

FIRST INDUSTRIAL REALTY TRUST INC

Form 10-K

February 24, 2011

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**Form 10-K**

- þ** **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the fiscal year ended December 31, 2010**
- o** **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the transition period from            to**

**Commission File Number 1-13102**  
**FIRST INDUSTRIAL REALTY TRUST, INC.**  
*(Exact name of Registrant as specified in its Charter)*

**Maryland**  
*(State or other jurisdiction of incorporation or organization)*  
**311 S. Wacker Drive,**  
**Suite 3900, Chicago, Illinois**  
*(Address of principal executive offices)*

**36-3935116**  
*(I.R.S. Employer Identification No.)*  
**60606**  
*(Zip Code)*

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

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

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

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

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

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

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

The aggregate market value of the voting and non-voting stock held by non-affiliates of the Registrant was approximately \$306.3 million based on the closing price on the New York Stock Exchange for such stock on June 30, 2010.

At February 23, 2011, 68,788,017 shares of the Registrant's Common Stock, \$0.01 par value, were outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

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

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This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934 (the Exchange Act ). We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of complying with those safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words believe, expect, intend, anticipate, estimate, project, seek, target, potential, focus, may, should or similar expressions. Our actual results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a materially adverse effect on our operations and future prospects include, but are not limited to: changes in national, international, regional and local economic conditions generally and real estate markets specifically; changes in legislation/regulation (including changes to laws governing the taxation of real estate investment trusts) and actions of regulatory authorities (including the Internal Revenue Service); 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) to us and to our potential counterparties; the availability and attractiveness of terms of additional debt repurchases; interest rates; our credit agency ratings; our ability to comply with applicable financial covenants; competition; changes in supply and demand for industrial properties (including land, the supply and demand for which is inherently more volatile than other types of industrial property) in the Company's current and proposed market areas; difficulties in consummating acquisitions and dispositions; risks related to our investments in properties through joint ventures; environmental liabilities; slippages in development or lease-up schedules; tenant creditworthiness; higher-than-expected costs; changes in asset valuations and related impairment charges; changes in general accounting principles, policies and guidelines applicable to real estate investment trusts; international business risks and those additional factors described in Item 1A, Risk Factors and in our other filings with the Securities and Exchange Commission (the SEC ). We caution you not to place undue reliance on forward looking statements, which reflect our analysis only and speak only as of the date of this report or the dates indicated in the statements. We assume no obligation to update or supplement forward-looking statements. Unless the context otherwise requires, the terms Company, we, us, and our refer to First Industrial Realty Trust, Inc., First Industrial, L.P. and their controlled subsidiaries. We refer to our operating partnership, First Industrial, L.P., as the Operating Partnership. Effective September 1, 2009, our taxable real estate investment trust subsidiary, First Industrial Investment, Inc. (the old TRS ) merged into First Industrial Investment II, LLC ( FI LLC ), which is wholly owned by the Operating Partnership. Immediately thereafter, certain assets and liabilities of FI LLC were contributed to a new subsidiary, FR Investment Properties, LLC ( FRIP ). FRIP is 1% owned by FI LLC and 99% owned by a new taxable real estate investment trust subsidiary, First Industrial Investment Properties, Inc. (the new TRS, which, collectively with the old TRS and certain wholly owned taxable real estate investment trust subsidiaries of FI LLC, will be referred to as the TRSs ), which is wholly owned by FI LLC (see Note 10 to the Consolidated Financial Statements).

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**PART I**

**THE COMPANY**

**Item 1. *Business***

**General**

First Industrial Realty Trust, Inc. is a Maryland corporation organized on August 10, 1993, and is a real estate investment trust ( REIT ) as defined in the Internal Revenue Code of 1986 (the Code ). We are a self-administered and fully integrated real estate company which owns, manages, acquires, sells, develops, and redevelops industrial real estate. As of December 31, 2010, our in-service portfolio consisted of 365 light industrial properties, 129 R&D/flex properties, 173 bulk warehouse properties, 88 regional warehouse properties and 19 manufacturing properties containing approximately 68.6 million square feet of gross leasable area ( GLA ) located in 28 states in the United States and one province in Canada. Beginning January 1, 2009, our in-service portfolio includes all properties other than developed, redeveloped and acquired properties that have not yet reached stabilized occupancy (generally defined as properties that are 75% leased). Properties which are at least 75% occupied at acquisition are placed in-service. Acquired properties less than 75% occupied are placed in-service upon the earlier of reaching 90% occupancy or one year from the acquisition date. Development properties are placed in-service upon the earlier of reaching 90% occupancy or one year from the date construction is completed. Redevelopments (generally projects which require capital expenditures exceeding 25% of basis) are placed in-service upon the earlier of reaching 90% occupancy or one year from the completion of renovation construction.

Our interests in our properties and land parcels are held through partnerships, corporations, and limited liability companies controlled, directly or indirectly, by the Company, including the Operating Partnership, of which we are the sole general partner with an approximate 92.8% and 92.0% ownership interest at December 31, 2010 and December 31, 2009, respectively, and through the old TRS prior to September 1, 2009, and FI LLC, the new TRS and FRIP subsequent to September 1, 2009, all of whose operating data is consolidated with that of the Company as presented herein.

We also own noncontrolling equity interests in, and provide various services to, two joint ventures (the 2003 Net Lease Joint Venture and the 2007 Europe Joint Venture ). During 2010, we provided various services to, and ultimately disposed of our equity interests in, five joint ventures (the 2005 Development/Repositioning Joint Venture, the 2005 Core Joint Venture, the 2006 Net Lease Co-Investment Program, the 2006 Land/Development Joint Venture, and the 2007 Canada Joint Venture; together with the 2003 Net Lease Joint Venture and the 2007 Europe Joint Venture, the Joint Ventures ). The Joint Ventures are accounted for under the equity method of accounting. Accordingly, the operating data of our Joint Ventures is not consolidated with that of the Company as presented herein. On May 25, 2010, we sold our interest in the 2006 Net Lease Co-Investment Program to our joint venture partner. On August 5, 2010, we sold our interests in the 2005 Development/Repositioning Joint Venture, the 2005 Core Joint Venture, the 2006 Land/Development Joint Venture and the 2007 Canada Joint Venture to our joint venture partner. The 2007 Europe Joint Venture does not own any properties. See Note 5 to the Consolidated Financial Statements for more information on the Joint Ventures.

We utilize an operating approach which combines the effectiveness of decentralized, locally-based property management, acquisition, sales and development functions with the cost efficiencies of centralized acquisition, sales and development support, capital markets expertise, asset management and fiscal control systems. At February 23, 2011, we had 183 employees.

We maintain a website at [www.firstindustrial.com](http://www.firstindustrial.com). Information on this website shall not constitute part of this Form 10-K. Copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to such reports are available without charge on our website as soon as reasonably practicable after such reports are filed with or furnished to the SEC. In addition, our Corporate Governance Guidelines, Code of Business Conduct and Ethics, Audit Committee Charter, Compensation Committee Charter, Nominating/Corporate Governance Committee Charter, along with supplemental financial

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and operating information prepared by us, are all available without charge on our website or upon request to us. Amendments to, or waivers from, our Code of Business Conduct and Ethics that apply to our executive officers or directors will also be posted to our website. We also post or otherwise make available on our website from time to time other information that may be of interest to our investors. Please direct requests as follows:

First Industrial Realty Trust, Inc.  
311 S. Wacker, Suite 3900  
Chicago, IL 60606  
Attention: Investor Relations

## **Business Objectives and Growth Plans**

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

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

*External Growth.* We seek to grow externally through (i) additional joint venture investments; (ii) the development of industrial properties; (iii) the acquisition of portfolios of industrial properties, industrial property businesses or individual properties which meet our investment parameters and target markets; and (iv) the expansion of our properties.

Our ability to pursue our long-term growth plans is affected by market conditions and our financial condition and operating capabilities.

## **Business Strategies**

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

*Organization Strategy.* We implement our decentralized property operations strategy through the deployment of experienced regional management teams and local property managers. We provide acquisition, development and financing assistance, asset management oversight and financial reporting functions from our headquarters in Chicago, Illinois to support our regional operations. We believe the size of our portfolio enables us to realize operating efficiencies by spreading overhead among many properties and by negotiating purchasing discounts.

*Market Strategy.* Our market strategy is to concentrate on the top industrial real estate markets in the United States and select industrial real estate markets in Canada. These markets have one or more of the following characteristics: (i) strong industrial real estate fundamentals, including improving industrial demand expectations; (ii) a history of industry diversity and outlook for economic growth; and (iii) sufficient size to provide opportunity for ample transaction volume.

*Leasing and Marketing Strategy.* We have an operational management strategy designed to enhance tenant satisfaction and portfolio performance. We pursue an active leasing strategy, which includes broadly marketing available space, seeking to renew existing leases at higher rents per square foot and seeking leases which provide for the pass-through of property-related expenses to the tenant. We also have local and national



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

*Acquisition/Development Strategy.* Our acquisition/development strategy is to invest in properties and other assets with higher yield potential in the top industrial real estate markets in the United States and select industrial real estate markets in Canada.

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*Financing Strategy.* To finance acquisitions, developments and debt maturities, as market conditions permit, we utilize a portion of proceeds from property sales, proceeds from mortgage financings, line of credit borrowings under our unsecured credit facility, consisting of a \$200.0 million term loan and a \$200.0 million revolving line of credit (the Unsecured Credit Facility ), and proceeds from the issuance, when and as warranted, of additional equity securities. We also continually evaluate joint venture arrangements as another source of capital. As of February 23, 2011, we had approximately \$12.3 million available for additional borrowings under our Unsecured Credit Facility.

*Disposition Strategy.* We continuously evaluate local market conditions and property-related factors in all of our markets for purposes of identifying assets suitable for disposition. In conjunction with the amendment of our Unsecured Credit Facility, management identified a pool of real estate assets (the Non-Strategic Assets ) that it intends to market and sell. At December 31, 2010, the Non-Strategic Assets consisted of 193 industrial properties comprising approximately 16.1 million square feet of GLA and land parcels comprising approximately 695 gross acres, of which 192 industrial properties comprising 15.8 million square feet of GLA and all of the land parcels were classified as held for sale.

*Liquidity Strategy.* We plan to enhance our liquidity through a combination of capital retention, mortgage and equity financings, asset sales and certain debt repayments:

**Capital Retention** We plan to retain capital by distributing the minimum amount of dividends required to maintain our REIT status. We did not pay a common stock dividend in 2010 and may not pay dividends in 2011 depending on our taxable income. If, to maintain our REIT status, we are required to pay common stock dividends with respect to 2011, we may elect to do so by distributing a combination of cash and common shares.

**Mortgage Financing** During the year ended December 31, 2010, we originated \$105.6 million in mortgage financings with maturities ranging from February 2015 to October 2020 and interest rates ranging from 5.00% to 7.40% (see Note 6 to the Consolidated Financial Statements). We believe these mortgage financings comply with all covenants contained in our Unsecured Credit Facility and the indentures governing our senior unsecured notes, including coverage ratios and total indebtedness, total unsecured indebtedness and total secured indebtedness limitations. We continue to engage various lenders regarding the origination of additional mortgage financings and the terms and conditions thereof. To the extent additional mortgage financing is originated, we expect the proceeds received will be used to pay down our other debt. No assurances can be made that additional mortgage financing will be obtained.

**Equity Financing** During the year ended December 31, 2010, we issued 875,402 shares of the Company's common stock, generating \$6.0 million in net proceeds, under the direct stock purchase component of the Company's Dividend Reinvestment and Direct Stock Purchase Plan ( DRIP ). Additionally, we issued 5,469,767 shares of the Company's common stock, generating \$43.9 million in net proceeds, under the Company's at-the-market equity offering program ( ATM ) (see Note 7 to the Consolidated Financial Statements). On December 31, 2010, we concluded the ATM as a result of the expiration of the distribution agreements with our sales agents. We may opportunistically access the equity markets again, subject to contractual restrictions, including through a new ATM, and may continue to issue shares under the direct stock purchase component of the DRIP. To the extent additional equity offerings occur, we expect to use at least a portion of the proceeds received to reduce our indebtedness. No assurances can be made that additional equity offerings will occur on favorable terms or at all.

Asset Sales During the year ended December 31, 2010, we sold 13 industrial properties and several land parcels for gross proceeds of \$71.0 million (see Note 4 to the Consolidated Financial Statements). We are in various stages of discussions with third parties for the sale of additional properties and plan to continue to selectively market other properties for sale throughout 2011. At December 31, 2010, Non-Strategic Assets consisted of 193 industrial properties comprising approximately 16.1 million square feet of GLA and land parcels comprising approximately 695 gross acres which are classified as held for sale (except one industrial property comprising approximately

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0.3 million square feet of GLA). We expect to use at least a portion of sales proceeds to reduce our indebtedness. If we are unable to sell properties on an advantageous basis, this may impair our liquidity and our ability to meet our financial covenants.

**Debt Reduction** During the year ended December 31, 2010, we paid off \$264.8 million of our senior unsecured notes, we paid off and retired two secured mortgages maturing in September 2024 and December 2010 in the aggregate amount of \$14.6 million and we made net repayments of \$79.1 million on our Unsecured Credit Facility (see Note 6 to the Consolidated Financial Statements). We may from time to time repay additional amounts of our outstanding debt. Any repayments would depend upon prevailing market conditions, our liquidity requirements, contractual restrictions and other factors we consider important. Future repayments may materially impact our liquidity, future tax liability and results of operations.

Although we believe we will be successful in meeting our liquidity needs and maintaining compliance with other debt covenants through a combination of capital retention, mortgage and equity financings, asset sales and debt reduction, if we were to be unsuccessful in executing one or more of the strategies outlined above, our financial condition and operating results could be materially adversely affected.

## **Recent Developments**

During 2010, we acquired three industrial properties for a total investment of approximately \$22.4 million. We also sold 13 industrial properties and several parcels of land for an aggregate gross sales price of \$71.0 million (see Note 4 to the Consolidated Financial Statements). At December 31, 2010, we owned 774 in-service industrial properties containing approximately 68.6 million square feet of GLA.

On May 25, 2010, we sold our interest in the 2006 Net Lease Co-Investment Program to our joint venture partner and on August 5, 2010, we sold our interest in the 2005 Development/Repositioning Joint Venture, the 2005 Core Joint Venture, the 2006 Land/Development Joint Venture and the 2007 Canada Joint Venture to our joint venture partner (see Note 5 to the Consolidated Financial Statements).

During 2010, we repurchased and retired \$264.8 million of our senior unsecured notes and recognized a loss on early debt retirement of \$4.1 million (see Note 6 to the Consolidated Financial Statements).

During 2010, we obtained \$105.6 million in mortgage financings at a weighted average interest rate of 6.22%, with maturities ranging between February 2015 and October 2020. Also, we paid off and retired \$14.6 million in mortgage loans payable (see Note 6 to the Consolidated Financial Statements).

Effective October 22, 2010, we amended our Unsecured Credit Facility to provide for a \$200.0 million term loan and a \$200.0 million revolving line of credit. The Unsecured Credit Facility matures on September 28, 2012. On October 22, 2010, we repaid \$99.1 million in connection with the decrease in the Unsecured Credit Facility's capacity to \$400.0 million from \$500.0 million as part of the amendment. For the term borrowing, the Unsecured Credit Facility requires interest only payments through March 29, 2012 at LIBOR plus 325 basis points or at a base rate plus 225 basis points, at our election. The term borrowing requires quarterly principal pay-downs of \$10.0 million beginning March 30, 2012 until maturity on September 28, 2012. For the revolving borrowings, the Unsecured Credit Facility provides for interest only payments at LIBOR plus 275 basis points or at a base rate plus 175 basis points, at our election. Additionally, certain financial covenants were changed in connection with the amendment, including the fixed charge coverage ratio, which decreased to 1.2 times from 1.5 times. Also, the calculation of Earnings Before Interest, Taxes, Depreciation and Amortization ( EBITDA ), as defined in the Unsecured Credit Facility and used in the fixed charge coverage ratio, no longer includes economic gains or losses from property sales.



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The following shows the material changes to the financial covenants:

|   | <b>Previous<br/>Agreement</b> | <b>Amended<br/>Agreement<br/>Through<br/>September 30,<br/>2011</b> | <b>Amended<br/>Agreement<br/>Beginning<br/>October 1,<br/>2011</b> |
|---|-------------------------------|---|--|
| Fixed Charge Coverage Ratio   | <sup>3</sup> 1.50             | <sup>3</sup> 1.20   | <sup>3</sup> 1.20  |
| Consolidated Leverage Ratio   | £60.0%                        | £65.0%  | £60.0%   |
| Ratio of Value of Unencumbered Assets to Outstanding Consolidated Senior Unsecured Debt | <sup>3</sup> 1.60             | <sup>3</sup> 1.30   | <sup>3</sup> 1.60  |
| Value of Unencumbered Assets  | n/a                           | <sup>3</sup> \$1.3 billion  | <sup>3</sup> \$1.3 billion   |
| Property Operating Income Ratio on Unencumbered Assets                                  | n/a                           | <sup>3</sup> 1.30   | <sup>3</sup> 1.45  |
| Indebtedness Subject to Encumbrance   | n/a                           | £40.0%  | £40.0%   |
| Total Unencumbered Assets to Unsecured Indebtedness                                     | n/a                           | <sup>3</sup> 150.0%   | <sup>3</sup> 150.0%  |

Commencing October 1, 2011, certain covenants, including the consolidated leverage ratio, the ratio of value of unencumbered assets to outstanding consolidated senior unsecured debt and the property operating income ratio on unencumbered assets become more restrictive. The Company has various liquidity strategies, such as selling additional industrial properties or land parcels and issuing additional equity, that it may employ in order to ensure compliance with the covenants. However, no assurances can be made that the sales of assets and additional equity issuances will occur on favorable terms or at all.

In conjunction with the amendment of our Unsecured Credit Facility, during the third quarter of 2010 management reassessed the holding period of the Non-Strategic Assets, which, at September 30, 2010, consisted of 195 industrial properties comprising approximately 16.4 million square of GLA and land parcels comprising approximately 724 gross acres. As a result of this reassessment, we determined that 129 of the industrial properties comprising approximately 10.6 million square feet of GLA and land parcels comprising approximately 503 gross acres were impaired, and as such, we recorded an aggregate non-cash impairment charge of approximately \$163.9 million during the third quarter.

At December 31, 2010, the Non-Strategic Assets consisted of 193 industrial properties comprising approximately 16.1 million square of GLA and land parcels comprising approximately 695 gross acres. The Non-Strategic Assets (except one industrial property comprising 0.3 million square feet of GLA) were classified as held for sale as of December 31, 2010. During the three months ended December 31, 2010, we recorded an additional non-cash impairment charge of \$21.5 million relating to the Non-Strategic Assets. The additional charge is primarily comprised of estimated closing costs for 118 of the 192 industrial properties comprising approximately 10.4 million square feet of GLA and land parcels comprising approximately 449 gross acres classified as held for sale, as well as additional impairment related to certain industrial properties and land parcels within the Non-Strategic Assets due to a change in our estimates of fair value based upon recent market information, including receipt of third party purchase offers.

Additionally, during the first quarter of 2010 we recorded an impairment charge in the amount of \$9.2 million related to a property comprised of 0.3 million square feet of GLA located in Grand Rapids, Michigan in connection with the negotiation of a new lease. See Note 4 to the Consolidated Financial Statements for more information on impairment.

During the year ended December 31, 2010, we issued 875,402 shares of the Company's common stock, generating approximately \$6.0 million in net proceeds, under the direct stock purchase component of the DRIP. Additionally, we

issued 5,469,767 shares of the Company's common stock, generating \$43.9 million in net proceeds, under the ATM (see Note 7 to the Consolidated Financial Statements).

We committed to a plan to reduce organizational and overhead costs in October 2008 and have subsequently modified that plan with the goal of further reducing these costs. On June 21, 2010, we committed to additional modifications to the plan consisting of further organizational and overhead cost reductions. For the year ended December 31, 2010, we recorded as restructuring costs a pre-tax charge of \$1.9 million to provide for employee severance and benefits (\$0.5 million), costs associated with the termination of certain

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office leases (\$0.7 million) and other costs (\$0.7 million) associated with implementing the restructuring plan (see Note 11 to the Consolidated Financial Statements).

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

We have acquisition and development programs through which we seek to identify portfolio and individual industrial property acquisitions and developments.

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

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

**INDUSTRY**

Industrial properties are typically used for the design, assembly, packaging, storage and distribution of goods and/or the provision of services. As a result, the demand for industrial space in the United States is related to the level of economic output. Historically, occupancy rates for industrial property in the United States have been higher than office property. We believe that the higher occupancy rate in the industrial property sector is a result of the construction-on-demand nature of, and the comparatively short development time required for, industrial property. For the five years ended December 31, 2010, the national occupancy rate for industrial properties in the United States has ranged from 85.4%\*to 90.3%\*, with an occupancy rate of 85.7%\* at December 31, 2010.

\* Source: CBRE Econometric Advisors



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**Item 1A. Risk Factors**

**Risk Factors**

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

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

The capital and credit markets in the United States and other countries have experienced significant price volatility, dislocations and liquidity disruptions, which have caused market prices of many securities and the spreads on prospective debt financings to fluctuate substantially. These circumstances have materially impacted liquidity in the financial markets, making terms for certain financings less attractive, and in some cases have resulted in the unavailability of financing. A majority of our existing indebtedness was sold through capital markets transactions. We anticipate that the capital markets could be a source of refinancing of our existing indebtedness in the future, including our 4.625% Exchangeable Notes due on September 15, 2011 in the aggregate amount of \$128.9 million as of December 31, 2010. This source of refinancing may not be available if capital market volatility and disruption continues, which could have a material adverse effect on our liquidity. Furthermore, we could potentially lose access to our current available liquidity under our Unsecured Credit Facility if one or more participating lenders default on their commitments. While the ultimate outcome of these market conditions cannot be predicted, they may have a material adverse effect on our liquidity and financial condition if our ability to borrow money under our Unsecured Credit Facility or to issue additional debt or equity securities to finance future acquisitions, developments and redevelopments and Joint Venture activities were to be impaired.

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

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

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

general economic conditions;

local, regional, national and international economic conditions and other events and occurrences that affect the markets in which we own properties;

local conditions such as oversupply or a reduction in demand in an area;

the attractiveness of the properties to tenants;

tenant defaults;

zoning or other regulatory restrictions;

competition from other available real estate;

our ability to provide adequate maintenance and insurance; and

increased operating costs, including insurance premiums and real estate taxes.

These factors may be amplified in light of the disruption of the global credit markets. Our investments in real estate assets are concentrated in the industrial sector, and the demand for industrial space in the United

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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.

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

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

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

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

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

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

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

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

we may not be able to obtain financing for development projects on favorable terms and complete construction on schedule or within budget, resulting in increased debt service expense and construction costs and delays in leasing the properties and generating cash flow;

we may not be able to obtain, or may experience delays in obtaining, all necessary zoning, land-use, building, occupancy and other governmental permits and authorizations;

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the properties may perform below anticipated levels, producing cash flow below budgeted amounts and limiting our ability to sell such properties to third parties or to sell such properties to our Joint Ventures.

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

We are subject to the risks that, upon expiration, leases may not be renewed, the space subject to such leases may not be relet or the terms of renewal or reletting, including the cost of required renovations, may be less favorable than expiring lease terms. If we were unable to promptly renew a significant number of expiring leases or to promptly relet the space covered by such leases, or if the rental rates upon renewal or reletting were significantly lower than the current rates, our financial condition, results of operation, cash flow and ability to pay dividends on, and the market price of, our common stock could be adversely affected. As of December 31, 2010, leases with respect to approximately 9.0 million, 10.4 million and 9.0 million square feet of GLA, representing 16%, 18% and 16% of GLA, expire in 2011, 2012 and 2013, respectively.

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

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

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

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

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

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

As part of our business, we sell properties to third parties as opportunities arise. Under the Code, a 100% penalty tax could be assessed on the gain resulting from sales of properties that are deemed to be prohibited transactions. The

question of what constitutes a prohibited transaction is based on the facts and circumstances surrounding each transaction. The Internal Revenue Service ( IRS ) could contend that certain sales of properties by us are prohibited transactions. While we do not believe that the IRS would prevail in such a

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

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

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

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

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

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

The terms of our agreements governing our Unsecured Credit Facility and other indebtedness require that we comply with a number of financial and other covenants, such as maintaining debt service coverage and leverage ratios and maintaining insurance coverage. Complying with such covenants may limit our operational flexibility. Our failure to comply with these covenants could cause a default under the applicable debt agreement even if we have satisfied our payment obligations. Consistent with our prior practice, we will, in the future, continue to interpret and certify our performance under these covenants in a good faith manner that we deem reasonable and appropriate. However, these financial covenants are complex and there can be no assurance that these provisions would not be interpreted by the noteholders or lenders in a manner that could impose and cause us to incur material costs. We anticipate that we will be able to operate in compliance with our financial covenants in 2011. Our ability to meet our financial covenants may be adversely affected if economic and credit market conditions limit our ability to reduce our debt levels consistent with, or result in net operating income below, our current expectations. Under our Unsecured Credit Facility, an event of default can also occur if the lenders, in their good faith judgment, determine that a material adverse change has occurred which could prevent timely repayment or materially impair our ability to perform our obligations under the loan agreement.

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

cross-default provisions may require us to repay or restructure the Unsecured Credit Facility and the senior unsecured notes or other debt that is in default, which could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock. If repayment of any of our borrowings is accelerated, we cannot provide assurance that we will have sufficient assets to repay such indebtedness or that we would be able to borrow sufficient funds to



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refinance such indebtedness. Even if we are able to obtain new financing, it may not be on commercially reasonable terms, or terms that are acceptable to us.

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

We intend to obtain additional mortgage debt financing in the future, if it is available to us. These mortgages may be issued on a recourse, non-recourse or cross-collateralized basis. Cross-collateralization makes all of the subject properties available to the lender in order to satisfy our debt. Holders of indebtedness that is so secured will have a claim against these properties. To the extent indebtedness is cross-collateralized, lenders may seek to foreclose upon properties that are not the primary collateral for their loan, which may, in turn, result in acceleration of other indebtedness secured by properties. Foreclosure of properties would result in a loss of income and asset value to us, making it difficult for us to meet both debt payment obligations and the distribution requirements of the REIT provisions of the Code. At December 31, 2010, 19 of our mortgage loans payable were cross-collateralized, totaling \$138.4 million (see Note 6 to the Consolidated Financial Statements).

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

We are required to make the following lump-sum or balloon payments under the terms of some of our indebtedness, including indebtedness of the Operating Partnership:

\$35.0 million aggregate principal amount of 7.750% Notes due 2032 (the 2032 Notes )

\$190.0 million aggregate principal amount of 7.600% Notes due 2028 (the 2028 Notes )

\$13.6 million aggregate principal amount of 7.150% Notes due 2027 (the 2027 Notes )

\$117.8 million aggregate principal amount of 5.950% Notes due 2017 (the 2017 II Notes )

\$87.3 million aggregate principal amount of 7.500% Notes due 2017 (the 2017 Notes )

\$160.2 million aggregate principal amount of 5.750% Notes due 2016 (the 2016 Notes )

\$91.9 million aggregate principal amount of 6.420% Notes due 2014 (the 2014 Notes )

\$61.8 million aggregate principal amount of 6.875% Notes due 2012 (the 2012 Notes )

\$128.9 million aggregate principal amount of 4.625% Notes due 2011 (the 2011 Exchangeable Notes )

\$426.6 million in mortgage loans payable, in the aggregate, due between March 2011 and October 2020 on certain of our mortgage loans payable.

a \$400.0 million Unsecured Credit Facility under which we may borrow to finance the acquisition of additional properties and for other corporate purposes, including working capital.

The Unsecured Credit Facility provides for a \$200.0 million term loan and a \$200.0 million revolving line of credit. The term borrowing requires quarterly principal pay-downs of \$10.0 million beginning March 30, 2012 until maturity on September 28, 2012. The revolving borrowings provide for the repayment of principal in a lump-sum or balloon payment at maturity on September 28, 2012. As of December 31, 2010, \$376.2 million was outstanding under the

Unsecured Credit Facility at a weighted average interest rate of 3.376%.

Our ability to make required payments of principal on outstanding indebtedness, whether at maturity or otherwise, may depend on our ability either to refinance the applicable indebtedness or to sell properties. We have no commitments to refinance the 2011 Exchangeable Notes, the 2012 Notes, the 2014 Notes, the 2016 Notes, the 2017 Notes, the 2017 II Notes, the 2027 Notes, the 2028 Notes, the 2032 Notes, the Unsecured Credit Facility or the mortgage loans (see Subsequent Events). Our existing mortgage loan obligations are secured by our properties and therefore such obligations will permit the lender to foreclose on those properties in the event of a default.

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

As of December 31, 2010, our ratio of debt to our total market capitalization was 65.3%. We compute that percentage by calculating our total consolidated debt as a percentage of the aggregate market value of all outstanding shares of our common stock, assuming the exchange of all limited partnership units of the Operating Partnership for common stock, plus the aggregate stated value of all outstanding shares of preferred stock and total consolidated debt. Our organizational documents do not contain any limitation on the amount or percentage of indebtedness we may incur. Accordingly, we could become more highly leveraged, resulting in an increase in debt service that could adversely affect our ability to make expected distributions to stockholders and in an increased risk of default on our obligations.

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

Our Unsecured Credit Facility bears interest at a floating rate. As of December 31, 2010, our Unsecured Credit Facility had an outstanding balance of \$376.2 million at a weighted average interest rate of 3.376%. Our Unsecured Credit Facility presently bears interest at LIBOR plus 325 basis points or at a base rate plus 225 basis points, at our election for the \$200.0 million term borrowing, and for the \$200.0 million revolving borrowings, at LIBOR plus 275 basis points or at a base rate plus 175 basis points, at our election. Based on the outstanding balance on our Unsecured Credit Facility as of December 31, 2010, a 10% increase in interest rates would increase interest expense by \$1.3 million on an annual basis. Increases in the interest rate payable on balances outstanding under our Unsecured Credit Facility would decrease our cash available for distribution to stockholders.

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

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

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

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

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



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

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

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

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

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

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

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

As of December 31, 2010, the 2003 Net Lease Joint Venture owned approximately 4.9 million square feet of properties. Our net investment in this Joint Venture was \$2.5 million at December 31, 2010. Our organizational

documents do not limit the amount of available funds that we may invest in Joint Ventures and

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

joint venturers may share certain approval rights over major decisions;

joint venturers might fail to fund their share of any required capital commitments;

joint venturers might have economic or other business interests or goals that are inconsistent with our business interests or goals that would affect our ability to operate the property;

joint venturers may have the power to act contrary to our instructions, requests, policies or objectives, including our current policy with respect to maintaining our qualification as a real estate investment trust;

the joint venture agreements often restrict the transfer of a member's or joint venturer's interest or buy-sell or may otherwise restrict our ability to sell the interest when we desire or on advantageous terms;

disputes between us and our joint venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business and subject the properties owned by the applicable joint venture to additional risk; and

we may in certain circumstances be liable for the actions of our joint venturers.

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

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

***We are subject to risks associated with our international operations.***

As of December 31, 2010, we owned three industrial properties and several land parcels located in Canada. Our international operations will be subject to risks inherent in doing business abroad, including:

exposure to the economic fluctuations in the locations in which we invest;

difficulties and costs associated with complying with a wide variety of complex laws, treaties and regulations;

revisions in tax treaties or other laws and regulations, including those governing the taxation of our international revenues;

obstacles to the repatriation of earnings and funds;

currency exchange rate fluctuations between the United States dollar and foreign currencies;

restrictions on the transfer of funds; and

national, regional and local political uncertainty.

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



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

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

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

None.

**Item 2. *Properties***

**General**

At December 31, 2010, we owned 774 in-service industrial properties containing an aggregate of approximately 68.6 million square feet of GLA in 28 states and one province in Canada, with a diverse base of approximately 2,000 tenants engaged in a wide variety of businesses, including manufacturing, retail, wholesale trade, distribution and professional services. The average annual rental per square foot on a portfolio basis, calculated at December 31, 2010, was \$4.34. The properties are generally located in business parks that have convenient access to interstate highways and/or rail and air transportation. The weighted average age of the properties as of December 31, 2010 was approximately 20 years. We maintain insurance on our properties that we believe is adequate.

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

The following describes, generally, the different industrial categories:

Light industrial properties are of less than 100,000 square feet, have a ceiling height of 16-21 feet, are comprised of 5%-50% of office space, contain less than 50% of manufacturing space and have a land use ratio of 4:1. The land use ratio is the ratio of the total property area to the area occupied by the building.

R&D/flex buildings are of less than 100,000 square feet, have a ceiling height of less than 16 feet, are comprised of 50% or more of office space, contain less than 25% of manufacturing space and have a land use ratio of 4:1.

Bulk warehouse buildings are of more than 100,000 square feet, have a ceiling height of at least 22 feet, are comprised of 5%-15% of office space, contain less than 25% of manufacturing space and have a land use ratio of 2:1.

Regional warehouses are of less than 100,000 square feet, have a ceiling height of at least 22 feet, are comprised of 5%-15% of office space, contain less than 25% of manufacturing space and have a land use ratio of 2:1.

Manufacturing properties are a diverse category of buildings that have a ceiling height of 10-18 feet, are comprised of 5%-15% of office space, contain at least 50% of manufacturing space and have a land use ratio of

4:1.

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Each of the properties is wholly owned by us or our consolidated subsidiaries. The following tables summarize certain information as of December 31, 2010, with respect to our in-service properties.

**In-Service Property Summary Totals**

| Metropolitan Area        | Light Industrial  |                      | R&D/Flex         |                      | Bulk Warehouse    |                      | Regional Warehouse |                      | Manufacturing    |                      |
|--------------------------|-------------------|----------------------|------------------|----------------------|-------------------|----------------------|--------------------|----------------------|------------------|----------------------|
|                          | GLA               | Number of Properties | GLA              | Number of Properties | GLA               | Number of Properties | GLA                | Number of Properties | GLA              | Number of Properties |
| Atlanta, GA              | 666,544           | 11                   | 206,826          | 5                    | 3,742,667         | 14                   | 386,207            | 5                    | 662,000          |                      |
| Baltimore, MD            | 768,536           | 13                   | 198,230          | 6                    | 683,135           | 4                    |                    |                      | 171,000          |                      |
| Central PA               | 1,134,145         | 9                    |                  |                      | 3,151,350         | 6                    | 117,599            | 3                    |                  |                      |
| Chicago, IL              | 1,009,429         | 16                   | 248,090          | 4                    | 2,729,716         | 15                   | 172,851            | 4                    | 421,000          |                      |
| Cincinnati, OH           | 893,839           | 10                   |                  |                      | 1,103,830         | 4                    | 130,870            | 2                    |                  |                      |
| Cleveland, OH            |                   |                      |                  |                      | 1,317,799         | 7                    |                    |                      |                  |                      |
| Columbus, OH             | 217,612           | 2                    |                  |                      | 2,666,547         | 8                    | 98,800             | 1                    |                  |                      |
| Dallas, TX               | 2,201,172         | 40                   | 511,075          | 19                   | 2,250,000         | 17                   | 626,873            | 9                    | 128,478          |                      |
| Denver, CO               | 1,276,308         | 23                   | 1,053,097        | 24                   | 400,498           | 3                    | 343,516            | 5                    |                  |                      |
| Detroit, MI              | 2,409,456         | 85                   | 464,026          | 15                   | 630,780           | 6                    | 759,851            | 18                   | 116,250          |                      |
| Houston, TX              | 337,547           | 7                    | 132,997          | 6                    | 2,041,527         | 12                   | 446,318            | 6                    |                  |                      |
| Indianapolis, IN         | 860,781           | 17                   | 25,000           | 2                    | 2,590,469         | 10                   | 222,710            | 5                    | 71,600           |                      |
| Mid Empire, CA           | 66,934            | 1                    |                  |                      | 759,495           | 3                    |                    |                      |                  |                      |
| Los Angeles, CA          | 544,033           | 13                   | 184,064          | 2                    | 749,008           | 5                    | 281,921            | 4                    |                  |                      |
| Miami, FL                | 88,820            | 1                    |                  |                      | 142,804           | 1                    | 281,626            | 6                    |                  |                      |
| Madison, WI              | 431,508           | 9                    | 93,705           | 2                    | 1,726,929         | 7                    | 90,089             | 1                    |                  |                      |
| Minneapolis/St. Paul, MN | 1,277,519         | 14                   | 172,862          | 2                    | 2,250,076         | 11                   | 323,805            | 4                    | 355,056          |                      |
| New Jersey               | 659,849           | 11                   | 289,967          | 6                    | 329,593           | 2                    |                    |                      |                  |                      |
| Memphis, TN              | 205,205           | 3                    |                  |                      | 1,715,773         | 6                    |                    |                      | 109,058          |                      |
| Philadelphia, PA         | 145,282           | 4                    | 36,802           | 2                    | 799,287           | 3                    | 71,912             | 2                    | 178,000          |                      |
| Phoenix, AZ              | 38,560            | 1                    |                  |                      | 710,403           | 5                    | 354,327            | 5                    |                  |                      |
| New Jersey               | 627,680           | 5                    |                  |                      | 281,100           | 2                    | 158,867            | 2                    |                  |                      |
| Provo, UT                | 706,201           | 35                   | 146,937          | 6                    | 279,179           | 1                    |                    |                      |                  |                      |
| San Diego, CA            | 213,446           | 8                    |                  |                      |                   |                      | 108,701            | 3                    |                  |                      |
| Seattle, WA              |                   |                      |                  |                      | 258,126           | 2                    | 132,195            | 2                    |                  |                      |
| St. Louis, MO            | 823,655           | 11                   |                  |                      | 1,613,095         | 6                    |                    |                      |                  |                      |
| Tampa, FL                | 234,679           | 7                    | 689,782          | 27                   | 209,500           | 1                    |                    |                      |                  |                      |
| Toronto, ON              | 57,540            | 1                    |                  |                      | 559,773           | 2                    |                    |                      |                  |                      |
| Waco, TX                 | 696,547           | 8                    | 40,000           | 1                    | 1,951,456         | 10                   | 88,000             | 1                    | 425,017          |                      |
| <b>Total</b>             | <b>18,592,827</b> | <b>365</b>           | <b>4,493,460</b> | <b>129</b>           | <b>37,643,915</b> | <b>173</b>           | <b>5,197,038</b>   | <b>88</b>            | <b>2,637,459</b> |                      |

(a)

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Properties are located in Abilene, TX, Wichita, KS, Grand Rapids, MI, Des Moines, IA, Austin, TX, Orlando, FL, Horn Lake, MS, Shreveport, LA, Kansas City, MO, San Antonio, TX, Birmingham, AL, Omaha, NE, Jefferson County, KY, Greenville, KY, Sumner, IA, and Winchester, VA.

**Table of Contents****In-Service Property Summary Totals**

| Metropolitan Area        | GLA               | Number<br>of<br>Properties | Totals                                 |  | Encumbrances<br>at 12/31/10<br>(\$ in 000s)(b) |
|--------------------------|-------------------|----------------------------|--|--|--|
|                          |                   |                            | Average<br>Occupancy<br>at<br>12/31/10 | GLA as a<br>%<br>of Total<br>Portfolio |  |
| Atlanta, GA              | 5,664,244         | 38                         | 73%                                    | 8.3%                                   | \$ 30,987                                      |
| Baltimore, MD            | 1,820,901         | 24                         | 85%                                    | 2.6%                                   | 7,880  |
| Central PA               | 4,403,094         | 18                         | 84%                                    | 6.4%                                   | 13,758   |
| Chicago, IL              | 4,581,086         | 41                         | 86%                                    | 6.7%                                   | 37,537   |
| Cincinnati, OH           | 2,128,539         | 16                         | 80%                                    | 3.1%                                   | 6,652  |
| Cleveland, OH            | 1,317,799         | 7                          | 99%                                    | 1.9%                                   | 12,030   |
| Columbus, OH             | 2,982,959         | 11                         | 81%                                    | 4.3%                                   |  |
| Dallas, TX               | 5,717,598         | 86                         | 82%                                    | 8.3%                                   | 32,058   |
| Denver, CO               | 3,073,419         | 55                         | 80%                                    | 4.5%                                   | 30,119   |
| Detroit, MI              | 4,380,363         | 125                        | 92%                                    | 6.4%                                   |  |
| Houston, TX              | 2,958,389         | 31                         | 94%                                    | 4.3%                                   | 25,291   |
| Indianapolis, IN         | 3,770,560         | 36                         | 90%                                    | 5.5%                                   | 8,131  |
| Inland Empire, CA        | 826,429           | 4                          | 61%                                    | 1.2%                                   |  |
| Los Angeles, CA          | 1,759,026         | 24                         | 77%                                    | 2.6%                                   | 37,695   |
| Miami, FL                | 513,250           | 8                          | 51%                                    | 0.7%                                   |  |
| Milwaukee, WI            | 2,342,231         | 19                         | 88%                                    | 3.4%                                   | 34,401   |
| Minneapolis/St. Paul, MN | 4,379,318         | 35                         | 85%                                    | 6.4%                                   | 53,224   |
| N. New Jersey            | 1,279,409         | 19                         | 85%                                    | 1.9%                                   | 25,791   |
| Nashville, TN            | 2,030,036         | 10                         | 96%                                    | 3.0%                                   | 8,543  |
| Philadelphia, PA         | 1,231,283         | 13                         | 97%                                    | 1.8%                                   | 5,229  |
| Phoenix, AZ              | 1,103,290         | 11                         | 77%                                    | 1.6%                                   | 14,313   |
| S. New Jersey            | 1,067,647         | 9                          | 88%                                    | 1.6%                                   | 11,079   |
| Salt Lake City, UT       | 1,132,317         | 42                         | 93%                                    | 1.6%                                   | 10,560   |
| San Diego, CA            | 322,147           | 11                         | 90%                                    | 0.5%                                   | 9,754  |
| Seattle, WA              | 390,321           | 4                          | 83%                                    | 0.6%                                   | 6,022  |
| St. Louis, MO            | 2,436,750         | 17                         | 93%                                    | 3.5%                                   | 36,569   |
| Tampa, FL                | 1,133,961         | 35                         | 77%                                    | 1.7%                                   | 9,708  |
| Toronto, ON              | 617,313           | 3                          | 100%                                   | 0.9%                                   |  |
| Other(a)                 | 3,201,020         | 22                         | 92%                                    | 4.7%                                   | 19,068   |
| <b>Total or Average</b>  | <b>68,564,699</b> | <b>774</b>                 | <b>85%</b>                             | <b>100%</b>                            | <b>\$ 486,399</b>                              |

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

- (b) Certain properties are pledged as collateral under our secured financings at December 31, 2010 (see Note 6 to the Consolidated Financial Statements). For purposes of this table, the total principal balance of a secured financing that is collateralized by a pool of properties is allocated among the properties in the pool based on each property's investment balance. In addition to the amounts included in the table, we also have \$0.7 million of indebtedness which is secured by a letter of credit.

**Table of Contents****Property Acquisition Activity**

During 2010, we acquired three industrial properties for an aggregate purchase price of approximately \$22.4 million. The acquired industrial properties have the following characteristics:

| <b>Metropolitan Area</b> | <b>Number<br/>of<br/>Properties</b> | <b>GLA</b> | <b>Property Type</b> | <b>Occupancy<br/>at<br/>12/31/10</b> |
|--------------------------|-------------------------------------|------------|----------------------|--------------------------------------|
| Houston, TX              | 1                                   | 48,140     | Light Industrial     | 100%                                 |
| Minneapolis/St. Paul, MN | 1                                   | 285,000    | Bulk Warehouse       | 100%                                 |
| Seattle, WA              | 1                                   | 157,515    | Bulk Warehouse       | 100%                                 |
| Total                    | 3                                   | 490,655    |                      |                                      |

**Property Sales**

During 2010, we sold 13 industrial properties totaling approximately 1.1 million square feet of GLA and several land parcels. Total gross sales proceeds approximated \$71.0 million. The 13 industrial properties sold have the following characteristics:

| <b>Metropolitan Area</b> | <b>Number<br/>of<br/>Properties</b> | <b>GLA</b> | <b>Property Type</b>                   |
|--------------------------|-------------------------------------|------------|--|
| Atlanta, GA              | 1                                   | 185,950    | Manufacturing                          |
| Baltimore, MD            | 1                                   | 80,000     | Light Industrial                       |
| Cleveland, OH            | 1                                   | 64,000     | Light Industrial                       |
| Dallas, TX               | 3                                   | 370,933    | Lt. Industrial/Bulk/Regional Warehouse |
| Detroit, MI              | 2                                   | 62,771     | Lt. Industrial/R&D/Flex                |
| Indianapolis, IN         | 1                                   | 13,200     | R&D/Flex                               |
| Inland Empire, CA        | 1                                   | 47,075     | Bulk Warehouse                         |
| Minneapolis, MN          | 1                                   | 132,000    | Bulk Warehouse                         |
| Philadelphia, PA         | 1                                   | 20,800     | Light Industrial                       |
| St. Louis, MO            | 1                                   | 115,200    | Bulk Warehouse                         |
| Total                    | 13                                  | 1,091,929  |  |

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

From January 1, 2011 to February 23, 2011, we sold five industrial properties comprising approximately 0.3 million square feet of GLA. Gross proceeds from the sale of the five industrial properties were approximately \$7.7 million. There were no industrial properties acquired during this period.





**Table of Contents****Tenant and Lease Information**

We have a diverse base of approximately 2,000 tenants engaged in a wide variety of businesses including manufacturing, retail, wholesale trade, distribution and professional services. Most leases have an initial term of between three and six years and provide for periodic rent increases that are either fixed or based on changes in the Consumer Price Index. Industrial tenants typically have net or semi-net leases and pay as additional rent their percentage of the property's operating costs, including the costs of common area maintenance, property taxes and insurance. As of December 31, 2010, approximately 85% of the GLA of our in-service properties was leased, and no single tenant or group of related tenants accounted for more than 2.4% of our rent revenues, nor did any single tenant or group of related tenants occupy more than 2.0% of the total GLA of our in-service properties as of December 31, 2010.

**Lease Expirations (1)**

The following table shows scheduled lease expirations for all leases for our in-service properties as of December 31, 2010.

| <b>Year of Expiration</b> | <b>Number of Leases Expiring</b> | <b>GLA Expiring(2)</b> | <b>Percentage of GLA Expiring(2)<br/>(In thousands)</b> | <b>Annual Base Rent Under Expiring Leases(3)</b> | <b>Percentage of Total Annual Base Rent Expiring(3)</b> |
|---------------------------|----------------------------------|------------------------|---|--|---|
| 2011                      | 498                              | 8,995,672              | 16%   | \$ 42,267  | 17%   |
| 2012                      | 426                              | 10,435,488             | 18%   | 47,619   | 19%   |
| 2013                      | 399                              | 8,971,622              | 16%   | 40,661   | 16%   |
| 2014                      | 220                              | 7,405,595              | 13%   | 30,942   | 12%   |
| 2015                      | 199                              | 5,701,977              | 10%   | 23,803   | 10%   |
| 2016                      | 110                              | 4,917,797              | 9%  | 18,431   | 7%  |
| 2017                      | 45                               | 2,466,281              | 4%  | 11,164   | 4%  |
| 2018                      | 28                               | 1,786,771              | 3%  | 7,870  | 3%  |
| 2019                      | 17                               | 1,194,883              | 2%  | 6,568  | 3%  |
| 2020                      | 19                               | 2,561,747              | 4%  | 8,490  | 4%  |
| Thereafter                | 26                               | 3,144,325              | 5%  | 12,014   | 5%  |
| <b>Total</b>              | <b>1,987</b>                     | <b>57,582,158</b>      | <b>100%</b>   | <b>\$ 249,829</b>                                | <b>100%</b>   |

(1) Includes leases that expire on or after January 1, 2011 and assumes tenants do not exercise existing renewal, termination or purchase options.

(2) Does not include existing vacancies of 10,982,541 aggregate square feet.

(3) Annualized base rent is calculated as monthly base rent (cash basis) per the terms of the lease, as of December 31, 2010, multiplied by 12. If free rent is granted, then the first positive rent value is used. Leases denominated in foreign currencies are translated using the currency exchange rate at December 31, 2010.

**Item 3. *Legal Proceedings***

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

**Item 4. *Reserved***

None.

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

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

| <b>Quarter Ended</b> | <b>High</b> | <b>Low</b> | <b>Distribution Declared</b> |
|----------------------|-------------|------------|------------------------------|
| December 31, 2010    | \$ 8.78     | \$ 4.99    | \$ 0.0000                    |
| September 30, 2010   | \$ 5.37     | \$ 3.76    | \$ 0.0000                    |
| June 30, 2010        | \$ 9.01     | \$ 4.82    | \$ 0.0000                    |
| March 31, 2010       | \$ 8.29     | \$ 4.77    | \$ 0.0000                    |
| December 31, 2009    | \$ 5.95     | \$ 4.06    | \$ 0.0000                    |
| September 30, 2009   | \$ 6.79     | \$ 3.68    | \$ 0.0000                    |
| June 30, 2009        | \$ 6.30     | \$ 2.40    | \$ 0.0000                    |
| March 31, 2009       | \$ 7.42     | \$ 1.91    | \$ 0.0000                    |

We had 611 common stockholders of record registered with our transfer agent as of February 23, 2011.

We have estimated that, for federal income tax purposes, approximately 5.25% of our 2010 preferred stock distributions were classified as ordinary dividend income to our shareholders, 9.47% qualified as capital gain income, and 85.28% represented a return of capital (nondividend distribution).

In order to comply with the REIT requirements of the Code, we are generally required to make common share distributions and preferred share distributions (other than capital gain distributions) to our shareholders in amounts that together at least equal i) the sum of a) 90% of our REIT taxable income computed without regard to the dividends paid deduction and net capital gains and b) 90% of net income (after tax), if any, from foreclosure property, minus ii) certain excess non-cash income. An IRS revenue procedure allows us to treat a stock distribution to our shareholders in 2010 under a stock-or-cash election that meets specified conditions, including a minimum 10% cash distribution component, as a distribution qualifying for the dividends paid deduction.

