supply in 2019, the environment has been supportive of above average rental rate growth. Demand has come from tenants operating in a wide range of businesses, most notably e-commerce, food and beverage, 3PLs, consumer products, healthcare, home goods and home improvement. Tenant credit has been very good in our portfolio, with annual bad debt expense averaging approximately \$500,000 for the past several years. Given the market and business disruption of the past several weeks caused by COVID-19 as well as the currently unknown tenure of the current market volatility, we will be keeping a close eye on this metric. We have one significant tenant, Pier 1 Imports, which filed for Chapter 11 bankruptcy post our earnings call in February and announced their intent to find a buyer for their business. They occupy 644,000 square feet in Baltimore in the I-95 North corridor with rents 5 to 10% below current market levels and are current on their rent through March, 2020.

## DISPOSITIONS

### CONTRIBUTING TO CAPITAL ALLOCATION OBJECTIVES

As mentioned earlier, dispositions are an essential part of our capital allocation strategy and execution. Our withdrawal from the Indianapolis, St. Louis and Tampa markets was well timed to maximize value. Our team did a great job bringing the leasing status of these assets to nearly 100 percent, with historically long lease terms, allowing us to take advantage of a strong bid in the marketplace. It was the right time to further simplify our market exposure and redefine our footprint, while providing us the opportunity to redeploy these proceeds into higher cash flow growth opportunities.

For 2019, dispositions totaled \$261 million, 5.2 million square feet and four land parcels. This figure excludes expected gross proceeds of approximately \$55 million from the sale of an asset in Phoenix that we recognized for accounting purposes in the third quarter of 2019 that is scheduled to close in 3Q20.

Since 2010, we have refined the portfolio through over \$1.5 billion of dispositions. In 2020, we plan to sell \$125 to \$175 million. Again, this figure excludes the expected proceeds from the Phoenix sale. We have had great success maximizing value in our sales program by executing on an asset-by-asset basis. The primary buyers of which have been users, 1031 buyers, and local and regional investors. We anticipate a similar execution strategy going forward.

## DEVELOPMENT

### SERVING CUSTOMERS AND CREATING VALUE

As mentioned earlier, the majority of our growth is driven by investing in speculative development in our target markets. Our expertise is evidenced by our industry leading development margins over the past several years. For the \$325 million of developments we placed in service during 2019, we generated margins of 42% to 52% as measured at December 31, 2019. Applying this dollar margin to our share count, we created approximately \$1.20 per share of value for our shareholders. This batch of projects is 91% leased with an estimated cash yield of 6.7%. We operate in an





extremely competitive environment which puts downward pressure on our development margins, but we feel confident we can continue to achieve our target spreads of 100 to 125 basis points above prevailing market cap rates for similar leased assets.

Our 2019 developments included build-to-suits in Atlanta, Dallas and Phoenix for major corporate customers. We also successfully leased our 556,000 square-footer at First Aurora Commerce Center in Denver, signing a long-term lease for 100% of the space which commenced shortly after completion of construction.

Our lone joint venture with Diamond Realty on the PV-303 park in Phoenix continues to perform well ahead of pro-forma. Within a year of forming the venture, we had returned all of the original invested equity capital to the partners and still own more than half the land which can support approximately 4.2 million square feet of development.

Measured at year-end 2019, our pipeline of completed developments in lease-up and under construction totaled 3 million square feet with a total estimated investment of \$277 million and a projected cash yield of 6.9%. These buildings are 36% leased and have an expected margin of approximately 40 to 50%. We are allocating capital to submarkets that we believe will generate above-average rent growth. These include Inland Empire West, Northwest Dallas and a major ramp-up in our investment activity in South Florida where we have acquired several land sites that will support the development of more than 2 million square feet of state-of-the-art logistics space in infill locations. Highlighting these investments is a land site we acquired in the first quarter of 2020 which we call First Park Miami. This site is comprised of 63 developable acres in Medley, a great infill location where land is very difficult to source. The first phase of the development is expected to start this summer. We plan to build three multi-tenant buildings totaling approximately 600,000 square feet. Total estimated investment for these three buildings is approximately \$90 million, reflecting land, pre-development and construction costs. Our targeted stabilized yield is in the mid-fives.

In short, we are very excited to add to our investment allocation in these higher barrier markets where we expect to derive strong long-term cash flow growth.

## **SELECTIVE ACQUISITIONS** IN A COMPETITIVE MARKET

As it has been for several years, the market for acquisitions remains very difficult. Prices continue to get bid to levels which seem to ignore the future risks of leasing and rent growth. The weight of capital seeking

a home in the industrial sector remains significant with competition from global and local institutional investors as well as regional investors and users of space. For the year, building acquisitions totaled 542,000 square feet for \$67 million with an expected stabilized cap rate of 5.4%.

We invest a modest amount in acquisitions each year, leveraging our platform to source assets that we believe will generate strong cash flow for our shareholders. These include sourcing opportunities through unsolicited offers, complex transactions, and properties with below-market rents or lease-up opportunities. Our transactions tend to be bolt-ons in submarkets where we want to allocate incremental capital to capture above-average rent growth and maintain portfolio efficiencies. We stay away from widely marketed assets where the pricing dynamic leaves little room for us to create value for shareholders.



## STRONG CAPITAL POSITION

As referenced earlier, we have worked hard to position our balance sheet to align with our long-term strategy and to withstand volatile markets such as we are experiencing in the current business environment. To us, that means low leverage, low cost and flexibility. That also means we are well positioned to not only weather but thrive in inevitable downturns in the capital and real estate markets. At the end of 4Q19, our Net Debt Plus Preferred Stock to adjusted EBITDA was 4.6 times. We enjoy a range of sources for new investment capital including retained free cash flow which will be approximately \$70 million this year, annual proceeds from sales, a line of credit with ample capacity, and access to both the equity and debt capital markets.

We have also staggered our debt maturity schedule. At December 31<sup>st</sup>, the weighted average maturity of our unsecured notes, term loans and secured financings was 5.8 years with a weighted average interest rate of 3.9%.

## CASH FLOW GROWTH OPPORTUNITY REMAINS ON TRACK

Cash flow growth and value creation over the long term is part of our identity. At our last Investor Day in November 2017, we put forth a goal of achieving \$200 million in AFFO<sup>(1)</sup> by the end of 2020. If we achieve the midpoint of our 2020 guidance issued February 12<sup>th</sup>, we will deliver on that goal and will have achieved cash flow growth of 9% per annum over the three-year period. This does not reflect potential cash flow from developments in process or in lease-up and acquisitions in lease-up to which we have allocated capital. In addition, we have significantly grown our dividend over this time, including the 8.7% growth for 1Q20 versus the prior period. At a projected 64% AFFO<sup>(1)</sup> payout ratio, we are growing the dividend while retaining capital to redeploy into earning assets.

<sup>(1)</sup> Adjusted Funds From Operations (AFFO) as defined in the Company's supplemental report for December 31, 2019; reflects Company guidance as of February 12, 2020 press release.





## RESPONSIBLE CORPORATE CITIZENS

It's not just about the numbers. Another aspect of the First Industrial identity is our culture of trying to leave the world a better place. We do this in many ways, engaging with the communities in which we live and work. For example, a few years ago we established Cause Champions from volunteers in all of our offices across the country. Our Cause Champions lead charity engagements in their communities. Our charity engagements have included service at food banks providing essential meals to those in need, holiday toy drives, environmental stewardship and neighborhood beautification projects. To support our team's efforts, we provide additional paid time-off to serve the charities of their choice in addition to the firm-wide efforts made by many of our team members. We are a relatively small group at 150 strong but we make a big impact when we focus as a team.

Within our portfolio, we are focused on helping our tenants with energy, water and other resource conservation and efficiency in our buildings. We also employ environmentally-friendly construction practices, using locally-sourced fill and other recycled materials and incorporating LED lighting, energy-efficient fixtures, skylights, drought-resistant landscaping and cool roofs where appropriate.

We also strive to be responsive to all our stakeholders. Taking great care of our team members and our customers are a central focus. As I noted earlier, we measure how well we serve our customers by participating in the Kingsley Index, a leading independent survey. For the fifth year in a row, we were ranked first among participants reporting more than 35 million square feet. Regular visits, being reliable and responsive through our 2-Hour Rule help us serve our customers well and give them a sense of security in their workplace. We believe our focus on the customer experience could well be a competitive advantage during a downturn in the business cycle. We have a similar approach to collecting feedback from our team members. We conduct surveys every one to two years to ensure we are aware of concerns they may have and to learn about what suggestions they have for improving their overall job satisfaction and work experience. We want to make sure they are growing as professionals and individuals. We invest in training and provide leading health, financial and other benefits that help us attract and retain a highly motivated and talented team.

I referred to the importance of relationships in my opening remarks. They are essential to success in the real estate business. We value our broker partners for their market insights and efforts to help us find the right tenants for our buildings and new investment opportunities. We show our appreciation through working with focus to close transactions efficiently along with paying their hard-earned commissions in a timely fashion. Our capital markets relationships are also essential to our growth and stability as an organization and we thank all of our providers for their support.

Of course, we also value our shareholders and seek to be accessible and responsive to you. We do that through our regular quarterly calls, this letter, our financial reporting, active participation in industry and brokerage conferences, one-on-one interaction and social media. We also recently published our first corporate responsibility report (CSR). The CSR highlights aspects of our company that have been part of our culture over 25 years and provides us another way of engaging with our shareholders, as well as our tenants and other constituents.

## WITH GRATITUDE

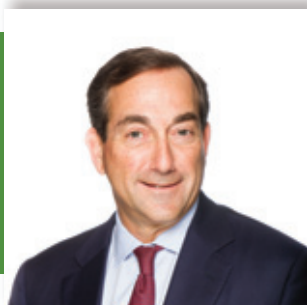
One of our valued and tenured directors, Ed Tyler, is retiring from our board and will not stand for re-election at our annual meeting in May. Ed has served our company and our shareholders with tenacity, insight, focus, and grit for 20 years, including seven years as chairman of the board. He stepped in as interim CEO during the Great Recession, a critical juncture in the company's history and contributed greatly to the survival and future growth of the company. He helped steady the ship and made the tough decisions to begin the process of right-sizing the company's cost structure and refocusing our business. Ed also led the charge to find and hire my predecessor Bruce Duncan as CEO to further those efforts and drive the company forward. Ed has been a great leader, has served with grace and will be missed. On behalf of the Board of Directors, the executive team, and all the First Industrial team members, we thank Ed for his many contributions and wish him well in his future endeavors.

## IN CLOSING

In closing, I'd like to thank our Board of Directors for their dedication, engagement, and wisdom throughout the year.

Thank you to our team for the many contributions to our successes over the past 25 years and for the value you will bring in the years to come. We are highly optimistic about the future of our business and well positioned to take advantage of the opportunities that will follow the end of this current period of market volatility. We are prepared to weather the economic impact that may emerge in the wake of the COVID-19 virus and we have the liquidity to execute on our business plan.

We very much appreciate the support of our tenants, shareholders, business partners and other stakeholders and are excited about our next 25 years and the opportunities ahead.



A handwritten signature in white ink on a green background, reading "Peter E. Baccile".

**Peter E. Baccile**  
President and Chief Executive Officer



**FIRST INDUSTRIAL REALTY TRUST, INC.**  
**One North Wacker Drive**  
**Suite 4200**  
**Chicago, Illinois 60606**  
**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**To Be Held on May 6, 2020**

NOTICE IS HEREBY GIVEN that the 2020 Annual Meeting of Stockholders (the “Annual Meeting”) of First Industrial Realty Trust, Inc. (the “Company”) will be held on Wednesday, May 6, 2020 at 9:00 a.m. Due to the impact of the coronavirus (COVID-19) outbreak, this year’s annual meeting will be a virtual meeting held over the Internet to facilitate stockholder participation while maintaining the safety of our directors, management and stockholders.

You will be able to attend and participate in the Annual Meeting online, vote your shares electronically and submit your questions prior to and during the meeting by visiting: [www.meetingcenter.io/277035927](http://www.meetingcenter.io/277035927). If you have any questions regarding the new format of the meeting, please contact Arthur J. Harmon, the Company’s Vice President of Investor Relations and Marketing, at (312) 344-4320.

At our annual meeting, we will ask you to consider and vote upon the following proposals:

1. To elect eight directors to the Board of Directors to serve until the 2021 Annual Meeting of Stockholders, and until their successors are duly elected and qualified;
2. To approve an amendment to the Company’s 2014 Stock Incentive Plan that would increase the number of available shares that may be issued under the plan;
3. To approve, on an advisory (i.e. non-binding) basis, the compensation of the Company’s named executive officers as disclosed in this Proxy Statement;
4. To ratify the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2020; and
5. To consider and act upon any other matters that may properly be brought before the Annual Meeting and at any adjournments or postponements thereof.

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

The Board of Directors has fixed the close of business on March 12, 2020 as the record date for the Annual Meeting. Only stockholders of record of the Company’s common stock at the close of business on that date will be entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof.

Your shares cannot be voted unless they are represented by proxy or by the record holder attending the Annual Meeting via webcast. Whether or not you plan to attend the Annual Meeting via webcast, please submit your proxy by mail, telephone or over the Internet by following the instructions provided in the enclosed proxy statement to ensure that your shares are represented at the Annual Meeting. If you hold your shares in “street name” through an intermediary, such as a bank or broker, you must register in advance using the instructions provided in the enclosed proxy statement.

By Order of the Board of Directors,

A handwritten signature in black ink, appearing to read 'JM', with a long horizontal flourish extending to the right.

Jennifer Matthews Rice  
*General Counsel and Secretary*

Chicago, Illinois  
April 7, 2020

**YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO VIRTUALLY ATTEND THE MEETING, PLEASE AUTHORIZE YOUR PROXY ON THE INTERNET, BY TELEPHONE OR BY MAIL AS SOON AS POSSIBLE. YOUR PROXY AUTHORIZATION WILL ENSURE YOUR REPRESENTATION AT THE ANNUAL MEETING REGARDLESS OF WHETHER YOU ATTEND THE ANNUAL MEETING VIA WEBCAST ON MAY 6, 2020.**





**FIRST INDUSTRIAL REALTY TRUST, INC.**  
**One North Wacker Drive**  
**Suite 4200**  
**Chicago, Illinois 60606**

**PROXY STATEMENT**  
**FOR THE 2020 ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held on May 6, 2020**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of First Industrial Realty Trust, Inc. (“First Industrial” or the “Company”) for use at the 2020 Annual Meeting of Stockholders of the Company to be held on Wednesday, May 6, 2020, and at any adjournments or postponements thereof (the “Annual Meeting”). Due to the impact of the coronavirus (COVID-19) outbreak, this year’s annual meeting will be a virtual meeting held over the Internet. The meeting will convene at 9:00 a.m. Central Time on May 6, 2020.

At the Annual Meeting, stockholders will be asked to vote: (i) to elect eight directors to the Board of Directors to serve until the 2021 Annual Meeting of Stockholders, and until their successors are duly elected and qualified; (ii) to approve the amendment to the Company’s 2014 Stock Incentive Plan attached to this Proxy Statement as Appendix A, which would increase the number of available shares that may be issued under the plan; (iii) to approve, on an advisory (i.e. non-binding) basis, the compensation of the Company’s named executive officers as disclosed in this Proxy Statement; (iv) to ratify the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the current fiscal year and (v) to act on any other matters properly brought before them.

This Proxy Statement and the accompanying Notice of Annual Meeting and Proxy Card are first being sent to stockholders on or about April 7, 2020. The Board of Directors has fixed the close of business on March 12, 2020 as the record date for the Annual Meeting (the “Record Date”). Only stockholders of record of our Common Stock at the close of business on the Record Date will be entitled to notice of and to vote at the Annual Meeting. As of the Record Date, there were 127,194,462 shares of Common Stock outstanding and entitled to vote at the Annual Meeting. Holders of Common Stock outstanding as of the close of business on the Record Date will be entitled to one vote for each share held by them on each matter presented to the stockholders at the Annual Meeting.

The presence, in person by attending the Annual Meeting via webcast or by proxy, of holders of at least a majority of the total number of outstanding shares of Common Stock entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. The affirmative vote of the holders of a majority of the votes cast with a quorum present at the Annual Meeting is required: (i) for the election of directors; (ii) for the approval of the amendment to the Company’s 2014 Stock Incentive Plan described in Proposal 2; (iii) for the approval, on an advisory basis, of the compensation of our named executive officers and (iv) for the ratification of the appointment of the Company’s independent registered public accounting firm. Abstentions will not be counted as votes cast, and accordingly will have no effect on any of the proposals presented in this Proxy Statement.

## HOW TO ATTEND THE VIRTUAL ANNUAL MEETING

Due to the impact of the coronavirus (COVID-19) outbreak, this year's annual meeting will be a virtual meeting held over the Internet. You will be able to attend the Annual Meeting, vote and submit questions during the Annual Meeting via a live webcast by visiting [www.meetingcenter.io/277035927](http://www.meetingcenter.io/277035927). The password for the meeting is FR2020. You will need your 15-digit control number included on your proxy card in order to attend the meeting.

You may attend the virtual Annual Meeting if you are a stockholder of record, a proxy of a stockholder of record, or a beneficial owner of our common stock with evidence of ownership. If you are a registered shareholder (i.e., you hold your shares through our transfer agent, Computershare Inc. ("Computershare")), you do not need to register to attend the Annual Meeting virtually on the Internet. Please follow the instructions on the notice or proxy card that you received. If you hold your shares in "street name" through an intermediary, such as a bank or broker, you are invited to attend the annual meeting as the beneficial owner of your shares, but because you are not the stockholder of record with respect to your shares you must register in advance to attend the Annual Meeting virtually on the Internet by submitting proof of your proxy power (legal proxy) reflecting your First Industrial holdings along with your name and email address to Computershare. Requests for registration from "street name" stockholders must be labeled as "Legal Proxy" and be received no later than 4:00 PM CT on May 1, 2020. You will receive a confirmation of your registration by email after we receive your registration materials.

"Street name" stockholders should direct requests for registration as follows:

*By Email:* Forward the email from your broker, or attach an image of your legal proxy, to [legalproxy@computershare.com](mailto:legalproxy@computershare.com)

*By Mail:* Computershare  
First Industrial Realty Trust, Inc. Legal Proxy  
P.O. Box 43001  
Providence, RI 02940-3001

If you wish to attend the Annual Meeting via webcast at a location provided by us, we intend to air the webcast at our offices located at One North Wacker, Suite 4200, Chicago, Illinois 60606 for any stockholders who request to participate in the virtual meeting in this manner. Please note that no members of management and no members of our Board of Directors will be present at this location. If you wish to attend the Annual Meeting via webcast at this location, you will need to complete the Reservation Request Form included as Appendix B to this Proxy Statement. In the event we are unable to provide access to our office for the Annual Meeting due to public health or other safety measures due to the coronavirus (COVID-19) outbreak, we will provide notice of an alternative location to all stockholders that timely deliver a completed Reservation Request Form.

## HOW TO VOTE YOUR SHARES

Your vote is important. Your shares can be voted at the Annual Meeting only if (i) you are present in person by attending the virtual Annual Meeting via webcast and you vote your shares electronically at such meeting, as described in this Proxy Statement, or (ii) you are represented by proxy. Even if you plan to attend the Annual Meeting via webcast, we urge you to authorize your proxy in advance (i) electronically by going to [www.investorvote.com/FR](http://www.investorvote.com/FR) and following the instructions described on your proxy card, (ii) by calling the toll-free number (for residents of the United States and Canada) listed on your proxy card or (iii) by mail. Please have your proxy card in hand when going online or calling. ***If you authorize your proxy electronically through the website or by telephone, you do not need to return your proxy card.***

“Street name” stockholders who have received this Proxy Statement from their bank, broker or other nominee should have received instructions for directing how that bank, broker or nominee should vote such stockholder’s shares. It will be the bank’s, broker’s or other nominee’s responsibility to vote the stockholder’s shares for the stockholder in the manner directed. The stockholder must complete, execute and return the voting instruction form in the envelope provided by the broker. “Street name” stockholders who desire to vote electronically at the Annual Meeting must obtain a “legal proxy” from the bank, broker or other nominee that holds such stockholder’s shares in order to vote such shares electronically at the Annual Meeting. “Street name” stockholders will need to contact their bank, broker or other nominee to obtain a legal proxy.

**Stockholders of the Company are requested to authorize their proxy on the Internet, by telephone or by mail as soon as possible. Shares represented by a properly authorized proxy received prior to the vote at the Annual Meeting and not revoked will be voted at the Annual Meeting as directed by the stockholder’s proxy authorization. If a proxy authorization is submitted and no instructions are given, the persons designated as proxy holders in the proxy authorization will vote: (i) FOR the election of the eight nominees for director named in this Proxy Statement; (ii) FOR the approval of the amendment to the Company’s 2014 Stock Incentive Plan described in Proposal 2; (iii) FOR the approval, on an advisory basis, of the compensation of our named executive officers; (iv) FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the current fiscal year and (v) in their own discretion with respect to any other business that may properly come before the stockholders at the Annual Meeting or at any adjournments or postponements thereof. We have not received notice of any matters other than those set forth in this Proxy Statement and, accordingly, it is not anticipated that any other matters will be presented at the Annual Meeting.**

A stockholder of record may revoke a proxy at any time before it has been exercised by filing a written revocation with the Secretary of the Company at the address of the Company set forth above, authorizing a proxy again on the Internet or by telephone (only the latest Internet or telephone proxy will be counted) as described above, properly executing and delivering a later-dated proxy card by mail, or by participating in, and voting electronically at, the Annual Meeting. Any stockholder of record as of the Record Date attending the Annual Meeting may vote electronically whether or not a proxy has been previously given, but the participation (without further action) of a stockholder at the Annual Meeting will not constitute revocation of a previously given proxy. “Street name” stockholders who wish to vote electronically during the Annual Meeting will need to obtain a duly executed proxy form from the institution that holds their shares prior to the Annual Meeting.

## **BROKER NON-VOTES**

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

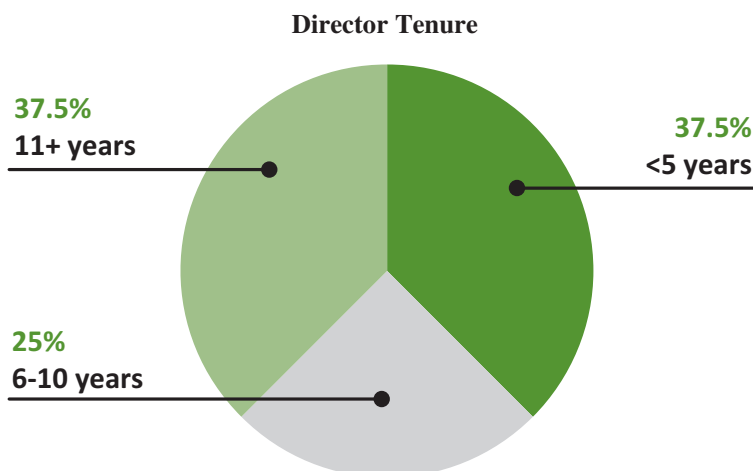
The proposal described in this Proxy Statement for the ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ended December 31, 2020 is considered a routine matter under the NYSE rules. Each of the other proposals is considered a non-routine matter under NYSE rules and could result in broker non-votes. Broker non-votes will not be counted as votes cast and, accordingly, will have no effect on the result of the vote for these non-routine matters. However, broker non-votes will be counted for quorum purposes. We therefore encourage stockholders to provide directions to their broker as to how the stockholder wants their shares voted on all matters to be brought before the Annual Meeting. The stockholder should do this by carefully following the instructions the broker gives the stockholder concerning its procedures. This ensures that the stockholder’s shares will be voted at the meeting.

## PROPOSAL 1

### ELECTION OF DIRECTORS

Pursuant to the Company's Charter, the maximum number of members allowed to serve on the Company's Board of Directors is twelve. The Board of Directors currently consists of eight seats. Each of the directors is serving for a term of one year and until such director's successor is duly elected and qualified. The Company's Nominating/Corporate Governance Committee identifies and recommends individuals for service on the Board of Directors, and the Board of Directors then either approves or rejects in whole all of such nominees.

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



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



## INFORMATION REGARDING THE NOMINEES

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

### Peter E. Baccile

**Director since 2016**

Age 57

**Board Committees**

Investment Committee

**Peter E. Baccile**, has served as President of the Company since September 2016 and assumed the Chief Executive Officer position in December 2016. He brings more than 30 years of management, real estate and financial expertise to the Company. Prior to joining the Company, he served as Joint Global Head of the Real Estate, Lodging and Leisure Group within UBS Securities, LLC's investment banking division from June 2012 to September 2016. Prior to that, Mr. Baccile served in various senior leadership roles during his 26-year tenure at J.P. Morgan. Most recently, he was Vice Chairman of J.P. Morgan Securities Inc. He also served as Co-Head of the General Industries Investment Banking Coverage Group which encompassed Real Estate, Lodging, Gaming, Diversified Industrials, Paper Packing and Building Products, and Transportation. Before that he served as Global Head of J.P. Morgan's Real Estate, Lodging and Gaming Investment Banking group for 10 years. Mr. Baccile is a member of the National Association of Real Estate Investment Trusts (Nareit), where he serves as chairman of the audit and investment committee, and The Real Estate Roundtable, where he was past Chairman of the Real Estate Capital Policy advisory committee. He is a past trustee of the International Council of Shopping Centers (ICSC) and the Urban Land Institute (ULI). Mr. Baccile's extensive experience in real estate management and finance is critical to his ability to lead the Company as its Chief Executive Officer, and is a valuable asset to the Board of Directors. Moreover, as the Company's Chief Executive Officer, Mr. Baccile brings to the Board of Directors his in-depth knowledge of our business, strategy, operations, competition and financial position. Mr. Baccile's membership on the Board of Directors is critical to ensuring appropriate coordination and communication between the Company's executive officers and the Board of Directors.

### Teresa B. Bazemore

**Nominee**

Age 60

**Teresa B. Bazemore** is the Founder and Chief Executive Officer of Bazemore Consulting LLC. Ms. Bazemore presently serves on the Board of Directors of both Chimera Investment Corporation (NYSE: CIM) and T. Rowe Price Funds. She formerly served on the Board of Directors of the Federal Home Loan Bank of Pittsburgh. From July 2008 through April 2017, Ms. Bazemore served as President of Radian Guaranty Inc., a subsidiary of Radian Group Inc. (NYSE: RDN), where she led strategic planning, business development and operations of Radian Guaranty's mortgage insurance business line and information technology and governmental affairs for Radian Group. From October 2006 to July 2008, she also served in various capacities with Radian Group, including Executive Vice President, General Counsel, Corporate Secretary and Chief Risk Officer. From June 2000 to May 2006, Ms. Bazemore was Senior Vice President, General Counsel and Secretary of Nexstar Financial Corporation. From March 1997 to June 2000, she served as General Counsel of the mortgage banking line of business at Bank of America (NYSE: BAC). Ms. Bazemore currently chairs the Board of Directors of the Public Media Company and serves on the Board of Trustees of the University of Virginia Foundation for which she also serves as the Chair of the Audit Committee. Ms. Bazemore is also a member of the Advisory Board of the University of Virginia Center for Politics. Ms. Bazemore holds a B.A. from the University of Virginia and a J.D. from Columbia University. Ms. Bazemore's extensive legal, financial and operational experience in the banking and real estate industries is a valuable asset to the Board of Directors.

## Matthew S. Dominski

### Director Since 2010

Age 65

### Board Committees

Investment Committee

Nominating/Corporate Governance

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

## Bruce W. Duncan

### Director Since 2009

Age 68

### Board Committees

Investment Committee

**Bruce W. Duncan**, has been a director of the Company since January 2009 and the Chairman of the Board of Directors since January 2016. Mr. Duncan also served as the Company’s President from January 2009 through September 2016, and its Chief Executive Officer from January 2009 through November 2016. Mr. Duncan presently serves as a director of Marriot International, Inc. (NASDAQ: MAR) and Boston Properties, Inc. (NYSE: BXP), an Independent Director of the T. Rowe Price Funds and, as of November 2018, a Senior Adviser to KKR & Co. Inc. He formerly served as Chairman of the Board of Starwood Hotels & Resorts Worldwide, Inc. (“Starwood”) from 2005 to September 2016. From April 2007 to September 2007, Mr. Duncan served as Chief Executive Officer of Starwood on an interim basis. Mr. Duncan served as a director of Starwood from 1999 through September 2016 and as a trustee of the REIT subsidiary of Starwood from 1995 to 2006. He also was a senior advisor to Kohlberg Kravis & Roberts & Co. from July 2008 until January 2009. From May 2005 to December 2005, Mr. Duncan was Chief Executive Officer and Trustee of Equity Residential (NYSE: EQR) (“EQR”), a publicly-traded apartment company. From January 2003 to May 2005, he was President, Chief Executive Officer and Trustee, and from April 2002 to December 2002, President and Trustee of EQR. From December 1995 until March 2000, Mr. Duncan served as Chairman, President and Chief Executive Officer of Cadillac Fairview Corporation, a real estate operating company. From January 1992 to October 1994, Mr. Duncan was President and Co-Chief Executive Officer of JMB Institutional Realty Corporation, providing advice and management for investments in real estate by tax-exempt investors, and from 1978 to 1992 he worked for JMB Realty Corporation, where he served in various capacities, ultimately serving as Executive Vice President and a member of the Board of Directors. Mr. Duncan’s extensive experience leading other publicly-traded real estate companies, both as a senior executive and a director, is a valuable asset to the Board of Directors. Moreover, as the Company’s former Chief Executive Officer, Mr. Duncan brings to the Board of Directors his in-depth knowledge of our business, strategy, operations, competition and financial position.

## H. Patrick Hackett, Jr.

### Director Since 2009

Age 68

### Board Committees

Audit Committee

Investment Committee

Nominating/Corporate Governance

**H. Patrick Hackett, Jr.**, has been a director of the Company since December 2009. Mr. Hackett is the principal of HHS Co., an investment company located in the Chicago area. Previously, he served as the President and Chief Executive Officer of RREEF Capital, Inc. and as principal of The RREEF Funds, an international commercial real estate investment management firm. Mr. Hackett taught real estate finance at the Kellogg Graduate School of Management for many years when he also served on the real estate advisory

boards of Kellogg and the Massachusetts Institute of Technology. He currently chairs the board of Wintrust Financial Corporation (NASDAQ: WTFC) and is a trustee of Northwestern University. Mr. Hackett provides the Board of Directors with valuable real estate investment and finance expertise. In addition, Mr. Hackett's financial expertise is valuable to the Company's Audit Committee, which he has chaired since June 2010, and we have determined him to be an "audit committee financial expert."

## Denise A. Olsen

### Director Since 2017

Age 54

### Board Committees

Audit Committee

Compensation Committee

**Denise A. Olsen**, has been a director of the Company since November 2017. Ms. Olsen has been employed by GEM Realty Capital, an integrated real estate investment firm that invests in private market assets and publicly-traded securities, since 1996. She presently serves as Senior Managing Director and a member of the Investment Committee of GEM Realty Capital, where she is also responsible for investor relations, reporting and communication. From 1994 to 1996, Ms. Olsen was Vice President at EVEREN Securities, serving in their Real Estate Corporate Finance Group. From 1987 to 1994, Ms. Olsen served in various capacities at JMB Realty Corporation, including Senior Portfolio Manager of corporate mixed-use developments and as a member of the acquisitions group. Ms. Olsen currently serves as an Executive Committee Member of The Samuel Zell and Robert Lurie Real Estate Center at the Wharton School at the University of Pennsylvania and on the Investment Committee of The Harry and Jeanette Weinberg Foundation. Ms. Olsen's significant investment and operational experience in both the private and publicly-traded real estate realms is a valuable asset to the Board of Directors. Further, Ms. Olsen's financial expertise is valuable to the Company's Audit Committee, on which she currently serves.

## John Rau

### Director Since 1994

Age 71

### Board Committees

Audit Committee

Nominating/Corporate Governance

**John Rau**, has been a director of the Company since June 1994 and Lead Independent Director since January 2016. Since December 2002, Mr. Rau has served as President and Chief Executive Officer and as a director of Miami Corporation, a private asset management firm. From January 1997 to March 2000, he was a director, President and Chief Executive Officer of Chicago Title Corporation, and its subsidiaries, Chicago Title and Trust Co., Chicago Title Insurance Co., Ticor Title Insurance Co. and Security Union Title Insurance Co. Mr. Rau was a director of BorgWarner, Inc. from 1997 to 2006, a director of William Wrigley Jr. Company from March 2005 until the company was sold to Mars, Inc. in September 2008 and a director of Nicor, Inc. from 1997 until it was sold to Southern Company Gas (formerly AGL Resources Inc.) in December 2011, and he continues as a director of Southern Company Gas. Mr. Rau is the Chairman of the board of directors of BMO Financial Corp. and served as a director of LaSalle Bank, N.A. until its 2007 sale to Bank of America. From July 1993 until November 1996, Mr. Rau was Dean of the Indiana University School of Business. From 1991 to 1993, Mr. Rau served as Chairman of the Illinois Economic Development Board and as special advisor to Illinois Governor Jim Edgar. From 1990 to 1993, he was Chairman of the Banking Research Center Board of Advisors and a Visiting Scholar at Northwestern University's J.L. Kellogg Graduate School of Management. During that time, he also served as Special Consultant to McKinsey & Company, a worldwide strategic consulting firm. From 1989 to 1991, Mr. Rau served as President and Chief Executive Officer of LaSalle National Bank. From 1979 to 1989, he was associated with The Exchange National Bank, serving as President from 1983 to 1989, at which time The Exchange National Bank merged with LaSalle National Bank. Prior to 1979, he was associated with First National Bank of Chicago. Mr. Rau's extensive experience in the banking and title insurance industries provides the Board of Directors with valuable insight into the matters of corporate and real estate finance, as well as financial services management and risk management. Moreover, Mr. Rau's financial expertise is valuable to the Company's Audit Committee, on which he currently serves.

## L. Peter Sharpe

**Director Since 2010**

Age 73

### Board Committees

Audit Committee

Compensation Committee

**L. Peter Sharpe**, has been a director of the Company since November 2010. He served as President and Chief Executive Officer of Cadillac Fairview Corporation from March 2000 through December 2010. Prior to March 2000, Mr. Sharpe held various positions at Cadillac Fairview Corporation, including serving as its Executive Vice President of Operations from 1990 to 2000. Mr. Sharpe currently serves as a director of Postmedia Network Canada Corp., Morguard Corporation and Allied Properties Real Estate Investment Trust. From 2009 through 2010, Mr. Sharpe served as Chairman of the Board of Directors of the International Council of Shopping Centers, the global trade association of the shopping center industry. Previously, Mr. Sharpe served as a director on the boards of Legacy REIT, from 1997 to 2001, and Fairmont Hotels & Resorts, from 2001 to 2006. Mr. Sharpe's experience managing large real estate development companies, and serving on the boards of real estate investment trusts, has provided him with real estate knowledge and corporate organizational skills that benefit the Board of Directors. In addition to his executive experience, inclusive of managing a substantial real estate entity for an institutional ownership constituency, Mr. Sharpe has a substantial background in real estate investment leasing and operations. Moreover, Mr. Sharpe's financial expertise, and his experience serving on the audit committees of other publicly-traded real estate companies, is valuable to the Company's Audit Committee.

## INFORMATION ABOUT OUR EXECUTIVE OFFICERS

### Scott A. Musil

Age 52

**Scott A. Musil** has been Chief Financial Officer of the Company since March 2011. He served as acting Chief Financial Officer of the Company from December 2008 to March 2011. Mr. Musil also has served as Senior Vice President of the Company since March 2001, Treasurer of the Company since May 2002 and Assistant Secretary of the Company since August 2014. Mr. Musil previously served as Controller of the Company from December 1995 to March 2012, Assistant Secretary of the Company from May 1996 to March 2012 and July 2012 to May 2014, Vice President of the Company from May 1998 to March 2001, Chief Accounting Officer from March 2006 to May 2013 and Secretary from March 2012 to July 2012 and May 2014 to August 2014. Prior to joining the Company, he served in various capacities with Arthur Andersen & Company. From May 2017 through March 2019, Mr. Musil served as a director and the chair of the audit committee of HC Government Realty Trust, Inc., a public real estate investment trust focused on federally-leased, single tenant properties. Mr. Musil is a non-practicing certified public accountant. His professional affiliations include the American Institute of Certified Public Accountants and Nareit.

### Johannson L. Yap

Age 57

**Johannson L. Yap** has been the Chief Investment Officer of the Company since February 1997 and Executive Vice President — West Region since March 2009. From April 1994 to February 1997, he served as Senior Vice President — Acquisitions of the Company. Prior to joining the Company, Mr. Yap joined The Shidler Group, a former affiliate of the Company, in 1988 as an acquisitions associate, and became Vice President in 1991, with responsibility for acquisitions, property management, leasing, project financing, sales and construction management functions. His professional affiliations include Urban Land Institute, Nareit and the Council of Logistics Management, and he serves as a member of both the Board of Advisors for the James Graaskamp Center for Real Estate at the University of Wisconsin and the Advisory Board of the Kelley School of Business of the University of Indiana, Center for Real Estate Studies.

## David G. Harker

Age 61

**David G. Harker** has been Executive Vice President — Central Region of the Company since March 2009. From April 2005 to March 2009, he served as Executive Director — Investments of the Company. From 2002 to April 2005, he served as a Senior Regional Director of the Company and, from 1998 to 2002, he served as a Regional Director of the Company, with responsibility for the Company’s portfolio in Nashville, St. Louis, Louisville and Memphis. Prior to joining the Company, Mr. Harker was a Vice President of the Trammell Crow Company from 1992 to 1998.

## Peter O. Schultz

Age 57

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

## THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

*The Board of Directors.* The Board of Directors currently consists of eight seats. In considering the independence of its members, the Board of Directors applies the independence standards and tests set forth in Sections 303A.02(a) and (b) of the Listed Company Manual of the NYSE. Applying such standards, the Board of Directors has affirmatively determined that each of Messrs. Dominski, Hackett, Rau, Sharpe and Tyler and Ms. Olsen, who collectively constitute a majority of the current members of the Board of Directors, are independent directors and that Ms. Bazemore, if she is elected by the stockholders to serve on the Board of Directors, will be an independent director.

The Board of Directors held six meetings during 2019. Each of the directors serving in 2019 attended at least 75% of the total number of meetings of the Board of Directors and of the respective committees of the Board of Directors of which such director was a member, in each case held during the period for which he or she was serving as a director. Although the Company does not have a formal policy regarding director attendance at Annual Meetings of Stockholders, all of the directors then-serving attended the 2019 Annual Meeting of Stockholders. During 2019, Mr. Duncan, in his capacity as Chairman of the Board, presided at meetings of all of the directors and Mr. Rau, in his capacity as Lead Independent Director, presided at meetings of our independent directors.

The Board of Directors has adopted Corporate Governance Guidelines to reflect the principles by which it operates and has adopted a Code of Business Conduct and Ethics, which includes the principles by which the Company expects its employees, officers and directors to conduct Company business. The Corporate Governance Guidelines and Code of Business Conduct and Ethics, as well as the charters of the Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee of the Board of Directors, are accessible at the investor relations page of the Company’s website at [www.firstindustrial.com](http://www.firstindustrial.com) and are available in print free of charge to any stockholder or other interested party who requests them. The Company intends to post on its website amendments to, or waivers from, any provision of the Company’s Code of Business

Conduct and Ethics. The Company also posts or otherwise makes available on its website from time to time other information that may be of interest to investors and other interested parties. However, none of the information provided on the Company's website is part of the proxy solicitation material. See "Other Matters — Incorporation by Reference" herein.

*Board Leadership Structure and Lead Independent Director.* Our Board of Directors recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide effective management oversight and a fully engaged, highly functioning Board of Directors. Our key objective in establishing the structure of the Board of Directors is to strengthen the independence and general role of the Board of Directors with appropriate checks and balances on the power, actions and performance of our Chief Executive Officer. Because Mr. Duncan, our Chairman of the Board, formerly served as our Chief Executive Officer, the Board of Directors determined upon his appointment as Chairman in 2016 to create a Lead Independent Director position to provide leadership to our independent directors and liaise on their behalf with our Chief Executive Officer and Chairman as may be appropriate. The Board of Directors has chosen Mr. Rau, the Chairperson of its Nominating/Corporate Governance Committee, to serve as Lead Independent Director. Mr. Rau, as Lead Independent Director, chairs any executive sessions of our independent directors and is empowered to call meetings of such independent directors. The Lead Independent Director also has the authority to approve information sent to the Board of Directors, as well as meeting agendas and schedules.

*Corporate Responsibility and Sustainability Initiatives.* The Company and its Board of Directors is focused on building and maintaining a socially responsible and sustainable business that succeeds by delivering long-term value for our stockholders. We continuously look for new and better ways to foster a diverse and inclusive work environment, improve employee health and safety, engage our surrounding communities and minimize the environmental impact of the Company and our tenants, all while creating value for our stockholders. We have an established committee consisting of members of our construction, environmental, human resources, investor relations, legal, operations and risk management teams responsible for advising our Chief Executive Officer, senior management, and Board of Directors and consulting with and generally advising management on various matters related to corporate social responsibility, including sustainability, diversity and inclusion, philanthropy and community involvement, good corporate citizenship, health and wellness, and other non-financial issues that are of significance to the Company and its stockholders. Members of the Board of Directors also serve their communities, volunteering in various leadership roles for nonprofit, academic, and other charitable organizations, and encourage the Company's employees to dedicate their time to philanthropic efforts. The Company supports the charitable efforts of our employees through national and regional company-sponsored charity activities led by Cause Champions in each of our offices. We also provide paid time-off for employees to serve the charities of their choosing.

Because we primarily net lease the properties in our portfolio to our tenants and each tenant is ultimately responsible for maintaining its properties, one of our key corporate responsibility priorities is to engage with and encourage our tenants to implement environmentally sustainable practices, such as use of energy efficient fixtures and recycling programs and energy efficient fixtures. Additionally, as we add properties to our portfolio, environmental sustainability is a key consideration of our efforts to improve or develop such properties employing green building techniques and incorporating energy, water and other resource-efficient features. We extend the same commitment to environmental excellence to our own offices, promoting sustainable practices and energy efficiency that can both reduce environmental impact and achieve lower operating costs. Our headquarters office in Chicago is an energy-efficient LEED-certified building.

For more information on our corporate responsibility and sustainability initiatives, a copy of our Corporate Responsibility Report can be found on our website at [www.firstindustrial.com/responsibility](http://www.firstindustrial.com/responsibility).

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

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

Similarly, the Compensation Committee strives to adopt compensation incentives that encourage appropriate risk-taking behavior consistent with the Company's long-term business strategy. We do not believe that our compensation policies and practices are reasonably likely to have a material adverse effect on the Company. The Compensation Committee has focused on aligning our compensation policies with our stockholders' long-term interests and avoiding short-term rewards for management or awards that encourage excessive or unnecessary risk-taking. For example, a substantial amount of compensation provided to the Company's executive officers is in the form of equity awards for which the ultimate value of the award is tied to the Company's stock price, and which awards are subject to long-term vesting schedules, thereby aligning the Company's executive officers' interests with those of our stockholders. In addition, annual cash and equity bonuses provided to management under the 2019 Employee Bonus Plan (as defined on page 23) were contingent, among other factors, upon the Company's satisfaction of prescribed levels of funds from operations ("FFO"), same store net operating income growth and fixed charge coverage ratio. Because these awards are directly tied to increased financial performance and stock price, in line with our stockholders' interests, we believe that none of these types of awards contribute to excessive or unnecessary risk-taking.

*Communications by Stockholders and Other Interested Parties.* Stockholders of the Company and other interested parties may send communications to the Board of Directors as a whole, to its individual members, to its committees or to its independent members as a group. Communications to the Board of Directors as a whole should be addressed to "The Board of Directors;" communications to any individual member of the Board of Directors should be addressed to such individual member; communications to any committee of the Board of Directors should be addressed to the chair of such committee; and communications to independent members of the Board of Directors as a group should be addressed to the Lead Independent Director. In each case, communications should be further addressed "c/o First Industrial Realty Trust, Inc., One North Wacker Drive, Suite 4200, Chicago, Illinois 60606." All communications will be forwarded to their respective addressees. If a stockholder marks his or her communication "Confidential," such communication will be forwarded directly to the addressee.

## BOARD COMMITTEES

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

Audit Committee	
<p><b>Members:</b> H. Patrick Hackett, Jr. (Chair)* Denise A. Olsen John Rau L. Peter Sharpe</p> <p><b>Number of Meetings in 2019: 5</b></p> <p>*In the judgment of the Company's Board of Directors, the Chair of the Audit Committee, Mr. Hackett, is an "audit committee financial expert," as such term is defined in the SEC rules, and has "accounting or related financial management expertise," as defined in the listing standards of the NYSE.</p>	<p>The Audit Committee is directly responsible for the appointment and oversight of our independent registered public accounting firm.</p> <p>In connection with such responsibilities, the Audit Committee:</p> <ul style="list-style-type: none"><li>• approves the engagement of independent public accountants,</li><li>• is directly involved in the selection of the independent public accounting firm's lead engagement partner,</li><li>• reviews with the independent public accountants the audit plan, the audit scope, and the results of the annual audit engagement,</li><li>• pre-approves audit and non-audit services and fees of the independent public accountants,</li><li>• reviews the independence of the independent public accountants, and</li><li>• reviews the adequacy of the Company's internal control over financial reporting.</li></ul> <p>In addition, the Audit Committee has responsibility for overseeing the Company's enterprise and risk management and for supervising and assessing the performance of the Company's internal audit department.</p> <p>Each member of the Audit Committee is, in the judgment of the Company's Board of Directors, independent as required by the listing standards of the NYSE and the rules of the SEC, and is financially literate, knowledgeable and qualified to review financial statements.</p>
Compensation Committee	
<p><b>Members:</b> L. Peter Sharpe (Chair) Denise A. Olsen W. Ed Tyler</p> <p><b>Number of Meetings in 2019: 7</b></p>	<p>The Compensation Committee has overall responsibility for approving and evaluating the compensation plans, policies and programs relating to the executive officers of the Company. The Compensation Committee administers the First Industrial Realty Trust, Inc. 2014 Stock Incentive Plan (the "2014 Stock Plan") and has the authority to grant awards under the 2014 Stock Plan.</p> <p>Each member of the Compensation Committee is, in the judgment of the Board of Directors, independent as required by the listing standards of the NYSE.</p>



### Investment Committee

**Members:**

Bruce W. Duncan (Chair)  
Peter E. Baccile  
Matthew S. Dominski  
H. Patrick Hackett, Jr.

**Number of Meetings in  
2019: 8**

The Investment Committee provides oversight and discipline to the investment process. The Investment Committee oversees implementation of our investment strategy, within parameters set by the Board of Directors, reviews and approves specific transactions and keeps the Board of Directors regularly apprised of our progress and performance with respect to our investment strategy. Investment opportunities are described in written reports based on detailed research and analyses in a standardized format applying appropriate underwriting criteria, and the Investment Committee meets with the Company's investment personnel and reviews each submission thoroughly. The Investment Committee's charter details the required approval authority for various types of transactions, with the level of approval required varying depending on the type of transaction and the dollar amount involved, and the Investment Committee oversees the implementation of such approval requirements.

### Nominating/Corporate Governance Committee

**Members:**

John Rau (Chair)  
H. Patrick Hackett  
Matthew S. Dominski

**Number of Meetings in  
2019: 2**

The Nominating/Corporate Governance Committee recommends individuals for election as directors at the Annual Meeting of Stockholders of the Company and in connection with any vacancy that may occur on the Board of Directors. In turn, the Board of Directors either approves by a majority vote all of the nominations so recommended by the Nominating/Corporate Governance Committee or rejects all of the nominations, in each case in whole, but not in part. In the event that the Board of Directors rejects the recommended nominations, the Nominating/Corporate Governance Committee develops a new recommendation. In addition, the Nominating/Corporate Governance Committee develops and oversees the Company's corporate governance policies.

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

In general, it is the Nominating/Corporate Governance Committee's policy that, in its judgment, its recommended nominees for election as members of the Board of Directors of the Company must, at a minimum, have business experience of a breadth, and at a level of complexity, sufficient to understand all aspects of the Company's business and,

through either experience or education, have acquired such knowledge as is sufficient to qualify as financially literate. In addition, recommended nominees must be persons of integrity and be committed to devoting the time and attention necessary to fulfill their duties to the Company. While the Nominating/Corporate Governance Committee has not adopted a formal diversity policy, the Company values diversity, in its broadest sense, reflecting, but not limited to, profession, geography, gender, ethnicity, skills and experience. As part of the nomination process, the Company endeavors to have a diverse Board of Directors representing a range of experiences in areas that are relevant to the Company's business and the needs of the Board of Directors from time-to-time, and the Nominating/Corporate Governance Committee and the Board of Directors considers highly qualified candidates, including women and minorities.

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

Each member of the Nominating/Corporate Governance Committee is, in the judgment of the Board of Directors, independent as required by the listing standards of the NYSE.

## DIRECTOR COMPENSATION

Compensation of non-employee directors is periodically reviewed by the Compensation Committee of the Board of Directors, which makes any recommendations of compensation changes to the entire Board of Directors. Non-employee directors are not entitled to retirement benefits, incentive compensation or perquisites for their service, although they are reimbursed for their out-of-pocket expenses for meeting attendance.

The Company provided the following compensation to our non-employee directors in 2019:

- annual cash fees of \$70,000 and annual equity grants with a grant date fair value of approximately \$70,000;
- annual cash fees of \$25,000 and \$50,000 for service as the Lead Independent Director and as the Chairman of the Board of Directors, respectively; and
- annual supplemental fee for chair and committee service as set forth in the following table:

Committee	Annual Fee	
	Chair (\$)	Member (\$)
Audit Committee	30,000	9,000
Compensation Committee	20,000	7,500
Nominating/Corporate Governance Committee	15,000	6,000
Investment Committee	-	7,500

The Company does not pay additional compensation to directors who are also employees of the Company, such as Mr. Baccile, our Chief Executive Officer. Additionally, no fees are paid for attendance at in-person or telephonic meetings of the Board of Directors and its committees. Mr. Duncan, the Chairman of our Board of Directors, does not receive any non-chair service fees for committee service in addition to the fee he receives for service as Chairman of the Board of Directors. All cash fees payable to our non-employee directors are paid in quarterly installments.

### 2019 DIRECTOR COMPENSATION TABLE

Name	Fees Earned or Paid in Cash (\$)	Stock Awards <sup>(1)</sup> (\$)	Total Compensation (\$)
Matthew S. Dominski	83,500	70,000	153,500
Bruce W. Duncan	120,000	70,000	190,000
H. Patrick Hackett, Jr.	113,500	70,000	183,500
Denise A. Olsen	86,500	70,000	156,500
John Rau	119,000	70,000	189,000
L. Peter Sharpe	99,000	70,000	169,000
W. Ed Tyler	77,500	70,000	147,500

- (1) Represents 2,046 shares of either restricted shares or LP Units, at their election, granted to each director on May 8, 2019, which vest on the earlier of the first anniversary of the grant date or the Company's next annual shareholder meeting. Amounts are based on the Common Stock price as of the grant date, which was \$34.22.