Our common share distribution policy is determined by our board of directors and is dependent on multiple factors, including cash flow and capital expenditure requirements, as well as ensuring that we meet the minimum distribution requirements set forth in the Code. We met the minimum distribution requirements with the preferred distributions made with respect to 2010. For 2011, we intend to meet our minimum distribution requirements. We plan to retain capital by distributing the minimum amount of common stock dividends required to maintain our REIT status. We did not pay a common stock dividend in 2010 and may not pay dividends in 2011 depending on our taxable income. If, to maintain our REIT status, we are required to pay common stock dividends with respect to 2011, we may elect to do so by distributing a combination of cash and common shares.

During 2010, the Operating Partnership did not issue any Units.

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

**Table of Contents****Equity Compensation Plans**

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

| <b>Plan Category</b>  | <b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b> | <b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</b> | <b>Number of Securities Remaining Available for Further Issuance Under Equity Compensation Plans</b> |
|---|--|--|--|
| Equity Compensation Plans Approved by Security Holders        |  |  | 769,096  |
| Equity Compensation Plans Not Approved by Security Holders(1) | 98,701   | \$ 32.34   | 204,073  |
| Total   | 98,701   | \$ 32.34   | 973,169  |

(1) See Note 13 of the Notes to Consolidated Financial Statements.

**Table of Contents****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 comparison is for the periods from December 31, 2005 to December 31, 2010 and assumes the reinvestment of any dividends. The closing price for our Common Stock quoted on the NYSE at the close of business on December 31, 2005 was \$38.50 per share. The NAREIT Index includes REITs with 75% or more of their gross invested book value of assets invested directly or indirectly in the equity ownership of real estate. Upon written request, we will provide stockholders with a list of the REITs included in the NAREIT Index. The historical information set forth below is not necessarily indicative of future performance. The following graph was prepared at our request by Research Data Group, Inc., San Francisco, California.

**COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\***  
**Among First Industrial Realty Trust, Inc., The S&P 500 Index**  
**And The FTSE NAREIT Equity REITs Index**

\* \$100 invested on 12/31/05 in stock or index, including reinvestment of dividends.

Fiscal year ending December 31.

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|                                     | <b>12/05</b> | <b>12/06</b> | <b>12/07</b> | <b>12/08</b> | <b>12/09</b> | <b>12/10</b> |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| FIRST INDUSTRIAL REALTY TRUST, INC. | \$ 100.00    | \$ 130.08    | \$ 103.12    | \$ 25.06     | \$ 17.36     | \$ 29.07     |
| S&P 500                             | 100.00       | 115.80       | 122.16       | 76.96        | 97.33        | 111.99       |
| FTSE NAREIT Equity REITs            | 100.00       | 135.06       | 113.87       | 70.91        | 90.76        | 116.12       |

\* 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.

**Table of Contents****Item 6. Selected Financial Data**

The following sets forth selected financial and operating data for the Company on a historical consolidated basis. The following data should be read in conjunction with the Consolidated Financial Statements and Notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this Form 10-K. The historical statements of operations for the years ended December 31, 2010, 2009, 2008, 2007 and 2006 include the results of operations of the Company as derived from our audited financial statements, adjusted for discontinued operations. The results of operations of properties sold are presented in discontinued operations if they met both of the following criteria: (a) the operations and cash flows of the property have been (or will be) eliminated from the ongoing operations of the Company as a result of the disposition and (b) we will not have any significant involvement in the operations of the property after the disposal transaction. The historical balance sheet data and other data as of December 31, 2010, 2009, 2008, 2007 and 2006 include the balances of the Company as derived from our audited financial statements.

|   | Year Ended<br>12/31/10                             | Year Ended<br>12/31/09 | Year Ended<br>12/31/08 | Year Ended<br>12/31/07 | Year Ended<br>12/31/06 |
|---|--|------------------------|------------------------|------------------------|------------------------|
|   | (In thousands, except per share and property data) |                        |                        |                        |                        |
| <b>Statement of Operations Data:</b>  |  |                        |                        |                        |                        |
| Total Revenues  | \$ 288,541   | \$ 351,838             | \$ 443,751             | \$ 303,588             | \$ 238,635             |
| Loss from Continuing Operations   | (84,382)   | (21,902)               | (148,917)              | (89,005)               | (97,120)               |
| Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities | (95,475)   | (37,008)               | (140,383)              | (92,582)               | (100,318)              |
| Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities               | \$ (222,498)                                       | \$ (13,783)            | \$ 20,169              | \$ 130,368             | \$ 89,651              |
| Basic and Diluted Earnings Per Weighted Average Common Share Outstanding:   |  |                        |                        |                        |                        |
| Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders                              | \$ (1.52)  | \$ (0.76)              | \$ (3.25)              | \$ (2.10)              | \$ (2.28)              |
| Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders  | \$ (3.53)  | \$ (0.28)              | \$ 0.41                | \$ 2.90                | \$ 1.99                |
| Distributions Per Share   | \$ 0.00  | \$ 0.00                | \$ 2.41                | \$ 2.85                | \$ 2.81                |
| Basic and Diluted Weighted Average Number of Common Shares Outstanding  |  |                        |                        |                        |                        |
|   | 62,953   | 48,695                 | 43,193                 | 44,086                 | 44,012                 |

**Balance Sheet Data (End of Period):**

|  |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
| Real Estate, Before Accumulated Depreciation           | \$ 2,618,767 | \$ 3,319,764 | \$ 3,385,597 | \$ 3,326,268 | \$ 3,219,728 |
| Total Assets   | 2,750,054    | 3,204,586    | 3,223,501    | 3,257,888    | 3,224,215    |
| Indebtedness (Inclusive of Indebtedness Held for Sale) | 1,742,776    | 1,998,332    | 2,032,635    | 1,940,747    | 1,827,155    |
| Total Equity   | 892,144      | 1,074,247    | 990,716      | 1,080,056    | 1,182,845    |

**Other Data:**

|                                     |           |            |           |           |           |
|-------------------------------------|-----------|------------|-----------|-----------|-----------|
| Cash Flow From Operating Activities | \$ 83,189 | \$ 142,179 | \$ 71,185 | \$ 92,989 | \$ 59,551 |
| Cash Flow From Investing Activities | (9,923)   | 4,777      | 6,274     | 126,909   | 129,147   |
| Cash Flow From Financing Activities | (230,383) | 32,724     | (79,754)  | (230,276) | (180,800) |

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

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

In addition, the following discussion contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Exchange Act. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of complying with those safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words believe, expect, intend, anticipate, estimate, project, seek, target, potential, focus, may, should or similar expressions. Our ability to predict the actual effect of future plans or strategies is inherently uncertain. Factors which could have a materially adverse effect on our operations and future prospects include, but are not limited to: changes in national, international, regional and local economic conditions generally and real estate markets specifically; changes in legislation/regulation (including changes to laws governing the taxation of REITs) and actions of regulatory authorities (including the IRS); our ability to qualify and maintain our status as a REIT; the availability and attractiveness of financing (including both public and private capital) to us and to our potential counterparties; the availability and attractiveness of terms



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of additional debt repurchases; interest rates; our credit agency ratings; our ability to comply with applicable financial covenants; competition; changes in supply and demand for industrial properties (including land, the supply and demand for which is inherently more volatile than other types of industrial property) in the Company's current and proposed market areas; difficulties in consummating acquisitions and dispositions; risks related to our investments in properties through joint ventures; environmental liabilities; slippages in development or lease-up schedules; tenant creditworthiness; higher-than-expected costs; changes in asset valuations and related impairment charges; changes in general accounting principles, policies and guidelines applicable to real estate investment trusts; international business risks and those additional factors described under the heading "Risk Factors" and in our other filings with the SEC. We caution you not to place undue reliance on forward looking statements, which reflect our analysis only and speak only as of the date of this report or the dates indicated in the statements. We assume no obligation to update or supplement forward-looking statements.

The Company was organized in the state of Maryland on August 10, 1993. We are a REIT, as defined in the Code. We began operations on July 1, 1994. Our interests in our properties and land parcels are held through partnerships, corporations, and limited liability companies controlled, directly or indirectly, by us, including First Industrial, L.P. (the "Operating Partnership"), of which we are the sole general partner, and through the old TRS prior to September 1, 2009, and FI LLC, the new TRS and FRIP subsequent to September 1, 2009. We also conduct operations through other partnerships, corporations, and limited liability companies, the operating data of which, together with that of the Operating Partnership, FI LLC, FRIP and the TRSs, are consolidated with that of the Company, as presented herein.

We also own noncontrolling equity interests in, and provide services to, two joint ventures (the 2003 Net Lease Joint Venture and the 2007 Europe Joint Venture). During 2010, we provided various services to, and ultimately disposed of our equity interests in, five joint ventures (the 2005 Development/Repositioning Joint Venture, the 2005 Core Joint Venture, the 2006 Net Lease Co-Investment Program, the 2006 Land/Development Joint Venture and the 2007 Canada Joint Venture). The Joint Ventures are accounted for under the equity method of accounting. Accordingly, the operating data of our Joint Ventures is not consolidated with that of the Company as presented herein. On May 25, 2010, we sold our interest in the 2006 Net Lease Co-Investment Program to our joint venture partner. On August 5, 2010, we sold our interests in the 2005 Development/Repositioning Joint Venture, the 2005 Core Joint Venture, the 2006 Land/Development Joint Venture and the 2007 Canada Joint Venture to our joint venture partner. The 2007 Europe Joint Venture does not own any properties. See Note 5 to the Consolidated Financial Statements for more information on the Joint Ventures.

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

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

with historical levels and proportions, our revenue would decline. Further, if a significant number of our tenants were unable to pay rent (including tenant recoveries) or if we were unable to rent our properties on favorable terms, our

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financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our common stock would be adversely affected.

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

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

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



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**CRITICAL ACCOUNTING POLICIES**

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

We maintain an allowance for doubtful accounts which is based on estimates of potential losses which could result from the inability of our tenants to satisfy outstanding billings with us. The allowance for doubtful accounts is an estimate based on our assessment of the creditworthiness of our tenants.

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

Properties are classified as held for sale when all criteria within the FASB's guidance relating to the disposal of long lived assets are met for such properties. When properties are classified as held for sale, we cease depreciating the properties and estimate the values of such properties and measure them at the lower of depreciated cost or fair value, less costs to dispose. If circumstances arise that were previously considered unlikely, and, as a result, we decide not to sell a property previously classified as held for sale, we will reclassify such property as held and used. We estimate the value of such property and measure it at the lower of its carrying amount (adjusted for any depreciation and amortization expense that would have been recognized had the property been continuously classified as held and used) or fair value at the date of the subsequent decision not to sell. Fair value is determined by deducting from the estimated sales price of the property the estimated costs to close the sale.

We analyze our investments in Joint Ventures to determine whether the joint ventures should be accounted for under the equity method of accounting or consolidated into our financial statements based on standards set forth under the FASB's guidance relating to the consolidation of variable interest entities. Based on the guidance set forth in these pronouncements, we do not consolidate any of our joint venture investments because either the joint venture has been determined to be a variable interest entity but we are not the primary beneficiary or the joint venture has been determined not to be a variable interest entity and we lack control of the joint venture. Our assessment of whether we are the primary beneficiary of a variable interest entity involves the consideration of various factors including the form of our ownership interest, our representation on the entity's governing body, the size of our investment and future cash flows of the entity.

On a periodic basis, we assess whether there are any indicators that the value of our investments in Joint Ventures may be impaired. An investment is impaired only if our estimate of the 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 amount of the investment over the fair value of the investment. Our estimates of fair value for each investment are based on a number of subjective assumptions that are subject to economic and market uncertainties including, among others, demand for space, market rental rates and operating costs, the discount rate used to value the cash flows

of the properties and the discount rate used to value the Joint Ventures debt.

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

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

In the preparation of our consolidated financial statements, significant management judgment is required to estimate our current and deferred income tax liabilities, and our compliance with REIT qualification requirements. Our estimates are based on our interpretation of tax laws. These estimates may have an impact on the income tax expense recognized. Adjustments may be required by a change in assessment of our deferred income tax assets and liabilities, changes due to audit adjustments by federal and state tax authorities, our inability to qualify as a REIT, and changes in tax laws. Adjustments required in any given period are included within the income tax provision.

In assessing the need for a valuation allowance against our deferred tax assets, we estimate future taxable income, considering the feasibility of ongoing tax planning strategies and the realizability of tax loss carryforwards. In the event we were to determine that we would not be able to realize all or a portion of our deferred tax assets in the future, we would reduce such amounts through a charge to income in the period in which that determination is made. Conversely, if we were to determine that we would be able to realize our deferred tax assets in the future in excess of the net carrying amounts, we would decrease the recorded valuation allowance through an increase to income in the period in which that determination is made.

**RESULTS OF OPERATIONS**

**Comparison of Year Ended December 31, 2010 to Year Ended December 31, 2009**

Our net loss available to First Industrial Realty Trust, Inc.'s common stockholders and participating securities was \$222.5 million and \$13.8 million for the years ended December 31, 2010 and 2009, respectively. Basic and diluted net loss available to First Industrial Realty Trust, Inc.'s common stockholders were \$3.53 per share for the year ended

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December 31, 2010 and \$0.28 per share for the year ended December 31, 2009.

The tables below summarize our revenues, property and construction expenses and depreciation and other amortization by various categories for the years ended December 31, 2010 and December 31, 2009. Same store properties are properties owned prior to January 1, 2009 and held as an operating property through



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December 31, 2010 and developments and redevelopments that were placed in service prior to January 1, 2009 or were substantially completed for the 12 months prior to January 1, 2009. Properties which are at least 75% occupied at acquisition are placed in service. All other properties are placed in service as they reach the earlier of a) stabilized occupancy (generally defined as 90% occupied), or b) one year subsequent to acquisition or development completion. Acquired properties are properties that were acquired subsequent to December 31, 2008 and held as an operating property through December 31, 2010. Sold properties are properties that were sold subsequent to December 31, 2008. (Re)Developments and land are land parcels and developments and redevelopments that were not: a) substantially complete 12 months prior to January 1, 2009 or b) stabilized prior to January 1, 2009. Other revenues are derived from the operations of our maintenance company, fees earned from our Joint Ventures and other miscellaneous revenues. Construction revenues and expenses represent revenues earned and expenses incurred in connection with the TRSs acting as development manager to construct industrial properties and also include revenues and expenses related to the development and sale of properties built for third parties. Other expenses are derived from the operations of our maintenance company and other miscellaneous regional expenses.

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

For the years ended December 31, 2010 and December 31, 2009, the occupancy rates of our same store properties were 83.1% and 83.5%, respectively.

|   | 2010          | 2009       | \$ Change   | % Change |
|---|---------------|------------|-------------|----------|
|   | (\$ in 000 s) |            |             |          |
| <b>REVENUES</b>                               |               |            |             |          |
| Same Store Properties                         | \$ 325,280    | \$ 331,917 | \$ (6,637)  | (2.0)%   |
| Acquired Properties                           | 1,133         |            | 1,133       |          |
| Sold Properties                               | 1,314         | 9,944      | (8,630)     | (86.8)%  |
| (Re)Developments and Land, Not Included Above | 11,870        | 7,044      | 4,826       | 68.5%    |
| Other   | 8,793         | 17,560     | (8,767)     | (49.9)%  |
|   | \$ 348,390    | \$ 366,465 | \$ (18,075) | (4.9)%   |
| Discontinued Operations                       | (60,718)      | (69,584)   | 8,866       | (12.7)%  |
| Subtotal Revenues                             | \$ 287,672    | \$ 296,881 | \$ (9,209)  | (3.1)%   |
| Construction Revenues                         | 869           | 54,957     | (54,088)    | (98.4)%  |
| Total Revenues                                | \$ 288,541    | \$ 351,838 | \$ (63,297) | (18.0)%  |

Revenues from same store properties decreased \$6.6 million due primarily to a decrease in rental rates and a decrease in occupancy. Revenues from acquired properties increased \$1.1 million due to the three industrial properties acquired subsequent to December 31, 2008 totaling approximately 0.5 million square feet of GLA. Revenues from sold properties decreased \$8.6 million due to the 28 industrial properties and one leased land parcel sold subsequent to December 31, 2008 totaling approximately 3.0 million square feet of GLA. Revenues from (re)developments and land increased \$4.8 million primarily due to an increase in occupancy. Other revenues decreased \$8.8 million due primarily to a decrease in fees earned from our Joint Ventures. Construction revenues decreased \$54.1 million primarily due to

the substantial completion prior to December 31, 2009 of certain development projects for which we were acting in the capacity of development manager.

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|  | 2010       | 2009       | \$ Change     | % Change |
|--|------------|------------|---------------|----------|
|  |            |            | (\$ in 000 s) |          |
| <b>PROPERTY AND CONSTRUCTION EXPENSES</b>      |            |            |               |          |
| Same Store Properties                          | \$ 103,148 | \$ 105,341 | \$ (2,193)    | (2.1)%   |
| Acquired Properties                            | 200        |            | 200           |          |
| Sold Properties                                | 713        | 2,940      | (2,227)       | (75.7)%  |
| (Re) Developments and Land, Not Included Above | 3,676      | 3,736      | (60)          | (1.6)%   |
| Other  | 12,735     | 14,229     | (1,494)       | (10.5)%  |
|  | \$ 120,472 | \$ 126,246 | \$ (5,774)    | (4.6)%   |
| Discontinued Operations                        | (25,747)   | (28,819)   | 3,072         | (10.7)%  |
| Property Expenses                              | \$ 94,725  | \$ 97,427  | \$ (2,702)    | (2.8)%   |
| Construction Expenses                          | 507        | 52,720     | (52,213)      | (99.0)%  |
| Total Property and Construction Expenses       | \$ 95,232  | \$ 150,147 | \$ (54,915)   | (36.6)%  |

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance and other property related expenses. Property expenses from same store properties decreased \$2.2 million due primarily to a decrease in bad debt expense. Property expenses from acquired properties increased \$0.2 million due to properties acquired subsequent to December 31, 2008. Property expenses from sold properties decreased \$2.2 million due to properties sold subsequent to December 31, 2008. Property expenses from (re)developments and land remained relatively unchanged. The \$1.5 million decrease in other expense is primarily attributable to a decrease in compensation. Construction expenses decreased \$52.2 million primarily due to the substantial completion prior to December 31, 2009 of certain development projects for which we were acting in the capacity of development manager.

General and administrative expense decreased \$11.2 million, or 29.7%, due primarily to a decrease in compensation resulting from the reduction in employee headcount occurring in 2009 and 2010, a decrease in rent expense resulting from office closings in 2009 and 2010 and a decrease in legal and professional services, partially offset by an increase in lawsuit settlements.

We committed to a plan to reduce organizational and overhead costs in October 2008 and have subsequently modified that plan with the goal of further reducing these costs. For the year ended December 31, 2010, we recognized \$1.9 million in restructuring charges to provide for employee severance and benefits (\$0.5 million), costs associated with the termination of certain office leases (\$0.7 million) and other costs (\$0.7 million) associated with implementing our restructuring plan. Due to the timing of certain related expenses, we expect to record a total of approximately \$1.5 million of additional restructuring charges in subsequent quarters. We also anticipate a continued reduction of general and administrative expense in 2011 compared to 2010 as a result of the employee terminations and office closings that were a part of our restructuring plan in 2010.

For the year ended December 31, 2009, we recorded as restructuring costs a pre-tax charge of \$7.8 million to provide for employee severance and benefits (\$5.2 million), costs associated with the termination of certain office leases (\$1.9 million) and other costs (\$0.7 million) associated with implementing the restructuring plan.

Due to the expected amendment to our Unsecured Credit Facility in 2010 we reassessed the holding period of our Non-Strategic Assets. As a result of the reassessment, we recorded an impairment loss in the amount of \$163.9 million during the third quarter of 2010 on 129 industrial properties comprising approximately 10.6 million square feet of GLA and land parcels comprising approximately 503 gross acres. During the fourth quarter of 2010, we recorded an additional impairment loss to certain Non-Strategic Assets in the amount of \$21.5 million. The additional charge is primarily comprised of estimated closing costs on 118 industrial properties comprising 10.4 million square feet of GLA and land parcels comprising approximately 449 gross acres classified as held for sale, as well as additional impairment related to certain industrial properties and land parcels due to a change in our estimates of fair value based upon recent market

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information, including receipt of third party purchase offers. For the year ended December 31, 2010, \$158.7 million of the impairment loss is included in discontinued operations because our Non-Strategic Assets (except one industrial property comprising approximately 0.3 million square feet of GLA) are classified as held for sale at December 31, 2010. In addition, in connection with the negotiation of a new lease, we recorded an impairment loss in the amount of \$9.2 million on one property in Grand Rapids, Michigan during the first quarter of 2010 (see Note 4 to the Consolidated Financial Statements). Additional impairments may be necessary in the future in the event that market conditions continue to deteriorate and impact the factors used to estimate fair value or in the event that we change our intent to hold a property.

As a result of adverse conditions in the credit and real estate markets, we determined in the third quarter of 2009 that an impairment loss in the amount of \$6.9 million should be recorded on one property in the Inland Empire market (\$1.3 million of this impairment loss is included in discontinued operations for the year ended December 31, 2009 because one building of the two-building property is classified as held for sale at December 31, 2010).

|  | 2010       | 2009       | \$ Change<br>(\$ in 000 s) | %<br>Change |
|--|------------|------------|----------------------------|-------------|
| <b>DEPRECIATION AND OTHER AMORTIZATION</b>     |            |            |                            |             |
| Same Store Properties                          | \$ 128,089 | \$ 138,313 | \$ (10,224)                | (7.4)%      |
| Acquired Properties                            | 603        |            | 603                        |             |
| Sold Properties                                | 664        | 4,798      | (4,134)                    | (86.2)%     |
| (Re) Developments and Land, Not Included Above | 5,240      | 4,560      | 680                        | 14.9%       |
| Corporate Furniture, Fixtures and Equipment    | 1,975      | 2,192      | (217)                      | (9.9)%      |
|  | \$ 136,571 | \$ 149,863 | \$ (13,292)                | (8.9)%      |
| Discontinued Operations                        | (25,054)   | (35,471)   | 10,417                     | (29.4)%     |
| Total Depreciation and Other Amortization      | \$ 111,517 | \$ 114,392 | \$ (2,875)                 | (2.5)%      |

Depreciation and other amortization for same store properties decreased \$10.2 million due primarily to accelerated depreciation and amortization taken during the year ended December 31, 2009 attributable to certain tenants who terminated their lease early as well the cessation of depreciation and amortization of the Non-Strategic Assets that qualified for held for sale classification during the fourth quarter of 2010. Depreciation and other amortization from acquired properties increased \$0.6 million due to properties acquired subsequent to December 31, 2008. Depreciation and other amortization from sold properties decreased \$4.1 million due to properties sold subsequent to December 31, 2008. Depreciation and other amortization for (re)developments and land and other increased \$0.7 million due primarily to an increase in the substantial completion of developments. Corporate furniture, fixtures and equipment decreased \$0.2 million primarily due to accelerated depreciation on furniture, fixtures and equipment taken in 2009 related to the termination of certain office leases.

Interest income increased \$1.3 million, or 41.5%, due primarily to an increase in the weighted average mortgage loans receivable balance outstanding for the year ended December 31, 2010 as compared to the year ended December 31, 2009.

Interest expense, inclusive of \$0.1 million and \$0.5 million of interest expense included in discontinued operations for the years ended December 31, 2010 and 2009, respectively, decreased \$9.3 million, or 8.0%, primarily due to a decrease in the weighted average debt balance outstanding for the year ended December 31, 2010 (\$1,867.8 million), as compared to the year ended December 31, 2009 (\$2,050.5 million), offset by an increase in the weighted average interest rate for the year ended December 31, 2010 (5.68%), as compared to the year ended December 31, 2009 (5.64%) and by a decrease in capitalized interest for the year ended December 31, 2010 due to a decrease in development activities.

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Amortization of deferred financing costs increased \$0.4 million, or 14.6%, due primarily to an increase in costs related to the amendment of our Unsecured Credit Facility in October 2010 and the origination of mortgage financings during 2010 and 2009, partially offset by expensing of capitalized loan fees as a result of the repurchase and retirement of certain of our senior unsecured notes. The net unamortized deferred financing fees related to the prior line of credit are amortized over the remaining amortization period, except for \$0.2 million of unamortized deferred financing costs that were expensed as a result of the decrease in the capacity of the Unsecured Credit Facility, which is included in (Loss) Gain From Early Retirement of Debt for the year ended December 31, 2010.

In October 2008, we entered into an interest rate swap agreement (the Series F Agreement) to mitigate our exposure to floating interest rates related to the coupon reset of the Company's Series F Preferred Stock. The Series F Agreement has a notional value of \$50.0 million and is effective from April 1, 2009 through October 1, 2013. The Series F Agreement fixes the 30-year U.S. Treasury rate at 5.2175%. We recorded \$1.1 million in mark to market loss, inclusive of reset payments, which is included in Mark-to-Market (Loss) Gain on Interest Rate Protection Agreements for the year ended December 31, 2010, as compared to \$2.7 million in mark to market gain, inclusive of reset payments, for the year ended December 31, 2009. Additionally included in Mark-to-Market Gain on Interest Rate Protection Agreements for the year ended December 31, 2009 is \$1.0 million related to two forward starting swaps. In January 2008, we entered into two forward starting swaps each with a notional value of \$59.8 million, which fixed the interest rate on forecasted debt offerings. We designated both swaps as cash flow hedges. The rates on the forecasted debt issuances underlying the swaps locked on March 20, 2009 (the Forward Starting Agreement 1) and on April 6, 2009 (the Forward Starting Agreement 2), and as such, the swaps ceased to qualify for hedge accounting. The change in value of Forward Starting Agreement 1 and Forward Starting Agreement 2 from the respective day the interest rate on the underlying debt locked until settlement was \$1.0 million and is included in Mark-to-Market Gain on Interest Rate Protection Agreements for the year ended December 31, 2009.

For the year ended December 31, 2010, we recognized a net loss from early retirement of debt of \$4.3 million due primarily to the redemption of our 2011 Notes. For the year ended December 31, 2009, we recognized a \$34.6 million gain from early retirement of debt due to the partial repurchase of certain series of our senior unsecured notes.

Foreign currency exchange loss of \$0.2 million for the year ended December 31, 2010 relates to the Company's wind-down of its operations in Europe.

The Gain on Sale of Joint Venture Interests of \$11.2 million for the year ended December 31, 2010 relates to the sale of our 10% equity interests in each of the 2005 Development/Repositioning Joint Venture, the 2005 Core Joint Venture, the 2006 Land/Development Joint Venture and the 2007 Canada Joint Venture to our joint venture partner on August 5, 2010. Additionally, the gain includes approximately \$2.7 million of proceeds related to the separate sales of three industrial properties by the Joint Ventures during August and October 2010 for which, in accordance with the sale agreement, we were entitled to a final distribution.

For the year ended December 31, 2010, Equity in Income of Joint Ventures was \$0.7 million, as compared to Equity in Loss of Joint Ventures of \$6.5 million for the year ended December 31, 2009. The variance of \$7.2 million is due primarily to impairment losses of \$5.6 million we recorded during the year ended December 31, 2009 related to the 2006 Net Lease Co-Investment Program as a result of adverse conditions in the credit and real estate markets and also due to the gain on sale of our 15% interest in the 2006 Net Lease Co-Investment Program which occurred during the year ended December 31, 2010, partially offset by a decrease in our pro rata share of gain on sale of real estate and earn outs on property sales from the 2005 Development/Repositioning Joint Venture and a decrease in our pro rata share of income from the 2005 Core Joint Venture during the year ended December 31, 2010, as compared to the year ended December 31, 2009.

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For the year ended December 31, 2010, we recorded an income tax provision of \$3.3 million, as compared to an income tax benefit of \$23.2 million for the year ended December 31, 2009. The variance of \$26.5 million is due primarily to a loss carryback generated from the tax liquidation of the old TRS for the



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year ended December 31, 2009 as well as an increase in state taxes related to an unfavorable court decision on business loss carryforwards in the State of Michigan for the year ended December 31, 2010.

The following table summarizes certain information regarding the industrial properties included in discontinued operations for the years ended December 31, 2010 and December 31, 2009.

|   | <b>2010</b>      | <b>2009</b>   |
|---|------------------|---------------|
|   | (\$ in 000 s)    |               |
| Total Revenues                          | \$ 60,718        | \$ 69,584     |
| Property Expenses                       | (25,747)         | (28,819)      |
| Impairment Loss                         | (158,699)        | (1,317)       |
| Depreciation and Amortization           | (25,054)         | (35,471)      |
| Interest Expense                        | (64)             | (502)         |
| Gain on Sale of Real Estate             | 11,092           | 24,206        |
| Provision for Income Taxes              |                  | (1,824)       |
| <br>Income from Discontinued Operations | <br>\$ (137,754) | <br>\$ 25,857 |

Loss from discontinued operations for the year ended December 31, 2010 reflects the results of operations and gain on sale of real estate relating to 13 industrial properties and one land parcel that generated ground rental revenue that were sold during the year ended December 31, 2010 and the results of operations of 192 industrial properties that were identified as held for sale at December 31, 2010.

Income from discontinued operations for the year ended December 31, 2009 reflects the results of operations and gain on sale of real estate relating to 15 industrial properties that were sold during the year ended December 31, 2009, the results of operations of 13 industrial properties and one land parcel that generated ground rental revenue that were sold during the year ended December 31, 2010 and the results of operations of the 192 industrial properties identified as held for sale at December 31, 2010.

The \$0.9 million gain on sale of real estate for the year ended December 31, 2010 resulted from the sale of several land parcels that do not meet the criteria for inclusion in discontinued operations. The \$0.4 million gain on sale of real estate for the year ended December 31, 2009 resulted from the sale of several land parcels that do not meet the criteria established for inclusion in discontinued operations.

**Comparison of Year Ended December 31, 2009 to Year Ended December 31, 2008**

Our net (loss) income available to First Industrial Realty Trust, Inc.'s common stockholders and participating securities was \$(13.8) million and \$20.2 million for the years ended December 31, 2009 and 2008, respectively. Basic and diluted net (loss) income available to First Industrial Realty Trust, Inc.'s common stockholders were \$(0.28) per share for the year ended December 31, 2009 and \$0.41 per share for the year ended December 31, 2008.

The tables below summarize our revenues, property and construction expenses and depreciation and other amortization by various categories for the years ended December 31, 2009 and December 31, 2008. Same store properties are properties owned prior to January 1, 2008 and held as an operating property through December 31, 2009 and developments and redevelopments that were placed in service prior to January 1, 2008 or were substantially completed for the 12 months prior to January 1, 2008. Properties which are at least 75% occupied at acquisition are

placed in service. All other properties are placed in service as they reach the earlier of a) stabilized occupancy (generally defined as 90% occupied), or b) one year subsequent to acquisition or development completion. Acquired properties are properties that were acquired subsequent to December 31, 2007 and held as an operating property through December 31, 2009. Sold properties are properties that were sold subsequent to December 31, 2007. (Re)Developments and land are land parcels and developments and redevelopments that were not: a) substantially complete 12 months prior to January 1, 2008 or b) stabilized prior to January 1, 2008. Other revenues are derived from the operations of our maintenance company, fees earned from our Joint Ventures and other miscellaneous revenues. Construction revenues and expenses represent revenues earned and expenses incurred in connection with the old TRS acting as general contractor

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or development manager to construct industrial properties, including industrial properties for the 2006 Development/Repositioning Joint Venture, and also include revenues and expenses related to the development of properties for third parties. Other expenses are derived from the operations of our maintenance company and other miscellaneous regional expenses.

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

For the years ended December 31, 2009 and December 31, 2008, the occupancy rates of our same store properties were 84.2% and 88.6%, respectively.

|   | 2009          | 2008       | \$ Change   | % Change |
|---|---------------|------------|-------------|----------|
|   | (\$ in 000 s) |            |             |          |
| <b>REVENUES</b>                               |               |            |             |          |
| Same Store Properties                         | \$ 291,812    | \$ 310,791 | \$ (18,979) | (6.1)%   |
| Acquired Properties                           | 28,594        | 15,202     | 13,392      | 88.1%    |
| Sold Properties                               | 5,458         | 38,208     | (32,750)    | (85.7)%  |
| (Re)Developments and Land, Not Included Above | 23,043        | 14,894     | 8,149       | 54.7%    |
| Other   | 17,558        | 28,893     | (11,335)    | (39.2)%  |
|   | \$ 366,465    | \$ 407,988 | \$ (41,523) | (10.2)%  |
| Discontinued Operations                       | (69,584)      | (111,536)  | 41,952      | (37.6)%  |
| Subtotal Revenues                             | \$ 296,881    | \$ 296,452 | \$ 429      | 0.1%     |
| Construction Revenues                         | 54,957        | 147,299    | (92,342)    | (62.7)%  |
| Total Revenues                                | \$ 351,838    | \$ 443,751 | \$ (91,913) | (20.7)%  |

Revenues from same store properties decreased \$19.0 million due primarily to a decrease in occupancy and a decrease in tenant recoveries due to a decrease in property expenses. Revenues from acquired properties increased \$13.4 million due to the 26 industrial properties acquired subsequent to December 31, 2007 totaling approximately 3.1 million square feet of GLA, as well as acquisitions of land parcels in September and October 2008 for which we receive ground rents. Revenues from sold properties decreased \$32.8 million due to the 129 industrial properties sold subsequent to December 31, 2007 totaling approximately 11.1 million square feet of GLA. Revenues from (re)developments and land increased \$8.1 million primarily due to an increase in occupancy. Other revenues decreased \$11.3 million due primarily to a decrease in development fees earned from our Joint Ventures and a decrease in fees earned related to us assigning our interest in certain purchase contracts to third parties for consideration. Construction revenues decreased \$92.3 million primarily due to the substantial completion of certain development projects for which we were acting in the capacity of development manager, offset by a development project that commenced in August 2008 for which we are acting in the capacity of development manager.

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|  | 2009          | 2008       | \$ Change   | %<br>Change |
|--|---------------|------------|-------------|-------------|
|  | (\$ in 000 s) |            |             |             |
| <b>PROPERTY AND CONSTRUCTION EXPENSES</b>      |               |            |             |             |
| Same Store Properties                          | \$ 95,140     | \$ 101,999 | \$ (6,859)  | (6.7)%      |
| Acquired Properties                            | 6,852         | 3,324      | 3,528       | 106.1%      |
| Sold Properties                                | 1,437         | 12,428     | (10,991)    | (88.4)%     |
| (Re) Developments and Land, Not Included Above | 8,588         | 7,444      | 1,144       | 15.4%       |
| Other  | 14,229        | 10,422     | 3,807       | 36.5%       |
|  | \$ 126,246    | \$ 135,617 | \$ (9,371)  | (6.9)%      |
| Discontinued Operations                        | (28,819)      | (42,509)   | 13,690      | (32.2)%     |
| Property Expenses                              | \$ 97,427     | \$ 93,108  | \$ 4,319    | 4.6%        |
| Construction Expenses                          | 52,720        | 139,539    | (86,819)    | (62.2)%     |
| Total Property and Construction Expenses       | \$ 150,147    | \$ 232,647 | \$ (82,500) | (35.5)%     |

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance and other property related expenses. Property expenses from same store properties decreased \$6.9 million due primarily to a decrease in real estate tax expense and repairs and maintenance expense. Property expenses from acquired properties increased \$3.5 million due to properties acquired subsequent to December 31, 2007. Property expenses from sold properties decreased \$11.0 million due to properties sold subsequent to December 31, 2007. Property expenses from (re)developments and land increased \$1.1 million due to an increase in the substantial completion of developments. Expenses are no longer capitalized to the basis of a property once the development is substantially complete. The \$3.8 million increase in other expense is primarily attributable to an increase in incentive compensation. Construction expenses decreased \$86.8 million primarily due to the substantial completion of certain development projects for which we were acting in the capacity of development manager, offset by a development project that commenced in August 2008 for which we are acting in the capacity of development manager.

General and administrative expense decreased \$47.1 million, or 55.4%, due primarily to a decrease in compensation resulting from the reduction in employee headcount occurring in 2008 and during 2009 as well as a decrease in professional services, marketing, travel and entertainment expenses and costs associated with the pursuit of acquisitions of real estate that were abandoned.

We committed to a plan to reduce organizational and overhead costs in October 2008. On February 25 and September 25, 2009, we committed to additional modifications to the plan consisting of further organizational and overhead cost reductions. For the year ended December 31, 2009, we recorded as restructuring costs a pre-tax charge of \$7.8 million to provide for employee severance and benefits (\$5.2 million), costs associated with the termination of certain office leases (\$1.9 million) and other costs (\$0.7 million) associated with implementing the restructuring plan.

For the year ended December 31, 2008, we incurred \$27.3 million in restructuring charges related to employee severance and benefits (\$24.8 million), costs associated with the termination of certain office leases (\$1.2 million) and contract cancellation and other costs (\$1.3 million) related to our restructuring plan to reduce overhead costs.

As a result of adverse conditions in the credit and real estate markets, we determined in the third quarter of 2009 that an impairment loss in the amount of \$6.9 million should be recorded on one property in the Inland Empire market (\$1.3 million of this impairment loss is included in discontinued operations for the year ended December 31, 2009 because one building of the two-building property is classified as held for sale at December 31, 2010). Additional impairments may be necessary in the future in the event that market conditions continue to deteriorate and impact the factors used to estimate fair value.

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|  | 2009       | 2008       | \$ Change<br>(\$ in 000 s) | %<br>Change |
|--|------------|------------|----------------------------|-------------|
| <b>DEPRECIATION AND OTHER AMORTIZATION</b>     |            |            |                            |             |
| Same Store Properties                          | \$ 120,865 | \$ 135,553 | \$ (14,688)                | (10.8)%     |
| Acquired Properties                            | 13,657     | 11,038     | 2,619                      | 23.7%       |
| Sold Properties                                | 2,000      | 11,173     | (9,173)                    | (82.1)%     |
| (Re) Developments and Land, Not Included Above | 11,149     | 7,951      | 3,198                      | 40.2%       |
| Corporate Furniture, Fixtures and Equipment    | 2,192      | 2,257      | (65)                       | (2.9)%      |
|  | \$ 149,863 | \$ 167,972 | \$ (18,109)                | (10.8)%     |
| Discontinued Operations                        | (35,471)   | (52,253)   | 16,782                     | (32.1)%     |
| Total Depreciation and Other Amortization      | \$ 114,392 | \$ 115,719 | \$ (1,327)                 | (1.1)%      |

Depreciation and other amortization for same store properties decreased \$14.7 million due primarily to accelerated depreciation and amortization taken during the year ended December 31, 2008 attributable to certain tenants who terminated their lease early. Depreciation and other amortization from acquired properties increased \$2.6 million due to properties acquired subsequent to December 31, 2007. Depreciation and other amortization from sold properties decreased \$9.2 million due to properties sold subsequent to December 31, 2007. Depreciation and other amortization for (re)developments and land and other increased \$3.2 million due primarily to an increase in the substantial completion of developments.

Interest income decreased \$0.6 million, or 16.4%, due primarily to a decrease in the weighted average interest rate earned on our cash accounts during the year ended December 31, 2009, as compared to the year ended December 31, 2008, partially offset by an increase in the weighted average mortgage loans receivable balance outstanding for the year ended December 31, 2009.

Interest expense, inclusive of \$0.5 million and \$0.5 million of interest expense included in discontinued operations for the years ended December 31, 2009 and 2008, respectively, increased \$2.3 million, or 2.0%, primarily due to an increase in the weighted average debt balance outstanding for the year ended December 31, 2009 (\$2,050.5 million), as compared to the year ended December 31, 2008 (\$2,026.5 million) and a decrease in capitalized interest for the year ended December 31, 2009 due to a decrease in development activities, partially offset by a decrease in the weighted average interest rate for the year ended December 31, 2009 (5.64%), as compared to the year ended December 31, 2008 (5.97%).

Amortization of deferred financing costs increased \$0.2 million, or 6.7%, due primarily to loan fees related to \$339.8 million in mortgage loan payables we obtained during the year ended December 31, 2009, partially offset by the write-off of loan fees related to the repurchase and retirement of certain of our senior unsecured notes.

In October 2008, we entered into the Series F Agreement to mitigate our exposure to floating interest rates related to the coupon reset of the Company's Series F Preferred Stock. The Series F Agreement has a notional value of \$50.0 million and is effective from April 1, 2009 through October 1, 2013. The Series F Agreement fixes the 30-year U.S. Treasury rate at 5.2175%. We recorded \$3.2 million in mark to market gain, offset by \$0.5 million payments, which is included in Mark-to-Market Gain (Loss) on Interest Rate Protection Agreements for the year ended

December 31, 2009. We recorded \$3.1 million in mark to market loss which is included in Mark-to-Market Gain (Loss) on Interest Rate Protection Agreements for the year ended December 31, 2008.

In January 2008, we entered into two forward starting swaps each with a notional value of \$59.8 million, which fixed the interest rate on forecasted debt offerings. We designated Forward Starting Agreement 1 and Forward Starting Agreement 2 as cash flow hedges. The rates on Starting Agreement 1 and Forward Starting Agreement 2 locked on March 20, 2009 and on April 6, 2009, respectively, and as such, the swaps ceased to qualify for hedge accounting. The change in value of Forward Starting Agreement 1 and Forward Starting

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Agreement 2 from the respective day the interest rate on the underlying debt locked until settlement is \$1.0 million and is included in Mark-to-Market Gain on Interest Rate Protection Agreements for the year ended December 31, 2009.

For the years ended December 31, 2009 and 2008, we recognized a net gain from early retirement of debt of \$34.6 million and \$2.7 million, respectively, due to the partial repurchase of certain series of our senior unsecured notes.

Equity in loss of Joint Ventures decreased approximately \$26.7 million, or 80.5%, due primarily to a decrease in impairment loss during the year ended December 31, 2009 as compared to the year ended December 31, 2008. During 2008, we recorded impairment losses of \$25.8 million, \$10.1 million, \$3.2 million, \$2.2 million and \$1.2 million related to the 2005 Development/Repositioning Joint Venture, 2006 Land/Development Joint Venture, the 2005 Core Joint Venture, the 2006 Net Lease Co-Investment Program and the 2003 Net Lease Joint Venture, respectively. During 2009, we recorded impairment losses of \$5.6 million and \$1.6 million related to the 2006 Net Lease Co-Investment Program and the 2003 Net Lease Joint Venture, respectively. The decrease in impairment loss recorded is offset by a decrease in our pro rata share of gain on sale of real estate and earn outs on property sales from the 2005 Core Joint Venture and from the 2005 Development/Repositioning Joint Venture during the year ended December 31, 2009 as compared to the year ended December 31, 2008.

The income tax benefit (included in continuing operations, discontinued operations and gain on sale) increased \$18.9 million, or 440.8%, due primarily to a loss carryback generated from the tax liquidation of the old TRS and a decrease in state income taxes due to the reversal of prior tax expense related to a favorable court decision on business loss carryforwards in the State of Michigan.

The following table summarizes certain information regarding the industrial properties included in our discontinued operations for the years ended December 31, 2009 and December 31, 2008.

|                                     | <b>2009</b>   | <b>2008</b> |
|-------------------------------------|---------------|-------------|
|                                     | (\$ in 000 s) |             |
| Total Revenues                      | \$ 69,584     | \$ 111,536  |
| Property Expenses                   | (28,819)      | (42,509)    |
| Impairment Loss                     | (1,317)       |             |
| Depreciation and Amortization       | (35,471)      | (52,253)    |
| Interest Expense                    | (502)         | (497)       |
| Gain on Sale of Real Estate         | 24,206        | 172,167     |
| Provision for Income Taxes          | (1,824)       | (5,166)     |
| Income from Discontinued Operations | \$ 25,857     | \$ 183,278  |

Income from discontinued operations for the year ended December 31, 2009 reflects the results of operations and gain on sale of real estate relating to 15 industrial properties that were sold during the year ended December 31, 2009, the results of operations of 13 industrial properties that were sold during the year ended December 31, 2010 and the results of operations of the 192 industrial properties identified as held for sale at December 31, 2010.

Income from discontinued operations for the year ended December 31, 2008 reflects the results of operations and gain on sale of real estate relating to 113 industrial properties that were sold during the year ended December 31, 2008, the



results of operations of 15 industrial properties that were sold during the year ended December 31, 2009, the results of operations of 13 industrial properties that were sold during the year ended December 31, 2010 and the results of operations of the 192 industrial properties identified as held for sale at December 31, 2010.

The \$0.4 million gain on sale of real estate for the year ended December 31, 2009 resulted from the sale of several land parcels that do not meet the criteria established for inclusion in discontinued operations. The \$12.0 million gain on sale of real estate for the year ended December 31, 2008 resulted from the sale of one

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industrial property and several land parcels that do not meet the criteria for inclusion in discontinued operations.

**LIQUIDITY AND CAPITAL RESOURCES**

At December 31, 2010, our cash and cash equivalents was approximately \$26.0 million. We also had \$22.6 million available for additional borrowings under our Unsecured Credit Facility.

We have considered our short-term (one year or less) liquidity needs and the adequacy of our estimated cash flow from operations and other expected liquidity sources to meet these needs. Our 2011 Exchangeable Notes, in the aggregate principal amount of \$128.9 million, are due on September 15, 2011. We expect to satisfy the payment obligations on the 2011 Exchangeable Notes with proceeds from property dispositions, the issuance of additional secured debt and the issuance of common equity, subject to market conditions (see Subsequent Events). With the exception of the 2011 Exchangeable Notes, 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, mortgage financing maturities and the minimum distributions required to maintain our REIT qualification under the Code. We anticipate that these needs will be met with cash flows provided by operating and investing activities, including the disposition of select assets. In addition, we plan to retain capital by distributing the minimum amount of dividends required to maintain our REIT status. We did not pay a common stock dividend in 2010 and may not pay dividends in 2011 depending on our taxable income. If we are required to pay common stock dividends in 2011, we may elect to satisfy this obligation by distributing a combination of cash and common shares.

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

We also have financed the development or acquisition of additional properties through borrowings under our Unsecured Credit Facility and may finance the development or acquisition of additional properties through such borrowings, to the extent capacity is available, in the future. At December 31, 2010, borrowings under our Unsecured Credit Facility bore interest at a weighted average interest rate of 3.376%. Our Unsecured Credit Facility of is comprised of a \$200.0 million term loan and a \$200.0 million revolving facility. The interest rate on the term loan is LIBOR plus 325 basis points or a base rate plus 225 basis points, at our election. The revolving facility currently bears interest at a floating rate of LIBOR plus 275 basis points or a base rate plus 175 basis points, at our election. As of February 23, 2011, we had approximately \$12.3 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, 2010, and we anticipate that we will be able to operate in compliance with our financial covenants in 2011.

Our senior unsecured notes have been assigned credit ratings from Standard & Poor's, Moody's and Fitch Ratings of BB-/Ba3/BB-, respectively. In the event of a downgrade, we believe we would continue to have access to sufficient capital; however, our cost of borrowing would increase and our ability to access certain financial markets may be limited.

**Year Ended December 31, 2010**

Net cash provided by operating activities of \$83.2 million for the year ended December 31, 2010 was comprised primarily of the non-cash adjustments of approximately \$320.3 million and operating distributions received in excess

of equity in income of Joint Ventures of \$2.3 million, offset by net loss before noncontrolling interest of approximately \$221.6 million, net change in operating assets and liabilities of approximately \$11.0 million and amortization of premiums and discounts associated with senior unsecured

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notes of approximately \$6.8 million. The adjustments for the non-cash items of approximately \$320.3 million are primarily comprised of depreciation and amortization of approximately \$148.7 million, the impairment of real estate of \$194.5 million, the loss on the early retirement of debt of approximately \$4.3 million, mark to market loss related to the Series F Agreement of approximately \$1.1 million and the provision for bad debt of approximately \$1.9 million, offset by the gain on sale of real estate of approximately \$12.0 million, a gain on sale of joint venture interests of approximately \$11.2 million and the effect of the straight-lining of rental income of approximately \$7.0 million.

Net cash used in investing activities of approximately \$9.9 million for the year ended December 31, 2010, was comprised primarily of the acquisition of real estate, capital expenditures related to the improvement of existing real estate, payments related to leasing activities, an increase in mortgage payable escrows and contributions to, and investments in, our Joint Ventures, offset by net proceeds from the sale of real estate, distributions and sale proceeds from our Joint Ventures and the repayments on our mortgage note receivables.

We invested approximately \$0.8 million in, and received total distributions of approximately \$14.6 million (including sale proceeds of approximately \$5.0 million from the sales of our joint venture interests to our joint venture partner) from, our Joint Ventures. As of December 31, 2010, our industrial real estate Joint Ventures owned nine industrial properties comprising approximately 4.9 million square feet of GLA.

During the year ended December 31, 2010, we sold 13 industrial properties comprising approximately 1.1 million square feet of GLA and several land parcels. Proceeds from the sales of the 13 industrial properties and several land parcels, net of closing costs, were approximately \$68.0 million. We are in various stages of discussions with third parties for the sale of additional properties and plan to continue to selectively market other properties for sale throughout 2011. We expect to use at least a portion of sale proceeds to pay down additional debt. If we are unable to sell properties on an advantageous basis, this may impair our liquidity and our ability to meet our financial covenants.

During the year ended December 31, 2010, we acquired three industrial properties comprising approximately 0.5 million square feet of GLA, including one industrial property purchased from the 2005 Development/Repositioning Joint Venture. The purchase price of these acquisitions totaled approximately \$22.4 million, excluding costs incurred in conjunction with the acquisition of the industrial properties.

Net cash used in financing activities of approximately \$230.4 million for the year ended December 31, 2010, was comprised primarily of net repayments on our Unsecured Credit Facility, repurchases of and repayments on our unsecured notes and mortgage loans payable, preferred stock dividends, payments of debt issuance costs, the repurchase and retirement of restricted stock, payments on the interest rate swap agreement, costs associated with the Company's DRIP and the Company's ATM and other costs associated with the early retirement of debt, offset by proceeds from the new mortgage financings and proceeds from the issuance of common stock.

During the year ended December 31, 2010, we received proceeds from the origination of \$105.6 million in mortgage financings. We continue to engage various lenders regarding the origination of additional mortgage financings and the terms and conditions thereof. To the extent additional mortgage financing is originated, we expect to use proceeds received to pay down our other debt. No assurances can be made that additional mortgage financing will be obtained.

During the year ended December 31, 2010, we redeemed and/or repurchased \$264.8 million of our unsecured notes at an aggregate purchase price of \$265.9 million. We may from time to time repay additional amounts of our outstanding debt. Any repayments would depend upon prevailing market conditions, our liquidity requirements, contractual restrictions and other factors we consider important. Future repayments may materially impact our liquidity, taxable income and results of operations.

During the year ended December 31, 2010, we issued 6,345,169 shares of the Company's common stock under the direct stock purchase component of the DRIP and the ATM, resulting in net proceeds of approximately \$50.1 million. On December 31, 2010, we concluded the ATM as a result of the expiration of the of distribution agreements with our sales agents. We may opportunistically access the equity markets again, including through a new ATM, subject to contractual restrictions, and may continue to issue shares

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under the direct stock purchase component of the DRIP. To the extent additional equity offerings occur, we expect to use at least a portion of the proceeds received to reduce our indebtedness.

**Contractual Obligations and Commitments**

The following table lists our contractual obligations and commitments as of December 31, 2010 (in thousands):

|   | Total        | Less Than<br>1 Year | Payments Due by Period |            |              |
|---|--------------|---------------------|------------------------|------------|--------------|
|   |              |                     | 1-3 Years              | 3-5 Years  | Over 5 Years |
| Operating and Ground Leases(1)              | \$ 33,162    | \$ 1,795            | \$ 2,348               | \$ 1,668   | \$ 27,351    |
| Long-term Debt                              | 1,749,350    | 141,967             | 472,048                | 274,809    | 860,526      |
| Interest Expense on Long-Term<br>Debt(1)(2) | 689,854      | 89,386              | 159,530                | 132,405    | 308,533      |
| Total                                       | \$ 2,472,366 | \$ 233,148          | \$ 633,926             | \$ 408,882 | \$ 1,196,410 |

(1) Not on balance sheet.

(2) Does not include interest expense on our Unsecured Credit Facility.

**Off-Balance Sheet Arrangements**

Letters of credit are issued in most cases as pledges to governmental entities for development purposes. At December 31, 2010, we have \$1.5 million in outstanding letters of credit, none of which are reflected as liabilities on our balance sheet. We have no other off-balance sheet arrangements, as defined in Item 303 of Regulation S-K, other than those disclosed on the Contractual Obligations and Commitments table above, that have or are reasonably likely to have a current or future effect on our financial condition, results of operation or liquidity and capital resources.

**Environmental**

We paid approximately \$0.6 million and \$2.3 million in 2010 and 2009, respectively, related to environmental expenditures. We estimate 2011 expenditures of approximately \$1.1 million. We estimate that the aggregate expenditures which need to be expended in 2011 and beyond with regard to currently identified environmental issues will not exceed approximately \$3.4 million.

**Inflation**

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

**Market Risk**

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

**Interest Rate Risk**

This analysis presents the hypothetical gain or loss in earnings, cash flows or fair value of the financial instruments and derivative instruments which are held by us at December 31, 2010 that are sensitive to

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changes in the interest rates. While this analysis may have some use as a benchmark, it should not be viewed as a forecast.

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

At December 31, 2010, approximately \$1,366.6 million (approximately 78.4% of total debt at December 31, 2010) of our debt was fixed rate debt and approximately \$376.2 million (approximately 21.6% of total debt at December 31, 2010) was variable rate debt. Currently, we do not enter into financial instruments for trading or other speculative purposes.

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

Based upon the amount of variable rate debt outstanding at December 31, 2010, a 10% increase or decrease in the interest rate on our variable rate debt would decrease or increase, respectively, future net income and cash flows by approximately \$1.3 million per year. The foregoing calculation assumes an instantaneous increase or decrease in the rates applicable to the amount of borrowings outstanding under our Unsecured Credit Facility at December 31, 2010. Changes in LIBOR could result in a greater than 10% increase in such rates. In addition, the calculation does not account for our option to elect the lower of two different interest rates under our borrowings or other possible actions, such as prepayment, that we might take in response to any rate increase. A 10% increase in interest rates would decrease the fair value of the fixed rate debt at December 31, 2010 by approximately \$42.4 million to \$1,358.1 million. A 10% decrease in interest rates would increase the fair value of the fixed rate debt at December 31, 2010 by approximately \$45.4 million to \$1,445.9 million.

The use of derivative financial instruments allows us to manage risks of increases in interest rates with respect to the effect these fluctuations would have on our earnings and cash flows. As of December 31, 2010, we had one outstanding derivative with a notional amount of \$50.0 million which mitigates our exposure to floating interest rates related to the reset rate of our Series F Preferred Stock (see Note 14 to the Consolidated Financial Statements).

## **Foreign Currency Exchange Rate Risk**

Owning, operating and developing industrial property outside of the United States exposes us to the possibility of volatile movements in foreign exchange rates. Changes in foreign currencies can affect the operating results of international operations reported in U.S. dollars and the value of the foreign assets reported in U.S. dollars. The economic impact of foreign exchange rate movements is complex because such changes are often linked to variability in real growth, inflation, interest rates, governmental actions and other factors. At December 31, 2010, we owned several land parcels for which the U.S. dollar was not the functional currency. These land parcels are located in Ontario, Canada and use the Canadian dollar as their functional currency.

## **Subsequent Events**

From January 1, 2011 to February 23, 2011, we sold five industrial properties comprising approximately 0.3 million square feet of GLA. Gross proceeds from the sale of the five industrial properties were approximately \$7.7 million. There were no industrial properties acquired during this period.



On February 10, 2011, we prepaid and retired our secured mortgage debt maturing in September 2012 in the amount of \$14.5 million, excluding a prepayment fee of \$0.1 million.

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On February 18, 2011, we entered into a loan commitment with a major life insurance company lender for mortgage loans, aggregating to \$178.3 million. The closings of the mortgage loans are subject to lender due diligence and there can be no assurance that the mortgage loans will close or, if closed, will generate the anticipated proceeds. The mortgage loans are expected to be cross-collateralized by 32 industrial properties, have a term of seven years and bear interest at 4.45%.

## **Related Party Transactions**

We periodically engage in transactions for which CB Richard Ellis, Inc. acts as a broker. A relative of Michael W. Brennan, the former President and Chief Executive Officer and a former director of the Company, is an employee of CB Richard Ellis, Inc. For the year ended December 31, 2008, this relative received approximately \$0.1 million in brokerage commissions or other fees for transactions with the Company and the Joint Ventures.

## **Other**

In July 2010, the FASB issued a new accounting standard that requires enhanced disclosures about financing receivables, including the allowance for credit losses, credit quality and impaired loans. This standard is effective for fiscal years ending after December 15, 2010. We adopted the standard in the fourth quarter 2010 and it did not have a material impact to our financial statements.

In June 2009, the FASB issued new guidance which revises and updates previously issued guidance related to variable interest entities. This new guidance, which became effective January 1, 2010, revises the previous guidance by eliminating the exemption for qualifying special purpose entities, by establishing a new approach for determining who should consolidate a variable-interest entity and by changing when it is necessary to reassess who should consolidate a variable- interest entity. We adopted this new guidance on January 1, 2010. However, the adoption of this guidance did not impact our financial position or results of operations.

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

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

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

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

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

None.

## **Item 9A. *Controls and Procedures***

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

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

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

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financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

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

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

Our management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2010. In making its assessment of internal control over financial reporting, management used the criteria described in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Our management has concluded that, as of December 31, 2010, our internal control over financial reporting was effective.

The effectiveness of our internal control over financial reporting as of December 31, 2010 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein within Item 15. See Report of Independent Registered Public Accounting Firm.

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

There has been no change in our internal control over financial reporting that occurred during the fourth quarter of 2010 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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

None.

## **PART III**

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

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

## **PART IV**

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

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

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

**Table of Contents***(3) Exhibits:*

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

Series J Depositary Receipts (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company, filed January 17, 2006, File No. 1-13102)

- 4.6 Deposit Agreement, dated August 21, 2006, by and among the Company, Computershare Shareholder Services, Inc. and Computershare Trust Company, N.A., as depositary, and holders from time to time of Series K Depositary Receipts (incorporated by reference to Exhibit 1.7 of the Form 8-A of the Company, as filed on August 18, 2006, File No. 1-13102)

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| <b>Exhibits</b> | <b>Description</b>   |
|-----------------|--|
| 4.7             | Indenture, dated as of May 13, 1997, between First Industrial, L.P. and First Trust National Association, as Trustee (incorporated by reference to Exhibit 4.1 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102)   |
| 4.8             | Supplemental Indenture No. 1, dated as of May 13, 1997, between First Industrial, L.P. and First Trust National Association as Trustee relating to \$100 million of 7.15% Notes due 2027 (incorporated by reference to Exhibit 4.2 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102) |
| 4.9             | Supplemental Indenture No. 3 dated October 28, 1997 between First Industrial, L.P. and First Trust National Association providing for the issuance of Medium-Term Notes due Nine Months or more from Date of Issue (incorporated by reference to Exhibit 4.1 of Form 8-K of First Industrial, L.P., dated November 3, 1997, as filed November 3, 1997, File No. 333-21873)                           |
| 4.10            | 7.50% Medium-Term Note due 2017 in principal amount of \$100 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.19 of the Company's Annual Report on Form 10-K for the year ended December 31, 1997, File No. 1-13102)   |
| 4.11            | Trust Agreement, dated as of May 16, 1997, between First Industrial, L.P. and First Bank National Association, as Trustee (incorporated by reference to Exhibit 4.5 of the Form 10-Q of First Industrial, L.P. for the fiscal quarter ended March 31, 1997, File No. 333-21873)  |
| 4.12            | 7.60% Notes due 2028 in principal amount of \$200 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.2 of the Form 8-K of First Industrial, L.P. dated July 15, 1998, File No. 333-21873)  |
| 4.13            | Supplemental Indenture No. 5, dated as of July 14, 1998, between First Industrial, L.P. and U.S. Bank Trust National Association, relating to First Industrial, L.P.'s 7.60% Notes due July 15, 2028 (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P. dated July 15, 1998, File No. 333-21873)  |
| 4.14            | Supplemental Indenture No. 7 dated as of April 15, 2002, between First Industrial, L.P. and U.S. Bank National Association, relating to First Industrial, L.P.'s 6.875% Notes due 2012 and 7.75% Notes due 2032 (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P. dated April 4, 2002, File No. 333-21873)   |
| 4.15            | Form of 6.875% Notes due in 2012 in the principal amount of \$200 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.2 of the Form 8-K of First Industrial, L.P., dated April 4, 2002, File No. 333-21873)   |
| 4.16            | Form of 7.75% Notes due 2032 in the principal amount of \$50.0 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.3 of the Form 8-K of First Industrial, L.P., dated April 4, 2002, File No. 333-21873)  |
| 4.17            | Supplemental Indenture No. 8, dated as of May 17, 2004, relating to 6.42% Senior Notes due June 1, 2014, by and between First Industrial, L.P. and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P., dated May 27, 2004, File No. 333-21873)   |
| 4.18            | Supplemental Indenture No. 10, dated as of January 10, 2006, relating to 5.75% Senior Notes due 2016, by and between the Operating Partnership and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of the Form 8-K of the Company, filed January 11, 2006, File No. 1-13102)  |
| 4.19            | Indenture dated as of September 25, 2006 among First Industrial, L.P., as issuer, the Company, as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K of First Industrial, L.P. dated September 25, 2006, File No. 333-21873)  |
| 4.20            | Form of 4.625% Exchangeable Senior Note due 2011 (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K of First Industrial, L.P. dated September 25, 2006, File No. 333-21873)   |





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| <b>Exhibits</b> | <b>Description</b>   |
|-----------------|--|
| 4.21            | Registration Rights Agreement dated September 25, 2006 among the Company, First Industrial, L.P. and the Initial Purchasers named therein (incorporated by reference to Exhibit 10.1 of the current report on Form 8-K of First Industrial, L.P. dated September 25, 2006, File No. 333-21873)   |
| 4.22            | Supplemental Indenture No. 11, dated as of May 7, 2007, relating to 5.95% Senior Notes due 2017, by and between the Operating Partnership and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of the Form 8-K of the Company, filed May 5, 2007, File No. 1-13102)  |
| 10.1            | Eleventh Amended and Restated Partnership Agreement of First Industrial, L.P. dated August 21, 2006 (the LP Agreement ) (incorporated by reference to Exhibit 10.2 of the Form 8-K of the Company, filed August 22, 2006, File No. 1-13102)  |
| 10.2            | Sales Agreement by and among the Company, First Industrial, L.P. and Cantor Fitzgerald & Co. dated September 16, 2004 (incorporated by reference to Exhibit 1.1 of the Form 8-K of the Company, dated September 16, 2004, File No. 1-13102)  |
| 10.3            | Non-Competition Agreement between Jay H. Shidler and First Industrial Realty Trust, Inc. (incorporated by reference to Exhibit 10.16 of the Company s Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)   |
| 10.4            | Form of Non-Competition Agreement between each of Michael T. Tomasz, Paul T. Lambert, Michael J. Havala, Michael W. Brennan, Michael G. Damone, Duane H. Lund, and Johansson L. Yap and First Industrial Realty Trust, Inc. (incorporated by reference to Exhibit 10.14 to the Company s Registration Statement on Form S-11, File No. 33-77804) |
| 10.5            | 1994 Stock Incentive Plan (incorporated by reference to Exhibit 10.37 of the Company s Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)  |
| 10.6            | First Industrial Realty Trust, Inc. Deferred Income Plan (incorporated by reference to Exhibit 10 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1996, File No. 1-13102)   |
| 10.7            | Contribution Agreement, dated March 19, 1996, among FR Acquisitions, Inc. and the parties listed on the signature pages thereto (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company, dated April 3, 1996, File No. 1-13102)  |
| 10.8            | Contribution Agreement, dated January 31, 1997, among FR Acquisitions, Inc. and the parties listed on the signature pages thereto (incorporated by reference to Exhibit 10.58 of the Company s Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102)  |
| 10.9            | Separation and Release Agreement between First Industrial Realty Trust, Inc. and Michael W. Brennan dated November 26, 2008 (incorporated by reference to Exhibit 10.2 of the Form 8-K of the Company filed November 28, 2008, File No. 1-13102)   |
| 10.10           | 1997 Stock Incentive Plan (incorporated by reference to Exhibit 10.62 of the Company s Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102)  |
| 10.11           | 2001 Stock Incentive Plan (incorporated by reference to Exhibit 10.34 of the Company s Annual Report on Form 10-K for the year ended December 31, 2001, File No. 1-13102)  |
| 10.12           | Separation and Release Agreement between First Industrial Realty Trust, Inc. and Michael J. Havala dated December 22, 2008 (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed December 23, 2008, File No. 1-13102)  |
| 10.13           | Employment Agreement, dated March 31, 2002, between First Industrial Realty Trust, Inc. and Johansson L. Yap (incorporated by reference to Exhibit 10.2 of the Form 10-Q of First Industrial Realty Trust, Inc. for the fiscal quarter ended March 31, 2002, File No. 1-13102)   |
| 10.14           | Separation and Release Agreement between First Industrial Realty Trust, Inc. and David P. Draft dated November 25, 2008 (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed November 28, 2008, File No. 1-13102)   |
| 10.15           |  |

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- Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.3 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102)
- 10.16 Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.4 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102)
- 10.17 Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.5 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102)
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| <b>Exhibits</b> | <b>Description</b>  |
|-----------------|---|
| 10.18           | Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.6 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102)   |
| 10.19           | Sixth Amended and Restated Unsecured Revolving Credit and Term Loan Agreement dated as of October 22, 2010 among the First Industrial, L.P., First Industrial Realty Trust, Inc., JP Morgan Chase Bank, N.A. and the other lenders thereunder (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed October 25, 2010, File No. 1-13102) |
| 10.20           | Form of Restricted Stock Agreement (Director's Annual Retainer) (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed May 19, 2006, File No. 1-13102)   |
| 10.21           | Amendment No. 1 to the Company's 2001 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2006, File No. 1-13102)   |
| 10.22           | Amendment No. 2 to the Company's 2001 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2007, File No. 1-13102)   |
| 10.23           | Amendment No. 1 to the Company's 1994 Stock Incentive Plan (incorporated by reference to Exhibit 10.24 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 1-13102)  |
| 10.24           | Amendment No. 1 to the Company's 1997 Stock Incentive Plan (incorporated by reference to Exhibit 10.25 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 1-13102)  |
| 10.25           | Form of Director Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.26 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 1-13102)   |
| 10.26           | Form of Director Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.27 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 1-13102)   |
| 10.27           | Form of Employee Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.28 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 1-13102)   |
| 10.28           | Form of Employee Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.29 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 1-13102)   |
| 10.29           | Amendment No. 3 to the Company's 2001 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 2008, File No. 1-13102)  |
| 10.30           | Form of Employee Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 2008, File No. 1-13102)  |
| 10.31           | First Amendment, dated as of December 29, 2008, to Employment Agreement, dated March 31, 2002, between First Industrial Realty Trust, Inc. and Johannson L. Yap (incorporated by reference to Exhibit 10.33 of the Company's Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-13102)   |
| 10.32           | Employment Agreement dated as of January 9, 2009 among First Industrial Realty Trust, Inc., First Industrial L.P. and Bruce W. Duncan (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed January 12, 2009, File No. 1-13102)   |
| 10.33           | Restricted Stock Unit Award Agreement dated as of January 9, 2009 between First Industrial Realty Trust, Inc. and Bruce W. Duncan (incorporated by reference to Exhibit 10.2 of the Form 8-K of the Company filed January 12, 2009, File No. 1-13102)   |
| 10.34           | 2009 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q for the period ended June 30, 2009, File No. 1-13102)   |

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| <b>Exhibits</b> | <b>Description</b>  |
|-----------------|---|
| 10.35           | Form of Employee Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 of the Form 8-K of the Company filed July 15, 2009, File No. 1-13102)   |
| 10.36           | Amendment No. 1, dated as of February 5, 2009, to the Restricted Stock Unit Award Agreement, dated as of January 9, 2009, by and between First Industrial Realty Trust, Inc. and Bruce W. Duncan (incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q for the period ended March 31, 2009, File No. 1-13102) |
| 10.37           | Form of Employee Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed March 4, 2010, File No. 1-13102)  |
| 10.38           | Distribution Agreement among the First Industrial Realty Trust, Inc., First Industrial, L.P. and J.P. Morgan Securities Inc. dated May 4, 2010 (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed May 4, 2010, File No. 1-13102)   |
| 10.39           | Form of Employee Service Based Bonus Agreement (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed July 7, 2010, File No. 1-13102)  |
| 21.1*           | Subsidiaries of the Registrant  |
| 23*             | Consent of PricewaterhouseCoopers LLP   |
| 31.1*           | Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended   |
| 31.2*           | Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended   |
| 32**            | Certification of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002   |

\* Filed herewith.

\*\* Furnished herewith.

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

**Table of Contents****EXHIBIT INDEX**

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

Series J Depositary Receipts (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company, filed January 17, 2006, File No. 1-13102)

- 4.6 Deposit Agreement, dated August 21, 2006, by and among the Company, Computershare Shareholder Services, Inc. and Computershare Trust Company, N.A., as depositary, and holders from time to time of Series K Depositary Receipts (incorporated by reference to Exhibit 1.7 of the Form 8-A of the Company, as filed on August 18, 2006, File No. 1-13102)

**Table of Contents**

| <b>Exhibits</b> | <b>Description</b>   |
|-----------------|--|
| 4.7             | Indenture, dated as of May 13, 1997, between First Industrial, L.P. and First Trust National Association, as Trustee (incorporated by reference to Exhibit 4.1 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102)   |
| 4.8             | Supplemental Indenture No. 1, dated as of May 13, 1997, between First Industrial, L.P. and First Trust National Association as Trustee relating to \$100 million of 7.15% Notes due 2027 (incorporated by reference to Exhibit 4.2 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1997, as amended by Form 10-Q/A No. 1 of the Company filed May 30, 1997, File No. 1-13102) |
| 4.9             | Supplemental Indenture No. 3 dated October 28, 1997 between First Industrial, L.P. and First Trust National Association providing for the issuance of Medium-Term Notes due Nine Months or more from Date of Issue (incorporated by reference to Exhibit 4.1 of Form 8-K of First Industrial, L.P., dated November 3, 1997, as filed November 3, 1997, File No. 333-21873)                           |
| 4.10            | 7.50% Medium-Term Note due 2017 in principal amount of \$100 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.19 of the Company's Annual Report on Form 10-K for the year ended December 31, 1997, File No. 1-13102)   |
| 4.11            | Trust Agreement, dated as of May 16, 1997, between First Industrial, L.P. and First Bank National Association, as Trustee (incorporated by reference to Exhibit 4.5 of the Form 10-Q of First Industrial, L.P. for the fiscal quarter ended March 31, 1997, File No. 333-21873)  |
| 4.12            | 7.60% Notes due 2028 in principal amount of \$200 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.2 of the Form 8-K of First Industrial, L.P. dated July 15, 1998, File No. 333-21873)  |
| 4.13            | Supplemental Indenture No. 5, dated as of July 14, 1998, between First Industrial, L.P. and U.S. Bank Trust National Association, relating to First Industrial, L.P.'s 7.60% Notes due July 15, 2028 (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P. dated July 15, 1998, File No. 333-21873)  |
| 4.14            | Supplemental Indenture No. 7 dated as of April 15, 2002, between First Industrial, L.P. and U.S. Bank National Association, relating to First Industrial, L.P.'s 6.875% Notes due 2012 and 7.75% Notes due 2032 (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P. dated April 4, 2002, File No. 333-21873)   |
| 4.15            | Form of 6.875% Notes due in 2012 in the principal amount of \$200 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.2 of the Form 8-K of First Industrial, L.P., dated April 4, 2002, File No. 333-21873)   |
| 4.16            | Form of 7.75% Notes due 2032 in the principal amount of \$50.0 million issued by First Industrial, L.P. (incorporated by reference to Exhibit 4.3 of the Form 8-K of First Industrial, L.P., dated April 4, 2002, File No. 333-21873)  |
| 4.17            | Supplemental Indenture No. 8, dated as of May 17, 2004, relating to 6.42% Senior Notes due June 1, 2014, by and between First Industrial, L.P. and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of the Form 8-K of First Industrial, L.P., dated May 27, 2004, File No. 333-21873)   |
| 4.18            | Supplemental Indenture No. 10, dated as of January 10, 2006, relating to 5.75% Senior Notes due 2016, by and between the Operating Partnership and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of the Form 8-K of the Company, filed January 11, 2006, File No. 1-13102)  |
| 4.19            | Indenture dated as of September 25, 2006 among First Industrial, L.P., as issuer, the Company, as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K of First Industrial, L.P. dated September 25, 2006, File No. 333-21873)  |
| 4.20            | Form of 4.625% Exchangeable Senior Note due 2011 (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K of First Industrial, L.P. dated September 25, 2006, File No. 333-21873)   |





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| <b>Exhibits</b> | <b>Description</b>   |
|-----------------|--|
| 4.21            | Registration Rights Agreement dated September 25, 2006 among the Company, First Industrial, L.P. and the Initial Purchasers named therein (incorporated by reference to Exhibit 10.1 of the current report on Form 8-K of First Industrial, L.P. dated September 25, 2006, File No. 333-21873)   |
| 4.22            | Supplemental Indenture No. 11, dated as of May 7, 2007, relating to 5.95% Senior Notes due 2017, by and between the Operating Partnership and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of the Form 8-K of the Company, filed May 5, 2007, File No. 1-13102)  |
| 10.1            | Eleventh Amended and Restated Partnership Agreement of First Industrial, L.P. dated August 21, 2006 (the LP Agreement ) (incorporated by reference to Exhibit 10.2 of the Form 8-K of the Company, filed August 22, 2006, File No. 1-13102)  |
| 10.2            | Sales Agreement by and among the Company, First Industrial, L.P. and Cantor Fitzgerald & Co. dated September 16, 2004 (incorporated by reference to Exhibit 1.1 of the Form 8-K of the Company, dated September 16, 2004, File No. 1-13102)  |
| 10.3            | Non-Competition Agreement between Jay H. Shidler and First Industrial Realty Trust, Inc. (incorporated by reference to Exhibit 10.16 of the Company s Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)   |
| 10.4            | Form of Non-Competition Agreement between each of Michael T. Tomasz, Paul T. Lambert, Michael J. Havala, Michael W. Brennan, Michael G. Damone, Duane H. Lund, and Johansson L. Yap and First Industrial Realty Trust, Inc. (incorporated by reference to Exhibit 10.14 to the Company s Registration Statement on Form S-11, File No. 33-77804) |
| 10.5            | 1994 Stock Incentive Plan (incorporated by reference to Exhibit 10.37 of the Company s Annual Report on Form 10-K for the year ended December 31, 1994, File No. 1-13102)  |
| 10.6            | First Industrial Realty Trust, Inc. Deferred Income Plan (incorporated by reference to Exhibit 10 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 1996, File No. 1-13102)   |
| 10.7            | Contribution Agreement, dated March 19, 1996, among FR Acquisitions, Inc. and the parties listed on the signature pages thereto (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company, dated April 3, 1996, File No. 1-13102)  |
| 10.8            | Contribution Agreement, dated January 31, 1997, among FR Acquisitions, Inc. and the parties listed on the signature pages thereto (incorporated by reference to Exhibit 10.58 of the Company s Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102)  |
| 10.9            | Separation and Release Agreement between First Industrial Realty Trust, Inc. and Michael W. Brennan dated November 26, 2008 (incorporated by reference to Exhibit 10.2 of the Form 8-K of the Company filed November 28, 2008, File No. 1-13102)   |
| 10.10           | 1997 Stock Incentive Plan (incorporated by reference to Exhibit 10.62 of the Company s Annual Report on Form 10-K for the year ended December 31, 1996, File No. 1-13102)  |
| 10.11           | 2001 Stock Incentive Plan (incorporated by reference to Exhibit 10.34 of the Company s Annual Report on Form 10-K for the year ended December 31, 2001, File No. 1-13102)  |
| 10.12           | Separation and Release Agreement between First Industrial Realty Trust, Inc. and Michael J. Havala dated December 22, 2008 (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed December 23, 2008, File No. 1-13102)  |
| 10.13           | Employment Agreement, dated March 31, 2002, between First Industrial Realty Trust, Inc. and Johansson L. Yap (incorporated by reference to Exhibit 10.2 of the Form 10-Q of First Industrial Realty Trust, Inc. for the fiscal quarter ended March 31, 2002, File No. 1-13102)   |
| 10.14           | Separation and Release Agreement between First Industrial Realty Trust, Inc. and David P. Draft dated November 25, 2008 (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed November 28, 2008, File No. 1-13102)   |
| 10.15           |  |

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- Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.3 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102)
- 10.16 Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.4 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102)
- 10.17 Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.5 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102)
-

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| <b>Exhibits</b> | <b>Description</b>  |
|-----------------|---|
| 10.18           | Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.6 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2004, File No. 1-13102)   |
| 10.19           | Sixth Amended and Restated Unsecured Revolving Credit and Term Loan Agreement dated as of October 22, 2010 among First Industrial, L.P., First Industrial Realty Trust, Inc., JP Morgan Chase Bank, N.A. and the other lenders thereunder (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed October 25, 2010, File No. 1-13102) |
| 10.20           | Form of Restricted Stock Agreement (Director's Annual Retainer) (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed May 19, 2006, File No. 1-13102)   |
| 10.21           | Amendment No. 1 to the Company's 2001 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2006, File No. 1-13102)   |
| 10.22           | Amendment No. 2 to the Company's 2001 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Form 10-Q of the Company for the fiscal quarter ended June 30, 2007, File No. 1-13102)   |
| 10.23           | Amendment No. 1 to the Company's 1994 Stock Incentive Plan (incorporated by reference to Exhibit 10.24 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 1-13102)  |
| 10.24           | Amendment No. 1 to the Company's 1997 Stock Incentive Plan (incorporated by reference to Exhibit 10.25 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 1-13102)  |
| 10.25           | Form of Director Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.26 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 1-13102)   |
| 10.26           | Form of Director Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.27 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 1-13102)   |
| 10.27           | Form of Employee Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.28 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 1-13102)   |
| 10.28           | Form of Employee Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.29 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 1-13102)   |
| 10.29           | Amendment No. 3 to the Company's 2001 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 2008, File No. 1-13102)  |
| 10.30           | Form of Employee Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 of the Form 10-Q of the Company for the fiscal quarter ended March 31, 2008, File No. 1-13102)  |
| 10.31           | First Amendment, dated as of December 29, 2008, to Employment Agreement, dated March 31, 2002, between First Industrial Realty Trust, Inc. and Johannson L. Yap (incorporated by reference to Exhibit 10.33 of the Company's Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-13102)   |
| 10.32           | Employment Agreement dated as of January 9, 2009 among First Industrial Realty Trust, Inc., First Industrial L.P. and Bruce W. Duncan (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed January 12, 2009, File No. 1-13102)   |
| 10.33           | Restricted Stock Unit Award Agreement dated as of January 9, 2009 between First Industrial Realty Trust, Inc. and Bruce W. Duncan (incorporated by reference to Exhibit 10.2 of the Form 8-K of the Company filed January 12, 2009, File No. 1-13102)   |
| 10.34           | 2009 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q for the period ended June 30, 2009, File No. 1-13102)   |

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| <b>Exhibits</b> | <b>Description</b>  |
|-----------------|---|
| 10.35           | Form of Employee Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 of the Form 8-K of the Company filed July 15, 2009, File No. 1-13102)   |
| 10.36           | Amendment No. 1, dated as of February 5, 2009, to the Restricted Stock Unit Award Agreement, dated as of January 9, 2009, by and between First Industrial Realty Trust, Inc. and Bruce W. Duncan (incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q for the period ended March 31, 2009, File No. 1-13102) |
| 10.37           | Form of Employee Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed March 4, 2010, File No. 1-13102)  |
| 10.38           | Distribution Agreement among First Industrial Realty Trust, Inc., First Industrial, L.P. and J.P. Morgan Securities Inc. dated May 4, 2010 (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed May 4, 2010, File No. 1-13102)   |
| 10.39           | Form of Employee Service Based Bonus Agreement (incorporated by reference to Exhibit 10.1 of the Form 8-K of the Company filed July 7, 2010, File No. 1-13102)  |
| 21.1*           | Subsidiaries of the Registrant  |
| 23*             | Consent of PricewaterhouseCoopers LLP   |
| 31.1*           | Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended   |
| 31.2*           | Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended   |
| 32**            | Certification of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002   |

\* Filed herewith.

\*\* Furnished herewith.

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

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**FIRST INDUSTRIAL REALTY TRUST, INC.**

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

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**Report of Independent Registered Public Accounting Firm**

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

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a) (1) present fairly, in all material respects, the financial position of First Industrial Realty Trust, Inc. and its subsidiaries (the Company) at December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

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

/s/ PricewaterhouseCoopers LLP

Chicago, Illinois  
February 23, 2011



**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****CONSOLIDATED BALANCE SHEETS**

|  | <b>December 31,<br/>2010</b>                              | <b>December 31,<br/>2009</b> |
|--|---|------------------------------|
|  | <b>(In thousands except share<br/>and per share data)</b> |                              |
| <b>ASSETS</b>  |   |                              |
| Assets:  |   |                              |
| Investment in Real Estate:   |   |                              |
| Land   | \$ 554,829  | \$ 751,479                   |
| Buildings and Improvements   | 2,061,266   | 2,543,573                    |
| Construction in Progress   | 2,672   | 24,712                       |
| Less: Accumulated Depreciation   | (509,634)   | (594,895)                    |
| Net Investment in Real Estate  | 2,109,133   | 2,724,869                    |
| Real Estate and Other Assets Held for Sale, Net of Accumulated Depreciation and Amortization of \$165,211 and \$3,341 at December 31, 2010 and December 31, 2009, respectively | 392,291   | 37,305                       |
| Cash and Cash Equivalents  | 25,963  | 182,943                      |
| Restricted Cash  | 117   | 102                          |
| Tenant Accounts Receivable, Net  | 3,064   | 2,243                        |
| Investments in Joint Ventures  | 2,451   | 8,788                        |
| Deferred Rent Receivable, Net  | 37,878  | 39,220                       |
| Deferred Financing Costs, Net  | 15,351  | 15,333                       |
| Deferred Leasing Intangibles, Net  | 39,718  | 60,160                       |
| Prepaid Expenses and Other Assets, Net   | 124,088   | 133,623                      |
| Total Assets   | \$ 2,750,054  | \$ 3,204,586                 |

**LIABILITIES AND EQUITY**

|  |            |            |
|--|------------|------------|
| Liabilities:   |            |            |
| Mortgage and Other Loans Payable, Net  | \$ 486,055 | \$ 402,974 |
| Senior Unsecured Debt, Net   | 879,529    | 1,140,114  |
| Unsecured Credit Facility  | 376,184    | 455,244    |
| Mortgage Loan Payable on Real Estate Held for Sale, Net, Inclusive of \$6 of Accrued Interest at December 31, 2010                             | 1,014      |            |
| Accounts Payable, Accrued Expenses and Other Liabilities, Net  | 67,326     | 81,136     |
| Deferred Leasing Intangibles, Net  | 18,519     | 24,754     |
| Rents Received in Advance and Security Deposits  | 27,367     | 26,117     |
| Leasing Intangibles Held for Sale, Net of Accumulated Amortization of \$2,668 and \$0 at December 31, 2010 and December 31, 2009, respectively | 1,916      |            |
| Total Liabilities  | 1,857,910  | 2,130,339  |

Commitments and Contingencies

Equity:

First Industrial Realty Trust Inc. s Stockholders Equity:

Preferred Stock (\$0.01 par value, 10,000,000 shares authorized, 500, 250, 600, and 200 shares of Series F, G, J, and K Cumulative Preferred Stock, respectively, issued and outstanding at December 31, 2010 and December 31, 2009, having a liquidation preference of \$100,000 per share (\$50,000), \$100,000 per share (\$25,000), \$250,000 per share (\$150,000), and \$250,000 per share (\$50,000), respectively)

Common Stock (\$0.01 par value, 100,000,000 shares authorized, 73,165,410 and 66,169,328 shares issued and 68,841,296 and 61,845,214 shares outstanding at December 31, 2010 and December 31, 2009, respectively)

|   |              |              |
|---|--------------|--------------|
|   | 732          | 662          |
| Additional Paid-in-Capital  | 1,608,014    | 1,551,218    |
| Distributions in Excess of Accumulated Earnings                                       | (606,511)    | (384,013)    |
| Accumulated Other Comprehensive Loss  | (15,339)     | (18,408)     |
| Treasury Shares at Cost (4,324,114 shares at December 31, 2010 and December 31, 2009) | (140,018)    | (140,018)    |
| <br>  |              |              |
| Total First Industrial Realty Trust, Inc. s Stockholders Equity                       | 846,878      | 1,009,441    |
| Noncontrolling Interest   | 45,266       | 64,806       |
| <br>  |              |              |
| Total Equity  | 892,144      | 1,074,247    |
| <br>  |              |              |
| Total Liabilities and Equity  | \$ 2,750,054 | \$ 3,204,586 |

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

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

|  | <b>Year<br/>Ended<br/>December 31,<br/>2010</b> | <b>Year Ended<br/>December 31,<br/>2009</b> | <b>Year Ended<br/>December 31,<br/>2008</b> |
|--|---|---|---|
|  | <b>(In thousands except per share data)</b>     |   |   |
| Revenues:  |   |   |   |
| Rental Income  | \$ 216,937                                      | \$ 220,438                                  | \$ 208,041                                  |
| Tenant Recoveries and Other Income   | 70,735  | 76,443                                      | 88,411                                      |
| Construction Revenues  | 869   | 54,957                                      | 147,299                                     |
| <b>Total Revenues</b>  | <b>288,541</b>                                  | <b>351,838</b>                              | <b>443,751</b>                              |
| Expenses:  |   |   |   |
| Property Expenses  | 94,725  | 97,427                                      | 93,108                                      |
| General and Administrative   | 26,589  | 37,835                                      | 84,896                                      |
| Restructuring Costs  | 1,858   | 7,806                                       | 27,349                                      |
| Impairment of Real Estate  | 35,853  | 5,617                                       |   |
| Depreciation and Other Amortization  | 111,517   | 114,392                                     | 115,719                                     |
| Construction Expenses  | 507   | 52,720                                      | 139,539                                     |
| <b>Total Expenses</b>  | <b>271,049</b>                                  | <b>315,797</b>                              | <b>460,611</b>                              |
| Other Income (Expense):  |   |   |   |
| Interest Income  | 4,364   | 3,084                                       | 3,690                                       |
| Interest Expense   | (106,102)                                       | (114,919)                                   | (112,642)                                   |
| Amortization of Deferred Financing Costs   | (3,473)   | (3,030)                                     | (2,840)                                     |
| Mark-to-Market (Loss) Gain on Interest Rate Protection<br>Agreements   | (1,107)   | 3,667                                       | (3,073)                                     |
| (Loss) Gain From Early Retirement of Debt  | (4,304)   | 34,562                                      | 2,749                                       |
| Foreign Currency Exchange Loss, Net  | (190)   |   |   |
| <b>Total Other Income (Expense)</b>  | <b>(110,812)</b>                                | <b>(76,636)</b>                             | <b>(112,116)</b>                            |
| Loss from Continuing Operations Before Gain on Sale of Joint<br>Venture Interests, Equity in Income (Loss) of Joint Ventures and<br>Income Tax (Provision) Benefit                               | (93,320)  | (40,595)                                    | (128,976)                                   |
| Gain on Sale of Joint Venture Interests  | 11,226  |   |   |
| Equity in Income (Loss) of Joint Ventures  | 675   | (6,470)                                     | (33,178)                                    |
| Income Tax (Provision) Benefit   | (2,963)   | 25,163                                      | 13,237                                      |
| <b>Loss from Continuing Operations</b>   | <b>(84,382)</b>                                 | <b>(21,902)</b>                             | <b>(148,917)</b>                            |
| (Loss) Income from Discontinued Operations (Including Gain on<br>Sale of Real Estate of \$11,092, \$24,206, and \$172,167 for the<br>Years Ended December 31, 2010, 2009 and 2008, respectively) | (137,754)                                       | 27,681                                      | 188,444                                     |

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|  |              |             |    |          |
|--|--------------|-------------|----|----------|
| Provision for Income Taxes Allocable to Discontinued Operations<br>(including \$0, \$1,462, and \$3,732 allocable to Gain on Sale of<br>Real Estate for the Years Ended December 31, 2010, 2009 and<br>2008, respectively) |              | (1,824)     |    | (5,166)  |
| (Loss) Income Before Gain on Sale of Real Estate   | (222,136)    | 3,955       |    | 34,361   |
| Gain on Sale of Real Estate  | 859          | 374         |    | 12,008   |
| Provision for Income Taxes Allocable to Gain on Sale of Real<br>Estate   | (342)        | (143)       |    | (3,782)  |
| Net (Loss) Income  | (221,619)    | 4,186       |    | 42,587   |
| Less: Net Loss (Income) Attributable to the Noncontrolling<br>Interest   | 18,798       | 1,547       |    | (2,990)  |
| Net (Loss) Income Attributable to First Industrial Realty Trust,<br>Inc.   | (202,821)    | 5,733       |    | 39,597   |
| Less: Preferred Dividends  | (19,677)     | (19,516)    |    | (19,428) |
| Net (Loss) Income Available to First Industrial Realty Trust, Inc. s<br>Common Stockholders and Participating Securities   | \$ (222,498) | \$ (13,783) | \$ | 20,169   |
| Basic and Diluted Earnings Per Share:<br>Loss from Continuing Operations Available to First Industrial<br>Realty Trust, Inc. s Common Stockholders   | \$ (1.52)    | \$ (0.76)   | \$ | (3.25)   |
| (Loss) Income from Discontinued Operations Attributable to First<br>Industrial Realty Trust, Inc. s Common Stockholders  | \$ (2.02)    | \$ 0.48     | \$ | 3.66     |
| Net (Loss) Income Available to First Industrial Realty Trust, Inc. s<br>Common Stockholders  | \$ (3.53)    | \$ (0.28)   | \$ | 0.41     |
| Distributions Per Share  | \$ 0.00      | \$ 0.00     | \$ | 2.41     |
| Weighted Average Shares Outstanding  | 62,953       | 48,695      |    | 43,193   |

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

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

|  | <b>Year<br/>Ended<br/>December 31,<br/>2010</b> | <b>Year Ended<br/>December 31,<br/>2009</b> | <b>Year Ended<br/>December 31,<br/>2008</b> |
|--|---|---|---|
|  | (Dollars in thousands)                          |   |   |
| <b>Net (Loss) Income</b>   | \$ (221,619)                                    | \$ 4,186                                    | \$ 42,587                                   |
| Mark-to-Market on Interest Rate Protection Agreements, Net of<br>Income Tax (Provision) Benefit of \$(414), \$(450) and \$610 for<br>the years ended December 31, 2010, 2009 and 2008,<br>respectively | 990   | (383)                                       | (8,676)                                     |
| Amortization of Interest Rate Protection Agreements  | 2,108   | 796   | (792)                                       |
| Write-off of Unamortized Settlement Amounts of Interest Rate<br>Protection Agreements  | (182)   | 523   | 831   |
| Foreign Currency Translation Adjustment, Net of Tax Benefit<br>(Provision) of \$299, \$(2,817) and \$3,498 for the years ended<br>December 31, 2010, 2009 and 2008, respectively                       | 563   | 1,503                                       | (2,792)                                     |
| <b>Comprehensive (Loss) Income</b>   | (218,140)                                       | 6,625                                       | 31,158                                      |
| Comprehensive Loss (Income) Attributable to Noncontrolling<br>Interest   | 18,527  | 1,299                                       | (1,599)                                     |
| Comprehensive (Loss) Income Attributable to First Industrial<br>Realty Trust, Inc.   | \$ (199,613)                                    | \$ 7,924                                    | \$ 29,559                                   |

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

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

|   | <b>Common<br/>Stock</b> | <b>Additional<br/>Paid-in<br/>Capital</b> | <b>Treasury<br/>Shares<br/>At Cost</b> | <b>Distributions<br/>in Excess<br/>of<br/>Earnings</b> | <b>Accumulated<br/>Other<br/>Comprehensive<br/>Loss</b> | <b>Noncontrolling<br/>Interest</b> | <b>Total</b> |
|---|-------------------------|---|--|--|---|------------------------------------|--------------|
| Balance as of<br>December 31, 2007                    | \$ 480                  | \$ 1,362,375                              | \$ (140,018)                           | \$ (283,268)   | \$ (9,630)  | \$ 150,117                         | \$ 1,080,056 |
| Issuance of Common<br>Stock, Net of<br>Issuance Costs |                         | (147)                                     |  |  |   |                                    | (147)        |
| Stock Based<br>Compensation<br>Activity               | 4                       | 21,221                                    |  | (266)  |   |                                    | 20,959       |
| Conversion of Units<br>to Common Stock                | 6                       | 14,575                                    |  |  |   | (14,581)                           |              |
| Preferred Dividends<br>Distributions                  |                         |   |  | (19,428)   |   |                                    | (19,428)     |
| Other<br>Comprehensive<br>Income:<br>Net Income       |                         |   |  | (106,864)  |   | (15,018)                           | (121,882)    |
| Other<br>Comprehensive Loss                           |                         |   |  | 39,597   |   | 2,990                              | 42,587       |
| Total Other<br>Comprehensive<br>Income                |                         |   |  |  | (10,038)  | (1,391)                            | (11,429)     |
| Balance as of<br>December 31, 2008                    | \$ 490                  | \$ 1,398,024                              | \$ (140,018)                           | \$ (370,229)   | \$ (19,668)   | \$ 122,117                         | \$ 990,716   |
| Issuance of Common<br>Stock, Net of<br>Issuance Costs | 169                     | 83,626                                    |  |  |   |                                    | 83,795       |
| Stock Based<br>Compensation<br>Activity               | (1)                     | 12,662                                    |  | (1)  |   |                                    | 12,660       |
| Conversion of Units<br>to Common Stock                | 4                       | 7,813                                     |  |  |   | (7,817)                            |              |
| Reallocation<br>Additional Paid in<br>Capital         |                         | 49,126<br>(33)                            |  |  |   | (49,126)                           | (33)         |

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|  |        |              |              |              |             |           |              |           |
|--|--------|--------------|--------------|--------------|-------------|-----------|--------------|-----------|
| Repurchase of<br>Equity Component<br>of Exchangeable<br>Note |        |              |              |              |             |           |              |           |
| Preferred Dividends  |        |              |              | (19,516)     |             |           |              | (19,516)  |
| Other<br>Comprehensive<br>Income:                            |        |              |              |              |             |           |              |           |
| Net Income (Loss)  |        |              |              | 5,733        |             | (1,547)   |              | 4,186     |
| Reallocation Other<br>Comprehensive<br>Income                |        |              |              |              | (931)       | 931       |              |           |
| Other<br>Comprehensive<br>Income                             |        |              |              |              | 2,191       | 248       |              | 2,439     |
| Total Other<br>Comprehensive<br>Income                       |        |              |              |              |             |           |              | 6,625     |
| Balance as of<br>December 31, 2009                           | \$ 662 | \$ 1,551,218 | \$ (140,018) | \$ (384,013) | \$ (18,408) | \$ 64,806 | \$ 1,074,247 |           |
| Issuance of Common<br>Stock, Net of<br>Issuance Costs        | 64     | 49,909       |              |              |             |           |              | 49,973    |
| Stock Based<br>Compensation<br>Activity                      | 5      | 5,736        |              |              |             |           |              | 5,741     |
| Conversion of Units<br>to Common Stock                       | 1      | 315          |              |              |             | (316)     |              |           |
| Reallocation<br>Additional Paid in<br>Capital                |        | 836          |              |              |             | (836)     |              |           |
| Preferred Dividends  |        |              |              | (19,677)     |             |           |              | (19,677)  |
| Other<br>Comprehensive<br>Loss:                              |        |              |              |              |             |           |              |           |
| Net Loss   |        |              |              | (202,821)    |             | (18,798)  |              | (221,619) |
| Reallocation Other<br>Comprehensive<br>Income                |        |              |              |              | (139)       | 139       |              |           |
| Other<br>Comprehensive<br>Income                             |        |              |              |              | 3,208       | 271       |              | 3,479     |
| Total Other<br>Comprehensive Loss                            |        |              |              |              |             |           |              | (218,140) |
| Balance as of<br>December 31, 2010                           | \$ 732 | \$ 1,608,014 | \$ (140,018) | \$ (606,511) | \$ (15,339) | \$ 45,266 | \$ 892,144   |           |

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



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

|   | <b>Year Ended<br/>December 31,<br/>2010</b> | <b>Year Ended<br/>December 31,<br/>2009</b> | <b>Year Ended<br/>December 31,<br/>2008</b> |
|---|---|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |   |   |   |
| Net (Loss) Income   | \$ (221,619)                                | \$ 4,186                                    | \$ 42,587                                   |
| Adjustments to Reconcile Net (Loss) Income to Net Cash<br>Provided by Operating Activities:                           |   |   |   |
| Depreciation  | 104,175                                     | 112,241                                     | 114,925                                     |
| Amortization of Deferred Financing Costs  | 3,473                                       | 3,030                                       | 2,840                                       |
| Other Amortization  | 41,024                                      | 52,646                                      | 72,035                                      |
| Impairment of Real Estate   | 194,552                                     | 6,934                                       |   |
| Provision for Bad Debt  | 1,880                                       | 3,259                                       | 3,346                                       |
| Mark-to-Market Loss (Gain) on Interest Rate Protection<br>Agreements  | 1,107                                       | (3,667)                                     | 3,073                                       |
| Loss (Gain) on Early Retirement of Debt   | 4,304                                       | (34,562)                                    | (2,749)                                     |
| Gain on Sale of Joint Venture Interest  | (11,226)                                    |   |   |
| Operating Distributions Received in Excess of Equity in<br>(Income) Loss of Joint Ventures                            | 2,357                                       | 8,789                                       | 34,698                                      |
| Decrease in Developments for Sale Costs   |   | 812   | 1,527                                       |
| Gain on Sale of Real Estate   | (11,951)                                    | (24,580)                                    | (184,175)                                   |
| (Increase) Decrease in Tenant Accounts Receivable, Prepaid<br>Expenses and Other Assets, Net                          | (1,580)                                     | 51,641                                      | (12,665)                                    |
| Increase in Deferred Rent Receivable  | (7,041)                                     | (8,350)                                     | (7,189)                                     |
| Decrease in Accounts Payable, Accrued Expenses, Other<br>Liabilities, Rents Received in Advance and Security Deposits | (9,411)                                     | (27,631)                                    | (216)                                       |
| (Increase) Decrease in Restricted Cash  | (15)  | 7   | 90  |
| Payments of Premiums and Discounts Associated with Senior<br>Unsecured Debt   | (6,840)                                     | (2,576)                                     |   |
| Cash Book Overdraft.  |   |   | 3,058                                       |
| <b>Net Cash Provided by Operating Activities</b>  | <b>83,189</b>                               | <b>142,179</b>                              | <b>71,185</b>                               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |   |   |   |
| Purchases of and Additions to Investment in Real Estate and<br>Lease Costs  | (89,736)                                    | (75,947)                                    | (583,414)                                   |
| Net Proceeds from Sales of Investments in Real Estate   | 68,046                                      | 74,982                                      | 502,929                                     |
| Contributions to and Investments in Joint Ventures  | (777)                                       | (3,742)                                     | (17,327)                                    |
| Distributions and Sale Proceeds from Joint Venture Interests  | 11,519                                      | 6,333                                       | 20,985                                      |
| Funding of Notes Receivable   |   |   | (10,325)                                    |
| Repayment of Notes Receivable   | 1,460                                       | 3,151                                       | 68,722                                      |
| Increase in Lender Escrows  | (435)                                       |   |   |
| Decrease in Restricted Cash   |   |   | 24,704                                      |

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|   |           |            |           |
|---|-----------|------------|-----------|
| Net Cash (Used in) Provided by Investing Activities                 | (9,923)   | 4,777      | 6,274     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                        |           |            |           |
| Debt and Equity Issuance Costs                                      | (4,544)   | (8,322)    | (400)     |
| Proceeds from the Issuance of Common Stock                          | 50,087    | 84,465     | 174       |
| Repurchase and Retirement of Restricted Stock                       | (298)     | (739)      | (4,847)   |
| Payments on Interest Rate Swap Agreement                            | (450)     | (320)      |           |
| Settlement of Interest Rate Protection Agreements                   |           | (7,491)    |           |
| Repayments of Senior Unsecured Debt                                 | (259,018) | (336,196)  | (32,525)  |
| Dividends/Distributions   |           | (12,614)   | (145,347) |
| Preferred Stock Dividends   | (19,677)  | (20,296)   | (19,428)  |
| Repayments on Mortgage Loans Payable                                | (20,872)  | (13,513)   | (3,271)   |
| Proceeds from Origination of Mortgage Loans Payable                 | 105,580   | 339,783    |           |
| Proceeds from Unsecured Credit Facility                             | 69,097    | 180,000    | 550,920   |
| Repayments on Unsecured Credit Facility                             | (149,280) | (172,000)  | (425,030) |
| Costs Associated with the Early Retirement of Debt                  | (1,008)   |            |           |
| Repurchase of Equity Component Exchangeable Notes                   |           | (33)       |           |
| Net Cash (Used in) Provided by Financing Activities                 | (230,383) | 32,724     | (79,754)  |
| Net Effect of Exchange Rate Changes on Cash and Cash<br>Equivalents | 137       | 81         | (280)     |
| Net (Decrease) Increase in Cash and Cash Equivalents                | (157,117) | 179,680    | (2,295)   |
| Cash and Cash Equivalents, Beginning of Year                        | 182,943   | 3,182      | 5,757     |
| Cash and Cash Equivalents, End of Year                              | \$ 25,963 | \$ 182,943 | \$ 3,182  |

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

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**FIRST INDUSTRIAL REALTY TRUST, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**(Dollars in thousands except share and per share data)**

**1. Organization and Formation of Company**

First Industrial Realty Trust, Inc. (the Company) was organized in the state of Maryland on August 10, 1993. The Company is a real estate investment trust (REIT) as defined in the Internal Revenue Code of 1986 (the Code). Unless the context otherwise requires, the terms Company, we, us, and our refer to First Industrial Realty Trust, Inc., First Industrial, L.P. and their other controlled subsidiaries. We refer to our operating partnership, First Industrial, L.P., as the Operating Partnership. Effective September 1, 2009, our taxable real estate investment trust subsidiary, First Industrial Investment, Inc. (the old TRS) merged into First Industrial Investment II, LLC (FI LLC), which is wholly owned by the Operating Partnership. Immediately thereafter, certain assets and liabilities of FI LLC were contributed to a new subsidiary, FR Investment Properties, LLC (FRIP). FRIP is 1% owned by FI LLC and 99% owned by a new taxable real estate investment trust subsidiary, First Industrial Investment Properties, Inc. (the new TRS, which, collectively with the old TRS and certain wholly owned taxable real estate investment trust subsidiaries of FI LLC, will be referred to as the TRSs), which is wholly owned by FI LLC (see Note 10).