## COMPENSATION DISCUSSION AND ANALYSIS

### 2019 ACCOMPLISHMENTS

2019 was a successful year for the Company, marked by continued execution of our strategy: driving long-term cash flow growth and value for stockholders through leasing, enhancing our portfolio through developing, acquiring and selling select properties and maintaining our strong balance sheet.

Decisions by the Board of Directors on executive compensation are reflective of the Company's strong performance during the year, including:

- Maintaining high levels of portfolio occupancy, ending the year at 97.6% occupied in our in-service portfolio;
- Growing cash rental rates on new and renewal leasing 13.9%, a new annual record for the Company;
- Growing same store net operating year income by 3.1%;
- Growing our Common Stock dividend by 5.7%;
- Placing in service 13 developments, 91% leased, totaling 4.4 million square feet and an estimated total investment of \$325 million, comprised of three buildings in Southern California, two buildings in Central Pennsylvania, and one each in Seattle, New Jersey, Denver, Chicago and Houston plus three build-to-suits in Atlanta, Dallas and Phoenix;
- Acquiring nine buildings totaling 542,000 square feet for \$67 million. Five of the buildings were in Southern California and one each were in Seattle, Denver, Chicago and Orlando;
- Acquiring 12 land parcels for development for \$81 million; and
- Selling \$261 million of properties comprised of 39 buildings totaling 5.2 million square feet and four land parcels including the effective exits of the Indianapolis and St. Louis markets; excludes the sale of a 618,000 square-foot building in Phoenix for \$54.5 million in which the tenant exercised its purchase option, which is scheduled to close in Q3 2020.

### OBJECTIVES AND DESIGN OF COMPENSATION PROGRAM

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

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

The Compensation Committee of the Company's Board of Directors (the "Compensation Committee") has the overall responsibility for approving and evaluating the compensation plans, policies and programs

relating to the executive officers of the Company. The Compensation Committee typically formulates compensation beginning in November of the prior fiscal year and continuing through the first quarter of the applicable fiscal year, by setting salaries and, if applicable, maximum cash and equity bonuses for the Company's employees, including those named executive officers listed in the Summary Compensation Table on page 33 (the "Named Executive Officers"). Also, typically in the first quarter of the applicable fiscal year, the Compensation Committee adopts, and the full Board of Directors ratifies, the performance criteria to be used for that year in determining the incentive compensation of the Company's employees, including the Named Executive Officers, other than those covered by separate plans or agreements. Then, after the end of the applicable fiscal year, the Compensation Committee meets to determine incentive compensation to be paid to the Company's employees, including the Named Executive Officers, with respect to the year just ended, pursuant to the performance criteria or, as applicable, pursuant to separate plans or agreements. Per such determination, the Committee approves cash bonuses and equity awards, typically in February or March.

During the first quarter of the applicable fiscal year, our Chief Executive Officer meets with the Compensation Committee to present and discuss recommendations with respect to the applicable fiscal year's salaries and maximum cash and equity bonuses for the Named Executive Officers, other than himself. Also, in the first quarter of each year, our Chief Executive Officer meets with the Compensation Committee to present and discuss recommendations with respect to incentive compensation for the year just ended. In addition, our Chief Executive Officer meets with the Compensation Committee regarding employment agreements that the Company has entered into (if any) and, if a compensation consultant has been engaged by the Compensation Committee to evaluate the Company's compensation programs, assist the Compensation Committee in providing compensation information to such consultant. However, our Chief Executive Officer does not participate in any decisions or determinations with respect to his own compensation.

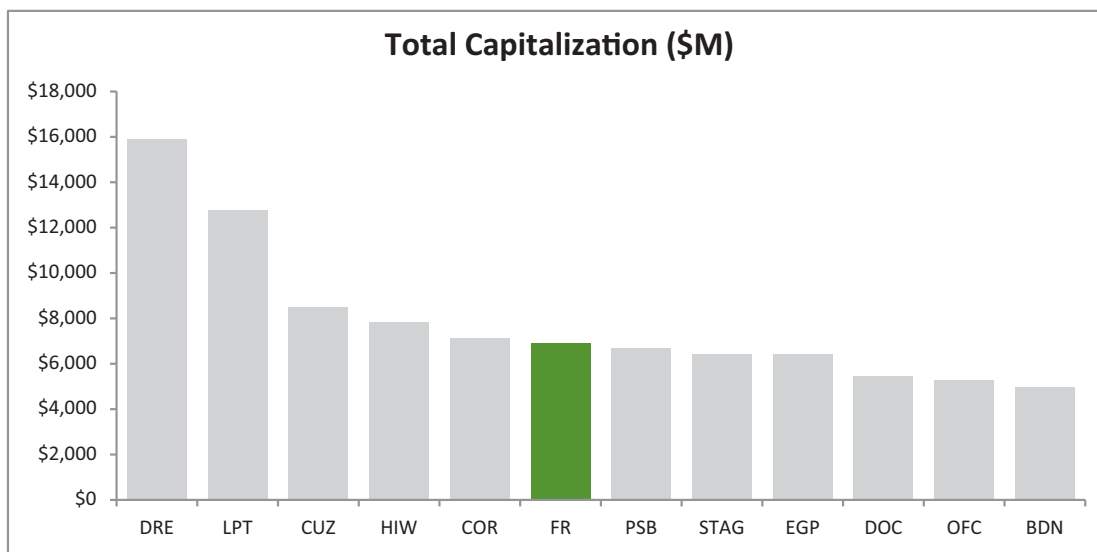
Periodically, although not every year, the Company and the Compensation Committee engage the services of outside consultants to evaluate the Company's executive compensation program. Consistent with SEC rules, prior to any such engagement, the Company will assess any potential conflicts of interest the advisor may have that may negatively impact their independence to determine whether the retention of any compensation consultant to advise the Compensation Committee on executive compensation matters will create a conflict of interest.

In 2018, the Compensation Committee engaged FPL Associates, L.P. ("FPL"), a nationally-recognized compensation consultant firm specializing in the real estate industry, to review the appropriateness of the amount and structure of our compensation program. The Compensation Committee directed FPL to, among other things: (1) assist the Compensation Committee in applying our compensation philosophy to certain executive officers, including the Named Executive Officers; (2) evaluate pay by individual and in the aggregate across the team, further measured against company size and performance; (3) identify the appropriate mix between compensation components (base salary, annual incentive, and long-term incentive) for each position under study; (4) examine specific plan design parameters, focusing on the long-term incentive component, to better understand how the Company's existing programs compare to market practices and industry trends; and (5) compile data on the prevalence of certain employment policies and practices among the Company's peers.

As part of its review, FPL surveyed the compensation programs of 12 real estate companies, focusing on companies of similar size and by asset class to position FR near the market median of such comparisons. This peer group, which was referenced primarily to gauge the general appropriateness of the Company's overall executive compensation structure, included the following companies, with First Industrial at the 45<sup>th</sup> percentile of the peer group by market capitalization:

Brandywine Realty Trust	DCT Industrial Trust, Inc.	Liberty Property Trust
CoreSite Realty Corporation	Duke Realty Corporation	Physicians Realty Trust
Corporate Office Properties Trust	EastGroup Properties, Inc.	PS Business Parks, Inc.
Cousins Properties Incorporated	Highwoods Properties, Inc.	STAG Industrial, Inc.

DCT Industrial Trust, Inc. was acquired by Prologis, Inc. in August 2018. Following its acquisition, the Compensation Committee excluded DCT Industrial Trust, Inc. from the above peer group as it used the peer group compensation data to evaluate the appropriateness of the Company's executive compensation.



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

The Compensation Committee retains the discretion to work again with FPL or an alternative compensation consultant to review our executive compensation program. Consistent with SEC rules, the Company assessed whether the work of FPL raised any conflict of interest and determined that the retention of FPL to advise the Compensation Committee concerning executive compensation matters did not create a conflict of interest. Neither the Compensation Committee nor the Company has any other professional relationship with FPL, although an affiliate of FPL periodically provides executive recruitment services to the Company. In 2019, this affiliate of FPL was engaged by the Company, at the direction of management under the supervision, but without the formal approval, of our Board of Directors, to provide executive recruitment services and was paid fees of \$127,240 for such services. In 2019, FPL was paid \$32,000 for compensation-related services.

## EXECUTIVE COMPENSATION COMPONENTS

The components of the Company's executive compensation program are base salary, cash and equity incentive bonuses, long-term incentive program awards, benefits and perquisites. Each component of the Company's executive compensation program is intended to attract and retain talented, capable individuals to the Company's executive ranks. The Compensation Committee believes equity awards play an important role in aligning management's interests with those of the Company's stockholders because these equity awards derive their value from our Common Stock. For this reason, equity awards are a significant part of executive compensation.

Base salary, benefits and perquisites are intended to provide a level of fixed compensation to the Named Executive Officers for services rendered during the year. Increases to base salary are typically a function of individual performance and general economic conditions. Benefits and perquisites that are generally available to the Company's employees, including the Named Executive Officers, currently include: premiums paid on term life, short-term and long-term disability insurance; standard health insurance; and 401(k) matching contributions.

Car allowances are offered to select employees of the Company, including some of the Named Executive Officers.

Incentive bonuses, by contrast, are linked to, and are a function of, the achievement of performance criteria that are designed with the intention of incentivizing the Named Executive Officers to maximize the Company's overall performance. Incentive bonuses are awarded in cash or equity or a combination thereof. The Compensation Committee does not have a specific policy regarding the mix of cash and non-cash compensation awarded to the Named Executive Officers. Although the exact percentages vary among individuals, for 2019 equity comprised approximately 40-45% of the potential incentive bonuses for the Named Executive Officers as a group. For our Chief Executive Officer, the mix of cash and equity compensation he is entitled to receive as an annual incentive bonus is set forth in his employment agreement, and it is expected that the portion paid in equity will be proportionate to the equity incentive compensation received by the Company's executive officers generally.

Historically and for 2019, base salary, benefits and perquisites have made up approximately 18-25% of a Named Executive Officer's total compensation in a typical year, while cash and equity incentive compensation has comprised the remaining portion. Although this mix may vary from year to year, the Compensation Committee strives to ensure that the Named Executive Officers' compensation is largely performance-based. Other than the Long-Term Time-Based Awards (as defined on page 30), all equity awards have a performance feature. Annual equity bonus awards are granted based upon prior year performance metrics, while our Long-Term Performance Awards (as defined on page 26) are earned based upon performance metrics for future periods.

The Company provides its executives with the choice of accepting equity awards in the form of awards that settle in either Common Stock or partnership interests in our operating partnership, First Industrial, L.P., that are structured as a "profits interest" for U.S. federal income tax purposes ("LP Units"). Generally, LP Units entitle the holder to receive distributions from our operating partnership that are equivalent to the dividends and distributions that would be made with respect to the number of shares of our Common Stock underlying such LP Units, though receipt of such distributions may be delayed or made contingent on vesting. Once an LP Unit has vested and received allocations of book income sufficient to increase the book capital account balance associated with such LP Unit (which will initially be zero) to equal, on a per-unit basis, the book capital account balance associated with a "common unit" of partnership interest of First Industrial, L.P., it automatically becomes a common unit that is convertible by the holder into one share of Common Stock or a cash equivalent, at the Company's option.

## **2020 COMPENSATION HIGHLIGHTS**

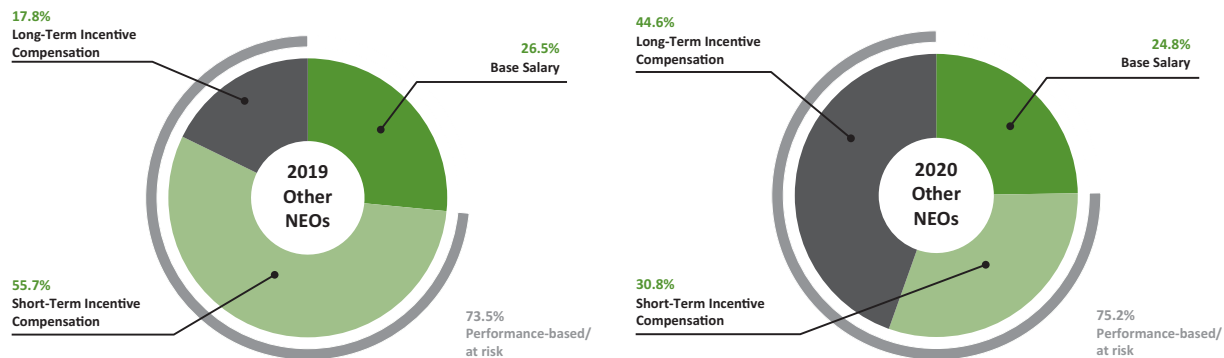
The Compensation Committee continues to manage our compensation programs to better align management's incentives with those of our stockholders and to ensure our overall compensation is appropriate relative to our peer group. For the three-year period of 2015 to 2017, the actual aggregate compensation for our Named Executive Officers fell at the 12<sup>th</sup> percentile of our peer group and, over the same three-year period, the Company's total shareholder return (TSR) performance ranked at the 70<sup>th</sup> percentile compared against our peer group. To better align pay for performance, and to focus on stockholder alignment, our Compensation Committee has elected to issue additional equity to adjust overall compensation to a level it believes is appropriate relative to our peers, with an emphasis on increasing the overall portion of equity compensation that is long-term and performance-based.

In 2019, with actions first effective in January of 2020, we determined to both eliminate the amount of equity incentive based on annual company performance goals and to grant additional performance-based and time-based equity awards designed to increase the percentage of at-risk pay for our Named Executive Officers as a percentage of their total compensation and increase the percentage of their equity compensation that is performance-based.

The below table reflects changes to our compensation program authorized in 2019 and implemented in 2020 for our Named Executive Officers prior to the filing of this Proxy Statement:

<b>Increase Percentage of At-Risk Pay</b>	As total compensation is adjusted to market, greater emphasis is placed on equity awards.
<b>Increased Percentage of Performance-Based Equity</b>	Equity compensation mix now 70% performance-based awards and 30% time-based awards.
<b>Performance Metrics Adjusted</b>	40% of equity awards are based on relative performance of the “Industrial Peer Group” (as defined below) and 30% are based on relative performance of the FTSE Nareit All Equity Index.
<b>Performance Measurement Adjusted</b>	Eliminated the amount of equity potential based on annual performance goals and increased the amount based on relative total shareholder return over a 3-year period.
<b>TSR Goals Modified</b>	Total shareholder return metrics changed from a percentage deviation from the index to a percentile level of performance relative to the companies in the index.
<b>Annual Cash Bonus Plan</b>	FFO per share and Same Store NOI growth metrics have been adjusted (50% from 65% and 25% from 10%, respectively).
<b>Base Salary</b>	Base salaries for each Named Executive Officer were increased. Base salaries had not been increased since January 1, 2013.

The charts below depict how our Named Executive Officers’, other than our Chief Executive Officer’s, overall compensation mix changed from 2019 to 2020, including increases in the percentage of their total compensation that is performance-based and that constitutes long-term incentive compensation.

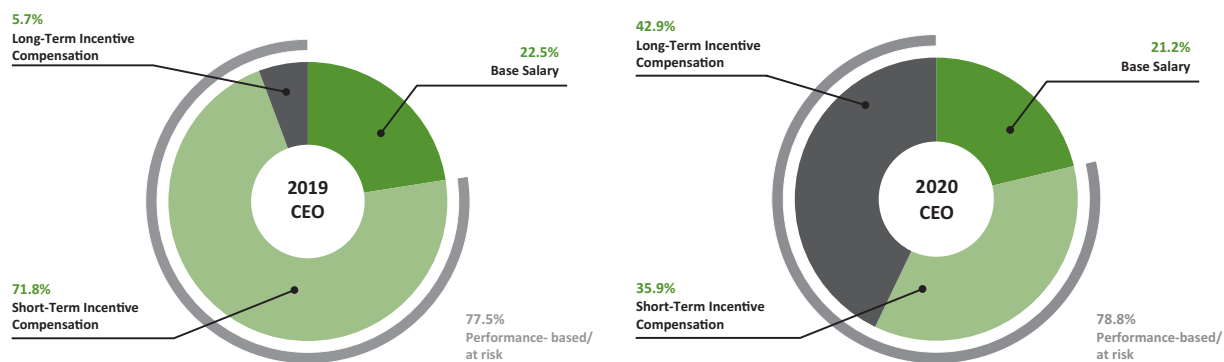


In February 2020, the Company also entered into a new employment agreement with Mr. Baccile, which replaced his prior employment agreement and provides for a term of employment through December 31, 2024. The purpose of the new employment agreement is to secure Mr. Baccile’s longer-term commitment to the Company by moving from a rolling two-year employment term to a five-year employment term. Mr. Baccile’s new employment agreement is described in greater detail starting on page 37 under “Potential Payments Upon Termination or Change in Control.”

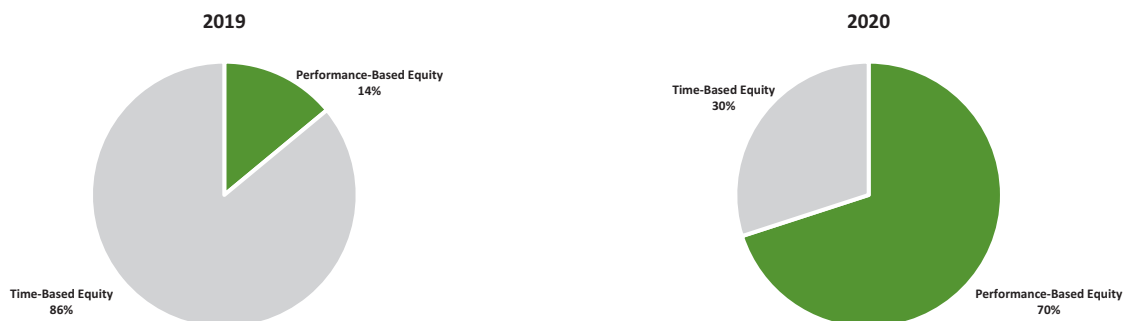
The charts below depict how our Chief Executive Officer’s overall compensation mix changed from 2019 to 2020, including increases in the percentage of his total compensation that is performance-based and that constitutes long-term incentive compensation.



Specifically, long-term incentive compensation comprised 6% of our Chief Executive Officer’s target pay opportunity in 2019 which, starting in 2020, has been significantly increased to comprise approximately 43% of his target pay opportunity and the largest component of his pay. Consequently, the amount of pay tied to short-term incentive compensation will decline from approximately 72% in 2019 to 36% of the overall target pay opportunity starting in 2020.



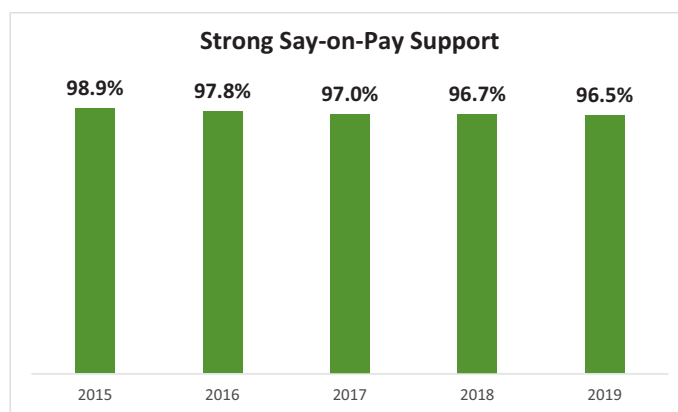
The charts below depict how our Chief Executive Officer’s equity compensation mix changed from 2019 to 2020, showing that portion that was short-term time-based incentive equity compensation versus long-term performance-based incentive equity compensation:



## ADVISORY VOTE ON EXECUTIVE COMPENSATION

We have determined that our stockholders should vote on a say-on-pay proposal each year. While the results of each of these votes is non-binding, we believe that presenting this matter to our stockholders annually is an important means of obtaining investor feedback on our compensation policies.

At our 2019 Annual Meeting of Stockholders, approximately 97% of the votes cast in the vote on the compensation of our Named Executive Officers as disclosed in the proxy statement for that meeting were in favor of such compensation. As a result, consistent with the strong support we have received in recent say-on-pay votes (summarized in the table below), the compensation of our Named Executive Officers was approved by our stockholders on an advisory basis. Despite the high level of historical shareholder support, the Compensation Committee has proactively made a number of positive changes to our compensation program, commencing in 2020 (see “2020 Compensation Highlights” starting on page 19 for additional information), which further aligns our executives with the long-term success of our Company.



## SETTING EXECUTIVE COMPENSATION

### Base Salary

The Company provides the Named Executive Officers with base salary to compensate them for services rendered during the fiscal year. The base salaries of the Named Executive Officers are a function of either the minimum base salaries specified in their employment agreements or the base salary negotiated at the time of an executive's initial employment, and any subsequent changes to such base salaries approved by the Compensation Committee. In determining changes to such base salaries for any year, the Compensation Committee considers individual performance of the Named Executive Officers in the most recently completed year, including organizational and management development, and leadership exhibited from year-to-year. The Compensation Committee also considers, but does not specifically benchmark compensation to, peer information provided by compensation consultants. The Compensation Committee also considers general economic conditions prevailing at the end of the most recently completed year, when the changes for the following year are typically determined. The Company does not guarantee annual base salary increases to anyone.

The base salaries paid to the Named Executive Officers other than our Chief Executive Officer remained unchanged from 2018 to 2019 as reflected in the Summary Compensation Table of this Proxy Statement, and in fact had not been increased since 2013. Effective in 2020, the Company increased the base salaries of each of these Named Executive Officers, as reflected in the table below.

Executive	2020 Base Salary	2019 Base Salary	2018 Base Salary	2019-2020 % Change	2018-2019 % Change
Scott A. Musil	\$325,000	\$265,000	\$265,000	23%	0%
Johannson L. Yap	\$425,000	\$379,000	\$379,000	12%	0%
David G. Harker	\$320,000	\$240,000	\$240,000	33%	0%
Peter O. Schultz	\$320,000	\$250,000	\$250,000	28%	0%

**0%**

Salary Change from 2013-2019

**3.1%**

2020 salaries represent an average compounded increase of 3.1% over the period of 2013-2020

Our Chief Executive Officer’s base salary remained unchanged in 2019, as had been the case since he was hired in 2016. In February 2020, the Company entered into a new employment agreement with Mr. Baccile that provides, among other things, for a minimum annual base salary of \$850,000, which reflects an increase to his base salary of \$100,000.

### Annual Performance-Based Bonuses

The Company provides its senior executives with annual incentive compensation based on individual and company performance, which currently includes cash and equity components. The equity portion includes awards issued in the form of restricted shares or, at the election of eligible employees, LP Units with equivalent vesting conditions.

The Company does not guarantee annual bonuses to anyone. We believe that including equity awards as a part of an executive’s annual bonus provides good alignment with our stockholders by fully reflecting the total return we provide to our stockholders, including dividends or other distributions as well as potential future increases or decreases in our stock price.

#### 2019 Employee Bonus Plan

For 2019, each Named Executive Officer participated in the incentive compensation plan generally available to the Company’s employees (the “2019 Employee Bonus Plan”), which plan was recommended by the Compensation Committee and adopted by the Board of Directors on February 28, 2019.

Under the 2019 Employee Bonus Plan, a “bonus pool” was funded based on the achievement by the Company of certain identified thresholds of four performance categories. For 2019, these categories were (i) FFO per share (as described below), (ii) same store NOI (“SS NOI”) growth (as described below), (iii) fixed charge coverage ratio (as described below) and (iv) discretionary financial and non-financial objectives determined by the Company’s Chief Executive Officer. The Compensation Committee believes that FFO per share is an important measure of the Company’s performance because, by excluding gains or losses related to sales of real estate assets, real estate asset depreciation and amortization and impairment charges (reversals) recorded on real estate, FFO captures the operating results of the long-term assets that form the core of the Company’s business and makes comparison of the Company’s operating results with those of other REITs more meaningful. The Compensation Committee believes that, because our success depends largely upon our ability to lease space and to recover the operating costs associated with those leases from our tenants, SS NOI is also an important measure of the Company’s performance. Finally, the Compensation Committee believes that fixed charge coverage ratio is an important measure of the Company’s performance because it is critical to maintaining and improving the rating on the Company’s unsecured debt.

Each of these performance categories may be adjusted by the Compensation Committee in its discretion to exclude the effects of certain items. The Compensation Committee assigned weighting factors to each of the performance categories, such that performance in certain categories had a more pronounced impact on the bonus pool under the 2019 Employee Bonus Plan than did performance in other categories. The weighting factors were as follows:

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

- (1) FFO is a non-GAAP financial measure created by Nareit as a supplemental measure of REIT operating performance that excludes certain items from net income determined in accordance with GAAP. FFO is calculated by us in accordance with the definition adopted by the Board of Governors of Nareit and therefore may not be comparable to other similarly titled measures of other companies. Please see the reconciliation of FFO to net income available to common stockholders contained in our Annual Report on Form 10-K filed on February 13, 2020.

- (2) SS NOI is a non-GAAP financial measure that provides a measure of rental operations and, as calculated by us, that does not factor in depreciation and amortization, general and administrative expense, interest expense, impairment charges, equity in income and loss from joint venture, income tax benefit and expense, gains and losses on retirement of debt and gains and losses on the sale of real estate. The Company defines SS NOI as revenues minus property expenses such as real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, minus the net operating income of properties that are not same store properties and minus the impact of straight-line rent, the amortization of above/below market leases and lease termination fees. As so defined, SS NOI may not be comparable to same store net operating income or similar measures reported by other REITs that define same store properties or net operating income differently. The major factors influencing SS NOI are occupancy levels, rental rate increases or decreases and tenant recoveries increases or decreases. Please see the reconciliation of same store revenues and property expenses to SS NOI contained in our Annual Report on Form 10-K filed on February 13, 2020.
- (3) The Company is a party to certain lending arrangements that require the Company to maintain a specified fixed charge coverage ratio. For purposes of the 2019 Employee Bonus Plan, the Company defined fixed charge coverage ratio in accordance with that certain Third Amended and Restated Unsecured Revolving Credit Agreement, dated as of October 31, 2017, a copy of which was filed with our Current Report on Form 8-K filed on November 2, 2017.

The Compensation Committee established performance targets relating to each performance category for the 2019 Employee Bonus Plan. At target performance, the bonus pool is funded at the aggregate 75% level of achievement. At maximum performance, the bonus pool is funded at the aggregate 125% level of achievement. The Company's 2019 performance in the identified performance categories resulted in the following funding of the bonus pool associated with that performance category:

<b>Category</b>	<b>Performance Target</b>	<b>Actual Result</b>	<b>Bonus Pool Funding%</b>
FFO per share	\$1.69 <sup>(1)</sup>	\$1.81 <sup>(1)</sup>	125%
SS NOI growth	2.0% <sup>(2)</sup>	2.8% <sup>(2)</sup>	115%
Fixed charge coverage ratio	4.38x	4.52x	125%

- (1) Amount excludes accruals for cash bonuses and certain other items.
- (2) The Compensation Committee calculates SS NOI growth using a cumulative quarterly average as opposed to the methodology traditionally utilized in our financial reporting, which measures the year-over-year growth of our properties.

The Compensation Committee determined that the funding percentage for the bonus pool with respect to the discretionary objectives should be 75% based on the Company's overall performance in 2019, as described in greater detail on page 16 under "2019 Accomplishments." Although the Company's 2019 performance in the identified performance categories allowed for an aggregate bonus pool funding percentage of up to the 116.5% level of achievement, the Compensation Committee authorized an aggregate bonus pool available under the 2019 Employee Bonus Plan at the aggregate 112.5% level of achievement for cash and equity bonuses of all eligible employees, including the Named Executive Officers. After determining the aggregate bonus pool available under the 2019 Employee Bonus Plan, the Compensation Committee and our Chief Executive Officer allocated individual awards based on the individual award recipients' performance.

The bonuses for the Named Executive Officers at the 100% level of achievement for purposes of the 2019 Employee Bonus Plan were as follows:

<b>Executive Officer</b>	<b>100% Achievement Cash Bonus (% of Base Salary)</b>	<b>100% Achievement Equity Bonus (% of Base Salary)</b>
Peter E. Baccile	225%	200%
Scott A. Musil	150%	100%
Johannson L. Yap	200%	140%
David G. Harker	150%	100%
Peter O. Schultz	150%	100%

The actual percentage of cash and equity bonuses (the “Individual Cash Percentage” and the “Individual Equity Percentage”) awarded to the Named Executive Officers were determined as described below.

The actual individual bonuses paid to the Named Executive Officers (other than Mr. Baccile) from the bonus pool were determined by the Compensation Committee, after recommendations from our Chief Executive Officer, based upon the respective officer’s achievement of the following individual performance objectives that were approved by the Board of Directors and communicated to the officer:

<b>Executive Officer</b>	<b>Individual Performance Objectives</b>
Scott A. Musil	Progress with respect to leverage and fixed charge coverage ratios, execution of the Company’s private placement debt offering and overall investor relations
Johannson L. Yap	Progress with respect to investments and divestitures, completing and leasing developments and overall performance of the West Region of the Company
David G. Harker	Progress with respect to investments, completing and leasing developments and overall performance of the Central Region of the Company
Peter O. Schultz	Progress with respect to investments, completing and leasing developments and overall performance of the East Region of the Company

The actual individual bonus paid to Mr. Baccile from the bonus pool was determined by the Compensation Committee based upon its assessment of the Company’s overall performance and the Company’s achievement of the corporate performance goals under the 2019 Employee Bonus Plan.

The cash bonus payments and equity grants made in the first quarter of 2020 to each of our Named Executive Officers in settlement of awards under the 2019 Employee Bonus Plan, together with the applicable Individual Cash Percentage and Individual Equity Percentage, are reflected in the following table:

<b>Executive Officer</b>	<b>Individual Cash Percentage (%)<sup>(1)</sup></b>	<b>Cash Bonus Paid (\$)</b>	<b>Individual Equity Percentage (%)<sup>(1)</sup></b>	<b>Time-Based LP Units<sup>(2)</sup></b>	<b>Grant Date Fair Value of Award (\$)</b>
Peter E. Baccile	108%	1,822,500	110%	37,164	1,650,082
Scott A. Musil	108%	429,300	110%	6,567	291,575
Johannson L. Yap	108%	818,640	110%	13,146	583,682
David G. Harker	117%	421,200	117%	6,324	280,786
Peter O. Schultz	105%	393,750	108%	6,081	269,996

- (1) The Individual Cash Percentage and Individual Equity Percentage each reflect the actual cash bonus or equity issuance as a percentage of the respective 100% level of achievement amount for each individual.
- (2) All equity awards were issued in the form of Time-Based LP Units at the election of the award recipient. The number of Time-Based LP Units approved by the Compensation Committee was determined based on the \$44.40 closing price of our Common Stock on February 11, 2020, which was the date the Compensation Committee approved these awards under the 2019 Employee Bonus Plan.

For 2017 and 2018, the Named Executive Officers participated in an incentive compensation plan similar to the 2019 Employee Bonus Plan.

### **Long-Term Incentive Program Awards**

#### *2018 and 2019 Long-Term Performance Awards*

In addition to providing equity to our executives as part of our annual bonus program, we provide long-term equity to our executives on an annual basis that vests only if the Company achieves certain total return thresholds in comparison to our peers (the “Long-Term Performance Awards”). The purpose of the Long-Term Performance Awards is to provide incentives for the achievement of longer-term sustained value creation and retention by focusing on longer-term fundamentals and aligning our executives’ interests with our stockholders’ interests.

Long-Term Performance Awards are determined based on the anticipated dollar value of the award and then issued, at the grantee’s option, in a number of performance-based RSUs or performance-based LP Units (such LP Units, “Performance LP Units”) corresponding to the appropriate dollar value.

Effective January 1, 2018, January 1, 2019 and January 1, 2020, the Board of Directors authorized grants of Long-Term Performance Awards under the 2014 Stock Plan to certain employees of the Company, including each Named Executive Officer. No other Long-Term Performance Awards remain unvested.

The Long-Term Performance Awards granted effective January 1, 2018 and January 1, 2019 vest based upon the relative annualized total stockholder return of our Common Stock as compared to the MSCI U.S. REIT Index (RMS G), and the NAREIT Industrial Index (FNINDTR), over the pre-established performance measurement period, as follows:

	<b>Total Company Stockholder Return for Performance Period Relative to Total Return for Performance Period of Index</b>	<b>Vesting Percentage</b>
Threshold	Index minus 2%	25%
Target	Index plus 1%	40%
Stretch	Index plus 4%	85%
Maximum	Index plus 7%	100%

The Long-Term Performance Awards granted effective January 1, 2018 and January 1, 2019 are summarized in the table below.

<u>Executive Officer</u>	<u>Date of Grant</u>	<u>Form of Award</u>	<u>Units Awarded</u>	<u>Performance Period</u>
Peter E. Baccile	1/1/2018	Performance Units	15,240	1/1/2018 – 12/31/2020
	1/1/2019	Performance LP Units	16,916	1/1/2019 – 12/31/2021
Scott A. Musil	1/1/2018	Performance Units	15,240	1/1/2018 – 12/31/2020
	1/1/2019	Performance LP Units	16,916	1/1/2019 – 12/31/2021
Johannson L. Yap	1/1/2018	Performance Units	15,240	1/1/2018 – 12/31/2020
	1/1/2019	Performance LP Units	16,916	1/1/2019 – 12/31/2021
David G. Harker	1/1/2018	Performance Units	15,240	1/1/2018 – 12/31/2020
	1/1/2019	Performance LP Units	16,916	1/1/2019 – 12/31/2021
Peter O. Schultz	1/1/2018	Performance Units	15,240	1/1/2018 – 12/31/2020
	1/1/2019	Performance LP Units	16,916	1/1/2019 – 12/31/2021

### 2020 Long-Term Incentive Program

In 2019, the Company determined to update its long-term incentive program awards with the goal of increasing the portion of our executive officer's total equity compensation that is performance-based while also incorporating new awards that are subject to time-based vesting, with the initial awards under the updated long-term incentive program made in January 2020. Consistent with our compensation philosophy, our long-term incentive program is designed to assist us in attracting and retaining high quality executives, while tying a significant portion of compensation to our financial performance, principally in the case of this program to our total shareholder return.

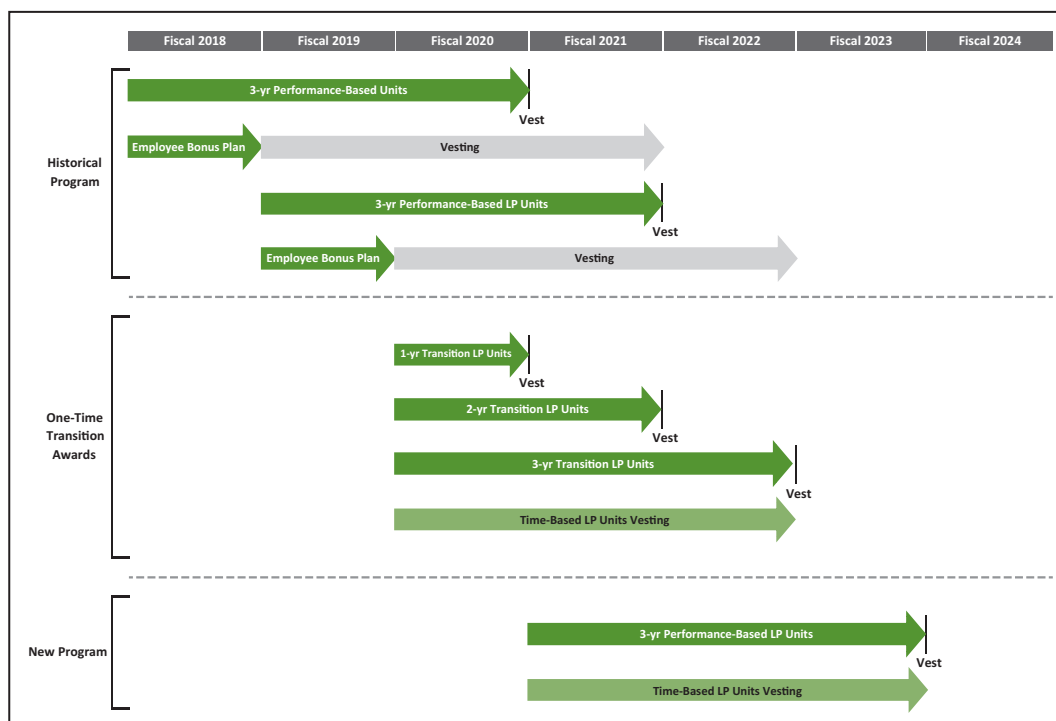
The following table highlights the significant changes we have made to the Long-Term Incentive Program for 2020:

Feature	Previous Long-Term Incentive Program	Modification	2020 Long-Term Incentive Program
<b>Award Vehicle</b>	100% Performance-Based LP Units	<i>Introduced a time-based equity vehicle</i>	70% Performance-Based LP Units 30% Time-Based LP Units
<b>Performance Metrics</b>	75% Relative TSR vs. MSCI US REIT Index 25% Relative TSR vs. Nareit Industrial Index	<i>Adjusted the two relative TSR comparator groups and weightings with emphasis now on industrial REITs</i>	43% Relative TSR vs. FTSE Nareit All Equity Index 57% Relative TSR vs. Industrial Peer Group*
<b>Performance Hurdles</b>	Threshold: Index minus 2% Target: Index plus 1% Stretch: Index plus 4% Maximum: Index plus 7%	<i>Changed from basis point to percentile hurdles and eliminated the stretch hurdle; preserved having to outperform to earn target payout</i>	Threshold: 25th Percentile Target: 25th Percentile High: 80th Percentile

\*The Industrial Peer Group is composed of PLD, DRE, REXR, EGP, PSB, STAG, TRNO, MNR, and ILPT.

## 2020 Long-Term Transition Awards

The 2020 performance-based awards are divided into three tranches with one-year, two-year, and three-year performance periods. The three-year performance period is reflective of the standard go-forward grants that will be made annually under this new program. The grants with the one- and two-year performance periods are intended as one-time only grants in order to maintain an appropriate level of overall long-term compensation opportunity during the transition from the historical program to the new program. The diagram below shows the grant and vesting schedule of the historical performance-based awards, the historical Employee Bonus Plan equity awards, the transition awards, as well as the new standard performance- and time-based long-term incentive awards (discussed in more detail below).



## 2020 Long-Term Performance Awards

The Long-Term Performance Awards granted effective January 1, 2020 vest based on two criteria. Forty-three percent (43%) of each Long-Term Performance Award vests based upon the relative total stockholder return of our Common Stock as compared to the total shareholder return of the companies comprising the FTSE Nareit All Equity Index over the pre-established performance measurement period (the “Nareit All Equity Units”). Fifty-seven percent (57%) of each Long-Term Performance Award vests based upon the relative total stockholder return of our Common Stock as compared to the total shareholder return of the following companies: Prologis, Inc. (PLD), Duke Realty Corporation (DRE), Rexford Industrial Realty, Inc. (REXR), EastGroup Properties, Inc. (EGP), PS Business Parks, Inc. (PSB), STAG Industrial, Inc. (STAG), Terreno Realty Corporation (TRNO), Monmouth Real Estate Investment Corporation (MNR), and Industrial Logistics Properties Trust (ILPT) (the “Industrial Peer Group”), over the pre-established performance measurement period (the “Peer Group Units”).



The Nareit All Equity Units and the Peer Group Units granted effective January 1, 2020 each vest as follows:

	<b>Percentile Rank</b>	<b>Vesting Percentage</b>
Threshold	25 <sup>th</sup> Percentile	62.5%
Target	55 <sup>th</sup> Percentile	100%
Maximum	80 <sup>th</sup> Percentile	250%

The Long-Term Performance Awards granted effective January 1, 2020 are summarized in the table below.

<b>Executive Officer</b>	<b>Date of Grant</b>	<b>Form of Award</b>	<b>Target Units</b>	<b>Maximum Units</b>	<b>Performance Period</b>
Peter E. Baccile	1/1/2020	Performance LP Units	4,901	12,253	1/1/2020 – 12/31/2020
	1/1/2020	Performance LP Units	9,802	24,505	1/1/2020 – 12/31/2021
	1/1/2020	Performance LP Units	28,932	72,329	1/1/2020 – 12/31/2022
Scott A. Musil	1/1/2020	Performance LP Units	309	772	1/1/2020 – 12/31/2020
	1/1/2020	Performance LP Units	618	1,544	1/1/2020 – 12/31/2021
	1/1/2020	Performance LP Units	9,012	22,529	1/1/2020 – 12/31/2022
Johannson L. Yap	1/1/2020	Performance LP Units	1,058	2,644	1/1/2020 – 12/31/2020
	1/1/2020	Performance LP Units	2,116	5,288	1/1/2020 – 12/31/2021
	1/1/2020	Performance LP Units	14,967	37,416	1/1/2020 – 12/31/2022
David G. Harker	1/1/2020	Performance LP Units	145	362	1/1/2020 – 12/31/2020
	1/1/2020	Performance LP Units	290	723	1/1/2020 – 12/31/2021
	1/1/2020	Performance LP Units	9,107	22,766	1/1/2020 – 12/31/2022
Peter O. Schultz	1/1/2020	Performance LP Units	205	512	1/1/2020 – 12/31/2020
	1/1/2020	Performance LP Units	410	1,024	1/1/2020 – 12/31/2021
	1/1/2020	Performance LP Units	9,107	22,766	1/1/2020 – 12/31/2022

Each Performance Unit represents the right to receive, upon vesting, one share of Common Stock plus dividend equivalents representing any dividends that accrued with respect to such share after the issuance of the Performance Unit and prior to the date of vesting, which dividend equivalents are subject to the same restrictions as the underlying unit award and will only be issued upon vesting in proportion to the vesting of the underlying award.

If a Long-Term Performance Award is granted in the form of Performance LP Units, additional Performance LP Units are conditionally awarded to represent anticipated dividends, and such additional Performance LP Units are subject to the same restrictions as the underlying Performance LP Units and are subject to forfeiture upon vesting to the extent of dividends actually received with respect to the applicable Performance LP Units during the performance period. The number of Performance LP Units reflected as issued to each Named Executive Officer in the table above is exclusive of such additional Performance LP Units conditionally awarded to represent anticipated dividends. If applicable vesting conditions and any other restrictions are not satisfied, recipients will forfeit their Performance LP Units. During the applicable performance period, each Performance LP Unit entitles the holder to receive dividends equal to one-tenth of any dividends otherwise payable with respect to LP Units.

Upon the consummation of a change in control of the Company, each grantee of a Long-Term Performance Award would become vested in a portion of the award based on the level of achievement of the applicable performance targets through the date of the change in control. In the event of a termination of a

grantee's employment due to death or disability, the grantee would become vested in a number of Long-Term Performance Awards based on the level of achievement of the applicable performance targets through the date of death or disability, provided that, solely with respect to any Long-Term Performance Awards granted effective January 1, 2018 and January 1, 2019, the grantee would only become vested in a pro-rata portion of such Long-Term Performance Awards. In the event of termination of a grantee's employment due to retirement, the grantee would retain the Long-Term Performance Awards granted effective January 1, 2020 and such Long-Term Performance Award would vest, at the end of the original performance period, based on the level of achievement of the relevant performance targets through the end of such performance period, and the grantee would become vested in a pro rata portion of the Long-Term Performance Awards granted in 2018 and 2019 based on the level of achievement of the relevant performance targets through the end of the original performance period.

### *2020 Long-Term Time-Based Awards*

Starting in 2020, we have chosen to provide long-term equity to our executives on an annual basis that vests in equal annual installments over a three-year period based on our executives' continued service to the Company (the "Long-Term Time-Based Awards"). Long-Term Time-Based Awards are determined based on the anticipated dollar value of the award and then issued, at the grantee's option, in a number of time-based RSUs, which represent the right to receive an equivalent number of shares of Common Stock upon vesting, or time-based LP Units (such LP Units, "Time-Based LP Units") corresponding to the appropriate dollar value.

Effective January 1, 2020, the Board of Directors authorized grants of Long-Term Time-Based Awards under the 2014 Stock Plan to certain employees of the Company, including each Named Executive Officer. No other Long-Term Time-Based Awards have been issued. These Long-Term Time-Based Awards are summarized in the table below:

<b>Executive Officer</b>	<b>Date of Grant</b>	<b>Form of Award</b>	<b>Units Awarded</b>
Peter E. Baccile	1/1/2020	Time-Based LP Units	12,402
Scott A. Musil	1/1/2020	Time-Based LP Units	3,864
Johannson L. Yap	1/1/2020	Time-Based LP Units	6,417
David G. Harker	1/1/2020	Time-Based LP Units	3,903
Peter O. Schultz	1/1/2020	Time-Based LP Units	3,903

Upon the consummation of a change in control of the Company, each grantee of a Long-Term Time-Based Award would become fully vested in any unvested portion of the award. In the event of a termination of a grantee's employment due to death, disability or retirement, the grantee would become fully vested in any unvested portion of the award. If a Long-Term Time-Based Award is granted in the form of restricted stock units, the recipient will not be entitled to receive dividends declared with respect to our Common Stock but, with respect to any cash dividends declared with respect to our Common Stock prior to vesting, will receive a cash payment equivalent to the amount of such dividend per share of Common Stock multiplied by the unvested portion of the Long-Term Time-Based Award. If a Long-Term Time-Based Award is granted in the form of Time-Based LP Units, such Time-Based LP Units entitle the holder to receive dividends prior to vesting.

### **Broad-Based Benefits**

All full-time employees are eligible to participate in our health and welfare benefit programs, including medical, dental and vision care coverage, disability insurance and life insurance and our 401(k) plan.

## Termination and Change in Control Triggers

Mr. Baccile is the only Named Executive Officer with an employment agreement. His agreement, along with the separate agreements with respect to his equity awards granted pursuant to the Company's 2014 Stock Plan, specify events, including a change in control, that trigger the payment of cash and, as discussed above, vesting in his equity awards.

Each of the other Named Executive Officers has an agreement with respect to each of their equity awards granted pursuant to the Company's 2014 Stock Plan that specify events, including a change in control, that trigger the vesting of such awards. Additionally, each of the other Named Executive Officers is subject to a change in control policy, which provides for specified severance if such person's employment with the Company is terminated without cause or by the employee for good reason, from four months prior to, until 18 months following, a change in control of the Company. This change in control policy is described in greater detail on page 38 under "Change in Control Policy."

The Company believes having such events as triggers for the payment of cash and/or accelerated equity award vesting promotes stability and continuity of management. See "Potential Payments Upon Termination or Change in Control" starting on page 37 for more information on the payments triggered by such events.

## Stock Ownership Guidelines

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

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

The stock ownership goal for each person subject to the ownership guidelines is determined on an individual basis, using each such person's current retainers or base salaries and the greater of (i) the market price on the date of purchase or grant of such Common Stock (or equity valued by reference to Common Stock) or (ii) the market price of such Common Stock (or equity valued by reference to Common Stock) as of the date compliance with the stock ownership guidelines is measured. For persons assuming a director or senior executive officer level position, the stock ownership goal must be achieved within five years after the date they assume such position. A copy of the Stock Ownership Guidelines can be found on the Investor Relations/Corporate Governance section of the Company's website at [www.firstindustrial.com](http://www.firstindustrial.com). All of our directors and Named Executive Officers are currently in compliance with the guidelines.

Until the directors and senior executive officers reach their respective stock ownership goal, they will be required to retain (i) shares that are owned on the date they became subject to the Stock Ownership Guidelines and (ii) at least seventy-five percent (75%) of "net shares" or net-after-tax shares delivered through the Company's executive compensation plans. If the director or senior executive officer transfers an award to a family member, the transferee becomes subject to the same retention requirements. Until the director and senior executive officer stock ownership goals have been met, shares may be disposed of only for one or more of the excluded purposes set forth in the Company's Stock Ownership Guidelines.

## **Hedging and Pledging Prohibition**

The Company's insider trading policy prohibits, among other things, its directors, officers and employees from entering into hedging or monetization transactions with respect to the Company's securities and from holding the Company's securities in margin accounts or otherwise pledging such securities as collateral for loans.

## **Tax Implications**

Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), generally places a limit of \$1 million on the amount of compensation that a public company may deduct in any year with respect to certain covered executive officers. Although we consider the impact of Section 162(m), as well as other tax and accounting consequences, when developing and implementing our executive compensation programs, we retain flexibility to provide compensation that may not be deductible.

## **COMPENSATION COMMITTEE REPORT**

The Compensation Committee of the Board of Directors of the Company has reviewed, and discussed with management, the Compensation Discussion and Analysis included in this Proxy Statement. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors of the Company that the Compensation Discussion and Analysis be included in this Proxy Statement and, through incorporation by reference from this Proxy Statement, the Company's Annual Report on Form 10-K for the Company's fiscal year ended December 31, 2019.

Submitted by the Compensation Committee:

L. Peter Sharpe, Committee Chair  
Denise A. Olsen  
W. Ed Tyler

## SUMMARY COMPENSATION TABLE

The Summary Compensation Table below sets forth the aggregate compensation for Peter E. Baccile, the Company's President and Chief Executive Officer; Scott A. Musil, the Company's Chief Financial Officer; and certain of the Company's other highly compensated executive officers as required by SEC rules. The 2019 Grants of Plan-Based Awards table following the Summary Compensation Table provides additional information regarding incentive compensation granted by the Company to these officers in 2019.

Name and Principal Position	Year	Salary (\$)	Stock Awards \$( <sup>(1)</sup> )	Non-Equity Incentive Plan Compensation \$( <sup>(2)</sup> )	All Other Compensation \$( <sup>(3)</sup> )	Total (\$)
Peter E. Baccile President and Chief Executive Officer	2019	750,000	1,765,627 <sup>(4)</sup>	1,822,500	25,306	4,363,433
	2018	750,000	1,702,456	1,570,000	22,306	4,044,762
	2017	750,000	502,535	1,499,000	107,475	2,859,010
Scott A. Musil Chief Financial Officer	2019	265,000	525,618 <sup>(4)</sup>	429,300	15,706	1,235,624
	2018	265,000	497,419	380,000	12,706	1,155,125
	2017	265,000	523,594	390,000	10,000	1,188,594
Johannson L. Yap Chief Investment Officer and Executive Vice President – West Region	2019	379,000	851,613 <sup>(4)</sup>	818,640	25,306	2,074,559
	2018	379,000	777,421	705,000	22,306	1,883,727
	2017	379,000	788,597	636,000	19,600	1,823,197
David G. Harker Executive Vice President – Central Region	2019	240,000	510,608 <sup>(4)</sup>	421,200	22,906	1,194,714
	2018	240,000	467,444	360,000	19,906	1,087,350
	2017	240,000	528,562	345,000	17,200	1,130,762
Peter O. Schultz Executive Vice President – East Region	2019	250,000	450,667 <sup>(4)</sup>	393,750	24,106	1,118,523
	2018	250,000	492,438	360,000	21,106	1,123,544
	2017	250,000	508,608	365,000	18,400	1,142,008

- (1) Amounts reflect the aggregate grant date fair value of each award as determined under FASB ASC Topic 718. See note 11 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2019 for a discussion of the assumptions used in valuing the 2019 awards. Amounts reflected were not actually received in the year reported and do not necessarily reflect the amounts that will actually be realized under the respective awards.
- (2) Amounts for 2019 reflect cash awards paid in February 2020 under the 2019 Employee Bonus Plan. The material terms of awards under the 2019 Employee Bonus Plan are described in the Compensation Discussion and Analysis under "2019 Employee Bonus Plan."
- (3) For 2019, includes car allowances paid on behalf of Messrs. Baccile, Yap, Harker and Schultz and a term life insurance premium, short-term and long-term disability insurance premiums and 401(k) matching contributions paid on behalf of each Named Executive Officer.
- (4) Amount reflects (a) awards of 46,308, 9,381, 19,089, 8,934, and 7,149 Time-Based LP Units granted to Messrs. Baccile, Musil, Yap, Harker and Schultz, respectively, in 2019 in connection with the 2018 Employee Bonus Plan, valued at \$33.58 per share (the closing price of our Common Stock on the date of grant, February 12, 2019) under FASB ASC Topic 718 and (b) awards of 16,916 Performance LP Units with a 36-month performance period granted in 2019 to each of the Named Executive Officers, with a grant date fair value of \$210,604, assuming a valuation of \$12.45 per unit based on the probable outcome at the time of grant. At maximum performance, the grant date fair value of such awards is \$475,001, based on a price of our Common Stock of \$28.08 (the closing price on January 2, 2019, the first trading day following the grant date).

## CEO PAY RATIO

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC adopted a rule requiring annual disclosure of the ratio of the median employee's annual total compensation to the annual total compensation of the principal executive officer. Set forth below is the annual total compensation of our median employee, the annual total compensation of Mr. Baccile, and the ratio of those two values:

- The 2019 annual total compensation of the median employee of First Industrial Realty Trust (other than our CEO) was \$104,061;
- The 2019 annual total compensation of our CEO, Mr. Baccile, was \$4,363,433; and
- For 2019, the ratio of the annual total compensation of Mr. Baccile to the median annual total compensation of all our employees was 42 to 1.

### Background

In 2019, we identified the median employee using all of our employees, exclusive of Mr. Baccile, included in our payroll system as of December 31, 2019. Salaries and wages were annualized for those employees that were not employed for the full year of 2019 and were further adjusted to include the annual bonus at the payout level made to employees generally for those not employed on the bonus payment date. Gross wages for 2019 were ranked from lowest to highest and the median employee was selected from the list. The total annual compensation of the median employee was then calculated in the same manner as the total compensation disclosed for Mr. Baccile in the Summary Compensation Table shown above.

The pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records and the methodology described above. The SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

## 2019 GRANTS OF PLAN-BASED AWARDS

Name	Grant Date <sup>(1)</sup>	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(3)</sup>			All Other Stock Awards: Number of Shares of Stock or Units (#) <sup>(4)</sup>	Grant Date Fair Value of Stock and Option Awards (\$) <sup>(5)</sup>
		Threshold (\$)	Target <sup>(2)</sup> (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Peter E. Baccile	1/1/2019	—	—	—	4,229	6,766	16,916	—	210,604
	2/12/2019	—	1,267,500	1,687,500	—	—	—	—	—
	2/12/2019	—	—	—	—	—	—	46,308	1,555,023
Scott A. Musil	1/1/2019	—	—	—	4,229	6,766	16,916	—	210,604
	2/12/2019	—	397,500	—	—	—	—	—	—
	2/12/2019	—	—	—	—	—	—	9,381	315,014
Johannson L. Yap	1/1/2019	—	—	—	4,229	6,766	16,916	—	210,604
	2/12/2019	—	758,000	—	—	—	—	—	—
	2/12/2019	—	—	—	—	—	—	19,089	641,009
David G. Harker	1/1/2019	—	—	—	4,229	6,766	16,916	—	210,604
	2/12/2019	—	360,000	—	—	—	—	—	—
	2/12/2019	—	—	—	—	—	—	8,934	300,004
Peter O. Schultz	1/1/2019	—	—	—	4,229	6,766	16,916	—	210,604
	2/12/2019	—	375,000	—	—	—	—	—	—
	2/12/2019	—	—	—	—	—	—	7,149	240,063

- (1) Reflects the date such awards were made effective by the Compensation Committee or the Board of Directors, as applicable.
- (2) For Mr. Baccile, amount reflects the target annual cash incentive bonus to which he is entitled pursuant to the terms of his employment agreement in effect during 2019. No threshold or maximum amounts were established with respect to awards under the 2019 Employee Bonus Plan for the other Named Executive Officers. Amounts for officers other than Mr. Baccile reflect the 100% level of achievement. The material terms of awards under the 2019 Employee Bonus Plan are described in the Compensation Discussion and Analysis under “2019 Employee Bonus Plan.”
- (3) Reflects Performance LP Units granted under our Long-Term Incentive Program, the material terms of which are described in the Compensation Discussion and Analysis under “Long-Term Incentive Program.” The amounts actually earned with respect to such Performance LP Units, if any, would not be earned until the end of the applicable performance period.
- (4) Amounts reflect the units of Time-Based LP Units granted in 2019 for service in 2018 under the 2018 Employee Bonus Plan. Such LP Units vest ratably over a period of three years.
- (5) Amounts reflect the aggregate grant date fair value of each stock award as determined under FASB ASC Topic 718. Amounts reflected were not actually received in 2019 and do not necessarily reflect the amounts that will actually be realized with respect to the Time-Based LP Units or Performance LP Units.

## OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2019

Name	Stock Awards			
	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(1)</sup>	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) <sup>(2)</sup>	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) <sup>(1)</sup>
Peter E. Baccile	84,902 <sup>(3)</sup>	3,524,282	33,150	1,376,057
Scott A. Musil	20,182 <sup>(4)</sup>	837,755	33,150	1,376,057
Johannson L. Yap	39,770 <sup>(5)</sup>	1,650,853	33,150	1,376,057
David G. Harker	19,100 <sup>(6)</sup>	792,841	33,150	1,376,057
Peter O. Schultz	17,644 <sup>(7)</sup>	732,402	33,150	1,376,057

- (1) These amounts are based upon the closing price of our Common Stock on December 31, 2019 (\$41.51), the last trading day of the year.
- (2) Amounts reflect unvested performance-based RSUs granted in 2018 and unvested Performance LP Units granted in 2019 and dividend equivalents accrued through December 31, 2019 with respect to such performance-based RSUs and Performance LP Units. The vesting and other material terms of the awards are described in the Compensation Discussion and Analysis under “Long-Term Incentive Plan.” The number of unvested performance-based RSUs and unvested Performance LP Units and related accrued dividend equivalents for all Named Executive Officers is based on the achievement of the maximum performance measures, as the Company achieved maximum performance through December 31, 2019. With respect to all of the Named Executive Officers, 15,897 and 17,253 of such performance-based RSUs and Performance LP Units vest on December 31, 2020 and 2021, respectively, subject to satisfaction of performance criteria.
- (3) Of the time-based restricted shares and Time-Based LP Units reported here, 36,565 vested in January 2020, 32,901 vest in January 2021 and 15,436 vest in January 2022.
- (4) Of the time-based restricted shares and Time-Based LP Units reported here, 10,493 vested in January 2020, 6,562 vest in January 2021 and 3,127 vest in January 2022.
- (5) Of the time-based restricted shares and Time-Based LP Units reported here, 20,349 vested in January 2020, 13,058 vest in January 2021 and 6,363 vest in January 2022.
- (6) Of the time-based restricted shares and Time-Based LP Units reported here, 10,058 vested in January 2020, 6,064 vest in January 2021 and 2,978 vest in January 2022.
- (7) Of the time-based restricted shares and Time-Based LP Units reported here, 9,501 vested in January 2020, 5,760 vest in January 2021 and 2,383 vest in January 2022.



## 2019 OPTION EXERCISES AND STOCK VESTED

As of December 31, 2019, the Company had no outstanding options to acquire Common Stock. In 2019, performance-based RSUs (inclusive of accrued dividend equivalents related thereto) and time-based restricted shares held by the Named Executive Officers vested as described more fully in the table below.

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#) <sup>(1)</sup>	Value Realized on Vesting (\$)
Peter E. Baccile	39,130	1,340,524
Scott A. Musil	30,467	1,097,267
Johannson L. Yap	41,761	1,414,402
David G. Harker	30,181	1,089,236
Peter O. Schultz	29,879	1,080,756

- (1) The number of shares reported herein were acquired as a result of: (a) the vesting of time-based restricted shares on January 1, 2019 (consisting of 21,129, 12,466, 23,760, 12,180 and 11,878 shares for Messrs. Baccile, Musil, Yap, Harker and Schultz, respectively), the value of which is based on the closing price of our Common Stock on January 2, 2019 (\$28.08), the first trading day following the date of vesting of such awards and (b) the vesting of performance-based RSUs granted in 2017 and related accrued dividend equivalents on December 31, 2019 (consisting of 18,001 performance-based RSUs for each Named Executive Officer), the value of which is based on the closing price of our Common Stock on December 31, 2019 (\$41.51). The value realized on vesting is before payment of any applicable withholding tax.

## POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

### Employment Agreement with Mr. Baccile

In February 2020, the Company entered into a new employment agreement with Mr. Baccile, which replaced his prior employment agreement and provides for a term of employment through December 31, 2024. Mr. Baccile's new employment agreement provides for a minimum annual base salary of \$850,000, which is an increase of \$100,000 relative to his base salary under his prior employment agreement. As with his prior employment agreement, under his new employment agreement Mr. Baccile is eligible for annual cash performance bonuses under the Company's incentive bonus plan, based on the satisfaction of performance goals established by the Company's Compensation Committee in accordance with the terms of such plan, with a target annual cash bonus of 169% of Mr. Baccile's annual base salary and a maximum annual cash bonus of 225% of his annual base salary. Mr. Baccile remains entitled to participate in all long-term cash and equity incentive plans generally available to the senior executives of the Company. Beginning in 2021, Mr. Baccile will receive a minimum annual equity award with an aggregate value of no less than \$1,715,625. Under his new employment agreement, Mr. Baccile remains entitled to participate in all executive and employee benefit plans and programs of the Company. Mr. Baccile's new employment agreement also provides for a monthly automobile allowance of \$800, which is consistent with his prior employment agreement, and reimbursement of 60% of his brokerage commissions on the sale of his residence located in the State of Connecticut, up to a maximum of \$285,000, provided such sale closes on or before December 31, 2020.

Both Mr. Baccile's prior and new employment agreements provide for certain lump sum payments, post-termination payments and post-termination benefits to Mr. Baccile by the Company in some circumstances in the event of a termination of employment or a change in control. In the "Termination and Change of Control

Payments” table below, we have included calculations of the payments provided for in the identified circumstances of termination and change of control both under Mr. Baccile’s previous employment agreement, which was in effect as of December 31, 2019, and under Mr. Baccile’s new employment agreement assuming such new employment agreement had been in effect as of such date.

In addition to the events of termination of employment identified in the table below, which are contingent upon execution of a release, Mr. Baccile’s new employment agreement provides for payments in the event of his death or disability. Upon death or disability, Mr. Baccile is entitled to (i) his base salary and vacation pay accrued through the date of his death or disability, (ii) his accrued bonus for the fiscal year prior to the year of his death or disability, to the extent not paid, (iii) his unreimbursed business expenses incurred through the date of his death or disability and (iv) any other benefits he may be eligible for under the Company’s plans, policies or practices.

In the event Mr. Baccile’s new employment agreement expires by its terms without renewal, Mr. Baccile is also entitled to (i) his base salary and vacation pay accrued through the date his employment ends, (ii) his accrued bonus for the fiscal year prior to the year of the date the employment period ends, to the extent not paid, (iii) his unreimbursed business expenses incurred through the date the employment period ends, (iv) any other benefits he may be eligible for under the Company’s plans, policies or practices and (v) his regular annual bonus for the fiscal year ending on the date the employment period ends, determined and paid in the ordinary course. He would not be eligible for severance benefits. If the employment agreement expires at the end of its term, Mr. Baccile will continue to vest in his time-based and performance-based equity awards following his termination, provided that he complies with certain restrictive covenants.

Mr. Baccile’s new employment agreement also contains important non-financial provisions that apply in the event of a termination of employment or a change in control. Mr. Baccile has agreed to a two-year covenant not to compete, solicit customers or solicit Company employees after his termination. His new employment agreement does not provide for a gross-up payment in the event of any excise tax obligation.

### **Change in Control Policy**

The Company has adopted a change in control policy applicable to certain executive officers (the “Change in Control Policy”), which provides for specified severance payable to select executive officers, including the Named Executive Officers, other than the Company’s Chief Executive Officer, if such person’s employment with the Company is terminated without cause or by the employee for good reason during the period beginning four months prior to, and ending 18 months following, a change in control of the Company.

If a Named Executive Officer is eligible for the severance described above and executes a release in the form specified by the Change in Control Policy, such benefits, contingent upon execution of a release, would include: (i) within 45 days from the date of termination, a lump sum cash payment equal to 200% of the sum of (A) the Named Executive Officer’s highest annual rate of base salary over the last 12 months and (B) the average annual bonus paid to the Named Executive Officer for the immediately preceding two fiscal years prior to the year in which the termination occurs (“Bonus Amount”), (ii) a cash payment equal to the greater of the Named Executive Officer’s target annual bonus or the Bonus Amount pro-rated based on the number of days the Named Executive Officer was employed by the Company during the fiscal year in which the date of termination occurred (less the amount of the annual bonus previously paid to the Named Executive Officer for such fiscal year, if any) and (iii) for 12 months following the date of termination, group medical, life and disability coverage for the Named Executive Officer and his or her eligible dependents, under the terms prevailing at the time of termination, and at the cost paid by similarly situated executives, or if continuation of such coverage is not possible, a cash payment in an amount, on an after-tax basis and paid quarterly, equal to the Company’s cost of providing such benefits.

Eligibility for benefits under the Change in Control Policy are conditioned upon compliance with non-compete, non-solicitation, non-disparagement and non-disclosure provisions for a period of one year, depending on the Named Executive Officer, following termination of employment, except as may be otherwise agreed by the Company.

### **Stock Incentive Plans**

Under the 2014 Stock Plan, restricted stock unit awards vest in the event of a change in control. In addition, such Stock Plans empower the Compensation Committee to determine other vesting events in the individual restricted stock unit awards, including vesting events such as involuntary termination of employment without cause and termination due to disability or death. Currently outstanding award agreements provide for accelerated vesting on a termination due to the participant's disability or death. Assuming that the triggering event occurred on December 31, 2019, each Named Executive Officer would have vested in restricted stock unit awards having the respective values set forth in the table under "Termination and Change in Control Payments" below.

With respect to the Long-Term Performance Awards granted effective January 1, 2018, January 1, 2019 and January 1, 2020, upon the consummation of a change in control of the Company, each grantee would become vested in a number of Long-Term Performance Awards based on the level of achievement of the applicable performance targets through the date of the change in control. In the event of a termination of a grantee's employment due to death or disability, the grantee would become vested in a number of Long-Term Performance Awards based on the level of achievement of the applicable performance targets through the date of death or disability, provided that, solely with respect to any Long-Term Performance Awards granted effective January 1, 2018 and January 1, 2019, the grantee would only become vested in a pro-rata portion of such Long-Term Performance Awards. In the event of termination of a grantee's employment due to retirement, the grantee would retain the Long-Term Performance Awards granted effective January 1, 2020 and such Long-Term Performance Award would vest, at the end of the original performance period, based on the level of achievement of the relevant performance targets through the end of such performance period, and the grantee would become vested in a pro rata portion of the Long-Term Performance Awards granted in 2018 and 2019 based on the level of achievement of the relevant performance targets through the end of the original performance period.

With respect to the Long-Term Time-Based Awards granted effective January 1, 2020, upon the consummation of a change in control of the Company, each grantee of a Long-Term Time-Based Award would become fully vested in any unvested portion of the award. In the event of a termination of a grantee's employment due to death, disability or retirement, the grantee would become fully vested in any unvested portion of the award.

### **Life Insurance**

In addition to the events of termination of employment identified in the following table and above, each Named Executive Officer is covered by a Company-provided life insurance policy generally available to the Company's employees. Such policy would entitle the respective Named Executive Officer's beneficiary to a payment of \$400,000 in the event of such Named Executive Officer's death.

## Termination and Change of Control Payments

The following table includes estimated payments owed and benefits required to be provided to our Named Executive Officers under the employment agreements and Stock Plans described above, exclusive of benefits available on a non-discriminatory basis generally, in each case assuming that the triggering event described in the table occurred on December 31, 2019.

Name	Triggering Event	Severance (\$)	Accelerated Equity Awards (\$) <sup>(1)</sup>	Medical Insurance Premiums (\$) <sup>(2)</sup>
Peter E. Baccile	Change of Control <sup>(3)</sup>	—	4,888,003	—
	Termination following Change in Control	6,866,250	—	30,410
	Termination without cause <sup>(4)</sup>	5,857,500	—	30,410
	Death or Disability <sup>(6)</sup>	—	4,194,700	—
Scott A. Musil <sup>(5)</sup>	Change of Control <sup>(3)</sup>	—	2,201,476	—
	Termination without Cause	—	—	—
	Death or Disability <sup>(6)</sup>	—	1,508,691	—
Johansson L. Yap <sup>(5)</sup>	Change of Control <sup>(3)</sup>	—	3,014,574	—
	Termination without Cause	—	—	—
	Death or Disability <sup>(6)</sup>	—	2,321,789	—
David G. Harker <sup>(5)</sup>	Change of Control <sup>(3)</sup>	—	2,156,562	—
	Termination without Cause	—	—	—
	Death or Disability <sup>(6)</sup>	—	1,463,777	—
Peter O. Schultz <sup>(5)</sup>	Change of Control <sup>(3)</sup>	—	2,096,124	—
	Termination without Cause	—	—	—
	Death or Disability <sup>(6)</sup>	—	1,402,820	—

- (1) For purposes of estimating the value of awards which vest, the Company has assumed a price per share of \$41.51, which was the closing price of our Common Stock on December 31, 2019, the last trading day of the year.
- (2) Amount reflects 24 months of continued family coverage under our group health plan at active employee rates and is calculated using the monthly premium rate for 2020, less the current minimum contribution required by Mr. Baccile.
- (3) Upon a change of control of the Company, the vesting of time-based restricted shares and Time-Based LP Units held by the officer will accelerate, and the performance-based RSUs and Performance LP Units will vest based on the level of achievement of the applicable performance targets through the date of the change of control. The amounts reflected in this table for the unvested performance-based awards are based on the actual level of achievement of the applicable performance targets of 98.2% and 100%, respectively, and include accrued dividend equivalents through December 31, 2019.
- (4) Includes constructive discharge under the terms of Mr. Baccile's prior employment agreement. Actual payments to Mr. Baccile may be less in value as a result of the Code Section 280G cutback provision contained in such employment agreement.
- (5) None of Messrs. Musil, Yap, Harker or Schultz was a party to an employment agreement with the Company as of December 31, 2019. As such, the amounts disclosed in this table relate only to equity awards granted to Messrs. Musil, Yap, Harker and Schultz under the 2014 Stock Plan.
- (6) On a termination due to death or disability the Named Executive Officers are entitled to accelerated vesting of time-based restricted shares and Time-Based LP Units and prorated vesting of performance-based RSUs and Performance LP Units based on attainment of performance metrics through the date of death or disability. Through December 31, 2019, the Company achieved 98.2% and 100% of the performance metrics related to such awards granted in 2018 and 2019, respectively.

The following table includes estimated payments owed and benefits required to be provided to our Named Executive Officers under the Stock Plans, Mr. Baccile's new employment agreement, and the Change in Control Policy adopted in 2020, exclusive of benefits available on a non-discriminatory basis generally, and in each case assuming that the triggering event described in the table occurred on December 31, 2019 and that the new employment agreement, increases in the other Named Executive Officer's salaries and Change in Control Policy had been in effect as of such date.

Name	Triggering Event	Severance (\$)	Accelerated Equity Awards (\$) <sup>(1)</sup>	Medical Insurance Premiums (\$) <sup>(2)</sup>
Peter E. Baccile	Change of Control <sup>(3)</sup>	—	4,888,003	—
	Termination following Change in Control	9,461,250	—	30,410
	Termination without Cause <sup>(4)</sup>	6,915,000	—	30,410
	Death or Disability <sup>(5)</sup>	—	4,194,700	—
Scott A. Musil	Change of Control <sup>(3)</sup>	—	2,201,476	—
	Termination following Change in Control <sup>(6)</sup>	1,888,600	—	15,205
	Termination without Cause	—	—	—
	Death or Disability <sup>(5)</sup>	—	1,508,691	—
Johannson L. Yap	Change of Control <sup>(3)</sup>	—	3,014,574	—
	Termination following Change in Control <sup>(6)</sup>	3,192,280	—	15,205
	Termination without Cause	—	—	—
	Death or Disability <sup>(5)</sup>	—	2,321,789	—
David G. Harker	Change of Control <sup>(3)</sup>	—	2,156,562	—
	Termination following Change in Control <sup>(6)</sup>	1,842,400	—	15,205
	Termination without Cause	—	—	—
	Death or Disability <sup>(5)</sup>	—	1,463,777	—
Peter O. Schultz	Change of Control <sup>(3)</sup>	—	2,096,124	—
	Termination following Change in Control <sup>(6)</sup>	1,787,500	—	11,160
	Termination without Cause	—	—	—
	Death or Disability <sup>(5)</sup>	—	1,402,820	—

- (1) For purposes of estimating the value of awards which vest, the Company has assumed a price per share of \$41.51, which was the closing price of our Common Stock on December 31, 2019, the last trading day of the year.
- (2) Pursuant to Mr. Baccile's employment agreement, amount reflects 24 months of continued family coverage, and pursuant to the Change in Control Policy with respect to Messrs. Musil, Yap, Harker and Schultz, amounts reflect 12 months of the current coverage for the applicable Named Executive Officer, under our group health plan at active employee rates. Amounts are calculated using the monthly premium rate for 2020, less the current minimum contribution required by each Named Executive Officer.
- (3) Upon a change of control of the Company, the vesting of time-based restricted shares and Time-Based LP Units held by the officer will accelerate, and performance-based RSUs and Performance LP Units will vest based on the level of achievement of the applicable performance targets through the date of the change of control. The amounts reflected in this table for the unvested performance-based awards are based on the actual level of achievement of the applicable performance targets of 98.2% and 100%, respectively, and include accrued dividend equivalents through December 31, 2019.

- (4) Includes resignation for good reason under the terms of Mr. Baccile's new employment agreement. Actual payments to Mr. Baccile may be less in value as a result of the Code Section 280G cutback provision contained in such employment agreement.
- (5) On a termination due to death or disability, the Named Executive Officers are entitled to accelerated vesting of time-based restricted shares and Time-Based LP Units and prorated vesting of performance-based RSUs and Performance LP Units based on attainment of performance metrics through the date of death or disability. Through December 31, 2019, the Company achieved 98.2% and 100% of the performance metrics related to such awards granted in 2018 and 2019, respectively.
- (6) Messrs. Musil, Yap, Harker and Schultz are eligible for severance benefits following a qualifying termination in connection with a change in control of the Company under the Change in Control Policy. Actual payments to the officers may be less in value as a result of the Code Section 280G cutback provision contained in such Change in Control Policy.

#### **COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

During 2019, Ms. Olsen, Mr. Sharpe and Mr. Tyler, who served as the Company's interim Chief Executive Officer from October 22, 2008 until January 9, 2009, served on the Compensation Committee. Except for Ms. Olsen's, Mr. Tyler's and Mr. Sharpe's services as directors, none of Ms. Olsen, Mr. Sharpe or Mr. Tyler had any other business relationship or affiliation with the Company in 2019 requiring disclosure by the Company under Item 404 of Regulation S-K.

#### **TRANSACTIONS WITH RELATED PERSONS, PROMOTERS AND CERTAIN CONTROL PERSONS**

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

#### **REPORT OF THE AUDIT COMMITTEE**

The Audit Committee reports that it has: (i) reviewed and discussed the Company's audited financial statements with management; (ii) discussed with the independent registered public accounting firm the matters (such as the quality of the Company's accounting principles and internal controls) required to be discussed by Auditing Standard No. 1301, *Communications with Audit Committees*; and (iii) received written confirmation from PricewaterhouseCoopers LLP that it is independent and written disclosures as required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and discussed with PricewaterhouseCoopers LLP its independence. Based on the review and discussions referred to in items (i) through (iii) above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's annual report for the Company's fiscal year ended December 31, 2019.

*Submitted by the Audit Committee:*

H. Patrick Hackett, Jr., Committee Chair  
Denise A. Olsen  
John Rau  
L. Peter Sharpe

## SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

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

- all directors and nominees named in this Proxy Statement (the “named directors”);
- all Named Executive Officers identified in the Summary Compensation Table;
- all named directors and nominees and Named Executive Officers of the Company as a group; and
- persons and entities known to the Company to be beneficial owners of more than 5% of the Company’s Common Stock.

The information is presented as of the Record Date, unless otherwise indicated, and is based on representations of officers, directors and nominees of the Company and filings received by the Company on Schedule 13G under the Exchange Act. As of the Record Date, there were 127,194,462 shares of Common Stock and 2,719,943 Units outstanding.

Names and Addresses of 5% Stockholders	Common Stock/Units Beneficially Owned	
	Number	Percent of Class
BlackRock, Inc. <sup>(1)</sup> 55 East 52 <sup>nd</sup> Street New York, NY 10022	19,242,418	15.13%
The Vanguard Group <sup>(2)</sup> 100 Vanguard Blvd. Malvern, PA 19355	19,139,575	15.05%
SSGA Funds Management, Inc. <sup>(3)</sup> One Lincoln Street Boston, MA 02111	7,039,230	5.53%
<b>Names and Addresses of Directors, Officers and Nominees*</b>		
Peter E. Baccile <sup>(4)</sup>	148,262	*
Bruce W. Duncan <sup>(5)</sup>	508,525	*
Matthew S. Dominski <sup>(5)</sup>	33,850	*
H. Patrick Hackett, Jr. <sup>(5)</sup>	39,623	*
Denise A. Olsen <sup>(5)</sup>	4,213	*
John Rau <sup>(6)</sup>	64,342	*
L. Peter Sharpe <sup>(6)</sup>	66,950	*
W. Ed Tyler <sup>(5)</sup>	99,182	*
Scott A. Musil <sup>(7)</sup>	116,741	*
Johannson L. Yap <sup>(8)</sup>	294,341	*
David G. Harker <sup>(9)</sup>	148,242	*
Peter O. Schultz <sup>(10)</sup>	121,145	*
Teresa Bryce Bazemore	0	*
All named directors, executive officers and nominees as a group (13 persons) <sup>(11)</sup>	1,645,416	1.29%

\* The business address for each of the directors and Executive Officers of the Company is One North Wacker Drive, Suite 4200, Chicago, Illinois 60606.

\*\* Less than 1%

- (1) Pursuant to a Schedule 13G/A filed February 4, 2020 of Blackrock, Inc. (“Blackrock”). Blackrock has the sole power to vote 18,373,386 shares and sole power to dispose of all 19,242,418 shares.
- (2) Pursuant to a Schedule 13G/A filed February 11, 2020 of The Vanguard Group (“Vanguard Group”). Of the shares reported, Vanguard Group has the sole power to vote 283,894 shares, the shared power to vote 141,216 shares, the sole power to dispose of 18,863,365 shares and the shared power to dispose of 276,210 shares.
- (3) Pursuant to a Schedule 13G filed February 13, 2020 of SSGA Funds Management, Inc., State Street Global Advisors Limited (UK), State Street Global Advisors Ltd (Canada), State Street Global Advisors, Australia Limited, State Street Global Advisors (Japan) Co., Ltd., State Street Global Advisors Singapore Ltd., State Street Global Advisors Ireland Limited and State Street Global Advisors Trust Company (collectively, “SSGA”). SSGA has the shared power to vote 5,763,087 shares and the shared power to dispose of 7,039,230 shares.
- (4) Includes 17,465 shares of restricted Common Stock, 80,438 Time-Based LP Units and 15,436 Units, in each case issued under the 2014 Stock Plan.
- (5) Includes 2,046 Time-Based LP Units issued under the 2014 Stock Plan.
- (6) Includes 2,046 shares of restricted Common Stock issued under the 2014 Stock Plan.
- (7) Includes 3,435 shares of restricted Common Stock, 16,685 Time-Based LP Units and 3,127 Units, in each case issued under the 2014 Stock Plan.
- (8) Includes 1,680 Units. Also includes 6,695 shares of restricted Common Stock, 32,289 Time-Based LP Units and 6,363 Units, in each case issued under the 2014 Stock Plan.
- (9) Includes 3,086 shares of restricted Common Stock, 16,183 Time-Based LP Units and 2,978 Units, in each case issued under the 2014 Stock Plan.
- (10) Includes 3,377 shares of restricted Common Stock, 14,750 Time-Based LP Units and 2,383 Units, in each case issued under the 2014 Stock Plan.
- (11) Includes 1,680 Units. Also includes 38,150 shares of restricted Common Stock, 170,575 Time-Based LP Units and 30,287 Units, in each case issued under the 2014 Stock Plan.



## PROPOSAL 2

### AMENDMENT TO 2014 STOCK INCENTIVE PLAN

#### PROPOSAL

At the Annual Meeting, our stockholders will be asked to approve an amendment to our 2014 Stock Incentive Plan (“2014 Stock Plan”) that would increase the total number of shares of our Common Stock reserved for issuance under the plan by 2,750,000 shares (the “Plan Amendment”).

#### BACKGROUND

The Plan Amendment, which would provide for 2,750,000 additional shares reserved for issuance under the 2014 Stock Plan, was approved by our Board of Directors on February 27, 2020, subject to stockholder approval of this proposal at the Annual Meeting. A copy of the Plan Amendment is attached hereto as Appendix A. Of the original 3,600,000 shares available for issuance under the 2014 Stock Plan, there are approximately 551,520 shares remaining for issuance under the 2014 Stock Plan. The Plan Amendment is intended to provide continued flexibility to the Company in its ability to motivate, attract, and retain the services of directors, officers, and employees upon whose judgement, interest, and talents are integral in successfully conducting the Company’s operations. The Company has historically been prudent in its usage of shares available for issuance under the 2014 Stock Plan, as described further below under “Grant Practices and Key Data”. Furthermore, the Plan Amendment represents the first time since 2014 the Company has asked that stockholders approve an increase to the number of shares reserved for issuance as equity compensation, and we expect these additional shares to cover our needs for years to come, assuming no strategic transactions or similar acquisitions that increase the size of our organization and the number of our equity-eligible employees.

Adoption of this proposal requires the affirmative vote of a majority of the shares of the Common Stock represented, in person by attending the Annual Meeting via webcast or by proxy, and entitled to vote on the matter at the Annual Meeting. If the Plan Amendment is not approved by our stockholders at the Annual Meeting, it will not be adopted and the Company will continue to operate under the 2014 Stock Plan until no more shares remain available for issuance, at which time the Company believes that higher cash compensation may be required to attract and retain key employees and other individuals, which would reduce alignment with stockholder interests.

**Our Board of Directors unanimously recommends that our stockholders vote “FOR” approval of the Plan Amendment.**

#### GRANT PRACTICES AND KEY DATA

Burn rate, which is a measure of share utilization rate in equity compensation plans, is an important factor for investors concerned about shareholder dilution. Burn rate is defined as the gross number of equity-based awards granted during a calendar year divided by the weighted average number of shares of common stock outstanding during the year. We have also provided an adjusted burn rate counting full-value awards as 2.5 shares of Common Stock when calculating the burn rate. Our Board of Directors believes that our current three-year average burn rate for the period ended December 31, 2019 of 0.35% (or 0.89% adjusted burn rate) compares favorably to the Institutional Shareholder Services (“ISS”) recommended burn rate benchmark of 2.92% for Russell 3000 (excluding S&P 500) Real Estate applicable to meetings occurring on or after February 1, 2020, as set forth in the Appendix to the ISS report titled “United States Equity Compensation Plans Frequently Asked Questions” updated December 6, 2019.

Our equity-based compensation model results in a “burn rate” as indicated in the chart below.

<b>First Industrial Burn Rate</b>			
	<b>2017</b>	<b>2018</b>	<b>2019</b>
Full value awards (FV):	471,744	406,347	424,787
Adjusted FV (after 2.5x multiplier):	1,179,360	1,015,868	1,061,968
Weighted Average Common Shares Outstanding (Basic):	118,272,000	123,804,000	126,392,000
Unadjusted burn rate:	0.40%	0.33%	0.34%
<b>Adjusted Burn Rate:</b>	<b>1.00%</b>	<b>0.82%</b>	<b>0.84%</b>
<b>3 Year Average Burn Rate</b>	<b>0.35%</b>		
<b>3 Year Average Adjusted Burn Rate:</b>	<b>0.89%</b>		
<b>Burn Rate as a % of ISS Benchmark:</b>	<b>30%</b>		

Overhang is a commonly used measure to assess the dilutive impact of equity programs such as the 2014 Stock Plan. Overhang shows how much existing shareholder ownership would be diluted if all outstanding equity-based awards plus all remaining shares available for equity-based awards were introduced into the market. Overhang is equal to the number of equity-award shares currently outstanding plus the number of equity-award shares available to be granted, divided by the total shares of Common Stock outstanding at the end of the year. The additional 2,750,000 shares to be authorized for issuance under the 2014 Stock Plan pursuant to the Plan Amendment would bring our aggregate overhang to approximately 3.38%. The table below provides updated overhang data as of the Record Date:

(A) New Shares available under the 2014 Stock Plan per the Plan Amendment	2,750,000
(B) Shares underlying outstanding awards <sup>(1)</sup>	996,834
(C) Shares remaining available under the 2014 Stock Plan	551,520
(D) Total shares authorized for or outstanding under awards (A+B+C)	4,298,354
(E) Total shares outstanding	127,194,462
(F) Overhang (D/E)	3.38%

- (1) Includes 256,093 Performance Units, 74,631 restricted stock units subject to time-based vesting, 186,931 Time-Based LP Units and 479,179 Performance LP Units. Excludes 136,255 shares of restricted stock, as such restricted stock is already reflected in the total outstanding shares of Common Stock.

## 2014 STOCK PLAN HIGHLIGHTS

The 2014 Stock Plan was adopted by the Board of Directors on March 11, 2014 and approved by our stockholders on May 7, 2014 at the 2014 Annual Meeting of Stockholders. Effective December 1, 2018, the 2014 Stock Plan was amended to permit the issuance of awards under the plan in the form of “LP Units” that, as discussed further on page 19 of this Proxy Statement, are a class of partnership interest of our operating partnership, First Industrial, L.P. (the “Operating Partnership”), that is structured as a “profits interest” for U.S. federal income tax purposes and that convert into “common units” of partnership interest in the Operating Partnership upon the occurrence of certain events.

The 2014 Stock Plan implemented numerous best-practice enhancements to the Company’s corporate governance practices with respect to equity compensation, certain of which are described in the following table:

<i>Multiple Award Types</i>	The 2014 Stock Plan permits the issuance of restricted stock awards, restricted stock units, LP Units, stock options and other types of equity and cash incentive grants, subject to the share limits of the plan. This breadth of award types enables the plan administrator to tailor awards in light of the accounting, tax and other standards applicable at the time of grant. Historically, these standards have changed over time.
<i>Independent Oversight</i>	The 2014 Stock Plan is administered by the Compensation Committee, which is comprised entirely of independent members of the Board of Directors.
<i>No Evergreen Feature</i>	The number of authorized shares under the 2014 Stock Plan is fixed, with adjustments for certain corporate transactions and for forfeited shares.
<i>Repricing Prohibited</i>	Repricing of options and stock appreciation rights (“SARs”) generally is prohibited under the 2014 Stock Plan without prior stockholder approval, with customary exceptions for stock dividends or splits, reorganizations, recapitalizations and similar events.
<i>Discount Stock Options and SARs Prohibited</i>	All options and SARs granted under the 2014 Stock Plan must have an exercise price equal to or greater than the fair market value of Common Stock on the date the option or SAR is granted.
<i>Minimum Vesting Period for Time-Based Awards</i>	There generally is a minimum three-year vesting period for awards granted to employees under the 2014 Stock Plan that vest based solely on the completion of a specified period of service, unless the Compensation Committee determines otherwise.
<i>Clawback Policy Implementation</i>	All awards under the 2014 Stock Plan will be subject to any applicable Company clawback policy in effect from time to time.

## **SUMMARY OF THE 2014 STOCK INCENTIVE PLAN, AS AMENDED**

The following description of certain features of the 2014 Stock Plan (as it would be amended as contemplated by the Plan Amendment) is intended to be a summary only. Except for the increase in authorized shares resulting from the proposed Plan Amendment, no other changes are being made to the 2014 Stock Plan.

*General.* The purpose of the 2014 Stock Incentive Plan is to encourage and enable the officers, employees and directors of, and service providers to, the Company, 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. As of the Record Date, approximately 115 employees and all directors of the Company are eligible to participate in the 2014 Stock Incentive Plan.

The 2014 Stock Incentive Plan provides for the grant of incentive stock options, within the meaning of Code Section 422, to employees of the Company and for the grant of restricted stock awards, restricted stock units, LP Units, nonstatutory stock options, stock appreciation rights, performance share awards and dividend

equivalents to officers, employees and directors of, and service providers to, the Company. 3,600,000 shares of Common Stock were originally reserved for issuance under the 2014 Stock Plan (with approximately 551,520 remaining as of the Record Date) and the Board of Directors has authorized, subject to stockholder approval, an additional 2,750,000 shares of Common Stock be reserved for issuance under the 2014 Stock Incentive Plan.

The following additional limits apply to awards under the 2014 Stock Plan with respect to members of the Board of Directors:

- The maximum number of shares that may be covered by options or SARs that are granted to any one director during any calendar year is 100,000 shares.
- The maximum number of shares that may be covered by stock awards other than options and SARs that are granted to any one director during any calendar year is 100,000 shares.

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

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

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

*Terms and Conditions of Option Grants.* Each option granted under the 2014 Stock Plan is evidenced by a written agreement in a form that the Compensation Committee may from time to time approve, is subject to the terms and conditions of the 2014 Stock Plan and may contain such additional terms and conditions, not inconsistent with the terms of the 2014 Stock Plan, as may be determined by the Compensation Committee. The per share exercise price of an option may not be less than 100% of the fair market value of a share of Common Stock on the date of the option's grant and the term of any option will expire no later than the 10<sup>th</sup> anniversary of the date of the option's grant. In addition, the per share exercise price of any incentive stock option granted to a person who at the time of the grant owns stock possessing more than 10% of the total combined voting power or

value of all classes of stock of the Company must be at least 110% of the fair market value of a share of the Common Stock on the date of grant and the option must expire no later than five years after the date of its grant. Generally, options may be exercised by the payment by the optionee or the optionee's broker of the exercise price in cash, certified check or wire transfer, through a net exercise or, subject to the approval of the Compensation Committee, through the tender of shares of the Common Stock owned by the optionee having a fair market value not less than the exercise price. Options granted under the 2014 Stock Plan become exercisable at such times as may be specified by the Compensation Committee, subject to various limitations on exercisability in the event the optionee's employment or service with the Company terminates. Options are generally nontransferable by the optionee other than by will or by the laws of descent and distribution and are exercisable during the optionee's lifetime only by the optionee, except that non-qualified options may be transferred to one or more members of the optionee's immediate family, to certain entities for the benefit of the optionee's immediate family members or pursuant to a certified domestic relations order.

*Terms and Conditions of Other Awards.* Each SAR award, restricted stock award, restricted stock unit award, LP Unit award and performance share award made under the 2014 Stock Plan will be evidenced by a written agreement in a form and containing such terms, restrictions and conditions as may be determined by the Compensation Committee, consistent with the requirements of the 2014 Stock Plan. A SAR may be granted separately or in conjunction with the grant of an option, and must be exercised within 10 years after the SAR is granted.

The Compensation Committee may, in its sole discretion, provide for the exclusion of the effects of the following items, to the extent identified in the audited financial statements of the Company, including footnotes, or in the Management's Discussion and Analysis section of the Company's annual report: (1) extraordinary, unusual and/or nonrecurring items of gain or loss; (2) gains or losses on the disposition of a business; (3) changes in tax or accounting principles, regulations or laws; or (4) mergers or acquisitions.

SAR awards, restricted stock awards, restricted stock unit awards, LP Unit awards, performance share awards and dividend equivalents are generally nontransferable, except that SARs may be transferred pursuant to a certified domestic relations order and may be exercised by the executor, administrator or personal representative of a deceased participant within six months of the death of the participant.

*Change of Control.* In general, upon the occurrence of a "Change of Control" (as defined in the 2014 Stock Incentive Plan), options and SARs automatically would become fully exercisable and restrictions and conditions on restricted stock awards, restricted stock unit awards, LP Unit awards, performance share awards and dividend equivalents automatically would be deemed waived.

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

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

*Indemnification.* Each member of the Compensation Committee and the Board of Directors and each Company employee delegated authority under the 2014 Stock Plan is indemnified and held harmless by the

Company against and from any losses incurred in connection with any claim, action, suit or proceeding to which he or she is involved by reason of his or her actions or omissions under the 2014 Stock Plan. The Company is generally provided an opportunity to handle and defend the claim before the indemnified party undertakes to handle it on his or her own behalf.

## **SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES**

The following discussion generally summarizes the principal U.S. federal income tax consequences of awards granted under the 2014 Stock Plan. This discussion is based on current provisions of the Code, the regulations promulgated thereunder and administrative and judicial interpretations thereof as in effect on the date hereof. This summary does not constitute legal or tax advice and does not address municipal, state or foreign income tax consequences.

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

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

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

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

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

*Restricted Stock.* In general, a participant who receives shares of restricted stock will recognize ordinary income at the time the restrictions lapse. The amount of ordinary income so recognized will be the fair market value of the Common Stock at the time the income is recognized, determined without regard to any restrictions other than restrictions that by their terms will never lapse. This amount is deductible for federal income tax purposes by the Company. Dividends paid with respect to unvested restricted stock will be ordinary compensation income to the participant (and deductible by the Company). Any gain or loss upon a subsequent sale or exchange of the shares of Common Stock, measured by the difference between the sale price and the fair market value on the date restrictions lapse, will be capital gain or loss, long-term or short-term, depending on the holding period for the shares of Common Stock. The holding period for this purpose will begin on the date following the date restrictions lapse.

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

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

*LP Units.* LP Units are intended to meet the requirements of certain Internal Revenue Service (the “Service”) “safe harbor” revenue procedures with respect to “profits interests,” although such treatment cannot be assured. In addition to requiring the LP Units to have no “liquidation value” at the time of grant, the safe harbor requirements include, but are not limited to, that the LP Unit (i) not be disposed of or transferred by the recipient within two years of grant, (ii) not be issued by a publicly traded partnership and (iii) not relate to a substantially certain and predictable stream of income from partnership assets. Assuming the LP Units meet the safe harbor requirements, LP Units may be valued at the time of award using a “liquidation value” approach and the making of, or failure to make, an election under Code Section 83(b) in respect of such LP Units would not affect the tax treatment of the LP Units. Because LP Units are entitled to the balance of their book capital account only on a liquidation of the Operating Partnership and, at the time an LP Unit is awarded, such balance is \$0 (plus any capital contribution made in connection with the grant of such LP Units, if any), for tax purposes the liquidation value of an LP Unit at the time of issuance would be \$0.

If the LP Units meet the profits interest safe harbor requirements, a recipient of such LP Units generally will not recognize taxable income in connection with either the issuance or the vesting of LP Units. Upon the disposition of safe harbored LP Units held for more than three years, a recipient generally will recognize long-term capital gain or loss equal to the difference between (i) the amount realized in the transaction (which shall include the reduction, if any, of the recipient’s share of the Operating Partnership’s liabilities resulting from the disposition), and (ii) the recipient’s tax basis in the LP Units being transferred, which shall be adjusted for the Operating Partnership’s income, gain, loss or deduction for the taxable year of disposition.

A conversion of LP Units into common units of the Operating Partnership will not be considered a disposition, and therefore taxable gain or loss would not be recognized upon conversion of LP Units. However, the redemption of common units received upon conversion of LP Units into shares of Common Stock or for cash, respectively, will be considered a taxable disposition.

A recipient of LP Units will be taxed as a limited partner of the Operating Partnership under the tax rules applicable to partnerships generally. Unless otherwise provided in an award agreement, a recipient of LP Units would begin participating in the income, profits and distributions of the Operating Partnership immediately upon issuance of such LP Units, regardless of whether such LP Units are vested and regardless of the book capital account balance associated with such LP Units, and would be taxed on the ordinary income and capital gains of the Operating Partnership. A limited partner's tax liability (aside from gains from disposing of common units) is generally based on the limited partner's share of such items, rather than the amount of cash distributions. Distributions generally are not separately taxable unless the distributions in a year exceed the limited partner's share of Operating Partnership net taxable income and gains and the limited partner's tax basis in his or her partnership interest (which may include a share of Operating Partnership liabilities).

An LP Unit holder's ordinary taxable income of the Operating Partnership generally will be based on the sharing percentage established for such LP Units, whether or not the Operating Partnership makes distributions. Generally, a non-corporate taxpayer is eligible for up to a 20% deduction against such non-corporate taxpayer's "qualified business income" from pass-through entities, including partnerships such as the Operating Partnership, for taxable years beginning after December 31, 2017 and before January 1, 2026. While the Operating Partnership's operating income is expected to include a significant amount of "qualified business income," there are no assurances as to the amount of the Operating Partnership's operating income that will so qualify, or whether any operating income will qualify. Furthermore, there are complicated rules governing the deduction, which could significantly limit the actual amount of the deduction. In particular, the amount of the deduction may be limited based on the Operating Partnership's "W-2 wages" and/or the basis of certain depreciable property held by the Operating Partnership. A similar 20% deduction (but without these limitations) applies to "qualified REIT dividends" (generally ordinary dividends). To the extent the Operating Partnership holds a portion of its assets through subsidiary REITs, a portion of the Operating Partnership's income may qualify for the 20% deduction regardless of the limitations.

As a REIT, the Company is required to distribute at least 90% of its taxable ordinary income each year to its stockholders and currently expects to distribute at least 100% of its taxable ordinary income each year. Since limited partners receive distributions from the Operating Partnership on a per common unit basis in the same amount as distributions stockholders receive from the Company on a per share basis, an LP Unit holder should generally expect to receive cash distributions (and allocations of ordinary income) each year that the Company has taxable ordinary income for such year and except to the extent the Company is permitted (and elects) to satisfy its distribution requirement utilizing a taxable stock dividend. However, there are differences in the manner in which the taxable ordinary income is calculated for the Company as compared to the Operating Partnership. As a result, an LP Unit holder should not necessarily expect to receive distributions each year that are equal to or greater than the ordinary income allocated with respect to such LP Units for such year.

Allocations of capital gains of the Operating Partnership are generally allocated to the partners based on prior allocations of book gain or, to the extent of gains occurring between book-up events, in the same manner as ordinary income. An LP Unit holder will generally not be allocated taxable gain associated with appreciation in value occurring prior to the issuance of the LP Units that has not yet been realized. An LP Unit holder generally will be allocated a share of taxable gain associated with appreciation in value occurring subsequent to the issuance of the LP Units, based on the then sharing percentage for such LP Units. However, if (1) a book-up event has occurred in which the LP Unit holder were allocated a disproportionate share of the Operating Partnership's book gain in order to build the book capital account balance associated with such LP Units and



(2) after the book-up event, the Operating Partnership sells one or more of those booked up assets in a taxable transaction, then the LP Unit holder will be allocated an increased portion of the taxable gain recognized in the transaction to reflect the disproportionate share of the book gain attributable to that asset that was previously allocated to the LP Unit holder. In this event, an LP Unit holder's share of the taxable gain may exceed the share of cash proceeds that may be distributed to him or her, and it is even possible that such LP Unit holder's tax liability will exceed the cash distributed. In that event, an LP Unit holder would be required to fund the related tax payments other than from the distributions on the LP Units. Capital gains allocated to an LP Unit holder will generally be taxed at the applicable capital gains rates, although capital gains allocated to carried interest from capital assets held for three years or less will be treated as short-term capital gain, which is taxed at ordinary income rates and is not eligible for the 20% pass through deduction, and capital gain on the sale or disposition of the carried interest itself also will be treated as short term capital gain to the extent the LP Unit holder has not held the interest for more than three years. Capital gains allocated to an LP Unit holder are not eligible for the 20% pass-through deduction that may apply to the Operating Partnership's operating income.

As noted above, assuming the LP Units meet the "safe harbor" revenue procedures with respect to "profits interests," LP Units would be permitted to be valued at the time of award using a "liquidation value" approach. In addition, the making of, or failure to make, a Section 83(b) election in respect of such LP Units would not affect the tax treatment of the LP Units under current law. If the Service successfully asserted that the LP Units did not meet all of the safe harbor requirements to qualify as a "profits interest," then the tax treatment of the LP Units would not be clear and could vary based on whether or not the recipient made a Section 83(b) election in respect of such LP Units. In general, if an individual makes a Section 83(b) election with respect to property that he or she receives in exchange for services that remains subject to a substantial risk of forfeiture (e.g., vesting based on continued employment or a service relationship) and, in the case of a partnership interest, such partnership interest does not qualify as a profits interest under the Service safe harbor, such individual would recognize compensation income at the time of grant in an amount equal to the excess of the value of the property at that time, without taking into account the risk of forfeiture, over the amount such individual paid, if anything, for such property and would not recognize any additional taxable income upon the lapse of the risk of forfeiture (e.g., upon vesting). However, in the event that an individual forfeits the property (e.g., it does not vest), such individual would not be able to recognize a loss in excess of the amount, if any, that he or she paid for such property at the time of grant or otherwise recoup the taxes that he or she paid upon grant based on the full value of such property at that time. If an individual does not make a Section 83(b) election with respect to such property, and such property is not a partnership interest that qualifies as a "profits interest", then such individual would not recognize taxable income upon the grant of such property, but would recognize taxable income upon the lapse of the risk of forfeiture (e.g., upon vesting) based on the excess of the value of the property at that time over the amount paid, if anything, for such property. If the Service successfully asserted that the LP Units did not meet all of the safe harbor requirements to qualify as a "profits interest," it is unclear what the value of the LP Units would be upon grant, but this value could be substantially in excess of the liquidation value (i.e., \$0) at that time. In addition, regardless of whether a recipient made a Section 83(b) election with respect to his or her LP Units, if the Service successfully challenged the treatment of the LP Units as profits interests, her or she could become subject to additional interest and penalties with respect to any taxes owed in connection with the issuance or vesting, as applicable, of, and distributions on, such LP Units.