We began operations on July 1, 1994. Our operations are conducted primarily through the Operating Partnership, of which we are the sole general partner, and through the old TRS prior to September 1, 2009, and through FI LLC, the new TRS and FRIP subsequent to September 1, 2009. We also conduct operations through other partnerships, corporations, and limited liability companies, the operating data of which, together with that of the Operating Partnership, FI LLC, FRIP and the TRSs, is consolidated with that of the Company as presented herein.

We also own noncontrolling equity interests in, and provide various services to, two joint ventures (the 2003 Net Lease Joint Venture and the 2007 Europe Joint Venture). During 2010, we provided various services to, and ultimately disposed our equity interests in, five joint ventures (the 2005 Development/Repositioning Joint Venture, the 2005 Core Joint Venture, the 2006 Net Lease Co-Investment Program, the 2006 Land/Development Joint Venture, and the 2007 Canada Joint Venture; together with the 2003 Net Lease Joint Venture and the 2007 Europe Joint Venture, the Joint Ventures). The Joint Ventures are accounted for under the equity method of accounting. Accordingly, the operating data of our Joint Ventures is not consolidated with that of the Company as presented herein. On May 25, 2010, we sold our interests in the 2006 Net Lease Co-Investment Program to our joint venture partner. On August 5, 2010, we sold our interest in the 2005 Development/Repositioning Joint Venture, the 2005 Core Joint Venture, the 2006 Land/Development Joint Venture and the 2007 Canada Joint Venture to our joint venture partner. The 2007 Europe Joint Venture does not own any properties. See Note 5 to the Consolidated Financial Statements for more information on the Joint Ventures.

As of December 31, 2010, we owned 775 industrial properties located in 28 states in the United States and one province in Canada, containing an aggregate of approximately 68.6 million square feet of gross leasable area (GLA).

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

**2. Basis of Presentation**

First Industrial Realty Trust, Inc. is the sole general partner of the Operating Partnership, with an approximate 92.8% and 92.0% common ownership interest at December 31, 2010 and 2009, respectively. Noncontrolling interest at December 31, 2010 and 2009 represents the approximate 7.2% and 8.0%, respectively, aggregate partnership interest in the Operating Partnership held by the limited partners thereof.

Our consolidated financial statements at December 31, 2010 and 2009 and for each of the years ended December 31, 2010, 2009 and 2008 include the accounts and operating results of the Company and our

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**FIRST INDUSTRIAL REALTY TRUST, INC.**

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

subsidiaries. Such financial statements present our noncontrolling equity interests in our Joint Ventures under the equity method of accounting. All intercompany transactions have been eliminated in consolidation.

**3. Summary of Significant Accounting Policies**

In order to conform with generally accepted accounting principles, we are required in preparation of our financial statements to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of December 31, 2010 and 2009, and the reported amounts of revenues and expenses for each of the years ended December 31, 2010, 2009 and 2008. 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. At December 31, 2010, approximately \$1,000 is subject to a compensating balance arrangement. The related balance, however, is not subject to any withdrawal restrictions.

***Restricted Cash***

At December 31, 2010 and 2009, restricted cash includes cash held in escrow in connection with mortgage debt requirements. The carrying amount approximates fair value due to the short term maturity of these investments.

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

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

Interest costs, real estate taxes, compensation costs of development personnel and other directly related costs incurred during construction periods are capitalized and depreciated commencing with the date the property is substantially completed. Upon substantial completion, we reclassify construction in progress to building, tenant improvements and

leasing commissions. Such costs begin to be capitalized to the development projects from the point we are undergoing necessary activities to get the development ready for its intended

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

use and ceases when the development projects are substantially completed and held available for occupancy. Depreciation expense is computed using the straight-line method based on the following useful lives:

|                                   | <b>Years</b> |
|-----------------------------------|--------------|
| Buildings and Improvements        | 8 to 50      |
| Land Improvements                 | 3 to 20      |
| Furniture, Fixtures and Equipment | 5 to 10      |

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

We account for all acquisitions entered into subsequent to June 30, 2001 in accordance with the FASB's guidance on business combinations. Upon acquisition of a property, we allocate the purchase price of the property based upon the fair value of the assets acquired and liabilities assumed, which generally consists of land, buildings, tenant improvements, leasing commissions and intangible assets including in-place leases, above market and below market leases and tenant relationships. We allocate the purchase price to the fair value of the tangible assets of an acquired property by valuing the property as if it were vacant. Acquired above and below market leases are valued based on the present value of the difference between prevailing market rates and the in-place rates measured over a period equal to the remaining term of the lease for above market leases and the initial term plus the term of any below market fixed rate renewal options for below market leases that are considered bargain renewal options. The above market lease values are amortized as a reduction of rental revenue over the remaining term of the respective leases, and the below market lease values are amortized as an increase to base rental revenue over the remaining initial terms plus the terms of any below market fixed rate renewal options that are considered bargain renewal options of the respective leases.

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

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Deferred Leasing Intangibles, exclusive of Deferred Leasing Intangibles held for sale, included in our total assets consist of the following:

|   | <b>December 31,<br/>2010</b> | <b>December 31,<br/>2009</b> |
|---|------------------------------|------------------------------|
| In-Place Leases                         | \$ 47,844                    | \$ 69,785                    |
| Less: Accumulated Amortization          | (25,893)                     | (32,788)                     |
|   | \$ 21,951                    | \$ 36,997                    |
| Above Market Leases                     | \$ 6,107                     | \$ 7,298                     |
| Less: Accumulated Amortization          | (2,159)                      | (2,341)                      |
|   | \$ 3,948                     | \$ 4,957                     |
| Tenant Relationships                    | \$ 22,241                    | \$ 26,278                    |
| Less: Accumulated Amortization          | (8,422)                      | (8,072)                      |
|   | \$ 13,819                    | \$ 18,206                    |
| Total Deferred Leasing Intangibles, Net | \$ 39,718                    | \$ 60,160                    |

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

|   | <b>December 31,<br/>2010</b> | <b>December 31,<br/>2009</b> |
|---|------------------------------|------------------------------|
| Below Market Leases                     | \$ 29,416                    | \$ 39,125                    |
| Less: Accumulated Amortization          | (10,897)                     | (14,371)                     |
| Total Deferred Leasing Intangibles, Net | \$ 18,519                    | \$ 24,754                    |

Amortization expense related to in-place leases and tenant relationships of deferred leasing intangibles, exclusive of in-place leases and tenant relationships held for sale, was \$12,637, \$14,165, and \$18,989 for the years ended December 31, 2010, 2009, and 2008, respectively. Rental revenues increased by \$2,497, \$3,784 and \$5,140 related to net amortization of above/(below) market leases, exclusive of above/(below) market leases held for sale, for the years ended December 31, 2010, 2009, and 2008, respectively. We will recognize net amortization expense related to deferred leasing intangibles over the next five years, for properties owned as of December 31, 2010 and not classified as held for sale, as follows:



|      | <b>Estimated Net<br/>Amortization<br/>of In-Place Leases and<br/>Tenant Relationships</b> | <b>Estimated Net Increase to<br/>Rental Revenues Related<br/>to<br/>Above and Below Market<br/>Leases</b> |
|------|---|---|
| 2011 | \$ 7,280  | \$ 1,783  |
| 2012 | \$ 5,828  | \$ 1,335  |
| 2013 | \$ 4,813  | \$ 1,069  |
| 2014 | \$ 3,754  | \$ 913  |
| 2015 | \$ 2,889  | \$ 918  |

### *Construction Revenues and Expenses*

Construction revenues and expenses represent revenues earned and expenses incurred in connection with the TRSs acting as a general contractor or development manager to construct industrial properties, including industrial properties for the 2006 Development/Repositioning Joint Venture, and also include revenues and expenses related to the development of properties for third parties. We use the percentage-of-completion

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**FIRST INDUSTRIAL REALTY TRUST, INC.**

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

contract method to recognize revenue. Using this method, revenues are recorded based on estimates of the percentage of completion of individual contracts. The percentage of completion estimates are based on a comparison of the contract expenditures incurred to the estimated final costs. Changes in job performance, job conditions and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

***Foreign Currency Transactions and Translation***

At December 31, 2010, we owned several land parcels located in Toronto, Canada for which the functional currency was determined to be the Canadian dollar. The assets and liabilities of these land parcels are translated to U.S. dollars from the Canadian dollar based on the current exchange rate prevailing at each balance sheet date. The income statement accounts of the land parcels are translated using the average exchange rate for the period. The resulting translation adjustments are included in Accumulated Other Comprehensive Income.

***Deferred Financing Costs***

Deferred financing costs include fees and costs incurred to obtain long-term financing. These fees and costs are being amortized over the terms of the respective loans. Accumulated amortization of deferred financing costs was \$16,565 and \$17,447 at December 31, 2010 and 2009, respectively. Unamortized deferred financing costs are written-off when debt is retired before the maturity date.

***Investments in Joint Ventures***

Investments in Joint Ventures represent our noncontrolling equity interests in our Joint Ventures. We account for our Investments in Joint Ventures under the equity method of accounting, as we do not have a majority voting interest, operational control or financial control. Control is determined using accounting standards related to the consolidation of joint ventures and variable interest entities. In June 2009, the FASB issued amended guidance related to the consolidation of variable-interest entities. These amendments require an enterprise to qualitatively assess the determination of the primary beneficiary of a variable interest entity ( VIE ) based on whether the entity (1) has the power to direct matters that most significantly impact the activities of the VIE, and (2) has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. Additionally, they require an ongoing reconsideration of the primary beneficiary and provide a framework for the events that trigger a reassessment of whether an entity is a VIE.

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

On a periodic basis, we assess whether there are any indicators that the value of our Investments in Joint Ventures 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 fair 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 amount of the investment over the fair value of the investment. Our estimates of fair value for each investment are based on a number of subjective assumptions that are subject to economic and market uncertainties including, among others, demand for space, market

rental rates and operating costs, the discount rate used to value the cash flows of the properties and the discount rate used to value the Joint Ventures' debt. As these factors are difficult to predict and are subject to future events that may alter our assumptions, our fair values estimated in the impairment analyses may not be realized.

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**FIRST INDUSTRIAL REALTY TRUST, INC.**

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

***Stock Based Compensation***

We account for stock based compensation using the modified prospective application method, which requires measurement of compensation cost for all stock-based awards at fair value on the date of grant and recognition of compensation over the service period for awards expected to vest.

***Revenue Recognition***

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

Revenue is recognized on payments received from tenants for early lease terminations after we determine that all the necessary criteria have been met in accordance with the FASB's guidance on accounting for leases.

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

We provide an allowance for doubtful accounts against the portion of tenant accounts receivable which is estimated to be uncollectible. Accounts receivable in the consolidated balance sheets are shown net of an allowance for doubtful accounts of \$3,001 and \$3,235 as of December 31, 2010 and 2009, respectively. For accounts receivable we deem uncollectible, we use the direct write-off method.

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

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

***Notes Receivable***

Notes receivable are primarily comprised of mortgage note receivables that we have made in connection with sales of real estate assets. The note receivables are recorded at fair value at the time of issuance. Interest income is accrued as earned. Notes receivable are considered past due based on the contractual terms of the note agreement. On a quarterly basis, we evaluate the collectability of each mortgage note receivable based on various factors which may include payment history, expected fair value of the collateral securing the loan, internal and external credit information and/or economic trends. A loan is considered impaired when, based upon current information and events, it is probable that we will be unable to collect all amounts due under the existing contractual terms. When a loan is considered impaired, the amount of the loss accrual is calculated by comparing the carrying amount of the note receivable to the present value of expected future cash flows. Since the majority of our notes receivable are collateralized by a first mortgage, the loans have risk characteristics similar to the risks in owning commercial real estate.

*Income Taxes*

We have elected to be taxed as a REIT under Sections 856 through 860 of the Code. As a result, we generally are not subject to federal income taxation to the extent of the income which we distribute if we satisfy the requirements set forth in Section 856 of the Code (pertaining to its organization and types of

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**FIRST INDUSTRIAL REALTY TRUST, INC.**

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

income and assets) necessary to maintain our status as a REIT. We are required to distribute annually at least 90% of our REIT taxable income, as defined in the Code, to our stockholders and we satisfy certain other requirements.

A benefit/provision has been made for federal income taxes in the accompanying consolidated financial statements for activities conducted in the TRSs, which has been accounted for under the FASB's guidance on accounting for income taxes. In accordance with the guidance, the total benefit/provision has been separately allocated to income from continuing operations, income from discontinued operations and gain on sale of real estate.

We and certain of our subsidiaries are subject to certain state and local income, excise and franchise taxes. The provision for excise and franchise taxes has been reflected in general and administrative expense in the consolidated statements of operations and has not been separately stated due to its insignificance. State and local income taxes are included in the benefit/provision for income taxes which is allocated to income from continuing operations, income from discontinued operations and gain on sale of real estate.

We file income tax returns in the U.S., and various states and foreign jurisdictions. The old TRS is currently under examination by the Internal Revenue Service ( IRS ) for 2008 and for the tax year ended September 1, 2009. In general, the statutes of limitations for income tax returns remain open for the years 2007 through 2010.

***Participating Securities***

Net income net of preferred dividends is allocated to common stockholders and participating securities based upon their proportionate share of weighted average shares plus weighted average participating securities. Participating securities are unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents. Certain restricted stock awards and 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. See Note 9 for further disclosure about participating securities.

***Earnings Per Share ( EPS )***

Basic net (loss) income per common share is computed by dividing net (loss) income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted net (loss) income per common share is computed by dividing net (loss) income available to common shareholders by the sum of the weighted average number of common shares outstanding and any dilutive non-participating securities for the period. See Note 9 for further disclosure about EPS.

***Derivative Financial Instruments***

Historically, we have used interest rate protection agreements ( Agreements ) to fix the interest rate on anticipated offerings of senior unsecured notes or convert floating rate debt to fixed rate debt. Receipts or payments that result from the settlement of Agreements used to fix the interest rate on anticipated offerings of senior unsecured notes are amortized over the life of the derivative or the life of the debt and included in interest expense. Receipts or payments resulting from Agreements used to convert floating rate debt to fixed rate debt are recognized as a component of interest expense. Agreements which qualify for hedge accounting are marked-to-market and any gain or loss that is effective is recognized in other comprehensive income (shareholders' equity). Agreements which do not qualify for hedge accounting are marked-to-market and any gain or loss is recognized in net (loss) income immediately. Amounts

accumulated in other comprehensive income during the hedge period are reclassified to earnings in the same period during which the forecasted transaction or hedged item affects net (loss) income. The credit risks associated with Agreements are

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**FIRST INDUSTRIAL REALTY TRUST, INC.**

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

controlled through the evaluation and monitoring of the creditworthiness of the counterparty. In the event that the counterparty fails to meet the terms of Agreements, our exposure is limited to the current value of the interest rate differential, not the notional amount, and our carrying value of Agreements on the balance sheet. See Note 14 for more information on Agreements.

***Fair Value of Financial Instruments***

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

***Discontinued Operations***

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

***Segment Reporting***

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

***Recent Accounting Pronouncements***

In July 2010, the FASB issued a new accounting standard that requires enhanced disclosures about financing receivables, including the allowance for credit losses, credit quality and impaired loans. This standard is effective for fiscal years ending after December 15, 2010. We adopted the standard in the fourth quarter 2010 and it did not have a material impact to our financial statements.

In June 2009, the FASB issued new guidance which revises and updates previously issued guidance related to variable interest entities. This new guidance, which became effective January 1, 2010, revises the previous guidance by eliminating the exemption for qualifying special purpose entities, by establishing a new approach for determining who should consolidate a variable-interest entity and by changing when it is necessary to reassess who should consolidate a variable-interest entity. We adopted this new guidance on January 1, 2010. However, the adoption of this guidance did not impact our financial position or results of operations.

**4. Investment in Real Estate**

***Acquisitions***



In 2008, we acquired 26 industrial properties comprising, in the aggregate, approximately 3.1 million square feet of GLA and several land parcels. The purchase price of these acquisitions totaled approximately \$339,650, excluding costs incurred in conjunction with the acquisition of the industrial properties and land parcels. We also substantially completed development of eight properties comprising approximately 4.5 million square feet of GLA at a cost of approximately \$148,236. We reclassified the costs of the substantially completed developments from construction in progress to building, tenant improvements and leasing commissions.

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

In 2009, we acquired one land parcel. The purchase price of the land parcel was approximately \$208, excluding costs incurred in conjunction with the acquisition of the land parcel. We also substantially completed the development of two industrial properties comprising approximately 1.1 million square feet of GLA at a cost of approximately \$41,258. We reclassified the costs of the substantially completed developments from construction in progress to building, tenant improvements and leasing commissions.

In 2010, we acquired three industrial properties comprising, in the aggregate, approximately 0.5 million square feet of GLA, including one industrial property purchased from the 2005 Development/Repositioning Joint Venture (see Note 5). The purchase price of these acquisitions totaled approximately \$22,408 excluding costs incurred in conjunction with the acquisition of the industrial properties.

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

The fair value of in-place leases, above market leases and tenant relationships recorded due to real estate properties acquired for the years ended December 31, 2010 and 2009 is as follows:

|                      | <b>Year Ended<br/>December 31,<br/>2010</b> | <b>Year Ended<br/>December 31,<br/>2009</b> |
|----------------------|---|---|
| In-Place Leases      | \$ 1,782                                    | \$  |
| Above Market Leases  | \$ 239                                      | \$  |
| Tenant Relationships | \$ 1,881                                    | \$  |

The weighted average life in months of in-place leases, above market leases and tenant relationships recorded as a result of the real estate properties acquired for the years ended December 31, 2010 and 2009 is as follows:

|                      | <b>Year Ended<br/>December 31,<br/>2010</b> | <b>Year Ended<br/>December 31,<br/>2009</b> |
|----------------------|---|---|
| In-Place Leases      | 100   | N/A   |
| Above Market Leases  | 88  | N/A   |
| Tenant Relationships | 165   | N/A   |

***Sales and Discontinued Operations***

In 2008, we sold 114 industrial properties comprising approximately 9.1 million square feet of GLA and several land parcels. Gross proceeds from the sales of the 114 industrial properties and several land parcels were approximately \$583,211. The gain on sale of real estate was approximately \$184,175, of which \$172,167 is shown in discontinued operations. One-hundred thirteen of the 114 sold industrial properties meet the criteria to be included in discontinued operations. Therefore the results of operations and gain on sale of real estate for the 113 sold industrial properties that meet the criteria are included in discontinued operations. The results of operations and gain on sale of real estate for

the one industrial property and several land parcels that do not meet the criteria to be included in discontinued operations are included in continuing operations.

In 2009, we sold 15 industrial properties comprising approximately 1.9 million square feet of GLA and several land parcels. Gross proceeds from the sales of the 15 industrial properties and several land parcels were approximately \$100,194. The gain on sale of real estate was approximately \$24,580, of which \$24,206 is shown in discontinued operations. The 15 sold industrial properties meet the criteria to be included in discontinued operations. Therefore the results of operations and gain on sale of real estate for the 15 sold industrial properties are included in discontinued operations. The results of operations and gain on sale of real estate for the several land parcels that do not meet the criteria to be included in discontinued operations are included in continuing operations.

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

In 2010, we sold 13 industrial properties comprising approximately 1.1 million square feet of GLA and several land parcels. Gross proceeds from the sales of the 13 industrial properties and several land parcels were approximately \$71,019. The gain on sale of real estate was approximately \$11,951, of which \$11,092 is shown in discontinued operations. The 13 sold industrial properties and one land parcel that received ground rental revenues meet the criteria to be included in discontinued operations. Therefore the results of operations and gain on sale of real estate for the 13 sold industrial properties are included in discontinued operations. The results of operations and gain on sale of real estate for the several land parcels that do not meet the criteria to be included in discontinued operations are included in continuing operations.

At December 31, 2010, we had 192 industrial properties comprising approximately 15.8 million square feet of GLA held for sale. The results of operations of the 192 industrial properties held for sale at December 31, 2010 are included in discontinued operations. There can be no assurance that such industrial properties held for sale will be sold.

The following table discloses certain information regarding the industrial properties included in our discontinued operations for the years ended December 31, 2010, 2009 and 2008.

|                                     | <b>Year Ended December 31,</b> |             |             |
|-------------------------------------|--------------------------------|-------------|-------------|
|                                     | <b>2010</b>                    | <b>2009</b> | <b>2008</b> |
| Total Revenues                      | \$ 60,718                      | \$ 69,584   | \$ 111,536  |
| Property Expenses                   | (25,747)                       | (28,819)    | (42,509)    |
| Impairment Loss                     | (158,699)                      | (1,317)     |             |
| Depreciation and Amortization       | (25,054)                       | (35,471)    | (52,253)    |
| Interest Expense                    | (64)                           | (502)       | (497)       |
| Gain on Sale of Real Estate         | 11,092                         | 24,206      | 172,167     |
| Provision for Income Taxes          |                                | (1,824)     | (5,166)     |
| Income from Discontinued Operations | \$ (137,754)                   | \$ 25,857   | \$ 183,278  |

At December 31, 2010 and 2009, we had notes receivables outstanding of approximately \$58,803 and \$60,029, net of a discount of \$383 and \$449, respectively, which is included as a component of Prepaid Expenses and Other Assets, Net. At December 31, 2010 and 2009, the fair value of the notes receivables were \$60,944 and \$56,812, respectively. The fair values of our notes receivables were determined by discounting the future cash flows using the current rates at which similar loans with similar remaining maturities would be made to other borrowers.

***Impairment Charges***

On October 22, 2010, management amended its revolving credit facility (as amended, the Unsecured Credit Facility ). In conjunction with the amendment, management identified a pool of real estate assets (the Non-Strategic Assets ) that it intends to market and sell. Management evaluated whether the Non-Strategic Assets should be classified as held for sale at September 30, 2010 but concluded that the Non-Strategic Assets did not meet the held for sale criteria because management did not have the authority to sell and were not committed to a plan to sell until October 22, 2010. At September 30, 2010, the Non-Strategic Assets consisted of 195 industrial properties comprising approximately

16.4 million square feet of GLA and land parcels comprising approximately 724 gross acres. Management reassessed the holding period for the Non-Strategic Assets and determined that 129 of the industrial properties comprising approximately 10.6 million square feet of GLA and land parcels comprising approximately 503 gross acres were impaired, and as such, the Company recorded an aggregate impairment charge of approximately \$163,862 during the third quarter of 2010. At September 30, 2010, the valuation of the 129 impaired industrial properties comprising approximately 10.6 million square feet of GLA and land parcels comprising approximately 474 gross acres was determined using widely accepted valuation techniques including internal valuations of real estate and/or discounted cash flow analyses on expected cash flows.

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**FIRST INDUSTRIAL REALTY TRUST, INC.**

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

At December 31, 2010, the Non-Strategic Assets consisted of 193 industrial properties comprising approximately 16.1 million square feet of GLA and land parcels comprising approximately 695 gross acres. The Non-Strategic Assets (except one industrial property comprising 0.3 million square feet of GLA) were classified as held for sale as of December 31, 2010. During the three months ended December 31, 2010, we recorded an additional non-cash impairment charge of \$21,535 relating to the Non-Strategic Assets. The additional charge is primarily comprised of estimated closing costs for 118 of the 192 industrial properties comprising approximately 10.4 million square feet of GLA and land parcels comprising approximately 449 gross acres as well as additional impairment related to certain industrial properties and land parcels within the Non-Strategic Assets based upon recent market information, including receipt of third party purchase offers. The impairment charge recognized during the three months ended December 31, 2010 for the Non-Strategic Assets (except one industrial property comprising 0.3 million square feet of GLA) was calculated as the excess of the carrying value of the properties and land parcels over the fair value less costs to sell due to their classification as held for sale at December 31, 2010. The impairment charge related to the one industrial property comprising 0.3 million square feet of GLA that is not classified as held for sale was calculated as the excess of its carrying value over fair value.

Additionally, during the first quarter of 2010, we recorded an impairment charge in the amount of \$9,155 related to a certain property comprised of 0.3 million square feet of GLA located in Grand Rapids, Michigan ( Grand Rapids Property ) in connection with the negotiation of a new lease. The non-cash impairment charge related to the Grand Rapids Property was based upon the difference between the fair value of the property and its carrying value. The valuation of the Grand Rapids Property was determined based upon a discounted cash flow analysis on expected cash flows and the income capitalization approach considering prevailing market capitalization rates.

During 2009, we recorded an impairment charge in the amount of \$6,934 related to a certain property comprised of 0.2 million square feet of GLA located in the Inland Empire market in California ( Inland Empire Property ). The non-cash impairment charge related to the Inland Empire Property was based upon the difference between the fair value of the property and its carrying value. The valuation of the Inland Empire Property was determined based upon a discounted cash flow analysis on expected cash flows and the income capitalization approach considering prevailing market capitalization rates.

We adopted the fair value measurement provisions as of January 1, 2009, for the impairment of long-lived assets recorded at fair value. The new guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The following table presents information about our assets that were measured at fair value on a non-recurring basis during the years ended December 31, 2010 and 2009. The table indicates the fair value hierarchy of the valuation techniques we utilized to determine fair value.

**Fair Value Measurements on a  
Non-Recurring Basis Using:  
Quoted  
Prices in**

| <b>Description</b>              | <b>For the Year Ended December 31, 2010</b> | <b>Active Markets for Identical Assets (Level 1)</b> | <b>Significant Other Observable Inputs (Level 2)</b> | <b>Unobservable Inputs (Level 3)</b> | <b>Total Gains (Losses)</b> |
|---------------------------------|---|--|--|--------------------------------------|-----------------------------|
| Long-lived Assets Held and Used | \$ 3,905                                    |  |  | \$ 3,905                             | \$ (1,326)                  |
| Long-lived Assets Held for Sale | \$ 288,369                                  |  |  | \$ 288,369                           | \$ (193,226)                |

Table of Contents**FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

| Description                     | For The Year<br>Ended<br>December 31,<br>2009 | Fair Value Measurements on a<br>Non-Recurring Basis Using:                          |   |                                     | Total<br>Gains<br>(Losses) |
|---------------------------------|---|---|---|-------------------------------------|----------------------------|
|                                 |   | Quoted<br>Prices in<br>Active<br>Markets<br>for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Unobservable<br>Inputs<br>(Level 3) |                            |
| Long-lived Assets Held and Used | \$ 3,830                                      |   |   | \$ 3,830                            | \$ (6,934)                 |

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

On August 5, 2010, we sold our interests in the 2005 Development/Repositioning Joint Venture, the 2005 Core Joint Venture, the 2006 Land/Development Joint Venture and the 2007 Canada Joint Venture to our joint venture partner generating sale proceeds of approximately \$5.0 million. In connection with the sale, we wrote off our carrying value for the 2005 Development/Repositioning Joint Venture, the 2005 Core Joint Venture, the 2006 Land/Development Joint Venture and the 2007 Canada Joint Venture as well as \$1,625 of unrealized loss recorded in Other Comprehensive Income (see Note 14). We recorded an \$11,226 gain related to the sale, which is included in Gain on Sale of Joint Venture Interests for the year ended December 31, 2010. As a result of this sale, we will no longer serve as asset manager for these ventures. Pursuant to the sale agreement, we are entitled to proceeds related to sales of certain assets (the Sale Assets), if the sale of such assets was consummated by a stated timeframe. Three of the Sale Assets closed between August 6, 2010 and December 31, 2010. In connection with the three sales, we earned approximately \$2,700, which is included in the Gain on Sale of Joint Venture Interests for the year ended December 31, 2010. Additionally, we are entitled to earn leasing, development and disposition fees related to certain assets identified at the time of sale within the sale agreement.

During December 2007, we entered into the 2007 Europe Joint Venture with an institutional investor to invest in, own, develop, redevelop and operate industrial properties. We continue to hold our 10% equity interest in the 2007 Europe Joint Venture. As of December 31, 2010, the 2007 Europe Joint Venture did not own any properties.

On June 11, 2010, we purchased an industrial property from the 2005 Development/Repositioning Joint Venture for a purchase price of \$14,627.

On May 16, 2003, we entered into the 2003 Net Lease Joint Venture with an institutional investor to invest in industrial properties. We own a 15% equity interest in and provide property management services to the 2003 Net Lease Joint Venture. During the year ended December 31, 2009, we recorded an impairment loss of \$243 in Equity in Income (Loss) of Joint Ventures which represents our proportionate share of the impairment loss related to one industrial property owned by the 2003 Net Lease Joint Venture. Additionally, for the year ended December 31, 2009, we recorded an impairment loss on our investment in the 2003 Net Lease Joint Venture of \$1,315 in Equity in Income (Loss) of Joint Ventures. For the year ended December 31, 2008, we recorded an impairment loss on the investment in



one industrial property owned by the 2003 Net Lease Joint Venture of \$1,249 in Equity in Income (Loss) of Joint Ventures. As of December 31, 2010, the 2003 Net Lease Joint Venture owned nine industrial properties comprising approximately 4.9 million square feet of GLA.

On March 18, 2005, we entered into the 2005 Development/Repositioning Joint Venture with an institutional investor to invest in, own, develop, redevelop and operate certain industrial properties. We owned a 10% equity interest in and provided property management, asset management, development management, disposition, incentive and leasing management services to the 2005 Development/Repositioning Joint Venture. During the year ended December 31, 2008, we recorded an impairment loss of \$483 in Equity in Income (Loss) of Joint Ventures which represents our proportionate share of impairment loss related to two industrial properties and one land parcel owned by the 2005 Development/Repositioning Joint Venture. Additionally, for

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**FIRST INDUSTRIAL REALTY TRUST, INC.**

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

the year ended December 31, 2008 we recorded an impairment loss on our investment in the 2005 Development/Repositioning Joint Venture of \$25,332 in Equity in Income (Loss) of Joint Ventures.

On September 7, 2005, we entered into the 2005 Core Joint Venture with an institutional investor to invest in, own and operate certain industrial properties. We owned a 10% equity interest in and provided property management, asset management, development management, disposition, incentive and leasing management services to the 2005 Core Joint Venture. For the year ended December 31, 2008, we recorded an impairment loss on our investment in the 2005 Core Joint Venture of \$3,153 in Equity in Income (Loss) of Joint Ventures.

On March 21, 2006, we entered into the 2006 Net Lease Co-Investment Program with an institutional investor to invest in industrial properties. We owned a 15% equity interest in and provided property management, asset management and leasing management services to the 2006 Net Lease Co-Investment Program. On September 18, 2009, we received a notice from the counterparty in the 2006 Net Lease Co-Investment Program that such counterparty is exercising the buy/sell provision in the program's governing agreement to either purchase our 15% interests in the real property assets currently owned by the program or sell to us its interests in some or all of such assets, along with an additional real property asset in another program which we manage but in which we have no ownership interest. We accepted the investor's offered price. As a result, during the year ended December 31, 2009, we recorded an impairment loss of \$1,747 in Equity in Income (Loss) of Joint Ventures which represents our proportionate share of the impairment loss related to one industrial property owned by the 2006 Net Lease Co-Investment Program and an impairment loss on our investment in the 2006 Net Lease Co-Investment Program of \$3,879. During the year ended December 31, 2008, we recorded an impairment loss of \$2,216 in Equity in Income (Loss) of Joint Ventures which represents our proportionate share of the impairment loss related to two industrial properties owned by the 2006 Net Lease Co-Investment Program.

Pursuant to the buy/sell provision in the 2006 Net Lease Co-Investment Program's governing agreement that our counterparty exercised on May 25, 2010, we sold our 15% interest in the real estate property assets in the 2006 Net Lease Co-Investment Program to our counterparty and received \$4,541 in net proceeds. In connection with the sale, we wrote off our carrying value for the 2006 Net Lease Co-Investment Program and recorded a \$852 gain, which is included in Equity in Income (Loss) of Joint Ventures.

On July 21, 2006, we entered into the 2006 Land/Development Joint Venture with an institutional investor to invest in land and vertical development. We owned a 10% equity interest in and provide property management, asset management, development management and leasing management services to the 2006 Land/Development Joint Venture. For the year ended December 31, 2008 we recorded an impairment loss on our investment in the 2006 Land/Development Joint Venture of \$10,105 in Equity in Income (Loss) of Joint Ventures.

The 2003 Net Lease Joint Venture is considered a variable interest entity in accordance with the FASB's guidance on the consolidation of variable interest entities. However, we continue to not be the primary beneficiary for the venture. As of December 31, 2010, our investment in the 2003 Net Lease Joint Venture is \$2,451. Our maximum exposure to loss is equal to our investment balance of each venture as of year end plus any future contributions we make to the ventures.

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

payments if certain economic thresholds related to the industrial properties are achieved. Effective September 2, 2009, we ceased to provide any services for two of the industrial properties in the July 2007 Fund. We received a one-time fee of approximately \$866 in the third quarter of 2009 from the

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termination of the management agreement. Effective May 24, 2010, we ceased to provide any services to the remaining industrial property in the July 2007 Fund.

At December 31, 2010 and 2009, we have receivables from the Joint Ventures (and/or our former Joint Venture partner) and the July 2007 Fund in the aggregate amount of \$2,857 and \$1,218, respectively, which primarily relate to proceeds from the sale of three Sale Assets and development, leasing, property management, disposition and asset management fees due to us. These receivable amounts are included in Prepaid Expenses and Other Assets, Net.

During the years ended December 31, 2010, 2009 and 2008, we invested the following amounts in, as well as received distributions from, our Joint Ventures and recognized fees from acquisition, disposition, leasing, development, incentive, property management and asset management services from our Joint Ventures and the July 2007 Fund in the following amounts:

|               | <b>Year Ended<br/>December 31,<br/>2010</b> | <b>Year Ended<br/>December 31,<br/>2009</b> | <b>Year Ended<br/>December 31,<br/>2008</b> |
|---------------|---|---|---|
| Contributions | \$ 777                                      | \$ 3,742                                    | \$ 16,623                                   |
| Distributions | \$ 14,551                                   | \$ 8,652                                    | \$ 22,505                                   |
| Fees          | \$ 4,952                                    | \$ 11,174                                   | \$ 19,757                                   |

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

|  | <b>December 31,<br/>2010</b> | <b>December 31,<br/>2009</b> |
|--|------------------------------|------------------------------|
| <b>Condensed Combined Balance Sheets</b> |                              |                              |
| Gross Real Estate Investment             | \$ 210,567                   | \$ 1,785,713                 |
| Less: Accumulated Depreciation           | (47,286)                     | (126,685)                    |
| Net Real Estate                          | 163,281                      | 1,659,028                    |
| Other Assets                             | 33,351                       | 159,659                      |
| Total Assets                             | \$ 196,632                   | \$ 1,818,687                 |
| Debt                                     | \$ 157,431                   | \$ 1,452,339                 |
| Other Liabilities                        | 10,849                       | 70,544                       |
| Equity                                   | 28,352                       | 295,804                      |
| Total Liabilities and Equity             | \$ 196,632                   | \$ 1,818,687                 |
| Company's share of Equity                | \$ 4,344                     | \$ 34,310                    |
| Basis Differentials(1)                   | (2,089)                      | (28,507)                     |

|   |    |       |    |       |
|---|----|-------|----|-------|
| Carrying Value of the Company's investments in Joint Ventures | \$ | 2,255 | \$ | 5,803 |
|---|----|-------|----|-------|

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

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

|   | <b>Year Ended December 31,</b> |              |             |
|---|--------------------------------|--------------|-------------|
|   | <b>2010</b>                    | <b>2009</b>  | <b>2008</b> |
| <b>Condensed Combined Statements of Operations</b>  |                                |              |             |
| Total Revenues  | \$ 61,628                      | \$ 91,143    | \$ 86,245   |
| Expenses:   |                                |              |             |
| Operating and Other   | 28,067                         | 42,172       | 36,905      |
| Interest  | 32,461                         | 42,194       | 53,053      |
| Depreciation and Amortization   | 30,877                         | 49,993       | 46,460      |
| Impairment Loss   | 3,268                          | 150,804      | 9,951       |
| Total Expenses  | 94,673                         | 285,163      | 146,369     |
| Income from Discontinued Operations (Including Gain on Sale of Real Estate of \$2,761, \$1,177 and \$34,885 for the years ended December 31, 2010, 2009 and 2008, respectively) | 3,725                          | 1,846        | 25,114      |
| Gain on Sale of Real Estate   | 808                            | 8,603        | 17,092      |
| Net Loss  | \$ (28,512)                    | \$ (183,571) | \$ (17,918) |
| Company's Share of Net Income (Loss)  | 675                            | (1,276)      | 6,661       |
| Impairment on the Company's Investments in Joint Ventures   |                                | (5,194)      | (39,839)    |
| Equity in Income (Loss) of Joint Ventures   | \$ 675                         | \$ (6,470)   | \$ (33,178) |

We adopted the fair value measurement provisions as of January 1, 2009, for the impairment of long-lived assets recorded at fair value. The new guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

During the year ended December 31, 2009, we recorded \$5,194 in impairment charges on our interest in the 2006 Net Lease Co-Investment Program and the 2003 Net Lease Joint Venture. The non-cash impairment charge related to our unconsolidated Joint Venture investments is based upon the difference between the fair value of our equity interest and our carrying value. The valuation of investments is determined using widely accepted valuation techniques including discounted cash flow analysis on expected cash flows, the income capitalization approach considering prevailing market capitalization rates, analysis of recent comparable sale transactions and/or consideration of the amount that currently would be required to replace the asset, as adjusted for obsolescence. In general, we consider multiple valuation techniques when measuring the fair value of an investment, however; in certain circumstances, a single valuation technique may be appropriate.

The following table presents information about our impairment charges that were measured on a fair value basis for the year ended December 31, 2009. The table indicates the fair value hierarchy of the valuation techniques we utilized

to determine fair value.

| Description                              | Fair Value Measurements at<br>December 31, 2009 Using: |   |   |                                     |                            |
|--|--|---|---|-------------------------------------|----------------------------|
|  | December 31,<br>2009                                   | Quoted<br>Prices in<br>Active<br>Markets<br>for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Unobservable<br>Inputs<br>(Level 3) | Total<br>Gains<br>(Losses) |
| Unconsolidated Joint Venture Investments | \$ 3,910   |   |   | \$ 3,910                            | \$ (5,194)                 |

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Table of Contents**FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****6. Indebtedness**

The following table discloses certain information regarding our indebtedness:

|   | <b>Outstanding<br/>Balance at</b> |                              | <b>Interest<br/>Rate at</b>  |         | <b>Effective<br/>Interest<br/>Rate at</b> |        | <b>Maturity</b>             |
|---|-----------------------------------|------------------------------|------------------------------|---------|---|--------|-----------------------------|
|   | <b>December 31,<br/>2010</b>      | <b>December 31,<br/>2009</b> | <b>December 31,<br/>2010</b> |         | <b>December 31,<br/>2010</b>              |        | <b>Date</b>                 |
| <b>Mortgage and Other<br/>Loans Payable, Net*</b>   | \$ 486,055                        | \$ 402,974                   | 5.00%                        | - 9.25% | 4.93%                                     | -9.25% | March 2011-<br>October 2020 |
| <i>Unamortized Premiums*</i>                        | (358)                             | (1,025)                      |                              |         |   |        |                             |
| <b>Mortgage and Other<br/>Loans Payable, Gross*</b> | \$ 485,697                        | \$ 401,949                   |                              |         |   |        |                             |
| <b>Senior Unsecured Notes,<br/>Net</b>              |                                   |                              |                              |         |   |        |                             |
| 2016 Notes  | \$ 159,899                        | \$ 159,843                   | 5.750%                       |         | 5.91%                                     |        | 01/15/16                    |
| 2017 Notes  | 87,195                            | 87,187                       | 7.500%                       |         | 7.52%                                     |        | 12/01/17                    |
| 2027 Notes  | 13,559                            | 13,559                       | 7.150%                       |         | 7.11%                                     |        | 05/15/27                    |
| 2028 Notes  | 189,869                           | 189,862                      | 7.600%                       |         | 8.13%                                     |        | 07/15/28                    |
| 2011 Notes  |                                   | 143,447                      | 7.375%                       |         | 7.39%                                     |        | 03/15/11                    |
| 2012 Notes  | 61,774                            | 143,837                      | 6.875%                       |         | 6.85%                                     |        | 04/15/12                    |
| 2032 Notes  | 34,667                            | 34,651                       | 7.750%                       |         | 7.87%                                     |        | 04/15/32                    |
| 2014 Notes  | 86,792                            | 105,253                      | 6.420%                       |         | 6.54%                                     |        | 06/01/14                    |
| 2011 Exchangeable Notes                             | 128,137                           | 144,870                      | 4.625%                       |         | 5.53%                                     |        | 09/15/11                    |
| 2017 II Notes                                       | 117,637                           | 117,605                      | 5.950%                       |         | 6.37%                                     |        | 05/15/17                    |
| <b>Subtotal</b>                                     | \$ 879,529                        | \$ 1,140,114                 |                              |         |   |        |                             |
| <i>Unamortized Discounts</i>                        | 6,980                             | 11,191                       |                              |         |   |        |                             |
| <b>Senior Unsecured Notes,<br/>Gross</b>            | \$ 886,509                        | \$ 1,151,305                 |                              |         |   |        |                             |
| <b>Unsecured Credit Facility</b>                    | \$ 376,184                        | \$ 455,244                   | 3.376%                       |         | 3.376%                                    |        | 09/28/12                    |

\* Excludes \$1,008 of Mortgage Loan Payable on Real Estate Held for Sale and \$48 of unamortized premiums.

**Mortgage and Other Loans Payable, Net**



During year ended December 31, 2010, we obtained the following mortgage loans:

| <b>Mortgage Financing</b> | <b>Loan Principal</b> | <b>Interest Rate</b> | <b>Origination Date</b> | <b>Maturity Date</b> | <b>Amortization Period</b> | <b>Number of Industrial Properties</b> | <b>Collateralizing LA (In millions)</b> | <b>Property Carrying Value at December 31, 2010</b> |
|---------------------------|-----------------------|----------------------|-------------------------|----------------------|----------------------------|--|---|---|
| I                         | \$ 7,780              | 7.40%                | January 28, 2010        | February 5, 2015     | 25-year                    | 1                                      | 0.1                                     | \$ 8,875  |
| II                        | 7,200                 | 7.40%                | January 28, 2010        | February 5, 2015     | 25-year                    | 1                                      | 0.2                                     | 7,322   |
| III                       | 4,300                 | 7.40%                | February 17, 2010       | March 5, 2015        | 25-year                    | 1                                      | 0.2                                     | 6,827   |
| IV                        | 8,250                 | 7.40%                | February 24, 2010       | March 5, 2015        | 25-year                    | 1                                      | 0.3                                     | 12,217  |
| V.1                       | 8,000                 | 6.50%                | June 22, 2010           | July 10, 2020        | 25-year                    | 2                                      | 0.2                                     | 8,919   |
| V.2                       | 7,800                 | 6.50%                | June 22, 2010           | July 10, 2020        | 25-year                    | 2                                      | 0.2                                     | 6,945   |
| V.3                       | 5,750                 | 6.50%                | June 22, 2010           | July 10, 2020        | 25-year                    | 1                                      | 0.1                                     | 9,244   |
| V.4                       | 5,500                 | 6.50%                | June 22, 2010           | July 10, 2020        | 25-year                    | 6                                      | 0.1                                     | 10,003  |
| VI                        | 41,200                | 5.55%                | September 29, 2010      | October 1, 2020      | 25-year                    | 11                                     | 1.5                                     | 46,258  |
| VII                       | 9,800                 | 5.00%                | October 7, 2010         | November 1, 2015     | 25-year                    | 2                                      | 0.2                                     | 10,927  |
|                           | \$ 105,580            |                      |                         |                      |                            |  |   | \$ 127,537  |

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

For Mortgage Financings I, II, III and IV, principal prepayments are prohibited for 36 months after loan origination. For Mortgage Financing V.1 through V.4 principal prepayments are allowed at any payment due date. For Mortgage Financing VI, early principal prepayments are prohibited for 12 months after loan origination. For Mortgage Financing VII, principal prepayments are allowed at any time after loan origination. Prepayment premiums typically decrease as the loan matures and range from 1% to 5% of the loan balance (or a yield maintenance amount).

On April 30, 2010, we prepaid and retired our secured mortgage debt maturing in September 2024 in the amount of \$1,654, excluding a prepayment fee of \$17, which is included in (Loss) Gain From Early Retirement of Debt .

On December 1, 2010, we paid off and retired our secured mortgage debt maturing in December 2010 in the amount of \$12,970.

As of December 31, 2010, mortgage and other loans payable are collateralized by, and in some instances cross-collateralized by, industrial properties with a net carrying value of \$672,157 and one letter of credit in the amount of \$889. We believe the Operating Partnership and the Company were in compliance with all covenants relating to mortgage loans payable as of December 31, 2010.

**Senior Unsecured Notes, Net**

During the years ended December 31, 2010 and December 31, 2009, we repurchased and retired the following senior unsecured notes prior to its maturity:

|                         | Principal Amount<br>Repurchased                  |   | Purchase Price                                   |   |
|-------------------------|--|---|--|---|
|                         | For the<br>Year<br>Ended<br>December 31,<br>2010 | For the<br>Year Ended<br>December 31,<br>2009 | For the<br>Year<br>Ended<br>December 31,<br>2010 | For the<br>Year Ended<br>December 31,<br>2009 |
| 2009 Notes              | \$   | \$ 19,279                                     | \$   | \$ 19,064                                     |
| 2011 Notes              | 143,498  | 56,502  | 147,723  | 52,465  |
| 2011 Exchangeable Notes | 18,000   | 53,100  | 17,936   | 48,938  |
| 2012 Notes              | 82,236   | 55,935  | 82,235   | 48,519  |
| 2014 Notes              | 21,062   | 12,000  | 17,964   | 8,810   |
| 2016 Notes              |  | 34,821  |  | 24,511  |
| 2017 Notes              |  | 12,747  |  | 10,399  |
| 2017 II Notes           |  | 590   |  | 439   |
| 2027 Notes              |  | 1,500   |  | 1,078   |
| 2028 Notes              |  | 10,000  |  | 7,548   |
| 2032 Notes              |  | 15,000  |  | 11,313  |
|                         | \$ 264,796                                       | \$ 271,474                                    | \$ 265,858                                       | \$ 233,084                                    |

In connection with these repurchases prior to maturity, we recognized \$(4,096) and \$34,562 as (loss) gain on early retirement of debt for the years ended December 31, 2010 and December 31, 2009, respectively, which is the difference between the repurchase price of \$265,858 and \$233,084, respectively, and the principal amount retired of \$264,796 and \$271,474, respectively, net of the pro rata write off of the unamortized debt issue discount, the unamortized loan fees, the unamortized settlement amount of the interest rate protection agreements and the professional services fees related to the repurchases of \$1,707, \$519, \$(183) and \$991, respectively, and \$2,052, \$1,286, \$523 and \$0, respectively. In addition, we allocated \$33 of the purchase price for our 2011 Exchangeable Notes to the reacquisition of the 2011 Exchangeable Notes equity component for the year ended December 31, 2009.

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The indentures governing our senior unsecured notes (except for the 2011 Exchangeable Notes) contain certain covenants, including limitations on incurrence of debt and debt service coverage. We believe the Operating Partnership and the Company were in compliance with all covenants relating to senior unsecured debt as of December 31, 2010. However, these financial covenants are complex and there can be no assurance that these provisions would not be interpreted by our noteholders in a manner that could impose and cause us to incur material costs.

***Unsecured Credit Facility***

We have maintained our Unsecured Credit Facility since 1997. Effective October 22, 2010, we amended our revolving credit facility to provide for a \$200.0 million term loan and a \$200.0 million revolving line of credit. The Unsecured Credit Facility matures on September 28, 2012. For the term borrowing, the Unsecured Credit Facility requires interest only payments through March 29, 2012 at LIBOR plus 325 basis points or at a base rate plus 225 basis points, at our election. The term borrowing requires quarterly principal pay-downs of \$10,000 beginning March 30, 2012 until maturity on September 28, 2012. For the revolving borrowings, the Unsecured Credit Facility provides for interest only payments at LIBOR plus 275 basis points or at a base rate plus 175 basis points, at our election. At December 31, 2010, borrowings under the Unsecured Credit Facility bore interest at a weighted average interest rate of 3.376%. The portion of the Unsecured Credit Facility available in Canadian dollars is \$64,400. The net unamortized deferred financing fees related to the prior line of credit are amortized over the extended amortization period, except for \$191, which represents the write off of unamortized deferred financing costs associated with the decreased capacity of the agreement, which is included in (Loss) Gain From Early Retirement of Debt. Certain financial covenants were changed in connection with the amendment, including the fixed charge coverage ratio, which decreased to 1.2 times from 1.5 times. Also, the calculation of Earnings Before Interest, Taxes, Depreciation and Amortization ( EBITDA ), as defined in the Unsecured Credit Facility and used in the fixed charge coverage ratio, no longer includes economic gains or losses from property sales.

Commencing October 1, 2011, certain covenants, including the consolidated leverage ratio, the ratio of value of unencumbered assets to outstanding consolidated senior unsecured debt and the property operating income ratio on unencumbered assets become more restrictive. The Company has various liquidity strategies, such as issuing additional equity and selling industrial properties and land parcels, that it may employ in order to ensure compliance with the covenants. However, no assurances can be made that the additional equity issuances and sales of assets will occur on favorable terms or at all.

The following shows the material changes to the financial covenants:

|   | <b>Amended<br/>Agreement<br/>through<br/>September 30,<br/>2011</b> | <b>Amended<br/>Agreement<br/>beginning<br/>October 1,<br/>2011</b> |
|---|---|--|
| Consolidated Leverage Ratio   | £65.0%  | £ 60.0%  |
| Ratio of Value of Unencumbered Assets to Outstanding Consolidated Senior Unsecured Debt | 31.30   | 3 1.60   |

|  |                   |                   |
|--|-------------------|-------------------|
| Property Operating Income Ratio on Unencumbered Assets | <sup>3</sup> 1.30 | <sup>3</sup> 1.45 |
|--|-------------------|-------------------|

The Unsecured Credit Facility contains certain covenants, including limitations on incurrence of debt and debt service coverage. Under the Unsecured Credit Facility, an event of default can also occur if the lenders, in their good faith judgment, determine that a material adverse change has occurred which could prevent timely repayment or materially impair our ability to perform our obligations under the loan agreement. We believe that the Operating Partnership and the Company were in compliance with all covenants relating to the Unsecured Credit Facility as of December 31, 2010. However, these financial covenants are complex and there

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can be no assurance that these provisions would not be interpreted by our lenders in a manner that could impose and cause us to incur material costs.

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

|              | <b>Amount</b>       |
|--------------|---------------------|
| 2011         | \$ 141,967          |
| 2012         | 463,075             |
| 2013         | 8,973               |
| 2014         | 209,538             |
| 2015         | 65,271              |
| Thereafter   | 860,526             |
| <b>Total</b> | <b>\$ 1,749,350</b> |

During 2011, the Company has \$141,967 of stated maturities and scheduled principal repayments of which \$128,900 represents the 2011 Exchangeable Notes due September 15, 2011. While no assurances can be made, we expect to satisfy these obligations with proceeds from property dispositions, the issuance of additional secured debt and the issuance of common equity, subject to market conditions (see Note 17).

***Fair Value***

At December 31, 2010 and 2009, the fair value of our indebtedness was as follows:

|  | <b>December 31, 2010</b>   |                       | <b>December 31, 2009</b>   |                       |
|--|----------------------------|-----------------------|----------------------------|-----------------------|
|  | <b>Carrying<br/>Amount</b> | <b>Fair<br/>Value</b> | <b>Carrying<br/>Amount</b> | <b>Fair<br/>Value</b> |
| Mortgage and Other Loans Payable, including<br>mortgages Held for Sale | \$ 487,063                 | \$ 548,696            | \$ 402,974                 | \$ 407,706            |
| Senior Unsecured Debt  | 879,529                    | 851,771               | 1,140,114                  | 960,452               |
| Unsecured Credit Facility  | 376,184                    | 376,184               | 455,244                    | 422,561               |
| <b>Total</b>   | <b>\$ 1,742,776</b>        | <b>\$ 1,776,651</b>   | <b>\$ 1,998,332</b>        | <b>\$ 1,790,719</b>   |

The fair values of our mortgage loans payable were determined by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. The fair value of the senior unsecured notes was determined by quoted market prices. The fair value of the

Unsecured Credit Facility was determined by discounting the future cash flows using current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining term, assuming no repayment until maturity.

## **7. Stockholders Equity**

### ***Preferred Stock***

On May 27, 2004, we issued 50,000 Depositary Shares, each representing 1/100th of a share of our 6.236%, \$0.01 par value, Series F Flexible Cumulative Redeemable Preferred Stock (the *Series F Preferred Stock* ), at an initial offering price of \$1,000.00 per Depositary Share. Dividends on the Series F Preferred Stock are cumulative from the date of initial issuance and are payable semi-annually in arrears for the period from the date of original issuance through March 31, 2009 (the *Series F Initial Fixed Rate Period* ), commencing on September 30, 2004, at a rate of 6.236% per annum of the liquidation preference (the *Series F*

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Initial Distribution Rate ) (equivalent to \$62.36 per Depositary Share). The coupon rate of our Series F Preferred Stock resets every quarter beginning March 31, 2009 at 2.375% plus the greater of (i) the 30 year U.S. Treasury rate, (ii) the 10 year U.S. Treasury rate or (iii) 3-month LIBOR. For the fourth quarter of 2010, the new coupon rate was 6.075%. Dividends on the Series F Preferred Stock are payable semi-annually in arrears for fixed rate periods subsequent to the Series F Initial Fixed Rate Period and quarterly in arrears for floating rate periods. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series F Preferred Stock ranks senior to payments on our Common Stock and pari passu with our Series G Preferred Stock (hereinafter defined), Series J Preferred Stock (hereinafter defined) and Series K Preferred Stock (hereinafter defined). On or after March 31, 2009, subject to any conditions on redemption applicable in any fixed rate period subsequent to the Series F Initial Fixed Rate Period, the Series F Preferred Stock is redeemable for cash at our option, in whole or in part, at a redemption price equivalent to \$1,000.00 per Depositary Share, or \$50,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series F Preferred Stock has no stated maturity and is not convertible into any other securities of the Company. In October 2008, we entered into an interest rate swap agreement to mitigate our exposure to floating interest rates related to the forecasted reset rate of the coupon rate of our Series F Preferred Stock (see Note 14 for further information on the agreement).

On May 27, 2004, we issued 25,000 Depositary Shares, each representing 1/100th of a share of our 7.236%, \$0.01 par value, Series G Flexible Cumulative Redeemable Preferred Stock (the Series G Preferred Stock ), at an initial offering price of \$1,000.00 per Depositary Share. Dividends on the Series G Preferred Stock are cumulative from the date of initial issuance and are payable semi-annually in arrears for the period from the date of original issuance of the Series G Preferred Stock through March 31, 2014 (the Series G Initial Fixed Rate Period ), commencing on September 30, 2004, at a rate of 7.236% per annum of the liquidation preference (the Series G Initial Distribution Rate ) (equivalent to \$72.36 per Depositary Share). On or after March 31, 2014, the Series G Initial Distribution Rate is subject to reset, at our option, subject to certain conditions and parameters, at fixed or floating rates and periods. Fixed rates and periods will be determined through a remarketing procedure. Floating rates during floating rate periods will equal 2.500% (the initial credit spread), plus the greater of (i) the 3-month LIBOR Rate, (ii) the 10-year Treasury CMT Rate (as defined in the Articles Supplementary), and (iii) the 30-year Treasury CMT Rate (the adjustable rate) (as defined in the Articles Supplementary), reset quarterly. Dividends on the Series G Preferred Stock are payable semi-annually in arrears for fixed rate periods subsequent to the Series G Initial Fixed Rate Period and quarterly in arrears for floating rate periods. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series G Preferred Stock ranks senior to payments on our Common Stock and pari passu with our Series F Preferred Stock, Series J Preferred Stock (hereinafter defined) and Series K Preferred Stock (hereinafter defined). On or after March 31, 2014, subject to any conditions on redemption applicable in any fixed rate period subsequent to the Series G Initial Fixed Rate Period, the Series G Preferred Stock is redeemable for cash at our option, in whole or in part, at a redemption price equivalent to \$1,000.00 per Depositary Share, or \$25,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series G Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

On January 13, 2006, we issued 6,000,000 Depositary Shares, each representing 1/10,000th of a share of our 7.25%, \$.01 par value, Series J Cumulative Redeemable Preferred Stock (the Series J Preferred Stock ), at an initial offering price of \$25.00 per Depositary Share. Dividends on the Series J Preferred Stock, represented by the Depositary Shares, are cumulative from the date of initial issuance and are payable quarterly in arrears. However, during any period that both (i) the depositary shares are not listed on the NYSE or AMEX, or quoted on NASDAQ, and (ii) we are not subject to the reporting requirements of the Exchange Act, but the preferred shares are outstanding, we will increase the dividend on the preferred shares to a rate of 8.25% of the liquidation preference per year. However, if at



any time both (i) the depositary shares cease to be listed on the NYSE or the AMEX, or quoted on NASDAQ, and (ii) we cease to be subject to the reporting

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requirements of the Exchange Act, but the preferred shares are outstanding, then the preferred shares will be redeemable, in whole but not in part at our option, within 90 days of the date upon which the depositary shares cease to be listed and we cease to be subject to such reporting requirements, at a redemption price equivalent to \$25.00 per Depositary Share, plus all accrued and unpaid dividends to the date of redemption. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series J Preferred Stock ranks senior to payments on our Common Stock and pari passu with our Series F Preferred Stock, Series G Preferred Stock and Series K Preferred Stock (hereinafter defined). The Series J Preferred Stock is not redeemable prior to January 15, 2011. On or after January 15, 2011, the Series J Preferred Stock is redeemable for cash at our option, in whole or in part, at a redemption price equivalent to \$25.00 per Depositary Share, or \$150,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series J Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

On August 21, 2006, we issued 2,000,000 Depositary Shares, each representing 1/10,000th of a share of our 7.25%, \$.01 par value, Series K Flexible Cumulative Redeemable Preferred Stock (the Series K Preferred Stock), at an initial offering price of \$25.00 per Depositary Share. Dividends on the Series K Preferred Stock, represented by the Depositary Shares, are cumulative from the date of initial issuance and are payable quarterly in arrears. With respect to the payment of dividends and amounts upon liquidation, dissolution or winding up, the Series K Preferred Stock ranks senior to payments on our Common Stock and pari passu with our Series F Preferred Stock, Series G Preferred Stock and Series J Preferred Stock. The Series K Preferred Stock is not redeemable prior to August 15, 2011. On or after August 15, 2011, the Series K Preferred Stock is redeemable for cash at our option, in whole or in part, at a redemption price equivalent to \$25.00 per Depositary Share, or \$50,000 in the aggregate, plus dividends accrued and unpaid to the redemption date. The Series K Preferred Stock has no stated maturity and is not convertible into any other securities of the Company.

The following table summarizes certain information regarding our preferred stock:

|                          | <b>Stated Value at</b>       |                              |
|--------------------------|------------------------------|------------------------------|
|                          | <b>December 31,<br/>2010</b> | <b>December 31,<br/>2009</b> |
| Series F Preferred Stock | \$ 50,000                    | \$ 50,000                    |
| Series G Preferred Stock | 25,000                       | 25,000                       |
| Series J Preferred Stock | 150,000                      | 150,000                      |
| Series K Preferred Stock | 50,000                       | 50,000                       |
| Total                    | \$ 275,000                   | \$ 275,000                   |

***Shares of Common Stock***

For the years ended December 31, 2010, 2009 and 2008, 27,586, 415,466 and 632,492, shares of common stock, respectively, were converted from an equivalent number of limited partnership interests in the Operating Partnership (Units), resulting in a reclassification of \$316, \$7,817 and \$14,581, respectively, of noncontrolling interest to First Industrial Realty Trust Inc.'s Stockholders' Equity.

On August 8, 2008, the Company's Dividend Reinvestment and Direct Stock Purchase Plan ( DRIP ) became effective. Under the terms of the DRIP, stockholders who participate may reinvest all or part of their dividends in additional shares of the Company at a discount from the market price, at our discretion, when the shares are issued and sold directly by us from authorized but unissued shares of the Company's common stock. Stockholders and non-stockholders may also purchase additional shares at a discounted price, at our discretion, when the shares are issued and sold directly by us from authorized but unissued shares of the Company's common stock, by making optional cash payments, subject to certain dollar thresholds. During the

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**FIRST INDUSTRIAL REALTY TRUST, INC.**

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

year ended December 31, 2010, we issued 875,402 shares of the Company's common stock under the direct stock purchase component of the DRIP for approximately \$5,970. During the year ended December 31, 2009, the Company issued 3,034,120 shares under the direct stock purchase component of the DRIP for \$15,920.

On October 5, 2009, the Company sold in an underwritten public offering 13,635,700 shares of its common stock at a price of \$5.25 per share. Gross offering proceeds from the issuance were \$71,587 in the aggregate. Proceeds to the Company, net of underwriters' discount of \$3,042 and total expenses of \$765, were approximately \$67,780.

On May 4, 2010, we entered into distribution agreements with sales agents to sell up to 10,000,000 shares of the Company's common stock from time to time in at-the-market offerings (the ATM). During the year ended December 31, 2010, we issued 5,469,767 shares of the Company's common stock under the ATM for approximately \$44,117, net of \$900 paid to the sales agent. Additionally, we paid \$210 in professional fees related to the ATM offerings. Under the terms of the ATM, sales were made primarily in transactions that were 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. On December 31, 2010, we concluded the ATM as a result of the expiration of the of distribution agreements with our sales agents.

During the years ended December 31, 2010 and 2009, we awarded 23,567 and 50,445 shares, respectively, of common stock to certain directors. The common stock shares had a fair value of approximately \$128 and \$240, respectively, upon issuance.

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

For the year ended December 31, 2008, certain employees of the Company exercised 6,300 non-qualified employee stock options. Proceeds to us were approximately \$174.

***Restricted Stock/Units***

During the year ended December 31, 2009, we made a grant of 1,000,000 restricted stock units to our Chief Executive Officer. During each of the years ended December 31, 2010 and 2009, 150,000 of the restricted stock units vested.

During the years ended December 31, 2010, 2009 and 2008 we awarded 573,198, 0 and 583,871 restricted shares of common stock, respectively, as well as 0, 1,473,600 and 4,757 restricted stock units, respectively, to certain employees of the Company and 0, 35,145 and 21,945 restricted shares of common stock, respectively, to certain directors of the Company. See Note 13 for further disclosure on our stock based compensation.

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The following table is a roll-forward of our shares of common stock outstanding, including unvested restricted shares of common stock for the three years ended December 31, 2010:

|  | <b>Shares of<br/>Common Stock<br/>Outstanding</b> |
|--|---|
| <b>Balance at December 31, 2007</b>                  | 43,672,149  |
| Stock Option Exercises                               | 6,300   |
| Issuance of Common Stock                             | 138   |
| Issuance of Restricted Stock Shares                  | 605,816   |
| Repurchase and Retirement of Restricted Stock Shares | (264,713)   |
| Conversion of Operating Partnership Units            | 632,492   |
| <b>Balance at December 31, 2008</b>                  | 44,652,182  |
| Issuance of Common Stock                             | 16,874,884  |
| Issuance of Restricted Stock Shares                  | 35,145  |
| Repurchase and Retirement of Restricted Stock Shares | (132,463)   |
| Conversion of Operating Partnership Units            | 415,466   |
| <b>Balance at December 31, 2009</b>                  | 61,845,214  |
| Issuance of Common Stock                             | 6,518,736   |
| Issuance of Restricted Stock Shares                  | 573,198   |
| Repurchase and Retirement of Restricted Stock Shares | (123,438)   |
| Conversion of Operating Partnership Units            | 27,586  |
| <b>Balance at December 31, 2010</b>                  | 68,841,296  |

***Dividends/Distributions***

The coupon rate of our Series F Preferred Stock resets every quarter beginning March 31, 2009 at 2.375% plus the greater of (i) the 30 year U.S. Treasury rate, (ii) the 10 year U.S. Treasury rate or (iii) 3-month LIBOR. For the fourth quarter of 2010, the new coupon rate was 6.075%. See Note 14 for additional derivative information related to the Series F Preferred Stock coupon rate reset.

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

| <b>Year Ended 2010</b>            |              | <b>Year Ended 2009</b>            |              | <b>Year Ended 2008</b>            |              |
|-----------------------------------|--------------|-----------------------------------|--------------|-----------------------------------|--------------|
| <b>Dividend/<br/>Distribution</b> | <b>Total</b> | <b>Dividend/<br/>Distribution</b> | <b>Total</b> | <b>Dividend/<br/>Distribution</b> | <b>Total</b> |

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|  | <b>per Share/<br/>Unit</b> | <b>Dividend/<br/>Distribution</b> | <b>per Share/<br/>Unit</b> | <b>Dividend/<br/>Distribution</b> | <b>per Share/<br/>Unit</b> | <b>Dividend/<br/>Distribution</b> |
|--|----------------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------------------|
| Common<br>Stock/Operating<br>Partnership Units | \$ 0.0000                  | \$                                | \$ 0.0000                  | \$                                | \$ 2.4100                  | \$ 121,882                        |
| Series F Preferred<br>Stock                    | \$ 6,736.1540              | \$ 3,368                          | \$ 6,414.5700              | \$ 3,207                          | \$ 6,236.0000              | \$ 3,118                          |
| Series G Preferred<br>Stock                    | \$ 7,236.0000              | \$ 1,809                          | \$ 7,236.0000              | \$ 1,809                          | \$ 7,236.0000              | \$ 1,809                          |
| Series J Preferred<br>Stock                    | \$ 18,125.2000             | \$ 10,875                         | \$ 18,125.2000             | \$ 10,875                         | \$ 18,125.2000             | \$ 10,875                         |
| Series K Preferred<br>Stock                    | \$ 18,125.2000             | \$ 3,625                          | \$ 18,125.2000             | \$ 3,625                          | \$ 18,125.2000             | \$ 3,625                          |

Table of Contents**FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****8. Supplemental Information to Statements of Cash Flows**

Supplemental disclosure of cash flow information:

|   | Year Ended<br>December 31,<br>2010 | Year Ended<br>December 31,<br>2009 | Year Ended<br>December 31,<br>2008 |
|---|------------------------------------|------------------------------------|------------------------------------|
| Interest paid, net of capitalized interest  | \$ 105,276                         | \$ 115,990                         | \$ 113,062                         |
| Capitalized Interest  | \$                                 | \$ 281                             | \$ 7,775                           |
| Income Taxes Paid (Refunded)  | \$ 3,663                           | \$ (54,173)                        | \$ 2,355                           |
| Supplemental schedule of noncash investing and financing activities:                        |                                    |                                    |                                    |
| Distribution payable on common stock/Units  | \$                                 | \$                                 | \$ 12,614                          |
| Distribution payable on preferred stock   | \$ 452                             | \$ 452                             | \$ 1,232                           |
| Exchange of units for common stock:   |                                    |                                    |                                    |
| Noncontrolling interest   | \$ (316)                           | \$ (7,817)                         | \$ (14,581)                        |
| Common stock  | 1                                  | 4                                  | 6                                  |
| Additional paid-in-capital  | 315                                | 7,813                              | 14,575                             |
|   | \$                                 | \$                                 | \$                                 |
| In conjunction with property and land acquisitions, the following liabilities were assumed: |                                    |                                    |                                    |
| Accounts payable and accrued expenses   | \$                                 | \$                                 | \$ (464)                           |
| Mortgage debt   | \$                                 | \$                                 | \$ (7,852)                         |
| In conjunction with certain property sales, we provided seller financing:                   |                                    |                                    |                                    |
| Notes receivable  | \$ 168                             | \$ 20,645                          | \$ 62,613                          |
| Write-off of fully depreciated assets   | \$ (59,485)                        | \$ (55,089)                        | \$ (72,406)                        |

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****9. Earnings Per Share ( EPS )**

The computation of basic and diluted EPS is presented below:

|  | <b>Year Ended<br/>December 31,<br/>2010</b> | <b>Year Ended<br/>December 31,<br/>2009</b> | <b>Year Ended<br/>December 31,<br/>2008</b> |
|--|---|---|---|
| Numerator:   |   |   |   |
| Loss from Continuing Operations, Net of Income Tax   | \$ (84,382)                                 | \$ (21,902)                                 | \$ (148,917)                                |
| Noncontrolling Interest Allocable to Continuing Operations   | 8,107                                       | 4,203                                       | 20,756                                      |
| Loss from Continuing Operations, Net of Noncontrolling Interest and Income Tax                         | (76,275)                                    | (17,699)                                    | (128,161)                                   |
| Gain on Sale of Real Estate  | 859   | 374   | 12,008                                      |
| Income Tax Provision Allocable to Gain on Sale of Real Estate  | (342)                                       | (143)                                       | (3,782)                                     |
| Noncontrolling Interest Allocable to Gain on Sale of Real Estate                                       | (40)  | (24)  | (1,020)                                     |
| Preferred Stock Dividends  | (19,677)                                    | (19,516)                                    | (19,428)                                    |
| Loss from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders | \$ (95,475)                                 | \$ (37,008)                                 | \$ (140,383)                                |
| (Loss) Income from Discontinued Operations   | \$ (137,754)                                | \$ 27,681                                   | \$ 188,444                                  |
| Income Tax Provision Allocable to Discontinued Operations  |   | (1,824)                                     | (5,166)                                     |
| Noncontrolling Interest Allocable to Discontinued Operations   | 10,731                                      | (2,632)                                     | (22,726)                                    |
| Discontinued Operations Allocable to Participating Securities  |   |   | (2,553)                                     |
| Discontinued Operations Attributable to First Industrial Realty Trust, Inc.                            | \$ (127,023)                                | \$ 23,225                                   | \$ 157,999                                  |
| Net (Loss) Income Available  | (222,498)                                   | (13,783)                                    | 20,169                                      |
| Net Income Allocable to Participating Securities   |   |   | (2,553)                                     |
| Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders               | \$ (222,498)                                | \$ (13,783)                                 | \$ 17,616                                   |
| Denominator:   |   |   |   |
| Weighted Average Shares - Basic and Diluted  | 62,952,565                                  | 48,695,317                                  | 43,192,969                                  |



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Basic and Diluted EPS:

|  |    |        |    |        |    |        |
|--|----|--------|----|--------|----|--------|
| Loss from Continuing Operations Available to First Industrial Realty Trust, Inc. s Common Stockholders | \$ | (1.52) | \$ | (0.76) | \$ | (3.25) |
| Discontinued Operations Attributable to First Industrial Realty Trust, Inc. s Common Stockholders      | \$ | (2.02) | \$ | 0.48   | \$ | 3.66   |
| Net (Loss) Income Available to First Industrial Realty Trust, Inc. s Common Stockholders               | \$ | (3.53) | \$ | (0.28) | \$ | 0.41   |

Table of Contents**FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Participating securities include unvested restricted stock awards and restricted unit awards outstanding that participate in non-forfeitable dividends of the Company.

|                                  | <b>Allocation<br/>of<br/>Net<br/>Income<br/>Available<br/>to<br/>Participating<br/>Securities<br/>For<br/>the<br/>Year<br/>Ended<br/>December 31,<br/>2010</b> | <b>Unvested<br/>Awards<br/>Outstanding<br/>at<br/>December 31,<br/>2009</b> | <b>Allocation<br/>of<br/>Net<br/>Income<br/>Available<br/>to<br/>Participating<br/>Securities<br/>For<br/>the<br/>Year<br/>Ended<br/>December 31,<br/>2009</b> | <b>Unvested<br/>Awards<br/>Outstanding<br/>at<br/>December 31,<br/>2008</b> | <b>Allocation<br/>of<br/>Net<br/>Income<br/>Available<br/>to<br/>Participating<br/>Securities<br/>For<br/>the Year<br/>Ended<br/>December 31,<br/>2008</b> |
|----------------------------------|--|---|--|---|--|
| <b>Participating Securities:</b> |  |   |  |   |  |
| Restricted Stock Awards          | 662,092  | 355,645   |  | 757,041   |  |
| Restricted Unit Awards           |  |   |  | 4,619   |  |
|                                  | 662,092  |   | 355,645  | 761,660   | \$ 482   |

Participating security holders are not obligated to share in losses, therefore, none of the loss was allocated to participating securities for the year ended December 31, 2010 and 2009.

The number of weighted average shares diluted is the same as the number of weighted average shares basic for the years ended December 31, 2010, 2009 and 2008 as the effect of stock options and restricted unit awards was excluded as its inclusion would have been antidilutive to the loss from continuing operations available to First Industrial Realty Trust, Inc.'s common stockholders. The following awards were anti-dilutive and could be dilutive in future periods:

|                                      | <b>Number of<br/>Awards<br/>Outstanding At<br/>December 31,<br/>2010</b> | <b>Number of<br/>Awards<br/>Outstanding At<br/>December 31,<br/>2009</b> | <b>Number of<br/>Awards<br/>Outstanding At<br/>December 31,<br/>2008</b> |
|--------------------------------------|--|--|--|
| <b>Non-Participating Securities:</b> |  |  |  |
| Restricted Unit Awards               | 1,012,800  | 1,218,800  |  |
| Options                              | 98,701   | 139,700  | 278,601  |

The 2011 Exchangeable Notes are convertible into common shares of the Company at a price of \$50.93 and were not included in the computation of diluted EPS as our average stock price did not exceed the strike price of the conversion feature.

## 10. Income Taxes

For income tax purposes, distributions paid to common shareholders are classified as ordinary income, capital gain, return of capital or qualified dividends. We did not pay common share distributions for the year ended December 31, 2010 or 2009. For the year ended December 31, 2008, the distributions per common share were classified as follows:

|                                | <b>2008</b> | <b>As a Percentage<br/>of Distributions</b> |
|--------------------------------|-------------|---|
| Ordinary income                | \$ 0.1127   | 4.68%                                       |
| Long-term capital gains        | 1.3166      | 54.63%                                      |
| Unrecaptured Section 1250 gain | 0.8141      | 33.78%                                      |
| Qualified Dividends            | 0.1666      | 6.91%                                       |
|                                | \$ 2.4100   | 100.00%                                     |

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

For income tax purposes, distributions paid to preferred shareholders are classified as ordinary income, capital gain, return of capital or qualified dividends. For the years ended December 31, 2010, 2009 and 2008, the preferred distributions per depositary share were classified as follows:

| <b>Series J Preferred Stock</b> | <b>2010</b> | <b>As a<br/>Percentage<br/>of<br/>Distributions</b> | <b>2009</b> | <b>As a<br/>Percentage<br/>of<br/>Distributions</b> | <b>2008</b> | <b>As a<br/>Percentage<br/>of<br/>Distributions</b> |
|---------------------------------|-------------|---|-------------|---|-------------|---|
| Ordinary income                 | \$ 0.0123   | 0.68%   | \$          | 0.00%   | \$ 0.0847   | 4.68%   |
| Long-term capital gains         |             | 0.00%   | 1.3697      | 75.57%  | 0.9902      | 54.63%  |
| Unrecaptured Section 1250 gain  | 0.1717      | 9.47%   | 0.4428      | 24.43%  | 0.6123      | 33.78%  |
| Return of Capital               | 1.5457      | 85.28%  |             | 0.00%   |             | 0.00%   |
| Qualified Dividends             | 0.0828      | 4.57%   |             | 0.00%   | 0.1253      | 6.91%   |
|                                 | \$ 1.8125   | 100.00%   | \$ 1.8125   | 100.00%   | \$ 1.8125   | 100.00%   |

| <b>Series K Preferred Stock</b> | <b>2010</b> | <b>As a<br/>Percentage<br/>of<br/>Distributions</b> | <b>2009</b> | <b>As a<br/>Percentage<br/>of<br/>Distributions</b> | <b>2008</b> | <b>As a<br/>Percentage<br/>of<br/>Distributions</b> |
|---------------------------------|-------------|---|-------------|---|-------------|---|
| Ordinary income                 | \$ 0.0123   | 0.68%   | \$          | 0.00%   | \$ 0.0847   | 4.68%   |
| Long-term capital gains         |             | 0.00%   | 1.3697      | 75.57%  | 0.9902      | 54.63%  |
| Unrecaptured Section 1250 gain  | 0.1717      | 9.47%   | 0.4428      | 24.43%  | 0.6123      | 33.78%  |
| Return of Capital               | 1.5457      | 85.28%  |             | 0.00%   |             | 0.00%   |
| Qualified Dividends             | 0.0828      | 4.57%   |             | 0.00%   | 0.1253      | 6.91%   |
|                                 | \$ 1.8125   | 100.00%   | \$ 1.8125   | 100.00%   | \$ 1.8125   | 100.00%   |

The components of income tax (provision) benefit for the TRSs for the years ended December 31, 2010, 2009 and 2008 are comprised of the following:

|                 | <b>2010</b> | <b>2009</b> | <b>2008</b> |
|-----------------|-------------|-------------|-------------|
| <b>Current:</b> |             |             |             |
| Federal         | \$ (887)    | \$ 38,703   | \$ 5,114    |
| State           | (45)        | 372         | 814         |

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|                  |          |           |          |
|------------------|----------|-----------|----------|
| Foreign          | (77)     | (835)     | (649)    |
| <b>Deferred:</b> |          |           |          |
| Federal          | 163      | (15,816)  | (526)    |
| State            | 3        | (557)     | (107)    |
| Foreign          | (147)    | 9         | 671      |
|                  | \$ (990) | \$ 21,876 | \$ 5,317 |

In addition to income tax (provision) benefit recognized by the TRSs, \$(2,315), \$1,320 and \$(1,028) of additional income tax (provision) benefit, which is included in continuing operations, was recognized by the Company and is included in income tax (provision) benefit on the consolidated statement of operations for the years ended December 31, 2010, 2009 and 2008, respectively.

On August 24, 2009, we received a private letter ruling from the IRS granting favorable loss treatment under Sections 331 and 336 of the Code on the tax liquidation of our old TRS. As a result, the Company completed a transaction on September 1, 2009 whereby approximately 75% of the assets formerly held by the old TRS are now held by FI LLC (which is wholly owned by the Operating Partnership). The remaining 25%

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

of the assets are now held by FRIP (which is 99% owned by the new TRS). On November 6, 2009, legislation was signed that allows businesses with net operating losses for 2008 or 2009 to carry back those losses for up to five years. As a result, we received a refund from the IRS of \$40,418 in the fourth quarter of 2009 due to the tax liquidation of the old TRS.

Deferred income taxes represent the tax effect of the temporary differences between the book and tax basis of assets and liabilities. Deferred tax assets (liabilities) of the TRSs include the following as of December 31, 2010 and 2009.

|   | 2010       | 2009       |
|---|------------|------------|
| Investments in Joint Ventures               | \$ 47      | \$ 1,679   |
| Fixed assets                                | 1,010      | 1,074      |
| Prepaid rent                                | 71         | 114        |
| Restricted stock                            | 99         | 34         |
| Capitalized Interest                        | 626        |            |
| Impairment of Real Estate                   | 10,196     |            |
| Federal net operating loss carrying forward |            | 345        |
| State net operating loss carrying forward   |            | 11         |
| Foreign net operating loss carrying forward | 706        | 77         |
| Valuation Allowance                         | (9,301)    | (1,299)    |
| Other                                       | 569        | 753        |
| Total deferred tax assets                   | \$ 4,023   | \$ 2,788   |
| Straight-line rent                          | (510)      | (507)      |
| Fixed assets                                | (2,544)    | (1,358)    |
| Other                                       |            | (3)        |
| Total deferred tax liabilities              | \$ (3,054) | \$ (1,868) |
| Total net deferred tax asset                | \$ 969     | \$ 920     |

As of December 31, 2010 and 2009, the TRSs had net deferred tax assets of \$969 and \$920, after valuation allowances of \$9,301 and \$1,299, respectively. The increase in the valuation allowance of \$8,002 from December 31, 2009 to December 31, 2010 is primarily related to an increase in net deferred tax assets due to the impairment of real estate recognized by the TRSs. As of December 31, 2009 and 2008, the TRSs had net deferred tax assets of \$920 and \$17,194, after valuation allowances of \$1,299 and \$19,501, respectively. The decrease in the valuation allowance of (\$18,202) from December 31, 2008 to December 31, 2009 is primarily related to a decrease in net deferred tax assets due to the liquidation of the old TRS. The deferred tax assets and liabilities of the old TRS were eliminated on September 1, 2009, as FI LLC is a nontaxable entity. We recorded valuation allowances to offset the deferred tax assets at December 31, 2010 and 2009 because we concluded, based on a review of the relative weight of the available evidence, that it was more likely than not that the TRSs will not generate sufficient future taxable income to realize certain deferred tax assets. We will continue to assess the need for a valuation allowance in the future.

The TRSs have a net operating loss carryforward related to foreign taxes of \$706 at December 31, 2010. The TRSs had a net operating loss carryforward related to federal, state and foreign taxes of \$433 and a tax credit carryforward of \$684 at December 31, 2009.

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The TRSs' components of income tax benefit (provision) for the years ended December 31, 2010, 2009 and 2008 are as follows:

|  | <b>2010</b> | <b>2009</b> | <b>2008</b> |
|--|-------------|-------------|-------------|
| Tax provision associated with income from operations on sold properties which is included in discontinued operations   | \$          | \$ (362)    | \$ (1,434)  |
| Tax provision associated with gains and losses on the sale of real estate which is included in discontinued operations |             | (1,462)     | (3,732)     |
| Tax provision associated with gains and losses on the sale of real estate  | (342)       | (143)       | (3,782)     |
| Income tax (provision) benefit   | (648)       | 23,843      | 14,265      |
| Income tax (provision) benefit   | \$ (990)    | \$ 21,876   | \$ 5,317    |

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

|  | <b>2010</b> | <b>2009</b> | <b>2008</b> |
|--|-------------|-------------|-------------|
| Tax benefit at federal rate related to continuing operations | \$ 2,497    | \$ 8,815    | \$ 28,625   |
| State tax benefit, net of federal benefit                    | 28          | 523         | 2,825       |
| Non-deductible permanent items, net                          | 9           | (1,652)     | (1,852)     |
| Change in valuation allowance                                | (3,334)     | 16,269      | (19,501)    |
| Foreign taxes, net   | (193)       | 315         | 347         |
| Other  | 3           | (570)       | 39          |
| Net income tax (provision) benefit                           | \$ (990)    | \$ 23,700   | \$ 10,483   |

**Michigan Tax Issue**

As of December 31, 2008, we had paid approximately \$1,400 (representing tax and interest for the years 1997-2000) to the State of Michigan regarding business loss carryforwards the appropriateness of which was the subject of litigation initiated by us. On December 11, 2007, the Michigan Court of Claims rendered a decision against us regarding the business loss carryforwards. Also, the court ruled against us on an alternative position involving Michigan's Capital Acquisition Deduction. We filed an appeal to the Michigan Appeals Court in January 2008; however, as a result of the lower court's decision, an additional approximately \$800 (representing tax and interest for the year 2001) had been accrued through June 30, 2009 for both tax and financial statement purposes. On August 18, 2009, the Michigan Appeals Court issued a decision in our favor on the business loss carryforward issue. The Michigan Department of Treasury appealed the decision to the Michigan Supreme Court on September 29, 2009; however, we believed there was a very low probability that the Michigan Supreme Court would accept the case. Therefore, in September 2009 we reversed our accrual of \$800 (related to the 2001 tax year) and set up a receivable of



\$1,400 for the amount paid in 2006 (related to the 1997-2000 tax years), resulting in an aggregate reversal of prior tax expense of approximately \$2,200. On April 23, 2010, the Michigan Supreme Court reversed the decision of the Michigan Appeals Court and reinstated the decision of the Michigan Court of Claims. Based on the most recent ruling of the Michigan Supreme Court, we reversed the receivable of \$1,400 and paid approximately \$800, for a total of approximately \$2,200 of tax expense for the year ended December 31, 2010, which is included in continuing operations.

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****11. Restructuring Costs**

We committed to a plan to reduce organizational and overhead costs in October 2008 and have subsequently modified that plan with the goal of further reducing these costs. During 2009 and 2010, we committed to additional modifications to the plan consisting of further organizational and overhead cost reductions.

For the year ended December 31, 2010, we recorded as restructuring costs a pre-tax charge of \$1,858 to provide for employee severance and benefits (\$525), costs associated with the termination of certain office leases (\$647) and other costs (\$686) associated with implementing the restructuring plan. Included in employee severance costs is \$156 of non-cash costs which represents the accelerated recognition of restricted stock expense for certain employees for the year ended December 31, 2010. At December 31, 2010, we have \$1,574 included in Accounts Payable, Accrued Expenses and Other Liabilities, Net related to severance obligations, remaining lease payments and other costs incurred but not yet paid.

For the year ended December 31, 2009, we recorded as restructuring costs a pre-tax charge of \$7,806 to provide for employee severance and benefits (\$5,186), costs associated with the termination of certain office leases (\$1,867) and other costs (\$753) associated with implementing the restructuring plan. Included in employee severance costs is \$2,931 of non-cash costs which represents the accelerated recognition of restricted stock expense for certain employees for the year ended December 31, 2009. At December 31, 2009, we had \$2,884 included in Accounts Payable, Accrued Expenses and Other Liabilities, Net related to severance obligations, remaining lease payments and other costs incurred but not yet paid.

For the year ended December 31, 2008, we recorded as restructuring costs a pre-tax charge of \$27,349 to provide for employee severance and benefits (\$24,825), costs associated with the termination of certain office leases (\$1,162) and contract cancellation and other costs (\$1,362) associated with implementing the restructuring plan. Included in employee severance costs is \$9,585 of non-cash costs which represents the accelerated recognition of restricted stock for certain employees. At December 31, 2008, we had \$6,695 included in Accounts Payable, Accrued Expenses and Other Liabilities, Net related to severance obligations, remaining lease payments and other costs incurred but not yet paid.

**12. Future Rental Revenues**

Our properties are leased to tenants under net and semi-net operating leases. Minimum lease payments receivable, excluding tenant reimbursements of expenses, under non-cancelable operating leases in effect as of December 31, 2010 are approximately as follows:

|            |              |
|------------|--------------|
| 2011       | \$ 236,836   |
| 2012       | 197,544      |
| 2013       | 157,727      |
| 2014       | 121,718      |
| 2015       | 95,467       |
| Thereafter | 361,818      |
| Total      | \$ 1,171,110 |

### **13. Stock Based Compensation**

We maintain four stock incentive plans (the Stock Incentive Plans ) which are administered by the Compensation Committee of the Board of Directors. There are approximately 10.4 million shares authorized for issuance under the Stock Incentive Plans. Only officers, certain employees, our Independent Directors and our affiliates generally are eligible to participate in the Stock Incentive Plans.

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The Stock Incentive Plans authorize (i) the grant of stock options that qualify as incentive stock options under Section 422 of the Code, (ii) the grant of stock options that do not so qualify, (iii) restricted stock/Unit awards, (iv) performance share awards and (v) dividend equivalent rights. The exercise price of the stock options is determined by the Compensation Committee. Special provisions apply to awards granted under the Stock Incentive Plans in the event of a change in control in the Company. As of December 31, 2010, stock options and restricted stock/units covering 1.8 million shares were outstanding and 1.0 million shares were available under the Stock Incentive Plans. At December 31, 2010, all outstanding stock options are vested. Stock option transactions are summarized as follows:

|                                  | Shares    | Weighted<br>Average<br>Exercise<br>Price | Exercise<br>Price<br>per Share | Aggregate<br>Intrinsic<br>Value |
|----------------------------------|-----------|--|--------------------------------|---------------------------------|
| Outstanding at December 31, 2008 | 278,601   | \$ 31.92                                 | \$ 27.25-\$33.15               | \$                              |
| Expired or Terminated            | (138,901) | \$ 31.94                                 | \$ 27.69-\$33.13               |                                 |
| Outstanding at December 31, 2009 | 139,700   | \$ 31.89                                 | \$ 27.25-\$33.15               | \$                              |
| Expired or Terminated            | (40,999)  | \$ 30.96                                 | \$ 27.25-\$33.15               |                                 |
| Outstanding at December 31, 2010 | 98,701    | \$ 32.34                                 | \$ 30.53-\$33.15               | \$                              |

The following table summarizes currently outstanding and exercisable options as of December 31, 2010:

| Range of Exercise Price | Number<br>Outstanding<br>and<br>Exercisable | Weighted<br>Average<br>Remaining<br>Contractual<br>Life | Weighted<br>Average<br>Exercise<br>Price |
|-------------------------|---|---|--|
| \$30.53 - \$31.05       | 31,901                                      | 0.83  | \$ 30.69                                 |
| \$33.13 - \$33.15       | 66,800                                      | 0.26  | \$ 33.13                                 |

In September 1994, the Board of Directors approved and we adopted a 401(k)/Profit Sharing Plan. Under our 401(k)/Profit Sharing Plan, all eligible employees may participate by making voluntary contributions. We may make, but are not required to make, matching contributions. For the years ended December 31, 2010, 2009 and 2008, we made matching contributions of \$194, \$0 and \$0, respectively.

For the years ended December 31, 2010, 2009 and 2008, we awarded 573,198, 1,473,600, and 588,628 restricted stock and unit awards to our employees having a fair value at grant date of \$3,336, \$7,406, and \$18,860, respectively. We also awarded 0, 35,145, and 21,945, restricted stock awards to our directors having a fair value at grant date of \$0, \$149, and \$603, respectively. Restricted stock awards granted to employees generally vest over a period of three to

four years and restricted stock awards granted to directors generally vest over a period of five years. For the years ended December 31, 2010, 2009 and 2008, we recognized \$6,040, \$13,015, and \$25,883 in restricted stock amortization related to restricted stock awards, of which \$0, \$45, and \$1,519, respectively, was capitalized in connection with development activities. At December 31, 2010, we have \$6,207 in unearned compensation related to unvested restricted stock awards. The weighted average period that the unrecognized compensation is expected to be incurred is 1.05 years. We did not award options to our employees or our directors during the years ended December 31, 2010, 2009 and 2008 and all outstanding options are fully vested; therefore, no stock-based employee compensation expense related to options is included in Net (Loss) Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities.

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Restricted stock award and restricted stock unit award transactions for the years ended December 31, 2010 and 2009 are summarized as follows:

|                                  | <b>Shares</b> | <b>Weighted<br/>Average<br/>Grant Date<br/>Fair Value</b> |
|----------------------------------|---------------|---|
| Outstanding at December 31, 2008 | 761,660       | \$ 36.00  |
| Issued                           | 1,508,745     | \$ 5.01   |
| Vested                           | (571,149)     | \$ 28.79  |
| Forfeited                        | (124,811)     | \$ 7.51   |
| Outstanding at December 31, 2009 | 1,574,445     | \$ 11.17  |
| Issued                           | 573,198       | \$ 5.82   |
| Vested                           | (349,440)     | \$ 22.56  |
| Forfeited                        | (123,311)     | \$ 7.13   |
| Outstanding at December 31, 2010 | 1,674,892     | \$ 17.77  |

During the year ended December 31, 2009, we made a grant of 1,000,000 restricted stock units to our Chief Executive Officer. These restricted stock units had a fair value of approximately \$6,014 on the date of issuance. Of these restricted stock units, a total of 600,000 (the Service Awards ) vest in four equal installments on the first, second, third and fourth year anniversary of December 31, 2008, and a total of 400,000 (the Performance Awards I ) vest in four installments of up to 100,000 on the first, up to 200,000 on the second, up to 300,000 on the third and up to 400,000 on the fourth year anniversary of December 31, 2008, to the extent certain market conditions are met. The market conditions are met when certain stock price levels are achieved and maintained for certain time periods between the award issuance date and December 31, 2013. Both the Service Awards and Performance Awards I require the Chief Executive Officer to be employed by the Company at the applicable vesting dates, subject to certain clauses in the award agreement. The Service Awards are amortized over the four year service period. The Performance Awards I are amortized over the service period of each installment.

During the year ended December 31, 2009, we made a grant of 473,600 restricted stock units to certain members of management (the Performance Awards II ). The Performance Awards II had a fair value of approximately \$1,392 on the date of issuance and will vest in four installments on the first, second, third and fourth anniversary of June 30, 2009, to the extent certain service periods and market conditions are both met. The market conditions are met when certain stock price levels are achieved and maintained for certain time periods between the award issuance date and June 30, 2014. The Performance Awards II are amortized over the service period of each installment. In conjunction with the issuance of the Performance Awards II, the members of management were also granted cash awards with a fair value of \$792. The cash awards vested on June 30, 2010 and compensation expense was recognized on a straight-line basis over the service period. In order to receive the Performance Awards II, the members of management are required to be employed by the Company at the applicable vesting dates, subject to certain clauses in the award

agreements.

During the year ended December 31, 2010, certain members of management were granted cash awards with a fair value of \$688. The cash awards vest on June 30, 2011 and compensation expense is recognized on a straight-line basis over the service period. In order to receive the cash awards, the members of management are required to be employed by the Company at the vesting date, subject to certain clauses of the award agreements.

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The fair value of the Performance Awards I and the Performance Awards II at issuance was determined using a Monte Carlo simulation model with the following assumptions:

|                           | <b>Performance Awards I</b> | <b>Performance Awards II</b> |
|---------------------------|-----------------------------|------------------------------|
| Expected dividend yield   | 0.0%                        | 0.0%                         |
| Expected stock volatility | 57.18% to 119.55%           | 76.29% to 162.92%            |
| Risk-free interest rate   | 0.40% to 1.84%              | 0.43% to 2.38%               |
| Expected life (years)     | 1-4                         | 1-4                          |
| Fair value                | \$4.49                      | \$2.94                       |

**14. Derivatives**

Our objectives in using interest rate derivatives are to add stability to interest expense and to manage our cash flow volatility exposure to interest rate movements. To accomplish this objective, we primarily use interest rate swaps as part of our interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

In January 2008, we entered into two forward starting swaps each with a notional value of \$59,750, which fixed the interest rate on forecasted debt offerings. We designated both swaps as cash flow hedges. The rates on the forecasted debt issuances underlying the swaps locked on March 20, 2009 (the Forward Starting Agreement 1 ) and on April 6, 2009 (the Forward Starting Agreement 2 ), and as such, the swaps ceased to qualify for hedge accounting. On March 20, 2009, the fair value of Forward Starting Agreement 1 was a liability of \$4,442 and on April 6, 2009, the fair value of Forward Starting Agreement 2 was a liability of \$4,023. These amounts are included in Other Comprehensive Income ( OCI ) and will be amortized over five years, which was the original life of the Forward Starting Agreement 1 and Forward Starting Agreement 2, as an increase to interest expense. On May 8, 2009, we settled the Forward Starting Agreement 1 and paid the counterparty \$4,105 and on June 3, 2009 we settled the Forward Starting Agreement 2 and paid the counterparty \$3,386. The change in value of Forward Starting Agreement 1 and Forward Starting Agreement 2 from the respective day the interest rate on the underlying debt was locked until settlement is \$974 for the year ended December 31, 2009 and is included in Mark-to-Market (Loss) Gain on Interest Rate Protection Agreements in the statement of operations.

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in OCI and is subsequently reclassified to earnings through interest expense over the life of the derivative or over the life of the debt. In the next 12 months, we will amortize approximately \$2,276 into net income by increasing interest expense for interest rate protection agreements we settled in previous periods.

As of December 31, 2009, we also had an interest rate swap agreement with a notional value of \$50,000 which fixed the LIBOR rate on a portion of our outstanding borrowings on our Unsecured Credit Facility at 2.4150% (the Interest Rate Swap Agreement ). Monthly payments or receipts were treated as a component of interest expense. We designated the Interest Rate Swap Agreement as a cash flow hedge. The Interest Rate Swap Agreement was highly effective through its maturity on April 1, 2010, and, as a result, the change in the fair value was shown in OCI.