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

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

withholding requirements. The shares withheld from awards may only be used to satisfy the minimum statutory withholding obligation.

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

*Limitation on Deductibility.* Code Section 162(m) generally limits the deductible amount of annual compensation paid by a public company to certain “covered employees” (the chief executive officer, chief financial officer and three other most highly compensated executive officers of the Company and those previously considered a covered employee for years following December 31, 2017) to no more than \$1 million.

## NEW PLAN BENEFITS

Because the grant of awards under the 2014 Stock Incentive Plan, as amended by the Plan Amendment, is within the discretion of the Compensation Committee, and possibly subject to various performance factors which cannot, as yet, be determined, we cannot determine the dollar value or number of awards that will in the future be received by or allocated to any participant in the 2014 Stock Incentive Plan. No individual awards have been granted to any employee, director or service provider under the 2014 Stock Incentive Plan that are contingent on the approval of the Company’s stockholders. For information regarding awards issued to the Company’s named executive officers during 2019, please see the 2019 Grants of Plan-Based Awards table on page 35 of this Proxy Statement.

## EQUITY COMPENSATION PLANS

The following table sets forth information regarding the Company’s equity compensation plans as of December 31, 2019.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Further Issuance Under Equity Compensation Plans
Equity Compensation Plans Approved by Security Holders	537,824	\$ —	1,143,463
Equity Compensation Plans Not Approved by Security Holders	—	—	—
Total	537,824	\$ —	1,143,463

**The Board of Directors has approved the Plan Amendment and recommends that the Company’s stockholders vote FOR the approval of the Plan Amendment.**

## PROPOSAL 3

### ADVISORY VOTE ON EXECUTIVE COMPENSATION

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

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

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

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

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

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2020 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission under 'Compensation Discussion and Analysis' and the compensation tables and the narrative discussion following the compensation tables."

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

**The Board of Directors recommends an advisory vote FOR the approval of the compensation of the Named Executive Officers as disclosed in this Proxy Statement.**

## PROPOSAL 4

### RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The accounting firm of PricewaterhouseCoopers LLP served as the Company's independent auditors in 2019, and our management believes that they are knowledgeable about our operations and accounting practices and are well qualified to act as our independent registered public accounting firm. Therefore, the Audit Committee of the Board of Directors has appointed PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the 2020 fiscal year. A representative of PricewaterhouseCoopers LLP will be present at the Annual Meeting, will be given the opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

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

#### FEES

During 2019 and 2018, the aggregate fees for services provided by PricewaterhouseCoopers LLP in the following categories and amounts are:

	2019	2018
Audit Fees <sup>(1)</sup>	\$ 980,500	\$ 1,134,500
Audit-Related Fees <sup>(2)</sup>	50,000	40,000
Tax Fees	—	—
All Other Fees <sup>(3)</sup>	2,943	102,943
Total Fees	\$ 1,033,443	\$ 1,277,443

- (1) Audit Fees consisted primarily of fees for audits of our annual financial statements, the reviews of our quarterly financial statements and other services that are normally provided by the auditor in connection with statutory and regulatory filings. For 2019 and 2018, this includes \$0 and \$54,000, respectively, for comfort letter procedures and auditor consents.
- (2) Audit-Related Fees consisted of fees related to a joint venture audit.
- (3) All Other Fees include amounts related to software licensing fees for technical research tools and \$100,000 paid in 2018 for consulting services related to operating procedures improvements.

#### PRE-APPROVAL OF SERVICES

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

**The Board of Directors recommends a vote FOR ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal year 2020.**

## **OTHER MATTERS**

### **SOLICITATION OF PROXIES**

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

Georgeson Shareholder Services, Inc. acts as the Company's proxy solicitor at a cost of \$8,500, plus reasonable out of pocket expenses.

### **STOCKHOLDER PROPOSALS**

Under applicable SEC rules, stockholder proposals intended to be presented at the 2021 Annual Meeting of Stockholders must be received by the Secretary of the Company no later than December 8, 2020 in order to be considered for inclusion in the proxy statement and on the proxy card that will be solicited by the Board of Directors in connection with such meeting. Additionally, under our Bylaws, stockholder proposals intended to be presented at the 2021 Annual Meeting of Stockholders must be received by the Secretary of the Company no later than December 8, 2020, and no earlier than November 8, 2020, in order to be considered timely and must comply with certain additional requirements contained in our Bylaws in order to be proper.

### **INCORPORATION BY REFERENCE**

Appendix C to this Proxy Statement is the Company's 2019 Annual Report, which includes its consolidated financial statements and management's discussion and analysis of financial condition and results of operations, as well as certain other financial and other information required by the rules and regulations of the SEC. Information contained in Appendix C to this Proxy Statement shall not be deemed to be "filed" or "soliciting material," or subject to liability for purposes of Section 18 of the Exchange Act to the maximum extent permitted under the Exchange Act.

### **AVAILABILITY OF PROXY MATERIALS**

This Proxy Statement, Notice of Annual Meeting, Proxy Card and the Company's 2019 Annual Report are available on the "Proxy Statement" tab of the Investor Relations page on the Company's website, at [www.firstindustrial.com](http://www.firstindustrial.com).

### **OTHER BUSINESS**

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

**REGARDLESS OF THE NUMBER OF SHARES YOU OWN, YOUR VOTE IS IMPORTANT TO THE COMPANY. PLEASE COMPLETE YOUR PROXY AUTHORIZATION BY INTERNET, BY TELEPHONE OR BY MAIL AS SOON AS POSSIBLE.**

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

FIRST AMENDMENT  
TO THE  
FIRST INDUSTRIAL REALTY TRUST, INC.  
2014 STOCK INCENTIVE PLAN  
(amended and restated as of December 1, 2018)

WHEREAS, First Industrial Realty Trust, Inc. (the “Company”) maintains the First Industrial Realty Trust, Inc. 2014 Stock Incentive Plan (amended and restated as of December 1, 2018) (the “Plan”);

WHEREAS, pursuant to Section 13 of the Plan, the Board of Directors of the Company (the “Board”) has reserved to itself the power, authority and discretion to amend the Plan from time-to-time;

WHEREAS, the Board has determined that it is in the best interest of the Company to amend the Plan in order to increase the number of shares of Company stock reserved for issuance under the Plan; and

WHEREAS, the Board has duly authorized the undersigned officer to carry out the foregoing.

NOW, THEREFORE, effective as of February 27, 2020, subject to approval of this First Amendment by the Company’s shareholders, the Plan be and hereby is amended in the following particulars:

1. Section 3(a) shall be deleted and replaced with the following new paragraph:

Shares Issuable. Subject to adjustment as provided in **Section 3(d)** below, the maximum number of shares of Stock reserved and available for issuance under the Plan shall be the original three million six hundred thousand (3,600,000) reserved upon adoption of the Plan, plus an additional two million, seven hundred fifty thousand (2,750,000) shares reserved pursuant to the First Amendment of the Plan, adopted February 27, 2020, for a total of six million three hundred fifty thousand (6,350,000) shares (all of which may be issued through Incentive Stock Options), plus any shares of Stock that are covered under a Prior Plan award that otherwise would become available for reuse under the Prior Plan following the Effective Date due to forfeiture, expiration, cancellation or the like. For purposes of this limitation, the shares of Stock underlying any Awards that are forfeited, canceled, reacquired by the Company, satisfied without the issuance of Stock or otherwise terminated shall not be deemed to have been issued and shall be added back to the shares of Stock available for issuance under the Plan; *provided, however*, that any shares (i) tendered to pay the exercise price of an Award or (ii) withheld for taxes by the Company or an Affiliate or a Subsidiary will not be available for future issuance under the Plan. Shares issued under the Plan may be authorized but unissued shares or shares reacquired by the Company. Subject to adjustment as provided in **Section 3(d)** below, with respect to Performance Share Awards, Restricted Stock Awards, Restricted Stock Unit Awards and LTIP Unit Awards the maximum number of shares of Stock subject to such Awards shall be six million three hundred fifty thousand (6,350,000).

2. In all other respects the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused this First Amendment to be executed by its duly authorized officer this 27<sup>th</sup> day of February, 2020.

FIRST INDUSTRIAL REALTY TRUST, INC.



By: Jennifer Matthews Rice  
Its: General Counsel and Secretary

**APPENDIX B**

**2020 ANNUAL MEETING OF STOCKHOLDERS  
RESERVATION REQUEST FORM**

If you wish to view First Industrial Realty Trust, Inc.'s 2020 Annual Meeting of Stockholders webcast at its offices located at One North Wacker, Suite 4200, Chicago, IL 60606, please complete the following information and return to Arthur Harmon by mail at First Industrial Realty Trust, Inc., One North Wacker, Suite 4200, Chicago, IL 60606 or by e-mail at [aharmon@firstindustrial.com](mailto:aharmon@firstindustrial.com). Please note that no members of management or of the Board of Directors will be present at the Company's offices.

Your name and address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Your telephone number: \_\_\_\_\_

Number of Shares of  
Common Stock You Hold: \_\_\_\_\_

If the shares listed above are not registered in your name, please identify the name of the registered stockholder below *and include evidence that you beneficially own the shares.*

Registered Stockholder: \_\_\_\_\_  
(Name of Your Bank, Broker or Other Nominee)



**APPENDIX C**  
**2019 ANNUAL REPORT**  
**EXPLANATORY NOTE**

This 2019 Annual Report discusses the financial performance and results of operations of both First Industrial Realty Trust, Inc., a Maryland corporation (the “Company”), and the operating partnership of which the Company serves as a general partner, First Industrial, L.P., a Delaware limited partnership (the “Operating Partnership”).

At December 31, 2019, the Company owned an approximate 98.1% common general partnership interest in the Operating Partnership. The remaining approximate 1.9% common limited partnership interests in the Operating Partnership are owned by certain limited partners. As the sole general partner of the Operating Partnership, the Company exercises exclusive and complete discretion over the Operating Partnership’s day-to-day management and control and can cause it to enter into certain major transactions, including acquisitions, dispositions and refinancings.

We have chosen to discuss the financial performance results of operations of both the Company and the Operating Partnership in this 2019 Annual Report. To help you understand the differences between the Company and the Operating Partnership, this 2019 Annual Report provides the following separate disclosures for each of the Company and the Operating Partnership:

- consolidated financial statements;
- a single set of consolidated notes to such financial statements that includes separate discussions of each entity’s stockholders’ equity or partners’ capital, as applicable; and
- a combined Management’s Discussion and Analysis of Financial Condition and Results of Operations section that includes distinct information related to each entity.

The main areas of differences between the consolidated financial statements of the Company and those of the Operating Partnership, as well as the benefits of combined reporting, are further explained in the Company’s and the Operating Partnership’s Form 10-K for the period ended December 31, 2019 filed with the Securities and Exchange Commission on February 13, 2020, a copy of which may be obtained by following the procedures set forth on page C-108 of this 2019 Annual Report.

Unless stated otherwise in this 2019 Annual Report or the context otherwise requires, the terms “we,” “our” and “us” refer to the Company and its subsidiaries, including the Operating Partnership and its consolidated subsidiaries.

## SELECTED FINANCIAL DATA

The following tables set forth the selected financial and operating data for the Company and the Operating Partnership on a consolidated basis. The following selected consolidated financial data should be read in conjunction with the Consolidated Financial Statements and Notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this 2019 Annual Report.

### The Company

	<u>Year Ended</u> <u>12/31/19</u>	<u>Year Ended</u> <u>12/31/18</u>	<u>Year Ended</u> <u>12/31/17</u>	<u>Year Ended</u> <u>12/31/16</u>	<u>Year Ended</u> <u>12/31/15</u>
	(In thousands, except per share data)				
<b>Statement of Operations Data:</b>					
Total Revenues . . . . .	\$ 425,984	\$ 403,954	\$ 396,402	\$ 378,020	\$ 365,823
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities . . . . .	238,775	163,239	201,456	121,232	73,802
<b>Basic Per Share Data:</b>					
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders . . . . .	1.89	1.31	1.70	1.05	0.67
<b>Diluted Per Share Data:</b>					
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders . . . . .	1.88	1.31	1.69	1.05	0.66
Dividends/Distributions Per Share . . . . .	\$ 0.92	\$ 0.87	\$ 0.84	\$ 0.76	\$ 0.51
Basic Weighted Average Shares . . . . .	126,392	123,804	118,272	115,030	110,352
Diluted Weighted Average Shares . . . . .	126,691	124,191	118,787	115,370	110,781
<b>Balance Sheet Data (End of Period):</b>					
Real Estate, Before Accumulated Depreciation . . . . .	\$3,830,209	\$3,673,644	\$3,495,745	\$3,384,914	\$3,293,968
Total Assets . . . . .	3,518,828	3,142,691	2,941,062	2,793,263	2,709,808
Indebtedness . . . . .	1,483,565	1,297,783	1,296,997	1,347,092	1,434,168
Total Equity . . . . .	1,798,263	1,679,911	1,475,877	1,284,625	1,115,135
<b>Other Data:</b>					
Funds from Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities (A) . . . . .	\$ 221,136	\$ 199,391	\$ 186,496	\$ 167,811	\$ 140,841

## SELECTED FINANCIAL DATA

### The Operating Partnership

	Year Ended 12/31/19	Year Ended 12/31/18	Year Ended 12/31/17	Year Ended 12/31/16	Year Ended 12/31/15
(In thousands, except per Unit data)					
<b>Statement of Operations Data:</b>					
Total Revenues .....	\$ 425,984	\$ 403,954	\$ 396,402	\$ 378,020	\$ 365,823
Net Income Available to Unitholders and Participating Securities .....	243,628	167,246	208,158	125,547	76,682
<b>Basic Per Unit Data:</b>					
Net Income Available to Unitholders .....	1.89	1.31	1.70	1.05	0.67
<b>Diluted Per Unit Data:</b>					
Net Income Available to Unitholders .....	1.88	1.31	1.69	1.05	0.66
Distributions Per Unit .....	\$ 0.92	\$ 0.87	\$ 0.84	\$ 0.76	\$ 0.51
Basic Weighted Average Units .....	128,831	126,921	122,306	119,274	114,709
Diluted Weighted Average Units ...	129,241	127,308	122,821	119,614	115,138
<b>Balance Sheet Data (End of Period):</b>					
Real Estate, Before Accumulated Depreciation .....	\$3,830,209	\$3,673,644	\$3,495,745	\$3,384,914	\$3,293,968
Total Assets .....	3,528,849	3,152,799	2,951,180	2,803,701	2,720,523
Indebtedness .....	1,483,565	1,297,783	1,296,997	1,347,092	1,434,168
Total Partners' Capital .....	1,808,284	1,690,019	1,485,995	1,295,063	1,125,850

(A) Funds from operations (“FFO”) is a non-GAAP measure used in the real estate industry. See definition and a complete reconciliation of FFO to Net Income Available to First Industrial Realty Trust, Inc.’s Common Stockholders and Participating Securities under the caption “Supplemental Earnings Measure” starting within the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” starting on page C-16 of this 2019 Annual Report.

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

The following discussion should be read in conjunction with "Selected Financial Data" and the consolidated financial statements and notes thereto appearing elsewhere in this 2019 Annual Report.

In addition, the following discussion may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on certain assumptions and describe our future plans, strategies and expectations, and are generally identifiable by use of the words "believe," "expect," "plan," "intend," "anticipate," "estimate," "project," "seek," "target," "potential," "focus," "may," "will," "should" or similar words. Although we believe the expectations reflected in forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained or that results will not materially differ. Factors which could have a materially adverse effect on our operations and future prospects include, but are not limited to:

- changes in national, international, regional and local economic conditions generally and real estate markets specifically;
- changes in legislation/regulation (including changes to laws governing the taxation of real estate investment trusts) and actions of regulatory authorities;
- our ability to qualify and maintain our status as a real estate investment trust;
- the availability and attractiveness of financing (including both public and private capital) and changes in interest rates;
- the availability and attractiveness of terms of additional debt repurchases;
- our ability to retain our credit agency ratings;
- our ability to comply with applicable financial covenants;
- our competitive environment;
- changes in supply, demand and valuation of industrial properties and land in our current and potential market areas;
- our ability to identify, acquire, develop and/or manage properties on favorable terms;
- our ability to dispose of properties on favorable terms;
- our ability to manage the integration of properties we acquire;
- potential liability relating to environmental matters;
- defaults on or non-renewal of leases by our tenants;
- decreased rental rates or increased vacancy rates;
- higher-than-expected real estate construction costs and delays in development or lease-up schedules;
- potential natural disasters and other potentially catastrophic events such as acts of war and/or terrorism;
- litigation, including costs associated with prosecuting or defending claims and any adverse outcomes;
- risks associated with our investments in joint ventures, including our lack of sole decision-making authority; and

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

- other risks and uncertainties described in “Risk Factors” and elsewhere in this report as well as those risks and uncertainties discussed from time to time in our other Exchange Act reports and in our other public filings with the Securities and Exchange Commission (the “SEC”).

We caution you not to place undue reliance on forward-looking statements, which reflect our outlook only and speak only as of the date of this 2019 Annual Report. We assume no obligation to update or supplement forward-looking statements.

### **Business Overview**

The Company is a self-administered and fully integrated real estate company which owns, manages, acquires, sells, develops and redevelops industrial real estate. The Company is a Maryland corporation organized on August 10, 1993 and a real estate investment trust as defined in the Code.

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

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

Our revenue growth is also dependent, in part, on our ability to acquire existing, and develop new industrial properties on favorable terms. We seek to identify opportunities to acquire existing industrial properties on favorable terms, and, when conditions permit, also seek to acquire and develop new industrial properties on favorable terms. Existing properties, as they are acquired, and acquired and developed properties, as they are leased, generate revenue from rental income, tenant recoveries and fees, income from which, as discussed above, is a source of funds for our distributions to our stockholders and Unitholders. The acquisition and development of properties is impacted, variously, by property specific, market specific, general economic and other conditions, many of which are beyond our control. The acquisition and development of properties also entails various risks, including the risk that our investments may not perform as expected. For example, acquired existing and acquired and developed new properties may not sustain and/or achieve anticipated occupancy and rental rate levels. With respect to acquired and developed new properties, we may not be able to complete construction on schedule or within budget, resulting in increased debt service expense and construction costs and delays in leasing the

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

properties. Also, we face significant competition for attractive acquisition and development opportunities from other well-capitalized real estate investors, including publicly-traded REITs and private investors. Further, as discussed below, we may not be able to finance the acquisition and development opportunities we identify. If we were unable to acquire and develop sufficient additional properties on favorable terms, or if such investments did not perform as expected, our revenue growth would be limited and our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units would be adversely affected.

We also generate income from the sale of our properties (including existing buildings, buildings which we have developed or re-developed on a merchant basis and land). The gain or loss on, and fees from, the sale of such properties are included in our income and can be a significant source of funds, in addition to revenues generated from rental income and tenant recoveries. Proceeds from sales are used to repay outstanding debt and, market conditions permitting, may be used to fund the acquisition of existing industrial properties, and the acquisition and development of new industrial properties. The sale of properties is impacted, variously, by property specific, market specific, general economic and other conditions, many of which are beyond our control. The sale of properties also entails various risks, including competition from other sellers and the availability of attractive financing for potential buyers of our properties. Further, our ability to sell properties is limited by safe harbor rules applying to REITs under the Code which relate to the number of properties that may be disposed of in a year, their tax bases and the cost of improvements made to the properties, along with other tests which enable a REIT to avoid punitive taxation on the sale of assets. If we are unable to sell properties on favorable terms, our income growth would be limited and our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected.

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

### **Summary of Significant Transactions During 2019**

During 2019, we completed the following significant transactions and financing activities:

- We acquired nine industrial properties comprised of approximately 0.5 million square feet of GLA located in our Chicago, Denver, Orlando, Seattle and Southern California markets for an aggregate purchase price of \$66.8 million.
- We acquired 217.7 acres of land for development located in our Dallas, Miami, Philadelphia, Phoenix and Southern California markets for an aggregate purchase price of \$81.1 million.
- We developed and placed in-service, 13 industrial properties comprising approximately 4.4 million square feet of GLA located in our Atlanta, Central Pennsylvania, Chicago, Dallas, Denver, Houston, New Jersey, Phoenix, Seattle and Southern California markets at an estimated total cost of \$324.7 million. These properties were 91% leased at December 31, 2019.

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

- We sold 40 industrial properties comprised of approximately 5.9 million square feet of GLA and several land parcels for total gross sales proceeds of \$315.8 million.
- The Joint Venture sold 236 acres of land (including 39 acres we purchased from the Joint Venture) for gross sales proceeds of \$57.2 million.
- We issued \$150.0 million of ten-year private placement notes at a rate of 3.97%.
- We paid off \$117.2 million in mortgage loans payable.
- We declared an annual cash dividend of \$0.92 per common share or Unit, an increase of 5.7% from 2018.

### Results of Operations

#### *Comparison of Year Ended December 31, 2019 to Year Ended December 31, 2018*

Our net income was \$243.9 million and \$167.3 million for the years ended December 31, 2019 and 2018, respectively.

The tables below summarize our revenues, property expenses and depreciation and other amortization by various categories for the years ended December 31, 2019 and 2018. Same store properties are properties owned prior to January 1, 2018 and held as an in-service property through December 31, 2019 and developments and redevelopments that were placed in service prior to January 1, 2018. Properties which are at least 75% occupied at acquisition are placed in service, unless we anticipate the tenants to move out within the first two years of ownership. Acquisitions that are less than 75% occupied at the date of acquisition, developments and redevelopments are placed in service as they reach the earlier of a) stabilized occupancy (defined as 90% occupied), or b) one year subsequent to acquisition or development/redevelopment construction completion. Acquired properties with occupancy greater than 75% at acquisition, but with tenants that we anticipate will move out within two years of ownership, will be placed in service upon the earlier of reaching 90% occupancy or twelve months after move out. Properties are moved from the same store classification to the redevelopment classification when capital expenditures for a project are estimated to exceed 25% of the undepreciated gross book value of the property. Acquired properties are properties that were acquired subsequent to December 31, 2017 and held as an operating property through December 31, 2019. Sold properties are properties that were sold subsequent to December 31, 2017. (Re)Developments include developments and redevelopments that were not: a) substantially complete 12 months prior to January 1, 2018; or b) stabilized prior to January 1, 2018. Other revenues are derived from the operations of properties not placed in service under one of the categories discussed above, the operations of our maintenance company and other miscellaneous revenues. Other property expenses are derived from the operations of properties not placed in service under one of the categories discussed above, the operations of our maintenance company, vacant land expenses and other miscellaneous regional expenses.

During the year ended December 31, 2018, one industrial property, comprising approximately 0.1 million square feet of GLA, was taken out of service for redevelopment. As a result of taking this industrial property out of service, the results of operations were reclassified from the same store property classification to the (re)development classification. During the year ended December 31, 2018, we completed the redevelopment of this property and as of December 31, 2018, the property was 100% leased. This property will return to the same store classification in the first quarter 2020.

During the year ended December 31, 2016, one industrial property, comprising approximately 28 thousand square feet of GLA, was taken out of service due to a fire which caused complete destruction of the building. The results of this property are included in the (re)development classification. The rebuild of this property was completed during the first quarter 2019 and as of December 31, 2019, the property is 100% leased. This property will return to the same store classification in the first quarter 2021.

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

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

For the years ended December 31, 2019 and 2018, the average occupancy rates of our same store properties were 97.4% and 97.7%, respectively.

	<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
	(In thousands)			
<b>REVENUES</b>				
Same Store Properties .....	\$353,293	\$340,381	\$ 12,912	3.8%
Acquired Properties .....	9,654	2,663	6,991	262.5%
Sold Properties .....	27,262	43,706	(16,444)	(37.6)%
(Re) Developments .....	32,583	6,898	25,685	372.4%
Other .....	3,192	2,439	753	30.9%
Real Estate Tax Reimbursement (A) .....	—	7,517	(7,517)	(100.0)%
Provision for Bad Debt (B) .....	—	350	(350)	(100.0)%
Total Revenues .....	<u>\$425,984</u>	<u>\$403,954</u>	<u>\$ 22,030</u>	5.5%

- (A) Prior to the adoption of ASU 2016-02 on January 1, 2019, we included reimbursement revenue related to real estate taxes that were paid directly by certain tenants to the taxing authorities in revenues. There was a corresponding expense amount included in property expenses related to this reimbursement income. To facilitate the comparison in the above table, the reimbursement of these amounts, as well as the corresponding expense in the Property Expense table below, for the year ended December 31, 2018 has been removed from the affected categories and shown separately.
- (B) Prior to the adoption of ASU 2016-02, credit losses on lease receivables were included in property expenses. ASU 2016-02 requires credit losses on lease receivables to be netted with lease revenue. To facilitate the comparison in the above table, the provision for bad debt for the year ended December 31, 2018 has been removed from the affected categories and shown separately.



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

Revenues from same store properties increased \$12.9 million due primarily to an increase in rental rates as well as tenant recoveries. Revenues from acquired properties increased \$7.0 million due to the 19 industrial properties acquired subsequent to December 31, 2017 totaling approximately 1.6 million square feet of GLA. Revenues from sold properties decreased \$16.4 million due to the 93 industrial properties sold subsequent to December 31, 2017 totaling approximately 8.5 million square feet of GLA. Revenues from (re)developments increased \$25.7 million due to an increase in occupancy as well as tenant recoveries. Revenues from other increased \$0.8 million primarily due to the acquisition of two land sites, one during 2019 and the other in late 2018, for which we intend to develop industrial buildings in the future but currently we are leasing to tenants and collecting ground lease rent.

	<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
	(In thousands)			
<b>PROPERTY EXPENSES</b>				
Same Store Properties . . . . .	\$ 88,494	\$ 84,239	\$ 4,255	5.1%
Acquired Properties . . . . .	3,617	1,094	2,523	230.6%
Sold Properties . . . . .	8,350	12,504	(4,154)	(33.2)%
(Re) Developments . . . . .	7,711	3,692	4,019	108.9%
Other . . . . .	8,413	7,458	955	12.8%
Real Estate Tax Expense (A) . . . . .	—	7,517	(7,517)	(100.0)%
Provision for Bad Debt (B) . . . . .	—	350	(350)	(100.0)%
Total Property Expenses . . . . .	<u>\$116,585</u>	<u>\$116,854</u>	<u>\$ (269)</u>	<u>(0.2)%</u>

(A) Prior to the adoption ASU 2016-02 on January 1, 2019, we included real estate expenses that were paid directly by certain tenants to the taxing authorities within property expenses. There was a corresponding reimbursement amount included in revenues related to this reimbursement income. To facilitate the comparison in the above table, real estate taxes, as well as the corresponding reimbursement income in the preceding table, for the year ended December 31, 2018 have been removed from the affected categories and shown separately.

(B) Prior to the adoption of ASU 2016-02, credit losses on lease receivables were included in property expenses. ASU 2016-02 requires credit losses on lease receivables to be netted with lease revenue. To facilitate the comparison in the above table, the provision for bad debt for the year ended December 31, 2018 has been removed from the affected categories and shown separately.

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance and other property related expenses. Property expenses from same store properties increased \$4.3 million primarily due to an increase in real estate taxes and repairs and maintenance. Property expenses from acquired properties increased \$2.5 million due to properties acquired subsequent to December 31, 2017. Property expenses from sold properties decreased \$4.2 million due to properties sold subsequent to December 31, 2017. Property expenses from (re)developments increased \$4.0 million primarily due to the substantial completion of developments. Property expenses from other increased \$1.0 million primarily due to an increase in certain maintenance company expenses as well as an increase in real estate tax expense related to developable land.

General and administrative expense remained relatively unchanged. However, during the three months ended March 31, 2018, we incurred \$1.3 million of severance expense. The decrease in severance expense is offset by an increase in employee compensation and incentive compensation for the year ended December 31, 2019.

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

	<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
	(In thousands)			
<b>DEPRECIATION AND OTHER AMORTIZATION</b>				
Same Store Properties .....	\$ 95,584	\$ 98,518	\$(2,934)	(3.0)%
Acquired Properties .....	5,710	2,168	3,542	163.4%
Sold Properties .....	6,361	10,868	(4,507)	(41.5)%
(Re) Developments .....	12,539	3,940	8,599	218.2%
Corporate Furniture, Fixtures and Equipment and Other .....	<u>1,035</u>	<u>965</u>	<u>70</u>	7.3%
Total Depreciation and Other Amortization .....	<u>\$121,229</u>	<u>\$116,459</u>	<u>\$ 4,770</u>	4.1%

Depreciation and other amortization from same store properties decreased \$2.9 million primarily due to certain improvements becoming fully depreciated during 2018 and 2019 as well as accelerated depreciation and amortization taken during the year ended December 31, 2018 attributable to certain tenants who terminated their leases early. Depreciation and other amortization from acquired properties increased \$3.5 million due to properties acquired subsequent to December 31, 2017. Depreciation and other amortization from sold properties decreased \$4.5 million due to properties sold subsequent to December 31, 2017. Depreciation and other amortization from (re)developments increased \$8.6 million primarily due to an increase in depreciation and amortization related to completed developments. Depreciation from corporate furniture, fixtures and equipment and other remained relatively unchanged.

The impairment charge for the year ended December 31, 2018 of \$2.8 million was due to marketing a property and a land parcel for sale and our assessment of the likelihood of potential sales transaction. The property and the land parcel for which impairment was recorded were sold later during the year ended December 31, 2018.

For the year ended December 31, 2019, we recognized \$124.9 million of gain on sale of real estate related to the sale of 40 industrial properties comprising approximately 5.9 million square feet of GLA and several land parcels. For the year ended December 31, 2018, we recognized \$81.6 million of gain on sale of real estate related to the sale of 53 industrial properties comprising approximately 2.6 million square feet of GLA and several land parcels.

Interest expense decreased \$0.5 million, or 1.0%, primarily due to a decrease in the weighted average interest rate for the year ended December 31, 2019 (4.01%) as compared to the year ended December 31, 2018 (4.24%), partially offset by an increase in the weighted average debt balance outstanding for the year ended December 31, 2019 (\$1,397.6 million) as compared to the year ended December 31, 2018 (\$1,334.8 million) and a decrease in capitalized interest of \$0.1 million for the year ended December 31, 2019 as compared to the year ended December 31, 2018.

Amortization of debt issuance costs decreased \$0.2 million, or 5.5%, primarily due to the payoffs of certain mortgage loans, partially offset by the amortization of debt issuance costs related to the issuance of the 2029 II Private Placement Notes in July 2019.

Equity in income of Joint Venture of \$16.2 million includes our pro-rata share of gain related to the sale of real estate from the Joint Venture and \$4.9 million of accrued incentive fees.

For the year ended December 31, 2019, the income tax provision of \$3.4 million was primarily related to our pro-rata share of gain from the sale of real estate from the Joint Venture as well as accrued incentive fees we earned from the Joint Venture. For the year ended December 31, 2018, the income tax benefit was not significant.

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

### Comparison of Year Ended December 31, 2018 to Year Ended December 31, 2017

A discussion of changes in our results of operations between 2018 and 2017 has been omitted from this 2019 Annual Report and can be found in “Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Comparison of Year Ended December 31, 2018 to Year Ended December 31, 2017” of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

### Critical Accounting Policies

Our significant accounting policies are described in more detail in Note 2 to the consolidated financial statements. We believe the following critical accounting policies relate to the more significant judgments and estimates used in the preparation of our consolidated financial statements.

- *Acquisitions of Real Estate Assets:* We allocate the purchase price of acquired real estate, including real estate acquired as a portfolio, based upon the fair value of the assets acquired and liabilities assumed, which generally consists of land, buildings, tenant improvements, leasing commissions and intangible assets including in-place leases, above market and below market leases and below market ground lease obligations. The purchase price is allocated to the fair value of the tangible assets of an acquired property by valuing the property as if it were vacant. The determination of fair value includes the use of significant assumptions such as land comparables, discount rates, terminal capitalization rates and market rent assumptions. Above-market and below-market lease and below market ground lease obligation values are recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) our estimate of fair market lease rents for each corresponding in-place lease. The purchase price is further allocated to in-place lease values based on our evaluation of the specific characteristics of each tenant’s lease and an estimate of the lease revenue received during a reasonable lease-up period as if the property was vacant on the date of acquisition.
- *Impairment of Real Estate Assets:* We review our tangible and intangible real estate assets held for use for possible impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. The judgments regarding the existence of indicators of impairment are based on the operating performance, market conditions, as well as our ability to hold and our intent with regard to each property. The judgments regarding whether the carrying amounts of these assets may not be recoverable are based on estimates of future undiscounted cash flows from properties which include estimates of future operating performance and market conditions. If any real estate investment is considered permanently impaired, a loss is recorded to reduce the carrying value of the property to its estimated fair value. The impairment assessment and fair value measurement requires the use of estimates and assumptions related to the timing and amounts of cash flow projections, discount rates and terminal capitalization rates.

### Liquidity and Capital Resources

At December 31, 2019, our cash and cash equivalents and restricted cash were approximately \$21.1 million and \$131.6 million, respectively. Restricted cash is comprised of gross proceeds from the sales of certain industrial properties. These sale proceeds will be disbursed as we exchange industrial properties under Section 1031 of the Code. We also had \$565.4 million available for additional borrowings under our Unsecured Credit Facility as of December 31, 2019.

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS**

We have considered our short-term (through December 31, 2020) liquidity needs and the adequacy of our estimated cash flow from operations and other expected liquidity sources to meet these needs. We have \$15.3 million in mortgage loans payable outstanding at December 31, 2019 maturing prior to December 31, 2020. Historically, we have utilized various sources of capital to satisfy similar payment obligations, including borrowings under our Unsecured Credit Facility and issuances of debt and equity securities, and we expect to satisfy these payment obligations on or prior to the maturity dates using one or more of these sources of capital. With the exception of this mortgage maturity, we believe that our principal short-term liquidity needs are to fund normal recurring expenses, property acquisitions, developments, renovations, expansions and other nonrecurring capital improvements, debt service requirements, the minimum distributions required to maintain the Company’s REIT qualification under the Code and distributions approved by the Company’s Board of Directors. We anticipate that these needs will be met with cash flows provided by operating activities as well as the disposition of select assets. These needs may also be met by the issuance of additional equity or debt securities or long-term unsecured indebtedness, subject to market conditions and contractual restrictions or borrowings under our Unsecured Credit Facility.

We expect to meet long-term (after December 31, 2020) liquidity requirements such as property acquisitions, developments, scheduled debt maturities, major renovations, expansions and other nonrecurring capital improvements through long-term unsecured and secured indebtedness, the disposition of select assets and the issuance of additional equity or debt securities, subject to market conditions.

As of February 12, 2020 we had approximately \$596.4 million available for additional borrowings under our Unsecured Credit Facility. Our Unsecured Credit Facility contains certain financial covenants including limitations on incurrence of debt and debt service coverage. Our access to borrowings may be limited if we fail to meet any of these covenants. We believe that we were in compliance with our financial covenants as of December 31, 2019, and we anticipate that we will be able to operate in compliance with our financial covenants in 2020.

As of December 31, 2019, our senior unsecured notes have been assigned credit ratings from Standard & Poor’s, Moody’s and Fitch Ratings of BBB/Stable, Baa2/Stable and BBB/Stable, respectively. A securities rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal at any time by the rating organization. In the event of a downgrade, we believe we would continue to have access to sufficient capital; however, our cost of borrowing would increase and our ability to access certain financial markets may be limited.

***Cash Flow Activity***

The following table summarizes our cash flow activity for the Company for the years ended December 31, 2019 and 2018:

	<b>Year Ended December 31,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(In thousands)</b>	
Net cash provided by operating activities . . . . .	\$ 245,533	\$ 210,495
Net cash used in investing activities . . . . .	(205,386)	(223,398)
Net cash provided by financing activities . . . . .	62,198	16,794

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

The following table summarizes our cash flow activity for the Operating Partnership for the years ended December 31, 2019 and 2018:

	<b>Year Ended December 31,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(In thousands)</b>	
Net cash provided by operating activities . . . . .	\$ 245,620	\$ 210,505
Net cash used in investing activities . . . . .	(205,386)	(223,398)
Net cash provided by financing activities . . . . .	62,111	16,784

Changes in cash flow for the year ended December 31, 2019, compared to the prior year are described as follows:

*Operating Activities:* Cash provided by operating activities increased \$35.0 million for the Company (increased by \$35.1 million for the Operating Partnership), primarily due to the following:

- increase in NOI from same store properties, acquired properties, and recently developed properties of \$34.8 million, offset by decreases in NOI due to property disposals for a net total increase of approximately \$12.3 million;
- increase in distributions from our Joint Venture of \$16.0 million in 2019 as compared to 2018; and
- increase in accounts payable, accrued expenses, other liabilities, rents received in advance and security deposits partially offset by an increase in tenant accounts receivable, prepaid expenses and other assets due to timing of cash payments and cash receipts.

*Investing Activities:* Cash used in investing activities decreased \$18.0 million, primarily due to the following:

- increase of \$69.6 million in net proceeds received from the disposition of real estate in 2019 as compared to 2018; and
- decrease of \$31.9 million related to net contributions made to our Joint Venture in 2019 as compared to 2018; offset by:
- an aggregate increase of \$65.1 million related to the acquisition and development of real estate as well as payments for improvements and leasing commissions in 2019 as compared to 2018; and
- increase of \$21.8 million in escrow balances.

*Financing Activities:* Cash provided by financing activities increased \$45.4 million for the Company (increased \$45.3 million for the Operating Partnership), primarily due to the following:

- increase in net proceeds of our Unsecured Credit Facility of \$302.5 million; and
- decrease in repayments of mortgage loans payable of \$42.4 million; offset by:
- decrease of \$150.0 million related to the issuance of Private Placement Notes in 2019 compared to 2018;
- decrease of \$145.6 million related to the proceeds received from the issuance of common stock in an underwritten public offering during 2018; and
- increase in dividend and unit distributions of \$7.6 million due to the Company raising the dividend rate in 2019.

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

***Contractual Obligations and Commitments***

The following table lists our contractual obligations and commitments as of December 31, 2019:

	Total	Payments Due by Period (In thousands)			
		Less Than 1 Year	1-3 Years	3-5 Years	Over 5 Years
Rent Payments Due on Operating and Ground Leases . . .	\$ 71,537	\$ 2,321	\$ 4,527	\$ 3,982	\$ 60,707
Real Estate Development Costs(A)(B) . . . . .	118,000	118,000	—	—	—
Long Term Debt . . . . .	1,490,931	19,813	762,248	656	708,214
Interest Expense on Long Term Debt(A)(C) . . . . .	313,541	51,695	81,754	60,911	119,181
Unsecured Credit Facility(D) . . . . .	2,015	1,106	909	—	—
Total . . . . .	<u>\$1,996,024</u>	<u>\$192,935</u>	<u>\$849,438</u>	<u>\$65,549</u>	<u>\$888,102</u>

(A) Not on balance sheet.

(B) Represents estimated remaining payments on the completion of development projects under construction. Estimated remaining costs include all costs necessary to place the properties into service and could extend beyond one year.

(C) Includes interest expense on our unsecured term loans, inclusive of the impact of interest rate swaps which effectively swap the variable interest rate to a fixed interest rate. Excludes interest expense on our Unsecured Credit Facility.

(D) Represents fees on our Unsecured Credit Facility which has a contractual maturity in October 2021.

***Off-Balance Sheet Arrangements***

At December 31, 2019, we had letters of credit and performance bonds outstanding amounting to \$11.8 million in the aggregate. The letters of credit and performance bonds are not reflected as liabilities on our balance sheet. We have no other off-balance sheet arrangements, as defined in Item 303 of Regulation S-K, other than those disclosed on the Contractual Obligations and Commitments table above that have or are reasonably likely to have a current or future effect on our financial condition, results of operation or liquidity and capital resources.

***Environmental***

We paid approximately \$0.3 million and \$0.4 million during the years ended December 31, 2019 and 2018, respectively, related to environmental expenditures. We estimate 2020 expenditures of approximately \$0.3 million. We estimate that the aggregate expenditures which need to be expended in 2020 and beyond with regard to currently identified environmental issues will not exceed approximately \$1.3 million.

***Inflation***

For the last several years, inflation has not had a significant impact on us because of the relatively low inflation rates in our markets of operation. Most of our leases require the tenants to pay their share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation. In addition, our leases have a weighted average lease length of 7.1 years which may enable us to replace existing leases with new leases at higher base rentals if rents of existing leases are below the then-existing market rate.

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

### *Market Risk*

The following discussion about our risk-management activities includes “forward-looking statements” that involve risk and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. Our business subjects us to market risk from interest rates, as described below.

### *Interest Rate Risk*

The following analysis presents the hypothetical gain or loss in earnings, cash flows or fair value of the financial instruments and derivative instruments which are held by us at December 31, 2019 that are sensitive to changes in interest rates. While this analysis may have some use as a benchmark, it should not be viewed as a forecast.

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

At December 31, 2019, \$1,332.9 million or 89.4% of our total debt, excluding unamortized debt issuance costs, was fixed rate debt. This includes \$460.0 million of variable-rate debt that has been effectively swapped to a fixed rate through the use of derivative instruments. As of the same date, \$158.0 million or 10.6% of our total debt, excluding unamortized debt issuance costs, was variable rate debt. At December 31, 2018, 100.0% of our total debt was fixed rate debt. This included \$460.0 million of variable-rate debt that had been effectively swapped to a fixed rate through the use of derivative instruments.

For fixed rate debt, changes in interest rates generally affect the fair value of the debt, but not our earnings or cash flows. Conversely, for variable rate debt, changes in the base interest rate used to calculate the all-in interest rate generally do not impact the fair value of the debt, but would affect our future earnings and cash flows. The interest rate risk and changes in fair market value of fixed rate debt generally do not have a significant impact on us until we are required to refinance such debt. See Note 4 to the Consolidated Financial Statements for a discussion of the maturity dates of our various fixed rate debt.

Our variable rate debt is subject to risk based upon prevailing market interest rates. If the LIBOR rates relevant to our variable rate debt were to have increased 10%, we estimate that our interest expense during the years ended December 31, 2019 and 2018 would have increased by approximately \$0.23 million and \$0.07 million, respectively, based on our average outstanding floating-rate debt during the years ended December 31, 2019 and 2018. Additionally, if weighted average interest rates on our fixed rate debt were to have increased by 10% due to refinancing, interest expense would have increased by approximately \$5.3 million and \$5.6 million during the years ended December 31, 2019 and 2018.

As of December 31, 2019 and 2018, the estimated fair value of our debt was approximately \$1,554.7 million and \$1,312.4 million, respectively, based on our estimate of the then-current market interest rates.

The use of derivative financial instruments allows us to manage risks of increases in interest rates with respect to the effect these fluctuations would have on our earnings and cash flows. As of December 31, 2019 and 2018, we had derivative instruments with a notional aggregate amount outstanding of \$460.0 million which mitigate our exposure to our unsecured term loans' variable interest rates, which are based upon LIBOR (the “Term Loan Swaps”). Additionally, during December 2018 in anticipation of issuing long term debt in the future, we entered into two treasury locks (the “2018 Treasury Locks”) with an aggregate notional value of \$100.0 million to manage our exposure to changes in the ten-year U.S. Treasury rate. During April 2019, we paid \$3.1 million to settle the 2018 Treasury Locks with our counterparties. The 2018 Treasury Locks fixed the

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

ten-year U.S. Treasury rate at a weighted average of 2.93%. We designated both the Term Loan Swaps and the 2018 Treasury Locks as cash flow hedges. See Note 12 to the Consolidated Financial Statements for a more detailed discussion of these derivative instruments. Currently, we do not enter into financial instruments for trading or other speculative purposes.

### **Supplemental Earnings Measure**

Investors in and industry analysts following the real estate industry utilize funds from operations (“FFO”) and net operating income (“NOI”) as supplemental operating performance measures of an equity REIT. Historical cost accounting for real estate assets in accordance with accounting principles generally accepted in the United States of America (“GAAP”) implicitly assumes that the value of real estate assets diminishes predictably over time through depreciation. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors prefer to supplement operating results that use historical cost accounting with measures such as FFO and NOI, among others. We provide information related to FFO and same store NOI (“SS NOI”) both because such industry analysts are interested in such information, and because our management believes FFO and SS NOI are important performance measures. FFO and SS NOI are factors used by management in measuring our performance, including for purposes of determining the compensation of our executive officers under our 2019 incentive compensation plan.

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

### ***Funds From Operations***

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

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



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

The following table shows a reconciliation of net income available to common stockholders and participating securities to the calculation of FFO available to common stockholders and participating securities as follows:

	Year Ended December 31,				
	2019	2018	2017	2016	2015
	(In thousands)				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities .....	\$ 238,775	\$163,239	\$ 201,456	\$121,232	\$ 73,802
Adjustments:					
Depreciation and Other Amortization of Real Estate ..	120,516	115,659	115,617	116,506	113,126
Equity in Depreciation and Other Amortization of Joint Ventures .....	—	—	—	—	17
Impairment of Real Estate (A) .....	—	2,285	—	—	626
Gain on Sale of Real Estate (A) .....	(124,942)	(80,909)	(131,058)	(68,202)	(44,022)
Gain on Sale Real Estate from Joint Ventures (A) ....	(16,714)	—	—	—	(63)
Income Tax Provision—Gain on Sale of Real Estate from Joint Venture .....	3,095	—	—	—	—
Noncontrolling Interest Share of Adjustments .....	406	(883)	481	(1,725)	(2,645)
Funds from Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities .....	<u>\$ 221,136</u>	<u>\$199,391</u>	<u>\$ 186,496</u>	<u>\$167,811</u>	<u>\$140,841</u>

(A) In December 2018, NAREIT issued a white paper restating the definition of FFO. The restated definition provides an option to include or exclude gains and losses as well as impairment of non-depreciable real estate if the sales are deemed incidental. Prior to January 1, 2019, we included gains and losses on sales and impairment of our non-depreciable real estate in our calculation of NAREIT FFO. On January 1, 2019 we adopted the restated definition of NAREIT FFO on a prospective basis and now exclude gains and losses on sales and impairment of our non-depreciable real estate that we deem incidental.

***Same Store Net Operating Income***

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

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

The following table shows a reconciliation of the same store revenues and property expenses disclosed in the results of operations (and reconciled to revenues and expenses reflected on the statements of operations) to SS NOI for the years ended December 31, 2019 and 2018.

	<u>Year Ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
	(In thousands)	
Same Store Revenues .....	\$353,293	\$340,381
Same Store Property Expenses .....	<u>88,494</u>	<u>84,239</u>
Same Store Net Operating Income Before Same Store Adjustments .....	\$264,799	\$256,142
Same Store Adjustments:		
Straight-line Rent .....	301	727
Above (Below) Market Lease Amortization .....	(1,027)	(1,013)
Lease Termination Fees .....	<u>(1,575)</u>	<u>(1,183)</u>
Same Store Net Operating Income .....	<u>\$262,498</u>	<u>\$254,673</u>

## RISK FACTORS

Our operations involve various risks that could adversely affect our business, including our financial condition, our results of operations, our cash flow, our liquidity, our ability to make distributions to holders of the Company's common stock and the Operating Partnership's Units, the market price of the Company's common stock and the market value of the Units. These risks, among others contained in our other filings with the SEC, include:

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

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

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

***Real estate investments fluctuate in value depending on conditions in the general economy and the real estate industry. These conditions may limit our revenues and available cash.***

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

- general economic conditions;
- local, regional, national and international economic conditions and other events and occurrences that affect the markets in which we own properties;
- local conditions such as oversupply or a reduction in demand in an area;
- increasing labor and material costs;
- the ability to collect on a timely basis all rents from tenants;
- changes in tenant operations, real estate needs and credit;
- changes in interest rates and in the availability, cost and terms of mortgage funding;
- zoning or other regulatory restrictions;
- competition from other available real estate;
- operating costs, including maintenance, insurance premiums and real estate taxes; and
- other factors that are beyond our control.

## RISK FACTORS

Our investments in real estate assets are concentrated in the industrial sector, and the demand for industrial space in the United States is related to the level of economic output. Accordingly, reduced economic output may lead to lower occupancy rates for our properties. In addition, if any of our tenants experiences a downturn in its business that weakens its financial condition, delays lease commencement, fails to make rental payments when due, becomes insolvent or declares bankruptcy, the result could be a termination of the tenant's lease, which could adversely affect our cash flow from operations. These factors may be amplified by a disruption of financial markets or more general economic conditions.

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

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

***We may be unable to renew leases or find other tenants on advantageous terms or at all.***

We are subject to the risks that, upon expiration, leases may not be renewed, the space subject to such leases may not be relet or the terms of renewal or reletting, including the cost of required renovations, may be less favorable than the expiring lease terms. If we were unable to promptly renew a significant number of expiring leases or to promptly relet the spaces covered by such leases, or if the rental rates upon renewal or reletting were significantly lower than the current rates, our financial condition, results of operation, cash flow and ability to make distributions to our stockholders and unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected.

***We may be unable to acquire properties on advantageous terms or acquisitions may not perform as we expect.***

We have routinely acquired properties from third parties as conditions warrant and, as part of our business, we intend to continue to do so. The acquisition of properties entails various risks, including risks that our investments may not perform as expected and that our cost estimates for bringing an acquired property up to market standards, if necessary, may prove inaccurate. Further, we face significant competition for attractive investment opportunities from other well-capitalized real estate investors, including publicly-traded REITs and private investors. This competition increases as investments in real estate become attractive relative to other forms of investment. As a result of competition, we may be unable to acquire additional properties and purchase prices may increase. In addition, we expect to finance future acquisitions through a combination of borrowings under the Unsecured Credit Facility, proceeds from equity or debt offerings and debt originations and proceeds from property sales, which may not be available. Any of the above risks could adversely affect our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and unitholders, the market price of the Company's common stock and the market value of the Units.

***We may obtain only limited warranties when we purchase a property and would have only limited recourse in the event our due diligence did not identify any issues that lower the value of our property.***

The seller of a property often sells such property in its "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. The purchase of properties with limited warranties increases the risk that we may lose some or all of our invested capital in the property as well as the loss of rental income from that property.

## RISK FACTORS

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

Real estate investments generally cannot be sold quickly, which could limit our ability to adjust our property portfolio in response to changes in economic conditions or in the performance of the portfolio. This could adversely affect our financial condition and our ability to service debt and make distributions to our stockholders and unitholders. In addition, like other companies qualifying as REITs under the Code, our ability to sell assets may be restricted by tax laws that potentially result in punitive taxation on asset sales that fail to meet certain safe harbor rules or other criteria established under case law.

***We may be unable to sell properties on advantageous terms.***

We have routinely sold properties to third parties as conditions warrant and, as part of our business, we intend to continue to do so. However, our ability to sell properties on advantageous terms depends on factors beyond our control, including competition from other sellers and the availability of attractive financing for potential buyers. If we are unable to sell properties on favorable terms or to redeploy the proceeds in accordance with our business strategy, then our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected. Further, if we sell properties by providing financing to purchasers, defaults by the purchasers would adversely affect our operations and financial condition.