The coupon rate of our Series F Preferred Stock resets every quarter beginning March 31, 2009 at 2.375% plus the greater of (i) the 30 year U.S. Treasury rate, (ii) the 10 year U.S. Treasury rate or (iii) 3-month LIBOR. For the fourth quarter of 2010, the new coupon rate was 6.075% (see Note 7). In October 2008, we entered into an interest rate swap agreement with a notional value of \$50,000 to mitigate our exposure to floating interest rates related to the forecasted reset rate of the coupon rate of our Series F Preferred Stock (the Series F Agreement ). This Series F Agreement fixes the 30-year U.S. Treasury rate at 5.2175%.

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Accounting guidance for derivatives does not permit hedge accounting treatment related to equity instruments and therefore the mark to market gains or losses related to this agreement are recorded in the statement of operations. Quarterly payments or receipts are treated as a component of the mark to market gains or losses. For the years ended December 31, 2010 and 2009, we incurred settlement payments of \$492 and \$472, respectively, of which \$194 and \$152, respectively, was outstanding at December 31, 2010 and 2009.

The following is a summary of the terms of the forward starting swaps and the interest rate swaps and their fair values, which are included in Accounts Payable, Accrued Expenses and Other Liabilities, Net on the accompanying consolidated balance sheet as of December 31, 2010:

| <b>Hedge Product</b>                                 | <b>Notional Amount</b> | <b>Fixed Pay Rate</b> | <b>Trade Date</b> | <b>Maturity Date</b> | <b>Fair Value As of December 31, 2010</b> | <b>Fair Value As of December 31, 2009</b> |
|--|------------------------|-----------------------|-------------------|----------------------|---|---|
| Derivatives designated as hedging instruments:       |                        |                       |                   |                      |   |   |
| Interest Rate Swap Agreement                         | \$ 50,000              | 2.4150%               | March 2008        | April 1, 2010        | N/A                                       | \$ (267)                                  |
| Total derivatives designated as hedging instruments: | \$ 50,000              |                       |                   |                      | N/A                                       | \$ (267)                                  |
| Derivatives not designated as hedging instruments:   |                        |                       |                   |                      |   |   |
| Series F Agreement*                                  | 50,000                 | 5.2175%               | October 2008      | October 1, 2013      | \$ (523)                                  | 93  |
| Total Derivatives                                    | \$ 100,000             |                       |                   | Total                | \$ (523)                                  | \$ (174)                                  |

\* Fair value excludes quarterly settlement payment due on Series F Agreement. As of December 31, 2010 and 2009, the outstanding payable was \$194 and \$152, respectively.

The following is a summary of the impact of the derivatives in cash flow hedging relationships on the statement of operations and the statement of OCI for the years ended December 31, 2010 and December 31, 2009.

| <b>Interest Rate Products</b> | <b>Location on Statement</b> | <b>Year Ended</b>        |                          |
|-------------------------------|------------------------------|--------------------------|--------------------------|
|                               |                              | <b>December 31, 2010</b> | <b>December 31, 2009</b> |

|  |   |            |          |
|--|---|------------|----------|
| Loss Recognized in OCI (Effective Portion)     | Mark-to-Market on Interest Rate Protection Agreements (OCI) | \$ 990     | \$ (383) |
| Amortization Reclassified from OCI into Income | Interest Expense  | \$ (2,108) | \$ (796) |
| Gain Recognized in Income (Unhedged Position)  | Mark-to-Market Gain on Interest Rate Protection Agreements  | N/A        | \$ 974   |

During 2010, the 2006 Land/Development Joint Venture had interest rate protection agreements outstanding which effectively converted floating rate debt to fixed rate debt on a portion of its total variable debt. The hedge relationships were considered highly effective and as such, for the year ended December 31, 2010, we recorded \$1,137 in unrealized gain, representing our 10% share, offset by \$414 of income tax provision, which is shown in Mark-to-Market on Interest Rate Protection Agreements, Net of Income Tax, in OCI. In connection with the sale of our equity interest of the 2006 Land/Development Joint Venture on August 5, 2010, we wrote off \$1,625 that was recorded in OCI related to our 10% share of unrealized loss related to the interest rate protection agreements. During 2009, two of the Joint Ventures had interest rate protection agreements outstanding which effectively convert floating rate debt to fixed rate debt on a portion of its total variable debt. The hedge relationships were considered highly effective and as such, for the year ended December 31, 2009, we recorded \$1,060 in unrealized gain, representing our 10% share, offset by \$450 of

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income tax provision, which is shown in Mark-to-Market on Interest Rate Protection Agreements, Net of Income Tax, in OCI.

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.

We adopted the fair value measurement provisions as of January 1, 2008, for financial instruments recorded at fair value. The new guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The following table sets forth our financial liabilities that are accounted for at fair value on a recurring basis as of December 31, 2010 and 2009:

| Description         | December 31,<br>2010 | Fair Value Measurements at Reporting Date Using:               |   |                               |
|---------------------|----------------------|--|---|-------------------------------|
|                     |                      | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Unobservable Inputs (Level 3) |
| <b>Liabilities:</b> |                      |  |   |                               |
| Series F Agreement  | \$ (523)             |  |   | \$ (523)                      |

| Description                  | December 31,<br>2009 | Fair Value Measurements at Reporting Date Using:               |   |                               |
|------------------------------|----------------------|--|---|-------------------------------|
|                              |                      | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Unobservable Inputs (Level 3) |
| <b>Assets:</b>               |                      |  |   |                               |
| Series F Agreement           | \$ 93                |  |   | \$ 93                         |
| <b>Liabilities:</b>          |                      |  |   |                               |
| Interest Rate Swap Agreement | \$ (267)             |  | \$ (267)                                      |                               |

The valuation of the Interest Rate Swap Agreement is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the instrument. This analysis reflects the contractual terms of the agreements including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. In adjusting the fair value of the interest rate protection agreements for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements. To comply with the provisions of fair value measurement, we incorporated a credit valuation adjustment ( CVA ) to appropriately reflect both our own nonperformance risk and the respective counterparty s nonperformance risk in the fair value measurements. However, assessing significance of inputs is a matter of judgment that should consider a variety of factors. One factor we consider is the CVA and its materiality to the overall valuation of the derivatives on the balance sheet and to their related changes in fair value. We believe the inputs obtained related to our CVAs are observable and therefore fall under Level 2 of the fair value hierarchy. Accordingly, the liabilities related to the Interest Rate Swap Agreement are classified as Level 2 amounts.

The valuation of the Series F Agreement utilizes the same valuation technique as the Interest Rate Swap Agreement, however, we consider the Series F Agreement to be classified as Level 3 in the fair value hierarchy due to a significant number of unobservable inputs. The Series F Agreement swaps a fixed rate 5.2175% for

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

floating rate payments based on 30-year Treasury. No market observable prices exist for long-dated Treasuries past 30 years. Therefore, we have classified the Series F Agreement in its entirety as a Level 3.

The following table presents a reconciliation for our liabilities classified as Level 3 at December 31, 2010 and 2009:

|  |    | <b>Fair Value<br/>Measurements<br/>Using Significant<br/>Unobservable Inputs<br/>(Level 3)<br/>Derivatives</b> |
|--|----|--|
| Beginning liability balance at December 31, 2008 | \$ | (3,073)  |
| Total unrealized gains:                          |    |  |
| Mark-to-Market on Series F Agreement             |    | 3,166  |
| Ending asset balance at December 31, 2009        | \$ | 93   |
| Total unrealized losses:                         |    |  |
| Mark-to-Market on Series F Agreement             |    | (616)  |
| Ending liability balance at December 31, 2010    | \$ | (523)  |

**15. Related Party Transactions**

We periodically engage in transactions for which CB Richard Ellis, Inc. acts as a broker. A relative of Michael W. Brennan, the former President and Chief Executive Officer and a former director of the Company, is an employee of CB Richard Ellis, Inc. For the year ended December 31, 2008, this relative received approximately \$95 in brokerage commissions or other fees for transactions with the Company and the Joint Ventures.

**16. Commitments and Contingencies**

Eleven properties have leases granting the tenants options to purchase the property. Such options are exercisable at various times at appraised fair market value or at a fixed purchase price in excess of our depreciated cost of the asset. We have no notice of any exercise of any tenant purchase option.

At December 31, 2010, we had nine letters of credit outstanding in the aggregate amount of \$1,462. These letters of credit expire between February 2011 and November 2011.

**Ground and Operating Lease Agreements**

For the years ended December 31, 2010, 2009 and 2008, we recognized \$3,047, \$4,181 and \$4,072 in operating and ground lease expense.



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Future minimum rental payments under the terms of all non-cancelable ground and operating leases under which we are the lessee, offset by sub-lease rental payments under non-cancelable operating leases, as of December 31, 2010, are as follows:

|            |           |
|------------|-----------|
| 2011       | \$ 1,795  |
| 2012       | 1,206     |
| 2013       | 1,142     |
| 2014       | 893       |
| 2015       | 775       |
| Thereafter | 27,351    |
| Total      | \$ 33,162 |

**17. Subsequent Events**

From January 1, 2011 to February 23, 2011, we sold five industrial properties comprising approximately 0.3 million square feet of GLA. Gross proceeds from the sale of the five industrial properties were approximately \$7,675. There were no industrial properties acquired during this period.

On February 10, 2011, we prepaid and retired our secured mortgage debt maturing in September 2012 in the amount of \$14,520, excluding a prepayment fee of \$73.

On February 18, 2011, we entered into a loan commitment with a major life insurance company lender for mortgage loans, aggregating to \$178,300. The closings of the mortgage loans are subject to lender due diligence and there can be no assurance that the mortgage loans will close or, if closed, will generate the anticipated proceeds. The mortgage loans are expected to be cross-collateralized by 32 industrial properties, have a term of seven years and bear interest at 4.45%.

**18. Quarterly Financial Information (unaudited)**

The following tables summarize our quarterly financial information. The first, second and third fiscal quarters of 2010 and all fiscal quarters in 2009 have been revised in accordance with guidance on accounting for discontinued operations. The results of operations for the fourth quarter of 2010 include \$2,387 which should have been recorded as part of the impairment charge recorded during the third quarter in 2010. Management evaluated this impairment charge and believes it is not material to the results of operations of either quarter.



**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

|   | <b>Year Ended December 31, 2010</b> |                           |                          |                           |
|---|-------------------------------------|---------------------------|--------------------------|---------------------------|
|   | <b>First<br/>Quarter</b>            | <b>Second<br/>Quarter</b> | <b>Third<br/>Quarter</b> | <b>Fourth<br/>Quarter</b> |
| Total Revenues  | \$ 74,393                           | \$ 71,731                 | \$ 70,043                | \$ 72,374                 |
| Equity in (Loss) Income of Joint Ventures   | (459)                               | 582                       | (398)                    | 950                       |
| Noncontrolling Interest Allocable to Continuing Operations                              | 1,629                               | 1,998                     | 2,617                    | 1,863                     |
| (Loss) Income from Continuing Operations, Net of Income Tax and Noncontrolling Interest | (13,963)                            | (18,843)                  | (24,929)                 | (18,540)                  |
| (Loss) Income from Discontinued Operations, Net of Income Tax                           | (3,949)                             | 5,732                     | (134,725)                | (4,812)                   |
| Noncontrolling Interest Allocable to Discontinued Operations                            | 324                                 | (437)                     | 10,466                   | 378                       |
| Gain (Loss) on Sale of Real Estate, Net of Income Tax                                   | 731                                 |                           | (214)                    |                           |
| Noncontrolling Interest Allocable to Gain (Loss) on Sale of Real Estate                 | (57)                                |                           | 17                       |                           |
| Net Loss Attributable to First Industrial Realty Trust, Inc.                            | (16,914)                            | (13,548)                  | (149,385)                | (22,974)                  |
| Preferred Stock Dividends   | (4,960)                             | (4,979)                   | (4,884)                  | (4,854)                   |
| Net Loss Available  | \$ (21,874)                         | \$ (18,527)               | \$ (154,269)             | \$ (27,828)               |
| Income from Continuing Operations Allocable to Participating Securities                 |                                     |                           |                          |                           |
| Discontinued Operations Allocable to Participating Securities                           |                                     |                           |                          |                           |
| Net Loss Available to Common Stockholders   | \$ (21,874)                         | \$ (18,527)               | \$ (154,269)             | \$ (27,828)               |
| Basic and Diluted Earnings Per Share:   |                                     |                           |                          |                           |
| Loss From Continuing Operations Available   | \$ (0.30)                           | \$ (0.38)                 | \$ (0.48)                | \$ (0.37)                 |
| (Loss) Income from Discontinued Operations  | \$ (0.06)                           | \$ 0.08                   | \$ (1.97)                | \$ (0.07)                 |
| Net Loss Available to Common Stockholders   | \$ (0.35)                           | \$ (0.29)                 | \$ (2.44)                | \$ (0.43)                 |
| Weighted Average Shares Outstanding   | 61,797                              | 62,838                    | 63,100                   | 64,049                    |



**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

|   | <b>Year Ended December 31, 2009</b> |                           |                          |                           |
|---|-------------------------------------|---------------------------|--------------------------|---------------------------|
|   | <b>First<br/>Quarter</b>            | <b>Second<br/>Quarter</b> | <b>Third<br/>Quarter</b> | <b>Fourth<br/>Quarter</b> |
| Total Revenues  | \$ 95,096                           | \$ 91,328                 | \$ 89,601                | \$ 75,813                 |
| Equity in Income (Loss) of Joint Ventures   | 29                                  | 1,551                     | (5,889)                  | (2,161)                   |
| Noncontrolling Interest Allocable to Continuing Operations                              | 2,532                               | 1,454                     | 1,050                    | (833)                     |
| (Loss) Income from Continuing Operations, Net of Income Tax and Noncontrolling Interest | (14,725)                            | (7,104)                   | (4,076)                  | 8,206                     |
| Income from Discontinued Operations, Net of Income Tax                                  | 4,254                               | 4,747                     | 7,797                    | 9,059                     |
| Noncontrolling Interest Allocable to Discontinued Operations                            | (500)                               | (529)                     | (851)                    | (752)                     |
| Gain (Loss) on Sale of Real Estate, Net of Income Tax                                   | 477                                 |                           | 101                      | (347)                     |
| Noncontrolling Interest Allocable to Gain (Loss) on Sale of Real Estate                 | (50)                                |                           | (6)                      | 32                        |
| Net (Loss) Income Attributable to First Industrial Realty Trust, Inc.                   | (10,544)                            | (2,886)                   | 2,965                    | 16,198                    |
| Preferred Stock Dividends   | (4,857)                             | (4,824)                   | (4,913)                  | (4,922)                   |
| Net (Loss) Income Available   | \$ (15,401)                         | \$ (7,710)                | \$ (1,948)               | \$ 11,276                 |
| Income from Continuing Operations Allocable to Participating Securities                 |                                     |                           |                          | (17)                      |
| Discontinued Operations Allocable to Participating Securities                           |                                     |                           |                          | (49)                      |
| Net (Loss) Income Available to Common Stockholders                                      | \$ (15,401)                         | \$ (7,710)                | \$ (1,948)               | \$ 11,210                 |
| Basic and Diluted Earnings Per Share:   |                                     |                           |                          |                           |
| (Loss) Income From Continuing Operations Available                                      | \$ (0.43)                           | \$ (0.27)                 | \$ (0.20)                | \$ 0.05                   |
| Income from Discontinued Operations   | \$ 0.09                             | \$ 0.09                   | \$ 0.15                  | \$ 0.14                   |
| Net (Loss) Income Available to Common Stockholders                                      | \$ (0.35)                           | \$ (0.17)                 | \$ (0.04)                | \$ 0.18                   |
| Weighted Average Shares Outstanding   | 44,147                              | 44,439                    | 45,360                   | 60,690                    |

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

The following Pro Forma Condensed Statement of Operations for the year ended December 31, 2008 (the Pro Forma Statement ) is presented as if the acquisition of 20 operating industrial properties between January 1, 2008 and December 31, 2008 had occurred at the beginning of the year. The Pro Forma Statement does not include acquisitions between January 1, 2008 and December 31, 2008 for industrial properties that were vacant upon purchase, were leased

back to the sellers upon purchase or were subsequently sold before December 31, 2008. The Pro Forma Condensed Statement of Operations includes all necessary adjustments to reflect the occurrence of purchases and sales of properties during 2008 as of January 1, 2008. The Pro Forma

**Table of Contents****FIRST INDUSTRIAL REALTY TRUST, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Statement is not necessarily indicative of what our results of operations would have been for the year ended December 31, 2008, nor does it purport to present our future results of operations.

**Pro Forma Condensed Statements of Operations**

|  | <b>Year Ended<br/>December 31,<br/>2008</b> |
|--|---|
| Pro Forma Revenues   | \$ 449,121                                  |
| Pro Forma Loss from Continuing Operations Available to Common Stockholders, Net of<br>Noncontrolling Interest and Income Taxes | \$ (137,181)                                |
| Pro Forma Net Income Available to Common Stockholders  | \$ 23,371                                   |
| Per Share Data:  |   |
| Pro Forma Basic and Diluted Earnings Per Share Data:   |   |
| Loss from Continuing Operations Available to Common Stockholders   | \$ (3.18)                                   |
| Net Income Available to Common Stockholders  | \$ 0.48                                     |

Table of Contents**FIRST INDUSTRIAL REALTY TRUST, INC.****SCHEDULE III:****REAL ESTATE AND ACCUMULATED DEPRECIATION  
As of December 31, 2010**

| Address   | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried |              |          | Accumulated Year<br>12/31/2010<br>Depreciation<br>12/31/2010 | Acquired<br>12/31/2010<br>Construction |
|-----------|--------------------------|---------------------|---------------------|-----------|---|----------------------|--------------|----------|--|--|
|           |                          |                     | Land                | Buildings |   | Land                 | Improvements | Total    |  |  |
| er Green  | Duluth, GA               | \$                  | \$ 264              | \$ 1,522  | \$ (59)   | \$ 207               | \$ 1,520     | \$ 1,727 | \$ 701   | 199                                    |
| porate    | Duluth, GA               |                     | 506                 | 2,904     | (798)   | 284                  | 2,328        | 2,612    | 1,271  | 199                                    |
| hwy 155   | McDonough, GA            |                     | 788                 | 4,544     | (1,673)   | 349                  | 3,310        | 3,659    | 1,963  | 199                                    |
| gwood     | Conyers, GA              |                     | 635                 | 3,662     | 580   | 635                  | 4,242        | 4,877    | 1,601  | 199                                    |
| gwood     | Conyers, GA              |                     | 288                 | 1,675     | 675   | 215                  | 2,423        | 2,638    | 828  | 199                                    |
| urland    | Covington, GA            |                     | 125                 | 739       | 181   | 125                  | 920          | 1,045    | 359  | 199                                    |
| adow      | Atlanta, GA              |                     | 726                 | 4,130     | 875   | 726                  | 5,005        | 5,731    | 1,897  | 199                                    |
| adow      | Atlanta, GA              |                     | 750                 | 4,460     | 1,460   | 828                  | 5,842        | 6,670    | 2,255  | 199                                    |
| adow      | Atlanta, GA              |                     | 1,012               | 5,918     | 1,595   | 1,157                | 7,368        | 8,525    | 2,819  | 199                                    |
| ane Dr(d) | Atlanta, GA              | 2,119               | 527                 | 2,984     | 686   | 546                  | 3,651        | 4,197    | 1,302  | 199                                    |
| o Place   | Kennesaw, GA             | 3,000               | 780                 | 4,420     | 741   | 804                  | 5,137        | 5,941    | 1,837  | 199                                    |
| man Road  | Conyers, GA              | 2,204               | 566                 | 3,134     | 403   | 574                  | 3,529        | 4,103    | 943  | 199                                    |
| t Park    | Conyers, GA              |                     | 452                 | 2,504     | 188   | 459                  | 2,685        | 3,144    | 745  | 199                                    |
| brook     | Norcross, GA             | 1,265               | 336                 | 1,907     | 262   | 339                  | 2,166        | 2,505    | 540  | 200                                    |

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|            |                 |       |       |        |         |       |        |        |       |     |
|------------|-----------------|-------|-------|--------|---------|-------|--------|--------|-------|-----|
| brook      | Norcross, GA    | 1,264 | 307   | 1,742  | 454     | 309   | 2,194  | 2,503  | 684   | 200 |
| brook      | Norcross, GA    | 1,230 | 281   | 1,592  | 306     | 283   | 1,896  | 2,179  | 495   | 200 |
| brook      | Norcross, GA    | 1,728 | 420   | 2,381  | 260     | 423   | 2,638  | 3,061  | 611   | 200 |
| brook      | Norcross, GA    | 1,363 | 332   | 1,879  | 204     | 334   | 2,081  | 2,415  | 508   | 200 |
| brook      | Norcross, GA    |       | 370   | 2,099  | (1,068) | 141   | 1,260  | 1,401  | 547   | 200 |
| brook      | Norcross, GA    |       | 740   | 4,192  | (1,588) | 338   | 3,006  | 3,344  | 1,130 | 200 |
| brook      | Norcross, GA    |       | 313   | 1,776  | (988)   | 113   | 988    | 1,101  | 439   | 200 |
| th Park    | Ellenwood, GA   |       | 1,600 | 12,464 | 1,315   | 1,604 | 13,775 | 15,379 | 2,991 | 200 |
| od         | McDonough, GA   | 4,563 | 1,550 |        | 7,485   | 1,550 | 7,485  | 9,035  | 1,195 | 200 |
| Drive      | Cartersville GA | 1,773 | 794   | 2,252  | 6       | 798   | 2,254  | 3,052  | 472   | 200 |
| is         | Villa Rica GA   | 1,947 | 401   | 3,754  | 42      | 406   | 3,791  | 4,197  | 1,208 | 200 |
| ehill      | Atlanta, GA     | 1,601 | 485   | 1,979  | (38)    | 490   | 1,936  | 2,426  | 974   | 200 |
| lip Lee    | Atlanta, GA     |       | 735   | 3,627  | 588     | 740   | 4,210  | 4,950  | 1,465 | 200 |
| rren Drive | Norcross, GA    |       | 510   | 1,250  | (51)    | 513   | 1,196  | 1,709  | 226   | 200 |
| rren Drive | Norcross, GA    |       | 711   | 2,310  | (15)    | 715   | 2,291  | 3,006  | 469   | 200 |

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| Property Address  | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried |              | At Close of Period 12/31/10 |       | Accumulated Year-End Depreciation<br>12/31/2010 | Acquired/Constructed |
|-------------------|--------------------------|---------------------|---------------------|-----------|---|----------------------|--------------|-----------------------------|-------|---|----------------------|
|                   |                          |                     | Land                | Buildings |   | Land                 | Improvements | Total                       |       |   |                      |
| 100 Ponce De Leon | Stone Mountain, GA       | 2,819               | 604                 | 3,888     | 210   | 610                  | 4,092        | 4,702                       | 1,209 | 2005  |                      |
| 100 Ponce De Leon | Stone Mountain, GA       |                     | 397                 | 1,791     | 95  | 402                  | 1,881        | 2,283                       | 486   | 2005  |                      |
| 197 Collins       | Athens, GA               |                     | 1,410               | 5,344     | (1,838)   | 953                  | 3,963        | 4,916                       | 2,160 | 2005  |                      |
| Enterprise        | Buford, GA               | 1,537               | 712                 | 2,118     | 11  | 716                  | 2,125        | 2,841                       | 482   | 2006  |                      |
| Water             | Buford, GA               | 2,574               | 881                 | 3,550     | 485   | 885                  | 4,031        | 4,916                       | 941   | 2006  |                      |
| Property          | McDonough, GA            |                     | 756                 | 3,695     | (1,419)   | 451                  | 2,581        | 3,032                       | 609   | 2007  |                      |
| 10000 Bonnie      | Pendergrass, GA          |                     | 2,580               | 21,730    | 2,414   | 2,594                | 24,130       | 26,724                      | 2,439 | 2007  |                      |
| 10000 Old Roswell | Alpharetta, GA           |                     | 2,403               | 1,912     | 315   | 2,428                | 2,202        | 4,630                       | 313   | 2008  |                      |
| 10000 Core        | Baltimore, MD            |                     | 884                 | 4,891     | 454   | 899                  | 5,330        | 6,229                       | 1,684 | 1998  |                      |
| 10000 Martin      | Lanham, MD               |                     | 700                 | 1,920     | 289   | 700                  | 2,209        | 2,909                       | 472   | 2003  |                      |
| 10000 King Hwy    | Lanham, MD               |                     | 500                 | 955       | 518   | 500                  | 1,473        | 1,973                       | 482   | 2003  |                      |
| 10000 Boston Way  | Lanham, MD               |                     | 1,100               | 3,070     | 388   | 1,100                | 3,458        | 4,558                       | 827   | 2003  |                      |
| 10000 Boston Way  | Lanham, MD               |                     | 1,200               | 2,174     | 300   | 1,200                | 2,474        | 3,674                       | 585   | 2003  |                      |
| 10000 Randolph    | Dulles, VA               | 7,880               | 3,200               | 8,187     | (151)   | 3,208                | 8,028        | 11,236                      | 1,564 | 2004  |                      |
| 10000 Dulles      | Dulles, VA               |                     | 2,200               | 9,346     | 168   | 2,206                | 9,508        | 11,714                      | 2,020 | 2004  |                      |
| 10000 Forbes      | Lanham, MD               |                     | 356                 | 1,823     | 337   | 375                  | 2,141        | 2,516                       | 474   | 2005  |                      |
| 10000 383         | Lanham, MD               |                     | 279                 | 1,358     | 215   | 296                  | 1,556        | 1,852                       | 358   | 2005  |                      |
| 10000 Ward Vista  | Lanham, MD               |                     | 351                 | 1,955     | 201   | 372                  | 2,135        | 2,507                       | 435   | 2005  |                      |
| 10000 Woottsford  | Lanham, MD               |                     |                     |           |   |                      |              |                             |       |   |                      |
| 10000 Rd.         | Lanham, MD               |                     |                     |           |   |                      |              |                             |       |   |                      |



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|             |                 |       |       |        |       |        |        |       |      |
|-------------|-----------------|-------|-------|--------|-------|--------|--------|-------|------|
| ottsford    |                 |       |       |        |       |        |        |       |      |
| oad         | Lanham, MD      | 539   | 2,196 | 327    | 568   | 2,494  | 3,062  | 628   | 2005 |
| McCormick   |                 |       |       |        |       |        |        |       |      |
|             | Hunt Valley, MD | 1,017 | 3,132 | 67     | 1,038 | 3,178  | 4,216  | 778   | 2005 |
| Pepper      |                 |       |       |        |       |        |        |       |      |
|             | Hunt Valley, MD | 918   | 2,529 | 316    | 938   | 2,825  | 3,763  | 709   | 2005 |
| 11120       |                 |       |       |        |       |        |        |       |      |
| Road        | Hunt Valley, MD | 901   | 1,455 | 57     | 919   | 1,494  | 2,413  | 501   | 2005 |
| ubhouse     |                 |       |       |        |       |        |        |       |      |
|             | Hunt Valley, MD | 701   | 1,691 | (121)  | 718   | 1,553  | 2,271  | 230   | 2005 |
| Gilroy Road | Hunt Valley, MD | 913   | 2,705 | 64     | 913   | 2,769  | 3,682  | 918   | 2005 |
| Gilroy Road | Hunt Valley, MD | 1,111 | 3,819 | 154    | 1,136 | 3,948  | 5,084  | 1,284 | 2005 |
| eton Circle | Sparks, MD      | 1,648 | 2,151 | (226)  | 1,690 | 1,883  | 3,573  | 409   | 2005 |
| 132         |                 |       |       |        |       |        |        |       |      |
| sador Road  | Baltimore, MD   | 829   | 1,329 | 255    | 847   | 1,566  | 2,413  | 554   | 2005 |
| mbassador   |                 |       |       |        |       |        |        |       |      |
|             | Hunt Valley, MD | 924   | 2,876 | 1,124  | 942   | 3,982  | 4,924  | 591   | 2005 |
| 162         |                 |       |       |        |       |        |        |       |      |
| sador Road  | Baltimore, MD   | 979   | 1,672 | 187    | 1,000 | 1,838  | 2,838  | 602   | 2005 |
| 249         |                 |       |       |        |       |        |        |       |      |
| sador Road  | Woodlawn, MD    | 1,283 | 2,674 | (49)   | 1,311 | 2,597  | 3,908  | 741   | 2005 |
| utherford   |                 |       |       |        |       |        |        |       |      |
|             | Baltimore, MD   | 1,032 | 2,150 | 253    | 1,054 | 2,381  | 3,435  | 527   | 2005 |
| ord         |                 |       |       |        |       |        |        |       |      |
| ore Road    | Baltimore, MD   | 875   | 1,826 | 772    | 897   | 2,576  | 3,473  | 795   | 2005 |
| engies Road | Baltimore, MD   | 2,640 | 270   | 14,581 | 2,823 | 14,668 | 17,491 | 1,465 | 2008 |

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| Address             | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried |                          |                            | Accumulated Year | Acquired |
|---------------------|--------------------------|---------------------|---------------------|-----------|---|----------------------|--------------------------|----------------------------|------------------|----------|
|                     |                          |                     | Land                | Buildings |   | Land Improvements    | Building<br>and<br>Total | Depreciation<br>12/31/2010 |                  |          |
| <b>Pennsylvania</b> |                          |                     |                     |           |   |                      |                          |                            |                  |          |
| Freedom Road        | Cranberry Township, PA   |                     | 31                  | 994       | 613   | 200                  | 1,438                    | 1,638                      | 1,033            | 199      |
| Mill Drive          | Middletown, PA           | 1,261               | 262                 | 857       | 1,741   | 287                  | 2,573                    | 2,860                      | 1,631            | 199      |
| Commerce Drive      | Middletown, PA           |                     | 196                 | 997       | 714   | 206                  | 1,701                    | 1,907                      | 1,141            | 199      |
| Commerce Drive      | Middletown, PA           |                     | 141                 | 859       | 1,174   | 164                  | 2,010                    | 2,174                      | 1,176            | 199      |
| Commerce Drive      | Middletown, PA           |                     | 113                 | 743       | 1,215   | 209                  | 1,862                    | 2,071                      | 1,287            | 199      |
| River Spring        | Mechanicsburg, PA        |                     | 510                 | 2,890     | 6,296   | 541                  | 9,155                    | 9,696                      | 2,689            | 199      |
| Centers Green       | Hagerstown, MD           |                     | 1,390               | 13,104    | 3,893   | 1,863                | 16,524                   | 18,387                     | 3,071            | 200      |
| Lawley Drive        | Hagerstown, MD           |                     | 1,000               | 5,847     | 1,567   | 1,016                | 7,398                    | 8,414                      | 1,752            | 200      |
| View                | Jessup, PA               |                     | 542                 |           | 2,974   | 532                  | 2,984                    | 3,516                      | 448              | 200      |
| Park                | Shiremanstown, PA        |                     | 1,181               | 4,447     | 1,438   | 1,328                | 5,738                    | 7,066                      | 1,712            | 200      |
| Mad Avenue          | Shiremanstown, PA        | 9,057               | 1,293               | 7,164     | 1,821   | 1,341                | 8,937                    | 10,278                     | 2,234            | 200      |
| Mad Avenue          | Harrisburg, PA           |                     | 585                 | 3,176     | 117   | 601                  | 3,277                    | 3,878                      | 683              | 200      |
| Mad Avenue          | Washington, PA           |                     | 201                 | 1,819     | (227)   | 169                  | 1,624                    | 1,793                      | 547              | 200      |
| Shower              | Harrisburg, PA           | 2,034               | 382                 | 2,343     | 98  | 387                  | 2,436                    | 2,823                      | 466              | 200      |
| Shower              | Harrisburg, PA           | 1,406               | 436                 | 1,587     | 37  | 443                  | 1,617                    | 2,060                      | 332              | 200      |
| Commerce            | Carlisle, PA             |                     | 1,500               |           | 13,513  | 2,341                | 12,672                   | 15,013                     | 1,123            | 200      |
| Avenue              | Gouldsboro, PA           |                     | 7,022               |           | 58,132  | 7,019                | 58,135                   | 65,154                     | 3,432            | 200      |
| Farm Lane           | York, PA                 |                     | 4,718               |           | 23,567  | 4,715                | 23,570                   | 28,285                     | 1,921            | 200      |
| <b>Illinois</b>     |                          |                     |                     |           |   |                      |                          |                            |                  |          |
| Landwehr            | Northbrook, IL           |                     | 521                 | 2,982     | 1,207   | 521                  | 4,189                    | 4,710                      | 1,960            | 199      |
| 01st Street         | Lemont, IL               | 3,970               | 967                 | 5,554     | 871   | 968                  | 6,424                    | 7,392                      | 2,496            | 199      |
| Pratt               | Lincolnwood, IL          |                     | 1,050               | 5,767     | (1,657)   | 435                  | 4,725                    | 5,160                      | 2,740            | 199      |
|                     | Bedford Park, IL         |                     | 224                 | 1,309     | 620   | 224                  | 1,929                    | 2,153                      | 745              | 199      |

|             |                    |       |       |       |       |       |       |        |       |     |
|-------------|--------------------|-------|-------|-------|-------|-------|-------|--------|-------|-----|
| h Sayre     |                    |       |       |       |       |       |       |        |       |     |
| n Court     | Mount Prospect, IL | 3,059 | 611   | 3,505 | 1,608 | 516   | 5,208 | 5,724  | 2,217 | 199 |
| lsor Court  | Addison, IL        |       | 688   | 3,943 | 1,180 | 696   | 5,115 | 5,811  | 2,100 | 199 |
| er Court    | Aurora, IL         |       | 430   | 2,472 | 387   | 430   | 2,859 | 3,289  | 1,069 | 199 |
| ra Drive    | Northbrook, IL     |       | 200   | 1,154 | 916   | 205   | 2,065 | 2,270  | 565   | 199 |
| MacArthur   | Northbrook, IL     |       | 429   | 2,518 | 104   | 429   | 2,622 | 3,051  | 1,067 | 199 |
| Avenue      | Carol Stream, IL   |       | 1,081 | 6,882 | 2,581 | 1,111 | 9,433 | 10,544 | 3,758 | 199 |
| rose Street | Franklin Park, IL  |       | 332   | 1,931 | 70    | 222   | 2,111 | 2,333  | 1,147 | 199 |
| entral      | Alsip, IL          |       | 1,208 | 6,843 | 2,296 | 1,305 | 9,042 | 10,347 | 2,839 | 199 |
| hawmut      | LaGrange, IL       |       | 368   | 2,083 | (284) | 223   | 1,944 | 2,167  | 830   | 199 |
|             |                    |       |       | S-3   |       |       |       |        |       |     |

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| Address                          | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation | Gross Amount Carried |        |                            | Accumulated Year |              |
|----------------------------------|--------------------------|---------------------|---------------------|-----------|--|----------------------|--------|----------------------------|------------------|--------------|
|                                  |                          |                     | Land                | Buildings |  | Land Improvements    | Total  | Depreciation<br>12/31/2010 |                  | Construction |
| (Dollars in thousands)           |                          |                     |                     |           |  |                      |        |                            |                  |              |
| Esame Street                     | Bensenville, IL          |                     | 979                 | 5,546     | 3,062  | 1,048                | 8,539  | 9,587                      | 2,640            | 19           |
| Pulaski                          | Chicago, IL              |                     | 318                 | 2,038     | (276)  | 100                  | 1,980  | 2,080                      | 1,073            | 19           |
| Roberts                          | Broadview, IL            |                     | 220                 | 1,248     | 196  | 231                  | 1,433  | 1,664                      | 464              | 19           |
| Mount Prospect,<br>Center Drive  | IL                       |                     | 631                 | 3,493     | 328  | 666                  | 3,786  | 4,452                      | 936              | 20           |
| Mount Prospect,<br>Court         | IL                       |                     | 233                 | 1,292     | (216)  | 156                  | 1,153  | 1,309                      | 392              | 20           |
| Mount Prospect,<br>anville Drive | IL                       |                     | 260                 | 1,437     | (743)  | 75                   | 879    | 954                        | 410              | 20           |
| 1st Street                       | Lemont, IL               | 5,477               | 1,200               | 6,643     | 2,408  | 1,220                | 9,031  | 10,251                     | 2,930            | 20           |
| Glendale<br>Street               | Heights, IL              | 1,491               | 427                 | 2,363     | 163  | 433                  | 2,520  | 2,953                      | 588              | 20           |
| Thorndale Avenue                 | Bensenville, IL          | 4,449               | 751                 | 4,159     | 2,213  | 761                  | 6,362  | 7,123                      | 1,837            | 20           |
| at Road                          | North Aurora, IL         |                     | 983                 |           | 6,783  | 983                  | 6,783  | 7,766                      | 1,480            | 20           |
| Mount Prospect,<br>anville Drive | IL                       |                     | 985                 | 5,455     | 2,155  | 1,044                | 7,551  | 8,595                      | 1,964            | 20           |
| y & 1158 McCage<br>Village, IL   | Elk Grove                |                     | 1,500               | 4,842     | (163)  | 1,514                | 4,665  | 6,179                      | 1,003            | 20           |
| Thorndale Avenue                 | Bensenville, IL          |                     | 2,103               | 3,674     | 204  | 2,108                | 3,873  | 5,981                      | 1,028            | 20           |
| usse Rd.                         | Bensenville, IL          |                     | 1,597               | 2,767     | (76)   | 1,601                | 2,687  | 4,288                      | 677              | 20           |
| W. Thorndale Ave                 | Bensenville, IL          |                     | 1,704               | 2,108     | 352  | 1,709                | 2,455  | 4,164                      | 781              | 20           |
| oads Pkwy                        | Bolingbrook, IL          | 5,747               | 1,178               | 9,453     | 845  | 1,181                | 10,295 | 11,476                     | 2,136            | 20           |
| Industrial Drive                 | Forest Park, IL          |                     | 1,207               | 2,343     | 174  | 1,213                | 2,511  | 3,724                      | 678              | 20           |
| Industrial Drive                 | Forest Park, IL          |                     | 1,215               | 3,020     | (170)  | 1,220                | 2,845  | 4,065                      | 687              | 20           |
| na Street                        | LaGrange, IL             |                     | 1,547               | 2,078     | 2,761  | 1,617                | 4,769  | 6,386                      | 1,536            | 20           |
| arly Drive                       | Carol Stream, IL         |                     | 793                 | 1,395     | 182  | 801                  | 1,569  | 2,370                      | 313              | 20           |
| incennes                         | Thornton, IL             |                     | 497                 | 504       | 103  | 513                  | 591    | 1,104                      | 287              | 20           |
| s Road                           | Elgin, IL                |                     | 998                 | 1,859     | 674  | 1,046                | 2,485  | 3,531                      | 1,049            | 20           |
| 66th Street                      | Markham, IL              |                     | 1,132               | 4,293     | 723  | 1,134                | 5,014  | 6,148                      | 1,139            | 20           |
| Arlington<br>gonquin Rd          | Heights, IL              | 1,953               | 574                 | 741       | 2,053  | 579                  | 2,789  | 3,368                      | 405              | 20           |
| oth Street                       | Chicago, IL              | 1,061               | 609                 | 932       | 137  | 667                  | 1,011  | 1,678                      | 436              | 20           |
| da                               | Franklin Park, IL        | 7,687               | 2,721               | 5,630     | 514  | 2,737                | 6,128  | 8,865                      | 1,027            | 20           |
| Elk Grove<br>on Street           | Village, IL              |                     | 3,369               | 6,121     | 139  | 3,482                | 6,147  | 9,629                      | 905              | 20           |

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|                 |                |       |       |       |       |       |       |        |       |    |
|-----------------|----------------|-------|-------|-------|-------|-------|-------|--------|-------|----|
| 103rd Street    | Woodridge, IL  | 2,643 | 744   | 2,458 | 151   | 760   | 2,594 | 3,354  | 377   | 20 |
| Princeton       | Cincinnati, OH |       | 545   | 3,088 | 1,760 | 566   | 4,827 | 5,393  | 1,920 | 19 |
| and Avenue      | Cincinnati, OH |       | 1,717 | 9,730 | (883) | 1,126 | 9,438 | 10,564 | 4,194 | 19 |
| Creek Road      | Blue Ash, OH   |       | 1,080 | 6,118 | 1,112 | 1,109 | 7,201 | 8,310  | 2,401 | 19 |
| nt Valley Drive | Springboro, OH |       | 304   | 1,721 | (257) | 203   | 1,565 | 1,768  | 687   | 19 |
| mauser Road     | Hamilton, OH   |       | 630   |       | 5,076 | 630   | 5,076 | 5,706  | 1,026 | 20 |
| mauser Road     | Hamilton, OH   | 4,986 | 779   |       | 6,728 | 779   | 6,728 | 7,507  | 1,706 | 20 |

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| Address        | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried |                          |                            | Accumulated Year | Acquire |
|----------------|--------------------------|---------------------|---------------------|-----------|---|----------------------|--------------------------|----------------------------|------------------|---------|
|                |                          |                     | Land                | Buildings |   | Land Improvements    | Building<br>and<br>Total | Depreciation<br>12/31/2010 |                  |         |
| Is Corner Road | Loveland, OH             |                     | 600                 | 1,083     | 669   | 606                  | 1,746                    | 2,352                      | 487              | 2003    |
| Is Corner Road | Loveland, OH             |                     | 600                 | 1,811     | (179)   | 575                  | 1,657                    | 2,232                      | 486              | 2003    |
| es Drive       | Westchester, OH          |                     | 858                 | 2,273     | 1,173   | 875                  | 3,429                    | 4,304                      | 1,939            | 2003    |
| -Glendale      | Westchester, OH          | 1,666               | 818                 | 1,648     | 428   | 840                  | 2,054                    | 2,894                      | 807              | 2006    |
| des Drive      | Westchester, OH          |                     | 347                 | 1,323     | 115   | 355                  | 1,430                    | 1,785                      | 330              | 2007    |
| 76 Windisch    | Westchester, OH          |                     | 392                 | 1,744     | 24  | 394                  | 1,766                    | 2,160                      | 304              | 2007    |
| 22 Windisch    | Westchester, OH          |                     | 395                 | 2,541     | 16  | 397                  | 2,555                    | 2,952                      | 305              | 2007    |
| 22 Windisch    | Westchester, OH          |                     | 506                 | 3,148     | 47  | 508                  | 3,193                    | 3,701                      | 377              | 2007    |
| 8 Windisch     | Westchester, OH          |                     | 546                 | 3,039     | 46  | 548                  | 3,083                    | 3,631                      | 377              | 2007    |
| 22 Windisch    | Westchester, OH          |                     | 623                 | 4,003     | 94  | 627                  | 4,093                    | 4,720                      | 619              | 2007    |
| d              |                          |                     |                     |           |   |                      |                          |                            |                  |         |
| emerald Valley | Glenwillow, OH           |                     | 681                 | 11,838    | 928   | 691                  | 12,756                   | 13,447                     | 2,072            | 2006    |
| emerald Valley | Glenwillow, OH           | 4,916               | 466                 | 5,447     | 103   | 475                  | 5,541                    | 6,016                      | 1,080            | 2006    |
| ehran Road     | Glenwillow, OH           | 7,114               | 972                 | 7,033     | 171   | 991                  | 7,185                    | 8,176                      | 1,385            | 2006    |
| ehran Road     | Glenwillow, OH           |                     | 775                 | 6,244     | 80  | 792                  | 6,307                    | 7,099                      | 1,104            | 2006    |
| ehran Road     | Glenwillow, OH           |                     | 920                 | 6,174     | 89  | 921                  | 6,262                    | 7,183                      | 1,069            | 2006    |
| arter Street   | Solon, OH                |                     | 989                 | 3,042     | 960   | 1,022                | 3,969                    | 4,991                      | 1,741            | 2006    |
| row Road       | Twinsburg, OH            |                     | 2,478               | 6,791     | 1,865   | 2,496                | 8,639                    | 11,135                     | 1,174            | 2008    |
| as             |                          |                     |                     |           |   |                      |                          |                            |                  |         |
| ckbourne       |                          |                     |                     |           |   |                      |                          |                            |                  |         |
| l Pkwy         | Columbus, OH             |                     | 1,045               | 6,421     | (1,875)   | 588                  | 5,003                    | 5,591                      | 2,348            | 1996    |
| veport Road    | Columbus, OH             |                     | 1,955               | 12,154    | (1,420)   | 1,610                | 11,079                   | 12,689                     | 4,369            | 1996    |
| th Walcutt     | Columbus, OH             |                     | 637                 | 4,590     | (690)   | 454                  | 4,083                    | 4,537                      | 1,487            | 1997    |
| p Road(d)      | Hillard, OH              |                     | 756                 | 4,297     | 1,511   | 756                  | 5,808                    | 6,564                      | 1,858            | 1998    |
| ckbourne       | Columbus, OH             |                     | 708                 | 3,920     | (2,121)   | 156                  | 2,351                    | 2,507                      | 1,513            | 1998    |

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|                   |               |       |       |         |       |       |       |       |      |
|-------------------|---------------|-------|-------|---------|-------|-------|-------|-------|------|
| sburgh Drive      | Delaware, OH  | 2,265 | 4,733 | (37)    | 2,273 | 4,688 | 6,961 | 1,220 | 2005 |
| ntly Road         | Columbus, OH  | 920   | 4,810 | (689)   | 791   | 4,250 | 5,041 | 857   | 2005 |
| sta Drive         | Obetz, OH     | 318   | 837   | 255     | 326   | 1,084 | 1,410 | 318   | 2006 |
| itrol Road        | Columbus, OH  | 681   | 5,941 | (3,796) | 227   | 2,599 | 2,826 | 915   | 2006 |
| Hamilton Road     | Groveport, OH | 662   | 4,332 | 1,453   | 675   | 5,772 | 6,447 | 1,033 | 2007 |
| <b>Fort Worth</b> |               |       |       |         |       |       |       |       |      |
| 6 Walnut          | Dallas, TX    | 178   | 1,006 | 585     | 172   | 1,597 | 1,769 | 409   | 1997 |
| 9 Walnut          | Dallas, TX    | 148   | 839   | 299     | 142   | 1,144 | 1,286 | 287   | 1997 |
| Great             |               |       |       |         |       |       |       |       |      |
| st Pkwy           | Arlington, TX | 237   | 1,342 | 440     | 270   | 1,749 | 2,019 | 545   | 1997 |
| st Commerce       | Dallas, TX    | 456   | 2,584 | 983     | 469   | 3,554 | 4,023 | 1,027 | 1997 |
| asboro            | Dallas, TX    | 266   | 1,510 | (619)   | 85    | 1,072 | 1,157 | 620   | 1997 |

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| Building Address      | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried |              |       | Accumulated<br>Depreciation<br>12/31/2010 | Year<br>Acquired/<br>Constructed |
|-----------------------|--------------------------|---------------------|---------------------|-----------|---|----------------------|--------------|-------|---|----------------------------------|
|                       |                          |                     | Land                | Buildings |   | Land                 | Improvements | Total |   |                                  |
| 5-407 113th           | Arlington, TX            |                     | 181                 | 1,026     | 475   | 185                  | 1,497        | 1,682 | 434                                       | 1997                             |
| 5 111th Street        | Arlington, TX            | 873                 | 251                 | 1,421     | 132   | 258                  | 1,546        | 1,804 | 512                                       | 1997                             |
| 27 Dogwood<br>k       | Richland Hills,<br>TX    |                     | 96                  | 532       | 573   | 102                  | 1,099        | 1,201 | 444                                       | 1998                             |
| 8-54 Tower<br>eet     | Richland Hills,<br>TX    |                     | 88                  | 489       | 225   | 94                   | 708          | 802   | 213                                       | 1998                             |
| 9-41 Tower<br>eet     | Richland Hills,<br>TX    |                     | 98                  | 541       | 169   | 104                  | 704          | 808   | 192                                       | 1998                             |
| 7-45 Tower<br>eet     | Richland Hills,<br>TX    |                     | 102                 | 563       | 121   | 108                  | 678          | 786   | 198                                       | 1998                             |
| 1-59 Airport<br>eway  | Richland Hills,<br>TX    |                     | 354                 | 1,958     | 349   | 372                  | 2,289        | 2,661 | 721                                       | 1998                             |
| 8-60 Dogwood<br>k     | Richland Hills,<br>TX    |                     | 106                 | 587       | 126   | 112                  | 707          | 819   | 207                                       | 1998                             |
| 0-70 Dogwood<br>k     | Richland Hills,<br>TX    |                     | 106                 | 584       | 157   | 112                  | 735          | 847   | 228                                       | 1998                             |
| 3-49 Airport<br>eway  | Richland Hills,<br>TX    |                     | 293                 | 1,621     | 393   | 308                  | 1,999        | 2,307 | 648                                       | 1998                             |
| 0 Whitehall<br>eet    | Richland Hills,<br>TX    |                     | 109                 | 603       | 61  | 115                  | 658          | 773   | 198                                       | 1998                             |
| 2-1654 Terre<br>lony  | Dallas, TX               | 1,867               | 458                 | 2,596     | 805   | 468                  | 3,391        | 3,859 | 841                                       | 2000                             |
| 1-2355 Merritt<br>ve  | Garland, TX              |                     | 101                 | 574       | 87  | 92                   | 670          | 762   | 180                                       | 2000                             |
| -735 North<br>no Road | Richardson, TX           |                     | 696                 | 3,944     | (1,760)   | 269                  | 2,611        | 2,880 | 1,186                                     | 2000                             |
| 0 Merritt Drive       | Garland, TX              |                     | 352                 | 1,993     | 1,088   | 356                  | 3,077        | 3,433 | 936                                       | 2000                             |
| 0 Merritt Drive       | Garland, TX              |                     | 350                 | 1,981     | 578   | 357                  | 2,552        | 2,909 | 794                                       | 2000                             |
| 3 Merritt Drive       | Garland, TX              |                     | 73                  | 412       | 65  | 47                   | 503          | 550   | 157                                       | 2000                             |
| 7 Merritt Drive       | Garland, TX              |                     | 70                  | 395       | (205)   | 23                   | 237          | 260   | 119                                       | 2000                             |
| 5-2475 Merritt<br>ve  | Garland, TX              |                     | 91                  | 514       | 35  | 71                   | 569          | 640   | 154                                       | 2000                             |
| 5-2505 Merritt<br>ve  | Garland, TX              |                     | 431                 | 2,440     | 848   | 436                  | 3,283        | 3,719 | 778                                       | 2000                             |
|                       | Carrolton, TX            | 1,507               | 448                 | 2,540     | (272)   | 295                  | 2,421        | 2,716 | 725                                       | 2001                             |