***We may be unable to complete development and re-development projects on advantageous terms.***

As part of our business, we develop new properties and re-develop existing properties as conditions warrant. This part of our business involves significant risks, including the following:

- we may not be able to obtain financing for these projects on favorable terms;
- we may not complete construction on schedule or within budget;
- we may not be able to obtain, or may experience delays in obtaining, all necessary zoning, land-use, building, occupancy and other governmental permits and authorizations;
- contractor and subcontractor disputes, strikes, labor disputes or supply chain disruptions may occur; and
- properties may perform below anticipated levels, producing cash flow below budgeted amounts, which may result in us paying too much for a property, cause the property to not be profitable and limit our ability to sell such properties to third parties.

To the extent these risks result in increased debt service expense, construction costs and delays in budgeted leasing, they could adversely affect our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and unitholders, the market price of the Company's common stock and the market value of the Units.

***We own certain properties subject to ground leases that expose us to the loss of such property upon breach or termination of the ground lease.***

We own the building and improvements and lease the land underlying the improvements under several long-term ground leases. We could lose our interests in the properties if the ground leases are breached by us, terminated or lapse. As we get closer to the lease termination dates, the values of the properties could decrease without an extension in place. Certain of these ground leases have payments subject to annual escalations and/or periodic fair market value adjustments which could adversely affect our financial condition or results of operations.

## RISK FACTORS

***The Company might fail to qualify as a REIT under existing laws and/or federal income tax laws could change.***

The Company intends to operate so as to qualify as a REIT under the Code, and we believe that the Company is organized and will operate in a manner that allows us to continue to do so. However, qualification as a REIT involves the satisfaction of numerous requirements, some of which must be met on a recurring basis. These requirements are established under highly technical and complex Code provisions. There are only limited judicial and administrative interpretations of these provisions, and they involve the determination of various factual matters and circumstances not entirely within our control.

If the Company were to fail to qualify as a REIT in any taxable year, the Company would be subject to federal income tax at corporate rates. This could result in a discontinuation or substantial reduction in distributions to our stockholders and unitholders, could reduce the cash available to pay interest and principal on debt securities and make further investments in real estate. Unless entitled to relief under certain statutory provisions, the Company would be disqualified from electing treatment as a REIT for the four taxable years following the year during which the Company failed to qualify.

The IRS, the United States Treasury Department and Congress frequently review federal income tax legislation, and we cannot predict whether, when or to what extent new federal laws, regulations, interpretations or rulings will be adopted. Additional changes to tax laws are likely to continue to occur in the future and any such legislative action may prospectively or retroactively modify the Company's tax treatment and therefore, may adversely affect taxation of us and/or our stockholders and unitholders. Any such changes could have an adverse effect on an investment in shares or on the market value or the resale potential of our properties. Stockholders and unitholders are urged to consult with their own tax advisor with respect to the impact of recent legislation, the status of legislative, regulatory, or administrative developments and proposals, and their potential effect on ownership of our shares.

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

As part of our business, we sell properties to third parties as opportunities arise. Under the Code, a 100% penalty tax could be assessed on the tax gain recognized from sales of properties that are deemed to be prohibited transactions. The question of what constitutes a prohibited transaction is based on the facts and circumstances surrounding each transaction. The IRS could contend that certain sales of properties by us are prohibited transactions. While we have implemented controls to avoid prohibited transactions, if a dispute were to arise that was successfully argued by the IRS, the 100% penalty tax could be assessed against the Company's profits from these transactions.

***The REIT distribution requirements may limit our ability to retain capital and require us to turn to external financing sources.***

As a REIT, the Company must distribute to its stockholders at least 90% of its taxable income (determined without regard to the dividends-paid deduction and by excluding any net capital gain) to our stockholders each year and we may be subject to tax to the extent our taxable income is not fully distributed. The Company could, in certain instances, have taxable income without sufficient cash to enable it to meet this requirement. In that situation, we could be required to borrow funds or sell properties on adverse terms in order to do so. The distribution requirement could also limit our ability to accumulate capital to provide capital resources for our ongoing business, and to satisfy our debt repayment obligations and other liquidity needs, we may be more dependent on outside sources of financing, such as debt financing or issuances of additional capital stock, which may or may not be available on favorable terms. Additional debt financings may substantially increase our leverage and additional equity offerings may result in substantial dilution of stockholders' and unitholders' interests.

## RISK FACTORS

### *We may pay some taxes.*

Even if we qualify as a REIT for U.S. federal income tax purposes, we may be subject to federal, state and local taxes on our income and property. From time to time changes in state and local tax laws or regulations are enacted, which may result in an increase in our tax liability. A shortfall in tax revenues for states and municipalities in which we operate may lead to an increase in the frequency and amount of such increase. These actions could adversely affect our financial condition and results of operations. In addition, our TRSs will be subject to federal, state and local income tax for income received.

In the normal course of business, certain of our legal entities have undergone tax audits and may undergo audits in the future. There can be no assurance that future audits will not occur with increased frequency or that the ultimate result of such audits will not have a material adverse effect on our results of operations.

### *Failure to hedge effectively against interest rate changes may adversely affect our results of operations.*

In the normal course of business, we use derivatives to manage our exposure to interest rate volatility on debt instruments, including hedging for future debt issuances. At other times we may utilize derivatives to increase our exposure to floating interest rates. There can be no assurance that these hedging arrangements will have the desired beneficial impact. These arrangements, which can include a number of counterparties, may expose us to additional risks, including failure of any of our counterparties to perform under these contracts, and may involve extensive costs, such as transaction fees or breakage costs, if we terminate them. Hedging may reduce the overall returns on our investments, which could reduce our cash available for distribution to our stockholders and unitholders. Failure to hedge effectively against interest rate changes may materially adversely affect our financial condition, results of operations and cash flow. No strategy can completely insulate us from the risks associated with interest rate fluctuations.

We have adopted a practice relating to the use of derivative financial instruments which requires the Company's Board of Directors to authorize our use of derivative financial instruments to fix the interest rate on anticipated offerings of unsecured debt and to manage the interest rates on our variable rate borrowings. Our practice is that we do not use derivatives for speculative or trading purposes and intend only to enter into contracts with major financial institutions based on their credit rating and other factors, but the Company's Board of Directors may choose to change these practices in the future.

### *Debt financing, the degree of leverage and rising interest rates could reduce our cash flow.*

We use debt to increase the rate of return to our stockholders and unitholders and to allow us to make more investments than we otherwise could. Our use of leverage presents an additional element of risk in the event that the cash flow from our properties is insufficient to meet both debt payment obligations and the distribution requirements of the REIT provisions of the Code. In addition, rising interest rates would reduce our cash flow by increasing the amount of interest due on our floating rate debt and on our fixed rate debt as it matures and is refinanced. Our organizational documents do not contain any limitation on the amount or percentage of indebtedness we may incur.

In July 2017, the Financial Conduct Authority announced it intended to stop compelling banks to submit rates for the calculation of LIBOR after 2021. As a result, in the U.S., the Federal Reserve Board and the Federal Reserve Bank of New York identified the Secured Overnight Financing Rate as its preferred alternative rate for USD LIBOR in debt and derivative financial instruments. Our revolving credit facility, our unsecured term loans and related interest rate swaps are indexed to LIBOR. Our loan documents contain provisions that contemplate alternative methods to determine the base rate applicable to our LIBOR-indexed debt to the extent LIBOR-indexed rates are not available. Additionally, no mandatory prepayment or redemption provisions would be

## RISK FACTORS

triggered under our loan documents in the event that the LIBOR-indexed rates are not available. If our debt agreements and derivative contracts are not transitioned to a preferred alternative rate and LIBOR-indexed rates are discontinued or if the methods of calculating the rates change, interest rates on our current or future indebtedness may be adversely affected. While we currently expect LIBOR-indexed rates to be available until the end of 2021, it is possible that they will become unavailable prior to that time. We anticipate managing the transition to a preferred alternative rate using the language set out in our agreements however future market conditions may not allow immediate implementation of desired modifications and we may incur significant associated costs in doing so. We will continue to monitor and evaluate the potential impact on our debt payments and value of our related debt, however, we are not able to predict when LIBOR-indexed rates will cease to be available.

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

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

Upon the occurrence of an event of default, we would be subject to higher finance costs and fees, and the lenders under our Unsecured Credit Facility will not be required to lend any additional amounts to us. In addition, our indebtedness, together with accrued and unpaid interest and fees, could be accelerated and declared to be immediately due and payable. Furthermore, our Unsecured Credit Facility, our unsecured term loans and the indentures governing our senior unsecured notes contain certain cross-default provisions that may be triggered in the event that our other material indebtedness is in default. These cross-default provisions may require us to repay or restructure our Unsecured Credit Facility, our unsecured term loans or our senior unsecured notes (which includes our private placement notes), depending on which is in default, and such restructuring could adversely affect our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and unitholders, the market price of the Company's common stock and the market value of the Units. If repayment of any of our indebtedness is accelerated, we cannot provide assurance that we would be able to borrow sufficient funds to refinance such indebtedness or that we would be able to sell sufficient assets to repay such indebtedness. Even if we were able to obtain new financing, it may not be on commercially reasonable terms, or terms that are acceptable to us.

### *We may have to make lump-sum payments on our existing indebtedness.*

We are required to make lump-sum or "balloon" payments under the terms of some of our indebtedness. Our ability to make required payments of principal on outstanding indebtedness, whether at maturity or otherwise, may depend on our ability to refinance the applicable indebtedness or to sell properties. Currently, we have no commitments to refinance any of our indebtedness.



## **RISK FACTORS**

### ***Our mortgages may impact our ability to sell encumbered properties on advantageous terms or at all.***

Certain of our mortgages contain, and some future mortgages may contain, substantial prepayment premiums that we would have to pay upon the sale of a property, thereby reducing the net proceeds to us from the sale of any such property. As a result, our willingness to sell certain properties and the price at which we may desire to sell a property may be impacted. If we are unable to sell properties on favorable terms or redeploy the proceeds of property sales in accordance with our business strategy, then our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected.

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

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

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

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

### ***We may become subject to litigation.***

We may become subject to litigation, including claims relating to our operations, offerings, and otherwise in the ordinary course of business. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. Resolution of these types of matters could adversely impact our financial condition, results of operations and cash flow. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, which could adversely impact our results of operations and cash flows, expose us to increased risks that would be uninsured, and/or adversely impact our ability to attract officers and directors.

## RISK FACTORS

### *We may incur unanticipated costs and liabilities due to environmental problems.*

Under various federal, state and local laws, ordinances and regulations, we may, as a current or previous owner, developer or operator of real estate, be liable for the costs of clean-up of certain conditions relating to the presence of hazardous or toxic materials on, in or emanating from a property and any related damages to natural resources. Environmental laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of hazardous or toxic materials. The presence of such materials, or the failure to address those conditions properly, may adversely affect our ability to rent or sell a property or to borrow using a property as collateral. The disposal or treatment of hazardous or toxic materials, or the arrangement of such disposal or treatment, may cause us to be liable for the costs of clean-up of such materials or for related natural resource damages occurring at or emanating from an off-site disposal or treatment facility, whether or not the facility is owned or operated by us. No assurance can be given that existing environmental assessments with respect to any of our properties reveal all environmental liabilities, that any prior owner or operator of any of our properties did not create any material environmental condition not known to us or that a material environmental condition does not otherwise exist as to any of our properties. Moreover, there can be no assurance that (i) changes to existing laws, ordinances or regulations will not impose any material environmental liability or (ii) the current environmental condition of our properties will not be affected by customers, by the condition of land or operations in the vicinity of our properties (such as releases from underground storage tanks), or by third parties unrelated to us.

All of our properties were subject to a Phase I or similar environmental assessment by independent environmental consultants at the time of acquisition. Phase I assessments are intended to discover and evaluate information regarding the environmental condition of the surveyed property and surrounding properties. Phase I assessments generally include a historical review, a public records review, an investigation of the surveyed site and surrounding properties, and preparation and issuance of a written report, but do not include soil sampling or subsurface investigations and typically do not include an asbestos survey. While some of these assessments have led to further investigation and sampling, none of our environmental assessments of our properties have revealed an environmental liability that we believe would have a material adverse effect on our business, financial condition or results of operations taken as a whole. However, we cannot give any assurance that such conditions do not exist or may not arise in the future. Material environmental conditions, liabilities or compliance concerns may arise after the environmental assessment has been completed.

Environmental laws in the U.S. also require that owners or operators of buildings containing asbestos properly manage and maintain the asbestos, adequately inform or train those who may come into contact with asbestos and undertake special precautions, including removal or other abatement, in the event that asbestos is disturbed during building renovation or demolition. These laws may impose fines and penalties on building owners or operators who fail to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos. Some of our properties may contain asbestos-containing building materials.

We invest in properties historically used for industrial, manufacturing and commercial purposes. Some of these properties contain, or may have contained, underground storage tanks for the storage of petroleum products and other hazardous or toxic substances. All of these operations create a potential for the release of petroleum products or other hazardous or toxic substances. Some of our properties are adjacent to or near other properties that may have contained or currently contain underground storage tanks used to store petroleum products, or other hazardous or toxic substances. In addition, previous or current occupants of our properties and adjacent properties may have engaged, or may in the future engage, in activities that may release petroleum products or other hazardous or toxic substances.

We have a portfolio environmental insurance policy that provides coverage for potential environmental liabilities, subject to the policy's coverage conditions and limitations, for most of our properties. From time to

## RISK FACTORS

time, we may acquire properties or interests in properties, with known adverse environmental conditions where we believe that the environmental liabilities associated with these conditions are quantifiable and that the acquisition will yield a superior risk-adjusted return. In such an instance, we underwrite the costs of environmental investigation, clean-up and monitoring into the cost. Further, in connection with property dispositions, we may agree to remain responsible for, and to bear the cost of, remediating or monitoring certain environmental conditions on the properties.

### *We are exposed to the potential impacts of future climate change.*

We are exposed to potential physical risks from possible future changes in climate. Our properties may be exposed to rare catastrophic weather events, such as severe storms or floods. If the frequency of extreme weather events increases, our exposure to these events could increase. We do not currently consider ourselves to be exposed to regulatory risks related to climate change, as the operation of our buildings typically does not generate a significant amount of greenhouse gas emissions. However, we may be adversely impacted as a real estate owner, manager and developer in the future by potential impacts to the supply chain or stricter energy efficiency standards or greenhouse gas regulations for the commercial building sectors. We cannot give any assurance that other such conditions do not exist or may not arise in the future. The potential impacts of future climate change on our real estate properties could adversely affect our ability to lease, develop or sell such properties or to borrow using such properties as collateral.

### *Our insurance coverage does not include all potential losses.*

Real property is subject to casualty risk including damage, destruction, or loss resulting from events that are unusual, sudden and unexpected. Some of our properties are located in areas where casualty risk is higher due to earthquake, wind, wildfire and/or flood risk. We carry comprehensive insurance coverage to mitigate our casualty risk, in amounts and of a kind that we believe are appropriate for the markets where each of our properties and their business operations are located. Among other coverage, we carry property, boiler and machinery, general liability, cyber liability, fire, flood, terrorism, earthquake, extended coverage and rental loss insurance. Our coverage includes policy specifications and limits customarily carried for similar properties and business activities. We evaluate our level of insurance coverage and deductibles using analysis and modeling, as is customary in our industry. However, we do not insure against all types of casualty, and we may not fully insure against certain perils such as earthquake and cyber risk, either because coverage is not available or because we do not deem it to be economically feasible or prudent to do so. As a result, we could experience a significant loss of capital or revenues, and be exposed to obligations under recourse debt associated with a property. This could occur due to an uninsured or high deductible loss, a loss in excess of insured limits, or a loss not paid due to insurer insolvency.

### *We may incur significant costs complying with various federal, state and local laws, regulations and covenants that are applicable to our properties and, in particular, costs associated with complying with regulations such as the Americans with Disabilities Act of 1990 (the "ADA") may result in unanticipated expenses.*

The properties in our portfolio are subject to various covenants and U.S. federal, state and local laws and regulatory requirements, including permitting and licensing requirements. Local regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers may restrict our use of our properties and may require us to obtain approval from local officials or restrict our use of our properties and may require us to obtain approval from local officials of community standards organizations at any time with respect to our properties, including prior to acquiring a property or when undertaking renovations of any of our existing properties. Among other things, these restrictions may relate to fire and safety, seismic or hazardous material abatement requirements. There can be no assurance that existing laws and regulatory policies

## RISK FACTORS

will not adversely affect us or the timing or cost of any future acquisitions or renovations, or that additional regulation will not be adopted that increase such delays or result in additional costs. Our growth strategy may be affected by our ability to obtain permits, licenses and zoning relief. Our failure to obtain such permits, licenses and zoning relief or to comply with applicable laws could have an adverse effect on our financial condition, results of operations and cash flow.

In addition, under the ADA, all places of public accommodation are required to meet certain U.S. federal requirements related to access and use by disabled persons. Noncompliance with the ADA could result in an order to correct any non-complying feature, which could result in substantial capital expenditures. We do not conduct audits or investigations of all of these properties to determine their compliance and we cannot predict the ultimate cost of compliance with the ADA, or other legislation. If one or more of our properties in which we invest is not in compliance with the ADA, or other legislation, then we would be required to incur additional costs to bring the property into compliance. If we incur substantial costs to comply with the ADA or other legislation, our financial condition, results of operations, cash flow, our ability to satisfy debt service obligations and to make distributions to our stockholders and unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected.

***Terrorist attacks and other acts of violence or war may affect the market for the Company's common stock, the industry in which we conduct our operations and our profitability.***

Acts of violence, including terrorist attacks could occur in the localities in which we conduct business. More generally, these events could cause consumer confidence and spending to decrease or result in increased volatility in the worldwide financial markets and economy. These attacks or armed conflicts may adversely impact our operations or financial condition. In addition, losses resulting from these types of events may be uninsurable.

***We face risks relating to cybersecurity attacks that could cause loss of confidential information and other business disruptions.***

We rely extensively on computer systems to manage our business, and our business is at risk from and may be impacted by cybersecurity attacks and security breaches. These could include attempts to gain unauthorized access to our data and computer systems through malware, computer viruses, attachments to e-mails, persons inside our Company or persons with access to systems inside our Company, and other significant disruptions of our information technology networks and related systems.

The risk of a cybersecurity breach or disruption, particularly through a cyber-incident, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Although we employ a number of measures to prevent, detect and mitigate these threats, which include password protection, frequent password change events, firewall detection systems, frequent backups, a redundant data system for core applications, periodic cyber dwelling reviews and annual penetration testing, even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed to not be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk.

Moreover, although we maintain some of our own critical information technology systems, we also depend on third parties to provide important information technology services relating to, for instance, payroll, electronic communications and certain finance functions. The security measures employed by such third party service providers may prove to be ineffective at preventing breaches of their systems.

## RISK FACTORS

A successful cybersecurity attack could, among other things:

- compromise the confidential information of our employees, tenants and vendors;
- disrupt the proper functioning of our networks and systems, and therefore our operations and/or those of certain of our tenants;
- result in our inability to maintain the building systems relied upon by our tenants for the efficient use of their leased space;
- result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of proprietary, confidential, sensitive or otherwise valuable information of ours or others, which others could use to compete against us or for disruptive, destructive or otherwise harmful purposes and outcomes;
- result in misstated financial reports, violations of loan covenants and/or missed reporting deadlines;
- result in our inability to properly monitor our compliance with the rules and regulations regarding our qualification as a REIT;
- require significant management attention and resources to remedy any damages that result;
- subject us to claims for breach of contract, damages, credits, penalties or termination of leases or other agreements; or
- damage our reputation among our tenants, investors and associates.

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

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

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

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

### ***The Company is authorized to issue preferred stock. The issuance of preferred stock could adversely affect the holders of the Company's common stock issued pursuant to its public offerings.***

Our declaration of trust authorizes the Company to issue 225,000,000 common shares and 10,000,000 shares designated as preferred stock. Subject to approval by the Company's Board of Directors, the Company may issue preferred stock with rights, preferences and privileges that are more beneficial than the rights, preferences and privileges of its common stock. Holders of the Company's common stock do not have

## RISK FACTORS

preemptive rights to acquire any shares issued by the Company in the future. If the Company ever creates and issues preferred stock with a distribution preference over common stock, payment of any distribution preferences on outstanding preferred stock would reduce the amount of funds available for the payment of distributions to our common stockholders and unitholders. In addition, holders of preferred stock are normally entitled to receive a preference payment in the event of liquidation, dissolution or winding up before any payment is made to our common stockholders, which would reduce the amount our common stockholders and unitholders, might otherwise receive upon such an occurrence. Also, under certain circumstances, the issuance of preferred stock may have the effect of delaying or preventing a change in control of the Company.

***The Company's Board of Directors may change its strategies, policies or procedures without stockholder approval, which may subject us to different and more significant risks in the future.***

Our investment, financing, leverage and distribution policies and our policies with respect to all other activities, including growth, debt, capitalization and operations, are determined by the Company's Board of Directors. These policies may be amended or revised at any time and from time to time at the discretion of the Company's Board of Directors without notice to or a vote of its stockholders. This could result in us conducting operational matters, making investments or pursuing different business or growth strategies. Under these circumstances, we may expose ourselves to different and more significant risks in the future, which could have a material adverse effect on our business and growth. In addition, the Company's Board of Directors may change its governance policies provided that such changes are consistent with applicable legal requirements. A change in these policies could have an adverse effect on our financial condition, results of operations, cash flow, ability to satisfy our principal and interest obligations, ability to make distributions to our stockholders and unitholders, the market price of the Company's common stock and the market value of the Units.

***Future sales or issuances of our common stock may cause the market price of our common stock to decline.***

The sale of substantial amounts of our common stock, whether directly by us or in the secondary market, the perception that such sales could occur or the availability of future issuances of shares of our common stock, limited partnership units of the Operating Partnership or other securities convertible into or exchangeable or exercisable for our common stock, could materially and adversely affect the market price of our common stock and our ability to raise capital through future offerings of equity or equity-related securities. In addition, we may issue capital stock that is senior to our common stock in the future for a number of reasons, including to finance our operations and business strategy, to adjust our ratio of debt to equity or for other reasons.

***The market price of our common stock may fluctuate significantly.***

The market price of our common stock may fluctuate significantly in response to many factors, including:

- actual or anticipated variations in our operating results, funds from operations, cash flows or liquidity,
- changes in our earnings estimates or those of analysts,
- changes in asset valuations and related impairment charges,
- changes in our dividend policy,
- publication of research reports about us or the real estate industry generally,
- the ability of our tenants to pay rent to us and meet their obligations to us under the current lease terms and our ability to re-lease space as leases expire,
- increases in market interest rates that lead purchasers of our common stock to demand a higher dividend yield,

## RISK FACTORS

- changes in market valuations of similar companies,
- adverse market reaction to the amount of our debt outstanding at any time, the amount of our debt maturing in the near- and medium-term and our ability to refinance our debt, or our plans to incur additional debt in the future,
- our ability to comply with applicable financial covenants under our unsecured line of credit and the indentures under which our senior unsecured indebtedness is, or may be, issued,
- additions or departures of key management personnel,
- actions by institutional stockholders,
- speculation in the press or investment community,
- general market and economic conditions.

Many of the factors listed above are beyond our control. Those factors may cause the market price of our common stock to decline significantly, regardless of our financial condition, results of operations and prospects. It is impossible to provide any assurance that the market price of our common stock will not fall in the future, and it may be difficult for holders to resell shares of our common stock at prices they find attractive, or at all.

### ***Certain provisions of our charter and bylaws could hinder, delay or prevent a change in control of our company.***

Certain provisions of our charter and our bylaws could have the effect of discouraging, delaying or preventing transactions that involve an actual or threatened change in control of our company. These provisions include the following:

- *Removal of Directors.* Under our charter, subject to the rights of one or more classes or series of preferred stock to elect one or more directors, a director may be removed only for cause and only by the affirmative vote of at least a majority of all votes entitled to be cast by our stockholders generally in the election of directors.
- *Preferred Stock.* Under our charter, our board of directors has the power to issue preferred stock from time to time in one or more series and to establish the terms, preferences and rights of any such series of preferred stock, all without approval of our stockholders.
- *Advance Notice Bylaws.* Our bylaws require advance notice procedures with respect to nominations of directors and shareholder proposals.
- *Ownership Limit.* For the purpose, among others, of preserving our status as a REIT under the Internal Revenue Code of 1986, as amended, our charter generally prohibits any single stockholder, or any group of affiliated stockholders, from beneficially owning more than 9.8% of our outstanding common and preferred stock unless our board of directors waives or modifies this ownership limit.
- *Stockholder Action by Written Consent.* Our bylaws contain a provision that permits our stockholders to take action by written consent in lieu of an annual or special meeting of stockholders only if the unanimous consent of the stockholders is obtained.
- *Ability of Stockholders to Call Special Meeting.* Under our bylaws, we are only required to call a special meeting at the request of the stockholders if the request is made by at least a majority of all votes entitled to be cast by our stockholders generally in the election of directors.
- *Maryland Control Share Acquisition Act.* Our bylaws contain a provision exempting acquisitions of our shares from the Maryland Control Share Acquisition Act. However, our board of directors may amend

## RISK FACTORS

our bylaws in the future to repeal or modify this exemption, in which case any control shares of our company acquired in a control share acquisition will be subject to the Maryland Control Share Acquisition Act.

### *We may be unable to retain and attract key management personnel.*

We may be unable to retain and attract talented executives. In the event of the loss of key management personnel or upon unexpected death, disability or retirement, we may not be able to find replacements with comparable skill, ability and industry expertise. Until suitable replacements are identified and retained, if at all, our operating results and financial condition could be materially and adversely affected.

### *We could be subject to risks and liabilities in connection with joint venture arrangements.*

Our organizational documents do not limit the amount of available funds that we may invest in joint ventures. We currently have and may in the future selectively acquire, own and/or develop properties through joint ventures with other persons or entities when we deem such transactions are warranted by the circumstances. Joint venture investments, in general, involve certain risks not present where we act alone, including:

- joint venturers may share certain approval rights over major decisions, which might (i) significantly delay or make impossible actions and decisions we believe are necessary or advisable with respect to properties owned through a joint venture, and/or (ii) adversely affect our ability to develop, finance, lease or sell properties owned through a joint venture at the most advantageous time for us, if at all;
- joint venturers might experience financial distress, become bankrupt or otherwise fail to fund their share of any required capital contributions;
- joint venturers might have economic or other business interests or goals that are competitive or inconsistent with our business interests or goals that would affect our ability to develop, finance, lease, operate, manage or sell any properties owned by the applicable joint venture;
- joint venturers may have the power to act contrary to our instructions, requests, policies or objectives, including our current policy with respect to maintaining the Company's qualification as a REIT;
- joint venture agreements often restrict the transfer of a member's or joint venturer's interest or may otherwise restrict our ability to sell our interest when we would like to or on advantageous terms;
- disputes between us and our joint venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business and subject the properties owned by the applicable joint venture to additional risk; and
- we may in certain circumstances be liable for the actions of our joint venturers.

The occurrence of one or more of the events described above could adversely affect our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and unitholders, the market price of the Company's common stock and the market value of the Units.



## CONTROLS AND PROCEDURES

### **First Industrial Realty Trust, Inc.**

#### ***Evaluation of Disclosure Controls and Procedures***

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

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

#### ***Management's Report on Internal Control Over Financial Reporting***

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

Management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2019. In making its assessment of internal control over financial reporting, management used the *Internal Control-Integrated Framework (2013)* set forth by the Committee of Sponsoring Organizations of the Treadway Commission.

Management has concluded that, as of December 31, 2019, the Company's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2019 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein starting on page C-35. See Report of Independent Registered Public Accounting Firm.

#### ***Changes in Internal Control Over Financial Reporting***

There has been no change in the Company's internal control over financial reporting that occurred during the fourth quarter of 2019 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

## CONTROLS AND PROCEDURES

### **First Industrial, L.P.**

#### ***Evaluation of Disclosure Controls and Procedures***

The Operating Partnership maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its periodic reports pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's principal executive officer and principal financial officer, on behalf of the Company in its capacity as the general partner of the Operating Partnership, as appropriate, to allow timely decisions regarding required financial disclosure.

The Operating Partnership carried out an evaluation, under the supervision and with the participation of management, including the Company's principal executive officer and principal financial officer, on behalf of the Company in its capacity as the general partner of the Operating Partnership, of the effectiveness of the design and operation of the Operating Partnership's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based upon this evaluation, the Company's principal executive officer and principal financial officer, on behalf of the Company in its capacity as the general partner of the Operating Partnership, concluded that the Operating Partnership's disclosure controls and procedures were effective as of the end of the period covered by this report.

#### ***Management's Report on Internal Control Over Financial Reporting***

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

Management has assessed the effectiveness of the Operating Partnership's internal control over financial reporting as of December 31, 2019. In making its assessment of internal control over financial reporting, management used the *Internal Control-Integrated Framework (2013)* set forth by the Committee of Sponsoring Organizations of the Treadway Commission.

Management has concluded that, as of December 31, 2019, the Operating Partnership's internal control over financial reporting was effective.

The effectiveness of the Operating Partnership's internal control over financial reporting as of December 31, 2019 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein starting on page C-38. See Report of Independent Registered Public Accounting Firm.

#### ***Changes in Internal Control Over Financial Reporting***

There has been no change in the Operating Partnership's internal control over financial reporting that occurred during the fourth quarter of 2019 that has materially affected, or is reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

### *Opinions on the Financial Statements and Internal Control over Financial Reporting*

We have audited the accompanying consolidated balance sheets of First Industrial Realty Trust, Inc. and its subsidiaries (the “Company”) as of December 31, 2019 and 2018, and the related consolidated statements of operations, of comprehensive income, of changes in stockholders’ equity and of cash flows for each of the three years in the period ended December 31, 2019, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the COSO.

### *Basis for Opinions*

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control Over Financial Reporting appearing on page C-33. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### ***Definition and Limitations of Internal Control over Financial Reporting***

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

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

### ***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### ***Purchase Price Allocation***

As described in Notes 2 and 3 to the consolidated financial statements, upon acquisition of a property, management allocates the purchase price of the property based upon the fair value of the assets acquired and liabilities assumed, which generally consists of land, buildings, tenant improvements, leasing commissions and intangible assets including in-place leases, above market and below market leases and below market ground lease obligations. The purchase price is allocated to the fair value of the tangible assets of an acquired property by valuing the property as if it were vacant. The determination of fair value includes the use of significant assumptions such as land comparables, discount rates, terminal capitalization rates and market rent assumptions. Above and below market leases and below market ground lease obligations are valued based on the present value of the difference between prevailing market rates and the in-place rates measured over a period equal to the remaining term of the lease for above market leases and below market ground lease obligations, or the remaining term of the lease plus the term of any below market fixed rate renewal options for below market leases. The purchase price is further allocated to in-place lease values based on an estimate of the lease revenue received during a reasonable lease-up period as if the property was vacant on the date of acquisition. The Company completed nine acquisitions for consideration of approximately \$147.9 million, of which approximately \$101.8 million was recorded to land, \$44.6 million to buildings, improvements and other assets, and \$1.5 million to net leasing intangibles during the year ended December 31, 2019.

The principal considerations for our determination that performing procedures relating to purchase price allocation is a critical audit matter are (i) the significant judgment by management when developing the fair value estimates, which resulted in a high degree of auditor judgment, subjectivity and effort in performing procedures relating to the fair value of tangible and intangible assets and liabilities; (ii) significant audit effort was necessary in evaluating the significant assumptions applied to determine the fair value of tangible and

intangible assets and liabilities, including discount rates, land comparables, terminal capitalization rates and market rent; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge to assist in evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the purchase price allocations, including controls over the valuation methods and significant assumptions, such as discount rates, land comparables, terminal capitalization rates and market rent. These procedures also included, among others, (i) reading the purchase and sales agreements and (ii) testing management's process for estimating the fair value of tangible and intangible assets and liabilities. Testing management's process included evaluating the appropriateness of the valuation methods and the reasonableness of significant assumptions used by management in developing the fair value estimate, including discount rates, land comparables, terminal capitalization rates and market rent. Evaluating the significant assumptions relating to the discount rates, land comparables, terminal capitalization rates and market rent involved obtaining evidence to support the reasonableness of the assumptions, including whether the assumptions used were consistent with evidence obtained in other areas of the audit and third party market data. Professionals with specialized skill and knowledge were used to assist in evaluating the reasonableness of the land comparables.

*PricewaterhouseCoopers LLP*

Chicago, Illinois  
February 13, 2020

We have served as the Company's auditor since 1993.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of  
First Industrial, L.P.:

### *Opinions on the Financial Statements and Internal Control over Financial Reporting*

We have audited the accompanying consolidated balance sheets of First Industrial, L.P. and its subsidiaries (the “Operating Partnership”) as of December 31, 2019 and 2018, and the related consolidated statements of operations, of comprehensive income, of changes in partners’ capital and of cash flows for each of the three years in the period ended December 31, 2019, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the “consolidated financial statements”). We also have audited the Operating Partnership’s internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Operating Partnership as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Operating Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the COSO.

### *Basis for Opinions*

The Operating Partnership’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control Over Financial Reporting appearing on page C-34. Our responsibility is to express opinions on the Operating Partnership’s consolidated financial statements and on the Operating Partnership’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Operating Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### ***Definition and Limitations of Internal Control over Financial Reporting***

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

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

### ***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### ***Purchase Price Allocation***

As described in Notes 2 and 3 to the consolidated financial statements, upon acquisition of a property, management allocates the purchase price of the property based upon the fair value of the assets acquired and liabilities assumed, which generally consists of land, buildings, tenant improvements, leasing commissions and intangible assets including in-place leases, above market and below market leases and below market ground lease obligations. The purchase price is allocated to the fair value of the tangible assets of an acquired property by valuing the property as if it were vacant. The determination of fair value includes the use of significant assumptions such as land comparables, discount rates, terminal capitalization rates and market rent assumptions. Above and below market leases and below market ground lease obligations are valued based on the present value of the difference between prevailing market rates and the in-place rates measured over a period equal to the remaining term of the lease for above market leases and below market ground lease obligations, or the remaining term of the lease plus the term of any below market fixed rate renewal options for below market leases. The purchase price is further allocated to in-place lease values based on an estimate of the lease revenue received during a reasonable lease-up period as if the property was vacant on the date of acquisition. The Operating Partnership completed nine acquisitions for consideration of approximately \$147.9 million, of which approximately \$101.8 million was recorded to land, \$44.6 million to buildings, improvements and other assets, and \$1.5 million to net leasing intangibles during the year ended December 31, 2019.

The principal considerations for our determination that performing procedures relating to purchase price allocation is a critical audit matter are (i) the significant judgment by management when developing the fair value estimates, which resulted in a high degree of auditor judgment, subjectivity and effort in performing procedures relating to the fair value of tangible and intangible assets and liabilities; (ii) significant audit effort was necessary in evaluating the significant assumptions applied to determine the fair value of tangible and

intangible assets and liabilities, including discount rates, land comparables, terminal capitalization rates and market rent; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge to assist in evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the purchase price allocations, including controls over the valuation methods and significant assumptions, such as discount rates, land comparables, terminal capitalization rates and market rent. These procedures also included, among others, (i) reading the purchase and sales agreements and (ii) testing management's process for estimating the fair value of tangible and intangible assets and liabilities. Testing management's process included evaluating the appropriateness of the valuation methods and the reasonableness of significant assumptions used by management in developing the fair value estimate, including discount rates, land comparables, terminal capitalization rates and market rent. Evaluating the significant assumptions relating to the discount rates, land comparables, terminal capitalization rates and market rent involved obtaining evidence to support the reasonableness of the assumptions, including whether the assumptions used were consistent with evidence obtained in other areas of the audit and third party market data. Professionals with specialized skill and knowledge were used to assist in evaluating the reasonableness of the land comparables.

*PricewaterhouseCoopers LLP*

Chicago, Illinois  
February 13, 2020

We have served as the Operating Partnership's auditor since 1996.



**FIRST INDUSTRIAL REALTY TRUST, INC.**  
**CONSOLIDATED BALANCE SHEETS**

	<u>December 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
<small>(In thousands, except share and per share data)</small>		
<b>ASSETS</b>		
Assets:		
Investment in Real Estate:		
Land .....	\$ 957,478	\$ 909,318
Buildings and Improvements .....	2,782,430	2,704,850
Construction in Progress .....	90,301	59,476
Less: Accumulated Depreciation .....	<u>(804,780)</u>	<u>(811,784)</u>
Net Investment in Real Estate .....	<u>3,025,429</u>	<u>2,861,860</u>
Operating Lease Right-of-Use Assets .....	24,877	—
Cash and Cash Equivalents .....	21,120	43,102
Restricted Cash .....	131,598	7,271
Tenant Accounts Receivable, Net .....	8,529	5,185
Investment in Joint Venture .....	18,208	23,326
Deferred Rent Receivable, Net .....	77,703	71,079
Deferred Leasing Intangibles, Net .....	28,533	29,678
Prepaid Expenses and Other Assets, Net .....	<u>182,831</u>	<u>101,190</u>
Total Assets .....	<u>\$3,518,828</u>	<u>\$3,142,691</u>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Indebtedness:		
Mortgage Loans Payable, Net .....	\$ 173,685	\$ 296,470
Senior Unsecured Notes, Net .....	694,015	544,504
Unsecured Term Loans, Net .....	457,865	456,809
Unsecured Credit Facility .....	158,000	—
Accounts Payable, Accrued Expenses and Other Liabilities .....	114,637	78,665
Operating Lease Liabilities .....	22,369	—
Deferred Leasing Intangibles, Net .....	11,893	9,560
Rents Received in Advance and Security Deposits .....	57,534	47,927
Dividends and Distributions Payable .....	<u>30,567</u>	<u>28,845</u>
Total Liabilities .....	<u>1,720,565</u>	<u>1,462,780</u>
Commitments and Contingencies .....	—	—
Equity:		
First Industrial Realty Trust Inc.'s Stockholders' Equity:		
Common Stock (\$0.01 par value, 225,000,000 shares authorized and 126,994,478 and 126,307,431 shares issued and outstanding) .....	1,270	1,263
Additional Paid-in-Capital .....	2,140,847	2,131,556
Distributions in Excess of Accumulated Earnings .....	(370,835)	(490,807)
Accumulated Other Comprehensive (Loss) Income .....	<u>(6,883)</u>	<u>3,502</u>
Total First Industrial Realty Trust, Inc.'s Stockholders' Equity .....	<u>1,764,399</u>	<u>1,645,514</u>
Noncontrolling Interest .....	<u>33,864</u>	<u>34,397</u>
Total Equity .....	<u>1,798,263</u>	<u>1,679,911</u>
Total Liabilities and Equity .....	<u>\$3,518,828</u>	<u>\$3,142,691</u>

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

**FIRST INDUSTRIAL REALTY TRUST, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
(In thousands, except per share data)			
Revenues:			
Lease Revenue . . . . .	\$422,236	\$398,822	\$391,884
Other Revenue . . . . .	3,748	5,132	4,518
Total Revenues . . . . .	425,984	403,954	396,402
Expenses:			
Property Expenses . . . . .	116,585	116,854	113,494
General and Administrative . . . . .	28,569	27,749	28,079
Depreciation and Other Amortization . . . . .	121,229	116,459	116,364
Impairment of Real Estate . . . . .	—	2,756	—
Total Expenses . . . . .	266,383	263,818	257,937
Other Income (Expense):			
Gain on Sale of Real Estate . . . . .	124,942	81,600	131,269
Interest Expense . . . . .	(50,273)	(50,775)	(57,199)
Amortization of Debt Issuance Costs . . . . .	(3,218)	(3,404)	(3,162)
Settlement Gain on Derivative Instruments . . . . .	—	—	1,896
Loss from Retirement of Debt . . . . .	—	(39)	(1,775)
Total Other Income (Expense) . . . . .	71,451	27,382	71,029
Income from Operations Before Equity in Income (Loss) of Joint Venture and Income Tax (Provision) Benefit . . . . .	231,052	167,518	209,494
Equity in Income (Loss) of Joint Venture . . . . .	16,235	(276)	—
Income Tax (Provision) Benefit . . . . .	(3,406)	92	(1,193)
Net Income . . . . .	243,881	167,334	208,301
Less: Net Income Attributable to the Noncontrolling Interest . . . . .	(5,106)	(4,095)	(6,845)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities . . . . .	238,775	163,239	201,456
Basic Earnings Per Share:			
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders . . . . .	\$ 1.89	\$ 1.31	\$ 1.70
Diluted Earnings Per Share:			
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders . . . . .	\$ 1.88	\$ 1.31	\$ 1.69
Weighted Average Shares Outstanding - Basic . . . . .	126,392	123,804	118,272
Weighted Average Shares Outstanding - Diluted . . . . .	126,691	124,191	118,787

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

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

	<u>Year Ended December 31, 2019</u>	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>
		(In thousands)	
Net Income .....	\$243,881	\$167,334	\$208,301
Payments to Settle Derivative Instruments .....	(3,149)	—	—
Mark-to-Market (Loss) Gain on Derivative Instruments .....	(7,671)	2,096	5,981
Amortization of Derivative Instruments .....	<u>233</u>	<u>96</u>	<u>205</u>
Comprehensive Income .....	233,294	169,526	214,487
Comprehensive Income Attributable to Noncontrolling Interest ....	<u>(4,884)</u>	<u>(4,149)</u>	<u>(6,642)</u>
Comprehensive Income Attributable to First Industrial Realty Trust, Inc. ....	<u><u>\$228,410</u></u>	<u><u>\$165,377</u></u>	<u><u>\$207,845</u></u>

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

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

	Common Stock	Additional Paid-in- Capital	Distributions in Excess of Accumulated Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interest	Total
Balance as of December 31, 2016	\$1,172	\$1,886,771	\$(641,859)	\$ (4,643)	\$ 43,184	\$1,284,625
Net Income	—	—	201,456	—	6,845	208,301
Other Comprehensive Income	—	—	—	6,389	(203)	6,186
Issuance of Common Stock, Net of Issuance Costs	25	74,636	—	—	—	74,661
Stock Based Compensation Activity	2	6,932	(724)	—	—	6,210
Common Stock Dividends and Unit Distributions (\$0.84 Per Share/Unit)	—	—	(100,720)	—	(3,386)	(104,106)
Conversion of Limited Partner Units to Common Stock	—	364	—	—	(364)	—
Reallocation—Additional Paid-in-Capital	—	(1,593)	—	—	1,593	—
Reallocation—Other Comprehensive Income	—	—	—	(408)	408	—
Balance as of December 31, 2017	\$1,199	\$1,967,110	\$(541,847)	\$ 1,338	\$ 48,077	\$1,475,877
Net Income	—	—	163,239	—	4,095	167,334
Other Comprehensive Income	—	—	—	2,138	54	2,192
Issuance of Common Stock, Net of Issuance Costs	48	145,360	—	—	—	145,408
Stock Based Compensation Activity	3	4,791	(3,282)	—	—	1,512
Common Stock Dividends and Unit Distributions (\$0.87 Per Share/Unit)	—	—	(108,917)	—	(2,561)	(111,478)
Conversion of Limited Partner Units to Common Stock	13	16,592	—	—	(16,605)	—
Retirement of Limited Partner Units	—	—	—	—	(934)	(934)
Reallocation—Additional Paid-in-Capital	—	(2,297)	—	—	2,297	—
Reallocation—Other Comprehensive Income	—	—	—	26	(26)	—
Balance as of December 31, 2018	\$1,263	\$2,131,556	\$(490,807)	\$ 3,502	\$ 34,397	\$1,679,911
Net Income	—	—	238,775	—	5,106	243,881
Other Comprehensive Loss	—	—	—	(10,365)	(222)	(10,587)
Stock Based Compensation Activity	2	4,397	(1,696)	—	1,877	4,580
Common Stock Dividends and Unit Distributions (\$0.92 Per Share/Unit)	—	—	(117,107)	—	(2,415)	(119,522)
Conversion of Limited Partner Units to Common Stock	5	7,191	—	—	(7,196)	—
Reallocation—Additional Paid-in-Capital	—	(2,297)	—	—	2,297	—
Reallocation—Other Comprehensive Income	—	—	—	(20)	20	—
Balance as of December 31, 2019	<u>\$1,270</u>	<u>\$2,140,847</u>	<u>\$(370,835)</u>	<u>\$ (6,883)</u>	<u>\$ 33,864</u>	<u>\$1,798,263</u>

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

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

	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
	(In thousands)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net Income	\$ 243,881	\$ 167,334	\$ 208,301
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	98,333	94,626	94,078
Amortization of Debt Issuance Costs	3,218	3,404	3,162
Other Amortization, including Stock Based Compensation	28,780	26,976	29,252
Impairment of Real Estate	—	2,756	—
Provision for Bad Debt	—	350	177
Equity in (Income) Loss of Joint Venture	(16,235)	276	—
Distributions from Joint Venture	15,959	—	—
Gain on Sale of Real Estate	(124,942)	(81,600)	(131,269)
Loss from Retirement of Debt	—	39	1,775
Gain on Casualty and Involuntary Conversion	—	(392)	(1,321)
Payments to Settle Derivative Instruments	(3,149)	—	—
Straight-line Rental Income and Expense, Net	(10,884)	(2,165)	(5,299)
Increase in Tenant Accounts Receivable, Prepaid Expenses and Other Assets, Net and Operating Lease Right-of-Use Assets	(11,523)	(4,199)	(5,829)
Increase (Decrease) in Accounts Payable, Accrued Expenses, Other Liabilities, Rents Received in Advance and Security Deposits and Operating Lease Liabilities	22,095	3,090	(465)
Net Cash Provided by Operating Activities	<u>245,533</u>	<u>210,495</u>	<u>192,562</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Acquisitions of Real Estate	(152,744)	(157,787)	(175,303)
Additions to Investment in Real Estate and Non-Acquisition Tenant Improvements and Lease Costs	(294,633)	(224,466)	(146,003)
Net Proceeds from Sales of Investments in Real Estate	254,416	184,783	228,102
(Increase) Decrease in Escrows	(23,113)	(1,326)	564
Proceeds from Casualty and Involuntary Conversion	—	906	10,094
Contributions to and Investments in Joint Venture	(210)	(25,190)	—
Distributions from Joint Venture	8,711	1,829	—
Other Investing Activity	2,187	(2,147)	51
Net Cash Used in Investing Activities	<u>(205,386)</u>	<u>(223,398)</u>	<u>(82,495)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Financing and Equity Issuance Costs	(954)	(2,975)	(6,864)
Proceeds from the Issuance of Common Stock, Net of Underwriter's Discount	—	145,584	74,880
Tax Paid on Shares Withheld	(4,384)	(6,020)	(2,401)
Common Stock Dividends and Unit Distributions Paid	(117,214)	(109,649)	(100,524)
Repayments on Mortgage Loans Payable	(123,250)	(165,646)	(46,832)
Prepayments of Penalties Associated with Retirement of Debt	—	—	(1,453)
Proceeds from Senior Unsecured Notes	150,000	300,000	200,000
Repayments of Senior Unsecured Notes	—	—	(156,852)
Proceeds from Unsecured Credit Facility	415,000	237,000	429,000
Repayments on Unsecured Credit Facility	(257,000)	(381,500)	(474,000)
Net Cash Provided by (Used in) Financing Activities	<u>62,198</u>	<u>16,794</u>	<u>(85,046)</u>
Net Increase in Cash, Cash Equivalents and Restricted Cash	102,345	3,891	25,021
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	50,373	46,482	21,461
Cash, Cash Equivalents and Restricted Cash, End of Year	<u>\$ 152,718</u>	<u>\$ 50,373</u>	<u>\$ 46,482</u>

**FIRST INDUSTRIAL REALTY TRUST, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)**

	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
	(In thousands)		
SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS:			
Interest Paid, Net of Interest Expense Capitalized in Connection with Development Activity	\$ 47,801	\$ 47,408	\$ 56,844
Interest Expense Capitalized in Connection with Development Activity	\$ 5,757	\$ 5,869	\$ 4,353
Income Taxes Paid	\$ 3,583	\$ 457	\$ 769
Cash Paid for Operating Lease Liabilities	\$ 2,084	\$ —	\$ —
Supplemental Schedule of Non-Cash Operating Activities:			
Operating Lease Liabilities Arising from Obtaining Right-of-Use Assets	\$ 22,871	\$ —	\$ —
Supplemental Schedule of Non-Cash Investing and Financing Activities:			
Common Stock Dividends and Unit Distributions Payable	\$ 30,567	\$ 28,845	\$ 27,016
Exchange of Limited Partnership Units for Common Stock:			
Noncontrolling Interest	\$ (7,196)	\$ (16,605)	\$ (364)
Common Stock	5	13	—
Additional Paid-in-Capital	7,191	16,592	364
Total	\$ —	\$ —	\$ —
Lease Reclassification from Operating Lease to Sales-Type Lease:			
Lease Receivable	\$ 54,521	\$ —	\$ —
Land	(24,803)	—	—
Building, Net of Accumulated Depreciation	(17,845)	—	—
Deferred Rent Receivable	(2,073)	—	—
Other Assets, Net of Accumulated Amortization	(1,194)	—	—
Gain on Sale Recognized Due to Lease Reclassification	\$ 8,606	\$ —	\$ —
Assumption of Indebtedness and Other Liabilities in Connection with the Acquisition of Real Estate			
	\$ 1,466	\$ 11,878	\$ 1,269
Accounts Payable Related to Construction in Progress and Additions to Investment in Real Estate			
	\$ 51,107	\$ 31,545	\$ 38,597
Write-off of Fully Depreciated Assets	\$ (37,892)	\$ (43,654)	\$ (35,560)

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

**FIRST INDUSTRIAL, L.P.**  
**CONSOLIDATED BALANCE SHEETS**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
<b>ASSETS</b>		
(In thousands, except Unit data)		
Assets:		
Investment in Real Estate:		
Land .....	\$ 957,478	\$ 909,318
Buildings and Improvements .....	2,782,430	2,704,850
Construction in Progress .....	90,301	59,476
Less: Accumulated Depreciation .....	(804,780)	(811,784)
Net Investment in Real Estate (including \$240,847 and \$260,528 related to consolidated variable interest entities, see Note 5) .....	<u>3,025,429</u>	<u>2,861,860</u>
Operating Lease Right-of-Use Asset .....	24,877	—
Cash and Cash Equivalents .....	21,120	43,102
Restricted Cash .....	131,598	7,271
Tenant Accounts Receivable, Net .....	8,529	5,185
Investment in Joint Venture .....	18,208	23,326
Deferred Rent Receivable, Net .....	77,703	71,079
Deferred Leasing Intangibles, Net .....	28,533	29,678
Prepaid Expenses and Other Assets, Net .....	192,852	111,298
Total Assets .....	<u><u>\$3,528,849</u></u>	<u><u>\$3,152,799</u></u>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
Liabilities:		
Indebtedness:		
Mortgage Loans Payable, Net (including \$11,009 and \$20,497 related to consolidated variable interest entities, see Note 5) .....	\$ 173,685	\$ 296,470
Senior Unsecured Notes, Net .....	694,015	544,504
Unsecured Term Loans, Net .....	457,865	456,809
Unsecured Credit Facility .....	158,000	—
Accounts Payable, Accrued Expenses and Other Liabilities .....	114,637	78,665
Operating Lease Liabilities .....	22,369	—
Deferred Leasing Intangibles, Net .....	11,893	9,560
Rents Received in Advance and Security Deposits .....	57,534	47,927
Distributions Payable .....	30,567	28,845
Total Liabilities .....	<u>1,720,565</u>	<u>1,462,780</u>
Commitments and Contingencies .....	—	—
Partners' Capital:		
First Industrial L.P.'s Partners' Capital:		
General Partner Units (126,994,478 and 126,307,431 units outstanding) .....	1,750,656	1,619,342
Limited Partners Units (2,422,744 and 2,624,167 units outstanding) .....	63,618	66,246
Accumulated Other Comprehensive (Loss) Income .....	(7,013)	3,574
Total First Industrial L.P.'s Partners' Capital .....	<u>1,807,261</u>	<u>1,689,162</u>
Noncontrolling Interest .....	1,023	857
Total Partners' Capital .....	<u>1,808,284</u>	<u>1,690,019</u>
Total Liabilities and Partners' Capital .....	<u><u>\$3,528,849</u></u>	<u><u>\$3,152,799</u></u>

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

**FIRST INDUSTRIAL L.P.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	<u>Year Ended December 31, 2019</u>	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>
<u>(In thousands, except per Unit data)</u>			
Revenues:			
Lease Revenue .....	\$422,236	\$398,822	\$391,884
Other Revenue .....	<u>3,748</u>	<u>5,132</u>	<u>4,518</u>
Total Revenues .....	<u>425,984</u>	<u>403,954</u>	<u>396,402</u>
Expenses:			
Property Expenses .....	116,585	116,854	113,494
General and Administrative .....	28,569	27,749	28,079
Depreciation and Other Amortization .....	121,229	116,459	116,364
Impairment of Real Estate .....	<u>—</u>	<u>2,756</u>	<u>—</u>
Total Expenses .....	<u>266,383</u>	<u>263,818</u>	<u>257,937</u>
Other Income (Expense):			
Gain on Sale of Real Estate .....	124,942	81,600	131,269
Interest Expense .....	(50,273)	(50,775)	(57,199)
Amortization of Debt Issuance Costs .....	(3,218)	(3,404)	(3,162)
Settlement Gain on Derivative Instruments .....	<u>—</u>	<u>—</u>	<u>1,896</u>
Loss from Retirement of Debt .....	<u>—</u>	<u>(39)</u>	<u>(1,775)</u>
Total Other Income (Expense) .....	<u>71,451</u>	<u>27,382</u>	<u>71,029</u>
Income from Operations Before Equity in Income (Loss) of Joint Venture and Income Tax (Provision) Benefit .....	231,052	167,518	209,494
Equity in Income (Loss) of Joint Ventures .....	16,235	(276)	—
Income Tax (Provision) Benefit .....	<u>(3,406)</u>	<u>92</u>	<u>(1,193)</u>
Net Income .....	243,881	167,334	208,301
Less: Net Income Attributable to the Noncontrolling Interest .....	<u>(253)</u>	<u>(88)</u>	<u>(143)</u>
Net Income Available to Unitholders and Participating Securities .....	<u>\$243,628</u>	<u>\$167,246</u>	<u>\$208,158</u>
Basic Earnings Per Unit:			
Net Income Available to Unitholders .....	<u>\$ 1.89</u>	<u>\$ 1.31</u>	<u>\$ 1.70</u>
Diluted Earnings Per Unit:			
Net Income Available to Unitholders .....	<u>\$ 1.88</u>	<u>\$ 1.31</u>	<u>\$ 1.69</u>
Weighted Average Units Outstanding - Basic .....	<u>128,831</u>	<u>126,921</u>	<u>122,306</u>
Weighted Average Units Outstanding - Diluted .....	<u>129,241</u>	<u>127,308</u>	<u>122,821</u>

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



**FIRST INDUSTRIAL L.P.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	<u>Year Ended December 31, 2019</u>	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>
		(In thousands)	
Net Income . . . . .	\$243,881	\$167,334	\$208,301
Payments to Settle Derivative Instruments . . . . .	(3,149)	—	—
Mark-to-Market (Loss) Gain on Derivative Instruments . . . . .	(7,671)	2,096	5,981
Amortization of Derivative Instruments . . . . .	<u>233</u>	<u>96</u>	<u>205</u>
Comprehensive Income . . . . .	\$233,294	\$169,526	\$214,487
Comprehensive Income Attributable to Noncontrolling Interest . . . .	<u>(253)</u>	<u>(88)</u>	<u>(143)</u>
Comprehensive Income Attributable to Unitholders . . . . .	<u><u>\$233,041</u></u>	<u><u>\$169,438</u></u>	<u><u>\$214,344</u></u>

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

**FIRST INDUSTRIAL, L.P.**

**CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL**

	<u>General Partner Units</u>	<u>Limited Partner Units</u>	<u>Accumulated Other Comprehensive (Loss) Income</u>	<u>Noncontrolling Interest</u>	<u>Total</u>
Balance as of December 31, 2016 . . . .	\$1,219,755	\$ 79,156	\$ (4,804)	\$ 956	\$1,295,063
Net Income . . . . .	201,313	6,845	—	143	208,301
Other Comprehensive Income . . . .	—	—	6,186	—	6,186
Contribution of General Partner Units, Net of Issuance Costs . . . .	74,661	—	—	—	74,661
Stock Based Compensation Activity . . . . .	6,210	—	—	—	6,210
Unit Distributions (\$0.84 Per Unit) . . . . .	(100,720)	(3,386)	—	—	(104,106)
Conversion of Limited Partner Units to General Partner Units . .	364	(364)	—	—	—
Contributions from Noncontrolling Interest . . . . .	—	—	—	40	40
Distributions to Noncontrolling Interest . . . . .	—	—	—	(360)	(360)
Balance as of December 31, 2017 . . . .	\$1,401,583	\$ 82,251	\$ 1,382	\$ 779	\$1,485,995
Net Income . . . . .	163,151	4,095	—	88	167,334
Other Comprehensive Income . . . .	—	—	2,192	—	2,192
Contribution of General Partner Units, Net of Issuance Costs . . . .	145,408	—	—	—	145,408
Stock Based Compensation Activity . . . . .	1,512	—	—	—	1,512
Unit Distributions (\$0.87 Per Unit) . . . . .	(108,917)	(2,561)	—	—	(111,478)
Conversion of Limited Partner Units to General Partner Units . .	16,605	(16,605)	—	—	—
Retirement of Limited Partner Units . . . . .	—	(934)	—	—	(934)
Contributions from Noncontrolling Interest . . . . .	—	—	—	126	126
Distributions to Noncontrolling Interest . . . . .	—	—	—	(136)	(136)
Balance as of December 31, 2018 . . . .	\$1,619,342	\$ 66,246	\$ 3,574	\$ 857	\$1,690,019
Net Income . . . . .	238,522	5,106	—	253	243,881
Other Comprehensive Loss . . . . .	—	—	(10,587)	—	(10,587)
Stock Based Compensation Activity . . . . .	2,703	1,877	—	—	4,580
Unit Distributions (\$0.92 Per Unit) . . . . .	(117,107)	(2,415)	—	—	(119,522)
Conversion of Limited Partner Units to General Partner Units . .	7,196	(7,196)	—	—	—
Contributions from Noncontrolling Interest . . . . .	—	—	—	32	32
Distributions to Noncontrolling Interest . . . . .	—	—	—	(119)	(119)
Balance as of December 31, 2019 . . . .	<u>\$1,750,656</u>	<u>\$ 63,618</u>	<u>\$ (7,013)</u>	<u>\$1,023</u>	<u>\$1,808,284</u>

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

**FIRST INDUSTRIAL, L.P.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Year Ended December 31, 2019</b>	<b>Year Ended December 31, 2018</b>	<b>Year Ended December 31, 2017</b>
	<b>(In thousands)</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net Income .....	\$ 243,881	\$ 167,334	\$ 208,301
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation .....	98,333	94,626	94,078
Amortization of Debt Issuance Costs .....	3,218	3,404	3,162
Other Amortization, including Stock Based Compensation .....	28,780	26,976	29,252
Impairment of Real Estate .....	—	2,756	—
Provision for Bad Debt .....	—	350	177
Equity in (Income) Loss of Joint Venture .....	(16,235)	276	—
Distributions from Joint Venture .....	15,959	—	—
Gain on Sale of Real Estate .....	(124,942)	(81,600)	(131,269)
Loss from Retirement of Debt .....	—	39	1,775
Gain on Casualty and Involuntary Conversion .....	—	(392)	(1,321)
Payments to Settle Derivative Instruments .....	(3,149)	—	—
Straight-line Rental Income and Expense, Net .....	(10,884)	(2,165)	(5,299)
Increase in Tenant Accounts Receivable, Prepaid Expenses and Other Assets, Net and Operating Lease Right-of-Use Assets .....	(11,436)	(4,189)	(5,510)
Increase (Decrease) in Accounts Payable, Accrued Expenses, Other Liabilities, Rents Received in Advance and Security Deposits .....	22,095	3,090	(465)
Net Cash Provided by Operating Activities .....	245,620	210,505	192,881
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Acquisitions of Real Estate .....	(152,744)	(157,787)	(175,303)
Additions to Investment in Real Estate and Non-Acquisition Tenant Improvements and Lease Costs .....	(294,633)	(224,466)	(146,003)
Net Proceeds from Sales of Investments in Real Estate .....	254,416	184,783	228,102
(Increase) Decrease in Escrows .....	(23,113)	(1,326)	565
Proceeds from Casualty and Involuntary Conversion .....	—	906	10,094
Contributions to and Investments in Joint Venture .....	(210)	(25,190)	—
Distributions from Joint Venture .....	8,711	1,829	—
Other Investing Activity .....	2,187	(2,147)	51
Net Cash Used in Investing Activities .....	(205,386)	(223,398)	(82,494)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Financing and Equity Issuance Costs .....	(954)	(2,975)	(6,864)
Contribution of General Partner Units .....	—	145,584	74,880
Tax Paid on Shares of the Company Withheld .....	(4,384)	(6,020)	(2,401)
Unit Distributions Paid .....	(117,214)	(109,649)	(100,524)
Contributions from Noncontrolling Interests .....	32	126	40
Distributions to Noncontrolling Interests .....	(119)	(136)	(360)
Repayments on Mortgage Loans Payable .....	(123,250)	(165,646)	(46,832)
Prepayments of Penalties Associated with Retirement of Debt .....	—	—	(1,453)
Proceeds from Senior Unsecured Notes .....	150,000	300,000	200,000
Repayments of Senior Unsecured Notes .....	—	—	(156,852)
Proceeds from Unsecured Credit Facility .....	415,000	237,000	429,000
Repayments on Unsecured Credit Facility .....	(257,000)	(381,500)	(474,000)
Net Cash Provided by (Used in) Financing Activities .....	62,111	16,784	(85,366)
Net Increase in Cash, Cash Equivalents and Restricted Cash .....	102,345	3,891	25,021
Cash, Cash Equivalents and Restricted Cash, Beginning of Year .....	50,373	46,482	21,461
Cash, Cash Equivalents and Restricted Cash, End of Year .....	\$ 152,718	\$ 50,373	\$ 46,482

**FIRST INDUSTRIAL, L.P.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)**

	<u>Year Ended December 31, 2019</u>	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>
	<u>(In thousands)</u>		
SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS:			
Interest Paid, Net of Interest Expense Capitalized in Connection with Development Activity .....	\$ 47,801	\$ 47,408	\$ 56,844
Interest Expense Capitalized in Connection with Development Activity .....	\$ 5,757	\$ 5,869	\$ 4,353
Income Taxes Paid .....	\$ 3,583	\$ 457	\$ 769
Cash Paid for Operating Lease Liabilities .....	\$ 2,084	\$ —	\$ —
Supplemental Schedule of Non-Cash Operating Activities:			
Operating Lease Liabilities Arising from Obtaining Right-of-Use Assets .....	\$ 22,871	\$ —	\$ —
Supplemental Schedule of Non-Cash Investing and Financing Activities:			
General and Limited Partner Unit Distributions Payable .....	\$ 30,567	\$ 28,845	\$ 27,016
Exchange of Limited Partner Units for General Partner Units:			
Limited Partner Units .....	\$ (7,196)	\$ (16,605)	\$ (364)
General Partner Units .....	7,196	16,605	364
Total .....	\$ —	\$ —	\$ —
Lease Reclassification from Operating Lease to Sales-Type Lease:			
Lease Receivable .....	\$ 54,521	\$ —	\$ —
Land .....	(24,803)	—	—
Building, Net of Accumulated Depreciation .....	(17,845)	—	—
Deferred Rent Receivable .....	(2,073)	—	—
Other Assets, Net of Accumulated Amortization .....	(1,194)	—	—
Gain on Sale Recognized Due to Lease Reclassification .....	\$ 8,606	\$ —	\$ —
Assumption of Indebtedness and Other Liabilities in Connection with the Acquisition of Real Estate .....	\$ 1,466	\$ 11,878	\$ 1,269
Accounts Payable Related to Construction in Progress and Additions to Investment in Real Estate .....	\$ 51,107	\$ 31,545	\$ 38,597
Write-off of Fully Depreciated Assets .....	\$ (37,892)	\$ (43,654)	\$ (35,560)

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

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollars in thousands, except per share and Unit data)**

**1. Organization**

First Industrial Realty Trust, Inc. (the “Company”) is a self-administered and fully integrated real estate company which owns, manages, acquires, sells, develops and redevelops industrial real estate. The Company is a Maryland corporation organized on August 10, 1993 and a real estate investment trust (“REIT”) as defined in the Internal Revenue Code of 1986 (the “Code”). Unless stated otherwise or the context otherwise requires, the terms “we,” “our” and “us” refer to the Company and its subsidiaries, including its operating partnership, First Industrial, L.P. (the “Operating Partnership”), and its consolidated subsidiaries.

We began operations on July 1, 1994. The Company’s operations are conducted primarily through the Operating Partnership, of which the Company is the sole general partner (the “General Partner”), with an approximate 98.1% and 98.0% ownership interest (“General Partner Units”) at December 31, 2019 and 2018, respectively. The Operating Partnership also conducts operations through eight other limited partnerships (the “Other Real Estate Partnerships”), numerous limited liability companies (“LLCs”) and certain taxable REIT subsidiaries (“TRSs”), the operating data of which, together with that of the Operating Partnership, is consolidated with that of the Company as presented herein. The Operating Partnership holds at least a 99% limited partnership interest in each of the Other Real Estate Partnerships. The general partners of the Other Real Estate Partnerships are separate corporations, wholly-owned by the Company, each with at least a .01% general partnership interest in the Other Real Estate Partnerships. The Company does not have any significant assets or liabilities other than its investment in the Operating Partnership and its 100% ownership interest in the general partners of the Other Real Estate Partnerships. Noncontrolling interest in the Operating Partnership of approximately 1.9% and 2.0% at December 31, 2019 and 2018, respectively, represents the aggregate partnership interest held by the limited partners thereof (“Limited Partner Units” and together with the General Partner Units, the “Units”).

We also own a 49% equity interest in, and provide various services to, a joint venture (the “Joint Venture”) through a wholly owned subsidiary of the Operating Partnership. The Joint Venture is accounted for under the equity method of accounting. The operating data of the Joint Venture is not consolidated with that of the Company or the Operating Partnership as presented herein.

Profits, losses and distributions of the Operating Partnership, the LLCs, the Other Real Estate Partnerships and the TRSs are allocated to the general partner and the limited partners, the members or the shareholders, as applicable, of such entities in accordance with the provisions contained within their respective organizational documents.

As of December 31, 2019, we owned 440 industrial properties located in 21 states, containing an aggregate of approximately 61.3 million square feet of gross leasable area (“GLA”). Of the 440 properties owned on a consolidated basis, none of them are directly owned by the Company.

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

**2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The accompanying consolidated financial statements at December 31, 2019 and 2018 and for each of the years ended December 31, 2019, 2018 and 2017 include the accounts and operating results of the Company and the Operating Partnership. All intercompany transactions have been eliminated in consolidation.

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

***Use of Estimates***

In order to conform with generally accepted accounting principles (“GAAP”), in preparation of our consolidated financial statements we are 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, 2019 and 2018, and the reported amounts of revenues and expenses for each of the years ended December 31, 2019, 2018 and 2017. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

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

***Restricted Cash***

Restricted cash includes cash held in escrow in connection with gross proceeds from the sales of certain industrial properties. These sales proceeds will be disbursed as we exchange into properties under Section 1031 of the Code. The carrying amount approximates fair value due to the short term maturity of these investments. For purposes of our consolidated statements of cash flows, changes in restricted cash are aggregated with cash and cash equivalents.

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

Investment in real estate is carried at cost, less accumulated depreciation and amortization. We review our properties on a quarterly basis for impairment and provide a provision if impairments exist. To determine if an impairment may exist, we review our properties and identify those that have had either an event of change or event of circumstances warranting further assessment of recoverability (such as a decrease in occupancy, a decline in general market conditions or a change in the expected hold period of an asset or asset group). The judgments regarding the existence of indicators of impairment are based on the operating performance, market conditions, as well as our ability to hold and our intent with regard to each property. If further assessment of recoverability is needed, we estimate the future net cash flows expected to result from the use of the property and its eventual disposition. Estimated future net cash flows are based on estimates of future operating performance and market conditions. If the sum of the expected future net cash flows (undiscounted and without interest charges) is less than the carrying amount of the property or group of properties, we will recognize an impairment loss based upon the estimated fair value of the property or group of properties. The assessment of fair value requires the use of estimated and assumptions relating to the timing and amounts of cash flow projections, discount rates and terminal capitalization rates. For properties we consider held for sale, we cease depreciating the properties and value the properties at the lower of depreciated cost or fair value, less costs to dispose. If circumstances arise that were previously considered unlikely, and, as a result, we decide not to sell a property or group of properties previously classified as held for sale, we will reclassify the properties as held and used. Properties are measured at the lower of their carrying amounts (adjusted for any depreciation and amortization expense that would have been recognized had the properties been continuously classified as held and used) or fair value at the date of the subsequent decision not to sell.

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

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

when the development projects are substantially completed and held available for occupancy. Interest is capitalized using the weighted average borrowing rate during the period.

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

	<u>Years</u>
Buildings and Improvements .....	7 to 50
Land Improvements .....	3 to 20
Furniture, Fixtures and Equipment .....	3 to 10
Tenant Improvements .....	Lease Term

Construction expenditures for tenant improvements, leasehold improvements and leasing commissions (inclusive of incentive compensation costs of personnel directly attributable to executed leases) are capitalized and amortized over the terms of each specific lease. Repairs and maintenance are charged to expense when incurred. Expenditures for improvements are capitalized.

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

The purchase price is further allocated to in-place lease values based on an estimate of the lease revenue received during a reasonable lease-up period as if the property was vacant on the date of acquisition. The value of in-place lease intangibles, which are included in the line item *Deferred Leasing Intangibles, Net* are amortized over the remaining initial lease term (including expected renewal periods) as adjustments to depreciation and other amortization expense. If a tenant terminates its lease early, the unamortized portion of the tenant improvements, leasing commissions, above and below market leases and the in-place lease value is immediately accelerated and fully amortized on the date of the termination.

As defined by GAAP, a business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. Our typical acquisitions consist of properties whereby substantially all the fair value or gross assets acquired is concentrated in a single asset (land, building, and in-place leases) and, therefore, will be accounted for as asset acquisitions, which permits the capitalization of transaction costs to the basis of the acquired property.

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

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

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
In-Place Leases . . . . .	\$20,188	\$19,971
Above Market Leases . . . . .	2,197	2,569
Below Market Ground Lease Obligation . . . . .	1,597	1,643
Tenant Relationships . . . . .	4,551	5,495
Total Included in Total Assets, Net of \$29,541 and \$26,337 of Accumulated Amortization . . . . .	\$28,533	\$29,678
Below Market Leases . . . . .	\$11,893	\$ 9,560
Total Included in Total Liabilities, Net of \$13,045 and \$11,356 of Accumulated Amortization . . . . .	\$11,893	\$ 9,560

Amortization expense related to in-place leases and tenant relationships was \$6,303, \$6,267 and \$6,648 for the years ended December 31, 2019, 2018 and 2017, respectively. Rental revenues increased by \$1,281, \$1,095 and \$1,116 related to net amortization of above and below market leases. We will recognize net amortization expense related to deferred leasing intangibles over the next five years, for properties owned as of December 31, 2019 as follows:

	<b>Estimated Amortization of In-Place Leases and Tenant Relationships</b>	<b>Estimated Net Increase to Rental Revenues Related to Above and Below Market Leases</b>
2020 . . . . .	\$6,166	\$1,716
2021 . . . . .	\$4,052	\$1,262
2022 . . . . .	\$3,631	\$1,225
2023 . . . . .	\$3,197	\$ 973
2024 . . . . .	\$2,425	\$ 993

***Debt Issuance Costs***

Debt issuance 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. Unamortized debt issuance costs are written-off when debt is retired before the maturity date. Debt issuance costs are presented as a direct deduction from the carrying amount of the respective debt liability, consistent with debt discounts, except for the debt issuance costs related to the unsecured credit facility which are included in the line item *Prepaid Expenses and Other Assets, Net* on the consolidated balance sheets.

***Investment in Joint Venture***

Investment in joint venture represents a noncontrolling equity interest in one joint venture. We have determined to account for our investment in this joint venture under the equity method of accounting, as we do not have a majority voting interest, operational control or financial control. Control is determined using accounting standards related to the consolidation of joint ventures and variable interest entities (“VIEs”). Under the equity method of accounting, our share of earnings or losses of a joint venture is reflected in income as earned and contributions or distributions increase or decrease our investment in joint venture as paid or received,



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

respectively. Differences between our carrying value of our investment in this joint venture and our underlying equity in such joint venture are amortized and included as an adjustment to our equity in income (loss).

On a periodic basis, management assesses whether there are any indicators that the value of our investment in this joint venture may be impaired. An investment is impaired only if our estimate of the fair value of the investment is less than the carrying value of the investment, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying value of the investment over the value of the investment.

***Limited Partner Units***

Limited Partner Units are reported within Partners' Capital in the Operating Partnership's balance sheet as of December 31, 2019 and 2018 because they are not redeemable for cash or other assets (a) at a fixed or determinable date, (b) at the option of the Unitholder or (c) upon the occurrence of an event that is not solely within the control of the Operating Partnership. Redemption can be effectuated, as determined by the General Partner, either by exchanging the Units for shares of common stock of the Company on a one-for-one basis, subject to adjustment, or by paying cash equal to the fair market value of such shares.

The Operating Partnership is the only significant asset of the Company and economic, fiduciary and contractual means align the interests of the Company and the Operating Partnership. The Company's Board of Directors and officers of the Company direct the Company to act when acting in its capacity as sole general partner of the Operating Partnership. Because of this, the Operating Partnership is deemed to have effective control of the form of redemption consideration. As of December 31, 2019, all criteria were met for the Operating Partnership to control the actions or events necessary to issue the maximum number of the Company's common shares required to be delivered upon redemption of all remaining Limited Partner Units.

***Stock Based Compensation***

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

Net income is allocated to common stockholders or Unitholders and participating securities based upon their proportionate share of weighted average shares or Units plus weighted average participating securities. Participating securities are unvested share-based and Unit-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents. Restricted stock or restricted Unit awards granted to employees and directors are considered participating securities as they receive non-forfeitable dividend or dividend equivalents at the same rate as common stock or Units.

***Revenue Recognition***

We lease our properties to tenants under agreements that are classified as leases. We recognize, as rental income, the total minimum lease payments under the leases on a straight-line basis over the lease term. Generally, under the terms of our leases, the majority of property operating expenses, including real estate taxes, insurance, and other property operating expenses are recovered from our tenants and recognized as tenant recovery revenue in the same period we incur the related expenses. As the timing and straight-line pattern of transfer to the lessee for rental revenue and the associated rental recoveries are the same and our leases qualify as operating leases, we account for the present rental revenue and tenant recovery revenue as a single component under *Lease Revenue*.

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

We assess the collectibility of lease receivables (including future minimum rental payments) both at commencement and throughout the lease term. If we conclude that collection of lease payments is not probable at lease commencement, we will recognize lease payments only as they are received. If our assessment of collectibility changes during the lease term, any difference between the revenue that would have been received under the straight-line method and the lease payments that have been collected will be recognized as a current period adjustment to *Lease Revenue*.

If a lease provides for tenant improvements, we determine whether we or the tenant is the owner of the tenant improvements. When we are the owner of the tenant improvements, any tenant improvements funded by the tenant are treated as lease payments which are deferred and amortized as revenue over the lease term. When the tenant is the owner of the tenant improvements, we record any tenant improvement allowance funded as a lease inducement and amortize it as a reduction of revenue over the lease term.

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

***Gain on Sale of Real Estate***

Asset sales are generally recognized when control of the asset being sold is transferred to the buyer. As the assets are sold, their costs and related accumulated depreciation, if any, are derecognized with resulting gains or losses reflected in net income. Estimated future costs to be incurred by us after completion of each sale are accrued and included in the determination of the gain on sales.

When leases contain purchase options, we assess the probability that the tenant will execute the purchase option both at lease commencement or at the time the tenant communicates their intent to execute the purchase option. If we determine the execution of the purchase option is likely, we will account for the lease as a sales-type lease and derecognize the associated real estate assets on our balance sheet and record a gain or loss on sale.

***Discontinued Operations and Assets Held for Sale***

We report results of operations from real estate assets that are sold or classified as held for sale as discontinued operations provided the disposal represents a strategic shift that has (or will have) a major effect on our operations and financial results.

We generally classify certain properties and related assets and liabilities as held for sale when the sale of an asset has been duly approved by management, a legally enforceable contract has been executed and the buyer's due diligence period, if any, has expired. At such time, the respective assets and liabilities are presented separately on the consolidated balance sheets. Assets held for sale are reported at the lower of carrying value or estimated fair value less estimated costs to sell.

***Income Taxes***

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

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

REIT qualification reduces, but does not eliminate, the amount of state and local taxes we pay. In addition, certain activities that we undertake may be conducted by entities which have elected to be treated as a TRS. TRSs are subject to both federal, state and local income taxes.

We may also be subject to certain federal excise and franchise taxes if we engage in certain types of transactions. A benefit or provision has been made for federal, state and local income taxes in the accompanying consolidated financial statements. The provision for excise and franchise taxes has been reflected in general and administrative expense in the consolidated statements of operations and has not been separately stated due to its insignificance.

In accordance with partnership taxation, each of the partners of the Operating Partnership is responsible for reporting their share of taxable income or loss.

***Earnings Per Share and Earnings Per Unit (“EPS” and “EPU”)***

Basic net income per common share or Unit is computed by dividing net income available to common shareholders or Unitholders by the weighted average number of common shares or Units outstanding for the period.

Diluted net income per common share or Unit is computed by dividing net income available to common shareholders or Unitholders by the sum of the weighted average number of common shares or Units outstanding and any dilutive non-participating securities for the period.

***Derivative Financial Instruments***

During the normal course of business, we have used derivative instruments for the purpose of managing interest rate risk on anticipated offerings of long term debt. Receipts or payments that result from the settlement of derivative instruments used to fix the interest rate on anticipated offerings of senior unsecured notes are amortized over the life of the derivative or the life of the debt and is included in interest expense. Receipts or payments resulting from derivative instruments used to convert floating rate debt to fixed rate debt are recognized as a component of interest expense.

To qualify for hedge accounting, derivative instruments used for risk management purposes must effectively reduce the risk exposure that they are designed to hedge. In addition, at inception of a qualifying cash flow hedging relationship, the underlying transaction or transactions, must be, and are expected to remain, probable of occurring in accordance with our related assertions. We recognize all derivative instruments in the line items *Prepaid Expenses and Other Assets, Net* or *Accounts Payable, Accrued Expenses and Other Liabilities* at fair value. Changes in fair value of derivative instruments that are not designated in hedging relationships or that do not meet the criteria of hedge accounting are recognized in earnings. For derivative instruments designated in qualifying cash flow hedging relationships, changes in fair value related to the effective portion of the derivative instruments are recognized in accumulated other comprehensive income (loss), whereas changes in fair value of the ineffective portion are recognized in earnings. If it is determined that a derivative instrument ceases to be highly effective as a hedge, or that it is probable the underlying forecasted transaction will not occur, we discontinue its cash flow hedge accounting prospectively and records the appropriate adjustment to earnings based on the current fair value of the derivative instrument. The credit risks associated with derivative instruments 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 derivative instruments, our exposure is limited to the fair value of agreements, not the notional amounts.

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

***Fair Value***

GAAP establishes a framework for measuring fair value and requires disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants. The guidance establishes a hierarchy for inputs used in measuring fair value based on observable and unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are based on market data obtained from independent sources. Unobservable inputs are inputs that reflect our assumptions of pricing the asset or liability based on the best information available in the circumstances. We estimate fair value using available market information and valuation methodologies we believe to be appropriate for these purposes. The fair value hierarchy consists of the following three broad levels:

- Level 1 — quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 — inputs other than quoted prices within Level 1 that are either directly or indirectly observable for the asset or liability; and
- Level 3 — unobservable inputs in which little or no market data exists for the asset or liability.

Our assets and liabilities that are measured at fair value are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. Considerable judgment and a high degree of subjectivity are involved in developing these estimates and, accordingly, they are not necessarily indicative of amounts that we would realize on disposition.

***Segment Reporting***

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

***Reclassifications***

We adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Codification 842 *Leases* effective January 1, 2019. Upon adoption of the new standard, tenant recovery revenue and fee revenue collected for delinquent lease payments for 2018 and 2017 have been reclassified to the *Lease Revenue* line item in the Consolidated Statements of Operations to conform to the 2019 financial statement presentation. This reclassification had no impact to the 2018 or 2017 results of operations.

Certain amounts included in the Consolidated Financial Statements and Notes to the Consolidated Financial Statements for 2018 have been reclassified to conform to the 2019 financial statement presentation.

***Recent Accounting Pronouncements Adopted***

In February 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (Topic 842) (“ASU 2016-02”), which amended the existing accounting standards for lease accounting to increase transparency and comparability among organizations by requiring the recognition of right-of-use assets and lease liabilities on the balance sheet.

We adopted the standard effective January 1, 2019 and have elected to use January 1, 2019 as our date of initial application. Consequently, financial information will not be updated and disclosures required under the

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

new standard will not be provided for periods presented before January 1, 2019 as these prior periods conform to Accounting Standards Codification 840. We elected the package of practical expedients permitted under the transition guidance within the new standard. By adopting these practical expedients, we were not required to reassess (1) whether an existing contract meets the definition of a lease; (2) the lease classification for existing leases; or (3) costs previously capitalized as initial direct costs.

As a lessor, our rental revenue remained mainly consistent with previous guidance, apart from the narrower definition of initial direct costs that can be capitalized. The new standard defines initial direct costs as only the incremental costs of signing a lease. As such, certain compensation and certain external legal fees related to the execution of successful lease agreements no longer meet the definition of initial direct costs under the new standard and will be accounted for in the line item *General and Administrative Expense*. However, the adoption of the standard, along with the adoption of ASU No. 2018-11, Leases—Targeted Improvements which the FASB issued in July 2018, did change our presentation of our results from operations in the Consolidated Statements of Operations. The main changes caused by the adoption of the standards are:

- The new standard provided a practical expedient, which allows lessors to combine non-lease components with the related lease components if both the timing and pattern of transfer are the same for the non-lease components(s) and the related lease component, and the lease component would be classified as an operating lease. Lessors are permitted to apply the practical expedient to all existing leases on a retrospective or prospective basis. We elected the practical expedient to combine our lease and non-lease components that meet the defined criteria. The non-lease components of our leases primarily consist of common area maintenance reimbursements from our tenants.
- The new standard also requires lessors to exclude from variable payments recorded in lease revenues certain lessor costs, such as real estate taxes, that the lessor contractually requires the lessee to pay directly to a third party on its behalf. Several of our leases require tenants to pay real estate taxes directly to taxing authorities. For periods prior to January 1, 2019, we recorded these payments in the line item *Property Expenses* with an offset in the line item *Lease Revenue*. For the years ended December 31, 2018 and 2017, \$7,517 and \$7,734, respectively, of these payments are included in the aforementioned line items.
- The new standard requires our expected credit loss related to the collectibility of lease receivables to be reflected as an adjustment to the line item *Lease Revenue*. For the year ended December 31, 2018 and 2017, the credit loss related to the collectibility of lease receivables was recognized in the line item *Property Expenses* and was not significant.

We are a lessee on a limited number of ground and office leases. Under the new standard, the expense pattern for these leases is generally consistent with that of our historical recognition; however, we are required to record right-of-use assets and lease liabilities on our Consolidated Balance Sheets. Operating lease right-of-use assets and liabilities are recognized at commencement of the lease based on the present value of the lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on information available at lease commencement to determine the present value of lease payments. For leases that commenced prior to the effective date of the standard, we recognized right-of-use assets and lease liabilities based on the present value of remaining lease payments and the incremental borrowing rate on the date of adoption. We have elected the short term lease exemption for certain qualifying leases with lease terms of twelve months or less and, accordingly, did not record right-of-use assets and lease liabilities. We have also elected the practical expedient to not separate lease and non-lease components. For additional disclosures related to leases, refer to Note 10.

In August 2017, the FASB issued ASU 2017-12, “Derivatives and Hedging (Topic 815): Targeting Improvements to Accounting for Hedging Activities” (“ASU 2017-12”). ASU 2017-12 is intended to better align

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

financial reporting for hedging activities with the economic objectives of those activities. We adopted ASU 2017-02 effective January 1, 2019, and the adoption did not impact our financial condition or results of operations.

**3. Investment in Real Estate**

*Acquisitions*

The following table summarizes our acquisition of industrial properties from third parties for the years ended December 31, 2019, 2018 and 2017. The revenue and net income associated with the acquisition of the industrial properties, since their respective acquisition dates, are not significant for years ended December 31, 2019, 2018 or 2017.

	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Number of Industrial Properties Acquired . . . . .	9	10	8
GLA (in millions) . . . . .	0.5	1.0	1.1
Purchase Price (A) . . . . .	\$147,887	\$167,546	\$174,209

(A) Purchase price includes the acquisition of several land parcels for the years ended December 31, 2019, 2018 and 2017 and excludes closing costs incurred with the acquisition of the industrial properties and land parcels that have been capitalized.

The following table summarizes the fair value of amounts recognized for each major class of asset and liability for the industrial properties and land parcels acquired during the years ended December 31, 2019 and 2018:

	<u>Year Ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Land . . . . .	\$101,764	\$ 79,347
Building and Improvements . . . . .	43,693	81,747
Other Assets . . . . .	859	1,225
In-Place Leases . . . . .	5,601	5,302
Above Market Leases . . . . .	34	662
Below Market Leases . . . . .	(4,064)	(737)
Total Purchase Price . . . . .	\$147,887	\$167,546
Assumed Mortgage Loan (See Note 4) . . . . .	—	(11,654)
Total Net Assets Acquired . . . . .	<u>\$147,887</u>	<u>\$155,892</u>

*Sales*

The following table summarizes our property dispositions for the years ended December 31, 2019, 2018 and 2017:

	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Number of Industrial Properties Sold (A) . . . . .	40	53	60
GLA (in millions) . . . . .	5.9	2.6	4.6
Gross Proceeds from the Sale of Real Estate (B) . . . . .	\$315,768	\$192,047	\$236,059
Gain on Sale of Real Estate (B) . . . . .	\$124,942	\$ 81,600	\$131,269

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

- 
- (A) The years ended December 31, 2019 and 2018 include partial sales of 0.1 million and 0.1 million square-foot industrial properties, respectively.
- (B) Gross proceeds and gain on sale of real estate include the sale of several land parcels for the years ended December 31, 2019, 2018 and 2017. In addition, included in the above table for the year ended December 31, 2019, is gross proceeds of \$54,521 and gain on sale of \$8,606 related to the reclassification of a lease from an operating lease to a sales-type lease. See Note 10 for additional information.

***Impairment Charges***

The impairment charges of \$2,756 recorded during the year ended December 31, 2018 were due to marketing one industrial property and one land parcel for sale and our assessment of the likelihood and timing of a potential sale transaction. The fair market values were determined using third party offers. Valuations based on third party offers included bona fide contract prices and letter of intent amounts that we believe were indicative of fair value and fall into Level 3 of the fair value hierarchy. The property and the land parcel for which impairment was recorded were sold later during the year ended December 31, 2018.

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

**4. Indebtedness**

The following table discloses certain information regarding our indebtedness:

	<b>Outstanding Balance at</b>		<b>Interest Rate at December 31, 2019</b>	<b>Effective Interest Rate at Issuance</b>	<b>Maturity Date</b>
	<b>December 31, 2019</b>	<b>December 31, 2018</b>			
<b>Mortgage Loans</b>					July 2020 – August 2028
<b>Payable, Gross</b> . . . . .	\$174,360	\$297,610	4.03% –6.50%	4.03% – 6.50%	
<i>Unamortized Debt Issuance Costs</i> . . . . .	(675)	(1,246)			
<i>Unamortized Premiums</i> . . . . .	—	106			
<b>Mortgage Loans Payable, Net</b> . . . . .	<u>\$173,685</u>	<u>\$296,470</u>			
<b>Senior Unsecured Notes, Gross</b>					
2027 Notes . . . . .	6,070	6,070	7.15%	7.11%	5/15/2027
2028 Notes . . . . .	31,901	31,901	7.60%	8.13%	7/15/2028
2032 Notes . . . . .	10,600	10,600	7.75%	7.87%	4/15/2032
2027 Private Placement Notes . . . . .	125,000	125,000	4.30%	4.30%	4/20/2027
2028 Private Placement Notes . . . . .	150,000	150,000	3.86%	3.86%	2/15/2028
2029 Private Placement Notes . . . . .	75,000	75,000	4.40%	4.40%	4/20/2029
2029 II Private Placement Notes . . . . .	150,000	—	3.97%	4.23%	7/23/2029
2030 Private Placement Notes . . . . .	150,000	150,000	3.96%	3.96%	2/15/2030
<b>Subtotal</b> . . . . .	\$698,571	\$548,571			
<i>Unamortized Debt Issuance Costs</i> . . . . .	(4,485)	(3,990)			
<i>Unamortized Discounts</i> . . . . .	(71)	(77)			
<b>Senior Unsecured Notes, Net</b> . . . . .	<u>\$694,015</u>	<u>\$544,504</u>			
<b>Unsecured Term Loans, Gross</b>					
2014 Unsecured Term Loan (A) . . . . .	\$200,000	\$200,000	3.39%	N/A	1/29/2021
2015 Unsecured Term Loan (A) . . . . .	260,000	260,000	2.89%	N/A	9/12/2022
<b>Subtotal</b> . . . . .	\$460,000	\$460,000			
<i>Unamortized Debt Issuance Costs</i> . . . . .	(2,135)	(3,191)			
<b>Unsecured Term Loans, Net</b> . . . . .	<u>\$457,865</u>	<u>\$456,809</u>			
<b>Unsecured Credit Facility (B)</b> . . . . .	<u>\$158,000</u>	<u>\$ —</u>	2.90%	N/A	10/29/2021

(A) The interest rate at December 31, 2019 also reflects the derivative instruments we entered into to effectively convert the variable rate to a fixed rate. See Note 12.

(B) The maturity date may be extended an additional year at our election, subject to certain restrictions. Amounts exclude unamortized debt issuance costs of \$2,300 and \$3,554 as of December 31, 2019 and 2018, respectively, which are included in the line item *Prepaid Expenses and Other Assets, Net*.

***Mortgage Loans Payable, Net***

During the years ended December 31, 2019 and 2018, we paid off mortgage loans in the amount of \$117,199 and \$157,782, respectively. In connection with mortgage loans paid off during the years ended



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

December 31, 2018 and 2017, we recognized \$39 and \$1,653 within the line item *Loss from Retirement of Debt* representing the write-off of unamortized debt issuance costs offset by the write off of an unamortized premium.

During the year ended December 31, 2018, we assumed a mortgage loan in the amount of \$11,654 in conjunction with the acquisition of three industrial properties, totaling approximately 0.2 million square feet of GLA. The mortgage loan bears interest at a fixed rate of 4.17%, principal payments are amortized over 30 years and the loan matures in August 2028.

As of December 31, 2019, mortgage loans payable are collateralized, and in some instances cross-collateralized, by industrial properties with a net carrying value of \$264,956. We believe the Operating Partnership and the Company were in compliance with all covenants relating to mortgage loans as of December 31, 2019.

***Senior Unsecured Notes, Net***

During the year ended December 31, 2019, the Operating Partnership issued \$150,000 of 3.97% Series E Guaranteed Senior Notes Due July 23, 2029 (the “2029 II Private Placement Notes”) in a private placement pursuant to a Note and Guaranty Agreement dated May 16, 2019.

During the year ended December 31, 2018, the Operating Partnership issued \$150,000 of 3.86% Series C Guaranteed Senior Notes due February 15, 2028 (the “2028 Private Placement Notes”) and \$150,000 of 3.96% Series D Guaranteed Senior Notes due February 15, 2030 (the “2030 Private Placement Notes”) in a private placement pursuant to a Note and Guaranty Agreement dated December 12, 2017.

During the year ended December 31, 2017, the Operating Partnership issued \$125,000 of 4.30% Series A Guaranteed Senior Notes due April 20, 2027 (the “2027 Private Placement Notes”) and \$75,000 of 4.40% Series B Guaranteed Senior Notes due April 20, 2029 (the “2029 Private Placement Notes”) in private placement pursuant to a Note and Guaranty Agreement dated February 21, 2017.

The 2028 Private Placement Notes, the 2030 Private Placement Notes, the 2027 Private Placement Notes, the 2029 Private Placement Notes and the 2029 II Private Placement Notes (collectively, the “Private Placement Notes”) are unsecured obligations of the Operating Partnership that are fully and unconditionally guaranteed by the Company and require semi-annual interest payments.

***Unsecured Term Loans, Net***

On January 29, 2014, we entered into a seven-year, \$200,000 unsecured loan (the “2014 Unsecured Term Loan”) with a syndicate of financial institutions. At December 31, 2018, the 2014 Unsecured Term Loan requires interest only payments and bears interest at a variable rate based on LIBOR plus 110 basis points. During the year ended December 31, 2017, we recognized \$51 within the line item *Loss from Retirement of Debt* related to the write-off of unamortized debt issuance costs related to a lender that opted out of its position and whose position was replaced by other lenders.

On September 11, 2015, we entered into a seven-year, \$260,000 unsecured loan (the “2015 Unsecured Term Loan”; together with the 2014 Unsecured Term Loan, the “Unsecured Term Loans”) with a syndicate of financial institutions. At December 31, 2018, the 2015 Unsecured Term Loan requires interest only payments and bears interest at a variable rate based on LIBOR plus 110 basis points. The interest rates on the Unsecured Term Loans vary based on the Company’s leverage ratio or, at our election, the Company’s credit ratings.

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

***Unsecured Credit Facility***

As of December 31, 2019, we have a \$725,000 revolving credit agreement (the “Unsecured Credit Facility”). We may request that the borrowing capacity under the Unsecured Credit Facility be increased to \$1,000,000, subject to certain restrictions. The Unsecured Credit Facility matures on October 29, 2021, with an option to extend an additional one year at our election, subject to certain restrictions. The interest rate on the Unsecured Credit Facility varies based on our leverage ratio. At December 31, 2019, the Unsecured Credit Facility provides for interest only payments at LIBOR plus 110 basis points.

During the year ended December 31, 2017, in connection with the amendment, we recognized \$71 within the line item *Loss from Retirement of Debt* related to the write-off of unamortized debt issuance costs related to a lender that opted out of its position and whose position was replaced by other lenders.

***Indebtedness***

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

	<b>Amount</b>
2020 .....	\$ 19,813
2021 .....	425,294
2022 .....	336,954
2023 .....	321
2024 .....	335
Thereafter .....	708,214
Total .....	\$1,490,931

The Unsecured Credit Facility, the Unsecured Term Loans, the Private Placement Notes and the indentures governing our senior unsecured notes contain certain financial covenants, including limitations on incurrence of debt and debt service coverage. Under the Unsecured Credit Facility and the Unsecured Term Loans, an event of default can occur if the lenders, in their good faith judgment, determine that a material adverse change has occurred which could prevent timely repayment or materially impair our ability to perform our obligations under the loan agreements. We believe that the Operating Partnership and the Company were in compliance with all covenants relating to the Unsecured Credit Facility, the Unsecured Term Loans, the Private Placement Notes and indentures governing our senior unsecured notes as of December 31, 2019. However, these financial covenants are complex and there can be no assurance that these provisions would not be interpreted by our lenders and noteholders in a manner that could impose and cause us to incur material costs.

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

***Fair Value***

At December 31, 2019 and 2018, the fair value of our indebtedness was as follows:

	December 31, 2019		December 31, 2018	
	Carrying Amount (A)	Fair Value	Carrying Amount (A)	Fair Value
Mortgage Loans Payable, Net .....	\$ 174,360	\$ 179,287	\$ 297,716	\$ 304,508
Senior Unsecured Notes, Net .....	698,500	756,351	548,494	546,607
Unsecured Term Loans .....	460,000	460,902	460,000	461,317
Unsecured Credit Facility .....	158,000	158,141	—	—
Total .....	<u>\$1,490,860</u>	<u>\$1,554,681</u>	<u>\$1,306,210</u>	<u>\$1,312,432</u>

(A) The carrying amounts include unamortized premiums and/or discounts and exclude unamortized debt issuance costs.

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

**5. Variable Interest Entities**

The Other Real Estate Partnerships are VIEs of the Operating Partnership and the Operating Partnership is the primary beneficiary, thus causing the Other Real Estate Partnerships to be consolidated by the Operating Partnership. In addition, the Operating Partnership is a VIE of the Company and the Company is the primary beneficiary.

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

The following table summarizes the assets and liabilities of the Other Real Estate Partnerships included in our consolidated balance sheets:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
<b>ASSETS</b>		
Assets:		
Net Investment in Real Estate .....	\$240,847	\$260,528
Other Assets, Net .....	<u>69,982</u>	<u>25,059</u>
Total Assets .....	<u>\$310,829</u>	<u>\$285,587</u>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
Liabilities:		
Mortgage Loans Payable, Net .....	\$ 11,009	\$ 20,497
Other Liabilities, Net .....	21,088	9,045
Partners' Capital .....	<u>278,732</u>	<u>256,045</u>
Total Liabilities and Partners' Capital .....	<u>\$310,829</u>	<u>\$285,587</u>

***Joint Venture***

During the second quarter of 2018, we entered into the Joint Venture with a third party partner for the purpose of developing, leasing, operating and potentially selling approximately 532 net developable acres of land located in the Phoenix, Arizona metropolitan area. The purchase price for the land was \$49,000, which amount was funded by the Joint Venture via cash equity contributions from us and our joint venture partner. Through a wholly-owned subsidiary of the Operating Partnership, we own a 49% interest in the Joint Venture.

During the year ended December 31, 2019, the Joint Venture sold three land parcels, totaling 236 net developable acres, for gross proceeds of \$57,178 and a total gain on sale of real estate of \$30,236. Our economic share of the gain on sale is \$14,816. However, we were the purchaser of one of the land parcels, acquiring 39 net developable acres from the Joint Venture. Accordingly, we netted our gain on sale pertaining to that sale in the amount of \$3,121 against the basis of the land acquired. During the year ended December 31, 2018, the Joint Venture sold one land parcel, totaling 21 net developable acres, for gross proceeds of \$3,973 and total gain on sale of real estate of \$181. Net income (loss) of the Joint Venture for the years ended December 31, 2019 and 2018 was \$29,999 and \$(302), respectively.

Under the Joint Venture's operating agreement, we act as the managing member of the Joint Venture and are entitled to receive fees for providing management, leasing, development, construction supervision, disposition and asset management services to the Joint Venture. In addition, the Joint Venture's operating agreement provides us the ability to earn an incentive fee based on the ultimate financial performance of the Joint Venture. The incentive fee is calculated using a hypothetical liquidation basis assuming the remaining net assets of the Joint Venture are distributed at book value. For the year ended December 31, 2019, we recognized an incentive fee of \$4,880, which is recorded in the *Equity In Income of Joint Venture* line item in the consolidated statements of operations and as an increase to the *Investment in Joint Venture* line item on the consolidated balance sheets. Any incentive fee earned will be calculated based on the final economic performance of the Joint Venture and will be paid towards the end of the Joint Venture's life.

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

During the year ended December 31, 2019, we recognized fees of \$146 from the Joint Venture related to asset management and development services we provided to the Joint Venture. At December 31, 2019, we had a receivable from the Joint Venture of \$588.

As part of our assessment of the appropriate accounting treatment for the Joint Venture, we reviewed the operating agreement of the Joint Venture in order to determine our rights and the rights of our joint venture partner, including whether those rights are protective or participating. The operating agreement contains certain protective rights, such as the requirement of member approval to sell, finance or refinance the property and to pay capital expenditures and operating expenditures outside of the approved budget. However, we and our Joint Venture partner jointly (i) approve the annual budget, (ii) approve certain expenditures, (iii) review and approve the Joint Venture's tax return before filing and (iv) approve each lease at a developed property. We consider the latter rights substantive participation rights that result in shared, joint power over the activities that most significantly impact the performance of the Joint Venture. As such, we concluded to account for our investment in the Joint Venture under the equity method of accounting.

**6. Stockholders' Equity of the Company and Partners' Capital of the Operating Partnership**

***Operating Partnership Units***

The Operating Partnership has issued General Partner Units and Limited Partner Units. The General Partner Units resulted from capital contributions from the Company. The Limited Partner Units are issued in conjunction with the acquisition of certain properties as well as through the issuance of Performance LTIP Units and Service LTIP Units (as defined in Note 11). Subject to certain lock-up periods, holders of Limited Partner Units can redeem their Units by providing written notification to the General Partner. Unless the General Partner provides notice of a redemption restriction to the holder, redemption must be made within seven business days after receipt of the holder's notice. The redemption can be effectuated, as determined by the General Partner, either by exchanging the Limited Partner Units for shares of common stock of the Company on a one-for-one basis, subject to adjustment, or by paying cash equal to the fair market value of such shares. Prior requests for redemption have generally been fulfilled with shares of common stock of the Company, and the Operating Partnership intends to continue this practice. If each Limited Partner Unit of the Operating Partnership were redeemed as of December 31, 2019, the Operating Partnership could satisfy its redemption obligations by making an aggregate cash payment of approximately \$100,568 or by issuing 2,422,744 shares of the Company's common stock.