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|                            |               |       |       |         |         |       |       |       |       |      |
|----------------------------|---------------|-------|-------|---------|---------|-------|-------|-------|-------|------|
| 31 Hutton Drive<br>lg 1(e) | Carrolton, TX |       | 374   | 2,117   | (260)   | 268   | 1,963 | 2,231 | 721   | 2001 |
| 0 Hutton Drive             | Carrolton, TX | 1,579 | 437   | 2,478   | 348     | 442   | 2,821 | 3,263 | 774   | 2001 |
| 25 McKenzie<br>ve          | Carrolton, TX | 1,886 | 502   | 2,843   | 552     | 507   | 3,390 | 3,897 | 903   | 2001 |
| 9 McKenzie<br>ve           | Carrolton, TX |       | 460   | 2,608   | (1,499) | 112   | 1,457 | 1,569 | 797   | 2001 |
| 0 Valwood<br>kway          | Carrolton, TX | 1,089 | 6,173 | (1,613) | 605     | 5,044 | 5,649 | 1,829 | 2001  |      |
| lg 1(d)                    | Carrolton, TX |       | 167   | 948     | (425)   | 78    | 612   | 690   | 254   | 2001 |
| 0 Valwood<br>kway(e)       | Carrolton, TX |       | 617   | 3,498   | (249)   | 456   | 3,410 | 3,866 | 1,033 | 2001 |
| 5 Luna Road<br>lg II       | Carrolton, TX | 1,897 | 306   | 1,870   | 680     | 306   | 2,550 | 2,856 | 1,014 | 2001 |
| 25 West Crosby<br>ad       | Carrolton, TX |       | 811   | 4,597   | 176     | 695   | 4,889 | 5,584 | 1,362 | 2001 |
| 9-2035<br>Kenzie Drive     | Carrolton, TX |       | 373   | 2,116   | 321     | 377   | 2,433 | 2,810 | 599   | 2001 |
| 0 Hutton<br>ve(d)          | Carrolton, TX | 2,106 | 510   | 2,891   | 395     | 516   | 3,280 | 3,796 | 843   | 2001 |
| 0 Valwood<br>vy            | Carrolton, TX |       | 476   | 2,699   | 376     | 481   | 3,070 | 3,551 | 790   | 2001 |
| lg II                      | Carrolton, TX |       |       |         |         |       |       |       |       |      |
| 5 McKenzie<br>ve           | Carrolton, TX |       |       |         |         |       |       |       |       |      |
| 9 McKenzie<br>ve           | Carrolton, TX |       |       |         |         |       |       |       |       |      |

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| Address            | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried |              |        | Accumulated Y<br>12/31/2010 | Acqu<br>Const |
|--------------------|--------------------------|---------------------|---------------------|-----------|---|----------------------|--------------|--------|-----------------------------|---------------|
|                    |                          |                     | Land                | Buildings |   | Land                 | Improvements | Total  |                             |               |
| Road Bldg I        | Carrolton, TX            |                     | 521                 | 2,953     | (1,985)   | 130                  | 1,359        | 1,489  | 735                         | 2             |
| Drive              | Carrolton, TX            |                     | 246                 | 1,393     | (424)   | 140                  | 1,075        | 1,215  | 372                         | 2             |
| venue S            | Grand Prairie,<br>TX     | 2,669               | 623                 | 3,528     | 1,365   | 629                  | 4,887        | 5,516  | 1,059                       | 2             |
| ng(f)              | Plano, TX                | 7,709               | 1,961               | 11,112    | 819   | 1,981                | 11,911       | 13,892 | 2,648                       | 2             |
| gwood Park         | Richland Hills,<br>TX    |                     | 110                 | 623       | 195   | 111                  | 817          | 928    | 167                         | 2             |
| Street             | Richland Hills,<br>TX    |                     | 36                  | 204       | 183   | 36                   | 387          | 423    | 148                         | 2             |
| Street             | Richland Hills,<br>TX    |                     | 57                  | 324       | 158   | 58                   | 481          | 539    | 172                         | 2             |
| Street             | Richland Hills,<br>TX    |                     | 76                  | 429       | 239   | 76                   | 668          | 744    | 103                         | 2             |
| ower Street        | Richland Hills,<br>TX    |                     | 75                  | 427       | 130   | 76                   | 556          | 632    | 111                         | 2             |
| andley Ederville   | Richland Hills,<br>TX    |                     | 112                 | 635       | 56  | 113                  | 690          | 803    | 145                         | 2             |
| airport Freeway    | Richland Hills,<br>TX    |                     | 256                 | 1,453     | 254   | 259                  | 1,704        | 1,963  | 372                         | 2             |
| mall Street        | Richland Hills,<br>TX    |                     | 372                 | 2,107     | (194)   | 269                  | 2,016        | 2,285  | 542                         | 2             |
| mall Street        | Richland Hills,<br>TX    |                     | 104                 | 591       | 288   | 105                  | 878          | 983    | 162                         | 2             |
| Way                | Richland Hills,<br>TX    | 908                 | 208                 | 1,181     | 18  | 211                  | 1,196        | 1,407  | 247                         | 2             |
| ood Park           | Richland Hills,<br>TX    | 608                 | 133                 | 753       | 29  | 134                  | 781          | 915    | 165                         | 2             |
| venue H(d)         | Arlington, TX            |                     | 600                 | 3,006     | 245   | 604                  | 3,247        | 3,851  | 974                         | 2             |
| venue M            | Grand Prairie,<br>TX     |                     | 300                 | 1,504     | 357   | 302                  | 1,859        | 2,161  | 462                         | 2             |
| th Street(d)       | Grand Prairie,<br>TX     | 2,253               | 700                 | 3,509     | 196   | 704                  | 3,701        | 4,405  | 1,009                       | 2             |
| venue H(d)         | Arlington, TX            | 1,702               | 600                 | 2,846     | (132)   | 604                  | 2,710        | 3,314  | 591                         | 2             |
| Carrier Parkway(e) | Grand Prairie,<br>TX     |                     | 1,000               | 5,012     | 113   | 1,006                | 5,119        | 6,125  | 1,082                       | 2             |

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|                 |                      |       |       |        |         |       |        |        |       |   |
|-----------------|----------------------|-------|-------|--------|---------|-------|--------|--------|-------|---|
| Centennial Dr   | Arlington, TX        | 1,912 | 600   | 2,534  | 217     | 604   | 2,747  | 3,351  | 865   | 2 |
| Commerce Street | Dallas, TX           |       | 1,000 | 3,364  | 95      | 1,011 | 3,448  | 4,459  | 1,047 | 2 |
| Royal Lane      | Irving, TX           |       | 818   | 3,767  | (1,859) | 368   | 2,358  | 2,726  | 904   | 2 |
| c Drive         | Farmers Ranch,<br>TX |       | 823   | 4,042  | 146     | 825   | 4,186  | 5,011  | 1,025 | 2 |
| reat Southwest  | Grand Prairie,<br>TX |       | 2,581 | 16,556 | (917)   | 2,586 | 15,634 | 18,220 | 4,429 | 2 |
| nz Way          | Grand Prairie,<br>TX |       | 599   | 3,327  | 355     | 601   | 3,680  | 4,281  | 995   | 2 |
| nz Way          | Grand Prairie,<br>TX |       | 493   | 2,758  | (14)    | 481   | 2,756  | 3,237  | 851   | 2 |
| er Avenue       | Fort Smith, AR       |       | 720   | 2,800  | (658)   | 566   | 2,296  | 2,862  | 448   | 2 |
| y Circle        | Irving, TX           | 2,582 | 760   | 3,856  | 204     | 771   | 4,049  | 4,820  | 500   | 2 |
| d Dist Ctr.     | Garland, TX          |       | 1,912 |        | 15,155  | 1,947 | 15,120 | 17,067 | 1,367 | 2 |
|                 | Denver, CO           |       | 173   | 981    | 132     | 175   | 1,111  | 1,286  | 336   | 1 |
| reet            | Denver, CO           |       | 132   | 750    | 149     | 134   | 897    | 1,031  | 265   | 1 |
|                 | Denver, CO           | 1,302 | 361   | 2,047  | 282     | 368   | 2,322  | 2,690  | 725   | 1 |

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| Address         | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried<br>At Close of Period 12/31/10<br>Accumulated Year-End |                          |                            |                          |      |
|-----------------|--------------------------|---------------------|---------------------|-----------|---|---|--------------------------|----------------------------|--------------------------|------|
|                 |                          |                     | Land                | Buildings |   | Land Improvements   | Building<br>and<br>Total | Depreciation<br>12/31/2010 | Acquired<br>Construction |      |
| Street          | Denver, CO               | 1,048               | 219                 | 1,239     | 165   | 220   | 1,403                    | 1,623                      | 468                      | 1997 |
| pleton Drive    | Denver, CO               | 1,329               | 288                 | 1,630     | 142   | 290   | 1,770                    | 2,060                      | 566                      | 1997 |
| pleton Drive    | Denver, CO               | 1,870               | 376                 | 2,129     | 392   | 380   | 2,517                    | 2,897                      | 860                      | 1997 |
| 5 North         | Denver, CO               |                     | 268                 | 1,518     | 303   | 271   | 1,818                    | 2,089                      | 558                      | 1997 |
| y               | Denver, CO               |                     | 414                 | 2,346     | 861   | 422   | 3,199                    | 3,621                      | 1,004                    | 1997 |
| 8 North         | Denver, CO               |                     | 232                 | 1,313     | 24  | 236   | 1,333                    | 1,569                      | 449                      | 1997 |
| y               | Denver, CO               |                     | 441                 | 2,689     | (18)  | 441   | 2,671                    | 3,112                      | 892                      | 1997 |
| nton Street     | Denver, CO               |                     |                     |           |   |   |                          |                            |                          |      |
| Drive A         | Denver, CO               |                     |                     |           |   |   |                          |                            |                          |      |
| st 49th Street  | Wheatridge, CO           |                     | 283                 | 1,625     | 7   | 287   | 1,628                    | 1,915                      | 570                      | 1997 |
| st 49th Street  | BWheatridge, CO          |                     | 225                 | 1,272     | 109   | 227   | 1,379                    | 1,606                      | 486                      | 1997 |
| st 49th Street  | CWheatridge, CO          |                     | 600                 | 3,409     | 110   | 601   | 3,518                    | 4,119                      | 1,146                    | 1997 |
| st 49th Street  | Wheatridge, CO           |                     | 246                 | 1,537     | 395   | 247   | 1,931                    | 2,178                      | 683                      | 1997 |
| East            | Littleton, CO            |                     | 383                 | 2,145     | 328   | 383   | 2,473                    | 2,856                      | 998                      | 1997 |
| venue           | Lakewood, CO             |                     | 265                 | 1,501     | 423   | 269   | 1,920                    | 2,189                      | 620                      | 1997 |
| ison Street     | Lakewood, CO             |                     | 264                 | 1,494     | 372   | 265   | 1,865                    | 2,130                      | 606                      | 1997 |
| ison Street     | Lakewood, CO             |                     | 913                 | 5,174     | 769   | 918   | 5,938                    | 6,856                      | 1,902                    | 1997 |
| est 6th Avenue  | Golden, CO               |                     | 565                 | 3,199     | 263   | 570   | 3,457                    | 4,027                      | 1,138                    | 1997 |
| est 6th Avenue  | Golden, CO               |                     |                     |           |   |   |                          |                            |                          |      |
| est 6th Avenue  | Englewood, CO            |                     | 269                 | 1,525     | 73  | 273   | 1,594                    | 1,867                      | 516                      | 1997 |
| st Euclid Drive | Denver, CO               |                     | 1,208               | 6,905     | 429   | 1,000   | 7,542                    | 8,542                      | 2,804                    | 1997 |
| th Racine       | Englewood, CO            | 3,003               | 739                 | 4,241     | 402   | 739   | 4,643                    | 5,382                      | 1,631                    | 1997 |
| th Abilene      | Aurora, CO               |                     | 465                 | 2,633     | (1,134)   | 210   | 1,754                    | 1,964                      | 889                      | 1997 |
| th Abilene      | Aurora, CO               |                     | 268                 | 1,520     | 84  | 270   | 1,602                    | 1,872                      | 520                      | 1997 |
| th Abilene      | Aurora, CO               |                     | 368                 | 2,085     | (158)   | 307   | 1,988                    | 2,295                      | 719                      | 1997 |
| st Florida Ave  | Aurora, CO               |                     | 189                 | 1,071     | (439)   | 81  | 740                      | 821                        | 393                      | 1997 |
| st 53rd Avenue  | Denver, CO               |                     | 416                 | 2,355     | 326   | 422   | 2,675                    | 3,097                      | 921                      | 1997 |
| vego Street     | Denver, CO               |                     | 273                 | 1,547     | 197   | 278   | 1,739                    | 2,017                      | 580                      | 1997 |

|                |               |       |       |        |       |       |        |        |       |      |
|----------------|---------------|-------|-------|--------|-------|-------|--------|--------|-------|------|
| est 6th Avenue | Golden, CO    |       | 468   | 2,799  | 400   | 468   | 3,199  | 3,667  | 1,141 | 1997 |
| est 6th Avenue | Golden, CO    |       | 503   | 2,942  | 199   | 503   | 3,141  | 3,644  | 1,028 | 1997 |
| nt Street      | Denver, CO    | 6,926 | 1,829 | 10,219 | 2,265 | 1,829 | 12,484 | 14,313 | 3,794 | 1998 |
| et             | Denver, CO    |       | 735   | 4,166  | 448   | 752   | 4,597  | 5,349  | 1,448 | 1998 |
| 49th Ave/4955  | Denver, CO    |       | 298   | 1,688  | 547   | 305   | 2,228  | 2,533  | 737   | 1998 |
| 0 Paris        | Denver, CO    |       | 152   | 861    | 253   | 156   | 1,110  | 1,266  | 321   | 1998 |
| is             | Denver, CO    |       | 95    | 537    | 144   | 97    | 679    | 776    | 208   | 1998 |
| th Revere      | Englewood, CO | 3,324 | 926   | 5,124  | 818   | 934   | 5,934  | 6,868  | 2,016 | 1998 |

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| Address                | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation | Gross Amount Carried |              |       | Accumulated Year | Acquire |
|------------------------|--------------------------|---------------------|---------------------|-----------|--|----------------------|--------------|-------|------------------|---------|
|                        |                          |                     | Land                | Buildings |  | Land                 | Improvements | Total |                  |         |
| (Dollars in thousands) |                          |                     |                     |           |  |                      |              |       |                  |         |
| at Park Meadows        | Lone Tree, CO            |                     | 1,297               | 7,348     | 903  | 1,304                | 8,244        | 9,548 | 2,245            | 2000    |
| entin(d)               | Aurora, CO               |                     | 1,220               | 6,911     | 638  | 1,230                | 7,539        | 8,769 | 2,043            | 2000    |
| at Bus Ctr B           | Littleton, CO            |                     | 739                 |           | 3,259  | 781                  | 3,217        | 3,998 | 704              | 2000    |
| 124th Ave.             | Westminster, CO          |                     | 441                 |           | 3,766  | 441                  | 3,766        | 4,207 | 1,223            | 2000    |
| 124th Ave.             | Westminster, CO          |                     | 374                 |           | 2,771  | 374                  | 2,771        | 3,145 | 654              | 2000    |
| 124th Ave.             | Westminster, CO          |                     | 374                 |           | 2,813  | 374                  | 2,813        | 3,187 | 793              | 2000    |
| as Ctr Phase I         | Broomfield, CO           |                     | 312                 |           | 1,403  | 370                  | 1,345        | 1,715 | 337              | 2001    |
| 24th Ave               | Westminster, CO          |                     | 441                 |           | 3,395  | 429                  | 3,407        | 3,836 | 991              | 2001    |
| 116th Street           | Broomfield, CO           |                     | 338                 | 1,918     | 290  | 372                  | 2,174        | 2,546 | 451              | 2003    |
| 116th Street           | Broomfield, CO           |                     | 1,151               | 6,523     | 1,090  | 1,304                | 7,460        | 8,764 | 1,601            | 2003    |
| 32nd Street            | Aurora, CO               | 2,130               | 563                 | 3,188     | 651  | 572                  | 3,830        | 4,402 | 1,160            | 2004    |
| ser Street             | Aurora, CO               | 2,449               | 616                 | 3,593     | (168)  | 620                  | 3,421        | 4,041 | 598              | 2005    |
| 46th Avenue Drive      | Denver, CO               | 1,462               | 512                 | 2,025     | 60   | 517                  | 2,080        | 2,597 | 410              | 2005    |
| azar Way               | Frederick, CO            | 4,254               | 1,271               | 6,508     | (88)   | 1,276                | 6,415        | 7,691 | 1,137            | 2006    |
| Abilene                | Aurora, CO               |                     | 406                 | 2,814     | (699)  | 294                  | 2,227        | 2,521 | 570              | 2006    |
| 5 N. Broadway          | Denver, CO               | 1,022               | 495                 | 1,268     | 183  | 500                  | 1,446        | 1,946 | 396              | 2006    |
| porate Circle          | Golden, CO               |                     | 499                 | 2,673     | 77   | 559                  | 2,690        | 3,249 | 521              | 2006    |
| orncroft               | Troy, MI                 |                     | 331                 | 1,904     | 192  | 331                  | 2,096        | 2,427 | 826              | 1994    |
|                        | Plymouth                 |                     |                     |           |  |                      |              |       |                  |         |
| ipper                  | Township, MI             |                     | 122                 | 723       | 114  | 122                  | 837          | 959   | 374              | 1994    |
| utive Drive            | Troy, MI                 |                     | 52                  | 173       | 514  | 100                  | 639          | 739   | 558              | 1994    |
| utive Drive            | Troy, MI                 |                     | 71                  | 293       | 627  | 133                  | 858          | 991   | 796              | 1994    |
| utive Drive            | Troy, MI                 |                     | 125                 | 425       | 939  | 218                  | 1,271        | 1,489 | 1,181            | 1994    |
| utive Drive            | Troy, MI                 |                     | 71                  | 236       | 600  | 129                  | 778          | 907   | 556              | 1994    |
| bins Drive             | Troy, MI                 |                     | 96                  | 448       | 867  | 192                  | 1,219        | 1,411 | 1,098            | 1994    |
| ooks Road              | Troy, MI                 |                     | 331                 | 1,017     | 2,239  | 360                  | 3,227        | 3,587 | 1,882            | 1994    |
| ijer Drive             | Troy, MI                 |                     | 94                  | 394       | 516  | 121                  | 883          | 1,004 | 741              | 1994    |
| ijer Drive             | Troy, MI                 |                     | 236                 | 1,406     | 940  | 373                  | 2,209        | 2,582 | 1,754            | 1994    |
| ijer Drive             | Troy, MI                 |                     | 315                 | 1,301     | 738  | 372                  | 1,982        | 2,354 | 1,466            | 1994    |
| erthwood Drive         | Troy, MI                 |                     | 85                  | 351       | 1,014  | 215                  | 1,235        | 1,450 | 1,151            | 1994    |
| erthwood Drive         | Troy, MI                 |                     | 95                  | 262       | 1,316  | 239                  | 1,434        | 1,673 | 1,116            | 1994    |
| erthwood Drive         | Troy, MI                 |                     | 50                  | 196       | 483  | 103                  | 626          | 729   | 558              | 1994    |
| erthwood Drive         | Troy, MI                 |                     | 132                 | 523       | 744  | 220                  | 1,179        | 1,399 | 1,162            | 1994    |

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|                 |          |    |     |     |     |     |     |     |      |
|-----------------|----------|----|-----|-----|-----|-----|-----|-----|------|
| Northwood Drive | Troy, MI | 55 | 208 | 472 | 103 | 632 | 735 | 547 | 1994 |
| Northwood Drive | Troy, MI | 57 | 190 | 489 | 107 | 629 | 736 | 566 | 1994 |

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| Building Address      | Location<br>(City/State) | (a)<br>Initial Cost<br>and Buildings | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision |                               |             | Gross Amount Carried            |       | At Close of Period 12/31/10               |      | Year<br>Constructed | Depreciable<br>Lives<br>(Years) |
|-----------------------|--------------------------|--------------------------------------|---|-------------------------------|-------------|---------------------------------|-------|---|------|---------------------|---------------------------------|
|                       |                          |                                      | (b)<br>Initial Cost<br>and Buildings  | (b)<br>Valuation<br>Provision | (b)<br>Land | Building<br>and<br>Improvements | Total | Accumulated<br>Depreciation<br>12/31/2010 |      |                     |                                 |
| 2277 Elliott Avenue   | Troy, MI                 | 48                                   | 188   | 411                           | 16          | 631                             | 647   | 559                                       | 1994 | (1)                 |                                 |
| 2451 Elliott Avenue   | Troy, MI                 | 78                                   | 319   | 751                           | 164         | 984                             | 1,148 | 909                                       | 1994 | (1)                 |                                 |
| 2730 Research Drive   | Rochester Hills, MI      | 903                                  | 4,215   | 1,402                         | 903         | 5,617                           | 6,520 | 3,691                                     | 1994 | (1)                 |                                 |
| 2791 Research Drive   | Rochester Hills, MI      | 557                                  | 2,731   | 719                           | 560         | 3,447                           | 4,007 | 2,233                                     | 1994 | (1)                 |                                 |
| 2871 Research Drive   | Rochester Hills, MI      | 324                                  | 1,487   | 846                           | 327         | 2,330                           | 2,657 | 1,518                                     | 1994 | (1)                 |                                 |
| 3011 Research Drive   | Rochester Hills, MI      | 457                                  | 2,104   | 687                           | 457         | 2,791                           | 3,248 | 1,790                                     | 1994 | (1)                 |                                 |
| 2870 Technology Drive | Rochester Hills, MI      | 275                                  | 1,262   | 292                           | 279         | 1,550                           | 1,829 | 1,079                                     | 1994 | (1)                 |                                 |
| 2900 Technology Drive | Rochester Hills, MI      | 214                                  | 977   | 613                           | 219         | 1,585                           | 1,804 | 1,004                                     | 1994 | (1)                 |                                 |
| 2930 Technology Drive | Rochester Hills, MI      | 131                                  | 594   | 379                           | 138         | 966                             | 1,104 | 572                                       | 1994 | (1)                 |                                 |
| 2950 Technology Drive | Rochester Hills, MI      | 178                                  | 819   | 381                           | 185         | 1,193                           | 1,378 | 763                                       | 1994 | (1)                 |                                 |
| 23014 Commerce Drive  | Farmington Hills, MI     | 39                                   | 203   | 216                           | 56          | 402                             | 458   | 281                                       | 1994 | (1)                 |                                 |
| 23028 Commerce Drive  | Farmington Hills, MI     | 98                                   | 507   | 278                           | 125         | 758                             | 883   | 580                                       | 1994 | (1)                 |                                 |
| 23035 Commerce Drive  | Farmington Hills, MI     | 71                                   | 355   | 274                           | 93          | 607                             | 700   | 441                                       | 1994 | (1)                 |                                 |
| 23042 Commerce Drive  | Farmington Hills, MI     | 67                                   | 277   | 274                           | 89          | 529                             | 618   | 417                                       | 1994 | (1)                 |                                 |
| 23065 Commerce Drive  | Farmington Hills, MI     | 71                                   | 408   | 207                           | 93          | 593                             | 686   | 449                                       | 1994 | (1)                 |                                 |
| 23070 Commerce Drive  | Farmington Hills, MI     | 112                                  | 442   | 346                           | 125         | 775                             | 900   | 605                                       | 1994 | (1)                 |                                 |
| 23079 Commerce Drive  | Farmington Hills, MI     | 68                                   | 301   | 290                           | 79          | 580                             | 659   | 402                                       | 1994 | (1)                 |                                 |
|                       |                          | 211                                  | 1,024   | 753                           | 295         | 1,693                           | 1,988 | 1,356                                     | 1994 | (1)                 |                                 |



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|                          |                       |     |       |       |     |       |       |       |      |     |
|--------------------------|-----------------------|-----|-------|-------|-----|-------|-------|-------|------|-----|
| 23093 Commerce Drive     | Farmington Hills, MI  |     |       |       |     |       |       |       |      |     |
| 23135 Commerce Drive     | Farmington Hills, MI  | 146 | 701   | 392   | 158 | 1,081 | 1,239 | 702   | 1994 | (1) |
| 23163 Commerce Drive     | Farmington Hills, MI  | 111 | 513   | 341   | 138 | 827   | 965   | 576   | 1994 | (1) |
| 23177 Commerce Drive     | Farmington Hills, MI  | 175 | 1,007 | 593   | 254 | 1,521 | 1,775 | 1,094 | 1994 | (1) |
| 23206 Commerce Drive     | Farmington Hills, MI  | 125 | 531   | 309   | 137 | 828   | 965   | 600   | 1994 | (1) |
| 23370 Commerce Drive     | Farmington Hills, MI  | 59  | 233   | 175   | 66  | 401   | 467   | 351   | 1994 | (1) |
| 6515 Cobb Drive          | Sterling Heights, MI  | 305 | 1,753 | 242   | 305 | 1,995 | 2,300 | 779   | 1994 | (1) |
| 1451 East Lincoln Avenue | Madison Heights, MI   | 299 | 1,703 | (474) | 148 | 1,380 | 1,528 | 756   | 1995 | (1) |
| 4400 Purks Drive         | Auburn Hills, MI      | 602 | 3,410 | 3,201 | 612 | 6,601 | 7,213 | 2,414 | 1995 | (1) |
| 32450 N Avis Drive       | Madison Heights, MI   | 281 | 1,590 | 529   | 286 | 2,114 | 2,400 | 685   | 1996 | (1) |
| 12707 Eckles Road        | Plymouth Township, MI | 255 | 1,445 | 239   | 267 | 1,672 | 1,939 | 568   | 1996 | (1) |
| 9300-9328 Harrison Rd    | Romulus, MI           | 147 | 834   | 408   | 154 | 1,235 | 1,389 | 404   | 1996 | (1) |
| 9330-9358 Harrison Rd    | Romulus, MI           | 81  | 456   | 253   | 85  | 705   | 790   | 238   | 1996 | (1) |
| 28420-28448 Highland Rd  | Romulus, MI           | 143 | 809   | 268   | 149 | 1,071 | 1,220 | 332   | 1996 | (1) |
| 28450-28478 Highland Rd  | Romulus, MI           | 81  | 461   | 602   | 85  | 1,059 | 1,144 | 293   | 1996 | (1) |
| 28421-28449 Highland Rd  | Romulus, MI           | 109 | 617   | 497   | 114 | 1,109 | 1,223 | 355   | 1996 | (1) |
| 28451-28479 Highland Rd  | Romulus, MI           | 107 | 608   | 379   | 112 | 982   | 1,094 | 292   | 1996 | (1) |
| 28825-28909 Highland Rd  | Romulus, MI           | 70  | 395   | 293   | 73  | 685   | 758   | 247   | 1996 | (1) |
| 28933-29017 Highland Rd  | Romulus, MI           | 112 | 634   | 240   | 117 | 869   | 986   | 270   | 1996 | (1) |

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| Building Address                | Location<br>(City/State)                | (a)<br>Initial Cost<br>and Buildings | (b)   |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision |              | Gross Amount Carried<br>At Close of Period 12/31/10<br>Accumulated Year Depreciation |            |                                   |
|---------------------------------|---|--------------------------------------|-------|-----------|---|--------------|--|------------|-----------------------------------|
|                                 |   |                                      | Land  | Buildings | Land  | Improvements | Total  | 12/31/2010 | Acquired/Live<br>Constructed/Year |
| (Dollars in thousands)          |   |                                      |       |           |   |              |  |            |                                   |
| 824-28908 Highland Rd           | Romulus, MI                             | 134                                  | 760   | 221       | 140   | 975          | 1,115  | 346        | 1996                              |
| 932-29016 Highland Rd           | Romulus, MI                             | 123                                  | 694   | 276       | 128   | 965          | 1,093  | 306        | 1996                              |
| 10-9734 Harrison Rd             | Romulus, MI                             | 125                                  | 706   | 187       | 130   | 888          | 1,018  | 294        | 1996                              |
| 40-9772 Harrison Rd             | Romulus, MI                             | 132                                  | 749   | 226       | 138   | 969          | 1,107  | 319        | 1996                              |
| 40-9868 Harrison Rd             | Romulus, MI                             | 144                                  | 815   | 174       | 151   | 982          | 1,133  | 378        | 1996                              |
| 00-9824 Harrison Rd             | Romulus, MI                             | 117                                  | 664   | 146       | 123   | 804          | 927  | 289        | 1996                              |
| 265-29285 Airport Dr            | Romulus, MI                             | 140                                  | 794   | 254       | 147   | 1,041        | 1,188  | 380        | 1996                              |
| 185-29225 Airport Dr            | Romulus, MI                             | 140                                  | 792   | 328       | 146   | 1,114        | 1,260  | 407        | 1996                              |
| 149-29165 Airport Dr            | Romulus, MI                             | 216                                  | 1,225 | 250       | 226   | 1,465        | 1,691  | 513        | 1996                              |
| 101-29115 Airport Dr            | Romulus, MI                             | 130                                  | 738   | 261       | 136   | 993          | 1,129  | 348        | 1996                              |
| 031-29045 Airport Dr            | Romulus, MI                             | 124                                  | 704   | 178       | 130   | 876          | 1,006  | 343        | 1996                              |
| 050-29062 Airport Dr            | Romulus, MI                             | 127                                  | 718   | 213       | 133   | 925          | 1,058  | 297        | 1996                              |
| 120-29134 Airport Dr            | Romulus, MI                             | 161                                  | 912   | 268       | 169   | 1,172        | 1,341  | 393        | 1996                              |
| 200-29214 Airport Dr            | Romulus, MI                             | 170                                  | 963   | 250       | 178   | 1,205        | 1,383  | 421        | 1996                              |
| 01-9339 Middlebelt Rd           | Romulus, MI                             | 124                                  | 703   | 291       | 130   | 988          | 1,118  | 330        | 1996                              |
| 980 Trolley Industrial<br>Drive | Taylor, MI                              | 450                                  | 2,550 | (658)     | 207   | 2,135        | 2,342  | 1,137      | 1997                              |
| 975 Capitol Avenue              | Livonia, MI<br>Ann Arbor,<br>MI         | 135                                  | 748   | (49)      | 77  | 757          | 834  | 392        | 1998                              |
| 25 S. Industrial Highway        | MI                                      | 660                                  | 3,654 | (1,431)   | 313   | 2,570        | 2,883  | 1,277      | 1998                              |
| 920 Capitol Avenue              | Livonia, MI                             | 76                                   | 422   | (98)      | 27  | 373          | 400  | 161        | 1998                              |
| 923 Brookfield Avenue           | Livonia, MI                             | 120                                  | 665   | (350)     | 32  | 403          | 435  | 257        | 1998                              |
| 965 Brookfield Avenue           | Livonia, MI                             | 120                                  | 665   | (411)     | 28  | 346          | 374  | 224        | 1998                              |
| 405 Stark Road                  | Livonia, MI                             | 46                                   | 254   | (3)       | 30  | 267          | 297  | 99         | 1998                              |
| 70 Chicago Road                 | Troy, MI                                | 249                                  | 1,380 | (455)     | 129   | 1,045        | 1,174  | 501        | 1998                              |
| 00 Chicago Road                 | Troy, MI                                | 268                                  | 1,483 | 284       | 286   | 1,749        | 2,035  | 542        | 1998                              |
| 0 Robbins Drive                 | Troy, MI                                | 166                                  | 920   | 260       | 178   | 1,168        | 1,346  | 381        | 1998                              |
| 30 Chicago Road                 | Troy, MI                                | 271                                  | 1,498 | 166       | 289   | 1,646        | 1,935  | 516        | 1998                              |
| 886 Westmore Avenue             | Livonia, MI                             | 190                                  | 1,050 | (413)     | 86  | 741          | 827  | 381        | 1998                              |
| 898 Westmore Avenue             | Livonia, MI                             | 190                                  | 1,050 | (639)     | 39  | 562          | 601  | 376        | 1998                              |
| 025 Industrial Road             | Livonia, MI<br>Plymouth<br>Township, MI | 80                                   | 442   | (331)     | 6   | 185          | 191  | 160        | 1998                              |
| 711 Clipper Street              | Township, MI                            | 539                                  | 2,983 | 265       | 575   | 3,212        | 3,787  | 1,012      | 1998                              |
| 975 Industrial Road             | Livonia, MI                             | 160                                  | 887   | (231)     | 92  | 724          | 816  | 326        | 1998                              |
| 985 Industrial Road             | Livonia, MI                             | 137                                  | 761   | (368)     | 46  | 484          | 530  | 271        | 1998                              |

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|                     |             |     |       |       |     |       |       |     |      |   |
|---------------------|-------------|-----|-------|-------|-----|-------|-------|-----|------|---|
| 995 Industrial Road | Livonia, MI | 160 | 887   | (344) | 69  | 634   | 703   | 328 | 1998 | ( |
| 874 Westmore Avenue | Livonia, MI | 137 | 761   | (203) | 58  | 637   | 695   | 347 | 1998 | ( |
| 067 Industrial Road | Livonia, MI | 160 | 887   | (430) | 54  | 563   | 617   | 319 | 1998 | ( |
| 75 Bellingham       | Troy, MI    | 344 | 1,902 | 365   | 367 | 2,244 | 2,611 | 685 | 1998 | ( |

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| Building Address           | Location<br>(City/State) | (a)<br>Initial Cost<br>and Buildings | (b)   |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision | Gross Amount Carried<br>At Close of Period 12/31/10 |                          |                            |                               |
|----------------------------|--------------------------|--------------------------------------|-------|-----------|---|---|--------------------------|----------------------------|-------------------------------|
|                            |                          |                                      | Land  | Buildings |   | Land Improvements                                   | Building<br>and<br>Total | Depreciation<br>12/31/2010 | Acquired/Li<br>Constructed/Le |
| 5 East Maple               | Troy, MI                 | 92                                   | 507   | 140       | 98  | 641   | 739                      | 185                        | 1998                          |
| 7 East Maple               | Troy, MI                 | 321                                  | 1,775 | (445)     | 189   | 1,462   | 1,651                    | 638                        | 1998                          |
| Chicago                    | Troy, MI                 | 206                                  | 1,141 | 209       | 220   | 1,336   | 1,556                    | 401                        | 1998                          |
| 0 Enterprise Drive         | Rochester<br>Hills, MI   | 573                                  | 3,170 | (2,280)   | 49  | 1,414   | 1,463                    | 1,069                      | 1998                          |
| 5 Enterprise Drive         | Rochester<br>Hills, MI   | 209                                  | 1,158 | 146       | 223   | 1,290   | 1,513                    | 412                        | 1998                          |
| 5-55 Enterprise Drive      | Rochester<br>Hills, MI   | 1,285                                | 7,144 | 735       | 1,371   | 7,793   | 9,164                    | 2,426                      | 1998                          |
| 0 Enterprise Court         | Warren, MI               | 675                                  | 3,737 | 517       | 721   | 4,208   | 4,929                    | 1,304                      | 1998                          |
| Chicago Road               | Troy, MI                 | 323                                  | 1,790 | 498       | 345   | 2,266   | 2,611                    | 731                        | 1998                          |
| Chicago Road               | Troy, MI                 | 283                                  | 1,567 | 366       | 302   | 1,914   | 2,216                    | 583                        | 1998                          |
| Chicago Road               | Troy, MI                 | 183                                  | 1,016 | 261       | 196   | 1,264   | 1,460                    | 404                        | 1998                          |
| 5 S. Industrial Highway    | Ann Arbor,<br>MI         | 318                                  | 1,762 | 276       | 219   | 2,137   | 2,356                    | 823                        | 1998                          |
| 3 Center Drive             | Sterling<br>Heights, MI  | 467                                  | 2,583 | 218       | 493   | 2,775   | 3,268                    | 898                        | 1998                          |
| 01 North Avis Drive        | Madison<br>Heights, MI   | 345                                  | 1,911 | (1,007)   | 96  | 1,153   | 1,249                    | 681                        | 1998                          |
| 0 East Mandoline Road      | Madison<br>Heights, MI   | 888                                  | 4,915 | (985)     | 402   | 4,416   | 4,818                    | 1,937                      | 1998                          |
| 81 Stephenson Highway      | Heights, MI              | 271                                  | 1,499 | (585)     | 108   | 1,077   | 1,185                    | 576                        | 1998                          |
| 0 John A. Papalas<br>ve(e) | Lincoln<br>Park, MI      | 366                                  | 3,241 | 202       | 291   | 3,518   | 3,809                    | 1,468                      | 1998                          |
| 2 S. Lapeer Road           | Lake Orion<br>Twsp, MI   | 1,342                                | 5,441 | 526       | 1,412   | 5,897   | 7,309                    | 1,809                      | 1999                          |
| 01 Trolley Industrial      | Taylor, MI               | 795                                  |       | 7,372     | 849   | 7,318   | 8,167                    | 2,028                      | 1999                          |
| 0 Allen Drive              | Troy, MI                 | 209                                  | 1,154 | 253       | 212   | 1,404   | 1,616                    | 367                        | 2000                          |
| 8 Allen Drive              | Troy, MI                 | 151                                  | 834   | 133       | 153   | 965   | 1,118                    | 264                        | 2000                          |
| 5 Stephenson Hwy           | Troy, MI                 | 345                                  | 1,907 | 255       | 350   | 2,157   | 2,507                    | 533                        | 2000                          |
| 05 Industrial Drive        | Madison<br>Heights, MI   | 345                                  | 1,910 | 333       | 351   | 2,237   | 2,588                    | 575                        | 2000                          |
| 9-1813 Northfield<br>ve(d) | Rochester<br>Hills, MI   | 481                                  | 2,665 | 297       | 490   | 2,953   | 3,443                    | 784                        | 2000                          |

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|                      |                      |       |       |         |       |       |       |       |      |
|----------------------|----------------------|-------|-------|---------|-------|-------|-------|-------|------|
| 35 Automation Blvd   | Wixom, MI            | 621   |       | 3,736   | 628   | 3,729 | 4,357 | 608   | 2004 |
| 00 N Avis Drive      | Madison Heights, MI  | 503   | 3,367 | (1,368) | 190   | 2,312 | 2,502 | 684   | 2005 |
| Kay Industrial Drive | Rion Township, MI    | 677   | 2,018 | 682     | 685   | 2,692 | 3,377 | 925   | 2005 |
| 9 West Maple Road    | Troy, MI             | 1,688 | 2,790 | (3,643) | 156   | 679   | 835   | 476   | 2005 |
| 50 Capitol Avenue    | Livonia, MI          | 282   | 1,128 | (500)   | 167   | 743   | 910   | 148   | 2005 |
| 00 Sears Drive       | Livonia, MI          | 693   | 1,507 | 1,156   | 466   | 2,890 | 3,356 | 942   | 2005 |
| 9 Chicago Road       | Troy, MI             | 1,277 | 1,332 | (718)   | 765   | 1,126 | 1,891 | 639   | 2005 |
| 55 Merrill Road      | Sterling Heights, MI | 1,080 | 2,300 | 3,487   | 1,090 | 5,777 | 6,867 | 1,062 | 2006 |
| 1 N. Opdyke Road     | Auburn Hills, MI     | 530   | 737   | 16      | 538   | 745   | 1,283 | 277   | 2006 |
| Northpointe Drive    | Orion Township, MI   | 723   | 2,063 | 36      | 734   | 2,088 | 2,822 | 454   | 2006 |

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| Property Address       | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation | Gross Amount Carried |        |        | Accumulated Year-Depreciation<br>12/31/2010 | Year<br>Constructed |
|------------------------|--------------------------|---------------------|---------------------|-----------|--|----------------------|--------|--------|---|---------------------|
|                        |                          |                     | Land                | Buildings |  | Land Improvements    | Total  |        |   |                     |
| (Dollars in thousands) |                          |                     |                     |           |  |                      |        |        |   |                     |
| 2314 Edwards           | Houston, TX              |                     | 348                 | 1,973     | 1,698  | 382                  | 3,637  | 4,019  | 1,232                                       | 1997                |
| Rauch St               | Houston, TX              |                     | 272                 | 1,541     | 560  | 278                  | 2,095  | 2,373  | 581   | 1997                |
| Yale St                | Houston, TX              | 2,150               | 413                 | 2,343     | 482  | 425                  | 2,813  | 3,238  | 986   | 1997                |
| 3347 Rauch Street      | Houston, TX              | 962                 | 227                 | 1,287     | 220  | 233                  | 1,501  | 1,734  | 474   | 1997                |
| N Loop East            | Houston, TX              | 1,738               | 439                 | 2,489     | 662  | 449                  | 3,141  | 3,590  | 961   | 1997                |
| 4799 Eastpark Dr       | Houston, TX              | 2,554               | 594                 | 3,368     | 1,316  | 611                  | 4,667  | 5,278  | 1,465                                       | 1997                |
| Homestead Road         | Houston, TX              |                     | 491                 | 2,782     | 949  | 504                  | 3,718  | 4,222  | 1,134                                       | 1997                |
| 3385 Rauch Street      | Houston, TX              | 1,721               | 284                 | 1,611     | 696  | 290                  | 2,301  | 2,591  | 686   | 1997                |
| Campbell Road          | Houston, TX              | 1,693               | 461                 | 2,610     | 427  | 470                  | 3,028  | 3,498  | 985   | 1997                |
| Pine Timbers           | Houston, TX              |                     | 489                 | 2,769     | 702  | 499                  | 3,461  | 3,960  | 1,100                                       | 1997                |
| 2530 Fairway<br>Drive  | Houston, TX              | 3,446               | 766                 | 4,342     | 2,013  | 792                  | 6,329  | 7,121  | 1,767                                       | 1997                |
| Longpointe             | Houston, TX              | 1,394               | 362                 | 2,050     | 469  | 370                  | 2,511  | 2,881  | 803   | 1997                |
| Turning Basin Dr       | Houston, TX              | 1,880               | 487                 | 2,761     | 637  | 531                  | 3,354  | 3,885  | 1,084                                       | 1997                |
| Turning Basin Dr       | Houston, TX              |                     | 231                 | 1,308     | 414  | 251                  | 1,702  | 1,953  | 509   | 1997                |
| Turning Basin          | Houston, TX              | 2,212               | 564                 | 3,197     | 810  | 616                  | 3,955  | 4,571  | 1,272                                       | 1997                |
| A Genard Road          | Houston, TX              |                     | 1,505               | 8,333     | 3,088  | 1,581                | 11,345 | 12,926 | 2,854                                       | 1999                |
| B Genard Road          | Houston, TX              |                     | 245                 | 1,357     | 646  | 256                  | 1,992  | 2,248  | 556   | 1999                |
| State Highway          | LaPorte City,<br>TX      | 4,723               | 940                 | 4,675     | 615  | 940                  | 5,290  | 6,230  | 1,100                                       | 2005                |
| E. Main Street         | Houston, TX              |                     | 201                 | 1,328     | 24   | 204                  | 1,349  | 1,553  | 534   | 2005                |
| Industrial Blvd        | Sugar Land,<br>TX        |                     | 608                 | 3,679     | 365  | 617                  | 4,035  | 4,652  | 632   | 2007                |
| 7238 Wynnwood          | Houston, TX              |                     | 254                 | 764       | 66   | 259                  | 825    | 1,084  | 212   | 2007                |
| 7248 Wynnwood          | Houston, TX              |                     | 271                 | 726       | 77   | 276                  | 798    | 1,074  | 213   | 2007                |
| 7260 Wynnwood          | Houston, TX              |                     | 200                 | 481       | 35   | 203                  | 513    | 716    | 121   | 2007                |
| Blankenship            | Houston, TX              |                     | 307                 | 1,166     | 220  | 307                  | 1,386  | 1,693  | 77  | 2010                |
| Long Point             | Houston, TX              | 818                 | 188                 | 898       | (6)  | 188                  | 892    | 1,080  | 212   | 2007                |
| S. Kirkwood, Ste<br>50 | Stafford, TX             |                     | 154                 | 626       | (45)   | 139                  | 596    | 735    | 122   | 2007                |
| S. Kirkwood, Ste<br>20 | Stafford, TX             |                     | 404                 | 1,698     | 19   | 378                  | 1,743  | 2,121  | 351   | 2007                |

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|        |             |     |       |       |     |     |       |     |      |
|--------|-------------|-----|-------|-------|-----|-----|-------|-----|------|
| Jameel | Houston, TX | 171 | 826   | 63    | 171 | 889 | 1,060 | 194 | 2007 |
| Jameel | Houston, TX | 163 | 798   | (154) | 124 | 683 | 807   | 145 | 2007 |
| Jameel | Houston, TX | 170 | 1,020 | (109) | 120 | 961 | 1,081 | 228 | 2007 |
| Jameel | Houston, TX | 163 | 818   | (20)  | 163 | 798 | 961   | 137 | 2007 |

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| Address         | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried |              |        | Accumulated Year<br>Depreciation<br>12/31/2010 | Acquired<br>12/31/2010 |
|-----------------|--------------------------|---------------------|---------------------|-----------|---|----------------------|--------------|--------|--|------------------------|
|                 |                          |                     | Land                | Buildings |   | Land                 | Improvements | Total  |  |                        |
| Madland Avenue  | Indianapolis, IN         |                     | 2,057               | 13,565    | 3,428   | 2,057                | 16,993       | 19,050 | 6,132  | 199                    |
| Markville Way   | Indianapolis, IN         |                     | 459                 | 2,603     | 679   | 476                  | 3,265        | 3,741  | 1,149  | 199                    |
| Markville Way   | Indianapolis, IN         |                     | 665                 | 3,770     | 983   | 685                  | 4,733        | 5,418  | 1,889  | 199                    |
| Markville Way   | Indianapolis, IN         |                     | 247                 | 1,402     | 322   | 258                  | 1,713        | 1,971  | 643  | 199                    |
| Markville Way   | Indianapolis, IN         |                     | 586                 | 3,321     | 825   | 601                  | 4,131        | 4,732  | 1,577  | 199                    |
| Markville Way   | Indianapolis, IN         |                     | 205                 | 1,161     | 312   | 212                  | 1,466        | 1,678  | 543  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 131                 | 743       | 202   | 136                  | 940          | 1,076  | 327  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 145                 | 822       | 229   | 152                  | 1,044        | 1,196  | 348  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 218                 | 1,234     | 330   | 225                  | 1,557        | 1,782  | 557  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 71                  | 405       | 188   | 75                   | 589          | 664    | 187  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 165                 | 934       | 266   | 171                  | 1,194        | 1,365  | 404  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 219                 | 1,238     | 12  | 146                  | 1,323        | 1,469  | 567  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 121                 | 688       | 23  | 91                   | 741          | 832    | 304  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 178                 | 1,008     | 170   | 166                  | 1,190        | 1,356  | 425  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 81                  | 460       | 307   | 85                   | 763          | 848    | 308  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 52                  | 295       | 88  | 55                   | 380          | 435    | 124  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 21                  | 117       | 37  | 23                   | 152          | 175    | 56   | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 256                 | 1,449     | 191   | 265                  | 1,631        | 1,896  | 585  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 78                  | 443       | 59  | 82                   | 498          | 580    | 180  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 385                 | 2,181     | 184   | 398                  | 2,352        | 2,750  | 861  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         | 3,546               | 484                 | 4,760     | 1,393   | 484                  | 6,153        | 6,637  | 2,291  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 222                 | 1,260     | 534   | 230                  | 1,786        | 2,016  | 642  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 326                 | 1,848     | 206   | 281                  | 2,099        | 2,380  | 805  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 175                 | 993       | 533   | 187                  | 1,514        | 1,701  | 537  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         | 1,414               | 325                 | 1,842     | 479   | 335                  | 2,311        | 2,646  | 854  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 1,048               | 6,027     | 253   | 1,048                | 6,280        | 7,328  | 2,132  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 60                  |           | 462   | 68                   | 454          | 522    | 173  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 728                 | 2,837     | 292   | 741                  | 3,116        | 3,857  | 1,029  | 199                    |
| Mer Circle E Dr | Noblesville, IN          |                     | 181                 | 1,221     | 1,019   | 181                  | 2,240        | 2,421  | 692  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 118                 |           | 2,086   | 128                  | 2,076        | 2,204  | 653  | 199                    |
| Mer Circle E Dr | Indianapolis, IN         |                     | 196                 |           | 3,206   | 196                  | 3,206        | 3,402  | 1,044  | 199                    |



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|                  |                  |       |     |       |       |     |       |       |     |    |
|------------------|------------------|-------|-----|-------|-------|-----|-------|-------|-----|----|
| 6th Street       | Noblesville, IN  |       | 66  | 684   | 834   | 66  | 1,518 | 1,584 | 815 | 19 |
| ark Plaza Ct.    | Indianapolis, IN | 2,163 | 600 | 2,194 | 456   | 609 | 2,641 | 3,250 | 655 | 20 |
| Castlegate Drive | Indianapolis, IN |       | 530 | 1,235 | 1,003 | 544 | 2,224 | 2,768 | 738 | 20 |
| nwest L Street   | Richmond, IN     | 1,008 | 201 | 1,358 | (23)  | 208 | 1,328 | 1,536 | 524 | 20 |
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| Address       | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried<br>At Close of Period 12/31/10<br>Accumulated Ye |              |        |                            |              |
|---------------|--------------------------|---------------------|---------------------|-----------|---|---|--------------|--------|----------------------------|--------------|
|               |                          |                     | Land                | Buildings |   | Land  | Improvements | Total  | Depreciation<br>12/31/2010 | Construction |
| en Blvd       | Noblesville, IN          |                     | 647                 |           | 3,861   | 743   | 3,765        | 4,508  | 495                        | 2            |
| ire           |                          |                     |                     |           |   |   |              |        |                            |              |
| ris Boulevard | Riverside, CA            |                     | 8,125               | 7,150     | (10,542)  | 1,838   | 2,895        | 4,733  | 1,842                      | 2            |
| ncclair       | Riverside, CA            |                     | 4,894               | 3,481     | (4,555)   | 1,818   | 2,002        | 3,820  | 738                        | 2            |
|               | Moreno Valley,<br>CA     |                     | 2,538               | 2,538     | 291   | 2,565   | 2,801        | 5,366  | 333                        | 2            |
| Street        | Fontana, CA              |                     | 6,072               | 7,891     | 105   | 6,090   | 7,978        | 14,068 | 1,230                      | 2            |
| ay Avenue     |                          |                     |                     |           |   |   |              |        |                            |              |
| S             |                          |                     |                     |           |   |   |              |        |                            |              |
| Bella Way     | Rancho Domingue,<br>CA   | 3,422               | 1,746               | 3,148     | 584   | 1,822   | 3,656        | 5,478  | 891                        | 2            |
| Bella Way     | Rancho Domingue,<br>CA   | 1,398               | 817                 | 1,673     | 278   | 853   | 1,915        | 2,768  | 451                        | 2            |
|               | Rancho Domingue,<br>CA   |                     | 1,682               | 2,750     | 82  | 1,772   | 2,742        | 4,514  | 808                        | 2            |
| na Street     | City of Industry,<br>CA  | 2,959               | 2,124               | 5,219     | 1,678   | 2,143   | 6,878        | 9,021  | 1,214                      | 2            |
| win Park      | Santa Clarita, CA        | 4,614               | 2,890               | 7,020     | 584   | 2,902   | 7,592        | 10,494 | 1,214                      | 2            |
| ue Scott      | Torrance, CA             | 4,698               | 3,008               | 5,826     | 181   | 3,031   | 5,984        | 9,015  | 963                        | 2            |
| Columbia St   | Torrance, CA             |                     | 681                 | 168       | 5   | 684   | 170          | 854    | 101                        | 2            |
| Avenue        | Los Angeles, CA          |                     | 3,800               | 7,330     | 71  | 3,825   | 7,376        | 11,201 | 978                        | 2            |
| npton Ave     | Chatsworth, CA           | 3,109               | 2,585               | 3,210     | 126   | 2,608   | 3,313        | 5,921  | 555                        | 2            |
| 8 Marilla St. | Pico Rivera, CA          |                     | 3,616               | 3,902     | 61  | 3,657   | 3,922        | 7,579  | 675                        | 2            |
| ount          | Vernon, CA               |                     | 2,367               | 3,243     | 40  | 2,396   | 3,254        | 5,650  | 590                        | 2            |
| ason          |                          |                     |                     |           |   |   |              |        |                            |              |
|               | Rancho Domingue,<br>CA   |                     | 19,678              | 9,321     | 7,451   | 20,144  | 16,306       | 36,450 | 2,316                      | 2            |
| na            | Rancho Domingue,<br>CA   |                     | 9,281               | 3,920     | 190   | 9,381   | 4,010        | 13,391 | 805                        | 2            |
| s Ave         | Thousand Oaks,<br>CA     |                     | 1,435               | 779       | 36  | 1,441   | 809          | 2,250  | 160                        | 2            |
| o Conejo      | Thousand Oaks,<br>CA     |                     | 1,353               | 722       | (898)   | 651   | 526          | 1,177  | 138                        | 2            |
| o Conejo      | Thousand Oaks,<br>CA     |                     | 1,224               | 716       | 21  | 1,229   | 732          | 1,961  | 166                        | 2            |
| o Conejo      | Thousand Oaks,<br>CA     | 3,234               | 2,043               | 3,408     | 40  | 2,051   | 3,440        | 5,491  | 567                        | 2            |

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|               |                        |       |       |       |         |       |       |        |     |   |
|---------------|------------------------|-------|-------|-------|---------|-------|-------|--------|-----|---|
| o Conejo Blvd | Thousand Oaks,<br>CA   | 2,788 | 1,754 | 2,949 | 35      | 1,761 | 2,977 | 4,738  | 494 | 2 |
| l Santa Fe    | Rancho Domingue,<br>CA |       | 6,720 |       | 8,949   | 6,897 | 8,772 | 15,669 | 671 | 2 |
| o Conejo      | Thousand Oaks,<br>CA   | 5,762 | 7,717 | 2,518 | (186)   | 7,752 | 2,296 | 10,048 | 407 | 2 |
| rate Center   | Thousand Oaks,<br>CA   |       | 6,506 | 4,885 | (5,254) | 3,236 | 2,901 | 6,137  | 915 | 2 |
| er Avenue     | Rancho Domingue,<br>CA | 5,711 | 5,767 | 2,538 | 1,426   | 5,964 | 3,768 | 9,732  | 597 | 2 |
| l Park Road   | Rancho Domingue,<br>CA |       | 2,850 | 2,850 | 643     | 2,874 | 3,469 | 6,343  | 337 | 2 |
| yes Ave       | Rancho Domingue,<br>CA |       | 8,183 | 7,501 | 549     | 8,545 | 7,688 | 16,233 | 561 | 2 |
| 5th Ave.      | Ft. Lauderdale, FL     |       | 908   | 1,883 | 310     | 912   | 2,189 | 3,101  | 360 | 2 |
| 5th Ave.      | Ft. Lauderdale, FL     |       | 830   | 2,722 | 384     | 834   | 3,102 | 3,936  | 439 | 2 |
| 5th Ave.      | Ft. Lauderdale, FL     |       | 937   | 2,455 | 262     | 942   | 2,712 | 3,654  | 375 | 2 |
| 5th Ave.      | Ft. Lauderdale, FL     |       | 1,107 | 3,111 | 261     | 1,112 | 3,367 | 4,479  | 489 | 2 |

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| Address           | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried |              | At Close of Period 12/31/10 |       | Accumulated Yr | Depreciation<br>12/31/2010 | Acqu | Const |
|-------------------|--------------------------|---------------------|---------------------|-----------|---|----------------------|--------------|-----------------------------|-------|----------------|----------------------------|------|-------|
|                   |                          |                     | Land                | Buildings |   | Land                 | Improvements | Total                       |       |                |                            |      |       |
| 5th Ave.          | Ft. Lauderdale, FL       |                     | 947                 | 3,079     | 756   | 951                  | 3,831        | 4,782                       | 532   | 2              |                            |      |       |
| 5th Ave           | Ft. Lauderdale, FL       |                     | 1,092               | 3,308     | 359   | 1,097                | 3,662        | 4,759                       | 673   | 2              |                            |      |       |
| Industrial Center | Medley, FL               |                     | 857                 | 3,428     | 2,978   | 864                  | 6,399        | 7,263                       | 594   | 2              |                            |      |       |
| an Business       | Medley, FL               |                     | 2,521               |           | 633   | 828                  | 2,326        | 3,154                       | 50    | 2              |                            |      |       |
| 0 Paul Road       | Pewaukee, WI             |                     | 474                 | 2,723     | 649   | 265                  | 3,581        | 3,846                       | 1,802 | 1              |                            |      |       |
| 5 Paul Road       | Pewaukee, WI             | 2,018               | 569                 | 3,270     | (102)   | 456                  | 3,281        | 3,737                       | 1,429 | 1              |                            |      |       |
| ney Place         | Glendale, WI             |                     | 172                 | 976       | (46)  | 88                   | 1,014        | 1,102                       | 538   | 1              |                            |      |       |
| Westridge         | New Berlin, WI           | 5,489               | 1,630               | 7,058     | (306)   | 1,646                | 6,736        | 8,382                       | 1,001 | 2              |                            |      |       |
| Vogel Avenue      | Milwaukee, WI            |                     | 506                 | 3,199     | 80  | 508                  | 3,277        | 3,785                       | 1,139 | 2              |                            |      |       |
| 6th Avenue        | Milwaukee, WI            |                     | 299                 | 1,565     | 57  | 301                  | 1,620        | 1,921                       | 672   | 2              |                            |      |       |
| ount Court        | Waukesha, WI             | 1,329               | 308                 | 1,762     | 41  | 311                  | 1,800        | 2,111                       | 402   | 2              |                            |      |       |
| erson Road        | New Berlin, WI           |                     | 403                 | 3,647     | 16  | 405                  | 3,661        | 4,066                       | 1,077 | 2              |                            |      |       |
| 9 Lilly Road      | Menomonee Falls,<br>WI   |                     | 343                 | 1,153     | 140   | 366                  | 1,270        | 1,636                       | 344   | 2              |                            |      |       |
| el Avenue-Bldg    | Milwaukee, WI            |                     | 301                 | 2,150     |   | 302                  | 2,149        | 2,451                       | 648   | 2              |                            |      |       |
| Street            | Milwaukee, WI            |                     | 101                 | 713       | (221)   | 60                   | 533          | 593                         | 214   | 2              |                            |      |       |
| s Drive           | Richland Center,<br>WI   |                     | 1,577               | 1,018     | (387)   | 1,434                | 774          | 2,208                       | 635   | 2              |                            |      |       |
| Glendale Ave      | New Berlin, WI           |                     | 704                 | 1,923     | 468   | 715                  | 2,380        | 3,095                       | 710   | 2              |                            |      |       |
| th Street         | New Berlin, WI           |                     | 261                 | 672       | 312   | 265                  | 980          | 1,245                       | 258   | 2              |                            |      |       |
| th Street         | New Berlin, WI           |                     | 221                 | 628       | 198   | 225                  | 822          | 1,047                       | 304   | 2              |                            |      |       |
| erce Drive        | New Berlin, WI           |                     | 483                 | 1,516     | 235   | 491                  | 1,743        | 2,234                       | 387   | 2              |                            |      |       |
| taker Way         | Menomonee Falls,<br>WI   |                     | 437                 | 1,082     | 125   | 445                  | 1,199        | 1,644                       | 358   | 2              |                            |      |       |
| BTS               | Kenosha, WI              | 14,362              | 4,100               |           | 23,783  | 3,212                | 24,671       | 27,883                      | 1,338 | 2              |                            |      |       |
| e Falls-Barry     | Menomonee Falls,<br>WI   | 11,203              | 1,188               |           | 16,945  | 1,204                | 16,929       | 18,133                      | 845   | 2              |                            |      |       |
| s/St. Paul        |                          |                     |                     |           |   |                      |              |                             |       |                |                            |      |       |
| 11th Street       | Bloomington, MN          | 4,479               | 1,358               | 8,622     | 5,364   | 1,499                | 13,845       | 15,344                      | 8,401 | 1              |                            |      |       |
| Washington        | Edina, MN                |                     | 129                 | 382       | 624   | 182                  | 953          | 1,135                       | 745   | 1              |                            |      |       |

|             |                      |       |       |       |       |       |        |        |       |   |
|-------------|----------------------|-------|-------|-------|-------|-------|--------|--------|-------|---|
| Washington  | Edina, MN            |       | 174   | 391   | (70)  | 193   | 302    | 495    | 75    | 1 |
| Atka Avenue | Brooklyn Park,<br>MN | 5,933 | 2,195 | 6,084 | 3,982 | 2,228 | 10,033 | 12,261 | 6,173 | 1 |
| 74th Street | Eden Prairie, MN     | 3,480 | 621   | 3,289 | 3,281 | 639   | 6,552  | 7,191  | 4,718 | 1 |
| Dak Road    | Eagan, MN            | 2,358 | 456   | 2,703 | 616   | 456   | 3,319  | 3,775  | 1,251 | 1 |
| Dak Road    | Eagan, MN            | 3,083 | 624   | 3,700 | 610   | 624   | 4,310  | 4,934  | 1,844 | 1 |
| n Lane      | Plymouth, MN         | 2,973 | 749   | 4,461 | 935   | 757   | 5,388  | 6,145  | 2,173 | 1 |
| ewood Road  | Maple Grove, MN      | 7,035 | 1,466 | 8,342 | 3,216 | 1,466 | 11,558 | 13,024 | 4,214 | 1 |
| th Street   | Eden Prairie, MN     |       | 315   | 1,804 | 1,439 | 315   | 3,243  | 3,558  | 1,042 | 1 |
| llet Ave.   | Burnsville, MN       |       | 286   |       | 1,731 | 288   | 1,729  | 2,017  | 658   | 1 |
|             |                      |       |       | S-16  |       |       |        |        |       |   |

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| Property Address | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried |                          |                            | Accumulated YearD | Acquiree |
|------------------|--------------------------|---------------------|---------------------|-----------|---|----------------------|--------------------------|----------------------------|-------------------|----------|
|                  |                          |                     | Land                | Buildings |   | Land Improvements    | Building<br>and<br>Total | Depreciation<br>12/31/2010 |                   |          |
| avey Road        | Chaska, MN               |                     | 277                 | 2,261     | 798   | 277                  | 3,059                    | 3,336                      | 1,061             | 1996     |
| ghway 169        | Plymouth, MN             |                     | 446                 | 2,525     | 427   | 557                  | 2,841                    | 3,398                      | 1,140             | 1996     |
| 98 Shady Oak     | Eden Prairie, MN         |                     | 715                 | 4,054     | 1,910   | 736                  | 5,943                    | 6,679                      | 1,816             | 1996     |
| 46               | Eden Prairie, MN         |                     | 229                 | 1,300     | 782   | 235                  | 2,076                    | 2,311                      | 653               | 1996     |
| 58               | Eden Prairie, MN         |                     | 153                 | 867       | 275   | 157                  | 1,138                    | 1,295                      | 367               | 1996     |
| 00 Valley        | Shakopee, MN             |                     | 362                 | 2,049     | 810   | 371                  | 2,850                    | 3,221                      | 927               | 1996     |
| l                | Minneapolis, MN          |                     | 415                 | 2,354     | 997   | 434                  | 3,332                    | 3,766                      | 992               | 1998     |
| Kasota           | St. Paul, MN             |                     | 407                 | 2,308     | 737   | 435                  | 3,017                    | 3,452                      | 953               | 1998     |
| SE               | Shakopee, MN             | 4,009               | 590                 |           | 5,827   | 590                  | 5,827                    | 6,417                      | 1,708             | 1998     |
| 70 Kasota        | Shakopee, MN             | 4,486               | 760                 |           | 6,421   | 888                  | 6,293                    | 7,181                      | 1,807             | 1999     |
| est 76th Street  | Eden Prairie, MN         | 2,610               | 1,000               | 2,450     | 48  | 1,034                | 2,464                    | 3,498                      | 542               | 2004     |
| est 76th Street  | Eden Prairie, MN         | 3,160               | 1,000               | 2,709     | 529   | 1,038                | 3,200                    | 4,238                      | 647               | 2004     |
| h Avenue         | Greenfield, MN           |                     | 1,500               | 8,328     | 1,808   | 1,510                | 10,126                   | 11,636                     | 2,407             | 2004     |
| one Avenue       | New Hope, MN             |                     | 1,000               | 1,599     | (19)  | 1,009                | 1,571                    | 2,580                      | 480               | 2005     |
| est Highway      | Burnsville, MN           |                     | 2,517               | 6,069     | (3,429)   | 1,253                | 3,904                    | 5,157                      | 2,274             | 2005     |
| rk Place         | Shakopee, MN             |                     | 1,195               | 4,891     | (622)   | 1,198                | 4,266                    | 5,464                      | 635               | 2005     |
| h Avenue SE      | Shakopee, MN             | 5,084               | 1,392               | 8,149     | 201   | 1,395                | 8,347                    | 9,742                      | 1,729             | 2005     |
| lley Industrial  | Shakopee, MN             |                     | 1,296               | 7,157     | 569   | 1,299                | 7,723                    | 9,022                      | 2,016             | 2005     |
| e Hazeltine      | Chaska, MN               |                     | 714                 | 944       | 57  | 729                  | 986                      | 1,715                      | 362               | 2006     |
| y West           | Eden Prairie, MN         |                     | 659                 | 3,189     | (304)   | 665                  | 2,879                    | 3,544                      | 542               | 2006     |
| y<br>ghway 169   | Plymouth, MN             |                     | 1,190               | 1,979     | 391   | 1,207                | 2,353                    | 3,560                      | 711               | 2006     |

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|                 |                      |       |       |       |         |       |        |        |       |      |
|-----------------|----------------------|-------|-------|-------|---------|-------|--------|--------|-------|------|
| nnetka Avene    | Brooklyn Park,<br>MN | 4,534 | 1,275 |       | 6,850   | 1,343 | 6,782  | 8,125  | 931   | 2007 |
| Street          | St. Paul, MN         |       | 2,132 | 3,105 | 90      | 2,175 | 3,152  | 5,327  | 352   | 2008 |
| oddd            | Lakeville, MN        |       | 2,289 | 7,952 | (1)     | 2,289 | 7,952  | 10,241 | 223   | 2009 |
| e               |                      |       |       |       |         |       |        |        |       |      |
| il Quaker       | Nashville, TN        | 2,455 | 413   | 2,383 | 1,775   | 430   | 4,141  | 4,571  | 1,860 | 1995 |
| rd              | Portland, TN         |       | 418   | 2,368 | (745)   | 240   | 1,801  | 2,041  | 870   | 1996 |
| erry Drive      | Portland, TN         |       | 941   | 5,333 | 5,955   | 981   | 11,248 | 12,229 | 2,391 | 1996 |
| erry Drive      | Portland, TN         |       |       |       |         |       |        |        |       |      |
| ghway           | Portland, TN         |       | 564   | 3,196 | (1,618) | 180   | 1,962  | 2,142  | 1,183 | 1996 |
| m Hill Pike     | Nashville, TN        |       | 329   | 1,867 | 180     | 300   | 2,076  | 2,376  | 739   | 1997 |
| r Lane Drive    | Nashville, TN        |       | 489   | 2,785 | 397     | 493   | 3,178  | 3,671  | 1,037 | 1997 |
| mmings Park     | Nashville, TN        |       | 360   | 2,040 | 632     | 365   | 2,667  | 3,032  | 678   | 1999 |
| ver Hills Drive | Nashville, TN        | 3,398 | 848   | 4,383 | 1,385   | 888   | 5,728  | 6,616  | 2,040 | 2005 |
| ry Court        | Nashville, TN        | 2,690 | 606   | 3,192 | 211     | 616   | 3,393  | 4,009  | 630   | 2007 |
| e BTS           | Gallatin, TN         |       | 1,778 |       | 24,267  | 1,778 | 24,267 | 26,045 | 1,287 | 2008 |

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| Property Address | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried |        |        | Accumulated Depreciation<br>12/31/2010 | Year Acquired/<br>Construction |
|------------------|--------------------------|---------------------|---------------------|-----------|---|----------------------|--------|--------|--|--------------------------------|
|                  |                          |                     | Land                | Buildings |   | Land Improvements    | Total  |        |  |                                |
| World's Fair     | Franklin, NJ             |                     | 483                 | 2,735     | 610   | 503                  | 3,325  | 3,828  | 1,135                                  | 1997                           |
| World's Fair     | Franklin, NJ             |                     | 572                 | 3,240     | 682   | 593                  | 3,901  | 4,494  | 1,294                                  | 1997                           |
| World's Fair     | Franklin, NJ             |                     | 364                 | 2,064     | 665   | 375                  | 2,718  | 3,093  | 951                                    | 1997                           |
| World's Fair     | Franklin, NJ             |                     | 361                 | 2,048     | 547   | 377                  | 2,579  | 2,956  | 863                                    | 1997                           |
| World's Fair     | Franklin, NJ             |                     | 347                 | 1,968     | 447   | 362                  | 2,400  | 2,762  | 882                                    | 1997                           |
| Lot 13           | Sumerset, NJ             |                     | 9                   |           | 2,581   | 691                  | 1,899  | 2,590  | 505                                    | 1999                           |
| Route 46         | Pine Brook, NJ           |                     | 969                 | 5,491     | 911   | 978                  | 6,393  | 7,371  | 1,770                                  | 2000                           |
| Route 46         | Pine Brook, NJ           |                     | 474                 | 2,686     | 435   | 479                  | 3,116  | 3,595  | 741                                    | 2000                           |
| Route 46         | Pine Brook, NJ           |                     | 260                 | 1,471     | 191   | 262                  | 1,660  | 1,922  | 433                                    | 2000                           |
| Mapin Road       | Pine Brook, NJ           | 4,950               | 956                 | 5,415     | 802   | 965                  | 6,208  | 7,173  | 1,619                                  | 2000                           |
| Mapin Road       | Pine Brook, NJ           | 4,833               | 960                 | 5,440     | 603   | 969                  | 6,034  | 7,003  | 1,629                                  | 2000                           |
| Brook Mountain   | Pine Brook, NJ           |                     | 1,507               | 8,542     | 2,920   | 1,534                | 11,435 | 12,969 | 3,037                                  | 2000                           |
| Brook Mountain   | Pine Brook, NJ           |                     | 389                 | 2,206     | 423   | 396                  | 2,622  | 3,018  | 681                                    | 2000                           |
| Route 46         | Pine Brook, NJ           |                     | 396                 | 2,244     | (478)   | 300                  | 1,862  | 2,162  | 560                                    | 2000                           |
| Mapin Road       | Pine Brook, NJ           | 3,708               | 885                 | 5,015     | 440   | 901                  | 5,439  | 6,340  | 1,313                                  | 2000                           |
| Mapin Road       | Pine Brook, NJ           | 4,810               | 1,134               | 6,426     | 664   | 1,154                | 7,070  | 8,224  | 1,815                                  | 2000                           |
| Wille Lot 4      | Sayreville, NJ           | 3,573               | 944                 |           | 4,592   | 944                  | 4,592  | 5,536  | 976                                    | 2002                           |
| Wille Lot 3      | Sayreville, NJ           |                     | 996                 |           | 5,380   | 996                  | 5,380  | 6,376  | 866                                    | 2003                           |
| 19 Pierce        | Somerset, NJ             | 3,917               | 1,300               | 4,628     | 1,069   | 1,309                | 5,688  | 6,997  | 1,417                                  | 2004                           |
| Philadelphia     |                          |                     |                     |           |   |                      |        |        |  |                                |
| 40 Welsh         | Exton, PA                |                     | 154                 | 851       | 306   | 170                  | 1,141  | 1,311  | 315                                    | 1998                           |
| Welsh Pool       | Exton, PA                |                     | 147                 | 811       | 306   | 162                  | 1,102  | 1,264  | 348                                    | 1998                           |



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|                     |                  |       |       |        |       |       |        |        |       |      |
|---------------------|------------------|-------|-------|--------|-------|-------|--------|--------|-------|------|
| Welsh Pool          | Exton, PA        |       | 152   | 842    | 414   | 184   | 1,224  | 1,408  | 354   | 1998 |
| Welsh Pool          | Exton, PA        |       | 144   | 796    | 467   | 159   | 1,248  | 1,407  | 366   | 1998 |
| 51 Philips          | Exton, PA        |       | 191   | 1,059  | 298   | 229   | 1,319  | 1,548  | 411   | 1998 |
| Philips Road        | Exton, PA        |       | 199   | 1,100  | 412   | 220   | 1,491  | 1,711  | 408   | 1998 |
| Fadden Road         | Palmer, PA       | 1,650 | 600   | 1,349  | 56    | 625   | 1,380  | 2,005  | 501   | 2004 |
| Red Lion            | Philadelphia, PA |       | 950   | 5,916  | (669) | 964   | 5,233  | 6,197  | 1,282 | 2005 |
| S. 78th Street      | Philadelphia, PA |       | 515   | 1,245  | (312) | 403   | 1,045  | 1,448  | 311   | 2005 |
| Cascade Drive,<br>1 | Allen Town, PA   |       | 2,133 | 17,562 | 928   | 2,769 | 17,854 | 20,623 | 3,292 | 2007 |
| Cascade Drive,<br>2 | Allen Town, PA   |       | 310   | 2,268  | 233   | 316   | 2,495  | 2,811  | 385   | 2007 |
| Bristol Pike        | Levittown, PA    |       | 1,074 | 2,642  | (250) | 919   | 2,547  | 3,466  | 839   | 2008 |
| Boulevard of<br>als | Norristown, PA   | 3,579 | 1,200 | 4,800  | 1,088 | 1,226 | 5,862  | 7,088  | 888   | 2008 |
| ix<br>South Edward  | Tempe, AZ        |       | 390   | 2,160  | 164   | 396   | 2,318  | 2,714  | 653   | 1999 |

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| Address         | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried |                          |                            | Accumulated Year | Acquire |
|-----------------|--------------------------|---------------------|---------------------|-----------|---|----------------------|--------------------------|----------------------------|------------------|---------|
|                 |                          |                     | Land                | Buildings |   | Land Improvements    | Building<br>and<br>Total | Depreciation<br>12/31/2010 |                  |         |
| 56th Street     | Chandler, AZ             |                     | 1,206               | 3,218     | 352   | 1,252                | 3,524                    | 4,776                      | 712              | 2004    |
| Jefferson       | Phoenix, AZ              | 2,675               | 926                 | 2,195     | 443   | 929                  | 2,635                    | 3,564                      | 832              | 2005    |
| Roosevelt       | Phoenix, AZ              |                     | 1,613               | 6,451     | 1,107   | 1,620                | 7,551                    | 9,171                      | 1,644            | 2006    |
| st Adams Street | Phoenix, AZ              |                     | 990                 | 2,661     | 150   | 1,033                | 2,768                    | 3,801                      | 503              | 2006    |
| odge            | Tempe, AZ                |                     | 898                 | 3,066     | (2,164)   | 349                  | 1,451                    | 1,800                      | 366              | 2007    |
| iverview Dr.    | Phoenix, AZ              |                     | 1,293               | 5,950     | 69  | 1,292                | 6,020                    | 7,312                      | 588              | 2008    |
| Rio Vista Dr.   | Peoria, AZ               |                     | 2,563               | 9,388     | 1,652   | 2,563                | 11,040                   | 13,603                     | 1,221            | 2008    |
| Ludlow Drive    | Peoria, AZ               |                     | 2,709               | 10,970    | 1,008   | 2,709                | 11,978                   | 14,687                     | 1,024            | 2008    |
| Washington St.  | Phoenix, AZ              | 4,090               | 1,675               | 4,514     | 146   | 1,719                | 4,616                    | 6,335                      | 377              | 2008    |
| Avenue          | Tolleson, AZ             | 7,548               | 1,904               | 6,805     | 2,617   | 1,923                | 9,403                    | 11,326                     | 1,016            | 2008    |
| <b>ee City</b>  |                          |                     |                     |           |   |                      |                          |                            |                  |         |
| ndale Drive(i)  | Salt Lake City,<br>UT    |                     | 2,705               | 15,749    | 2,750   | 2,705                | 18,499                   | 21,204                     | 6,146            | 1997    |
| st 2320 South   | West Valley,<br>UT       |                     | 138                 | 784       | 155   | 143                  | 934                      | 1,077                      | 336              | 1998    |
| st 2240 South   | West Valley,<br>UT       |                     | 395                 | 2,241     | 333   | 408                  | 2,561                    | 2,969                      | 792              | 1998    |
| st 2240 South   | West Valley,<br>UT       |                     | 119                 | 672       | 125   | 123                  | 793                      | 916                        | 257              | 1998    |
| th 1300 West    | West Valley,<br>UT       |                     | 198                 | 1,120     | 278   | 204                  | 1,392                    | 1,596                      | 566              | 1998    |
| st 2200 South   | West Valley,<br>UT       |                     | 158                 | 896       | 94  | 163                  | 985                      | 1,148                      | 309              | 1998    |
| st 2200 South   | West Valley,<br>UT       |                     | 198                 | 1,120     | 310   | 204                  | 1,424                    | 1,628                      | 429              | 1998    |
| st 2240 South   | West Valley,<br>UT       |                     | 336                 | 1,905     | 301   | 347                  | 2,195                    | 2,542                      | 667              | 1998    |
| st 2240 South   | West Valley,<br>UT       |                     | 217                 | 1,232     | 118   | 225                  | 1,342                    | 1,567                      | 445              | 1998    |
| st 2320 South   | West Valley,<br>UT       |                     | 217                 | 1,232     | 73  | 225                  | 1,297                    | 1,522                      | 416              | 1998    |
| st 2240 South   | West Valley,<br>UT       |                     | 2,067               |           | 2,551   | 1,083                | 3,535                    | 4,618                      | 985              | 2000    |
| th 900 W        | Salt Lake City,<br>UT    |                     | 886                 | 2,995     | 128   | 898                  | 3,111                    | 4,009                      | 994              | 2000    |

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|                      |                       |       |       |        |       |       |        |        |       |      |
|----------------------|-----------------------|-------|-------|--------|-------|-------|--------|--------|-------|------|
| 57 South<br>st       | Salt Lake City,<br>UT | 7,255 | 1,707 | 10,873 | 116   | 1,713 | 10,983 | 12,696 | 1,649 | 2006 |
| xander Street        | West Valley,<br>UT    | 1,187 | 376   | 1,670  | (21)  | 376   | 1,649  | 2,025  | 208   | 2007 |
| xander Street        | West Valley,<br>UT    | 2,118 | 864   | 2,771  | 112   | 869   | 2,878  | 3,747  | 437   | 2007 |
| o<br>echnology Drive | San Diego, CA         |       | 2,848 | 8,641  | (198) | 2,859 | 8,432  | 11,291 | 1,361 | 2005 |
| Camino Real          | Carlsbad, CA          |       | 1,590 | 6,360  | 7,563 | 1,590 | 13,923 | 15,513 | 1,629 | 2006 |
| mino Vida Roble      | Carlsbad, CA          | 2,192 | 1,441 | 1,239  | 670   | 1,446 | 1,904  | 3,350  | 329   | 2006 |
| mino Vida Roble      | Carlsbad, CA          | 1,139 | 817   | 762    | 126   | 821   | 884    | 1,705  | 184   | 2006 |
| mino Vida Roble      | Carlsbad, CA          | 806   | 562   | 456    | 86    | 565   | 539    | 1,104  | 121   | 2006 |
| mino Vida Roble      | Carlsbad, CA          | 588   | 481   | 365    | 52    | 483   | 415    | 898    | 98    | 2006 |
| mino Vida Roble      | Carlsbad, CA          | 1,239 | 1,098 | 630    | (6)   | 1,102 | 620    | 1,722  | 155   | 2006 |
| mino Vida Roble      | Carlsbad, CA          | 1,538 | 1,210 | 874    | 173   | 1,214 | 1,043  | 2,257  | 274   | 2006 |
| Camino Real          | Carlsbad, CA          |       | 2,885 | 1,931  | 461   | 2,895 | 2,382  | 5,277  | 485   | 2006 |

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| Address           | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried |              |        |   |                          |
|-------------------|--------------------------|---------------------|---------------------|-----------|---|----------------------|--------------|--------|---|--------------------------|
|                   |                          |                     | Land                | Buildings |   | Land                 | Improvements | Total  | At Close of Period 12/31/10<br>Accumulated Year<br>Depreciation<br>12/31/2010 | Acquired<br>Construction |
| Spectrum Lane     | San Diego, CA            | 2,252               | 806                 | 3,225     | 429   | 807                  | 3,653        | 4,460  | 441   | 200                      |
| egg Street        | Poway, CA                |                     | 1,040               | 4,160     | 474   | 1,073                | 4,601        | 5,674  | 740   | 200                      |
| mond Ave SW       | Renton, WA               | 2,046               | 4,458               | 2,659     | 197   | 4,594                | 2,720        | 7,314  | 357   | 200                      |
| h Avenue          | Kent, WA                 | 3,160               | 1,990               | 3,979     | 244   | 2,042                | 4,172        | 6,214  | 497   | 200                      |
| h Ave. South      | Kent, WA                 | 816                 | 1,218               | 1,950     | 118   | 1,258                | 2,028        | 3,286  | 277   | 200                      |
| and Terminal 7    | Seattle, WA              |                     | 9,139               | 5,881     | 476   | 9,340                | 6,155        | 15,495 | 139   | 200                      |
| <b>New Jersey</b> |                          |                     |                     |           |   |                      |              |        |   |                          |
| ale Road          | Cherry Hill, NJ          |                     | 258                 | 1,436     | 782   | 258                  | 2,218        | 2,476  | 669   | 199                      |
| endale Drive      | Morrestown, NJ           | 1,769               | 522                 | 2,916     | 65  | 522                  | 2,981        | 3,503  | 815   | 200                      |
| port Highway      | Pennsauken, NJ           |                     | 160                 | 508       | 295   | 151                  | 812          | 963    | 194   | 200                      |
| ral               | Mt. Laurel, NJ           |                     | 610                 | 1,847     | 539   | 619                  | 2,377        | 2,996  | 153   | 200                      |
| d Avenue          | Hammonton, NJ            | 5,120               | 969                 | 8,793     | (3,776)   | 401                  | 5,585        | 5,986  | 2,632   | 200                      |
| port Hwy/7015     | Pennsauken, NJ           | 1,318               | 300                 | 989       | 511   | 425                  | 1,375        | 1,800  | 510   | 200                      |
| k Road            | Delanco, NJ              |                     | 2,125               | 6,504     | (2,098)   | 1,475                | 5,056        | 6,531  | 1,660   | 200                      |
| mas Busch         | Pennsauken, NJ           | 2,872               | 1,054               | 2,278     | 328   | 1,084                | 2,576        | 3,660  | 623   | 200                      |
| umberger          | Moorestown, NJ           |                     | 560                 | 2,240     | (418)   | 372                  | 2,010        | 2,382  | 452   | 200                      |
| 1 Fost Avenue     | Hazelwood, MO            |                     | 431                 | 2,479     | 521   | 431                  | 3,000        | 3,431  | 1,138   | 199                      |
| 3 Frost           | Hazelwood, MO            |                     | 319                 | 1,838     | 2,221   | 319                  | 4,059        | 4,378  | 1,074   | 199                      |
| 449 Midwest       | Olivette, MO             |                     | 237                 | 1,360     | 371   | 237                  | 1,731        | 1,968  | 665   | 199                      |
| Blvd              | Olivette, MO             |                     | 193                 | 1,119     | 347   | 194                  | 1,465        | 1,659  | 581   | 199                      |
| dwest             | Hazelwood, MO            |                     | 405                 | 2,295     | 1,635   | 419                  | 3,916        | 4,335  | 1,269   | 199                      |
| Boulevard         | St. Louis, MO            |                     | 246                 | 1,359     | 619   | 251                  | 1,973        | 2,224  | 450   | 200                      |
| anley(d)          | St. Louis, MO            |                     | 380                 | 2,103     | 2,001   | 388                  | 4,096        | 4,484  | 996   | 200                      |
| erson-Bldg A      | St. Louis, MO            |                     | 303                 | 1,680     | 1,458   | 310                  | 3,131        | 3,441  | 741   | 200                      |
| erson-Bldg B      | St. Louis, MO            |                     | 353                 | 1,952     | 990   | 360                  | 2,935        | 3,295  | 760   | 200                      |
| erson-Bldg C      | St. Louis, MO            |                     | 353                 | 1,952     | 990   | 360                  | 2,935        | 3,295  | 760   | 200                      |
| erson-Bldg D      | Berkeley, MO             | 4,912               | 985                 | 6,205     | 854   | 985                  | 7,059        | 8,044  | 1,725   | 200                      |

7 Hazelwood

|                 |                  |        |       |        |       |       |        |        |       |     |
|-----------------|------------------|--------|-------|--------|-------|-------|--------|--------|-------|-----|
| der Trail North | Earth City, MO   |        | 800   | 2,099  | 498   | 804   | 2,593  | 3,397  | 598   | 200 |
| 0 Innerbelt(d)  | Overland, MO     | 7,884  | 1,590 | 9,026  | 633   | 1,591 | 9,658  | 11,249 | 2,577 | 200 |
| y Avenue        | Berkeley, MO     |        | 687   | 1,947  | (235) | 694   | 1,705  | 2,399  | 873   | 200 |
| eway            |                  |        |       |        |       |       |        |        |       |     |
| e Center        | Edwardsville, IL | 23,773 | 1,874 | 31,958 | 191   | 1,928 | 32,095 | 34,023 | 3,967 | 200 |
| miss Court      | St. Louis, MO    |        | 230   | 681    | 72    | 241   | 742    | 983    | 145   | 200 |

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| Property Address | Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |           | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision<br>(Dollars in thousands) | Gross Amount Carried |                          |                            | Accumulated YearD | Acquire |
|------------------|--------------------------|---------------------|---------------------|-----------|---|----------------------|--------------------------|----------------------------|-------------------|---------|
|                  |                          |                     | Land                | Buildings |   | Land Improvements    | Building<br>and<br>Total | Depreciation<br>12/31/2010 |                   |         |
| ns Road          | Tampa, FL                |                     | 204                 | 1,159     | 241   | 257                  | 1,347                    | 1,604                      | 480               | 1997    |
| ns Road          | Tampa, FL                |                     | 192                 | 1,086     | 386   | 200                  | 1,464                    | 1,664                      | 553               | 1997    |
| ns Road          | Tampa, FL                |                     | 192                 | 1,086     | 312   | 200                  | 1,390                    | 1,590                      | 423               | 1997    |
| ns Road          | Tampa, FL                |                     | 243                 | 1,376     | 191   | 255                  | 1,555                    | 1,810                      | 522               | 1997    |
| Waters Avenue    | Tampa, FL                |                     | 71                  | 402       | 133   | 82                   | 524                      | 606                        | 165               | 1997    |
| Waters Avenue    | Tampa, FL                |                     | 307                 | 1,742     | 405   | 326                  | 2,128                    | 2,454                      | 718               | 1997    |
| Waters Avenue    | Tampa, FL                |                     | 307                 | 1,742     | 417   | 326                  | 2,140                    | 2,466                      | 717               | 1997    |
| Waters Avenue    | Tampa, FL                |                     | 215                 | 871       | 447   | 242                  | 1,291                    | 1,533                      | 463               | 1997    |
| Waters Avenue    | Tampa, FL                |                     | 98                  | 402       | 287   | 110                  | 677                      | 787                        | 192               | 1997    |
| Waters Avenue    | Tampa, FL                |                     | 213                 | 1,206     | 236   | 221                  | 1,434                    | 1,655                      | 480               | 1997    |
| Waters Avenue    | Tampa, FL                |                     | 59                  | 335       | 44  | 62                   | 376                      | 438                        | 120               | 1997    |
| Waters Avenue    | Tampa, FL                |                     | 497                 | 2,751     | 662   | 560                  | 3,350                    | 3,910                      | 1,054             | 1998    |
| Waters           | Tampa, FL                |                     | 261                 |           | 1,442   | 265                  | 1,438                    | 1,703                      | 506               | 1998    |
| Waters Avenue    | Tampa, FL                |                     | 558                 |           | 2,496   | 561                  | 2,493                    | 3,054                      | 696               | 1999    |
| 19 George Road   | Tampa, FL                | 2,491               | 633                 | 3,587     | 712   | 640                  | 4,292                    | 4,932                      | 1,005             | 2001    |
| ns Road          | Tampa, FL                | 883                 | 180                 | 987       | 73  | 186                  | 1,054                    | 1,240                      | 249               | 2004    |
| ns Road          | Tampa, FL                | 696                 | 140                 | 730       | 120   | 144                  | 846                      | 990                        | 221               | 2004    |
| ns Road          | Tampa, FL                | 1,112               | 220                 | 1,160     | 140   | 226                  | 1,294                    | 1,520                      | 313               | 2004    |
| ns Road          | Tampa, FL                | 1,055               | 200                 | 1,107     | 195   | 205                  | 1,297                    | 1,502                      | 356               | 2004    |
| ns Road          | Tampa, FL                | 1,297               | 300                 | 1,460     | 119   | 311                  | 1,568                    | 1,879                      | 488               | 2004    |
| ns Road          | Tampa, FL                | 1,272               | 270                 | 1,363     | 95  | 278                  | 1,450                    | 1,728                      | 265               | 2004    |
| ns Road          | Tampa, FL                | 902                 | 210                 | 833       | 127   | 216                  | 954                      | 1,170                      | 294               | 2004    |
| mpa West Blvd    | Tampa, FL                |                     | 2,622               | 8,643     | (337)   | 2,635                | 8,293                    | 10,928                     | 1,917             | 2005    |
| 45 Bryan Dairy   | Largo, FL                |                     | 1,895               | 5,408     | (1,126)   | 1,365                | 4,812                    | 6,177                      | 1,212             | 2006    |
| elcher Road      | Largo, FL                |                     | 1,657               | 2,768     | (1,701)   | 752                  | 1,972                    | 2,724                      | 683               | 2006    |
| 14 Creekside     | Clearwater, FL           |                     | 3,702               | 7,338     | (3,469)   | 2,121                | 5,450                    | 7,571                      | 1,538             | 2006    |
| tarkey Road      | Largo, FL                |                     | 898                 | 2,078     | (584)   | 570                  | 1,822                    | 2,392                      | 475               | 2006    |
| das Street       | Cambridge, ON            |                     | 3,128               | 4,958     | (700)   | 3,179                | 4,207                    | 7,386                      | 1,705             | 2005    |
| Street           | Stratford, ON            |                     | 786                 | 557       | (236)   | 829                  | 278                      | 1,107                      | 209               | 2005    |
| kham Rd          | Stratford, ON            |                     | 1,000               | 3,526     | 55  | 1,012                | 3,569                    | 4,581                      | 1,094             | 2007    |

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|                            |                     |       |        |         |     |       |        |       |      |
|----------------------------|---------------------|-------|--------|---------|-----|-------|--------|-------|------|
| Apple Street<br>West Harry | Abilene, TX         | 67    | 1,057  | 482     | 44  | 1,562 | 1,606  | 1,338 | 1994 |
|                            | Wichita, KS         | 193   | 2,224  | 1,777   | 532 | 3,662 | 4,194  | 2,509 | 1994 |
| Dundrick Court             | Grand Rapids,<br>MI | 1,721 | 11,433 | (2,675) | 694 | 9,785 | 10,479 | 7,173 | 1994 |

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**Table of Contents**

| Location<br>(City/State) | (a)<br>Encumbrances | (b)<br>Initial Cost |                     | (c)<br>Costs<br>Capitalized<br>Subsequent<br>to<br>Acquisition<br>or<br>Completion<br>and<br>Valuation<br>Provision | Gross Amount                   |                                 | To            |
|--------------------------|---------------------|---------------------|---------------------|---|--------------------------------|---------------------------------|---------------|
|                          |                     | Land                | Buildings           |   | Land<br>(Dollars in thousands) | Building<br>and<br>Improvements |               |
| Grand Rapids, MI         |                     | 234                 | 1,321               | (205)   | 173                            | 1,177                           |               |
| Des Moines, IA           |                     | 277                 | 1,609               | (114)   | 167                            | 1,605                           |               |
| Austin, TX               | 1,145               | 255                 |                     | 1,782   | 366                            | 1,671                           |               |
| Austin, TX               | 1,367               | 248                 |                     | 2,185   | 355                            | 2,078                           |               |
| Austin, TX               | 1,180               | 248                 |                     | 1,852   | 355                            | 1,745                           |               |
| Horn Lake, MS            |                     | 427                 |                     | 3,234   | 364                            | 3,297                           |               |
| Horn Lake, MS            |                     |                     |                     | 866   | 97                             | 769                             |               |
| Orlando, FL              | 4,027               | 909                 | 4,613               | 307   | 920                            | 4,909                           |               |
| San Antonio, TX          | 3,187               | 768                 | 3,448               | 158   | 779                            | 3,595                           |               |
| Birmingham, AL           |                     | 303                 | 742                 | (215)   | 225                            | 605                             |               |
| Sumner, IA               |                     | 99                  | 2,540               | (940)   | 54                             | 1,645                           |               |
| Shreveport, LA           |                     | 99                  | 1,263               | (166)   | 82                             | 1,114                           |               |
| Omaha, NE                |                     | 1,808               | 8,340               | (1,644)   | 1,569                          | 6,935                           |               |
| Jefferson County,<br>KY  |                     | 2,074               |                     | 9,681   | 2,120                          | 9,635                           |               |
| Winchester, VA           | 8,162               | 2,320               |                     | 10,855  | 2,401                          | 10,774                          |               |
| Kansas City, MO          |                     | 4,152               |                     | 13,605  | 4,228                          | 13,529                          |               |
| Greenville, KY           |                     | 294                 | 8,570               | 3   | 296                            | 8,571                           |               |
| able Land<br>able        |                     | 161,040             | 1,048               | (22,255)(m)   | 128,642                        | 11,192                          | 1             |
|                          | <b>\$ 486,399</b>   | <b>\$ 736,251</b>   | <b>\$ 1,856,424</b> | <b>\$ 537,913</b>   | <b>\$ 674,393(k)</b>           | <b>\$ 2,456,196(k)</b>          | <b>\$ 3,1</b> |



**Table of Contents****NOTES:**

- (a) See description of encumbrances in Note 6 to Notes to Consolidated Financial Statements.
- (b) Initial cost for each respective property is tangible purchase price allocated in accordance with FASB's guidance on business combinations.
- (c) Improvements are net of write-off of fully depreciated assets.
- (d) Comprised of two properties.
- (e) Comprised of three properties.
- (f) Comprised of four properties.
- (g) Comprised of five properties.
- (h) Comprised of eight properties.
- (i) Comprised of 28 properties.
- (j) These properties represent developable land and redevelopments that have not been placed in service.
- (k)

|  | <b>Amounts</b>        | <b>Amounts</b>         | <b>Gross Amount</b>    |
|--|-----------------------|------------------------|------------------------|
|  | <b>Included</b>       | <b>Within</b>          | <b>Carried At</b>      |
|  | <b>in Real Estate</b> | <b>Net Investment</b>  | <b>Close of Period</b> |
|  | <b>Held for Sale</b>  | <b>in Real Estate*</b> | <b>December 31,</b>    |
|  |                       |                        | <b>2010*</b>           |
| Land   | \$ 119,564            | \$ 554,829             | \$ 674,393             |
| Buildings & Improvements   | 394,930               | 2,061,266              | 2,456,196              |
| Accumulated Depreciation   | (153,676)             | (509,634)              | (663,310)              |
| Subtotal   | 360,818               | 2,106,461              | 2,467,279              |
| Construction in Progress   | 7,388                 | 2,672                  | 10,060                 |
| Net Investment in Real Estate  | 368,206               | 2,109,133              | 2,477,339              |
| Leasing Commissions, Net, Deferred Leasing<br>Intangibles, Net and Deferred Rent Receivable, Net | 24,085                |                        |                        |
| Total at December 31, 2010   | \$ 392,291            |                        |                        |

\* Amounts exclude \$39,718 of above market and other deferred leasing intangibles, net.

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

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

(m) Includes foreign currency translation adjustments.

At December 31, 2010, the aggregate cost of land and buildings and equipment for federal income tax purpose was approximately \$3.1 billion (excluding construction in progress.)

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The changes in total real estate assets, including real estate held for sale, for the three years ended December 31, 2010 are as follows:

|                                       | <b>2010</b>                   | <b>2009</b>  | <b>2008</b>  |
|---------------------------------------|-------------------------------|--------------|--------------|
|                                       | <b>(Dollars in thousands)</b> |              |              |
| Balance, Beginning of Year            | \$ 3,351,626                  | \$ 3,406,729 | \$ 3,365,500 |
| Acquisition of Real Estate Assets     | 17,595                        | 208          | 319,431      |
| Construction Costs and Improvements   | 49,881                        | 54,650       | 186,997      |
| Disposition of Real Estate Assets     | (50,929)                      | (73,015)     | (429,106)    |
| Impairment of Real Estate             | (194,552)                     | (6,934)      |              |
| Write-off of Fully Depreciated Assets | (32,972)                      | (30,012)     | (36,093)     |
| Balance, End of Year                  | \$ 3,140,649                  | \$ 3,351,626 | \$ 3,406,729 |

The changes in accumulated depreciation, including accumulated depreciation for real estate held for sale, for the three years ended December 31, 2010 are as follows:

|                                       | <b>2010</b> | <b>2009</b> | <b>2008</b> |
|---------------------------------------|-------------|-------------|-------------|
| Balance, Beginning of Year            | \$ 597,461  | \$ 524,865  | \$ 512,781  |
| Depreciation for Year                 | 104,175     | 112,241     | 114,795     |
| Disposition of Assets                 | (5,354)     | (9,633)     | (66,618)    |
| Write-off of Fully Depreciated Assets | (32,972)    | (30,012)    | (36,093)    |
| Balance, End of Year                  | \$ 663,310  | \$ 597,461  | \$ 524,865  |

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**SIGNATURES**

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

**FIRST INDUSTRIAL REALTY TRUST, INC.**

By: /s/ Bruce W. Duncan

Bruce W. Duncan  
President, Chief Executive Officer and Director  
(Principal Executive Officer)

Date: February 23, 2011

By: /s/ Scott A. Musil

Scott A. Musil  
Chief Financial and Accounting Officer  
(Principal Financial and Accounting Officer)

Date: February 23, 2011

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

| <b>Signature</b>                                       | <b>Title</b>                                       | <b>Date</b>       |
|--|--|-------------------|
| /s/ W. Edwin Tyler<br>W. Edwin Tyler                   | Chairman of the Board of Directors                 | February 23, 2011 |
| /s/ Bruce W. Duncan<br>Bruce W. Duncan                 | President, Chief Executive Officer and<br>Director | February 23, 2011 |
| /s/ Michael G. Damone<br>Michael G. Damone             | Director of Strategic Planning and Director        | February 23, 2011 |
| /s/ Matthew Dominski<br>Matthew Dominski               | Director   | February 23, 2011 |
| /s/ H. Patrick Hackett, Jr.<br>H. Patrick Hackett, Jr. | Director   | February 23, 2011 |

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|                      |          |                   |
|----------------------|----------|-------------------|
| /s/ Kevin W. Lynch   | Director | February 23, 2011 |
| Kevin W. Lynch       |          |                   |
| /s/ John E. Rau      | Director | February 23, 2011 |
| John E. Rau          |          |                   |
| /s/ L. Peter Sharpe  | Director | February 23, 2011 |
| L. Peter Sharpe      |          |                   |
| /s/ Robert J. Slater | Director | February 23, 2011 |
| Robert J. Slater     |          |                   |

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