***Preferred Stock or General Partner Preferred Units***

The Company has 10,000,000 shares of preferred stock authorized. As of December 31, 2019 and 2018, there were no preferred shares or general partner preferred Units outstanding.

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

*Shares of Common Stock or Unit Contributions*

The following table is a roll-forward of the Company's shares of common stock outstanding and the Operating Partnership's Units outstanding, including equity compensation awards which are discussed in Note 11, for the three years ended December 31, 2019:

	<b>Shares of Common Stock Outstanding</b>	<b>General Partner and Limited Partner Units Outstanding</b>
<b>Balance at December 31, 2016</b> .....	117,107,746	121,147,121
Issuance of Common Stock/Contribution of General Partner Units (A) .....	2,560,000	2,560,000
Issuance of Restricted Stock/Restricted Unit Awards .....	275,793	275,793
Repurchase and Retirement of Restricted Stock/Restricted Unit Awards .....	(91,513)	(91,513)
Conversion of Limited Partner Units (B) .....	31,154	—
<b>Balance at December 31, 2017</b> .....	119,883,180	123,891,401
Issuance of Common Stock/Contribution of General Partner Units (A) .....	4,800,000	4,800,000
Issuance of Restricted Stock/Restricted Unit Awards .....	227,059	227,059
Vesting of Performance units (as defined in Note 11) .....	150,772	150,772
Repurchase and Retirement of Restricted Stock/Restricted Unit Awards .....	(104,301)	(104,301)
Conversion of Limited Partner Units (B) .....	1,350,721	—
Retirement of Limited Partner Units (C) .....	—	(33,333)
<b>Balance at December 31, 2018</b> .....	126,307,431	128,931,598
Issuance of Service Awards and Performance Awards (as defined in Note 11) .....	109,353	406,569
Vesting of Performance units (as defined Note 11) .....	169,033	169,033
Repurchase and Retirement of Service Awards and Performance Awards (as defined in Note 11) .....	(76,855)	(89,978)
Conversion of Limited Partner Units (B) .....	485,516	—
<b>Balance at December 31, 2019</b> .....	126,994,478	129,417,222

(A) During the years ended December 31, 2018 and 2017, the Company issued 4,800,000 and 2,560,000 shares of the Company's common stock in an underwritten public offering. Proceeds to the Company, net of the underwriter's discount, were \$145,584 and \$74,880. The proceeds were contributed to the Operating Partnership in exchange for General Partner Units and are reflected in the Operating Partnership's financial statements as a general partner contribution.

(B) For the years ended December 31, 2019, 2018 and 2017, 485,516, 1,350,721 and 31,154 Limited Partner Units, respectively, were converted into an equivalent number of shares of common stock of the Company, resulting in a reclassification of \$7,196, \$16,605 and \$364, respectively, of noncontrolling interest to the Company's stockholders' equity.

(C) During the year ended December 31, 2018, 33,333 Limited Partner Units were forfeited by a unitholder and were retired by the Operating Partnership.

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

***ATM Program***

On March 16, 2017, we entered into distribution agreements with sales agents to sell up to 8,000,000 shares of the Company’s common stock, for up to \$200,000 aggregate gross sales proceeds, from time to time in “at-the-market” offerings (the “2017 ATM Program”). Under the terms of the 2017 ATM Program, sales are to be made primarily in transactions that are deemed to be “at-the-market” offerings, including sales made directly on the New York Stock Exchange or sales made through a market maker other than on an exchange or by privately negotiated transactions. During the years ended December 31, 2019, 2018 and 2017, the Company did not issue any shares of common stock under the 2017 ATM Program.

***Dividends/Distributions***

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

	<b>2019 Total Dividend/ Distribution</b>	<b>2018 Total Dividend/ Distribution</b>	<b>2017 Total Dividend/ Distribution</b>
Common Stock/Operating Partnership Units . . . . .	\$119,522	\$111,478	\$104,106

**7. Accumulated Other Comprehensive (Loss) Income**

The following table summarizes the changes in accumulated other comprehensive (loss) income by component for the years ended December 31, 2019 and 2018:

	<b>Derivative Instruments</b>	<b>Total for Operating Partnership</b>	<b>Comprehensive (Loss) Income Attributable to Noncontrolling Interest</b>	<b>Total for Company</b>
Balance as of December 31, 2017 . . . . .	\$ 1,382	\$ 1,382	\$ (44)	\$ 1,338
Other Comprehensive Income Before Reclassifications . . . . .	1,987	1,987	(28)	1,959
Amounts Reclassified from Accumulated Other Comprehensive Income . . . . .	205	205	—	205
Net Current Period Other Comprehensive Income . . . . .	2,192	2,192	(28)	2,164
Balance as of December 31, 2018 . . . . .	\$ 3,574	\$ 3,574	\$ (72)	\$ 3,502
Other Comprehensive Loss Before Reclassifications . . . . .	(9,603)	(9,603)	202	(9,401)
Amounts Reclassified from Accumulated Other Comprehensive (Loss) Income . . . . .	(984)	(984)	—	(984)
Net Current Period Other Comprehensive Loss . . . . .	(10,587)	(10,587)	202	(10,385)
Balance as of December 31, 2019 . . . . .	\$ (7,013)	\$ (7,013)	\$130	\$ (6,883)

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

The following table summarizes the reclassifications out of accumulated other comprehensive (loss) income for the years ended December 31, 2019, 2018 and 2017:

<u>Accumulated Other Comprehensive (Income) Loss Components</u>	<u>Amount Reclassified from Accumulated Other Comprehensive (Income) Loss</u>			<u>Affected Line Items in the Consolidated Statements of Operations</u>
	<u>Year Ended December 31, 2019</u>	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>	
Derivative Instruments:				
Amortization of Previously Settled Derivative Instruments .....	233	96	205	Interest Expense
Net Settlement (Receipts) Payments to our Counterparties .....	(1,217)	109	4,336	Interest Expense
	<u>\$ (984)</u>	<u>\$205</u>	<u>\$4,541</u>	Total

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in other comprehensive income and is subsequently reclassified to earnings through interest expense over the life of the derivative or over the life of the debt. In the next 12 months, we expect to amortize approximately \$410 into net income by increasing interest expense for derivative instruments we settled in previous periods. Additionally, recurring settlement payments or receipts related to the 2014 Swaps and 2015 Swaps (as defined in Note 12) will also be reclassified to interest expense. See Note 12 for more information about our derivatives.



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

**8. Earnings Per Share and Earnings Per Unit (EPS/EPU)**

The computation of basic and diluted EPS of the Company is presented below:

	<b>Year Ended December 31, 2019</b>	<b>Year Ended December 31, 2018</b>	<b>Year Ended December 31, 2017</b>
Numerator:			
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities . . . . .	\$238,775	\$163,239	\$201,456
Net Income Allocable to Participating Securities . . . . .	(518)	(513)	(646)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders . . . . .	<u>\$238,257</u>	<u>\$162,726</u>	<u>\$200,810</u>
Denominator (In Thousands):			
Weighted Average Shares - Basic . . . . .	126,392	123,804	118,272
Effect of Dilutive Securities:			
Performance units (See Note 11) . . . . .	299	387	515
Weighted Average Shares - Diluted . . . . .	<u>126,691</u>	<u>124,191</u>	<u>118,787</u>
Basic EPS:			
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders . . . . .	<u>\$ 1.89</u>	<u>\$ 1.31</u>	<u>\$ 1.70</u>
Diluted EPS:			
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders . . . . .	<u>\$ 1.88</u>	<u>\$ 1.31</u>	<u>\$ 1.69</u>

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

The computation of basic and diluted EPU of the Operating Partnership is presented below:

	<u>Year Ended December 31, 2019</u>	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>
Numerator:			
Net Income Available to Unitholders and Participating Securities .....	243,628	167,246	208,158
Net Income Allocable to Participating Securities .....	<u>(732)</u>	<u>(513)</u>	<u>(646)</u>
Net Income Available to Unitholders .....	<u>\$242,896</u>	<u>\$166,733</u>	<u>\$207,512</u>
Denominator (In Thousands):			
Weighted Average Units - Basic .....	128,831	126,921	122,306
Effect of Dilutive Securities that Result in the Issuance of General Partner Units:			
Performance units and certain Performance LTIP Units (See Note 11) .....	<u>410</u>	<u>387</u>	<u>515</u>
Weighted Average Units - Diluted .....	<u>129,241</u>	<u>127,308</u>	<u>122,821</u>
Basic EPS:			
Net Income Available to Unitholders .....	<u>\$ 1.89</u>	<u>\$ 1.31</u>	<u>\$ 1.70</u>
Diluted EPU:			
Net Income Available to Unitholders .....	<u>\$ 1.88</u>	<u>\$ 1.31</u>	<u>\$ 1.69</u>

Participating securities include 296,371, 405,436 and 408,248 of unvested restricted stock outstanding at December 31, 2019, 2018 and 2017, respectively, which participate in non-forfeitable distributions. At December 31, 2019, 2018, and 2017, participating securities for the Operating Partnership include 421,928, 405,436 and 408,248, respectively, of restricted Unit awards and certain Service LTIP Units (see Note 11), which participate in non-forfeitable distributions. Under the two class method, participating security holders are allocated income, in proportion to total weighted average shares or Units outstanding, based upon the greater of net income or common stock dividends or Unit distributions declared.

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

**9. Income Taxes**

Our Consolidated Financial Statements include the operations of our TRSs, which are not entitled to the dividends paid deduction and are subject to federal, state and local income taxes on its taxable income. During the years ended December 31, 2019, 2018 and 2017, the Company qualified as a REIT and incurred no federal income tax expense; accordingly, the only federal income taxes included in the accompanying Consolidated Financial Statements relate to activities of our TRSs. The components of the income tax (provision) benefit for the years ended December 31, 2019, 2018 and 2017 is comprised of the following:

	Year Ended December 31,		
	2019	2018	2017
<b>Current:</b>			
Federal .....	\$ (169)	\$ 22	\$ (859)
State .....	(839)	(310)	(344)
<b>Deferred:</b>			
Federal .....	(2,334)	400	—
State .....	(64)	(20)	10
Total Income Tax (Provision) Benefit .....	\$(3,406)	\$ 92	\$(1,193)

Deferred income taxes represent the tax effect of the temporary differences between the book and tax basis of assets and liabilities. Deferred income tax assets and liabilities include the following as of December 31, 2019 and 2018:

	Year Ended December 31,	
	2019	2018
Basis Difference - Real Estate Properties .....	\$ 1,388	\$ 739
Section 163(j) Interest Limitation .....	600	344
Other - Temporary Differences .....	329	184
Valuation Allowance .....	(850)	(840)
Total Deferred Income Tax Assets, Net of Allowance .....	\$ 1,467	\$ 427
Deferred Income - Investment in Joint Venture .....	\$(3,374)	\$ —
Other - Temporary Differences .....	(295)	(231)
Total Deferred Income Tax Liabilities .....	\$(3,669)	\$(231)
Total Net Deferred Income Tax (Liabilities) Assets .....	\$(2,202)	\$ 196

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

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

The differences between the income tax provision calculated at the statutory U.S. federal income tax rate and the actual income tax provision recorded are as follows:

	Year Ended December 31,		
	2019	2018	2017
Tax (Provision) Benefit at Federal Rate .....	\$(2,556)	\$ 436	\$(1,416)
Change in Federal Tax Rate .....	—	—	(609)
State Tax Provision, Net of Federal Benefit .....	(903)	(417)	(376)
Change in Valuation Allowance .....	(10)	144	1,197
Other .....	63	(71)	11
Net Income Tax (Provision) Benefit .....	\$(3,406)	\$ 92	\$(1,193)

We evaluate tax positions taken in the financial statements on a quarterly basis under the interpretation for accounting for uncertainty in income taxes. As a result of this evaluation, we may recognize a tax benefit from an uncertain tax position only if it is “more-likely-than-not” that the tax position will be sustained on examination by taxing authorities. As of December 31, 2019, we do not have any unrecognized tax benefits.

We file income tax returns in the U.S. and various states. The statute of limitations for income tax returns is generally three years. As such, our tax returns that are subject to examination would be primarily from 2016 and thereafter. There were no material interest or penalties recorded for the years ended December 31, 2019, 2018 and 2017.

***Federal Income Tax Treatment of Common Dividends***

For the years ended December 31, 2019, 2018 and 2017, the dividends paid to the Company’s common shareholders per common share for income tax purposes were characterized as follows:

	2019	As a Percentage of Distributions	2018	As a Percentage of Distributions	2017	As a Percentage of Distributions
Ordinary Income (A) .....	\$0.7650	83.15%	\$0.6858	78.83%	\$0.6552	74.23%
Unrecaptured Section 1250 Capital Gain .....	0.1074	11.68%	0.1497	17.21%	0.1627	18.43%
Other Capital Gain .....	0.0460	5.00%	0.0330	3.79%	0.0648	7.34%
Qualified Dividend .....	0.0016	0.17%	0.0015	0.17%	—	0.00%
	\$0.9200	100.00%	\$0.8700	100.00%	\$0.8827	100.00%

(A) For the years ended December 31, 2019 and 2018, the Code Section 199A dividend is equal to the total ordinary income dividend.

The income tax characterization of dividends to common shareholders is based on the calculation of Taxable Earnings and Profits, as defined in the Code. Taxable Earnings and Profits differ from regular taxable income due primarily to differences in the estimated useful lives and methods used to compute depreciation and in the recognition of gains and losses on the sale of real estate assets.

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

**10. Leases**

*Lessee Disclosures*

We are a lessee on a limited number of ground and office leases (the “Operating Leases”). Our office leases have remaining lease terms of less than one year to seven years and our ground leases have remaining terms of 35 years to 52 years. For the year ended December 31, 2019, we recognized \$2,443 of operating lease expense, inclusive of short-term and variable lease costs which are not significant.

The following is a schedule of the maturities of operating lease liabilities for the next five years as of December 31, 2019, and thereafter:

2020 .....	\$ 2,321
2021 .....	2,288
2022 .....	2,238
2023 .....	2,068
2024 .....	1,915
Thereafter .....	<u>60,707</u>
Total Lease Payments .....	71,537
Less Imputed Interest (A) .....	<u>(49,168)</u>
Total .....	<u>\$ 22,369</u>

(A) Calculated using the discount rate for each lease.

As of December 31, 2019, our weighted average remaining lease term for the Operating Leases is 41.3 years and the weighted average discount rate is 7.2%.

A number of the Operating Leases include options to extend the lease term. For purposes of determining our lease term, we excluded periods covered by an option since it was not reasonably certain at lease commencement that we would exercise the options.

*Lessor Disclosures*

Our properties and certain land parcels are leased to tenants and classified as operating leases. Future minimum rental receipts, excluding variable payments and tenant reimbursements of expenses, under non-cancelable operating leases executed as of December 31, 2019 are approximately as follows:

2020 .....	\$ 321,896
2021 .....	294,820
2022 .....	256,262
2023 .....	219,396
2024 .....	175,696
Thereafter .....	<u>510,976</u>
Total .....	<u>\$1,779,046</u>

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

Several of our operating leases include options to extend the lease term and/or to purchase the building. For purposes of determining the lease term and lease classification, we exclude these extension periods and purchase options unless it is reasonably certain at lease commencement that the option will be exercised.

During the year ended December 31, 2019, a tenant exercised its lease option to purchase a 0.6 million square foot building located in our Phoenix market. The option includes a fixed purchase price and an expected closing date in August 2020. At the time the tenant exercised the option, we reassessed the lease classification of this lease and, based on various qualitative factors, we determined that it was reasonably certain the tenant would close on the acquisition of the building. Accordingly, during the year ended December 31, 2019, we reclassified the lease from an operating lease to a sales-type lease, which resulted in a gain on sale of \$8,606. Additionally, we derecognized the net book value of the property and recorded a lease receivable of \$54,521 which represents the discounted present value of the remaining lease payments and the fixed purchase option price. The lease receivable is included in *Prepaid and Other Assets, Net* on our Consolidated Balance Sheets. See Supplemental Information to the Statements of Cash Flows. Future minimum cash receipts, excluding tenant reimbursements of expenses, for this sales-type lease through the expected close date of August 2020 are \$56,830.

## **11. Long-Term Compensation**

### ***Stock Based Compensation***

The Company maintains a stock incentive plan which is administered by the Compensation Committee of the Board of Directors for which officers, certain employees and the Company's independent directors are eligible to participate in (the "Stock Incentive Plan"). Among other forms of allowed awards, awards made under the Stock Incentive Plan during the three years ended December 31, 2019 have been in the form of restricted stock awards, restricted stock unit awards, performance share awards and performance unit awards. Special provisions apply to awards granted under the Stock Incentive Plan in the event of a change in control in the Company. As of December 31, 2019, awards covering 1.1 million shares of common stock were available to be granted under the Stock Incentive Plan.

### ***LTIP Units***

During 2018, the Company modified the Stock Incentive Plan to allow for certain officers, employees and directors to choose between restricted stock awards and restricted limited partner units ("LTIP Units"). An LTIP Unit is a class of limited partnership interest of the Operating Partnership that is structured as a "profits interest" for U.S. federal income tax purposes. Generally, LTIP Units entitle the holder to receive distributions from the Operating Partnership that are equivalent to the dividends and distributions that would be made with respect to the number of shares of Common Stock underlying such LTIP Units, though receipt of such distributions may be delayed or made contingent on vesting. Once an LTIP Unit has vested and received allocations of book income sufficient to increase the book capital account balance associated with such LTIP Unit (which will initially be zero) to equal, on a per-unit basis, the book capital account balance associated with a "common" Limited Partner Unit of the Operating Partnership, it automatically becomes a common Limited Partner Unit that is convertible by the holder into one share of Common Stock or a cash equivalent, at the Company's option.

### ***Awards with Performance Measures***

During the years ended December 31, 2019, 2018 and 2017, the Company granted 36,064, 179,288, and 195,951 performance units ("Performance units"), respectively to certain employees. In addition, for the year ended December 31, 2019 the Company granted 166,942 LTIP Units, based on performance-based criteria ("Performance LTIP Units" and, together with the Performance units, collectively the "Performance Awards") to certain employees. The Performance Awards vest based upon the relative total shareholder return ("TSR") of the

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

Company’s common stock compared to a weighted average TSR of the MSCI US REIT Index and the NAREIT Industrial Index over a performance period of three years. Compensation expense is charged to earnings over the vesting periods for Performance Awards. At the end of the measuring period, vested Performance units convert into shares of common stock. The participant is also entitled to dividend equivalents for shares issued pursuant to vested Performance Awards. The Operating Partnership issues General Partner Units to the Company in the same amounts for vested Performance units.

The Performance Awards issued for the years ended December 31, 2019, 2018 and 2017, had fair value of \$2,527, \$2,381, and \$2,473, respectively. The fair values were determined by a lattice-binomial option-pricing model based on Monte Carlo simulations using the following assumptions:

	<u>Year Ended December 31, 2019</u>	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>
Expected dividend yield . . . . .	3.02%	2.67%	2.71%
Expected volatility - range used . . . . .	18.53% - 19.72%	15.83% - 17.87%	21.50% - 21.80%
Expected volatility - weighted average . . . . .	19.10%	17.02%	21.68%
Risk-free interest rate . . . . .	2.45% - 2.57%	1.57% - 2.04%	0.66% - 1.58%

Performance Award transactions for the year ended December 31, 2019 are summarized as follows:

	<u>Performance Units</u>	<u>Weighted Average Grant Date Fair Value</u>	<u>Performance LTIP Units</u>	<u>Weighted Average Grant Date Fair Value</u>
Outstanding at December 31, 2018 . . . . .	595,383	\$11.79	—	\$ —
Issued . . . . .	36,064	\$12.45	166,942	\$12.45
Forfeited . . . . .	(13,455)	\$12.97	(10,240)	\$12.45
Vested . . . . .	<u>(237,270)</u>	\$10.06	—	\$ —
Outstanding at December 31, 2019 . . . . .	<u>380,722</u>	\$12.89	<u>156,702</u>	\$12.45

***Service Based Awards***

During the years ended December 31, 2019, 2018 and 2017, the Company awarded 109,353, 227,059, and 275,793, shares respectively of restricted stock awards to certain employees and outside directors. In addition, for the year ended December 31, 2019 the Company awarded 112,428 LTIP Units (“Service LTIP Units” and, together with the restricted stock awards, collectively the “Service Awards”) to certain employees and outside directors. The fair value is based on the Company’s stock price on the date such awards were approved by the Compensation Committee of the Board of Directors. The Service Awards granted to employees were based upon the prior achievement of certain corporate performance goals and will vest ratably over a period of three years based on continued employment. Service Awards granted to outside directors vest after a one-year period. The Operating Partnership issued restricted Unit awards to the Company in the same amount for the restricted stock awards. Compensation expense is charged to earnings over the vesting periods for the Service Awards.

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

The Service Awards issued for the years ended December 31, 2019, 2018 and 2017 had fair value of \$7,627, \$6,558 and \$7,291, respectively. Service Based Award transactions for the year ended December 31, 2019 are summarized as follows:

	<u>Restricted Stock Awards</u>	<u>Weighted Average Grant Date Fair Value</u>	<u>Service LTIP Units</u>	<u>Weighted Average Grant Date Fair Value</u>
Outstanding at December 31, 2018 . . . . .	405,436	\$26.64	—	\$ —
Issued . . . . .	109,353	\$35.17	112,428	\$33.64
Forfeited . . . . .	(9,851)	\$29.48	(1,788)	\$33.58
Vested . . . . .	<u>(208,567)</u>	\$25.40	—	\$ —
Outstanding at December 31, 2019 . . . . .	<u>296,371</u>	\$30.56	<u>110,640</u>	\$33.64

***Compensation Expense Related to Long-Term Compensation***

For the years ended December 31, 2019, 2018 and 2017, we recognized \$8,376, \$7,586 and \$8,611, respectively, in compensation expense related to Performance Awards and Service Awards. Performance Award and Service Award compensation expense capitalized in connection with development activities was \$870 and \$472 for the years ended December 31, 2019 and 2018 and was not significant for the year ended December 31, 2017. At December 31, 2019, we had \$9,432 in unrecognized compensation related to unvested Performance Awards and Service Awards. The weighted average period that the unrecognized compensation is expected to be recognized is 0.88 years.

***401(k) Plan***

Under the Company’s 401(k) Plan, all eligible employees may participate by making voluntary contributions and the Company may make, but is not required to make, matching contributions, which are funded by the Operating Partnership. For the years ended December 31, 2019, 2018 and 2017, total expense related to matching contributions was \$926, \$688 and \$518, respectively.

**12. Derivative Instruments**

Our objectives in using derivatives are to add stability to interest expense and to manage our cash flow volatility and exposure to interest rate movements. To accomplish this objective, we primarily use derivative instruments as part of our interest rate risk management strategy. Derivative instruments designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

During December 2018, in anticipation of issuing long-term debt in the future, we entered into two treasury locks with an aggregate notional value of \$100,000 to manage our exposure to changes in the ten year U.S. Treasury rate (the “2018 Treasury Locks”). During April 2019, we paid \$3,149 to settle the 2018 Treasury Locks with our counterparties. The 2018 Treasury Locks fixed the ten year U.S. Treasury rate at a weighted average of 2.93%. We had designated the 2018 Treasury Locks as cash flow hedges and are amortizing the payment made to our counterparties into interest expense over the 10-year life of the 2029 II Private Placement Notes (see Note 4).

In connection with the originations of the Unsecured Term Loans (see Note 4), we entered into interest rate swaps to manage our exposure to changes in the one month LIBOR rate. The four interest rate swaps, which fix



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

the variable rate of the 2014 Unsecured Term Loan, have an aggregate notional value of \$200,000, mature on January 29, 2021 and fix the LIBOR rate at a weighted average rate of 2.29% (the “2014 Swaps”). The six interest rate swaps, which fix the variable rate of the 2015 Unsecured Term Loan, have an aggregate notional value of \$260,000, mature on September 12, 2022 and fix the LIBOR rate at a weighted average rate of 1.79% (the “2015 Swaps”). We designated the 2014 Swaps and 2015 Swaps as cash flow hedges.

In September 2017, we entered into two treasury locks (the “2017 Treasury Locks”), with an aggregate notional value of \$100,000, in order to fix the interest rate on an anticipated unsecured debt offering. The 2017 Treasury Locks fixed the ten year U.S. Treasury rate at a weighted average rate of approximately 2.18%. Since we did not designate the 2017 Treasury Locks as hedges the change in the fair value of the 2017 Treasury Locks was recorded within the consolidated statement of operations. During the year ended December 31, 2017 we settled the 2017 Treasury Locks and recognized \$1,896 in the line item *Settlement Gain on Derivative Instruments*.

Our agreements with our derivative counterparties contain provisions where if we default on any of our indebtedness, then we could also be declared in default on our derivative obligations subject to certain thresholds. As of December 31, 2019, we had not posted any collateral related to these agreements and were not in breach of any of the provisions of these agreements. If we had breached these agreements, we could have been required to settle our obligations under the agreements at their termination value.

The following table sets forth our financial assets and liabilities related to the 2014 Swaps and the 2015 Swaps, which are included in the line item *Accounts Payable, Accrued Expenses and Other Liabilities* and are accounted for at fair value on a recurring basis as of December 31, 2019:

<u>Description</u>	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
<i>Derivatives designated as a hedging instrument:</i>				
Liabilities:				
2014 Swaps .....	\$(1,478)	—	\$(1,478)	—
2015 Swaps .....	\$(1,711)	—	\$(1,711)	—

There was no ineffectiveness recorded on the 2014 Swaps and the 2015 Swaps during the year ended December 31, 2019.

The estimated fair value of the 2014 Swaps and the 2015 Swaps was determined using the market standard methodology of netting the discounted fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of interest rates (forward curves) derived from observable market interest rate curves. In addition, credit valuation adjustments are incorporated in the fair value to account for potential non-performance risk, including our own non-performance risk and the respective counterparty’s non-performance risk. We determined that the significant inputs used to value the 2014 Swaps and the 2015 Swaps fell within Level 2 of the fair value hierarchy.

**13. Related Party Transactions**

At December 31, 2019 and 2018, the Operating Partnership had receivable balances of \$10,031 and \$10,118, respectively, from a direct wholly-owned subsidiary of the Company.

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

**14. Commitments and Contingencies**

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

At December 31, 2019, we had outstanding letters of credit and performance bonds in the aggregate amount of \$11,842.

In conjunction with the development of industrial properties, we have entered into agreements with general contractors for the construction of industrial properties. At December 31, 2019, we had ten industrial properties totaling approximately 2.1 million square feet of GLA under construction. The estimated total investment as of December 31, 2019 is approximately \$208,200 (unaudited). Of this amount, approximately \$118,000 (unaudited) remains to be funded. There can be no assurance that the actual completion cost will not exceed the estimated total investment.

**15. Subsequent Events**

From January 1, 2020 to February 12, 2020, we acquired one land parcel and one industrial property for an aggregate purchase price of approximately \$53,852, excluding transaction costs. In addition, we sold nine industrial properties for approximately \$26,500, excluding transaction costs.

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

**16. Quarterly Financial Information (unaudited)**

The following tables summarize the Company's unaudited quarterly financial information for each of the years ended December 31, 2019 and 2018.

	Year Ended December 31, 2019			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues .....	\$104,541	\$104,095	\$106,590	\$110,758
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities .....	\$ 23,803	\$ 39,800	\$ 78,311	\$ 96,861
Net Income Allocable to Participating Securities .....	(60)	(89)	(170)	(199)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders .....	\$ 23,743	\$ 39,711	\$ 78,141	\$ 96,662
Basic EPS:				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders .....	\$ 0.19	\$ 0.31	\$ 0.62	\$ 0.76
Diluted EPS:				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders .....	\$ 0.19	\$ 0.31	\$ 0.62	\$ 0.76
Weighted Average Shares Basic/Diluted (In Thousands):				
Weighted Average Shares - Basic .....	126,194	126,206	126,480	126,682
Weighted Average Shares - Diluted .....	126,456	126,489	126,783	127,030

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

	Year Ended December 31, 2018			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues .....	\$ 99,771	\$ 98,845	\$100,256	\$105,082
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities .....	\$ 36,292	\$ 45,209	\$ 30,911	\$ 50,827
Net Income Allocable to Participating Securities .....	(97)	(151)	(101)	(164)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders .....	\$ 36,195	\$ 45,058	\$ 30,810	\$ 50,663
Basic EPS:				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders .....	\$ 0.30	\$ 0.36	\$ 0.24	\$ 0.40
Diluted EPS:				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders .....	\$ 0.30	\$ 0.36	\$ 0.24	\$ 0.40
Weighted Average Shares Basic/Diluted (In Thousands):				
Weighted Average Shares - Basic .....	119,846	123,616	125,768	125,897
Weighted Average Shares - Diluted .....	120,211	124,085	126,130	126,249

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

The following tables summarize the Operating Partnership's unaudited quarterly financial information for each of the years ended December 31, 2019 and 2018.

	Year Ended December 31, 2019			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues .....	\$104,541	\$104,095	\$106,590	\$110,758
Net Income Available to Unitholders and Participating Securities .....	\$ 24,314	\$ 40,689	\$ 79,969	\$ 98,656
Net Income Allocable to Participating Securities .....	(76)	(128)	(249)	(279)
Net Income Available to Unitholders .....	\$ 24,238	\$ 40,561	\$ 79,720	\$ 98,377
Basic EPU:				
Net Income Available to Unitholders .....	\$ 0.19	\$ 0.31	\$ 0.62	\$ 0.76
Diluted EPU:				
Net Income Available to Unitholders .....	\$ 0.19	\$ 0.31	\$ 0.62	\$ 0.76
Weighted Average Units Basic/Diluted (In Thousands):				
Weighted Average Units - Basic .....	128,818	128,831	128,837	128,837
Weighted Average Units - Diluted .....	129,178	129,221	129,256	129,308
	Year Ended December 31, 2018			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues .....	\$ 99,771	\$ 98,845	\$100,256	\$105,082
Net Income Available to Unitholders and Participating Securities .....	\$ 37,443	\$ 46,382	\$ 31,508	\$ 51,913
Net Income Allocable to Participating Securities .....	(97)	(151)	(101)	(164)
Net Income Available to Unitholders .....	\$ 37,346	\$ 46,231	\$ 31,407	\$ 51,749
Basic EPU:				
Net Income Available to Unitholders .....	\$ 0.30	\$ 0.36	\$ 0.24	\$ 0.40
Diluted EPU:				
Net Income Available to Unitholders .....	\$ 0.30	\$ 0.36	\$ 0.24	\$ 0.40
Weighted Average Units Basic/Diluted (In Thousands):				
Weighted Average Units - Basic .....	123,729	126,832	128,526	128,526
Weighted Average Units - Diluted .....	124,094	127,301	128,888	128,878

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**  
**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a)		Initial Cost		Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision		Gross Amount Carried At Close of Period 12/31/19		Year Acquired/ Constructed
		Encumbrances	Land	Buildings and Improvements	Land Improvements	Buildings and Improvements	Total	Accumulated Depreciation 12/31/2019		
(In thousands)										
<b>Atlanta</b>										
1650 Highway 155	McDonough, GA	—	779	4,544	(669)	345	4,309	4,654	2,704	1994
4051 Southmeadow Parkway	Atlanta, GA	—	726	4,130	1,661	726	5,791	6,517	3,260	1994
4071 Southmeadow Parkway	Atlanta, GA	—	750	4,460	1,924	828	6,306	7,134	3,729	1994
4081 Southmeadow Parkway	Atlanta, GA	—	1,012	5,918	2,031	1,157	7,804	8,961	4,504	1994
5570 Tulane Dr.	Atlanta, GA	—	527	2,984	1,195	546	4,160	4,706	2,185	1996
955 Cobb Place	Kennesaw, GA	—	780	4,420	877	804	5,273	6,077	2,787	1997
1005 Sigman Road	Conyers, GA	—	566	3,134	1,221	574	4,347	4,921	1,977	1999
2050 East Park Drive	Conyers, GA	—	452	2,504	860	459	3,357	3,816	1,606	1999
3060 South Park Blvd	Ellenwood, GA	—	1,600	12,464	3,422	1,604	15,882	17,486	6,457	2003
175 Greenwood Industrial Parkway	McDonough, GA	—	1,550	—	7,542	1,550	7,542	9,092	2,877	2004
5095 Phillip Lee Drive	Atlanta, GA	—	735	3,627	(213)	740	3,409	4,149	2,993	2005
6514 Warren Drive	Norcross, GA	—	510	1,250	166	513	1,413	1,926	673	2005
6544 Warren Drive	Norcross, GA	—	711	2,310	278	715	2,584	3,299	1,360	2005
5356 E. Ponce De Leon	Stone Mountain, GA	—	604	3,888	977	610	4,859	5,469	2,784	2005
5390 E. Ponce De Leon	Stone Mountain, GA	—	397	1,791	569	402	2,355	2,757	1,189	2005
1755 Enterprise Drive	Buford, GA	—	712	2,118	(57)	716	2,057	2,773	970	2006
4555 Atwater Court	Buford, GA	—	881	3,550	423	885	3,969	4,854	1,684	2006
80 Liberty Industrial Parkway	McDonough, GA	—	756	3,695	(1,560)	467	2,424	2,891	1,112	2007
596 Bonnie Valentine	Pendergrass, GA	—	2,580	21,730	2,052	2,594	23,768	26,362	6,675	2007
11415 Old Roswell Road	Alpharetta, GA	—	2,403	1,912	814	2,428	2,701	5,129	1,198	2008
1281 Highway 155 S.	McDonough, GA	—	2,501	—	17,048	2,502	17,047	19,549	1,706	2016
4955 Oakley Industrial Blvd	Fairburn, GA	—	3,650	—	34,413	3,661	34,402	38,063	303	2019
<b>Baltimore</b>										
16522 Hunters Green Parkway	Hagerstown, MD	—	1,390	13,104	5,667	1,863	18,298	20,161	6,750	2003
22520 Randolph Drive	Dulles, VA	—	3,200	8,187	228	3,208	8,407	11,615	2,683	2004
22630 Dulles Summit Court	Dulles, VA	—	2,200	9,346	(870)	2,206	8,470	10,676	2,917	2004

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a) Encumbrances	Initial Cost		Costs Capitalized to Subsequent to Acquisition or Completion		Gross Amount Carried At Close of Period 12/31/19		Accumulated Depreciation 12/31/2019	Year Acquired/ Constructed
			Land	Buildings and Improvements	Provision	Land	Buildings and Improvements	Total		
(In thousands)										
11204 McCormick Road	Hunt Valley, MD	—	1,017	3,132	216	1,038	3,327	4,365	1,840	2005
11110 Pepper Road	Hunt Valley, MD	—	918	2,529	554	938	3,063	4,001	1,613	2005
10709 Gilroy Road	Hunt Valley, MD	1,714	913	2,705	(84)	913	2,621	3,534	1,886	2005
10707 Gilroy Road	Hunt Valley, MD	—	1,111	3,819	832	1,136	4,626	5,762	2,642	2005
38 Loveton Circle	Sparks, MD	—	1,648	2,151	(192)	1,690	1,917	3,607	1,134	2005
1225 Bengies Road	Baltimore, MD	—	2,640	270	13,829	2,823	13,916	16,739	4,951	2008
18212 Shawley Drive	Hagerstown, MD	—	1,000	5,847	2,825	1,016	8,656	9,672	2,890	2004
400 Old Post Road	Aberdeen, MD	—	3,411	17,144	1,514	3,411	18,658	22,069	3,626	2015
500 Old Post Road	Aberdeen, MD	—	5,959	30,533	146	5,959	30,679	36,638	5,139	2015
581 Welltown Road/Tyson Blvd	Winchester, VA	—	2,320	—	11,276	2,401	11,195	13,596	3,459	2007
<b>Central/Eastern Pennsylvania</b>										
1214-B Freedom Road	Cranberry Township, PA	—	31	994	613	200	1,438	1,638	1,433	1994
401 Russell Drive	Middletown, PA	—	262	857	1,847	287	2,679	2,966	2,349	1994
2700 Commerce Drive	Middletown, PA	—	196	997	857	206	1,844	2,050	1,650	1994
2701 Commerce Drive	Middletown, PA	—	141	859	1,399	164	2,235	2,399	1,766	1994
2780 Commerce Drive	Middletown, PA	—	113	743	1,289	209	1,936	2,145	1,677	1994
350 Old Silver Spring Road	Mechanicsburg, PA	—	510	2,890	5,872	541	8,731	9,272	4,389	1997
14 McFadden Road	Palmer, PA	—	600	1,349	(274)	625	1,050	1,675	435	2004
431 Railroad Avenue	Shiremanstown, PA	—	1,293	7,164	2,245	1,341	9,361	10,702	5,734	2005
6951 Allentown Blvd	Harrisburg, PA	—	585	3,176	(1)	601	3,159	3,760	1,412	2005
320 Reliance Road	Washington, PA	—	201	1,819	(348)	178	1,494	1,672	1,010	2005
2801 Red Lion Road	Philadelphia, PA	—	950	5,916	54	964	5,956	6,920	3,409	2005
1351 Eisenhower Blvd., Bldg. 1	Harrisburg, PA	—	382	2,343	3	387	2,341	2,728	985	2006
1351 Eisenhower Blvd., Bldg. 2	Harrisburg, PA	—	436	1,587	(315)	443	1,265	1,708	521	2006
200 Cascade Drive, Bldg. 1	Allentown, PA	—	2,133	17,562	759	2,769	17,685	20,454	8,026	2007
200 Cascade Drive, Bldg. 2	Allentown, PA	—	310	2,268	(93)	316	2,169	2,485	824	2007

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a)		Initial Cost		Costs Capitalized Subsequent to Acquisition or Completion Provision		Gross Amount Carried At Close of Period 12/31/19		Accumulated Depreciation 12/31/2019	Year Acquired/ Constructed
		Encumbrances	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total		
(In thousands)											
1490 Dennison Circle	Carlisle, PA	—	1,500	—	12,954	2,341	12,113	14,454	3,794	2008	
298 First Avenue	Gouldsboro, PA	—	7,022	—	57,292	7,019	57,295	64,314	16,149	2008	
225 Cross Farm Lane	York, PA	—	4,718	—	23,163	4,715	23,166	27,881	7,099	2008	
2455 Boulevard of Generals	Norristown, PA	—	1,200	4,800	950	1,226	5,724	6,950	2,717	2008	
105 Steamboat Blvd	Manchester, PA	—	4,085	14,464	70	4,070	14,549	18,619	4,623	2012	
20 Leo Lane	York County, PA	—	6,884	—	27,483	6,889	27,478	34,367	4,099	2013	
3895 Eastgate Blvd Bldg A	Easton, PA	—	4,855	—	17,867	4,388	18,334	22,722	2,178	2015	
3895 Eastgate Blvd Bldg B	Easton, PA	—	3,459	—	13,848	3,128	14,179	17,307	1,907	2015	
112 Bordersville Road	Jonestown, PA	—	13,702	—	42,000	13,724	41,978	55,702	1,368	2018	
122 Bordersville Road	Jonestown, PA	—	3,165	—	11,282	3,171	11,276	14,447	302	2018	
<b>Chicago</b>											
720-730 Landwehr Drive	Northbrook, IL	—	521	2,982	926	521	3,908	4,429	2,354	1994	
1385 101st Street	Lemont, IL	—	967	5,554	1,520	968	7,073	8,041	4,057	1994	
2300 Windsor Court	Addison, IL	—	688	3,943	823	696	4,758	5,454	2,821	1994	
305-311 Era Drive	Northbrook, IL	—	200	1,154	1,159	205	2,308	2,513	1,076	1994	
800 Business Drive	Mount Prospect, IL	—	631	3,493	328	666	3,786	4,452	1,818	2000	
580 Slawin Court	Mount Prospect, IL	—	233	1,292	(27)	162	1,336	1,498	782	2000	
1005 101st Street	Lemont, IL	4,585	1,200	6,643	1,610	1,220	8,233	9,453	3,576	2001	
175 Wall Street	Glendale Heights, IL	—	427	2,363	714	433	3,071	3,504	1,222	2002	
251 Airport Road	North Aurora, IL	3,553	983	—	6,644	983	6,644	7,627	2,672	2002	
400 Crossroads Pkwy	Bolingbrook, IL	—	1,178	9,453	1,655	1,181	11,105	12,286	4,963	2005	
7801 W. Industrial Drive	Forest Park, IL	—	1,215	3,020	1,325	1,220	4,340	5,560	2,292	2005	
725 Kimberly Drive	Carol Stream, IL	—	793	1,395	5	801	1,392	2,193	712	2005	
17001 S. Vincennes	Thornton, IL	—	497	504	3	513	491	1,004	420	2005	
2900 W. 166th Street	Markham, IL	—	1,132	4,293	(1,328)	1,134	2,963	4,097	926	2007	
555 W. Algonquin Rd	Arlington Heights, IL	—	574	741	2,360	579	3,096	3,675	1,207	2007	



**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**  
**SCHEDULE III:**  
**REAL ESTATE AND ACCUMULATED DEPRECIATION**  
**As of December 31, 2019**

Building Address Properties (b)	Location (City/State)	(a) Encumbrances	Initial Cost		Completion Provision	Gross Amount Carried At Close of Period 12/31/19		Accumulated Depreciation 12/31/2019	Year Acquired/ Constructed	
			Land	Buildings and Improvements		Land	Buildings and Improvements			Total
(In thousands)										
1501 Oakton Street	Elk Grove Village, IL	4,668	3,369	6,121	134	3,482	6,142	9,624	2,355	2008
16500 W. 103rd Street	Woodridge, IL	—	744	2,458	529	762	2,969	3,731	1,261	2008
8505 50th Street	Kenosha, WI	—	3,212	—	33,063	3,212	33,063	36,275	10,145	2008
4100 Rock Creek Blvd	Joliet, IL	—	4,476	16,061	830	4,476	16,891	21,367	4,523	2013
10100 58th Place	Kenosha, WI	—	4,201	17,604	74	4,201	17,678	21,879	4,630	2013
401 Airport Road	North Aurora, IL	—	534	1,957	12	534	1,969	2,503	463	2014
3737 84th Avenue	Somers, WI	—	1,943	—	24,116	1,943	24,116	26,059	2,304	2016
81 Paragon Drive	Romeoville, IL	—	1,787	7,252	1,362	1,788	8,613	10,401	1,083	2016
10680 88th Ave	Pleasant Prairie, WI	—	1,376	4,757	—	1,376	4,757	6,133	435	2017
8725 31st Street	Somers, WI	—	2,133	—	27,578	2,134	27,577	29,711	2,472	2017
3500 Channahon Road	Joliet, IL	—	2,595	—	17,506	2,598	17,503	20,101	646	2017
1998 Melissa Lane	Aurora, IL	—	2,401	9,970	942	2,400	10,913	13,313	368	2019
<b>Cincinnati</b>										
4700-4750 Creek Road	Blue Ash, OH	—	1,080	6,118	1,478	1,109	7,567	8,676	4,136	1996
4436 Muhlhouser Road	Hamilton, OH	—	630	—	5,345	630	5,345	5,975	2,255	2002
4438 Muhlhouser Road	Hamilton, OH	—	779	—	6,318	779	6,318	7,097	2,677	2002
4663 Dues Drive	Westchester, OH	—	858	2,273	606	875	2,862	3,737	1,918	2005
9345 Princeton-Glendale Road	Westchester, OH	—	818	1,648	561	840	2,187	3,027	1,786	2006
9525 Glades Drive	Westchester, OH	—	347	1,323	240	355	1,555	1,910	749	2007
9774-9792 Windisch Road	Westchester, OH	—	392	1,744	185	394	1,927	2,321	637	2007
9808-9830 Windisch Road	Westchester, OH	—	395	2,541	483	397	3,022	3,419	1,160	2007
9842-9862 Windisch Road	Westchester, OH	—	506	3,148	213	508	3,359	3,867	1,292	2007
9872-9898 Windisch Road	Westchester, OH	—	546	3,039	257	548	3,294	3,842	1,347	2007
9902-9922 Windisch Road	Westchester, OH	—	623	4,003	819	627	4,818	5,445	2,374	2007
<b>Cleveland</b>										
30311 Emerald Valley Parkway	Glenwillow, OH	5,587	681	11,838	(526)	691	11,302	11,993	4,590	2006

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a)		Initial Cost		Costs Capitalized Subsequent to Acquisition or Completion		Gross Amount Carried At Close of Period 12/31/19		Year Acquired/ Constructed
		Encumbrances	Land	Buildings and Improvements		Land	Buildings and Improvements	Total	Accumulated Depreciation 12/31/2019	
				Buildings and Improvements	Provision					
30333 Emerald Valley Parkway	Glenwillow, OH	—	466	5,447	(648)	475	4,790	5,265	2,027	2006
7800 Cochran Road	Glenwillow, OH	—	972	7,033	338	991	7,352	8,343	3,427	2006
7900 Cochran Road	Glenwillow, OH	3,094	775	6,244	(377)	792	5,850	6,642	2,499	2006
7905 Cochran Road	Glenwillow, OH	3,499	920	6,174	119	922	6,291	7,213	2,709	2006
8181 Darrow Road	Twinsburg, OH	—	2,478	6,791	4,014	2,496	10,787	13,283	4,218	2008
<b>Dallas/Ft. Worth</b>										
2406-2416 Walnut Ridge	Dallas, TX	—	178	1,006	1,197	172	2,209	2,381	808	1997
2401-2419 Walnut Ridge	Dallas, TX	—	148	839	414	142	1,259	1,401	656	1997
900-906 Great Southwest Pkwy	Arlington, TX	—	237	1,342	799	270	2,108	2,378	943	1997
3000 West Commerce	Dallas, TX	—	456	2,584	1,202	469	3,773	4,242	2,102	1997
405-407 113th	Arlington, TX	—	181	1,026	450	185	1,472	1,657	759	1997
816 111th Street	Arlington, TX	—	251	1,421	230	258	1,644	1,902	841	1997
1602-1654 Terre Colony	Dallas, TX	—	458	2,596	771	468	3,357	3,825	1,565	2000
2220 Merritt Drive	Garland, TX	—	352	1,993	409	316	2,438	2,754	1,047	2000
2485-2505 Merritt Drive	Garland, TX	—	431	2,440	551	443	2,979	3,422	1,302	2000
2110 Hutton Drive	Carrollton, TX	—	374	2,117	399	255	2,635	2,890	1,415	2001
2025 McKenzie Drive	Carrollton, TX	—	437	2,478	570	442	3,043	3,485	1,300	2001
2019 McKenzie Drive	Carrollton, TX	—	502	2,843	636	507	3,474	3,981	1,472	2001
2029-2035 McKenzie Drive	Carrollton, TX	—	306	1,870	545	306	2,415	2,721	1,017	2001
2015 McKenzie Drive	Carrollton, TX	1,891	510	2,891	660	516	3,545	4,061	1,453	2001
2009 McKenzie Drive	Carrollton, TX	1,673	476	2,699	416	481	3,110	3,591	1,383	2001
900-1100 Avenue S	Grand Prairie, TX	—	623	3,528	1,067	629	4,589	5,218	1,808	2002
Plano Crossing Bus. Park	Plano, TX	6,499	1,961	11,112	878	1,981	11,970	13,951	5,029	2002
825-827 Avenue H	Arlington, TX	1,949	600	3,006	412	604	3,414	4,018	1,824	2004
1013-31 Avenue M	Grand Prairie, TX	—	300	1,504	278	302	1,780	2,082	880	2004
1172-84 113th Street	Grand Prairie, TX	—	700	3,509	(81)	704	3,424	4,128	1,460	2004

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a)		Initial Cost		Costs Capitalized to Subsequent to Acquisition or Completion and Valuation Provision		Gross Amount Carried At Close of Period 12/31/19		Year Acquired/ Constructed	
		Encumbrances	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total		Accumulated Depreciation 12/31/2019
1200-16 Avenue H	Arlington, TX	—	600	2,846	844	604	3,686	4,290	1,539	2004	
1322-66 W. North Carrier Parkway	Grand Prairie, TX	3,673	1,000	5,012	1,560	1,006	6,566	7,572	2,986	2004	
2401-2407 Centennial Dr	Arlington, TX	1,760	600	2,534	644	604	3,174	3,778	1,628	2004	
3111 West Commerce Street	Dallas, TX	3,011	1,000	3,364	1,844	1,011	5,197	6,208	2,759	2004	
13800 Senlac Drive	Farmers Branch, TX	2,329	823	4,042	(63)	825	3,977	4,802	2,076	2005	
801-831 S Great Southwest Pkwy	Grand Prairie, TX	—	2,581	16,556	773	2,586	17,324	19,910	12,130	2005	
801 Heinz Way	Grand Prairie, TX	—	599	3,327	339	601	3,664	4,265	2,069	2005	
901-937 Heinz Way	Grand Prairie, TX	—	493	2,758	56	481	2,826	3,307	1,759	2005	
3301 Century Circle	Irving, TX	—	760	3,856	(125)	771	3,720	4,491	1,408	2007	
3901 W Miller Road	Garland, TX	—	1,912	—	14,046	1,947	14,011	15,958	3,846	2008	
1251 North Cockrell Hill Road	Dallas, TX	—	2,064	—	13,630	1,073	14,621	15,694	2,082	2015	
1171 North Cockrell Hill Road	Dallas, TX	—	1,215	—	10,972	632	11,555	12,187	1,520	2015	
3996 Scientific Drive	Arlington, TX	—	1,301	—	8,082	1,349	8,034	9,383	1,515	2015	
750 Gateway Boulevard	Coppell, TX	—	1,452	4,679	80	1,452	4,759	6,211	729	2015	
2250 East Bardin Road	Arlington, TX	—	1,603	—	10,110	1,603	10,110	11,713	1,093	2016	
2001 Midway Road	Lewisville, TX	—	3,963	—	11,171	3,963	11,171	15,134	21	2019	
2025 Midway Road	Lewisville, TX	—	2,243	—	7,627	2,243	7,627	9,870	56	2019	
5300 Mountain Creek	Dallas, TX	—	4,675	—	47,578	4,779	47,474	52,253	101	2019	
3700 Sandshell Drive	Fort Worth, TX	—	1,892	—	8,602	1,901	8,593	10,494	—	2019	
<b>Denver</b>											
4785 Elati	Denver, CO	—	173	981	390	175	1,369	1,544	626	1997	
4770 Fox Street	Denver, CO	—	132	750	330	134	1,078	1,212	540	1997	
3851-3871 Revere	Denver, CO	—	361	2,047	489	368	2,529	2,897	1,376	1997	
4570 Ivy Street	Denver, CO	—	219	1,239	111	220	1,349	1,569	733	1997	
5855 Stapleton Drive North	Denver, CO	—	288	1,630	149	290	1,777	2,067	964	1997	
5885 Stapleton Drive North	Denver, CO	—	376	2,129	254	380	2,379	2,759	1,278	1997	

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a)		Initial Cost		Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision		Gross Amount Carried At Close of Period 12/31/19		Accumulated Depreciation 12/31/2019	Year Acquired/ Constructed
		Encumbrances	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total		
5977 North Broadway	Denver, CO	—	268	1,518	515	271	2,030	2,301	1,050	1997	
5952-5978 North Broadway	Denver, CO	—	414	2,346	773	422	3,111	3,533	1,628	1997	
4721 Ironton Street	Denver, CO	—	232	1,313	383	236	1,692	1,928	879	1997	
7003 E 47th Ave Drive	Denver, CO	—	441	2,689	1	441	2,690	3,131	1,515	1997	
9500 West 49th Street—A	Wheatridge, CO	978	283	1,625	192	287	1,813	2,100	1,002	1997	
9500 West 49th Street—B	Wheatridge, CO	811	225	1,272	243	227	1,513	1,740	788	1997	
9500 West 49th Street—C	Wheatridge, CO	2,103	600	3,409	505	601	3,913	4,514	2,160	1997	
9500 West 49th Street—D	Wheatridge, CO	997	246	1,537	358	247	1,894	2,141	1,059	1997	
451-591 East 124th Avenue	Thornton, CO	—	383	2,145	333	383	2,478	2,861	1,316	1997	
6547 South Racine Circle	Englewood, CO	—	739	4,241	463	739	4,704	5,443	2,510	1997	
11701 East 53rd Avenue	Denver, CO	—	416	2,355	297	422	2,646	3,068	1,448	1997	
5401 Oswego	Denver, CO	—	273	1,547	232	278	1,774	2,052	940	1997	
445 Bryant Street	Denver, CO	7,472	1,829	10,219	3,356	1,829	13,575	15,404	6,563	1998	
12055 E 49th Ave/4955 Peoria	Denver, CO	—	298	1,688	510	305	2,191	2,496	1,116	1998	
4940-4950 Paris	Denver, CO	—	152	861	275	156	1,132	1,288	565	1998	
7367 South Revere Parkway	Centennial, CO	—	926	5,124	1,324	934	6,440	7,374	3,328	1998	
8200 East Park Meadows Drive	Lone Tree, CO	4,781	1,297	7,348	1,211	1,304	8,552	9,856	3,929	2000	
3250 Quentin Street	Aurora, CO	—	1,220	6,911	954	1,230	7,855	9,085	3,584	2000	
8020 Southpark Circle	Littleton, CO	—	739	—	3,169	781	3,127	3,908	1,362	2000	
8810 W. 116th Circle	Broomfield, CO	—	312	—	1,849	370	1,791	2,161	820	2001	
8820 W. 116th Circle	Broomfield, CO	—	338	1,918	343	372	2,227	2,599	956	2003	
8835 W. 116th Circle	Broomfield, CO	—	1,151	6,523	1,157	1,304	7,527	8,831	3,329	2003	
18150 E. 32nd Place	Aurora, CO	—	563	3,188	194	572	3,373	3,945	1,488	2004	
3400 Fraser Street	Aurora, CO	—	616	3,593	(134)	620	3,455	4,075	1,553	2005	
7005 E. 46th Avenue Drive	Denver, CO	—	512	2,025	229	517	2,249	2,766	962	2005	
4001 Salazar Way	Frederick, CO	3,291	1,271	6,508	(713)	1,276	5,790	7,066	2,159	2006	

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a) Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision		Gross Amount Carried At Close of Period 12/31/19		Accumulated Depreciation 12/31/2019	Year Acquired/ Constructed	
			Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements			Total
			(In thousands)								
5909-5915 N. Broadway	Denver, CO	—	495	1,268	131	500	1,394	1,894	931	2006	
21301 E 33rd Drive	Aurora, CO	6,290	2,860	8,202	924	2,859	9,127	11,986	1,312	2017	
21110 E 31st Circle	Aurora, CO	—	1,564	7,047	6	1,564	7,053	8,617	124	2019	
22300 E. 26th Avenue	Aurora, CO	—	4,881	—	28,430	4,890	28,421	33,311	237	2019	
<b>Detroit</b>											
47461 Clipper	Plymouth Township, MI	—	122	723	159	122	882	1,004	526	1994	
449 Executive Drive	Troy, MI	—	125	425	1,007	218	1,339	1,557	1,227	1994	
1416 Meijer Drive	Troy, MI	—	94	394	477	121	844	965	734	1994	
1624 Meijer Drive	Troy, MI	—	236	1,406	898	373	2,167	2,540	2,064	1994	
1972 Meijer Drive	Troy, MI	—	315	1,301	787	372	2,031	2,403	1,877	1994	
1707 Northwood Drive	Troy, MI	—	95	262	1,398	239	1,516	1,755	1,355	1994	
1826 Northwood Drive	Troy, MI	—	55	208	472	103	632	735	568	1994	
1864 Northwood Drive	Troy, MI	—	57	190	489	107	629	736	581	1994	
2730 Research Drive	Rochester Hills, MI	—	903	4,215	1,182	903	5,397	6,300	4,894	1994	
2791 Research Drive	Rochester Hills, MI	—	557	2,731	736	560	3,464	4,024	2,928	1994	
2871 Research Drive	Rochester Hills, MI	—	324	1,487	412	327	1,896	2,223	1,664	1994	
2870 Technology Drive	Rochester Hills, MI	—	275	1,262	369	279	1,627	1,906	1,541	1994	
2900 Technology Drive	Rochester Hills, MI	—	214	977	723	219	1,695	1,914	1,219	1994	
2930 Technology Drive	Rochester Hills, MI	—	131	594	432	138	1,019	1,157	832	1994	
2950 Technology Drive	Rochester Hills, MI	—	178	819	305	185	1,117	1,302	960	1994	
23014 Commerce Drive	Farmington Hills, MI	—	39	203	189	56	375	431	350	1994	
23035 Commerce Drive	Farmington Hills, MI	—	71	355	291	93	624	717	552	1994	
23093 Commerce Drive	Farmington Hills, MI	—	211	1,024	1,000	295	1,940	2,235	1,701	1994	
23135 Commerce Drive	Farmington Hills, MI	—	146	701	312	158	1,001	1,159	942	1994	
23163 Commerce Drive	Farmington Hills, MI	—	111	513	359	138	845	983	798	1994	
23177 Commerce Drive	Farmington Hills, MI	—	175	1,007	661	254	1,589	1,843	1,485	1994	

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a)		Initial Cost		Costs Capitalized Subsequent to Acquisition or Completion Provision		Gross Amount Carried At Close of Period 12/31/19		Accumulated Depreciation 12/31/2019	Year Acquired/ Constructed
		Encumbrances	(a)	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements		
4400 Purks Drive	Auburn Hills, MI	—	—	602	3,410	3,865	612	7,265	7,877	3,973	1995
32975 Capitol Avenue	Livonia, MI	—	—	135	748	(13)	77	793	870	386	1998
11923 Brookfield Avenue	Livonia, MI	—	—	120	665	(306)	32	447	479	314	1998
47711 Clipper Street	Plymouth Township, MI	—	—	539	2,983	579	575	3,526	4,101	1,843	1998
12874 Westmore Avenue	Livonia, MI	—	—	137	761	(230)	58	610	668	391	1998
1775 Bellingham	Troy, MI	—	—	344	1,902	481	367	2,360	2,727	1,186	1998
1785 East Maple	Troy, MI	—	—	92	507	210	98	711	809	362	1998
980 Chicago	Troy, MI	—	—	206	1,141	333	220	1,460	1,680	748	1998
1935-55 Enterprise Drive	Rochester Hills, MI	—	—	1,285	7,144	1,326	1,371	8,384	9,755	4,490	1998
5500 Enterprise Court	Warren, MI	—	—	675	3,737	945	721	4,636	5,357	2,366	1998
750 Chicago Road	Troy, MI	—	—	323	1,790	404	345	2,172	2,517	1,164	1998
800 Chicago Road	Troy, MI	—	—	283	1,567	380	302	1,928	2,230	1,013	1998
850 Chicago Road	Troy, MI	—	—	183	1,016	279	196	1,282	1,478	658	1998
4872 S. Lapeer Road	Lake Orion Twsp, MI	—	—	1,342	5,441	481	1,412	5,852	7,264	3,041	1999
1400 Allen Drive	Troy, MI	—	—	209	1,154	393	212	1,544	1,756	712	2000
1408 Allen Drive	Troy, MI	—	—	151	834	104	153	936	1,089	441	2000
28435 Automation Blvd	Wixom, MI	—	—	621	—	3,661	628	3,654	4,282	1,375	2004
32200 N Avis Drive	Madison Heights, MI	—	—	503	3,367	(921)	195	2,754	2,949	1,021	2005
100 Kay Industrial Drive	Orion Township, MI	—	—	677	2,018	259	685	2,269	2,954	1,320	2005
42555 Merrill Road	Sterling Heights, MI	—	—	1,080	2,300	3,415	1,090	5,705	6,795	3,068	2006
200 Northpointe Drive	Orion Township, MI	—	—	723	2,063	(396)	734	1,656	2,390	810	2006
<b>Houston</b>											
3351 Rauch St	Houston, TX	—	—	272	1,541	689	278	2,224	2,502	1,094	1997
3801-3851 Yale St	Houston, TX	—	—	413	2,343	1,523	425	3,854	4,279	1,737	1997
3337-3347 Rauch Street	Houston, TX	—	—	227	1,287	539	233	1,820	2,053	868	1997
8505 N Loop East	Houston, TX	—	—	439	2,489	849	449	3,328	3,777	1,614	1997

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a)		Initial Cost		Costs Capitalized Subsequent to Acquisition or Completion		Gross Amount Carried At Close of Period 12/31/19		Year Acquired/ Constructed
		Encumbrances	Land	Buildings and Improvements	Provision	Land	Buildings and Improvements	Total	Accumulated Depreciation 12/31/2019	
4749-4799 Eastpark Dr	Houston, TX	—	594	3,368	1,291	611	4,642	5,253	2,440	1997
4851 Homestead Road	Houston, TX	2,309	491	2,782	1,683	504	4,452	4,956	2,177	1997
3365-3385 Rauch Street	Houston, TX	—	284	1,611	519	290	2,124	2,414	1,061	1997
5050 Campbell Road	Houston, TX	—	461	2,610	1,011	470	3,612	4,082	1,846	1997
4300 Pine Timbers	Houston, TX	2,153	489	2,769	1,180	499	3,939	4,438	1,965	1997
2500-2530 Fairway Park Drive	Houston, TX	—	766	4,342	2,044	792	6,360	7,152	2,973	1997
6550 Longpointe	Houston, TX	—	362	2,050	914	370	2,956	3,326	1,487	1997
1815 Turning Basin Dr.	Houston, TX	—	487	2,761	2,230	531	4,947	5,478	2,325	1997
1819 Turning Basin Dr.	Houston, TX	—	231	1,308	930	251	2,218	2,469	1,044	1997
1805 Turning Basin Dr.	Houston, TX	—	564	3,197	2,611	616	5,756	6,372	2,865	1997
11505 State Highway 225	LaPorte City, TX	—	940	4,675	10	940	4,685	5,625	1,925	2005
1500 E. Main Street	LaPorte City, TX	—	201	1,328	(91)	204	1,234	1,438	1,220	2005
7230-7238 Wynnwood	Houston, TX	—	254	764	235	259	994	1,253	647	2007
7240-7248 Wynnwood	Houston, TX	—	271	726	359	276	1,080	1,356	627	2007
7250-7260 Wynnwood	Houston, TX	—	200	481	1,501	203	1,979	2,182	851	2007
6400 Long Point	Houston, TX	—	188	898	138	188	1,036	1,224	527	2007
7967 Blankenship	Houston, TX	—	307	1,166	192	307	1,358	1,665	570	2010
8800 City Park Loop East	Houston, TX	—	3,717	19,237	(535)	3,717	18,702	22,419	6,336	2011
4800 West Greens Road	Houston, TX	—	3,350	—	17,030	3,312	17,068	20,380	3,294	2014
611 East Sam Houston Parkway S	Pasadena, TX	—	1,970	7,431	1,313	2,013	8,701	10,714	1,170	2015
619 East Sam Houston Parkway S	Pasadena, TX	—	2,879	11,713	785	2,876	12,501	15,377	1,653	2015
6913 Guhn Road	Houston, TX	—	1,367	—	7,393	1,367	7,393	8,760	216	2018
607 East Sam Houston Parkway	Pasadena, TX	—	2,076	11,674	231	2,076	11,905	13,981	366	2018
615 East Sam Houston Parkway	Pasadena, TX	—	4,265	11,983	(130)	4,265	11,853	16,118	468	2018
2737 W. Grand Parkway N	Katy, TX	—	2,885	—	8,110	2,885	8,110	10,995	14	2019
2747 W. Grand Parkway N	Katy, TX	—	2,885	—	9,446	2,885	9,446	12,331	17	2019

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a)		Initial Cost		Costs Capitalized Subsequent to Acquisition or Completion		Gross Amount Carried At Close of Period 12/31/19		Year Acquired/ Constructed
		Encumbrances	Land	Buildings and Improvements	Land Improvements	Provision for Valuation	Buildings and Improvements	Total	Accumulated Depreciation 12/31/2019	
<b>Miami</b>										
4700 NW 15th Avenue	Ft. Lauderdale, FL	—	908	1,883	330	912	2,209	3,121	917	2007
4710 NW 15th Avenue	Ft. Lauderdale, FL	—	830	2,722	126	834	2,844	3,678	1,000	2007
4720 NW 15th Avenue	Ft. Lauderdale, FL	—	937	2,455	302	942	2,752	3,694	1,098	2007
4740 NW 15th Avenue	Ft. Lauderdale, FL	—	1,107	3,111	360	1,112	3,466	4,578	1,176	2007
4750 NW 15th Avenue	Ft. Lauderdale, FL	—	947	3,079	399	951	3,474	4,425	1,202	2007
4800 NW 15th Avenue	Ft. Lauderdale, FL	—	1,092	3,308	118	1,097	3,421	4,518	1,163	2007
6891 NW 74th Street	Medley, FL	—	857	3,428	3,777	864	7,198	8,062	2,824	2007
12601 & 12605 NW 115th Avenue	Medley, FL	—	1,424	—	295	477	1,242	1,719	311	2008
1351 NW 78th Avenue	Doral, FL	—	3,111	4,634	10	3,111	4,644	7,755	753	2016
2500 NW 19th Street	Pompano Beach, FL	—	8,824	11,660	290	8,824	11,950	20,774	1,651	2017
<b>Milwaukee</b>										
5355 South Westridge Drive	New Berlin, WI	—	1,630	7,058	36	1,646	7,078	8,724	2,488	2004
17005 W. Ryerson Road	New Berlin, WI	2,023	403	3,647	120	405	3,765	4,170	2,264	2005
16600 West Glendale Ave	New Berlin, WI	1,595	704	1,923	799	715	2,711	3,426	2,087	2006
N58W15380 Shawn Circle	Menomonee Falls, WI	—	1,188	—	17,020	1,204	17,004	18,208	5,741	2008
<b>Minneapolis/St. Paul</b>										
6201 West 111th Street	Bloomington, MN	—	1,358	8,622	13,263	1,519	21,724	23,243	14,140	1994
1030 Lone Oak Road	Eagan, MN	1,849	456	2,703	811	456	3,514	3,970	2,142	1994
1060 Lone Oak Road	Eagan, MN	2,420	624	3,700	871	624	4,571	5,195	2,722	1994
5400 Nathan Lane	Plymouth, MN	—	749	4,461	1,133	757	5,586	6,343	3,222	1994
6655 Wedgwood Road	Maple Grove, MN	—	1,466	8,342	5,938	1,466	14,280	15,746	7,839	1994
12155 Nicollet Ave.	Burnsville, MN	—	286	—	1,957	288	1,955	2,243	1,093	1995
5775 12th Avenue	Shakopee, MN	3,133	590	—	5,868	590	5,868	6,458	2,418	1998
1157 Valley Park Drive	Shakopee, MN	—	760	—	7,683	888	7,555	8,443	3,327	1999
9600 West 76th Street	Eden Prairie, MN	—	1,000	2,450	69	1,036	2,483	3,519	995	2004



**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address	Location (City/State)	(a)		Initial Cost		Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision		Gross Amount Carried At Close of Period 12/31/19		Accumulated Depreciation 12/31/2019	Year Acquired/ Constructed
		Encumbrances	(a)	Land	Buildings and Improvements	Buildings and Improvements	Land	Buildings and Improvements	Total		
(In thousands)											
<b>Properties (b)</b>											
7600 69th Avenue	Greenfield, MN	—	—	1,500	8,328	(95)	1,510	8,223	9,733	2,462	2004
1087 Park Place	Shakopee, MN	2,833	—	1,195	4,891	(246)	1,198	4,642	5,840	1,786	2005
5391 12th Avenue SE	Shakopee, MN	—	—	1,392	8,149	110	1,395	8,256	9,651	2,894	2005
4701 Valley Industrial Blvd S	Shakopee, MN	4,465	—	1,296	7,157	753	1,299	7,907	9,206	4,090	2005
6455 City West Parkway	Eden Prairie, MN	—	—	659	3,189	1,273	665	4,456	5,121	2,393	2006
7035 Winnetka Avenue North	Brooklyn Park, MN	—	—	1,275	—	7,335	1,343	7,267	8,610	2,352	2007
139 Eva Street	St. Paul, MN	—	—	2,132	3,105	(286)	2,175	2,776	4,951	1,003	2008
21900 Dodd Boulevard	Lakeville, MN	—	—	2,289	7,952	(902)	2,289	7,050	9,339	2,373	2010
375 Rivertown Drive	Woodbury, MN	—	—	2,635	8,157	1,452	2,635	9,609	12,244	2,663	2014
935 Aldrin Drive	Eagan, MN	—	—	2,096	7,884	138	2,096	8,022	10,118	1,649	2014
7050 Winnetka Avenue North	Brooklyn Park, MN	—	—	1,623	—	7,751	1,634	7,740	9,374	1,050	2014
7051 West Broadway	Brooklyn Park, MN	3,309	—	1,275	—	5,829	1,279	5,825	7,104	738	2014
<b>Nashville</b>											
1931 Air Lane Drive	Nashville, TN	—	—	489	2,785	635	493	3,416	3,909	1,762	1997
4640 Cummings Park	Nashville, TN	—	—	360	2,040	673	365	2,708	3,073	1,259	1999
1740 River Hills Drive	Nashville, TN	—	—	848	4,383	542	888	4,885	5,773	2,819	2005
211 Ellery Court	Nashville, TN	1,639	—	606	3,192	(279)	616	2,903	3,519	1,148	2007
130 Maddox Road	Mount Juliet, TN	—	—	1,778	—	23,942	1,778	23,942	25,720	6,601	2008
<b>New Jersey</b>											
14 World's Fair Drive	Franklin, NJ	—	—	483	2,735	878	503	3,593	4,096	1,816	1997
12 World's Fair Drive	Franklin, NJ	—	—	572	3,240	855	593	4,074	4,667	2,167	1997
22 World's Fair Drive	Franklin, NJ	—	—	364	2,064	582	375	2,635	3,010	1,353	1997
26 World's Fair Drive	Franklin, NJ	—	—	361	2,048	595	377	2,627	3,004	1,391	1997
24 World's Fair Drive	Franklin, NJ	—	—	347	1,968	540	362	2,493	2,855	1,338	1997
20 World's Fair Drive Lot 13	Somerset, NJ	—	—	9	—	2,734	691	2,052	2,743	896	1999
45 Route 46	Pine Brook, NJ	—	—	969	5,491	1,142	978	6,624	7,602	2,993	2000

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a)		Initial Cost		Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision		Gross Amount Carried At Close of Period 12/31/19		Year Acquired/ Constructed
		Encumbrances	Land	Buildings and Improvements		Land	Buildings and Improvements	Total	Accumulated Depreciation 12/31/2019	
				Buildings and Improvements	Land					
43 Route 46	Pine Brook, NJ	—	474	2,686	508	479	3,189	3,668	1,507	2000
39 Route 46	Pine Brook, NJ	—	260	1,471	283	262	1,752	2,014	811	2000
26 Chapin Road	Pine Brook, NJ	—	956	5,415	608	965	6,014	6,979	2,791	2000
30 Chapin Road	Pine Brook, NJ	—	960	5,440	582	970	6,012	6,982	2,790	2000
20 Hook Mountain Road	Pine Brook, NJ	—	1,507	8,542	1,401	1,534	9,916	11,450	4,743	2000
30 Hook Mountain Road	Pine Brook, NJ	—	389	2,206	402	396	2,601	2,997	1,185	2000
16 Chapin Road	Pine Brook, NJ	—	885	5,015	698	901	5,697	6,598	2,634	2000
20 Chapin Road	Pine Brook, NJ	—	1,134	6,426	812	1,154	7,218	8,372	3,266	2000
2500 Main Street	Sayreville, NJ	—	944	—	4,469	944	4,469	5,413	1,867	2002
2400 Main Street	Sayreville, NJ	—	996	—	5,397	996	5,397	6,393	2,064	2003
7851 Airport Highway	Pennsauken, NJ	—	160	508	328	162	834	996	458	2003
309-313 Pierce Street	Somerset, NJ	—	1,300	4,628	606	1,309	5,225	6,534	2,185	2004
400 Cedar Lane	Florence Township, NJ	—	9,730	—	26,221	9,730	26,221	35,951	2,276	2016
301 Bordentown Hedding Road	Bordentown, NJ	—	3,983	15,881	30	3,984	15,910	19,894	1,374	2017
302 Bordentown Hedding Road	Bordentown, NJ	—	2,738	8,190	396	2,738	8,586	11,324	449	2018
304 Bordentown Hedding Road	Bordentown, NJ	—	3,684	—	7,689	3,629	7,744	11,373	45	2019
<b>Orlando</b>										
6301 Hazeltine National Drive	Orlando, FL	—	909	4,613	228	920	4,830	5,750	1,968	2005
8751 Skinner Court	Orlando, FL	—	1,691	7,249	(5)	1,692	7,243	8,935	927	2016
4473 Shader Road	Orlando, FL	—	2,094	10,444	63	2,094	10,507	12,601	1,261	2016
550 Gills Drive	Orlando, FL	—	1,321	6,176	12	1,321	6,188	7,509	508	2017
450 Gills Drive	Orlando, FL	—	1,031	6,406	—	1,031	6,406	7,437	416	2017
4401 Shader Road	Orlando, FL	—	1,037	7,116	4	1,037	7,120	8,157	347	2018
770 Gills Drive	Orlando, FL	—	851	5,195	4	851	5,199	6,050	51	2019
<b>Phoenix</b>										
1045 South Edward Drive	Tempe, AZ	—	390	2,160	768	396	2,922	3,318	1,211	1999

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a) Encumbrances	Initial Cost		Completion Provision	Gross Amount Carried At Close of Period 12/31/19	Year Acquired/ Constructed	
			Land	Buildings and Improvements				Land
(In thousands)								
50 South 56th Street	Chandler, AZ	—	1,206	3,218	1,426	4,598	2,336	2004
245 W. Lodge	Tempe, AZ	—	898	3,066	(2,153)	1,449	576	2007
1590 E Riverview Dr.	Phoenix, AZ	—	1,293	5,950	(267)	5,684	1,615	2008
14131 N. Rio Vista Blvd	Peoria, AZ	5,368	2,563	9,388	(428)	8,960	2,458	2008
8716 W. Ludlow Drive	Peoria, AZ	6,588	2,709	10,970	463	11,433	3,341	2008
3815 W. Washington St.	Phoenix, AZ	—	1,675	4,514	316	4,786	1,651	2008
9180 W. Buckeye Road	Tolleson, AZ	—	1,904	6,805	3,160	9,946	3,305	2008
8644 West Ludlow Drive	Peoria, AZ	—	1,726	7,216	—	7,216	1,329	2014
8606 West Ludlow Drive	Peoria, AZ	—	956	2,668	123	2,791	539	2014
8679 West Ludlow Drive	Peoria, AZ	—	672	2,791	—	2,791	525	2014
94th Avenue & Buckeye Road	Tolleson, AZ	—	4,315	—	16,901	16,901	1,915	2015
16560 W. Sells Drive	Goodyear, AZ	—	6,259	—	30,695	30,685	1,686	2018
16951 W. Camelback Road	Goodyear, AZ	—	1,805	—	5,105	5,105	32	2019
<b>Seattle</b>								
1901 Raymond Ave SW	Renton, WA	—	4,458	2,659	544	3,067	1,205	2008
19014 64th Avenue South	Kent, WA	—	1,990	3,979	452	4,379	1,925	2008
18640 68th Avenue South	Kent, WA	—	1,218	1,950	310	2,220	1,106	2008
6407 S 210th Street	Kent, WA	—	1,737	3,508	—	3,508	256	2018
1402 Puyallup Street	Sumner, WA	—	3,766	4,457	382	4,839	128	2018
22718 58th Place	Kent, WA	—	1,446	2,388	3	2,390	—	2019
14302 24th Street East Lot 1	Sumner, WA	—	2,643	—	9,927	9,927	173	2019
<b>Southern California</b>								
1944 Vista Bella Way	Rancho Dominguez, CA	2,599	1,746	3,148	465	3,537	2,002	2005
2000 Vista Bella Way	Rancho Dominguez, CA	—	817	1,673	232	1,869	1,070	2005
2835 East Ana Street	Rancho Dominguez, CA	2,104	1,682	2,750	85	2,745	1,496	2005
665 N. Baldwin Park Blvd.	City of Industry, CA	—	2,124	5,219	2,759	7,959	2,487	2006

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a) Encumbrances	Initial Cost		Completion Provision	Gross Amount Carried At Close of Period 12/31/19	Year Acquired/ Constructed				
			Land	Buildings and Improvements				Land	Buildings and Improvements	Total	Accumulated Depreciation 12/31/2019
			Buildings and Improvements	Buildings and Improvements							
(In thousands)											
27801 Avenue Scott	Santa Clarita, CA	5,012	2,890	7,020	423	2,902	7,431	10,333	3,128	2006	
2610 & 2660 Columbia St	Torrance, CA	—	3,008	5,826	320	3,031	6,123	9,154	2,436	2006	
433 Alaska Avenue	Torrance, CA	—	681	168	13	684	178	862	118	2006	
2325 Camino Vida Roble	Carlsbad, CA	1,554	1,441	1,239	563	1,446	1,797	3,243	714	2006	
2335 Camino Vida Roble	Carlsbad, CA	816	817	762	125	821	883	1,704	394	2006	
2345 Camino Vida Roble	Carlsbad, CA	560	562	456	151	565	604	1,169	315	2006	
2355 Camino Vida Roble	Carlsbad, CA	432	481	365	56	483	419	902	204	2006	
2365 Camino Vida Roble	Carlsbad, CA	855	1,098	630	55	1,102	681	1,783	364	2006	
2375 Camino Vida Roble	Carlsbad, CA	1,066	1,210	874	140	1,214	1,010	2,224	503	2006	
6451 El Camino Real	Carlsbad, CA	—	2,885	1,931	719	2,895	2,640	5,535	1,179	2006	
13100 Gregg Street	Poway, CA	2,835	1,040	4,160	887	1,073	5,014	6,087	2,540	2007	
21730-21748 Marilla St.	Chatsworth, CA	—	2,585	3,210	281	2,608	3,468	6,076	1,505	2007	
8015 Paramount	Pico Rivera, CA	—	3,616	3,902	(510)	3,657	3,351	7,008	1,566	2007	
3365 E. Slauson	Vernon, CA	—	2,367	3,243	(559)	2,396	2,655	5,051	1,241	2007	
3015 East Ana	Rancho Dominguez, CA	—	19,678	9,321	6,239	20,144	15,094	35,238	5,854	2007	
1250 Rancho Conejo Blvd.	Thousand Oaks, CA	—	1,435	779	45	1,441	818	2,259	401	2007	
1260 Rancho Conejo Blvd.	Thousand Oaks, CA	—	1,353	722	(722)	675	678	1,353	308	2007	
1270 Rancho Conejo Blvd.	Thousand Oaks, CA	—	1,224	716	(2)	1,229	709	1,938	347	2007	
100 West Sinclair Street	Perris, CA	—	4,894	3,481	(5,233)	1,819	1,323	3,142	766	2007	
14050 Day Street	Moreno Valley, CA	—	2,538	2,538	545	2,565	3,056	5,621	1,369	2008	
12925 Marlay Avenue	Fontana, CA	—	6,072	7,891	309	6,090	8,182	14,272	4,707	2008	
18201-18291 Santa Fe	Rancho Dominguez, CA	—	6,720	—	9,457	6,897	9,280	16,177	2,887	2008	
1011 Rancho Conejo	Thousand Oaks, CA	—	7,717	2,518	(170)	7,752	2,313	10,065	1,230	2008	
20700 Denker Avenue	Torrance, CA	4,143	5,767	2,538	341	5,964	2,682	8,646	1,532	2008	
18408 Laurel Park Road	Rancho Dominguez, CA	—	2,850	2,850	907	2,874	3,733	6,607	1,577	2008	
19021 S. Reyes Ave.	Rancho Dominguez, CA	—	8,183	7,501	390	8,545	7,528	16,073	1,918	2008	

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a) Encumbrances	Initial Cost		Completion Provision	Gross Amount Carried At Close of Period 12/31/19		Accumulated Depreciation 12/31/2019	Year Acquired/ Constructed	
			Land	Buildings and Improvements		Land	Buildings and Improvements			Total
			(In thousands)							
24870 Nandina Avenue	Moreno Valley, CA	—	13,543	—	21,278	6,482	28,339	34,821	5,577	2012
6185 Kimball Ave	Chino, CA	—	6,385	—	10,994	6,382	10,997	17,379	1,834	2013
5553 Bandini Blvd	Bell, CA	—	32,536	—	21,622	32,540	21,617	54,157	3,505	2013
16875 Heacock Street	Moreno Valley, CA	—	—	6,831	(750)	—	6,082	6,082	1,065	2014
4710 Guasti Road	Ontario, CA	4,889	2,846	6,564	213	2,846	6,777	9,623	1,284	2014
17100 Perris Blvd	Moreno Valley, CA	—	6,388	—	25,801	6,395	25,794	32,189	4,219	2014
13414 S. Figueroa	Los Angeles, CA	3,857	1,701	—	6,580	1,887	6,394	8,281	887	2014
3841 Ocean Ranch Boulevard	Oceanside, CA	—	4,400	—	8,039	4,400	8,039	12,439	1,346	2015
3831 Ocean Ranch Boulevard	Oceanside, CA	—	2,693	—	4,584	2,694	4,583	7,277	744	2015
3821 Ocean Ranch Boulevard	Oceanside, CA	—	2,792	—	4,469	2,792	4,469	7,261	719	2015
145 West 134th Street	Los Angeles, CA	—	2,901	2,285	173	2,901	2,458	5,359	519	2015
6150 Sycamore Canyon Boulevard	Riverside, CA	—	3,182	10,643	1	3,182	10,644	13,826	1,608	2015
17825 Indian Street	Moreno Valley, CA	—	5,034	22,095	55	5,034	22,150	27,184	3,171	2015
24901 San Michele Road	Moreno Valley, CA	—	1,274	—	11,546	1,274	11,546	12,820	1,147	2016
1445 Engineer Street	Vista, CA	—	6,816	4,417	55	6,816	4,472	11,288	843	2016
19067 Reyes Ave	Rancho Dominguez, CA	—	9,281	3,920	3,476	9,381	7,296	16,677	652	2016
10586 Tamarind Avenue	Fontana, CA	—	4,275	8,275	298	4,275	8,573	12,848	720	2017
2777 Loker Ave West	Carlsbad, CA	10,729	7,599	13,267	422	7,599	13,689	21,288	1,326	2017
7105 Old 215 Frontage Road	Riverside, CA	—	4,900	—	12,731	4,900	12,731	17,631	998	2017
28545 Livingston Avenue	Valencia, CA	—	9,813	10,954	2,207	9,813	13,161	22,974	854	2018
3801 Ocean Ranch Blvd	Oceanside, CA	2,964	2,907	6,151	(11)	2,909	6,138	9,047	357	2018
3809 Ocean Ranch Blvd	Oceanside, CA	3,240	3,140	6,964	45	3,141	7,008	10,149	397	2018
3817 Ocean Ranch Blvd	Oceanside, CA	4,981	5,438	10,278	(2)	5,442	10,272	15,714	607	2018
24385 Nandina Avenue	Moreno Valley, CA	—	17,023	—	62,788	17,066	62,745	79,811	2,107	2018
14999 Summit Drive	Eastvale, CA	—	1,508	—	3,129	1,508	3,129	4,637	139	2018
14969 Summit Drive	Eastvale, CA	—	3,847	—	11,217	3,847	11,217	15,064	927	2018

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**

**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a)		Initial Cost		Costs Capitalized Subsequent to Acquisition or Completion Provision		Gross Amount Carried At Close of Period 12/31/19		Accumulated Depreciation 12/31/2019	Year Acquired/ Constructed
		Encumbrances	(a)	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements		
14939 Summit Drive	Eastvale, CA	—	—	3,107	—	8,409	3,107	8,409	11,516	352	2018
14909 Summit Drive	Eastvale, CA	—	—	7,099	—	19,242	7,099	19,242	26,341	983	2018
14940 Summit Drive	Eastvale, CA	—	—	5,423	—	13,973	5,423	13,973	19,396	564	2018
14910 Summit Drive	Eastvale, CA	—	—	1,873	—	5,388	1,873	5,388	7,261	292	2018
930 Columbia Avenue	Riverside, CA	—	—	1,813	3,840	52	1,813	3,892	5,705	57	2019
305 Sequoia Avenue	Ontario, CA	—	—	6,641	8,155	15	6,641	8,170	14,811	144	2019
3051 E. Maria Street	Rancho Dominguez, CA	—	—	1,392	1,532	3	1,392	1,535	2,927	49	2019
1709-1811 W. Mahalo Place	Compton, CA	—	—	2,132	1,961	2	2,130	1,965	4,095	57	2019
1964 Kellogg Avenue	Carlsbad, CA	—	—	3,836	3,524	25	3,836	3,549	7,385	54	2019
353 Perry Street	Perris, CA	—	—	1,780	—	18,871	1,788	18,863	20,651	117	2019
8572 Spectrum Lane	San Diego, CA	—	—	806	3,225	1,054	806	4,279	5,085	90	2019
<b>Tampa</b>											
5455 W Waters Avenue	Tampa, FL	—	—	307	1,742	353	326	2,076	2,402	1,096	1997
5553 W Waters Avenue	Tampa, FL	—	—	307	1,742	321	326	2,044	2,370	1,090	1997
5501 W Waters Avenue	Tampa, FL	—	—	215	871	410	242	1,254	1,496	640	1997
5503 W Waters Avenue	Tampa, FL	—	—	98	402	170	110	560	670	287	1997
5555 W Waters Avenue	Tampa, FL	—	—	213	1,206	593	221	1,791	2,012	869	1997
5557 W Waters Avenue	Tampa, FL	—	—	59	335	76	62	408	470	208	1997
5463 W Waters Avenue	Tampa, FL	—	—	497	2,751	1,501	560	4,189	4,749	2,100	1998
5461 W Waters Avenue	Tampa, FL	—	—	261	—	1,336	265	1,332	1,597	672	1998
5481 W Waters Avenue	Tampa, FL	—	—	558	—	3,680	561	3,677	4,238	1,354	1999
<b>Other</b>											
600 Greene Drive	Greenville, KY	—	—	294	8,570	(727)	296	7,841	8,137	7,044	2008
1335 Sadlier Circle East	Indianapolis, IN	—	—	81	460	244	86	699	785	369	1996
7501 NW 106th Terrace	Kansas City, MO	—	—	4,152	—	13,697	4,228	13,621	17,849	3,825	2008
1908-2000 Innerbelt	Overland, MO	5,832	—	1,590	9,026	1,554	1,591	10,579	12,170	5,698	2004

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**  
**SCHEDULE III:**

**REAL ESTATE AND ACCUMULATED DEPRECIATION**

As of December 31, 2019

Building Address Properties (b)	Location (City/State)	(a) Encumbrances	Initial Cost		Completion Provision	Costs Capitalized Subsequent to Acquisition or		Gross Amount Carried At Close of Period 12/31/19	Accumulated Depreciation 12/31/2019	Year Acquired/ Constructed
			Land	Buildings and Improvements		Land	Buildings and Improvements			
1500 Peebles Drive	Richland Center, WI	—	1,577	1,018	(441)	1,528	626	2,154	569	2005
1815-1957 South 4650 West	Salt Lake City, UT	—	1,707	10,873	62	1,713	10,929	12,642	4,343	2006
<b>Developments in Process</b>										
First Sawgrass Commerce Center	Coconut Creek, FL	—	5,703	—	949	5,703	949	6,652	—	2019
First Redwood Logistics Center I Buildings A & B	Fontana, CA	—	15,156	—	20,152	15,154	20,154	35,308	—	2017
First Redwood II Logistics Center Building C	Fontana, CA	—	3,333	—	740	3,333	740	4,073	—	2018
First Cypress Creek Commerce Center Building B	Fort Lauderdale, FL	—	—	—	487	—	487	487	—	2019
First Cypress Creek Commerce Center Building C	Fort Lauderdale, FL	—	—	—	778	—	778	778	—	2019
First Cypress Creek Commerce Center Building D	Fort Lauderdale, FL	—	—	—	711	—	711	711	—	2019
Ferrero BTS @ PV303	Goodyear, AZ	—	5,660	—	35,644	5,658	35,646	41,304	—	2019
First Independence Logistics Center	Philadelphia, PA	—	2,059	—	4,657	2,087	4,629	6,716	—	2019
First Park 121 Building E	Lewisville, TX	—	7,519	—	1,649	7,520	1,648	9,168	—	2019
<b>Land Parcels</b>										
Land Parcels			196,219	966	31,460	191,465	37,181	228,646	4,452	
<b>Total</b>		<b>174,360</b>	<b>968,404</b>	<b>1,443,723</b>	<b>1,418,082</b>	<b>957,478</b>	<b>2,872,731</b>	<b>3,830,209</b>	<b>804,780</b>	

**NOTES:**

(a) See description of encumbrances in Note 4 of the Notes to Consolidated Financial Statements. For purposes of this schedule the total principal balance of a mortgage loan payable that is collateralized by a pool of properties is allocated among the properties in the pool based on each property's carrying balance.

**FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.**  
**SCHEDULE III:**  
**REAL ESTATE AND ACCUMULATED DEPRECIATION**  
**As of December 31, 2019**

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

Buildings and Improvements	7 to 50 years
Land Improvements	3 to 20 years
Tenant Improvements, Leasehold Improvements	Lease Term

At December 31, 2019, the aggregate cost of land and buildings and equipment for federal income tax purpose was approximately \$3.7 billion (excluding construction in progress).

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	<u>(In thousands)</u>		
Balance, Beginning of Year	\$3,673,644	\$3,495,745	\$3,388,611
Acquisition of Real Estate Assets	148,660	162,769	168,517
Construction Costs and Improvements	289,877	190,383	137,361
Disposition of Real Estate Assets	(258,639)	(148,408)	(170,928)
Impairment of Real Estate	—	(2,756)	—
Write-off of Fully Depreciated and Other Assets	(23,333)	(24,089)	(27,816)
Balance, End of Year	<u>\$3,830,209</u>	<u>\$3,673,644</u>	<u>\$3,495,745</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	<u>(In thousands)</u>		
Balance, Beginning of Year	\$811,784	\$789,919	\$797,919
Depreciation for Year	98,333	94,626	94,078
Disposition of Real Estate Assets	(82,919)	(49,144)	(78,844)
Write-off of Fully Depreciated and Other Assets	(22,418)	(23,617)	(23,234)
Balance, End of Year	<u>\$804,780</u>	<u>\$811,784</u>	<u>\$789,919</u>



## MARKET INFORMATION

The following table sets forth, for the periods indicated, the high and low closing prices per share of the Company's common stock, which trades on the New York Stock Exchange under the trading symbol "FR" and the dividends declared per share for the Company's common stock and the distributions declared per Unit for the Operating Partnership's Units. There is no established public trading market for the Units.

<u>Quarter Ended</u>	<u>Closing High</u>	<u>Closing Low</u>	<u>Dividend/Distribution Declared</u>
December 31, 2019 .....	\$43.07	\$39.09	\$0.2300
September 30, 2019 .....	\$40.07	\$36.77	\$0.2300
June 30, 2019 .....	\$37.43	\$34.22	\$0.2300
March 31, 2019 .....	\$35.47	\$28.04	\$0.2300
December 31, 2018 .....	\$32.40	\$27.60	\$0.2175
September 30, 2018 .....	\$33.87	\$30.78	\$0.2175
June 30, 2018 .....	\$33.67	\$28.58	\$0.2175
March 31, 2018 .....	\$31.17	\$27.75	\$0.2175

As of February 11, 2020, the Company had 364 common stockholders of record. The number of holders does not include individuals or entities who beneficially own shares but whose shares are held of record by a broker or clearing agency, but does include each such broker or clearing agency as one record holder. The Operating Partnership had 135 holders of record of Units registered with our transfer agent.

In order to comply with the REIT requirements of the Code, the Company is generally required to make common share distributions and preferred share distributions (other than capital gain distributions) to its shareholders in amounts that together at least equal i) the sum of a) 90% of the Company's "REIT taxable income" computed without regard to the dividends paid deduction and net capital gains and b) 90% of net income (after tax), if any, from foreclosure property, minus ii) certain excess non-cash income.

Our dividend/distribution policy is determined by the Company's Board of Directors and is dependent on multiple factors, including cash flow and capital expenditure requirements, as well as ensuring that the Company meets the minimum distribution requirements set forth in the Code. The Company met the minimum distribution requirements with respect to 2019.

Holders of Units are entitled to receive distributions when, as and if declared by the Company's Board of Directors, after the priority distributions required under the Operating Partnership's partnership agreement have been made with respect to preferred partnership interests in the Operating Partnership out of any funds legally available for that purpose.

During the year ended December 31, 2019, the Operating Partnership issued 297,216 Limited Partner Units in connection with the issuance of equity compensation to certain employees and directors. See Note 11 to the consolidated financial statements for more information.

Subject to certain lock-up periods, holders of Limited Partner Units can redeem their Units by providing written notification to the General Partner of the Operating Partnership. Unless the General Partner provides notice of a redemption restriction to the holder, redemption must be made within seven business days after receipt of the holder's notice. The redemption can be effectuated, as determined by the General Partner, either by exchanging the Limited Partner Units for shares of common stock of the Company on a one-for-one basis, subject to adjustment, or by paying cash equal to the fair market value of such shares. Prior requests for redemption have generally been fulfilled with shares of common stock of the Company, and the Operating Partnership intends to continue this practice. If each Limited Partner Unit of the Operating Partnership were

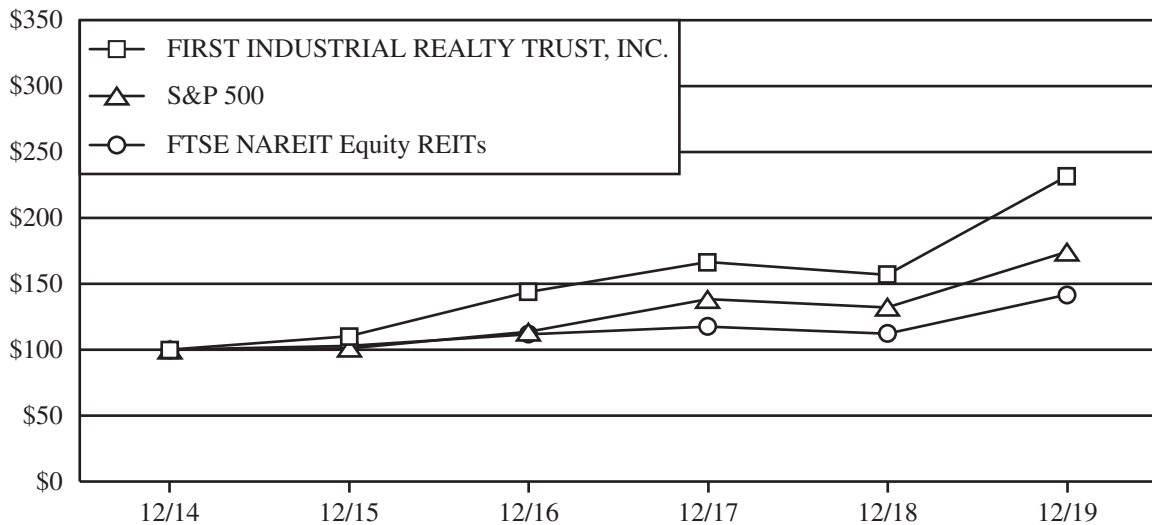
## MARKET INFORMATION

redeemed as of December 31, 2019, the Operating Partnership could satisfy its redemption obligations by making an aggregate cash payment of approximately \$100.6 million or by issuing 2,422,744 shares of the Company’s common stock.

### Performance Graph

The following graph provides a comparison of the cumulative total stockholder return among the Company, the FTSE NAREIT Equity REIT Total Return Index (the “NAREIT Index”) and the Standard & Poor’s 500 Index (“S&P 500”). The NAREIT Index represents the performance of our publicly traded industrial REIT peers. The historical information set forth below is not necessarily indicative of future performance.

**COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN (A)**  
**Among First Industrial Realty Trust, Inc., the S&P 500 Index, and the FTSE NAREIT Equity REITs**  
**Index**



(A) \$100 invested on 12/31/14 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

	<u>12/14</u>	<u>12/15</u>	<u>12/16</u>	<u>12/17</u>	<u>12/18</u>	<u>12/19</u>
FIRST INDUSTRIAL REALTY TRUST, INC. . . . .	\$100.00	\$110.31	\$143.90	\$166.17	\$156.81	\$231.06
S&P 500 . . . . .	\$100.00	\$101.38	\$113.51	\$138.29	\$132.23	\$173.86
FTSE NAREIT Equity REITs . . . . .	\$100.00	\$103.20	\$111.99	\$117.84	\$112.39	\$141.61

(A) The information provided in this performance graph shall not be deemed to be “soliciting material,” to be “filed” or to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 unless specifically treated as such.

## CORPORATE MANAGEMENT AND DIRECTORS

### CORPORATE MANAGEMENT

Peter E. Baccile

*Director, President and Chief Executive Officer*

Scott A. Musil

*Chief Financial Officer*

Johannson L. Yap

*Chief Investment Officer and*

*Executive Vice President — West Region*

David G. Harker

*Executive Vice President — Central Region*

Peter O. Schultz

*Executive Vice President — East Region*

Christopher M. Schneider

*Chief Information Officer and Senior Vice President —  
Operations*

Donald R. Stoffle

*Executive Director — Dispositions*

Robert J. Walter

*Senior Vice President — Capital Markets and Asset Management*

Jennifer Matthews Rice

*General Counsel and Secretary*

Arthur J. Harmon

*Vice President — Investor Relations and Marketing*

Sara Niemiec

*Chief Accounting Officer*

### DIRECTORS

Bruce W. Duncan‡

*Chairman*

First Industrial Realty Trust, Inc.

*Director*

Boston Properties, Inc.

Marriot International, Inc.

T. Rowe Price Funds

*Senior Adviser*

KKR & Co. Inc.

Peter E. Baccile‡

*Director, President and Chief Executive Officer*

First Industrial Realty Trust, Inc.

Matthew S. Dominski‡§

*Director*

CBL & Associates Properties, Inc.

H. Patrick Hackett, Jr.\*‡§

*Principal*

HHS Co.

*Chairman*

Wintrust Financial Corporation

Denise A. Olsen\*†

*Senior Managing Director*

GEM Realty Capital

John Rau\*§

*Lead Independent Director*

First Industrial Realty Trust, Inc.

*President, Chief Executive Officer and Director*

Miami Corporation

*Chairman*

BMO Financial Corp.

*Director*

Southern Company Gas

L. Peter Sharpe\*†

*Former President and Chief Executive Officer*

Cadillac Fairview Corporation

*Director*

Postmedia Network Canada Corp.

Morguard Corporation

Allied Properties Real Estate Investment Trust

W. Ed Tyler†

*Chief Executive Officer*

Ideapoint Ventures

*Director*

Nanophase Technologies Corporation

### Committee Membership Legend

\* Audit Committee

† Compensation Committee

‡ Investment Committee

§ Nominating/Corporate  
Governance Committee

## CORPORATE AND STOCKHOLDER INFORMATION

### *Executive Office*

First Industrial Realty Trust, Inc.  
One North Wacker Drive, Suite 4200  
Chicago, IL 60606  
Phone: 312.344.4300  
Fax: 312.922.6320  
www.firstindustrial.com  
info@firstindustrial.com

### *Stock Exchange Listing*

New York Stock Exchange  
Symbol: FR

### *Registrar and Transfer Agent*

By Mail:  
Computershare Trust Company, N.A.  
P.O. Box 505000  
Louisville, KY 40233-5000

By Overnight Delivery:  
Computershare Trust Company, N.A.  
462 South 4<sup>th</sup> Street Suite 1600  
Louisville, KY 40202  
Phone: 800.446.2617

### *Independent Registered Public Accounting Firm*

PricewaterhouseCoopers LLP  
Chicago, Illinois

### *Corporate Counsel*

Barack Ferrazzano Kirschbaum &  
Nagelberg LLP  
Chicago, Illinois

### *10-K Report*

**A copy of the Company's Form 10-K as filed with the Securities and Exchange Commission is available on the Company's website and may also be obtained free of charge by contacting our Vice President — Investor Relations and Marketing. Please address any communications to our Vice President — Investor Relations and Marketing "c/o First Industrial Realty Trust, Inc., One North Wacker Drive, Suite 4200, Chicago, IL 60606." Included in such report were the certifications required by Section 302 of the Sarbanes-Oxley Act.**

### *Annual Meeting*

The Annual Meeting of Stockholders of First Industrial Realty Trust, Inc., will be held on Wednesday, May 6, 2020, at 9:00 A.M. CDT in the Madison/Franklin Room located on the 2<sup>nd</sup> floor of the Hyatt Place Chicago/Downtown located at 28 N Franklin in Chicago, Illinois.

### *To contact First Industrial's Audit Committee:*

Chair of the Audit Committee  
c/o First Industrial Realty Trust, Inc.  
One North Wacker Drive, Suite 4200  
Chicago, IL 60606

### *To contact First Industrial's Nominating/Corporate Governance Committee:*

Chair of the Nominating/Corporate Governance Committee  
c/o First Industrial Realty Trust, Inc.  
One North Wacker Drive, Suite 4200  
Chicago, IL 60606

### *To contact First Industrial's Lead Independent Director:*

Lead Independent Director  
c/o First Industrial Realty Trust, Inc.  
One North Wacker Drive, Suite 4200  
Chicago, IL 60606

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]





FR  
LISTED  
NYSE

[www.firstindustrial.com](http://www.firstindustrial.com)